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# ***JPRS Report***

# **Near East & South Asia**

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# Near East & South Asia

JPRS-NEA-92-016

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24 February 1992

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## REGIONAL AFFAIRS

### SLA, IDF Anti-Hizballah Operations

92AE0195A Tel Aviv YEDI'OT AHARONOT (Weekend Supplement) in Hebrew 17 Jan 92 pp 25-26

[Article by Ran Adelst: "Personal Antitank Missiles and Aspirin In South Lebanon"]

[Text] After the Madrid talks, Uri Lubrani said something vague like "It is likely that there may be some form of withdrawal from Lebanon." They heard this in south Lebanon, and the ground trembled under the feet of the collaborators with Israel. "The Voice of the South" was working overtime then. Shlomo 'Ambari, previously from Israel Radio and now the station manager, repeatedly explained that Lubrani did not mean Israeli withdrawal, but rather a gesture in exchange for a similar gesture that will never, of course, be made, and besides, do not forget our common fate. During the Washington talks and between Madrid and Washington, the security zone lived its real existence, between the SLA [South Lebanese Army] and the Hizballah. Apart from them, the Israelis, Syrians, central Lebanese Government, [and] a bit of the PLO are also playing here. And just to keep it from being boring, those responsible for the real action are the Iranians.

On Wednesday of last week, before the resumption of the Washington talks, Uri Lubrani and his group sat and waited for the Lebanese delegation to arrive. According to what had been scheduled, he was supposed to have sat with them the day before and to present the Israeli version for a settlement with the Lebanese Government. But in the Middle East like in the Middle East: time is not time and a word is not a word. In the interim, Lubrani, the last member of Mapai in Shamir's government, hears that the Lebanese delegation is indeed departing for Washington, but Rashid Karamah, the head of the Lebanese delegation, declared that they were "departing for negotiations with the enemy." Such a declaration immediately raises the temperature in the security zone, and Colonel G. looks out at the Swiss-patterned scenery passing from the window of his antenna-laden Blazer, and waits with the patience of a veteran soldier for the metallic rattle of one of the communication devices. The one that will inform him, in that ancient tone of urgency, of the unchallenged link between what is happening on the banks of the Potomac and what is happening on the banks of the Litani.

There are not many options available to Lubrani, because the chief player in his field, the Hizballah, is not cooperating. Lubrani is sitting down with the Lebanese, but the master is sitting in Damascus, and the negotiations with the master are being conducted by Yossi Ben-Aharon. It seems as if cosmetics and gestures are all that can be accomplished in this zone. Particularly in the current situation, the security zone is likely to serve as a guinea pig and a safety valve for the entire process. In any event, until the elections in Israel, the present

government is incapable of any move in Gaza, the West Bank, and the Golan Heights, not even as a gesture, so the Lebanese zone is what remains. It is possible that Antoine Lahad, the commander of the SLA, will have a retirement plan to Paris with an IDF [Israel Defense Force] pension. (This plan, incidentally, could easily solve the problems clogging the pipes of General Headquarters [of the IDF], if the chief of the personnel branch would offer it to a few of our excellent guys.) In conversations with associates, he said that the educational system in southern Lebanon has already exhausted itself with regard to his 13-year-old son, and those associates say that Minrav, his wife, has already registered the boy in a school in Paris for next year, found an apartment, and they are leaving this year. According to the rumors, of course.

'Akal Hashem, a colorful type of approximately 40, is designated as Lahad's replacement. For a long period, he served as the head of the SLA's defense personnel. This establishment is composed entirely of Sunnis (most of the zone is comprised of Shiites, Christians, and Druze). 'Akal and his personnel see action in places that even the SLA does not reach. For example, in the northeastern region in the slopes of the Hermon, the recesses of Har Dov, [and] the smugglers' route of the villages of Sheva and Sova (a few months ago, there was a [border] penetration there, the penetrators reached the gate of an IDF post, and a gunshot killed a soldier). This group performed a few actions there to soften the population, after which the local residents complained (by appeal to Unifil [UN Interim Force in Lebanon]) that the Zionists had sicked genuine beasts of prey upon them in the night. Nobody in the IDF knows and, mainly, they do not want to know. Lubrani is likely to suggest that instead of calling the SLA the South Lebanese Army, it will be the southern division of the Lebanese Army, and will be "assisted" by the IDF.

On Christmas, the convoy of High Commissioner Lubrani passed through the security zone, visited the widow of Major Hadad in Marjayoun, and Lubrani told those present, while giving Hadad's widow the box of candy that he had brought as a gift, that "we shall not move from south Lebanon until it is guaranteed that the government of Lebanon is capable of securing the welfare of our people." It is estimated that Israel's next gesture is the withdrawal of Lahad's special forces from Jezin. The SLA, which is the northern branch of the IDF, ostensibly is not entitled to be there, so "Lahad's special forces," as they are called, sit there, but everyone knows that this is the same foot under a different flag, and that it will kick anyone who comes close to our gate. Lahad, insofar as he cannot appear as a complete Israeli subject, "invited" a battalion of the central government in Beirut to sit with him in Jezin. This battalion polishes his Landrovers, receives starvation wages from Beirut (50 dollars a month), as opposed to 60 dollars by a soldier in the Lebanese army, apart from other bonuses, like work permits in Israel for relatives and other concessions, but the battalion receives orders from Israel. Confused? In this business everyone is confused and confusing.

In the show of muscles prior to the Madrid conference, the chief of staff of the Lebanese army, Elias Harawi, issued a few orders. Not an attack, God forbid. Something like a demonstration of presence beyond moving the Landrovers. Lahad told them, you are silencing your engine immediately, or you are getting out of here for Beirut and are not returning from there. Harawi knows that the voice belongs to Lahad, but the hands belong to Yitzhaq Mordekhay, and the head belongs to Lubrani. After consideration, he said I did not mean to, and peace and serenity returned to Jezin until the next round, the IDF action when a local journalist and his butcher friend were kidnapped from the side road (the IDF paved it after the Lebanese war, and the Hizballah is currently using it) leading from Jibshith to Nabatiyya, beyond the red line.

The day after the action, Ahmad Talab, the successor of Sheikh Obeid, was furious about the laziness of the Lebanese army. The Jews, he said in his mosque sermon, stood there for two hours with helicopters and stopped whoever passed through the side road of Jibshith Nabatiyya. Where was the Lebanese army? The next day, the Lebanese minister of defense announced the establishment of a special intervention force. It is their job to intervene whenever the IDF or SLA crosses the red line.

It is estimated that Lubrani is making Lahad's departure and the withdrawal from Jezin conditional upon the progression of the Lebanese army to the red line, which is the northern border of the security zone, in order (to attempt) to prevent the activity of the Hizballah. Everyone knows that any arrangement of this sort can blow up with each Hizballah detail under Iranian inspiration to kill a few Jews. Therefore, it will be necessary to base the agreement and the settlement on daily cooperation on the operational level not only with the Lebanese, but also with the Syrians. Sounds insane? We are in Lebanon.

Lubrani is among the veterans of the survivors of the Lebanese swamp, and it is estimated that he is among the only ones capable of surviving it without drowning. Although he, too, apparently, is incapable of walking on these waters without emerging muddy and rancid. Brigadier General A., one of Ehud's boys [reference to the chief of staff of the IDF, Ehud Baraq], a candidate for [the rank of] major general who was the head of northern command headquarters, once came out from a briefing of the SLA, and said: "We cannot live with these criteria"—and remained alive. He and the northern settlements, because this is the formula of the security zone: Lubrani holds the zone, the IDF maintains it, and the SLA bites.

In the interim, Colonel G. must see to it that a minimum of Jews and a maximum of terrorists are killed. Therefore, on the first day that the Israeli delegation arrived in Washington, he sits on the hill looking over the security zone, and waits for something to happen. When the Madrid talks commenced he was here waiting, too, and the events occurred without delay.

The perfect octopus combination for the explosion of the peace talks is two-headed provocation: the Hizballah will kill Jews in the security zone, and the settlers will kill Arabs in the West Bank. According to this formula, one day after U.S. Secretary of State Jim Baker's announcement about the holding of the talks in Madrid, a road explosive killed three soldiers from the Golani brigade. The night before the arrival of the delegations in Madrid, four soldiers were injured while eliminating a detail of the Islamic Jihad near the security fence, and on the same morning another explosive charge was set off, killing three more soldiers.

The night before the morning, when Colonel G. sat and watched, it was feared that terrorists would move toward the red line, and a combat helicopter was sent up and sprayed the area. The next day, the villagers found a terrorist, as dead as he was heavily armed.

Until the afternoon, it was quiet. From the place where we are waiting, it is possible to see almost the entire security zone, from the steep cliff in the north, to the sea in the west, and the sides of the Hermon in the east. The red line, which is the border of the SLA state with Lebanon, passes over the top of this cliff. This is a kind of belt, between 5 to 10 kilometers in width, surrounding the northern border, including the thrust of an erect finger from the tip of the Galilee toward Jezin.

What is now happening here is a war with the Hizballah over control of the area. In this matter, the IDF is the major victor and the SLA the minor one. But the potential for a future explosion is gaining momentum.

To date, the security zone has claimed 56 Israelis and hundreds of Lebanese citizens: men, women, the elderly, and children. It is difficult to check or plan exact numbers from the flight of the shell, and "hundreds" are a little or a lot from the perspective of the strategist, but it is always complete horror. Not a day goes by without hearing shells fall in south Lebanon—reaction or pursuit. The Unifil officers responsible for registering the falls have a regular comment, made with grave faces, when Israeli guests are with them: "There goes Kiryat Shmona's education budget," or "The roads in Nahariyya will not be fixed again."

The green line separates Israel and the security zone, to the length of which runs the system fence which surrounds the entire state of Israel. The red line separates the security zone from Lebanon. While it is imaginary, anyone who attempts to pass it outside of the supervisory framework of the SLA and the IDF will very quickly discover that this line is at least as rigid as the Berlin Wall. Like the terrorists who tried to cross it the night when Uri Lubrani waited for the Lebanese and Colonel G. waited for the Hizballah or any other sickheads. The principle is that with the aid of alertness, it will be possible to locate every fly in the security zone that changes its location or views. Like in the territories, the objective is that wherever the local resident moves his eyes, he will see an IDF soldier when he least expects to.

When it is necessary to establish order, the SLA appears and does so according to the standards of Sabra and Shatila. Therefore, there is quiet in the security zone. Whatever cannot be done in the territories, can be performed here with the efficacy of a dagger in the night. The IDF is making a real attempt to restrain the SLA, or to act as if cases like this do not exist, but this combination has already led us to Sabra and Shatila. As it currently exists in the field, there is no reason for it not to happen again.

The name of the game here is life insurance, and every soldier or officer in the SLA, if he is not sitting on an IDF pension in Paris like Lahad, or is totally dedicated like his successor, 'Akal Hashem, will go with whoever offers him the best insurance. Today it is the IDF, tomorrow the Syrians, the next day the Iranians? They are also fighting for control in the security zone, by all means. Money, too.

In the village beneath us, a school built with the money of Israeli taxpayers was inaugurated, in the presence of OC Northern Command and the headquarters of the SLA and YKL [expansion not given] (the aid budget was increased this year from six million to nine million NIS [New Israeli shekels]). After the inauguration of the "Israeli" school in Ya'atar, the prime minister of Lebanon declared that he, too, was increasing the aid budget for south Lebanon, and the Hizballah is also engaging in the mobilization of public opinion here, through money and threats.

On the day when Colonel G. is waiting for pre-Washington activity, the SLA is conducting its own activity in the village of Rashaf, beyond the red line, outside of the security zone. This village was visited by a Hizballah detail that committed an attack, and the SLA closed in on the village approximately one week ago. First, they fired several shells at the road coming down from the village to the neighboring village, which serves as a kind of village center. Afterwards, they announced on the loudspeakers that anyone leaving the village would be honored with an iron bullet. This, of course, was not announced by the IDF spokesman, but by Reuters. From the perspective of the IDF spokesman, "the residents are being channeled into the passes." They only remember the model of Yachmur, approximately one month ago. In Yachmur, the Hizballah built a clinic as part of the struggle for the soul of the population. On the first floor, they handed out acetaminophen and aspirin, and on the ground floor they distributed personal antitank weapons and grenades. The IDF viewed the matter of the grenades and personal antitank weapons severely, and the SLA imposed a total curfew on the village. Three days later, the villagers converged upon the clinic, demanding that the Hizballah leave. The Hizballah said "but we built you a clinic," but after three days of curfews and explosions, the villagers were in no mood to argue. Suddenly, a few weapons appeared among the crowd that surrounded the clinic. Three members of the Hizballah were shot to death, and the rest fled to the mountains. Since then, there has been quiet, and a month is a long time in south Lebanon. Now, they are practicing

this on the village of Rashaf, but as soon as the Hizballah settled there and the attack was committed, all of the men fled. What remains is the deterrent effect. On Sundays, they are "deterred" by SLA soldiers, and during the week they "prevent" the Hizballah from acting, but on the following Sunday they are "deterred" by the Hizballah. During the week of the Madrid conference, short-range Katyusha rockets were fired at villagers "collaborating" with Israel and, in response, the SLA cannons fired at villagers "collaborating" with the Hizballah.

The Lebanese insanity is manifested in the fact that there are approximately 40 percent Shiites in the SLA (40 percent Christians and approximately 20 percent Druze and Sunnis). Just two months ago, the senior Druze cleric in the region was shot by an SLA detail. His son is the highest ranking Druze officer serving in the SLA. A helicopter was immediately sent up, quickly collecting the Druze leaders in Israel and flying them to Marjayoun. From there, they went by car to Hetz Bayya, the central Druze town, in order to pacify the anger that ensued. For a week after the shooting, they stoned the IDF forces in the region, now life goes on as usual (in Lebanon). Only the Hizballah are exceptional with regard to their determination to obliterate Israel off the face of the earth, but experts on Lebanon say that with correct treatment, this wave will also be broken.

In the interim, Colonel G. has only good things to say about the operational ability of the Hizballah. Unlike the sloppy performance of the PLO, they know what they are doing. They have superb intelligence. Good preparation. They do not go in with their eyes closed where the IDF or the SLA are; rather, they study the area and plan their actions. They act in departmentalized cells, know the meaning of field security and communications security, and their explosive charges are nasty and murderous. The fighters are local residents. It is impossible to attack Hizballah bases, because they do not have any. Each detail sits alone in its area, and departure for action is when farmer so and so comes to see an anonymous farmer, and they go to another friend and go out to collect intelligence or lay an explosive charge, according to their schedule.

The Hizballah numbers, according to intelligence sources, hundreds and perhaps thousands, but it is definitely possible that the mess in south Lebanon is being made by less than ten details. What is being done against them? Whatever is possible. The SLA's hold over the region enables the detection of signs of an action. And, of course, [there are] all of the IDF means of warning and deterrence, with the hero of the battle for the security zone now being the combat helicopter. This is the big brother who sees and shoots from a distance and with precision, turning the entire security zone into a rousing playground of a human hunt on the Nintendo level.

But the real game is being conducted on the political field. The IDF, in the security zone, gives the politicians a rope that is long enough to maneuver a settlement. The northern settlements are not pushing (yet) due to defense-related hysteria, because the green line—knock on wood—is absolutely quiet. The security zone settlements have not (yet) been pressured into beginning an intifadah, because they are living a delicate balance between the carrot and the stick. The SLA is under control, and the Lebanese army is devoid of operational ability. If these edges are not immediately taken advantage of, the situation in the north will worsen again.

On the day that the Madrid talks began, the security zone was especially active. Soldiers, whose military routine includes pursuits after details penetrating Israel in order to kill Jews, do not recall a case like that of the Islamic Jihad detail that attempted to penetrate Israel near Biranit in order to kill as many people as possible and to mark the [peace] process with blood. In order to comprehend how great their military achievement is on the individual level, one must follow their moves in the field, with the help of Colonel G., who directed and mopped up the encounter, and knows to give them operational respect. The detail, which numbered three members of the Islamic Jihad and a local guide from the Hizballah, crossed the red line at nightfall and moved ("in exemplary fashion") to a rocky hill, from which the lights of Netoa and Biranit were visible. Approximately 70 meters below, stood an IDF patrol. The time is 3:00 a.m., and the detail is not firing at it, even though it is as centered on its sights as a duck on a frying pan. When the patrol moved away, one of the members of the detail went over to the security fence, 50 meters from them, checked out the area, returned to his friends, and said: I am going over to cut the fence. When he returned, he walked over a land mine and his leg went flying. He crawled back to his pile of equipment, 2 meters to the rear, opened the box of the personal antitank missile, and fired a missile in the general direction of the Zionist enemy. After firing, he organized himself for a last struggle of "let me die with the Zionists!" and piled up his weapon and ammunition in order to ambush whoever came.

The patrol, which stopped later on the road to the east and started to look into the meaning of the explosions, was seen by the two who remained above. First, they fired a personal antitank missile at the patrol. The missile exploded in front of the wheels, and the members of the patrol reacted according to the drill and sprayed the immediate area with fire, under the assumption that they were dealing with an ambush of grenades or personal antitank weapons. At this point, they decide to fire at the Jews (the patrol vehicle, the brigade commander's vehicle, and the deputy battalion commander's vehicle) with another personal antitank weapon that turns out to be abortive, and the deputy battalion commander races his vehicle, despite the yell of the brigade commander, who recommends ascending toward the hill by foot. When the deputy battalion commander reaches the top, the amputee is waiting for him, shooting him with

automatic fire and grenades, injuring a soldier and sending everyone to the sides of the road. The entire area is lit up with flares and searchlights, and there are combat helicopters and tanks on the way. OC Northern Command, Yitzhaq Mordekhay, who does not interfere, examines how things are going from the opposite hill.

The amputee, who revealed himself, receives a fatal burst of fire that finishes him off immediately. The couple above him separates; one remains in place, and the other runs along the fence and positions himself 100 meters east of it. In the interim, the brigade commander and his group come up by foot to the rocky [hill] from which the missiles were fired. On the way, he receives a dose of fire and grenades from what is left, and two of his people are injured and evacuated. The entire group rolls to the sides of the path and grabs for shelter. Nobody knows how many terrorists are there and what their condition is. Down below, another group is becoming situated. The entire area is lit up like Fifth Avenue at Christmas time. Tanks make their way up and combat helicopters circle around. Another soldier is injured by sniping. In the light, there are no bursts of fire that might reveal their location; instead, there are single shots and sniping. Afterwards, it turns out that they have a long M-16 that they use to flatten anything that moves in a 300-meter radius. Another soldier is injured by sniping. Later, the brigade commander will be surprised by the courage and efficacy of bullet-to-bullet combat from a distance of 100 meters from one another, but now even the antenna of his communication device is covered from sniping.

The ascending tank commander is eager to discover them, and he sees out of the periscope that they were hit by a bullet, too. Then he sticks his head out of the turret, in order to locate those bastards once and for all. The brigade commander tells him on the communication device to stop the nonsense, but he insists and is hit by a bullet in the chin. This sniping was detected by the second tank commander, and he turned the barrel of the cannon and fired a direct shell at the terrorist, who was 100 meters east of the rocky [hill], shattering him into 1,000 pieces. In the midst of all this, the sun is rising. Now, only the one above is left. The brigade commander collects the force, circles the guarded slope of the hill, and ascends to the higher peak, in order to perform a search by fire. The group fires into every bush, fold of land, and ravine that they come across. Thus, from a range of one meter, the brigade commander, after being hit by three bullets, saw a pair of hands lifted up out of a bush between two rocks, and that was the last terrorist.

#### **Tactics To Bolster Stability Discussed**

*92AF0373A London AFRICA CONFIDENTIAL  
in English 10 Jan 92 pp 2-4*

[Article: "Maghreb: Storm Clouds Over North Africa"; quotation marks as published]

[Text] North Africa goes into 1992 facing crises on several fronts. The combined effect of these could undermine efforts to build regional unity through the Union du Maghreb Arabe (UMA)—the Arab Maghreb Union, which groups Algeria, Libya, Mauritania, Morocco and Tunisia—and to damage the region's opening to international investment. This investment is now seen as essential if Maghreb economies are to respond to the demands of their fast-growing and discontented populations.

The sweeping victory of the Front Islamique du Salut (Islamic Salvation Front, FIS) in the first round of Algeria's general elections (AC Vol 32 No 25) proved that not only were the Islamists the only genuine national opposition to the ruling establishment and its Front de Liberation Nationale (National Liberation Front, FLN) but also that voters want real change—which in much of North Africa is offered only by fundamentalist parties.

The sweeping FIS win on 26 December showed that even the most objective analysts had badly underestimated the FLN's deficiencies and the popular demand for change. Embassies in Algiers, creditors and potential investors had all followed local—mainly FLN-inspired—analysts, who argued that the FIS was a spent force, while the FLN had rejuvenated itself.

The question now is whether the authorities will allow the FIS to use its parliamentary majority to form a government or whether they will engineer a coup d'etat. Among other pressing issues are the impact on the trials, by military court, of FIS leaders Abbasi Madani and Ali Belhadj; and whether President Chadli Bendjedid will be forced to bring forward the presidential polls, in which interim FIS leader Sheikh Abdelkader Hachani and potentially Madani himself, could feature large.

#### 'Material Adverse Change'

Algeria faces the prospect of losing vital cash if the Front Islamique du Salut (FIS) takes power. Creditors had been responding well to the country's request to refinance U.S. \$1,500 million worth of debt repayments to commercial banks. Agreement seemed possible as early as this spring, according to bankers closely involved.

To meet its commitments in the period 1 October 1991 to 31 March 1993, Algeria is seeking two new loans. One, to cover medium-term repayments, for eight years, with a three-year grace period; the other, for installments on short-term debt, for five years with three years' grace. The foreign debt at the end of 1990 totalled \$26,700 mn., but has now fallen to \$23,800 mn., with \$22,600 mn. medium- and long-term.

By the end of 1991, about 90 percent of Algeria's commercial bank creditors had agreed on the refinancing in principle. But all were insisting on the insertion of a so-called 'material adverse change' clause in any final accord. 'What this means,' said one well-placed Western banker, 'is that if the fundamentalists win any general election, or if any major civil strife erupts, then the banks will be able to ease out of the deal.'

Western banker's guarded optimism was boosted by the recent announcement of a current account surplus of \$1,420 mn. for 1990. It has now been badly dented by the FIS success in the first round of the elections.

Algeria's dilemma—whether to accept Islamist government via the ballot box or opt for a return to authoritarianism with a formal military takeover—is also exercising a deeply worried population and the country's Western backers. The latter, led by France and Italy, have pushed for ever larger financial flows to underpin Chadli's economic reform programme and, according to European logic, bolster political stability. This is shorthand for paying to keep out the Islamists. The situation also fuels regional tensions. UMA states have made it a centrepiece of their domestic policies to prevent Islamists gaining the sort of opportunities that the FIS has now exploited so skillfully.

Tensions over Algiers' attitude to the Islamist opposition had already brought relations with Tunis to a new low. President Zine el Abidine Ben Ali's complaints—most often voiced by his powerful Interior Minister Abdallah Kallel—that Algiers has harboured dangerous opponents, including Ennahda ('Rebirth') boss Rachid Ghanouchi, have highlighted the abiding concern of Tunis to crush the Islamist opposition, even if bilateral ties are damaged in the process. Algiers' reported expulsion of Ghanouchi to Sudan in late November brought only a muted response: Tunis preferred to concentrate on trouble in Algeria's El Qued region. The FIS win will further put back efforts by Sheikh Abdelkader Mourou and other former Ennahda moderates to legalise an Islamist-leaning party. Tunis will also increase its pressure to isolate centres of Islamist power.

Of these, Sudan is currently the most important. Iranian President Ali Akbar Hashemi-Rafsanjani's December visit to Khartoum caused deep concern in Tunis. Tehran's new moderation on many Arab and international issues has not reduced fears, backed by Tunisian and Egyptian intelligence reports, of Iranian involvement in international fundamentalism. As many as 2,000 Iranian Revolutionary Guards are believed to be among instructors training Maghrebi Islamists in Sudan.

Libya is also worried about Sudan's fundamentalist direction. November comments by the head of Sudan's National Islamic Front, Hassan Abdullah el Turabi, that Libya had moved too close to Egypt provoked Colonel Mu'ammarr al-Qadhafi to suspend oil supplies to Khartoum, with which he has a treaty of union. Qadhafi is well aware that the most effective opposition to his rule could come from Islamists. Iran promptly filled Sudan's oil gap.

However, opposition from within the armed forces and from abroad present the most immediate challenge to Qadhafi. The appointment of a new intelligence head, Col. Youssef Abdel Gader al Dabiri, seems to reflect

turmoil in the security apparatus. Qadhdhafi has had to move fast—and with unusual circumspection—to avoid new economic sanctions and perhaps a repeat of the United States' 1986 raids, which narrowly missed their key target, Qadhdhafi himself. There have also been reports from Tripoli that key changes were required after an attempted military coup late in November. Al-Dabri is a former Free Officer and a southerner loyal to Qadhdhafi. His appointment follows a clear-out of northerners, including civilian security officials. Among these are the men accused of participating in the bombing of the Pan Am aircraft over Lockerbie in 1988: Abdel Basset al Mohammed al Megrahi and Al Amin Khalifah Fhimah, are both now under house arrest.

Qadhdhafi is under pressure from abroad. In 1991, he had been building ties with most European Community (EC) states, notably Italy (whose Premier, Giulio Andreotti, in June became the first EC head of government to visit Tripoli since the 1970s) as well as France, Belgium and Spain. Now concerted action by the USA, Britain and France threatens more sanctions. Libya has been moving liquid assets out of Europe in recent weeks to soften the blow. Reports from Washington say some 400 Libyan 'Contras' are training in the USA (AC Vol 32 No 22).

North African sources close to the circles of power speculate that only Qadhdhafi's removal will now placate the West. They note that his number two, Abdel Salam Jalloud, has quietly taken over the running of the economy, jettisoning much socialist ideology into the bargain. It was Major Jalloud, not Qadhdhafi, who represented Libya at the UMA's October summit in Casablanca. Those present say the other four UMA heads of state were happy to treat him as an equal.

Morocco faces problems of a different sort. The main Islamist opposition, Al Adl wal Ihsan (Justice and Charity), apparently remains under tight control. Despite efforts by the two leading traditional opposition parties, Istiqlal ('Independence') and the Union Socialiste des Forces Populaires (Socialist Union of Popular Forces), to form an alliance, parties loyal to King Hassan II continue to dominate.

But efforts to resolve the Western Sahara question threaten major new problems. After a protracted dispute over voter lists, plans to hold a referendum in late January are far behind. The United Nations (UN) has been plunged into controversy by accusations of support for Rabat through the passing of secret information by UN officials and the proposal to give a vote to Moroccan citizens 'born of a Saharan father', which would give Hassan a significant advantage. Everybody involved knows that defeat in the plebiscite is the one issue that could topple the Alaouite dynasty.

Neither the army nor popular opinion would accept Morocco's withdrawal. Yet a gerrymandered referendum would be unacceptable to international opinion, despite

the fact that all permanent UN Security Council members favour a Moroccan victory. Nor would it be acceptable to the Polisario Front's main supporter, Algiers.

If Polisario [Popular Front for the Liberation of Saquia el Hamra and Rio de Oro] is defeated, hardliners may prefer not to return to an enlarged Morocco. If so, an obvious base for their activities would be Mauritania, the UMA's weakest link. This would add to tensions in the Sahel, where the Tuareg uprising in Mali and Niger has further complicated relations within the UMA. Algiers has made little secret of its displeasure at Libya's support for rebel groups.

At its October meeting, the UMA decided to create permanent institutions, including a secretariat to be based in Morocco. UMA committees have been working quietly but effectively to integrate regional economies. Projects as large as the planned second trans-Mediterranean gas pipeline, from Algeria through Morocco to Western Europe, and as small as cement-bag sales contracts owe their existence to efforts to build regional unity. On the political front, the UMA has also become significant as a mouthpiece for Maghrebi concerns and in helping to bring Libya under control, as European officials acknowledge.

But the wave of political crises threatens to set back these efforts. Tunisia and Morocco will be loathe to sit down with a radical Islamist Algerian government. Libya risks further destabilisation, as does Mauritania. Hassan faces his greatest challenge in two decades and Chadli will have to fight to hold onto power in 1992. For all the EC's attempts to buy stability in North Africa, the shockwaves of political conflict in the southern Mediterranean in 1992 will be more powerful than seemed possible only a few months ago.

### **Moroccan Exports Not Affected by Algerian Events**

*92AF0318A London AL-HAYAH in Arabic  
19 Jan 92 p 9*

[Article by Muhammad al-Sharqi]

[Text] Several economic parties in Morocco affirmed that the recent events in Algeria had had no effect on trade between the two countries.

A high level source told AL-HAYAH that Moroccan exports to Algeria represent only 2 percent (according to the best estimates) of total foreign trade, about 500 million dirhams.

The Moroccan export insurance company (SMAX) has not received any claim from any Moroccan establishment regarding the fate of income from exports to Algeria.

According to the company, it had been decided to launch an advertising campaign right after the elections to inform people of Moroccan products in the Algerian market.

SMAX sources said that the bitter experience that some Moroccan companies have had with Iraq, and the losses they sustained following the outbreak of the Gulf crisis, made those companies exercise great caution when turning to Arab markets, including the Algerian market, but it is apparent that since last October, Moroccan banks began to be reserved in financing some Moroccan exports to Algeria.

Banking sources said that caution in dealing with Algeria appeared clearly at the end of last December when the Islamic Salvation Front won the first round of parliamentary elections in Algeria. According to these sources, a large Moroccan bank refused to finance Moroccan exports with guaranteed repayment, which invoked interference by the Bank of Libya, which is the one that had agreed to guarantee the deal, as long as it did not exceed 1 million dollars.

According to the exporters, trade with Algeria during the past few weeks has been weak because no new agreements were concluded with Algerian importers due to internal problems. The exporters said: "We were filling previous orders and waiting for the political air to clear before signing new contracts."

It is known that the central banks in both Morocco and Algeria signed an agreement last year to guarantee financing of trade between the two countries, on the condition that repayment be in American dollars.

The high committee on the problem, which held its meeting at the beginning of last year in Rabat, had called for each side to increase trade to \$100 million beginning in 1992, and to free exports in the framework of Arab North Africa for products and goods in which the added value exceeds 40 percent.

Morocco exports to Algeria foodstuffs such as vegetables and fruit, in addition to light consumer goods, clothes, shoes, and beauty supplies. As for Algerian exports to Morocco, they consist basically of fuels, dates, and wine.

Actually, the largest volume of trade between the two countries takes place via cross-border smuggling. Algerian agencies estimate the value of these sales at more than 10 billion Algerian dinars.

Higher circles in Algeria used to consider the trade activity along the borders with Morocco and Tunisia as one of the reasons for the deterioration of the economic situation in Algeria.

Those coming from the border region reported that smuggling had dropped greatly since border authorities heightened surveillance at the borders following the Islamic Salvation Front's victory in the first round of elections. According to them, smuggling declined even more after President Benjedid resigned last Saturday.

The border region between Morocco and Algeria (especially the city of Oujda) provides Algerians with all kinds of goods and products that they need. Since the border between the two countries was reopened in 1988, it has been the practice for thousands of Algerians to come every week to these regions to buy what they need, from foodstuffs to video tapes, television sets, machines, clothes, grooming implements, and other goods. In exchange, Algerians smuggle into Morocco goods subsidized by the government, such as tea, coffee, tobacco, and even oil.

#### Morocco-UAE Trade Agreement Concluded

92AE0170A *Dubayy AL-BAYAN in Arabic*  
23 Dec 91 p 2

[Text] Yesterday the United Arab Emirates [UAE] signed a cooperation agreement with the Kingdom of Morocco at the headquarters of the Union of Chambers of Commerce in Dubayy.

Signing the agreement for the UAE was Hamad Muhammad Bu-Shihab, president of the Union of Chambers of Commerce, and for the Kingdom of Morocco by Hassan [Lidris], president of the Moroccan Union of Chambers of Commerce and head of the Moroccan delegation that is currently visiting the country.

The agreement stipulates that they will work to encourage, strengthen, and expand economic, trade, scientific, technical, industrial, and tourist cooperation, as well as relations among businessmen and among commercial companies and establishments in both the Kingdom of Morocco and the UAE.

It also stipulates that there will be an exchange of information and reports on the economy and foreign trade, including commercial legislation, laws, and practices, and the amendments and changes that might be made to them. It also stipulates that the two sides will regularly exchange publications pertaining to businessmen, and publications and booklets pertaining to the activity of companies. Each side will offer all assistance possible to the other in organizing or participating in trade markets and fairs, and in other events held in the two countries or under the auspices of the countries' organizations.

The agreement also stipulates that each side will help the other in organizing symposia, discussion series, and lectures held by experts in industrial and commercial fields in the two countries, and that they will encourage and support trade missions and delegations, as well as visits by businessmen alone or in groups, by offering all assistance and facilities available to them.

The letters of recognition issued by each side to the other on this are based on the fact that the two sides will work to identify and define obstacles that stand in the way of the development of economic and commercial exchange, industrial investment, and other things. Moreover, the

two sides will work within their jurisdictions to remove those obstacles. Under the agreement, the two sides will work to amicably solve conflicts which might arise between merchants and businessmen in their countries, whether it be by way of negotiation, arbitration, or court ruling, according to what each conflict calls for, taking into consideration pertinent international agreements and organizations. The two sides will also make every effort through the concerned agencies in their countries to implement court rulings that are made in the two countries according to the provisions in this clause.

The agreement stipulates that steps be taken to ensure the implementation of its articles in an effort to strengthen joint interests. Either of the two sides may propose that amendments be introduced to this agreement with the purpose of improving cooperation between them.

The agreement calls for the formation of a follow-up committee composed of five members from each side, and the Emirates side would be headed by the president of the Union of Chambers of Commerce and Industry in the state. Among its tasks would be following up on the implementation of the articles of the agreement.

The two sides will hold regular meetings twice a year, or at any time that the two sides agree upon, either in the Kingdom of Morocco or in the United Arab Emirates, in order to make the practical arrangements called for in the agreement and to exchange information on the extent to which they have been implemented.

Reports on UAE foreign trade show that the total value of commodity imports by the UAE from Morocco was relatively low from 1987 to 1990. In 1988, it fell by 18 percent compared to 1987, while it rose in 1989 by 21.7 percent over 1988, and the drop returned in 1990, by 7 percent compared to 1989.

Most of the imports concentrated on foodstuffs and livestock, while manufactured goods, such as *taqiyahs* [skullcaps] and tires and their requirements, household goods, and wooden goods came in second place from 1988 to 1990.

## PALESTINIAN AFFAIRS

### Report on Palestinians in Lebanon

92AE0177A Beirut AL-SAFIR (1991 Annual Issue)  
in Arabic 31 Dec 91 p 5

[Article by Mahmud Sharidah: "Palestinians in Lebanon: Another Exodus, 65 Percent Unemployment"]

[Text] Now that normal life has returned to Lebanon with the implementation of the al-Ta'if Agreement and the reestablishment of government authority over most of Lebanese territory, and after ten years of major events and radical changes—from the Israeli invasion in 1982 to the camp wars and internecine fighting in Palestinian camps—the matter of Palestinian-Lebanese relations has reopened

the file of social and living conditions of Palestinians there, and has shed light on the reality of these Palestinians who, to a large extent, have blended into the Lebanese reality, influencing it and being influenced by it.

It can be said that, although 43 years have elapsed since the Palestinians came to Lebanon, the Lebanese authorities have not done enough to regulate their presence there in terms of living conditions, employment, and other affairs, being satisfied with handling this issue as a security matter.

While 1991 was a year of sweeping changes in the region, creating new facts and imposing new realities, it can be said this year has been a year of pain for Palestinians living in Lebanon. They have been overrun by the Gulf war's outcome and pressing issues and its destructive aftermath. The Gulf war continued to overshadow them until the pressing 30 June issue came along to put before them new realities and facts.

There are no accurate statistics on Palestinians living in Lebanon, but estimates indicate their number is close to or a little over 400,000. The latest figures published by the United Nations Relief and Works Agency (UNRWA) show that the number of Palestinian refugees registered with UNRWA as of last June, was 313,190. 147,723 of them live in the following 12 camps: al-Burj al-Shamali, al-Buss, al-Rashidiyah, 'Ayn al-Hulwah, al-Miyah wa Miyah, Burj al-Barajinah, Dubayyah, Mar Ilyas, Shatila, al-Baddawi, Nahr al-Barid, and Wayval (Ba'labakk).

For administrative purposes, the Lebanese Government separates these Palestinians into three categories, based on their legal status:

The first category is the group that was included in the International Red Cross Committee and UNRWA census taken in the 1950s and registered with the General Directorate for Public Security and the Refugee Affairs Directorate. This group's legal status in Lebanon is not in question and, therefore, its members are given documents that can be used to go in and out of the country.

The second category is the group that was not included in the first census. Even though this group lives in Lebanon and its affairs were settled in 1969, and notwithstanding the fact that its members are granted passes [*laissez-passer*] that allow them to go in and out of Lebanon, its members are not registered with UNRWA and, therefore, do not have the benefit of its services.

The third category included a small number of Palestinians who went to live in Lebanon after the 1967 War or who have been expelled from the occupied territories. They do not have identification papers, are not registered with UNRWA, and, therefore, are considered illegal aliens by the Lebanese authorities.

It is noteworthy that developments in Lebanon have given rise to new population centers, but neither the

Lebanese Government nor UNRWA have recognized them as legitimate camps. These centers include al-Ma'shuq (Tyre), Abu-al-Aswad, al-[Burghaliyah], 'Adlun, al-Ghaziyah, al-Na'imah, Ta'lbaya, Sa'd Nayil, and Sabra.

### Regulating Palestinian Presence

Since 1948, the Lebanese Government has been dealing with Palestinian presence in Lebanon as an emergency issue and a security issue.

Concerning the former, from 1948—the year 150,000 Palestinians migrated to Lebanon—to 1959, Lebanese authorities handled this matter as a temporary relief effort, thus subjecting the Palestinian presence in Lebanon to alien laws at times, and to temporary laws enacted by the Public Security Directorate, the Ministry of the Interior, and the army at other times. They concentrated on their residency and movement inside and outside the camps, and monitored their political activities, thereby neglecting their difficult life and difficult living conditions.

In 1959, the Lebanese authorities issued Decree No. 42 of 31 March 1959, which provided for the establishment of the General Directorate for Palestinian Refugees' Affairs under the Interior Ministry to replace the Central Committee for Palestinian Affairs, which was formed right after the exodus.

This directorate's jurisdiction was defined by Decree No. 227 of 30 September 1959, and included matters like coordination with UNRWA, issuing special identification cards and passports to the Palestinians, [keeping] vital statistical records, [establishing] the location of camps, and [handling] permits to move between camps. In short, the jurisdiction of this directorate continued to be limited to statistical, administrative, and security matters, to the exclusion of social and living conditions.

Lebanon is the only Arab country that hosts thousands of Palestinian refugees. Syria, Jordan, and Egypt (prior to 1967) have passed legislation governing the residency and employment of Palestinians, equating them with their citizens, except for the right to citizenship; allowing them to work in the public and private sectors; granting them the right of ownership and movement; and even subjecting them to military service.

### Palestinians' Right To Work

Palestinians living in Lebanon are required to obtain a work permit to be able to have regular and legal employment and to benefit from labor laws under the Lebanese Labor Law and other supplementary laws and legislation that treat the Palestinians as aliens.

At the end of 1951, Lebanese authorities began placing restrictions on Palestinian workers who were pursuing professional careers, when the Ministry of Labor and Social Affairs asked them to stop working until they obtained a work permit. This decision was repealed

when the president of the republic interceded on their behalf. This situation persisted until 1962, when new legislation was passed to regulate the employment and residency of aliens in Lebanon. Palestinian workers, as aliens, were required to obtain work permits and became subject to the principle of reciprocity. But, since this principle cannot be applied to the Palestinians because they do not belong to any established state, and since work permits were and still are hard to get—not to mention all the hurdles, conditions, nepotism, and gratuities that can only be met by those whose financial situations allow them to work without a permit or, indeed, not to work at all—Palestinian workers were unable to pursue their professions legally, and were forced to seek employment in the Gulf states, to emigrate to European countries, or to work in professions where work permits are not required.

The Labor Law exempted migrant farm workers from the work permit requirement because they are not considered wage earners in the sense intended by the labor law. Construction workers were also exempted because they come under the migrant workers concept. Therefore, these two sectors have attracted large numbers of Palestinian workers. Unofficial statistics show that 50 percent of Palestinian workers in Lebanon work in the agricultural and construction sectors.

As for the liberal professions, such as law, medicine, pharmacology, engineering, journalism, etc., the Lebanese law limits their practice to union members, and since most of these unions limit their membership to Lebanese citizens or to nationals of countries that comply with the reciprocity principle, Palestinians are not allowed to practice these professions.

During the regime of president Amin al-Jumayyil, a decree was enacted barring Palestinians from working in over 60 fields. Although the Lebanese cabinet issued a decree in the second half of 1991 repealing this decree, and notwithstanding the promises made in numerous statements by Lebanese officials, the Lebanese Government has not yet repealed the provision requiring Palestinians living in Lebanon to obtain a work permit, nor has it eliminated the red tape associated with such permits.

It is noteworthy here that, during the British mandate prior to 1948, Palestinian law equated Lebanese workers with Palestinian workers. Furthermore, the Geneva Convention on the refugees approved by the Lebanese Government accords the refugees the same benefits enjoyed by natives, such as social security, wages, family allowances, length of service, and overtime.

### UNRWA

Upon its creation by a UN General Assembly resolution passed in 1949, UNRWA began providing services to Palestinian refugees in 1950. The agency was supposed to offer short-term services, but given the failure to settle the Palestinian question, its term has been extended several times. Its present term runs out 30 June 1999.

Services offered by UNRWA included education, health care, relief services, and sanitary services inside the camps. In the early eighties, however, the agency began cutting its services to Palestinian refugees across the board, attributing these cutbacks to lack of funds.

While UNRWA used to distribute monthly food rations to most of the Palestinian refugees registered with it, these rations have been halted, and only 9,217 very needy families, including 37,547 individuals, have been receiving such assistance.

However, during the last few years, following the Israeli invasion and during the camp war and the Gulf crisis, the agency distributed emergency relief aid to Palestinian refugees, but only on a limited basis.

Education has also been affected by the cuts, as reflected by overcrowded classrooms and school supply shortages, except in very needy cases. Moreover, UNRWA scholarships to junior high and high school students have not been increased to keep up with inflation and higher tuition.

There have also been substantial cuts in health care services, resulting in a longer waiting period in 1991 for surgery, but not for chronic illnesses.

#### **Destruction and Displacement**

Events in the Lebanese arena as of the early seventies—from Israeli aggressions, to the civil war, to the so-called camp war—have caused radical changes in the status of Palestinians in Lebanon that have affected their geographic and residential presence and altered the demographic map.

Attacks on the al-Nabatiyah region in the early seventies caused the removal of the al-Nabatiyah camp, whose residents were placed in other camps in the south. The two-year war led to the removal of the [Dikwanah] and Jisr al-Basha camps, where 85 percent of the residents emigrated to Germany. It also led to the displacement of Dubayyah camp residents following its devastation during the so-called "war of liberation" and the clashes between the Lebanese Forces and the supporters of former Army General Michel 'Awn.

The camp war, in turn, caused massive destruction in the Shatila and Burj al-Barajinah camps. Statistics show that 85 percent of the Shatila camp and 40 percent of the Burj al-Barajinah camp have been destroyed. And while three years have passed since this destruction, and despite repeated promises by UNRWA and the PLO to rebuild these camps, nothing has been done so far, save for some repair work here and there.

From the demographic point of view, the camp wars led to a major exodus internally and externally. Hundreds of families left Shatila and Burj al-Barajinah for the Scandinavian countries, while others left the camps to live in Beirut or camps in the south.

A survey conducted by UNRWA last November indicates that the internal exodus affected 5,948 families, including 30,758 individuals distributed over the following areas:

- Beirut area: 1,674 families, 8,706 individuals
- Sidon area: 2,996 families, 15,218 individuals
- Tyre area: 340 families, 1,735 individuals
- The northern region: 474 families, 2,413 individuals
- al-Biqa' area: 464 families, 2,686 individuals

A previous survey in March 1990 indicated that the exodus had affected 7,018 families, which included 38,458 individuals distributed over the following areas:

- Beirut area: 1,977 families, 10,885 individuals
- Sidon area: 2,833 families, 15,320 individuals
- Tyre area: 245 families, 1,298 individuals
- al-Biqa' area: 864 families, 7,018 individuals

These demographic changes led to overcrowding in the camps receiving these waves of refugees and, consequently, to the deterioration of the already-deteriorated services at these camps, which are experiencing water and power shortages, sewage problems, and bad roads which turn into muddy potholes in winter.

#### **Negative Results and Consequences**

It can be said that 1991 was the worst year for Palestinians living in Lebanon in terms of their social and living conditions. The events of the last decade, from the Israeli invasion to the camp wars, gave rise to difficulties manifested in their living conditions at all levels and across the social spectrum.

The sharp drop in the value of the Lebanese pound and the higher cost of living have led to a declining standard of living for thousands of Palestinian families in Lebanon. The camp wars have restricted the Palestinians' freedom of movement, thus preventing thousands of workers from going to work and depriving them of their sources of income.

UNRWA's cuts in numerous services have exacerbated the situation of many Palestinian families, leading to more health problems, given the high reliance on UNRWA for health care, and a high rate of school drop-outs for lack of funds.

Then came the Gulf war and its destructive aftermath, that has had an impact on the entire area, adding to the Palestinians' woes. These effects include the Gulf countries' terminating hundreds of work contracts for Palestinians and their deportation to Lebanon and Jordan, thus depriving their families of a basic source of income and compelling them to wait in Lebanon without a job or to take seasonal jobs, thus raising the rate of unemployment and disguised unemployment.

The discontinuation of Gulf aid to the PLO, and the financial crisis besetting this organization, has led to a cut in the health and medical services that it used to receive from health organizations such as the Palestinian Red Cross and others, in addition to wage cuts for its employees.

Then came the return of Palestinian fighters to the camps after last 30 June, Fatah's decision to dissolve its military apparatus in Lebanon, and the downsizing of other organizations, including soldiers and employees, thus putting hundreds of unemployed persons out on the streets.

There are no accurate figures on the unemployment rate among Palestinians in Lebanon, but estimates show that this rate is between 55 and 65 percent, which is frightening.

All these factors have intensified the phenomena of theft, prostitution, drug dealing, and panhandling; caused the illiteracy rate to increase; and caused the disintegration of the Palestinian family, which used to be known as the most tightly-knit in the Arab world.

#### Palestinian Memorandum

In the wake of the Lebanese army's deployment in the south last June and the return of Palestinian fighters to the camps, Lebanese-Palestinian contacts got underway to discuss the rights of Palestinians in Lebanon. The Lebanese cabinet appointed a committee, made up of Minister of Transportation Shawqi Fakhuri and Minister of Finance 'Abdallah al-Amin, to handle these contacts.

After back-and-forth discussions and several deadline extensions, a Palestinian committee made up of various Palestinian factions met with the two-minister committee to hand it a memorandum dealing with the social, political, and union rights of Palestinians living in Lebanon. This memorandum called for the following:

- The enactment of a law regulating Palestinian rights in Lebanon and the guaranteed right to work, to do business, to live, to move freely, to go to school, and to join unions, in addition to democratic freedoms and the right to engage in social and cultural activities.
- More lenient measures for obtaining travel documents and identification cards, and settling the affairs of refugees excluded from the fifties' census, according them freedom of movement in Lebanon without restrictions.
- Dropping the work permit requirement and the reciprocity principle to allow Palestinians to work in all fields and to equate them with Lebanese workers in rights and duties.
- Access to Lebanese public schools and the right to establish cultural, economic, and social organizations and municipalities inside Palestinian camps, as well as the right to hold union jobs.
- Help to rebuild and restore the camps and accord Palestinian refugees the same treatment as Lebanese refugees, allowing them to return to their camps.
- Accord Palestinians the right of expression and of political action, as well as the protection of public laws and the recent general amnesty law.

The Lebanese authorities promised to study this memorandum, but meetings came to a halt after the memorandum was submitted last October. All the positive

statements about dealing with the Palestinians notwithstanding, the Lebanese Government has not enacted any laws governing the condition of Palestinians in Lebanon.

In the last meeting held last month between a Palestinian committee and minister Shawqi Fakhuri, the committee was informed that the Lebanese authorities had formed a committee made up of representatives from Public Security, State Security, the Ministry of Labor, and UNRWA to prepare a statistical study on the Palestinian presence in Lebanon. This suggests that the Lebanese authorities continue to handle the Palestinian issue as a security matter.

Fakhuri informed the committee that the Lebanese authorities did not intend to repeal the work permit requirement for Palestinian workers because job opportunities can barely meet Lebanese demand. He pointed out that preliminary figures show a high rate of Palestinian labor in the agricultural sector, hinting at the government's readiness to issue work permits in this field.

Palestinian sources say the Lebanese authorities are dragging their feet in responding to the memorandum and in enacting special legislation for Palestinians in anticipation of the outcome of the peace negotiations between Israel and the Arabs.

#### Refugees Registered With UNRWA (June 1991)

Region	Families	Individuals
Beirut	9,929	39,310
Jabal Lubnan	15,690	64,271
Sidon	17,041	74,858
Tyre	18,145	79,808
Tarabulus	8,972	42,244
al-Biqa'	2,734	12,699
Total	72,511	313,190
Camp Population		
Mar Ilyas	143	571
Burj al-Barajinah	2,222	11,805
Dubayyah	849	3,487
Shatila	1,299	7,309
'Ayn al-Hulwah	6,956	33,991
al-Nabatiyah	1,168	5,645
al-Miyah wa Miyah	805	3,473
al-Buss	1,646	7,199
al-Rashidiyah	4,444	20,474
Burj al-Shamali	2,334	12,810
Nahr al-Barid	4,485	22,860
al-Baddawi	2,462	11,966
Wayval (Ba'labakk)	1,266	6,133
Total	30,079	147,723

**Article Profiles Life of Hanan 'Ashrawi**

92AE0182A London AL-MAJALLAH in Arabic  
1 Jan 92 pp 45-47

[Text] Amman—She talks to you about Palestine, peace, Jerusalem, the occupation and rights anywhere, as she is packing her suitcase between one trip and the next, as she shops for a small something for one of her daughters or her husband, or in the taxi that takes her from one appointment to another, for Dr. Hanan 'Ashrawi knows her goal well. It is almost within sight. She rushes towards it and pushes you along with her. From 1989—when she was the female personality in AL-MAJALLAH as a symbol of the dawning Palestinian woman of the intifadah—to 1991, when for the second time she was nominated as the female personality, Dr. Hanan 'Ashrawi's goal did not change, nor did she. Her goal is "the return of Palestinian territory and coexistence in peace with Israel." This year she has, with distinction, brought to the world the message from the mouths of millions of Palestinians.

There appeared in our Arab world a young Palestinian lady who, with her outstanding intelligence, nationalism, and knowledge; and her outstanding ability to negotiate, persuade, and speak to others in the language of the day, has been able to skillfully play the role of spokesperson for the Palestinian delegation negotiating for peace in the Middle East.

Hanan Mikha'il 'Ashrawi, in the year of the first catastrophe in 1948 looked upon the world of Palestine as a new-born girl. There is a saying to the effect that a person is born crying twice: once because he is born, and again because he is Palestinian.

In the city of Ramallah, one of the most beautiful cities in Palestine, which was famous for its summer homes and its sweet, gentle breezes, Hanan 'Ashrawi learned her first Arabic letters and took her first steps. Because misfortunes make a person stronger, this tender Palestinian girl chose the hardest road, the road of knowledge to the highest degree. After secondary school she obtained a bachelor's degree from the American University in Beirut, and became a mother after she married her husband, illustrator Emile 'Ashrawi, who works for the United Nations, and by whom she has two daughters.

No sooner had the iniquity of the 1948 catastrophe died down when the 1967 catastrophe came, which led to the occupation of the West Bank and the Gaza Strip, and Hanan wandered as do all wanderers. Under the spears of the occupation, and motivated by love of holding fast to the land, Hanan returned to her birthplace, Ramallah, in 1973, under the law of reunion, to begin a new phase of struggle against the occupation and its oppression. Like all Palestinian fighters, she was shown no mercy by the occupation. She was detained in its prisons for two months, and then she was held more than once as a precautionary measure.

**Doctor and Professor**

Hanan proceeded with her studies until she got a doctorate in English literature from the University of Virginia in the U.S., and now works as dean of the Faculty of Literature in Bir Zeit University on the occupied West Bank.

One of the strangest contrasts is for the headquarters of the Israeli military governor to be opposite the home of Dr. 'Ashrawi, and perhaps in this is a constant state of provocation under which Hanan lives, since from the balcony of her home she has to see, day and night, the symbol of the occupation which she rejects and fights.

It is no secret to say that Hanan's relationship with the Palestinian struggle began in 1968, one year after the occupation. In 1988 she appeared on the program "Nightline" broadcast by the ABC network. She has distinguished herself through her participation in many international conferences on the Palestinian issue in the Hague, Berlin, New York, and Prague. She was always that strong and quiet Palestinian voice, able, with logic and fluency, to counter argument with argument. As everyone who knows her sees, she is tireless, daring, upright, quiet, and unflinching. She painstakingly studies the issue and defends it. Perhaps her work in teaching is reflected in her manner and method of presentation, for you see her as similar as can be to a good lecturer who is aware of what she says and what she means behind her words.

One of the most outstanding things that distinguishes Hanan on the university campus is her strong defense of students' rights and her rational adoption of women's issues. She is a member of the staff of the magazine AL-TURATH [HERITAGE], which is published by the Family Revival Society in occupied Ramallah, and she participates in the editorial family of this magazine. She also maintains excellent relations with the professors of Western universities, especially those working at Bir Zeit University. That has greatly helped her to create a comprehensive picture of how Westerners think and the best way to speak to them and negotiate with them, especially in the U.S., where she completed her education. Perhaps her absorption in studying English literature gave her the ability to select her words when speaking to others.

In March 1991, as part of a Palestinian delegation, she met John Kelly, American assistant secretary of state. She was also part of the Palestinian delegation that met the American secretary of state when he toured the region to start the peace process that is now going on. She has shown great ability in tenaciously negotiating on the

invariables of the Palestinian right to land, self determination, and establishing a state under the leadership of the sole, legitimate representative of the Palestinian people.

Because of her strong connection to the issue, its affairs, and concerns, Dr. 'Ashrawi, who worked eight years as chair of the English Department at Bir Zeit University, has written several articles on modern Palestinian literature, in addition to her books of poetry and short stories. She is a mother who is responsible for the affairs of the home and the family, like all mothers, and she is known for her strong love of her home and her family, but that does not keep her from being the "dynamic woman," for she is a member of the Union of Palestinian Authors and Writers, and one of the founders of the League of University Teachers in 1973.

In answer to a question on her family life, far from the reality of politics and struggle, she said: "My family is the first one to pay the price of my work and struggle." However, fate wanted that her husband and children be granted a political and family dimension, which gave her and always gives her a broad expanse of time and effort to pursue her political activities and those pertaining to the struggle with encouragement and acceptance from the whole family.

#### Official Spokesperson

Because 'Ashrawi stands out among others in action and work in all political fields she has undertaken, and because her voice has a special and marked effect on all who hear her, she was chosen to be a member of the Palestinian delegation to the negotiations at the peace conference through the Committee for Guidance and Direction, and to be the spokeswoman for this delegation. This selection gave her the opportunity to speak to the other world through the press and the media in all its forms, in the language of Palestinian rights, with clear intelligence and the ability to pierce minds and hearts. Many political figures and world leaders have praised her ability. American President George Bush showed clear sympathy with her when the occupiers wanted to interrogate her about her participation in the latest meeting of the Palestine National Council, just as Jordanian monarch King Husayn was impressed by her intelligence. No one who follows her hides their satisfaction with her outstanding activity, with the exception of the political figures in the Israeli occupation authorities, who have often tried to upset her life and place obstacles before her constant activity. But due to her faith in the righteousness of her cause, she does not miss an opportunity, whether it be a political debate or a press conference on the issue at home or abroad, to participate in it and make the Palestinian voice heard by all those who call for righteousness and justice in this world.

Those who have known 'Ashrawi since her childhood consider her appearance a natural thing. Since her early days, having been born in the midst of political and

military troubles, she has been ready to be at the forefront with her intelligence, her awareness, her love of her country, and her constant readiness to defend the justice of her people's cause. While the tragedies of the continuing occupation sow weakness, despair, and a feeling of loss in the hearts of many, she has been able to turn weakness into strength, despair into hope, and loss into a stronger presence. She also moves about in the occupied territories and over the [Allenby] bridge without protection, even though she knows that it would be very easy to arrange a crime to assault her and get rid of her. Even while she was in Madrid, when the Spanish authorities had strengthened security and were carefully guarding all delegations, she moved amidst this charged atmosphere without protection from the Spanish authorities. She was using taxicabs to get to press conferences, and to meet the journalists and the television and radio networks in areas swarming with people of all types, without calling for protection or guard.

#### Merchants in Occupied Territories on Economy

92AE0202A Jerusalem AL-USBU' AL-JADID in Arabic  
1 Jan 92 pp 17-19

[Text] The cost of living in the West Bank and Gaza Strip and the level of the citizens' income pull in opposite directions. While prices of various commodities are continuously rising, the income of many workers, merchants, and shopkeepers is diminishing. Employees' salaries that have been frozen for many years at fixed figures are eroding and losing their purchasing power.

For many reasons, this extremely difficult economic situation has become worse. The kind of hardships that the citizens are experiencing can best be dealt with, not by diagnosing certain aspects of this crisis, but by planning in a responsible manner and in all quarters for ways to deal with the situation with all the means available and possible.

The economic experts believe that directing funds received from abroad toward developing the industrial and agricultural sectors on a scientific basis will substantially contribute to achieving this objective. This calls for avoiding competition and establishing similar projects. It calls for the establishment of new projects, or at least, completing the existing ones. On the agricultural level, it calls for preserving the existing areas of land that are daily diminishing for well-known reasons [reference to land seizures]. There is a need to exploit these lands in agriculture and to help their owners, who lack the means to develop them and to establish productive agricultural projects on them. This is to preserve these lands, insure reasonable income for their owners and workers, and employ more people in this field.

The economic experts also underline the need for capital investment—capital that is available to some people in certain fields—for the joint benefit of the capital owners and their country. With regard to the exacerbating unemployment situation, with about 80,000 of those who used to work in Israel being out of work, the experts call for

solidarity between local establishments and factories and their workers and employees, by keeping them employed regardless of the present recession or the drop in profits.

On the other hand, the economic experts stress the importance of adapting family consumption to a level consistent with the family's income. Family members should confine themselves to necessary purchases and pursue budget planning so that the value of their purchases will not exceed their monthly or daily income.

They point out that those who have some money should not hold on to one kind of currency, but to a basket of currencies, in order to avoid losses in case of a sudden drop in the rate of the preferred currency. They stress the importance of the domestic economy and the need to revive it and return to it as it was four years ago, when the people were preparing to adapt to a different way of life.

The experts call upon the well-to-do, those who have enough, and those who are not in need to give the needy the opportunity to benefit from facilities that sometimes become available, such as housing loans and small projects, and to avoid competing with them over the little that is available.

Citizens of various social classes and professions hold contradictory views. Some people believe that if we learned our lessons and decided to stand united and in solidarity in all aspects of our life, then we will be able to overcome the economic crisis and adapt to it, regardless of the obstructive measures the other party may create. Others argue with the language and logic of economic experts. Still others view the situation as an inescapable destiny. They believe that building a strong domestic economy is unattainable in the absence of the desired national democratic authority. They also contend that funds received from abroad have not been invested properly and wonder why we have seen nothing of those funds in the past many years. In justifying their views, the pessimists point to many problems, such as the problems of marketing that farmers encounter during bountiful seasons. They also point to the lack of funds received from our expatriates in the Gulf region, the harmful effects of isolating the occupied territories, the territories' inhabitants requirement to obtain passes, the need for certificates of discharge of obligations, and the tax policy that takes into consideration neither the real income nor the nature of work.

AL-USBU' AL-JADID toured some of the vegetable and fruit markets, groceries, and haberdashery shops, and talked to shopkeepers and citizens who explained their economic difficulties, their needs, and how they are trying to live within their incomes.

Muhammad al-Asmar is a vegetable and fruit vendor. When we asked him about his situation, he said: "Well, you can see that the market is almost empty in comparison to what it used to be. The usual crowds are not there. We buy goods in small quantities in order to be sure that we will sell them. Even then, we sometimes fail

to achieve this objective, since our estimates of what we are going to sell today or some other day turn out to be wrong." Explaining this, Muhammad said that the people have barely enough to eat. They are forced to cut their purchases, even vegetable purchases. As for fruits, they have become a kind of luxury for many people.

Subhi al-Haddad said: "We live at 25 percent of our previous standard of living, which was a modest one to begin with. The reason is that customers no longer have any money to buy with. The workers are the basis of economic activity because they constitute the majority. In the past, we relied on our sales to them. Unfortunately, now the majority of workers are unemployed, and an employee's salary never changes, no matter how prices may change. We have lost a large number of our customers."

'Isa al-Hilu is a grocery shopkeeper. His shelves are not stacked with goods as they used to be. He said that the situation is discouraging, the demand is little, the people's purchasing power has diminished, and the taxes are as exorbitant as you can imagine. "Therefore, I have begun thinking of liquidating the shop, and for this reason you can see that many things are in short supply. I might do so, but I have no specific thing on my mind that I can do after that. However, continuing to incur losses is impossible."

Hasan 'Ubayd used to own a butcher's shop, selling no less than three carcasses a day. When meat sales dropped sharply, he turned his place into a grocery. Then he began thinking of turning it into a bakery, because bread is something indispensable and it is the only commodity for which there will always be a demand. He said that the phenomenon of the increasing number of bakeries is due to the economic recession and the lack of money in people's hands.

Ahmad Salih, a senior grade UNRWA employee, says that monthly expenses for an average family is 2,000 shekels, according to studies by local experts. This equals half of what an Israeli family spends. Therefore, an employee's salary, whatever it may be, is not enough to meet his family's demands. "My wife and I, for example, plan our budget so that we can live within the constraints of our income. Our standard of living has, in fact, dropped by no less than 40 percent of what it was before the wave of price increases in the past few months."

He said that when he tries to compare the difficulties he encounters in meeting the demands of his family with those of the average employees and workers, he can only pray to God that he may help them.

Dr. Samir, a dentist said: "Do you know that some people are forced to live with their pains for some time before they can come to the clinic to have their teeth treated? They do not have the money for treatment, which compels them to wait until the end of the month if they are employees or monthly paid workers, for example, before they come to us."

Dr. Samir said that the establishment of cooperatives by the unemployed and low-income people could be a very important factor in enabling them to overcome their economic crisis.

Salma al-Budayri, a housewife, has her own views on how to cut expenses. She believes that a housewife can save a lot if she tries to be hard-working and inventive. For example, an economizing woman can put a sack of flour in her house and bake her own bread, thus saving on bread bought from bakeries. She can bake thyme and spinach pastries, for example. This could be a substitute for a family's meal sometimes. She can also cook a dish of lentils with pasta. She can also buy chicken instead of beef or lamb for cooking. She can buy all kinds of frozen meat to be used in stuffed vegetable dishes and meatballs. Frozen meat is half the price of fresh meat, and so a housewife can save a lot.

Muna 'Aql, a housewife too, says that she has three children, with the eldest 10 years old. She lives in a rented house. Her husband works in a hotel and makes 1,800 shekels a month. The house rent is 60 dinars per month, to which is added the water, electricity, telephone bills, and the schools fees for the two older children. What is left for the family is hardly enough for it to live a life of sufficiency. The family is sometimes forced to borrow money from friends and acquaintances. Her husband doesn't know what to do or how he can provide for his family in the future. For some time, he has been trying to obtain a loan that would enable him to start a poultry project to produce egg-laying chickens which, it is said, is beneficial. But the institution to which he goes for the loan application gives him sweet talk and false promises.

Sami 'Arafat, a business administration graduate, says that a graduate in this specialized field is supposed to have great work opportunities, particularly since any establishment that wishes to succeed must have a successful administrator who can identify its objectives and knows the roads leading to them. But his many efforts to get a job over the past 18 months have so far been in vain.

Sami says that he feels embarrassed when he is compelled to ask his father for the money for a box of cigarettes, and wonders when will he be able to have a house of his own and to marry. How much will his pay be and will he be able to have a family?

Sami says understanding the nature of the long-term interests of each one of us is top priority in our awareness. It can lead us to the reality of our dependence on one another and the need for a unified solidarity.

We here in AL-USBU' AL-JADID join our voices to those of the experts in calling for the need to rely on industrial and agricultural development that would boost our economy and bring real benefits and good returns for our economy, and our citizens in general. We call upon factory owners, companies, and establishments to stand with their workers, to demonstrate solidarity with them, and encourage them to report to their workplace with an open

mind, with all sincerity, and to work hard to achieve the objectives of development, prosperity, profit-reaping, and harmony.

### Water Shortage in Jericho Described

92WN0249Z Jerusalem AL-QUDS in Arabic  
5 Dec 91 p 8

[Report by Ahmad [Qira'ayn] from Jericho Press Services Bureau]

[Text] Jericho is the oldest city in recorded history with an original semitic name. According to Yaqut al-Hamawi's "Dictionary of Countries," Jericho is named after the son of Shem, who is one of the sons of Noah, peace be upon him. Jericho was Anthony's gift to Cleopatra. It has been known variously as Wadi al-[Sisban], Tall al-Sultan, the city of date palms, and the city of the moon, because "yarah" [which is etymologically related to the word "Jericho"] means moon, or sun, in the dialect of the southern Arabian Peninsula. It is also known as the city of the giants, because it was inhabited by a people of giants who frightened off the children of Israel away from the city in Moses' time. The Canaanite Hyksos lived in Jericho. It was subsequently invaded by the Hebrews. In the great Palestine period, Christianity spread in Jericho and the Byzantine emperor, Justinian, built a church there and a road to connect it with the city of Petra. When the Muslims came to power in the seventh century A.D., and in the early period of Islam, Jericho was the center of the Jordan Valley, and its residents were descendants of the Quraysh [Mohammad's tribe in ancient Mecca]. In the time of the Prophet, may God bless him and grant him salvation, after he invaded Bani al-Nadir [a Jewish tribe in Medina], they left for Damascus, Adhruh, and Jericho. Then another group of Jews, which was dislodged from the Hijaz by 'Umar Ibn-al-Khattab, went to Damascus and Jericho.

### Inspiration

Jericho, a splendid winter residence, is located 210 meters below sea level at a 290° latitude and 35° longitude, this city of bananas, oranges, and date trees—How can its residents be thirsty?

The residents of Jericho, which is situated in a low depression and receives about 150 mm of rain annually, depend on groundwater and springs for irrigation and drinking water, such as the spring of al-'Awja, which, according to studies, flows through underground channels from the al-Balu' area in al-Birah.

In his book "Ahsan al-Taqasim fi Mu'riqat al-Aqilim [The Best Parts of the Ancient and Noble Provinces]," al-Maqdisi describes Jericho's water as the clearest in Islam, adding that the presence of water in Jericho has been one of the most important reasons behind its habitation.

### [Wadis in the Jericho Area]

1. Wadi al-Qilt: Water from al-Birah and 'Anata flow into this wadi, which then passes by 'Ayn al-Fawwar

[spring], 'Ayn al-Qilt [spring], and Dayr al-Qilt before emptying into the Jordan River at the Jumlah ford. Wadi al-Qilt's flow is estimated at about 3 million m<sup>3</sup> per year. The canal and bridges at al-Sakhr and indicate the flourishing of agriculture in this area since antiquity.

2. Wadi al-Nuway'imah: Wadi al-Nuway'imah collects runoff in the area of the villages of al-Tayyibah, Ram-mun, and Dayr [Dibwan]. It empties into the Jordan River at King Husayn Bridge south of Jerichom after passing by al-Duyuk and al-Nuway'imah. This fertile area is famous for banana cultivation. Residents of the area live alongside the wadi bed.

3. Wadi al-'Awja: This deep wadi collects runoff from the hills of the village of Kafr Malik. It then collects water from 'Ayn al-'Awja [spring] and passes through upper al-'Awja and lower al-'Awja before emptying into the Jordan River. A short distance from where it flows into the Jordan River, it collects salty water from the vicinity of Khirbat Fassayil, and it also collects runoff from Dayr Jarir and al-Tayyibah. Wadi al-'Awja's flow is estimated at about 3 million m<sup>3</sup> of rain per year. Groups of the al-[Ka'abanah] bedouin live along this wadi, where they have built houses and have cultivated the land, forming the nucleus of the village of al-'Awja.

#### Springs

1. 'Ayn al-Sultan: Its flow is about 55 mil [unknown measure, perhaps 55 m<sup>3</sup>/hour]. This spring flows almost constantly throughout the year and is relatively unaffected by any circumstances. The Municipality of Jericho supervises the distribution of water for drinking and irrigation through four main canals (a, b, c, and d) which branch through the city, supplying one dunam with about 12 minutes per week. Ponds and drip irrigation are now used to irrigate cultivated land. This land was the personal property of the owner, who was entitled to sell, mortgage, or rent it. Each hour [of irrigation] of cultivated land equaled 23 minutes [meaning unclear]. Today, the land is irrigated by flood irrigation and sprinkler irrigation.

In 1978, the authorities dug an artesian well west of Jericho in the area of Kawkabat al-Sabah, which is "land of al-Tayyibah." After 90 m, the digging reached the streams of 'Ayn al-Sultan. For four days, neptunite, which is used to facilitate digging operations, contaminated the water reaching the city. Residents feared further operations to draw water from the depths of the spring, ultimately putting an end to a large percentage of it.

2. 'Ayn al-Qilt: Located midway between Jerusalem and Jericho, it flows into Wadi al-Qilt from the mountains of Jerusalem at a rate of about 200 m<sup>3</sup>/hr. This channel ends 12 km from 'Ayn al-Qilt, in the Sih region between Jericho and the Dead Sea. The area of [arable] land there is about 70,000 dunams, of which about 30,000 are exploited using irrigation water from al-Qilt in an area containing three artesian wells. After 1975, four small basins were built to collect water from 'Ayn al-Qilt in the al-Sih plain south of the 'Aqabat Jabr refugee camp. In 1979, two large basins, each having a capacity of 12,000

m<sup>3</sup>, were dug to collect water in the high ground near 'Aqabat Jabr camp. This water is distributed in pipes.

Before 1967, the 'Ayn al-Qilt spring supplied drinking water via filter-equipped tanks to the 'Aqabat Jabr camp west of Jericho, which had a population of about 25,000 refugees.

3. 'Ayn al-Duyuk: This spring, located west of Jericho, discharges 400 m<sup>3</sup>/hr of water, which is used for irrigation in the village of Upper and Lower al-Duyuk. Water from the spring is being distributed by a new method. Instead of being distributed to Upper al-Duyuk for one year and then to Lower al-Duyuk for one year, each water owner has begun to take one half of his share every year. Each share is divided into six portions. The holder of an hour now takes five minutes per week, after having taken one hour per week every other year. 'Ayn al-Duyuk irrigates about 5,000 dunams. About 16 medium-sized basins have been dug in the area, which requires the development of an irrigation project instead of open canals, because the use of open canals results in the loss of much water through evaporation and absorption into the ground.

4. 'Ayn al-Shawq: This is one of the small springs located near 'Ayn al-Duyuk and 'Ayn al-Nuway'imah. An office park is built on it. It flows to four buildings throughout the year. In the late Turkish period, the residents of the village of al-Nuway'imah gave the spring to the governor of the Jericho area.

5. 'Ayn al-Nuway'imah: It [discharges] about 200 m<sup>3</sup>/hr. It is no more than 20 m from 'Ayn al-Duyuk, and irrigates about 30,000 dunams. The area is under development and requires support to develop such conveniences.

6. 'Ayn al-'Awja: It is an abundant spring in good seasons. Located north of Jericho, it discharges about 1,600 m<sup>3</sup>/hr. In 1973, it discharged more than 2,000 m<sup>3</sup>/hr. The water flow is low in poor seasons, and it has dried up more than once, including in 1979, which hurt farmers. Studies point to the feasibility of building a reservoir to collect water in the winter. This water would be drawn as needed and used to produce hydroelectric power and raise fish. This spring is near the village of al-'Awja. Most of its branch canals are dirt and are being converted to reinforced cement. The spring branches into two canals, a and b. Water is distributed based on land ownership. Several individuals own more than 30 hours per week. The water had been distributed on the basis of intervals of 24 hours each. The farmer would take his share every two months or more. This distribution system was compatible with the cultivation of cereals. However, the development of agriculture has resulted in the apportionment of water by the hour.

The spring irrigates about 30,000 dunams of vegetables and fruit, such as bananas; and about 30,000 dunams of winter cereals. Two large wells are located near the spring. Water from the springs is drawn by the Israeli agricultural settlements surrounding al-'Awja. There is fear that the authorities will dig large wells to draw water from the spring, thus affecting its general flow. Moreover, the residents of al-'Awja have suffered from a water shortage for some time. A number

of recommendations have been submitted to solve the problem, but to no avail. The problem continues and solutions are frozen or unfeasible.

**Rain**

Rainfall in a low-lying area such as Jericho is crucial. A shortage of rainfall exposes crops and vegetables to numerous diseases, such as tomato curl [exoscales], cucumber mildew, and zucchini pox. It also increases the salinity of groundwater and reduces the flow of water. A prime example of this occurred two years ago, when an absence of rain caused crop losses that represented a major loss for farmers who depend entirely on agriculture. Rain sometimes falls abundantly for a certain period, followed by a long dry period. Sometimes the rains come late, penetrating deeply and quickly, in which case neither crops nor pasture land grow.

The popular story divides rains [that come] 50 days after the *mirab'aniyah* [colloquially, the first 40 days of winter, from 21 December to 31 January] into periods bearing the name of Sa'd:

1. Sa'd the butcher: It is so cold that a sleeping dog runs away from the cold.
2. Sa'd swallowed: The ground swallows the rain quickly.
3. Sa'd the happy one: The sap runs from branches like grape saplings.
4. Sa'd of the hidden things [khabaya]: when the forearms of young girls appear, as the legend says, i.e., the heat and the sun begin.

There are borrowed rains, as the popular story goes, which occur during the last four days of February and the first three days of March. According to the popular story, February says to March: "March, the son of my paternal uncle, three of yours and four of mine—let us drag the old one on the wadi who is singing praises due to the abundance of rain."

Then, there is the rain of the Prophet Moses, as the people call it, followed by the rain of April, which purges the Prophet Moses' area of the effects of the hajj season.

[boxed item]

Between 90-200 mm per year fall on the city. The average rainfall is 150 mm per year. The following shows the average rainfall during 1923-1941 and 1967-1991. These averages illustrate the fluctuation of the average rainfall.

Rainfall in Millimeters, 1923-41 and 1968-91	
1923-1941	
1923-24	173
1924-25	128
1925-26	147
1926-27	114
1927-28	85
1928-29	109

1929-30	142
1931-32	62
1932-33	19
1933-34	93
1934-35	154
1935-36	97
1936-37	160
1938-39	206
1939-40	192
1940-41	124
<b>1968-1991</b>	
1968-69	150
1969-70	62
1970-71	158
1971-72	226
1972-73	96
1973-74	258
1974-75	160
1975-76	151
1976-77	116
1977-78	112
1978-79	115
1979-80	250
1980-81	191
1981-82	141
1982-83	206
1984-85	150
1985-86	110
1986-87	174
1987-88	257
1988-89	167
1989-90	181
1990-91	111

Source: Meteorological Department in Jericho

**ALGERIA**

**Public Opinion on Chadli Resignation Reported**  
92AF0381A Algiers EL MOUDJAHID in French  
16 Jan 92 p 2

[Interviews with five citizens by "L.S." of EL MOUDJAHID; places and dates not given: "After the Creation of a High State Committee: Citizens Emphasize Confidence and Hope"—first paragraph is EL MOUDJAHID introduction]

[Text] The upheavals Algeria has been experiencing in recent days have left no one indifferent. After a moment of surprise, the resignation of President Chadli and the establishment of a High State Committee produced

various questions and comments within political groups, social associations, and among citizens. The various impressions we recorded reflect all of the concerns of public opinion.

[EL MOUDJAHID] What do you think of the president's resignation?

[K. Abdelhakim, an information science student] It was really a surprise. In any event, I'm convinced Mr. Chadli resigned in the interest of the country. He certainly didn't have a choice. In my opinion, President Chadli made a wise choice.

[EL MOUDJAHID] A High State Committee has just been set up. What is your opinion?

[Abdelhakim] I don't know the five men on it. According to my sources (pause...), they're patriots through and through.

[EL MOUDJAHID] How do you see the country's immediate future?

[Abdelhakim] In five to six months, we'll have a clearer idea. For the time being, I think the political parties should put themselves on the backburner.

[EL MOUDJAHID] Did Mr. Chadli's resignation surprise you?

[C. Chafia, a student of exact sciences] It was unexpected....

[EL MOUDJAHID] A High State Committee will manage the country's affairs. How do you regard this solution?

[Chafia] We don't know the men who are its members, mainly Mr. Boudiaf, aside from the fact that he's a historic figure from the revolution.

[EL MOUDJAHID] Are you optimistic?

[Chafia] I think it's imperative that a consensus emerge to save the country. We've got to be optimistic, because this is possible. The women and men of Algeria can do it.

[EL MOUDJAHID] How do you interpret the president's resignation?

[K. Hassiba, a secretary] It was a wise move. It was a fortunate move. Otherwise the Islamic Salvation Front [FIS] would certainly have taken over power, and this would have had all sorts of consequences for the nation....

[EL MOUDJAHID] A High Committee has just been established....

[Hassiba] Yes, I read the news of it in the press. But I don't understand how such a decision could have been made. All the same, I hope the men who have been given this important task will ensure security, stability, and the rule of law and order for us.

[EL MOUDJAHID] How do you see the country's future?

[Hassiba] I'm pessimistic. I must tell you something. I'm sorry I voted for the FIS in the June 1990 elections. That doesn't mean I'm against Islam. It just means anger and impulse are bad advisers....

[Kaddour Sakina, a student] The people have confidence in this High State Committee because we were afraid for the future after Mr. Chadli Bendjedid's resignation. Nevertheless Algerians must unite to thwart any attempt at destabilization. The High State Committee will, we hope, safeguard what we have achieved and preserve the national interest. The men who have been chosen to make up this High Committee have an historic past. We trust them. However, we must mobilize and be vigilant in order to thwart any action which could create a climate of uncertainty and discomfort.

[Loumi Houari, a paramedical technician] The High State Committee has put an end to all speculation. It's true that Algeria was experiencing a political crisis, which was damaging to the country's future. As an institution, the High State Committee has filled a serious gap. I'm confident and hope it will succeed in overcoming all the obstacles. Every Algerian, I'm certain, will support their effective help in improving the situation. They'll remain faithful to the fatherland. We must regain confidence to put an end to any confusion or rumors which come from the foreign press.

#### Iranian-FIS Connection, Involvement Criticized

92AF0367A Algiers *REVOLUTION AFRICAINE*  
in French 16-22 Jan 92 p 15

[Article by Samia Bennamani: "The Tears of the Mullahs"; quotation marks as published]

[Text] The Tehran press weeps for the Islamic Front, which has been "prevented" from taking power, and for "the Algerian people," who have been prevented from achieving an Islamic State. Tehran forgets that it has probably achieved—to its sorrow—the deification of a purgatory that swallowed up in flames 500,000 "enemies of God," for that is the heavy price that Iran paid to install the Islamic State: a half million human beings that very probably included the main body of its intellectual, technical, and scientific talent.

Once again, the interference in our domestic affairs is coming from Tehran. According to an AFP dispatch, the Iranian press is accusing Prime Minister Sid Ahmed Ghazali of having been "the architect" of a coup d'etat, and of having taken the nation to the brink of civil war. It is also insisting that the resignation of the Algerian head of state is the government's revenge on the people, who had just expressed themselves democratically at the polls. These are serious allegations, but they are in no way surprising.

It distresses Tehran to think that Algiers has awakened to the joy of "living a spring"—too soon, no doubt—when on the previous day the specters of a totalitarianism that raises its head but does not identify itself were swept

away. Tehran cannot forgive Algiers for not selling its soul for the 6 billion [dinars] that was offered following the outcome of the first round of the legislative elections.

Iran speaks for the FIS [Islamic Salvation Front], that is clear. It has always done so, as is well known. Several months ago—more precisely, in April 1991—the Iranians spread the word that the FIS was being subsidized by Tehran. At the same time, a prominent member of the Saudi royal family—Prince Sultan bin 'Abd al-'Aziz Al Sa'ud, minister of defense and the second-ranking figure in his country's government—also revealed that Saudi Arabia had funded the Islamic parties, including the FIS. Moreover, if these "data" are not factual, as the FIS has always insisted, who is able to deny that the FIS—during the Gulf crisis—asked for barracks so that its members could train for their "Jihad"? In any event, it was a very serious matter at the time, inasmuch as our minister of foreign affairs met with the Iranian ambassador to Algeria and asked him for an explanation.

That is not all: one can also add that many FIS members took up arms in Iran against Iraq during the Gulf crisis. So what was the price of their service? Or was it free, as we are asked to believe?

The Islamic Salvation Front is an instrument of destabilization for the benefit of a foreign country or countries. The direct involvement of foreign extremists—and the "intrigues" noted in the Iranian press—prove that this is the case.

The present-day heirs to the legacy of ancient Persia have so thoroughly assimilated this annoying habit of intervening actively in our domestic and sovereign affairs that they take few pains to avoid flaunting this far-fetched opinion regarding our country's right to exercise its own sovereignty.

Not satisfied with enlisting the columns of a press that is regimented, muzzled, and sycophantic when not actually hysterical, diplomacy has taken over the campaign with very little elegance or tact.

The Tehran of Khomeyni now wants to be the Islamic conscience of the world. It is financing the Sudan, with Pakistan providing logistic support. It also wants to meddle in Algeria as it is doing in Lebanon, and is offering billions to the FIS.

This "conscience" did not fail to assert, at one time, that the cry of "Allah Akbar" hurled by the Algerians was a lesson learned from the revolutionary Muslim people of Iran. Let us therefore say to the Iranians: "The Algerian people are more Muslim and more revolutionary than you are. And Algerians knew the cry Allah Akbar" before 1979, and in particular knew it long before Khomeyni's return from exile. Fortunately, history is there to record this fact."

Indeed, it is time to set the clock right. Tehran has made a mistake. Strangely, the Iranian authorities have arrogated to themselves the right to violate the customary

diplomatic channels and conventions, despite the protests transmitted by our diplomatic services.

While it is true that Iran has provided more than one example of such violations in the conduct of its foreign policy, it has rarely been so persistent in involving itself, time after time, in domestic matters of such seriousness. If the Iranian Government proposes to exercise supreme command of a form of terrorism which it supports with funds and resources, that is something the Algerian people—who are sensitive about this matter of absolute sovereignty—will reject; and if these same officials have any connection with the sudden emergence of a particular form of extremism and violence in some regions of our beloved fatherland, that is precisely something that should be exposed so that the proper action can be taken.

Tehran must also understand that the results of the 26 December election are not the expression of the opinion—much less the will—of the Algerian people but rather of a minority, namely the FIS. The FIS is not the people.

The Iranian press appears to have been misinformed. We are therefore in a better position to inform it that the FIS here in Algeria has never been in the majority, as some believe. Of the 188 appeals, the Constitutional Council probably accepted 137. Of the 13 million eligible voters, 3.2 million voted for the FIS, representing a loss of 1.2 million votes by comparison with the municipal elections of 1990. The party therefore lost one out of four votes in one year's time. Moreover, everyone realizes that most of the votes were scattered among the other contending parties, in addition to the abstentions. All these data at least constitute proof that the FIS does not represent the 13 million eligible voters, much less the people of Algeria. What must also not be overlooked is the fact that after the results were in, all Algeria rose up to voice its rejection of the FIS. Now then, if the FIS were the people, why did the people feel relieved when they saw the tanks?

One final message for Tehran: When its interests and political stability are at stake, Algeria needs no lessons from anyone, and to the great displeasure of the mullahs and the religious fanatics—the sycophantic preachers of the ideology of terror and dread—Algerians continue to proclaim their diversity and their attachment to pluralist values.

## EGYPT

### Exporters Discuss Future Trade With CIS

92AF0322B Cairo AL-JUMHURIYAH in Arabic  
12 Jan 92 p 4

[Article by Suhayr Abu-al-'Ala': "Stiff Competition From Europe, America, and Asia"]

[Text] In the wake of the Soviet Union's collapse and the emergence of the Commonwealth of Independent States [CIS], how do the private sector exporters view the future of Egyptian exports to the Russian republics?

Exporters emphasized that the Russian market is now open and, therefore, they are compelled to urge producers to make great efforts to double and raise the quality of our products while lowering costs because we will be facing stiff competition from European countries, Japan, and Hong Kong, in terms of quality and price.

Some exporters called for the need to institute certain tax exemptions as well as incentives to meet this competition.

Abu-al-Sa'ud Sultan, president of the General Exporters Branch of the General Chambers of Commerce Federation, said that the trading with Russia will be improved because this is a large market in need of large quantities of goods, hence, only those who are able to compete and offer good quality will survive. Herein lies the role producers and exporters can play to raise the level of their activities and the quality of the products, while keeping costs down.

He emphasized that the export volume is expected to grow because they will be dealing with several republics: markets which are empty of all kinds of goods and, therefore, will need large quantities rather than specific items, as was the case under the trade exchange with the Soviet Union.

Hani Tu'aymah, board member of the Giza Chamber of Commerce Exporters Branch and an exporter to Russia, said: "Future exports to Russia will require great efforts on the part of exporters because, whereas we were dealing with one country and one company, we now have to deal with 14 countries and with several companies within each country because it is a different ball game now. Moreover, centralism in buying and selling has been replaced by an open market that will be free to import from any market without having to comply with parity agreements or trade exchange. We will find many countries competing for this market."

He stressed that the burden now falls only on exporters, not the government, and this requires higher production and better quality as well as lower production costs in order to face other countries that will be competing with us for this market.

Hilal Shattah, secretary of the General Exporters Branch of the Chambers of Commerce Federation, said: "The best form of trade exchanges at this time between Egypt and the commonwealth states are parity agreements concluded either through the Egyptian government or by private or public companies."

He added: "We now have freedom of action with regard to trade with the commonwealth states, and this will place a great burden on the private sector exporting to these states because this market is now open to the world, and most exporting countries prefer to do business with the Russian market due to its size and its great potential.

"We in Egypt will meet stiff competition in terms of exports to this market, from Europe, Asia, and America in particular."

He went on to say that business transactions with the Soviet Union used to be concluded through binding agreements which did not require a great marketing effort.

Hilal Shattah also maintained that "the form of trade has changed now and calls for quick action on the part of the private sector because we will be dealing with an open market like any other country and, therefore, we should put before our eyes price competition by other exporting countries doing business with the commonwealth states."

He went on to say that there is no alternative for Egyptian exporters but to raise quality and lower export prices as much as possible in order to achieve this difficult equation so that we may retain this market and continue to do business with it.

He added that our exports to the Soviet Union amounted to more than one billion Egyptian pounds divided between the public and private sectors. In order to retain this market, exporters must be granted incentives and tax exemptions so they may meet the price competition in the commonwealth market.

#### Call for Coordination to Open New Markets

Layla al-Bannan, board member of the Industries Federation's Chamber of Textile industries and an exporter of ready-to-wear clothes to the Soviet Union, said: "Egyptian exporters ought to be making great efforts to keep the commonwealth market because many countries are now exporting to this free market, and we will be putting up a great fight to keep our place in it.

"I call on exporters to cooperate and coordinate their prices to avoid price disparities. Furthermore, quality must be enhanced, and production must be doubled in order to lower costs."

#### Minister Gives 1991 Local Investment Figures

92AF0321B Cairo AL-AHRAM AL-DUWALI in Arabic  
31 Dec 91 p 5

[Article by Mayisah al-Salkawi: "Local Administration Invested 1.768 Billion Pounds in 1991"]

[Text] Minister of Local Administration Dr. Mahmud Sharif stated that in 1991, the ministry completed the state economic and social development plan in all the various sectors, utilities, and services, for a total investment of 1.768 billion Egyptian pounds, including 185.5 million from personal contributions and popular participation for the establishment and completion of 8,736 service projects.

The minister said that 7.7 million pounds were allocated for the production of meat, dairy products, and poultry,

primarily in the governorates of al-Sharqiyah, Sawhaj, and Aswan; 25.6 million for the construction, renovation, and boosting of electric power systems for 380 villages, for laying ground and air [suspended] cables, and for the installation of street lights in cities and villages. Also, 105.1 million was allocated for transportation and communication projects to pave 733 km of regional and urban roads, in addition to 2.2 million pounds raised from higher gasoline prices to complete paving projects.

The utilities sector invested 128.5 million pounds for fresh water, sewage, public sanitation, planning and organization, and environmental improvement projects. The industrial sector invested 3.6 million pounds for automated butcheries, semi-automated bakeries, and brick production lines, in addition to 5.6 million for the construction and completion of low-cost housing.

Moreover, 741 feddans have been reclaimed and 195 million eggs, 11 million chickens, 29,000 head of cattle, 200,000 tons of milk, and 3,563 tons of fish have been produced.

The minister noted that 215 million pounds from the ministry's joint revenues were appropriated to meet urgent public projects and requirements in the governorates. Fifteen villages have been converted into cities and 31 villages into townships, and the administrative boundaries of the governorates of al-Minufiyah and al-Buhayrah have been modified. The Egyptian Rural Construction and Development Authority offered residents about 11 million pounds in loans from the local development fund to encourage them to set up production projects whose ownership will be turned over to them upon full payment of the loans. The Handicraft Industries and Cooperative Authority provided the necessary raw materials and production requirements for the main cooperatives, and the authority helped the cooperatives to obtain bank loans and credit facilities. Also, the Popular Development Agency completed the domestic animal wealth and unconventional feed projects that were under implementation.

The minister explained that 280 million pounds worth of grants and contracts were allocated for local development projects, including infrastructure projects such as roads, fresh water, sewage, and buildings. Arrangements are underway now for the conclusion of a new local development agreement with the American Agency for International Development worth about 200 million pounds.

He went on to say that personal and voluntary in-kind and monetary contributions amounted to 185.5 million pounds, covering 80 percent of the construction costs of 8,736 service, utility, electric, health, and youth and religious affairs projects.

The minister also said that the Higher Committee for the Development of Local Administration Laws will finish drafting a new local administration law to focus vesting local councils and units with broad jurisdictions and

powers to back the democratic process and bestow the highest possible measure of administrative decentralization. The law will be presented to the People's Assembly next February.

### **Publishers Express Concern Over Jailings**

*92AF0322A Cairo AL-WAFD in Arabic 31 Dec 91 p 7*

[Article: "Publishers and Intelligentsia Perturbed Over Jailing of Author and Publisher"]

[Text] A few days ago the courts handed down an eight-year prison sentence against an author and a publisher of a book attacking religions and assailing the Prophet, God's blessings and peace be upon him.

Beyond the court ruling, the book, and the book's author and publisher, this matter has raised numerous questions among publishers, given the fact that it is unprecedented in Egypt.

I asked 'Abd-al-Mun'im Murad, president of the Publishers' Union, this question: What do you think about this matter?

He replied: "Of course we respect the judiciary, and it is inappropriate for us to comment on its rulings. This matter, however, compels all of us, as publishers, to take a long and hard look at ourselves and to refrain from publishing questionable books before consulting with the competent censorship authorities, be they religious or secular, that used to exist in the past, but not any more. This prompts us to raise the following question: Should we demand censorship of books before they are published to spare ourselves material and moral sanctions, or should the matter be left to the publishers and their conscience to publish what they see fit and bear the responsibility for their action?"

"Naturally, I prefer to stick to our call for freedom of opinion and thought, leaving it up to the publishers to censor themselves and bear the responsibility for their actions. Readers are unaware of the fact that the sentence, which we respect, has evoked much interest outside Egypt, and this may affect their understanding and perception of the degree of freedom of opinion and expression in Egypt, besides their strong belief that it is not guaranteed to the extent they know.

"The Publishers' Union will debate this matter at its next meeting to find a solution to this problem."

I asked what official side was entrusted with the confiscation of books, and he said that there was no side, be it al-Azhar or the Literary Works Investigation Agency, that can confiscate any book without a court order.

The Literary Works Investigation Agency or other agencies can seize copies of any book on the basis of a complaint filed by an institution or an individual on grounds that the book is prejudicial to religions and beliefs, whereupon it must wait for an order to be issued

by the prosecution, referring the matter to the judiciary to decide whether to uphold the confiscation and seizure or to release the book.

Ahmad Yahya called for the formation of a Publishers' Union committee to enforce a code of honor, after repealing censorship on books, provided that it reviews every book dealing with thorny subjects prior to publication. There are very strange titles on the market now without the author's name on the cover because they deal with sex, for example, or any other subject incompatible with societal customs and traditions.

Most dangerous, however, is the fact that people who have nothing to do with publishing have started to publish old books from our cultural heritage, without verification or scrutiny, by merely reprinting and distributing an old issue.

Article 2 of the Publishers' Union law, according to Ahmad Yahya, stipulates raising the standard of the publishing profession and supporting its mission, both from an academic and a national point of view. Article 5 says that no unregistered publisher shall be allowed to practice the publishing profession, and another provision stipulates that publishers must be praiseworthy and reputable. "I know," Ahmad Yahya said, "some publishers who are embroiled in dishonorable cases!"

In short, the problem is that the entire general climate is corrupt, and, therefore, such cases in the publishing and other fields are inevitable.

#### Natural Law

As for Ibrahim al-Mu'allim, he does not sanction such infringement on religious beliefs and rejects the exploitation and manipulation of religious sensibilities for fame or cheap profit, something that, unfortunately, is rampant nowadays.

Mu'allim said: "I acknowledge the publisher's and the author's responsibility for everything they publish, and I respect societal beliefs and traditions. I hail the enforcement of the law, provided that it is the natural law that respects the right of every citizen to face his natural judge. I believe that the Publishers' Union will convene soon to discuss this problem and problems of enforcing the union's law that requires all publishers to be a registered member subject to all punitive provisions and guarantees before practicing the profession which has become a trade and not a vocation!"

Rawiyah 'Abd-al-'Azim admits that the book in question is a very bad book, and that, if submitted to her for publication, she would reject it. The problem, however, is much more serious than that because there are other books which aid and abet all forms of extremism and are offered on the market without anyone daring to get near them.

She wondered what the Publishers' Union was doing.

I answered that Mahmud 'Abd-al-Mun'im Murad wanted the union to discuss this matter with a seriousness commensurate with its importance and gravity.

She wondered again—and she has every right to do so—that the printing presses require her and any other publisher to obtain security approval for the publication of specific books, and they insist on their demand. What will happen after this incident and how intransigent can printing presses be in requiring security agency approval or in turning down certain books? Whereas we reject any kind of infringement on people's beliefs, this issue invalidates a basic constitutional provision that guarantees freedom of thought and expression. There has to be an impartial and objective civil authority to look into these matters.

In conclusion, these are the opinions and perceptions of some publishers. The intelligentsia must work hard to find a way out of this crisis that has had great reverberations outside our borders!

#### Reports Detail Iron, Steel Resources

92AF0321A Cairo AL-WAFD in Arabic 30 Dec 91 p 5

[Article by Ahmad al-Zayyat: "Iron Mines, Buried Wealth in Aswan"]

[Text] Is there a fifth column working underground to efface the landmarks of our mining resources, burying them in dirt to conceal them and compel us to keep on importing everything in hard currency? Is it a conspiracy to keep us revolving in the orbit of loans, aid, exorbitant interest rates, and IMF arbitrariness?

These questions and others came to my mind when I saw the iron mines in Aswan which have been closed for more than 20 years. This is notwithstanding the fact that reports, studies, and research confirm the existence of over 120 million tons of iron ore with a 62 percent rate of concentration in eastern Aswan at kilometer 35.

Reports also show that the iron we need for industrialization calls for importing \$1.5 billion worth of iron ore annually.

It is a complicated equation that needs to be deciphered. How can we have enough underground and above-ground iron in Aswan to last us 40 years, and yet we import \$1.5 billion worth of iron? It is a crime by any standard, which indicates that there is indeed a fifth column working very hard to keep us in the realm of loans, interest, and subjection.

Studies conducted by the Research, Geological Survey, and Mining Projects Authority; and even reports put out by the Egyptian Iron and Steel Company, show that iron ore can be found east of the city of Aswan in a 60-km by 15-km stretch of land spread out over a 900 km<sup>2</sup> area.

Studies also indicated the existence of iron ore strata in the middle Nubian sandstone formation in two principal layers, a 50-cm to 75-cm thick lower layer and a 0.5-m to 3.5-m thick upper layer. Iron ore deposits have been appraised in a 525 km<sup>2</sup> area.

Reports prepared by the Aswan mines Research Section of the Iron and Steel Company show that there are 19 million tons of recoverable iron ore in the various regions in the 'Aqabah/south Markaziyah area—with a 43.3 percent iron content. These quantities are found above ground. The reports also indicate the existence of 31 million tons of iron ore that cannot be recovered because of the elevation of the sandstone and clay cover, the high silica content, and low level of iron. As for the prospective quantities of ore in the areas located between kilometer 35 and kilometer 60 east of Aswan, according to Geological Research Organization reports, they amount to 50 percent iron content and a silica ratio of 6.9 percent to 26.6 percent.

We note here the high percentage of iron and the low percentage of silica in the ore, in addition to the ore reserves found west of Buhayrat al-Sadd al-'Ali [High Dam Lake].

A report prepared by Dr. Fu'ad Abu-Zaglah during his tenure as chairman of the board of the Iron and Steel Company cites the same data, and adds the following recommendations: a full appraisal of iron ore found east of Aswan and east of Buhayrat al-Sadd al-'Ali to be undertaken by the Geological Research and Mining Organization; and a feasibility study to be conducted by the [General] Industrialization Organization on projects and previous studies dealing with Aswan iron ore usability, including the 1963-1964 Czechoslovak project and the 1972 Indian project, with a view to looking into the possibility of setting up an industry in this region.

Geologist Ja'far Muhammad Hasan, general director of the Mining Section at the High Dam Lake Development Organization and a member of every committee ever created to study iron ore recovery in Aswan, said: "I have participated in every committee created over the years to study iron ore recovery in Aswan. All these committees have recommended that the Aswan iron ore appraisal process be continued in regions that have not been studied in detail and those that have not been studied at all. To be sure, such studies would have added very large quantities to the 23.6 million tons that have already been discovered and verified. It is noted that the Iron and Steel Company has recovered from the Aswan mines only about 7 million tons from 1955 to 1975 and, therefore, the remaining verified quantities are enough to keep the company running for the next 40 years at the current rates." Ja'far Muhammad Hasan went on to say that, according to studies conducted by the Geological Survey and Mining Projects Organization in the 1977 and the 1978 seasons east of kilometer 35—and without adequate capabilities—iron ore deposits amounted to 24.43 million tons. This is not to mention the ore reserves that can be added through further studies and research. Moreover, a report prepared by Dr. 'Atiyah Muhammad (Geological Survey Organization) said that the quantity of iron ore found in areas located between kilometer 35 and kilometer 60 amounted to at least 100 million tons with a 42 percent to 50 percent iron content.

Geologist Ja'far Muhammad Hasan wanted to know what happened to the studies dealing with the construction of an iron and steel plant in Aswan and the Czechoslovak and Indian reports on the same project!

Indeed, a project was contracted to the Norwegian Elektrokismie Company allocating 500,000 kroners, or about 300,000 Egyptian pounds, for the study of the different possibilities of producing iron by reducing its ores through the use of an electric furnace and cave coal. The contract stipulated that the company conduct these studies, and lab and semi-industrial tests on ore samples, but it deferred its decision in anticipation of the study that was being conducted by Czechoslovak advisors, according to the minutes of the ninth meeting held by the Aswan Iron and Steel Plant Project Committee on 26 October 1965 (General Industrialization Organization, Mining Industry Department).

Thus, all studies, reports, and committees confirm the existence of huge unutilized quantities of iron ore in Aswan. So why not utilize this iron by setting up an iron and steel plant in the region in order to save transportation and other costs? A plant near the mines, or even a plant for reinforcing steel can meet the needs of the entire southern Egypt area!

Geologist 'Abd-al-Mun'im Makki, director of the Research and Mining Department at the Aswan Regional Planning Project, said: "The Aswan area is rich with iron ore, particularly in the Wadi Abu-'Ajjaj region northeast of Aswan in the areas of Umm Baramil, al-['Uwayshrah], al-Dahiyah, and Khawr Abu-Subayrah area.

Moreover, iron is found in two Nubian sandstone layers with a potential reserve of 150 million tons that can be recovered by using advanced mechanization and modern technological methods, not to mention the possibility of moving the iron crusher to kilometer 35 to avoid pollution, in addition to the construction of an iron and steel plant and a steel reinforcing plant.

In light of these quantities of ore, it is also possible to set up small industries such as paint manufacturing. Fuel sources are close by, namely the High Dam power plant and the Aswan Reservoir power plant. 'Ali Mursi 'Ali, chairman of the Aswan Iron Mines Union Committee, said: "I spent the best years of my life working in these mines, and it is difficult for me to see them closed. Whereas there was some justification for that in the past, our critical need for this tremendous resource now urges us to reopen them, for the iron ore rate of concentration is 50 to 60 percent, which is very high.

It is a known fact that the high furnaces used to recover the Aswan iron ore require maintenance very ten years, a very important consideration from the economic point of view, unlike the furnaces used for iron ore from other mines that must be relined almost yearly. Add to that the fact that the ore is free of chlorine and other impurities that affect high furnaces. Furthermore, Aswan ore impurities can be put to good use by using the resultant cinder

in the steel-reinforcing industry and using the iron powder in the silicone, paint, and fertilizer industries.

### Effects of Subsidy Cuts on Prices Cited

92AF0322C Cairo AL-WAFD in Arabic 7 Jan 92 p 6

[Article by 'Ala' al-Bahhar: "Government's Gift to Toiling Masses in 1992: Abolition of 'Remaining' Subsidies and 10 to 40 Percent Price Hike"]

[Text] With the advent of 1992, the government continues to take people by surprise and to deal the toiling masses one blow after another. It has announced a price hike of between 10 to 40 percent for most basic commodities and services, and it is persisting in its deceptive policy of reducing the weight of most commodities. The weight of a loaf of bread has been reduced from 160 to 130 grams, and its price has gone up to 10 piasters, and so on.

These hardworking people got the good news from the government that the remaining subsidies are about to be abolished and that they can soon bid farewell to their ration card.

At a time when 'Atif Sidqi was announcing in the government communique last week before the People's Assembly that basic commodity prices would not be raised and that the government was going to do everything it could to achieve a balance between prices and wages, Jalal Abu-al-Dahab, the minister of supplies, had already decided to issue a massive number of decisions to raise food supply prices. A kilogram of free [i.e., unrationed] oil has been raised from 180 to 230 piasters, a 27 percent increase; and a 100 kg sack of domestic flour, from 21.8 to 30 Egyptian pounds, an increase of 8 pounds.

### Deceptive Technique

In an effort to deceive and dupe the people, the Ministry of Supply raised the price of a loaf of domestic bread by reducing its weight from 160 to 130 grams, indirectly raising its price to 7 piasters. A high-ranking official in the Ministry of Supply emphasized that the government followed this devious technique for fear of arousing public opinion, and that the ministry had intended to raise the price to 10 piasters!

This measure has been taken in acquiescence to IMF demands. First undersecretary of supply Major General Ahmad Salit emphasized that the weight reduction was in compliance with IMF and World Bank demands to free prices and abolish subsidies gradually in an effort to spare the citizens any hardships. Add to that the rise in the price of one ton of wheat to \$170, thus raising the price of a domestic loaf of bread to 13 piasters.

Maj. Gen. Ahmad Salit pointed out that the ministry has decided to free prices and subject them to [the law of]

supply and demand, thus tying the Egyptian market to world prices by importing almost all commodities, hence the higher prices.

### Devious Methods

The government also followed devious methods to raise commodity prices by reducing the weight of a 500-gram package of sugar to 450 grams, thus raising the price of a kilogram of sugar from 160 to 170 piasters.

A report put out by the Giza Chamber of Commerce confirmed that the prices of certain brands of pasta have been raised by cutting the weight of a package from 1,000 to 800 grams.

The government followed the same technique in a number of other food commodities.

'Abbas al-Qabbani, director of the Giza Chamber of Commerce, maintained that the government cut subsidies and offered goods at economic prices, causing prices to go up. The price of a kilogram of corn oil went up to 5.25 pounds, not to mention the prices of medicines, home appliances, and other goods.

Ahmad al-Maghribi, president of the Giza Chamber of Grocery Stores, affirmed that dairy prices recently rose by 10 to 15 percent.

### Ration Card Abolished!

Under the motto of free prices, the minister of supply stated that it has been decided to abolish the ration card whereby most commodity prices like rice and tea have been raised, and only oil and sugar have been maintained under the ration card system while raising the price of 1.5 kilograms of the rationed amount from 45 to 70 piasters.

### Higher Price for Fava Beans

The latest report issued by the Cairo Chamber of Commerce shows that the price of a bowl of fava beans has gone up from 30 to 60 piasters, or 100 percent, bringing the price of a bowl of kushari [a macaroni and lentil dish] to 125 piasters in some areas.

The same thing goes for consumer goods and home appliances. The price of fully automatic Ideal washing machines last month rose by up to 10.8 percent, to 790 pounds, and a G.G. [expansion not given] to 445 pounds.

Prices of Ideal refrigerators have gone up by 24 percent. An 8-cubic-foot Ideal refrigerator now costs 650 pounds, and the 12-cubic-foot one, 1,200 pounds.

Chamber of Commerce reports indicate that the consumer goods market is going through a recession due to these horrible price hikes.

### Pharmaceuticals

These horrendous price hikes have affected pharmaceutical prices as well, causing the price of medicine to double. 'Abbas al-Qabbani, director of the Giza Chamber of Commerce, said that the price of the hypertension drug, "Madriotic," has gone up from 3 to 6 pounds, and of "Eliptine," from 2.5 to 3.5 pounds.

On the other hand, chamber of commerce reports confirm the existence of severe shortages of medications for heart, diabetes, hypertension, kidney, burn, eye, epilepsy, and other ailments.

## ISRAEL

### Proposed Alternative to Likud, Labor

92AE0193A Tel Aviv 'Al HAMISHMAR (Sabbath Supplement) in Hebrew 17 Jan 92 pp 10-11

[Interview with Dr. Yitzhak Galnoor, professor of Comparative Politics at the Hebrew University, by Oded Lifshitz; place and date not given]

[Text] Professor Yitzhak Galnoor, 50, one of the founders of Shalom Ahshav, born in Brazil and brought up in Hashomer Hatzair, defines himself as a leftist. He says that he hates titles, but does not forget to point out that he is a captain in the IDF (Israel Defence Forces) reserves. He majored in political science in the United States, immigrated to Israel, and since then has moved in the academic orbit, teaching and doing research in comparative politics at the Hebrew University in Jerusalem. Over the last few years, he has divided his time between the university and the "Israeli Institute for Democracy," a private institution supported by American donors, the goal of which is to formulate proposals for improving administration and political rule in Israel, and also to exert an active influence in order to carry out what it proposes.

Galnoor supports the establishment of a Peace party, based on the unification of MAPAM [United Workers Party], RATZ [Citizens' Rights Movement], and Shinui. He does not mean a technical bloc to be created just before the elections, but rather a party that will strive to become the ruling party and provide an alternative to the Likud. This requires revolutionary change in the consciousness of the leftists, who have always seen themselves only as a small corrective opposition, which helped the Labor Party to reach a majority. Labor, in his opinion, is giving out blurred, double messages that will keep it from returning to power. The Peace Party, which will also strive to attract immigrants, new voters, and Arabs into its ranks, should be able to reach 15 mandates by 1992, but its main goal must be to become the ruling party, the central component in a leftist coalition in the next election to come after that.

[Lifshitz] You opposed the law that would have set up direct election of the Prime Minister. Why?

[Galnoor] I am in favor of essential, far-reaching reforms. In the past, I was among those who promoted a system of mixed elections, in which some of the delegates would represent regions, while the rest would be chosen from a wider national list. I am not interested in change for the sake of change. The present law is the fruit of despair at any hope of real change. It is nonsensical from the democratic point of view, and does not help to prevent blackmail by the smaller parties. It seems to me that my friends on the left, like Tsaban and Oron, supported this law against their consciences and principles. The conclusion to be drawn from the failure is that it is best not to try to put through essential reforms in an election year, under the pressure of narrow party considerations.

[Lifshitz] Is it a good idea to raise the minimum percentage needed to gain a seat in the Knesset?

[Galnoor] The voting public is divided into seven main streams of opinion: the Likud, those to the right of the Likud, Labor, those left of Labor, the national religious, ultra-Orthodox, nationalistic Arabs. If the minimum percentage is raised to 3 or 4 percent, there is a good chance that all the seven streams I mentioned will still make the proposed minimum percentage, so that the percentage will not interfere with the main opinions among the voting public being represented. A move like this is preferable in order to avoid a situation where, in the negotiations to form a coalition after the elections, there would be almost 120 partners.

[Lifshitz] What is the realistic chance of raising the minimum percentage?

[Galnoor] A year and a half ago, when the present government was formed, the Likud solemnly promised its ultra-Orthodox and Orthodox partners that it would not raise the minimum percentage. As long as there is a stalemate between Labor and Likud, there is not much chance that the percentage will be raised, unless an imaginary situation comes to be where the two big parties will be capable of mutually supporting each other, and joining forces against the religious bloc to raise the percentage.

### Shamir and Arens Will Not Change Their Spots

[Lifshitz] There are some who dream of a two-party system, like that of the United States.

[Galnoor] They do not understand that the multiparty system grew naturally out of our political culture. Among other things, for us there is no separation of religion and state, and there is a social mosaic that would reject the transplant of such a foreign organ. Even if it could be arranged—artificially, through political engineering—for only two parties to run in the elections, they would just be two conglomerates, stuck-together parties, which would break up as soon as the voting was over.

[Lifshitz] You are for far-reaching reform, but which reform? Just a change in the way elections are carried out?

[Galnoor] Everything that happens in Israeli society and politics hangs on one question: peace and the territories. This problem has gone unsolved for 25 years, since 1967. Solving it is more critical than solving the problems of immigration and absorption, economy, and society. Anyone who wants reform must propose a solution to this question, and a party that tries to put social, economic, and religious questions ahead on its order of priorities is hiding from the true and deep inner agenda of Israeli society. The Labor Party tried this over and over, and perhaps this is why it failed.

One reason for this mistake is the attempt to use surveys to ask the public what interests it. People responding talk about salaries and the condition of the roads, and those asking do not consider that perhaps, behind it all, the answers express pain and despair over the impossibility of solving the central problem of peace and the territories, and that this is the reason that those responding concentrate on everyday questions.

The way the voting public is divided politically is determined by the questions of peace and the territories, except for divisions within the ultra-Orthodox public, mainly within Agudat Yisra'el. The NRP [National Religious Party] has changed from a religious-nationalist party into a nationalist-religious party, and for that reason slipped, in favor of the Likud, from 12 percent to 4 percent. In SHAS [Torah Observing Sephardim], too, the subject of peace and the territories is decisive: its leadership tried to go with the Labor party, in what was called "the stinking exercise" in March 1990, particularly because of pressure from below from its voters, whose opinions are closer to the Likud.

[Lifshitz] What is the connection between the peace negotiations and the Likud's prospects in the elections?

[Galnoor] That depends on the Likud's positions. It will be hurt if it decides to compete with the extremism of Hatehiya and Moledet. That would escalate. If the Likud is dragged into support for transfer, the others will propose genocide (previous word in English, then in Hebrew). They will become more and more extreme.

[Lifshitz] Is genocide a slip of the tongue, or an expression for the record, that you really mean?

[Galnoor] An expression for the record. If the Likud reads the moods of the Israeli public properly, it [will realize that] it must seem like a group that is working to absorb immigration, strengthen the economy, and guard the pact with the only superpower, the United States. If a script like this materializes, it would become clear that the shouts of the settlers, the threats of the parties on the extreme right and the pressure of personalities within the Likud, like Sharon, have no real electoral weight. The Likud would not lose votes because it turns toward

peace—it would gain votes, and it is even possible that it would become a party with a clear majority.

When Shamir spoke, at the latest Likud central convention, of the Land of Israel being his main goal, the response of the central committee members was lukewarm. A gap has been created between the extreme leadership of the Likud and the majority in the party central which is more moderate. Nevertheless, the probability that the Likud will turn into a Peace Party is slight, because this would mean that Shamir and Arens would have to change their spots. The Likud can be expected to talk in the elections in double formulations. It will speak of supporting the "peace process" and add to the words a wink in the direction of the "understanding" voter, that says that the Likud has no intention of giving up the territories. This way, it will repeat the mistakes of Labor and create an "Oral Tora" for itself that is more extreme than the written platform. If this happens, the Likud will lose votes to the extreme right and also to the left, if the left does express itself clearly.

#### Fifteen Mandates for the Peace Party

[Lifshitz] If you have reached the Left, shall we begin with the Labor party....

[Galnoor] If Labor also continues to say things that are unclear, the deadlock between the two big parties will go on, perhaps with bites out of their power in favor of the more extreme left and right. If Labor had sharpened its positions in 1988, supported negotiations with the PLO, and given up the terminological monster called "territorial compromise," it would not have lost votes. The thesis according to which "middle-of-the-road stances" will pull votes away from the Likud, has already failed four times, in 1977, 1981, 1984, and 1988, and the time has come for them to consider anew the electoral lesson to be learned from these failures. I am sorry to say that the prospect of Labor's sharpening its messages is slight, and especially slight if Rabin, the originator of the idea of a middle-of-the-road party, wins the internal contest. In conclusion: only the Likud still has the potential to become a middle-of-the-road party. Labor has already lost this potential.

[Lifshitz] What should the strategy of the parties to the left of Labor—MAPAM, RATZ, and Shinui—be?

[Galnoor] They have a chance only if they take one great option, directed to the range of after the 1992 elections: to define themselves collectively as an alternative to the Likud. This is a radical change compared to their present outward-directed self-definition, and compared to their inward-directed self-image. Today they function as a corrective opposition to the Labor party, hoping to work with the larger party to create a front against the Likud. According to the conception I am proposing, a party must be built that will strive to come to power in the middle range, in the next elections after 1992, skipping over what is left of Labor.

[Lifshitz] Is it not too early to eulogize Labor? Is it not exaggerated to speak of three small parties as an alternative to the government? Are you not proposing a frog that has swelled up in order to seem like an ox, or something like the mouse that roared?

[Galnoor] Labor still exists, but with its mixed messages, and its present leadership, it is not capable of being the alternative to the Right. It does not believe itself that it can, and so supported the bill to establish direct election of the Prime Minister with the idea that it cannot defeat the Likud in regular elections, but perhaps might succeed in getting into the government by the back door. First it would try to get its candidate chosen Prime Minister, and then what would happen would happen.... I do not believe in this possibility and also do not agree with the argument that a polarized party like the Peace Party, standing on the leftist edge of the political map, could not possibly become the ruling party. The argument is that only a party in the middle, like the Likud or the Ma'arakh, has a chance like that. This claim has not been supported by reality: when the Likud rose to power, it was a polarized party, and no political power stood to its right.

[Lifshitz] How is it possible to unite a party that will have rightist liberals from Shinui in it along with socialists from MAPAM?

[Galnoor] A single-issue party must be created that will concentrate on the necessity of achieving peace. I will use fine definitions, and say that the capitalist liberalism of Shinui, the religious pluralism of RATZ, and the social sensitivity of MAPAM, will be of secondary weight in a party like this. The ambition must be to create a broad and complete coalition of the peace camp—those to the left of Labor—including the Arab parties, including everyone. We are speaking of a peace party—not a technical bloc that will be set up a minute before the elections, but a party that will be an alternative to the stammerings of Labor and the dead end that the Likud proposes.

[Lifshitz] What are the electoral prospects of a party like this?

[Galnoor] Up to 15 mandates in 1992, including the possibility that defectors from Labor will join.

[Lifshitz] Is this the maximum? Then what has been gained?

[Galnoor] If in 1992 the leftist bloc as a whole does not pass the barrier of 60 Knesset members, there will not be an immediate benefit from setting up the Peace Party. But, if the big step is taken in 1992, there is a chance that the entire political system will move to the left in the next elections after 1992. We must not settle for less than that. If a party like this had been set up before the 1988 elections, nobody would be speaking today of the Labor Party as the alternative to the Likud.

[Lifshitz] If the elections end in a stalemate, a situation may be created where the left will be forced to weigh again—as in March 1990—how much to concede to the religious in order to create a coalition....

[Galnoor] I do not believe that kind of coalition is possible. The Mafdal [National Religious Party] is part of the Likud bloc, and the ultra-Orthodox also prefer a clerical coalition headed by the Likud. An attempt to set up a coalition of more than 61 Knesset members through an arithmetic exercise, with unnatural partners, is doomed to fail again.

#### **The Histadrut Is A Burden, Not An Asset**

[Lifshitz] There are significant forces in the three parties who oppose this kind of unification, and they present persuasive arguments...

[Galnoor] There is a natural tendency, especially in an election year, not to look more than two inches beyond one's navel. The main point is that there is great fluidity in the political system, and the first one who reads the map correctly will have an advantage. The main consideration has to be the contribution to the main task, the achievement of peace.

Those members of MAPAM, who still amuse themselves with dreams of returning to the warm lap of the Labor Party, need to know that today the Histadrut is a burden, not an asset, to the Left, and need to clarify well whether a partnership like this has an advantage in any sphere, including the economic sphere. The Shinui and MAPAM members who fear an unnatural partnership between representatives of the urban middle class and representatives of Labor Zionism, must understand that without peace the interests of the two groups will not be advanced. RATZ members must remember the variations in the party's relative strength in the past, and to put question marks next to the assumption that from the electoral point of view it is worthwhile for RATZ to compete against the two parties closest to its views.

[Lifshitz] You spoke of fluidity in the political system. How will the new immigrants, first-time voters and Arabs vote?

[Galnoor] Those three groups will decide to a great extent whether there will be movement in the political system. Nobody knows how the new immigrants will vote. There is only a plenitude of learned opinions that prove both sides. The previous wave of immigrants from the Soviet Union, at the beginning of the 1970's, divided according to the existing party structure, with a slight advantage to the ruling party—until 1977 the Ma'arakh, since then the Likud. Today the number of immigrants is larger, the situation is different, and it is not certain that history will repeat itself.

The small opposition parties have nothing to offer the immigrants in the realm of painful day-to-day topics like employment and housing, but it is possible that if they feel that the Likud is responsible for their situation, they

will kick out against the establishment and vote against it. It is also possible that the great message of the Peace Party, the promise that peace will change the things that are causing their difficult situation—will win a positive reaction from the immigrants.

The vision of a Middle East at peace is likely to be attractive both to Arab voters and to young people leaving the army, who, even if they do not say it, are looking for an escape from the impossible roles that the army thrust on them during the intifadah years. It is possible that a message like this will influence them more than empty promises of housing or jobs that the government may make.

[Lifshitz] Where, in this interview, was the voice of the professor of political science, and where was Yitzhak Galnoor, politically active citizen, member of the left and the peace camp?

[Galnoor] I do not like the title professor, but the reading of the present political map was done by a professional. Everything I said about forming up the lines in the peace camp comes out of my personal identification with that camp, and I clearly rely on my knowledge to analyze the present political situation. If somebody relates to these things as the suggestions of a professor cut off from reality, I can remind him that in 1977, when many figured that the reversal was temporary and the Likud rule would last at the most four years, I predicted that the Likud would win at least another two elections, in 1981 and 1984. In 1984, I predicted that the left would win at least five mandates for MAPAM, seven for RATS, and two for Shinui. This was not far from what they actually won. Labor has not returned to hegemony in the State, and my assessments since then were not substantially different from what I now estimate as being likely in the 1992 elections: an addition of part of a mandate for MAPAM, one for Shinui and two for RATS. Another mandate for the left will possibly come from new people joining the peace camp.

### Linkage of Israeli, Palestinian Economies

92AE0186A *Tel Aviv HA'ARETZ in Hebrew*  
16 Jan 92 p B1

[Article by D. Rubinstein: "There Will Be No Parting Here"]

[Text] The deterioration of security in the territories, the settlers' threats, and the agreement to set up the coalition will apparently result in additional postponements of discussions on the nature of Palestinian self-rule. But the residents of the territories, as well as the PLO leadership, have started, in recent weeks, to pay attention also to the economic changes that will be created in Israel if, indeed, the parties reach any sort of autonomy arrangement. Among the members of the Palestinian delegation and its advisors in Washington are a number of economic experts. Even though no official Palestinian position has

been determined on the economic issues, it is clear that questions on this topic will occupy a central point in the talks sooner or later.

In principle, the independent Palestinian government could be a powerful political factor, which would be able to make important economic decisions. During the 25 years of Israeli rule, the occupants of the West Bank and Gaza Strip have had no such power. They were not a pressure group in Israeli politics, and they had no real government authority. The Israeli Government could treat them as it wished: impose taxes, determine customs and currency regulations, limit production, and block imports or exports to Israel or abroad, and to oversee the transfer of workers and goods according to Israeli interests. Aside from complaining and protesting, the Palestinians could not do anything. During the years of plenty, the residents of the territories benefitted from the prosperity in Israel. Even though the Israeli Government made the rules in accordance with its needs, the standard of living in the West Bank and Gaza Strip rose in a dizzying manner during the '70's. Indeed, there were no investments in the infrastructure of the territories, there were no developmental enterprises or new industries, but, the export of a work force, to Israel and the Arab oil-producing countries, and the limited export of agricultural products and building stone poured much money into the territories. The money was used primarily for the construction of housing and for investment in education.

The Israeli economy also benefitted greatly from the territories. The cheap labor, on one hand, and the markets of hundreds of thousands of Arab consumers, on the other hand, benefitted the nation of Israel. In every economic balance of profit and loss it has been found that the territories never constituted a burden on the Israeli treasury—the opposite is true.

The residents of the territories are talking about the fact that the independent Palestinian government would fight to abolish Israel's economic advantages. Many even raise the possibility of bringing about an economic severance from it. In most spheres such a process is impossible. It is impossible, for example, to install customs walls and completely block the passage of goods and workers. Without a border and without full supervision over its passages, it will be impossible to build another economic system in the territories; especially since the settlements are essentially annexed to Israel. The Palestinians will also not be able to do without the work in Israel. Without the income from work in Israel there would be real hunger in the Gaza Strip, and in the West Bank many would be surviving on slices of bread. In the past, the labor markets of the oil-producing countries and Jordan were open to residents of the territories, but, today, as we know, the situation is different.

In meetings in East Jerusalem, they are discussing the fact that the independent Palestinian government must demand from Israel all of the social payments that were

collected from workers in the territories and from their Israeli employers since 1967. They are referring to enormous amounts, such as all of the national insurance payments that employees working in Israel, and their employers, pay, most of which makes its way into the pocket of the Israeli treasury, not the workers' pockets. They will insist on receiving all payments of customs taxes, especially the M'AM [Business Tax], which the Arabs pay, and which, currently, do not all reach the civil administration.

An additional demand is to open the Israeli market to agricultural products from the territories, just as the West Bank and Gaza Strip regions are open to the product of Israel. The State of Israel is taking administrative steps, especially in agriculture, to protect Israeli farmers from competition in the territories: Residents of the territories must receive licenses to market their products in Israel; limitations are also imposed on them in the acquisition of certain agricultural equipment, such as poultry incubators; they are forbidden to grow certain seeds, and there are seeds that must be purchased solely through Israeli agents, and more.

Even in industry, there is apparently intentional discrimination against the territories. The extent of industry in the West Bank and Gaza is nothing in comparison to the Israeli economy. In the territories, there are no financial institutions for development, there is no assistance for establishing factories, and there are almost no subsidies. Only in the past year has the government begun giving some aid and concessions to new factories. And, indeed, the number of requests to establish new factories is increasing over the number of requests presented in the past.

But a large portion of the workers and workshops in the territories are subcontractors for Israeli industry, and they have no other means of existence without them. Hundreds of workers in Shechem and Hebron manufacture the shoes for Neveh-Sha'anani's market and for stores in northern Tel Aviv. This is also the case in part of the clothing sector, such as the sewing workshops for jeans in Gaza, which are subcontracted to factories in Israel. Israelis receive various tenders in construction work and other fields, and they take nice brokerage commissions for themselves and transfer the jobs to Arab subcontractors. In a similar fashion, Israeli farmers who have land and water rights rent the lands to Arab contractors.

In other words, industry and employment in the territories are almost totally dependent on the Israeli economy, and any severance would paralyze them. In the territories, they are pinning hopes on capital and investments from Arab countries and wealthy Palestinians, but the latter are afraid to risk their capital in a region where instability prevails and whose future is uncertain. The independent Palestinian government may, therefore, fight against the discrimination and make demands, but the economic dependence of the territories on Israel will continue to trouble them for years to come.

### Politics of Oriental, Western Jews

92AE0193B Tel Aviv HATZOFE in Hebrew  
17 Jan 92 p 5

[Interview with Professor Eliezer Ben Refael, by Na'ami Golan; place and date not given]

[Text] Israel's entrance into the swirl of elections in the near future gives Professor Eliezer Ben-Refa'el's research, on the subject of Sephardim and Ashkenazim in Israeli politics, a special timeliness.

Ben Refa'el, a sociologist who immigrated to Israel from Belgium at the age of 17 and was a member of Kibbutz Hanita for 20 years, specialized during his studies at Jerusalem (sic) University and during the years that have passed since, on two themes: one, the kibbutz, and the other, ethnicity.

As a former new immigrant himself, it fascinated him to investigate how other immigrants relate to their countries of origin, to their new language (Hebrew), and to people from other countries of origin.

His book, "The origins of ethnicity: cultural groups and social conflict in Israel," came out in 1982.

A second book, published this year, 1991, by Cambridge University, is called "Ethnicity, religiosity and social standing in Israeli society."

### The Reversal of 1977

Students of Israeli society have emphasized very little up until today, says Professor Ben Refa'el, that for 15 years the direct link between social, professional, and economic status and political influence has been severed.

Until the reversal of 1977, when the Likud came to power, those groups that had social status also had the decisive political power.

In 1977 it became clear that the government was supported by groups that were not connected to the established class. Its dependence on them blurred the distinction between deprived social strata and privileged social strata. And this new situation has continued, of course, for almost half a generation.

[Golan] What have been the implications of this for the weaker groups and for Israeli politics in general?

[Professor Ben Refa'el] When the weaker stratum of Moroccan and Yemenite origin received the status of kingmakers—a situation of equal political power was created between Ashkenazim and Sephardim, where each side tries to attract the other and court the undecided votes in the middle. This gives those votes even more importance, and especially gives importance to whoever is perceived as having an influence on them.

This is the reason that politicians of oriental origin have made such great progress in the political plane.

While in 1977 there were 12 Knesset members on the average of oriental origin—now there are 40.

#### Political Representation Beyond Their Numbers

[Golan] Does that not correspond to the real situation—that is, that the number of immigrants from eastern countries in Israel is reflected in the number of politicians representing them?

[Ben Refa'el] The political representation goes over and above the relative representation in the population. We can express this differently—people of Moroccan origin have more Knesset members than people of Romanian origin.

And the political progress expresses itself in two additional areas—managers in public service and holders of high offices in the Histadrut, where the managing director himself, as is well known, is of Yemenite origin.

[Golan] Does this political power express itself also in the way money is distributed in the State?

[Ben Refa'el] Of course. When people of oriental origin sit on the boards where decisions are made, they have the power to decide how money will be invested, in a project like "Neighborhood Reconstruction," for example, which has received large allocations of money, or in acquiring educational services for schools in neighborhoods and development towns, or in other ways.

[Golan] And what about media and popular culture?

[Ben Refa'el] The legitimacy given by the presenters of official culture stands out—for example producers of musical programs on radio and television, like "Lezama-rei Hakasetot" ("Cassette Singers").

Oriental singing stars who were on the fringes of society for many years are invited today to appear on prestigious programs.

It is the same with the media's attitude toward symbols and ethnic celebrations—the Maimuna, the commemoration of Baba Sali's passing, etc. These things received the official seal of approval, allocations, and equal respect on the part of the political establishment and its leaders.

#### Religiosity and Ethnicity

[Golan] How can the Shas phenomenon be understood?

[Ben Refa'el] There have been dozens of experiments with ethnic politics in the past—all of which failed. When ethnic politics was combined with religious legitimacy, a political coup was achieved, first with the appearance of Tami, and now of Shas.

The attitude toward the various religious heritages and the blessing influential religious leaders have given to those courting political power have enabled oriental voters to vote for ethnic parties with a feeling of legitimacy.

[Golan] But the NRP [National Religious Party] also combined religion and politics, and in the past, voters of oriental origin found the combination they were looking for in its ranks. Why did they leave?

[Ben Refa'el] The NRP, as a part of the Zionist revolution, emphasized what unified and built bridges—not the ethnic heritage. It originated and supported the unified service in synagogues, in the army, and other places. It adopted the slogans of ingathering of the exiles in the sense of blurring of distinctions, if not in prayer, then in all other areas of life: music, folkways, and the like.

Deeply traditional streams among groups of oriental origin aimed for the opposite of this, toward emphasizing ethnic origin and stressing contrast.

You will not find Romanian, Hungarian, or Russian synagogues in Israel, but you will find Yemenite, Moroccan, and Persian synagogues.

The more the sense of power and self-assuredness among oriental Jews grew—(because of all the other political courting of them)—the less vulnerable they were to being stigmatized for ethnic politics.

In past attempts to set up a Yemenite or Moroccan ticket—they faced accusations that they were dividing the nation.

Today you will not hear accusations like these from the leaders of the Ma'arakh or the Likud. On the contrary, they are interested in presenting themselves as friends of the parties that once were accused of separatism.

#### The Myth of Discrimination

[Golan] If all this is true, why, when Knesset members and ministers of oriental origin are suspected of violations of the law, do they claim discrimination and ethnic prejudice? How does this fit in with the new self-assurance you spoke of?

[Ben Refa'el] The Sephardim have not achieved the same progress in all aspects of life in the State that they have in politics. In the realm of status, the old social patterns have survived.

That means that when it comes to income, education and status—Ashkenazim are preferred. And even when orientals achieve higher education and income, they adapt themselves to the culture of the Israeli middle class, which is a cosmopolitan Western culture, not ethnic. They hide their ethnic background (in the case of Ashkenazim, one might, at the most, go occasionally to an East European restaurant or throw out a joke in Yiddish...) But altogether the style of the Israeli middle class emphasizes English more than Yiddish, Ladino, or Moroccan Arabic.

From here—that the Sephardic communities are still low-status communities, and therefore, in Ma'alot,

Netivot, Shlomi, the Hatikva quarter, and dozens of other places, there is still a sense of discrimination.

Many people feel that the ancient sin of their high-handed absorption and insulting downfall in the 1950's has not been atoned.

The myth of discrimination is still very much alive, and it also has some factual basis in the reality of our lives.

And so, when the political power of the orientals is not matched sufficiently by image and status—this is articulated in claims of discrimination, for political purposes.

### **There Is No One To Talk To**

[Golan] Do the feelings of discrimination exist only among the Sephardic ethnic groups?

[Ben Refa'el] No! On the emotional plane, too, as with politic power, there have been changes. Many ashkenazim feel that from being the determining political power, they have reached a situation where they have no real political influence.

From here—the common expressions at Ashkenazi gatherings of “the government has gone crazy,” “There is no one to talk to,” etc.

From here—the feeling of political alienation. This is not to say that they have given up political activism in the form of demonstrations, intensive reading of newspapers, and repeated attempts to influence through writing political commentary, articles, satire, etc.

But this says that the feeling of “We—the Salt of the Earth,” or “We—the State” has disappeared.

From an equation of “power equals status,” we have arrived at a new equation: on the Sephardi side, there is power, but still no high social status. And on the Ashkenazi side, there is status, but they no longer have great political power.

[Golan] Will this process worsen or grow stronger in the coming elections?

[Ben Refa'el] Not necessarily! Besides the possibility of acceleration in those directions, there is also the opposite possibility: every party (Likud, Ma'arakh) will try to take a bite out of the others' territory, and so the Ma'arakh will try to court the Sephardim and the Likud will be more open to the views of the Ashkenazim, and a new balance will be created.

There is no constant direction we can use to predict what will happen in the coming elections. The options are open.

### **Analysis of Missile Deterrent Capabilities**

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17 Jan 92 p B1

[Article by Avner Yaniv]

[Text] The Gulf War has given the State of Israel a rare moment of respite. After more than four decades without rest, with one wave of the hand, an international and regional situation has been created in which the threat of war does not hover over our heads like a sword of Damocles. The Iraqis have been taken out of the game for the time being; the Soviets no longer exist as a meaningful power factor; and the eastern front on which the “strategic balance” Hafiz al-Asad has tried so hard to build against Israel depends, has turned into more of an academic threat than an actual one. And as a result of all these changes combined, the IDF (Israel Defense Forces) can, for the first time in our history, take the reasonable working hypothesis (and not an arbitrary hypothesis based on wishful thinking, as happened between the war of attrition and the Yom Kippur War), that a war is not probable in the next few years.

The immediate operational significance of such a working hypothesis is that the IDF can be reorganized according to a task definition completely different from that which formed the basis of the general staff's work in earlier years. The awareness that this is needed is not new. After the War of Independence—as well as after the Sinai Campaign, the Six Day War and the Yom Kippur War—the general staff stood before a similar decisive crossroad. What is new in the situation created since the end of the Gulf War is that it is not necessary to maintain the same high degree of readiness in the realm of basic security that was required in the past. Of course, in the realm of ongoing security, this does not apply. But beyond limited ongoing needs, the IDF can accept the risk inherent in reorganizing on a new scale, according to a completely new definition of threats and requirements.

In other words: even if, in the short range, the IDF's ability to deal with basic security threats (for example, the threat of a war initiated by Syria) is significantly lowered, this is not unreasonable risk-taking, but rather a reasonable investment whose fruits will be better preparedness in the face of new needs. This view can also be defined in terms of deterrence. According to this assumption, Israel has the capacity to deter considerable threats to her survival, even if the reorganization process causes a temporary decline in the IDF's ability to fight on the battlefields familiar to her from the past.

Egypt is completely deterred, and has left the game. Iraq is licking her wounds, and is also deterred, and so is Syria. Thus, it is possible to go quite far, and say that in effect Syria's entrance into the peace process is nothing but an expression of the effective deterrence of Damascus by the power of the IDF. For this reason, the Hafiz al-Asad regime is interested in acquiring an insurance policy against Israel's taking advantage of its present weakness.

And when it comes right down to it, there is nothing like a peace process led by the United States, and progressing sluggishly, to secure Syria's safety from Israel, which is so much stronger than she is (in the opinion of the Syrians themselves).

And so Israel has achieved the major part of the mission she accepted at her founding: the creation of a military force so persuasive that the Arabs would recognize their inability to subdue it. This deterrent, Yigal Alon once wrote, will lead to reconciliation in the end, and reconciliation will finally lead to peace. The sadness is that even though this view has proven its validity, and stands on the verge of full realization (and the proof is the present peace process), our skies are clouding over with completely new threats that need a completely new approach. This is certainly what the Minister of Defense was referring to, when he warned a few days ago that the area is sliding toward nuclear armament. What Arens did not say concerns the solution to this new problem, and the reason for that is not hard to guess: there are no simple solutions to the new threats that have been created as a result of the efforts of Iran, Iraq, and Algeria in the realm of unconventional armament, and, too, the answers we do have in our hands are best not explained to the public.

The main answer is nuclear deterrence. This deterrence is based on the great credibility we have earned over the years, on endless media reports, on an appearance of great technological capability, and above all, on the widespread impression (unconfirmed) that we have the ability to cause insupportable damage to anyone who might try to attack the Israeli rear guard. It is perhaps best to say this in order to strengthen the deterrent, but on the other hand, it is better not to say this so as not to interfere with the U.S.'s efforts to impose an effective arms control framework on the Middle East arena.

But in this dilemma our difficulties are not yet exhausted. The main problem is that possibly in the arena in which we are living, deterrence—and even the most sophisticated nuclear deterrent—will not be enough, for even apparently “primitive” atomic or biological weaponry can cause us damage beyond reason. And if this is a logical working hypothesis, then the unavoidable conclusion is that we must use the respite the Gulf War has given us to develop means of defense against this unconventional threat from the east. Weapons like these must be able to destroy every Arab or Iranian missile before it leaves the borders of the country firing it, so that its explosion will cause insupportable damage to the firers themselves. This, apparently, is the main goal of the “Hetz” missile, and according to this view, it is imperative to develop it as quickly as possible.

## JORDAN

**Writer Describes Hamas Position on Peace Talks**  
*92AE0184B Amman AL-RIBAT in Arabic 10 Dec 91*  
p 18 22

[Article by deputy 'Abd-al-Hafiz 'Allawi: “Hamas: Constants, Heart, Conscience”]

[Text] In this critical period—when the nation is incapable of expressing its firm principles because of the

psychological collapse and submission to the arrogant powers that have monopolized decision-making on political, economic, and social matters affecting nations and peoples, and many regimes, forces, and trends have gone along with the sharply declining line instead of trying to move upward, even if this might call for overcoming barriers and obstacles—I would say that what makes Hamas's position distinctive is that it has realized that the circumstances and changes that have come about have come through plans. It has also perceived that there is a studied plan and prior arrangements influencing the various aspects of Arab and Islamic life, and that certain elements have infiltrated the ranks in order to demoralize the nation, put it in a grievous situation, and entrap it. Hamas has overcome all the obstacles, imaginary lines, and psychological obstructions that aim at resisting [Islamic] renaissance and has adhered to the nation's firm principles that call for total liberation of the holy Palestinian land from the sea to the river, because 'Akkah is the sister of Nabulus, Gaza is the twin of Hebron, Jaffa is the sister of Jerusalem, and so on. The Palestinian land is one in terms of entity, position, and holiness. Hamas has deepened the concept of the integrity of the occupied land and the integrity of the man who is under occupation suffering from Jewish rule, subjected to Jewish culture, and forced to live according to Jewish values. It is one of the important, firm principles to consolidate the integrity of Palestinian land. Judaization of 80 percent of Palestinian land is unacceptable. Recognition of the Judaization of 1 million Palestinians and stripping them of the Palestinian nationality, culture, and identity is unacceptable.

Hamas also stresses that a regime based on the creed, heritage, culture and history of the Palestinian people should be established in Palestine, since our people's identity cannot be realized without the integrity of the soil, the people, and the people's political and social ideology. Their ideology is linked to their spiritual desires; aspirations; heritage; culture; and views on the universe, life, and man. The real existence of any people is its cultural and singular existence that preserves its identity and protects it against Westernization, dissolution, and assimilation.

Furthermore, Hamas uses the same language used by the Jewish enemy. It is the language of principles, history, cultural existence, religious doctrine, civilization, prophets, and holiness. Hamas links all these to the people's beliefs, senses, and inner feelings, all of which prompts man to make sacrifices and to contribute. Therefore, Hamas stirs the inner senses of the Palestinian soul and goes into the depths of human feelings. Therefore, Hamas talks to the enemy with his own language and his own methods. It instills in the Palestinian spirit principles that are contrary to what the enemy instills in the Jewish spirit. Hamas confronts the enemy with means that are equal to his in terms of principles and morality.

The enemy believes in the language of strength and relies on his military prowess in occupying the land and

expelling its people. For this reason, Hamas confronts him with armed resistance and calls for jihad as a counter to the enemy's calls for war. It calls for war preparations for the coming war in accordance with a principle which we still recall, namely that "what has been taken by force can only be retrieved by force."

Moreover, Hamas has not neglected the political side of the issue. It is seeking to clarify the various aspects of the Palestine problem and the Palestinian people's rights to all its soil and to its independent state within an Arab Islamic nation, under the Islamic law that comprises the Palestinian people's ideology, heritage, culture, history, and existence.

With regard to the policy of conceding everything in return for nothing, we believe that this is suicide, desertion of the Palestinian people, and denying the struggle of the Palestinian and Arab and Islamic peoples throughout history, during the conflicts the holy land and the Arab and Islamic area have witnessed. These conflicts involved the ancient and contemporary crusaders' war, the Tartar and Mogul campaigns, and all the unjust imperialist powers.

Hamas' stand affirms that the conflict is with the Jewish enemy and the crusaders' forces under U.S. leadership; and that the Arab countries, and not just the Palestinian land, represent the natural field for the conflict, although Palestine represents the fulcrum and the starting point. Also, developments of the Palestine problem have shown that the intention of Jewish and U.S. plans is to uproot the entire Arab nation; obliterate the landmarks of its existence; disperse its generations; change its identity and culture; and Judaize and Americanize man so that he may become Jewish or American, and even to be like the Red Indians and blacks in America.

Therefore, by affirming the Islamic and Arab character of the problem, Hamas is aware of the sources of danger and of the main conspiracy that is aimed at the existence of this nation and its effective role in the historical movement. The conspiracy aims at chaining the Islamic Arab giant so that he will not rise again to destroy the powers of arrogance, corruption, exploitation, and domination of the peoples' destinies. It also aims at enabling U.S. pragmatism to exploit the wealth of the Islamic Arab world and turn it into a consumer market. After exhausting its wealth, the United States will leave it like a barren desert. The Jews will exploit all its water resources and the United States will exhaust all its energy resources.

Since some people speak the language of despair rather than language of principles, Hamas says:

If the stand of the Jews is as follows:

- No to talks about land,
- No to a Palestinian state,
- Yes to settlements,
- Yes to immigration,
- No to the right of self-determination,

- No to Jerusalem,
- No to al-Aqsa Mosque,
- Yes to the [Jewish] Temple,
- No to stopping armament and nuclear and missiles testing,
- Yes to the destruction of all Arab moral and material weapons,
- Participation in water resources is a must,
- Participation in oil resources is a must,
- Economic boycott must end,
- Political, cultural, and informational normalization are a must,
- Striking at Islamic movements that uphold firm principles is a must.

If the United States says:

We are committed to Israel's security,

Israel has the right to interpret UN resolutions,

We do not force Israel to do anything,

Yes to stockpiling weapons in occupied Palestine,

Yes to dispatching fighter planes to Israel,

Yes to normalization,

Yes to ending boycott,

Billions for helping [Jewish] immigrants,

Yes to the spiritual and strategic ties with the aggressor country.

If the United Nations stands with Israel, and the United States tells it to stand or to sit without having the right to say anything;

If Europe says:

We cannot tell you [Arabs] that you have a "right", but do tell you talk together [with the Israelis],

We cannot put pressure on the Jews,

We will not undercut the U.S. role.

If Russia is in the state of which you are aware, and if the Arabs are also in the state of which you are aware, then how can the political conditions be suitable for sitting with the Jews and negotiating with them? Talk about political solutions under these circumstances is tantamount to ideological and political suicide.

Finally, Hamas's rejection of peace with the enemies, and talking with a language that is fruitless and which the Jews do not understand, confirms a very important thing: that peoples should not set the precedent of legalizing occupation under certain circumstances. Perhaps all that is left for the enemy to do is to prepare the ground, so that in a moment of weakness we will sign everything that he wants us to sign.

Hamas has been wary of this, and therefore refused to toe this line so that future generations will pursue the same path—the path of rising after the fall and the path of jihad, struggle, and never surrendering to occupation; either victory and liberation, or martyrdom. Both are welcome.

Hamas constitutes the nation's beating heart and the conscience of the oppressed world. The heart never dies and the conscience never weakens, God willing. March on, Hamas soldiers!

## MAURITANIA

### Supplemental Islamic Studies in Curriculum Urged

92AF0379B Nouakchott AL-SHA'B in Arabic  
19 Jan 92 p 10

[Article by Ahmed Ben Mohamed [Essibaie]: "State of Islamic Education in School Curricula"]

[Text] I wish to touch here on one of our difficult problems. It is extremely vital to our nation's present and future by virtue of its serious impact on the upbringing of our children, who are tomorrow's generation, the instrument of the future and, God willing, this nation's hope. This problem also has a serious impact on the course of their future intellectual and practical life and on more than one aspect of their religious, ethical, behavioral, and social life. This problem is the problem of the current state of Islamic education in our educational curricula, keeping in mind the profound influence that education has in today's world on molding the individual, modifying his way of thinking, and shaping his tender mental faculties and powers, including his religious belief and his way of dealing with the values and principles that are sacred to the Islamic nation, especially to us as a Muslim people who adhere to their religious values and their genuine Islamic Arab cultural identity. Our young generation is faced with the threat of backsliding and swerving into a path that shuns religious, ideological, and ethical uprightness; weakens the bond between the student and his nation's Islamic culture, civilization, and history; keeps the student practically ignorant of the religious sciences and discipline; and belittles the nation's sublime values and ideals in the student's eyes. The tendency toward Westernization, attachment to foreign values, and disavowal of all genuine values connected with our nation have had an evident and tangible impact on many of our present-day intellectuals.

In fact, this matter is up to the mother, even though Islamic education gets—to be honest—a considerable degree of attention in our educational curricula and programs.

This [state of Islamic education] is undoubtedly due to negligence, disinterest, and lack of practical follow-up, but not in the official curricula and programs, which

probably suffer from no deficiency or inadequacy. The theoretical content of these curricula and programs is very comprehensive and good. A great degree of serious attention has been devoted to this subject. But this subject suffers at the practical level, especially when compared with other high-school subjects. It suffers from low ranking, from shortness of allotted time, and from low status and esteem. In this Muslim country—the Islamic Republic of Mauritania—Islamic education is not even included as one of the major subjects or as a modern branch of education, keeping in mind that Islamic education derives its distinction and its honorable place from Islam itself. Islamic education should develop the individual's faith and guide his thinking, behavior, and morals. The individual should embrace it as the wellspring of his belief and thought, and as a system of life and a code of ethics, morals, principles, and values. Islam is a unique and comprehensive divine system for the various aspects of human life.

All aspects of this subject of Islamic education—and the enlightened faith, laws, legislation, morals, ethics, culture, and civilization that it should incorporate—occupy the minds of intellectuals, researchers, and scholars in all universities of the world, and attract the attention of orientalist who study them with great care.

Islamic education, which is all this and more, lags in our country behind other school subjects in terms of attention, importance, and real supervision. We are talking here of supervision beyond the fundamental level. In terms of ranking and allotted time, Islamic education is treated the same as physical education and body-building!

The fact is that Islamic education is pyramidal in our country. It receives greater and more serious attention and interest in the basic stage. This is evident in the careful supervision and control and in the [students'] eagerness to apply practically what they learn in this stage. The teacher supervises the children's memorization of the part of the Koran that is scheduled to be memorized, for example; and teaches them the rules of cleanliness, in theory and in practice, by way of emulation. He also teaches them the rules and methods of prayer. He teaches them how to observe all this with practical supervision, thus implanting in the children's minds the seeds of religious uprightness and the reasons for observing and exalting God's religion, may God be exalted and praised. The teacher endears to their hearts adherence to, and observance of, this faith and encourages them to actively perform their religious duties. Thus, they grow up following this path throughout this level of basic education.

Students then move to secondary education, where they miss a great deal of the attention and the immediate practical supervision that they had received previously in Islamic education. The other educational subjects, which are ranked higher and to which more time is devoted, begin weighing students down. These subjects

are allotted a bigger grade [percentage] in general examinations, thus requiring the student to devote most of his time and attention to them. Amidst the horde of new subjects and disciplines, the fate of Islamic education is "alienation, neglect, and marginalization, practically and actually." The world belongs to the new school, regardless of how great and sincere an effort some capable teachers exert to teach Islamic education, and regardless of how eager the curriculum is to give it the theoretical importance and attention that it merits. What is lacking are the incentives to encourage and promote the serious study of Islamic education. What is also lacking are the proper climate and conditions, especially time and ranking. An eminent professor has said: "Generally, the curriculum established currently (for the secondary stage) is of good quality and takes into account the various aspects on which Islam focuses in its capacity as a system of life that engulfs all facets and dimensions of life in this world and in the hereafter. This curriculum reflects a vigilant Islamic presence—it is a relative presence, of course, because only God is perfect—if the means necessary to achieve it are made available, especially: adequate time; capable teachers; an educational incentive that tempts the student to stick to the subject; and an educational climate that helps implement the curriculum.

"Of all subjects, Islamic education is given the least time. The most time allotted for it is three hours [weekly], which is the same time allotted for physical education. This makes it nearly impossible to implement the curriculum effectively, considering the time restrictions." (Source: Bouanan Mohamed Ben Mohamed Salem, "Islam in the Mauritanian Educational Curricula")

**Chart of Hours Allocated Weekly for Islamic Education**

Year	Arabic Branch	Bilingual Branch
First	3	3
Second	3	3
Third	3	3
Fourth	3	3
Fifth	2	2
Sixth	2	2

Therefore, a careful review of Islamic education is required to correct the existing condition, to eliminate the problems, to rehabilitate this subject and put it in its proper place among the other subjects, to give it the attention it merits, to elevate its ranking, and to increase the time allotted for it.

It is my opinion that this task will not require a lot, considering that the curriculum is acceptable and satisfactory. What it lacks are the auxiliary means and some review measures are needed that do not demand a great effort, such as:

1. Increase the time allotted for this subject so as to make it possible to cover the curriculum and to teach all parts of the subject;

2. Elevate the ranking of this subject, especially in general examinations, to encourage students to study it and pay attention to it;

3. Have both administration and teachers devote greater attention and consideration to this subject, as is the case with other subjects;

4. Provide capable teachers and assign the subject to specialized teachers.

## MOROCCO

### Foreign Policy: Efforts To Diversify Analyzed

*92AF0368C Casablanca LA VIE ECONOMIQUE in French 6 Dec 91 p 10*

[Article by Nadir Yata: "Morocco and the Multiple Partnership: Diversification, the Source of Independence"; boldface words as published]

[Text] The increased number of state visits made by His Majesty the King in recent months—to Spain in 1990, followed by the United States and Italy in 1991—have helped to lend credence to the belief that in its foreign policy, as in its trade with foreign countries, Morocco has chosen to diversify its relationships and to distance itself to some extent from its historic, traditional, and principal partner: France.

To be sure, such an interpretation is not incorrect. It derives its relevance from the friction that has affected the political, diplomatic, and media relations between Rabat and Paris ever since Morocco—following the Franco-African summit at La Baule in June 1990—decided to cancel the "Moroccan Days in France" festivities that were scheduled to begin in October of last year.

There is no need to recount the vicissitudes that have produced moments of high tension, for they are well-known to the Moroccan general public.

Moreover, the undeniable fact that a lobby hostile to Rabat is developing within circles that are very close to the current French leadership is sufficient now and then to rekindle the flames of the controversy and...to disturb all those who—in Morocco as in France—would like a prompt return to a bilateral normalization in which an atmosphere of calm "favorable to the conduct of good business" would be in fashion.

It is advisable, however, to evaluate the real impact that the deterioration of political relations between Morocco and France is having on the volume of their trade and on the intensity of their many-faceted cooperation.

### France Outstrips the Other Partners

Without having to refer to figures, statistics, and percentages which in any case evolve in accordance with current circumstances, we shall be content to accord France its true rank vis-a-vis its immediate "rivals" for partnership

with Morocco, namely—first place. Paris remains, in this connection, the partner whom Morocco could ill afford to do without, because the ties are so firmly and extensively interwoven.

This is what—from all indications—will continue to keep the tensions and acrimony from exceeding a certain level. For whether one wishes it or not, economic and financial considerations take precedence over all others. If you then add the human and cultural ties—reinforced by the presence of a large Moroccan emigre community in France and by the approximately 25,000 French residents in Morocco—it is apparent that the French “leadership” in our country is not about to disappear. And even if Spain and Italy nibble off pieces of the Moroccan market, increase their proposals for cooperation, and invest in Morocco, the value of the trade involved in the Franco-Moroccan partnership is still three times greater than the value of trade with Spain and four times greater than the value of trade with Italy.

It is therefore advisable to assess the increased strength of Spanish and Italian interests (in addition to the interests of the Arabs, who rank second among foreign investors in Morocco) at its true value and in its true context. It is impossible to understand the alarmist analyses that depict the natural and normal competition among Morocco’s foreign partners as a ruthless war that is likely to end with the eviction of one or the other of the competitors, for in many other markets the European countries and their manufacturers compete vigorously with each other.

Why should this be any cause for astonishment, on the eve of the effective date of the unparalleled European document whereby the EC Twelve will eliminate the remaining obstacles to the free circulation of assets, merchandise, capital, and services among the members of the EC?

Should not Morocco’s approach therefore be interpreted as a desire to position the country more favorably in this new context, instead of being subjected to a hasty and somewhat “military” analysis according to which the victory of some would entail the defeat of others?

#### **Morocco Is Diversifying Relations, Not Breaking Them**

Morocco’s policy of an “opening” in all directions—a policy in which politics and diplomacy are pressed into service at the highest level to help the nation obtain the foreign support that is essential to its economic development—is intended to increase the competition and therefore does not exclude anyone. Morocco long ago discarded the concept of exclusivity.

Since 1956, in fact, Morocco has consistently sought relations with partners other than France, with a view to meeting its needs as well as preserving its independence. This logic still prevails today.

Having determined that Spain and Italy—and even the United States and Germany—are interested in investing

in certain Moroccan opportunities, the Moroccan Government is doing everything possible to attract them. Despite the fact that this diversification could have the effect of goading a French partner—who sometimes has a tendency to take for granted gains he has made and that he believes to be immutable—Morocco intends to use this diversification to satisfy its national interests, on the basis of priorities that it has itself established.

Accordingly, when Morocco obtains Spanish financial assistance for its fishing fleet, or German loans for the elimination of the shantytowns, it does not regard this as distancing itself from French assistance but rather as utilizing new opportunities that—because they are multiple and from different sources—will enable our country to obtain additional aid and support.

Does anyone therefore believe that well-informed French circles really take offense at Morocco’s development of partnership relations with other countries? That is hard to believe.

In fact, it will be recalled that France and its allies of Latin and Mediterranean Europe share many concerns both for the present and for the future. Within the framework of Euro-Mediterranean thinking that gave rise to the institutionalization of the “Five Plus Five” conference (the five countries of the UMA [Arab Maghreb Union] and the four Euro-Latin countries plus Malta), there is a convergence of objectives.

#### **A Sharing of Tasks and Expenses**

Spain and Italy, like France, are particularly concerned about the future of the North African countries. Rome and Madrid are already host to tens of thousands of Maghreb emigres who have become permanent residents.

More than France, these two countries are also liable to continue to be receptacles that are very permeable to illegal immigration (through Morocco to Spain, and through Tunisia to Italy).

And these countries, like France, would be the most exposed to an irrepressible migratory flux that would have its source in the population explosion and the endemic social crises that are already present in all the Maghreb countries.

Consequently, there is already a very real perception—in Spain as well as in Italy—of the “perils from the South.” Spain therefore has come to share the concerns of Paris, which moreover is faced with the necessity of integrating a large Maghreb population whose strong cultural and religious identity is an obstacle to the assimilationist goals cherished by many circles in France.

The decision to invest in Morocco, to trade with it, and to cooperate in many fields is therefore not an example—a simplistic example—of a war for influence being waged between Paris and the others.

The Europeans of the northern shore of the Mediterranean share tasks and burdens among themselves and also with Algeria, Tunisia, and Mauritania.

This will be even more true in the future, because the four countries of Latin Europe (Spain, France, Italy, and Portugal) are united in their desire to prevent a serious social destabilization of the Maghreb, which in addition to a possible victory for Islamic fundamentalism would provoke a massive exodus of people to their countries. That is why the lines of credit and plans for cooperation being established in Paris, Rome, and Madrid—far from being in competition—actually complement and support each other, in an approach of enhanced complementarity and efficacy.

This approach, moreover, is intended to regain for the Latins the influence, in Europe, that they are increasingly losing vis-a-vis a Germanic power whose interests in Central Europe are increasingly manifest and whose pretensions (as demonstrated in the Yugoslav crisis) are on an ever grander scale.

The Maghreb will give the Euro-Latins the "strategic fallback position" of which His Majesty the King was already speaking in 1986 and 1987 in prophetic fashion. It may well be that many in Mediterranean Europe at that time lacked the intellectual capacity to grasp all the implications. Today, history has undertaken—with disturbing abruptness—to confront them with the facts....

It is therefore normal for our country—in this context—to attempt as best it can to get out of a difficult situation.... Morocco is diversifying and thereby profiting from the onset of awareness that is taking place among its partners on the north shore of the Mediterranean—an awareness of the stake they have in the region both for the short term and for the long term. In so doing, Morocco is increasing its opportunities to achieve the economic and social growth so greatly desired by its people.

In this way Morocco is demonstrating a truth that in the final years of this century is incontrovertible: namely, that a nation's quest for independence and the defense of its sovereignty are achieved not through isolation and self-sufficiency but through the multiplication and diversification of its foreign relations. In order not to be dependent on anyone, it must have relations with everyone!

#### King's Relationship With Press Analyzed

92AF0324C London AL-SHARQ AL-AWSAT in Arabic  
14 Jan 92 p 14

[Commentary by Talha Jibril: "Hassan II and the Press"]

[Text] King Hassan II's interviews with the press have a distinctive flavor and are essentially interesting and provocative. He is capable of saying everything, if he wants, or of saying nothing no matter how long the

dialogue. He is also noted for boldness in presenting his views. He usually speaks in Arabic and French, and very rarely in English. His answers are frequently interspersed with literature, poetry, and philosophy.

Even though his interviews are generally spontaneous—he rarely requests questions in advance—he is greatly skilled at evading embarrassing or loaded questions.

I noticed in several press conferences and interviews that he is very comfortable with journalists and that he sparkles, especially when the questions are intelligent and precise. He always has a preference for short, complex questions and never hesitates to praise the ones he likes.

He also responds harshly to substandard questions. I recall that a journalist from an African country once asked him about what he called the "lavishness" of Moroccan celebrations. The Moroccan monarch responded: "Has anyone asked you to pay the bill?"

Sometimes he treats you to a nice and unusual surprise. I recall an exclusive interview with him, accompanied by the editor-in-chief of AL-SHARQ AL-AWSAT, at the royal palace in Marrakech in 1985. He startled me before the interview with an unusual question: "You attended the College of Literature in Rabat. What do you think of it?" I found my tongue, despite the surprise, and responded that I, like most people, would be prejudiced for my alma mater.

This comes to mind because of I greatly admired an answer he gave last week in an interview with the French newspaper LE FIGARO. He was asked: "How do you personally feel towards France nowadays?"

The response of King Hassan II: "I personally have nothing against France. Nobody can be hold a grudge against such people or erase 40 years of personal education. Nevertheless, my feelings have already been formed, because I am human like everybody else. In truth, I believe that the chief of police in Paris could have prevented the burning of the Moroccan king in effigy at Trocadero Square, since it was essentially a demonstration in a public square and does not involve personal freedoms, but let us not discuss this".

#### Referendum Postponement Not Accepted

92AF0324B London AL-MAJALLAH in Arabic  
8 Jan 92 p 14

[Editorial Mehdi [Bennouna]: "Morocco Will Not Accept Referendum Postponement"]

[Text] The problem of the Moroccan Desert will inevitably come to a conclusion in 1992. There are many reasons for this; the most important is that it was Morocco that initiated the referendum proposal at the 1981 meeting of the Organization of African States. Morocco waited for a long time before its monarch, King

Hassan II, warned the United Nations in 1990 to hold the referendum no later than the summer of 1992—a two-year deadline.

The United Nations originally planned a referendum for January of this year, but it did not respect its own timetable and had to reschedule the referendum for next September. I don't believe that Morocco will accept any more delays or procrastination, especially since 1992 is the year for parliamentary elections in which residents of the Saharan regions must take part along with all other Moroccans. A second reason is the developments in Algeria, which is rightfully the other party with direct interest in the Saharan issue.

The position of the Moroccan Government, in my view, will remain unchanged until after the Saharan referendum, and could change just before the parliamentary elections in order to guarantee election integrity and transparency. Morocco, as King Hassan II emphasized, is diligently traveling the road to true democracy with deliberate, balanced, and steady steps. That, in itself, will placate the opposition, which will also find satisfaction in Morocco's consistent progress towards human rights guarantees and in the gradual release of detainees who the opposition considers as political prisoners. This endeavor began two years ago and continues to this day.

The most celebrated domestic issue of 1992 will be that of amending the constitution as part of Morocco's progress towards true democracy, especially since the first Moroccan constitution was approved by referendum in 1963 and later amended in the seventies. Both King Hassan II and the Moroccan parties agree that the time has come for new amendments that would vest the parliament with wider authority and establish definitive separation of the executive, legislative, and judicial branches.

**USFP Deputies Continue Debate on 1992 Budget**  
*92AF0274A Casablanca AL-ITTIHAD AL-ISHTIRAKI*  
*in Arabic 30 Dec 91, 2 Jan 92*

[Discussions on budgets for tourism, housing, labor, the Interior Ministry, foreign trade, and education; boldface words as published]

[30 Dec p 2]

[Text]

**Tourism**

In the debate over the Tourism Ministry's 1992 budget and Morocco's tourism policy, [Atbatou Bouchta], a member of the faction of the Socialist Union of Popular Forces [USFP] in the Chamber of Deputies, pointed to the government's neglect of tourism achievements in the northern provinces. He singled out the coasts of Tetouan, which have become subject to real estate speculation, defacement, and theft. He said that hotels there

have been transformed into personal villas; citizens cannot stay in them and are sometimes even prohibited from passing by them.

Tourism in Morocco, he stressed, has deteriorated greatly in the past three years. Very few foreign tourists come to Morocco compared to Spain. Excluding the million Arab and Moroccan tourists, less than 2 million foreign tourists visit Morocco [each year], which is discouraging.

Bouchta refuted the government's attribution of the tourism recession in Morocco to the Gulf crisis. He attributed it to the unscrupulousness of some tourism investors, a lack of security, the poor quality of services, harassment, theft, anxiety on the part of tourists wherever they stay or travel, and the quick-profit imperative of most investors in tourism.

Deputy Bouchta stressed that the tourism minister's presentation to the pertinent parliamentary committee in the debate over the ministry's budget did not differ from previous presentations. It was all promises, wishes, and optimistic hopes that these aspirations would make Morocco a contender in the tourism market.

Bouchta cited the minister's reference in his presentation to the ministry's involvement in a study of the Bouknadel-Larache beach, which is still unexploited and in need of serious, responsible planning for tourism purposes. Bouchta hoped that this beach would not suffer the same adverse fate as the beaches of Tetouan.

Bouchta stressed that the USFP has advocated greater concern for internal tourism since 1977, because, as he explained in 1977, internal tourism proved itself by stimulating economic and social activity and playing a primary role in saving tourism facilities from bankruptcy. He said that internal tourism is continuing despite the distortion campaign being waged against Moroccan tourists by some tourism investors who want to create a justification for closing their hotels to evade taxes, avoid repaying loans, and dismiss workers.

Bouchta stressed that the insolvency that has hit tourism can be overcome through the convocation of a national conference, with the participation of all active forces in the country, to formulate a comprehensive national plan that evaluates what has been achieved and what can be achieved in tourism.

In conclusion, he stated that the USFP's team in the Chamber of Deputies can only vote against the ministry's budget, given the 1992 budget's inability to extricate the sector from its crisis, which includes a social crisis stemming from the dismissal of a substantial number of workers; the inability of the government's programs to surmount the problems that have arisen; the absence of governmental coordination to promote the sector; the fact that the sector has not been purged of parasites; and the lack of progress toward the USFP's tourism goals.

### Housing

In discussing the Housing Ministry's 1992 budget, Mohamed M'louk, a member of the USFP's team in the Chamber of Deputies, treated the national, financial, economic, and social frameworks in which the housing budget is being implemented. He then stressed the USFP's bitterness over the collapse of the government's housing policy and the government's inability to remedy pressing housing problems.

Regarding the housing minister's speech in the permanent budget committee during the debate on the ministry's budget, and regarding the ministry's budget, M'louk noted the following:

1. The housing ministry has not provided a single indication of what it has achieved in the framework of its plan. This is due to the ministry's inability to achieve its objectives pertaining to housing, even though they are modest.

2. Regarding the tin-plate [shanty] towns, the housing minister talks about inventorying all of the shantytowns to determine the precise number of dwellings without utilities. However, at the same time, he says that this inventory has "run up against the general economic climate, which has had an adverse effect on the general state budget," thus requiring the ministry to rely on the "balancing technique" (i.e., to resort to market prices without regard for social costs), which has not yielded adequate financial results, according to the minister.

M'louk noted that the housing minister acknowledges the negative effects of the [fiscal] assessment policy on the housing problem and on efforts to remedy several pressing matters. Likewise, efforts to contend with the shantytowns by means of the "balancing technique" have failed.

He added that, if the minister is talking about eliminating the tin-plate neighborhoods in the future, it will not happen soon.

3. Regarding external agencies and provincial, national organizations tasked with the preparation [of housing infrastructure] and construction, he noted that these organizations have improved their performance in recent years and have made considerable efforts. At the same time, he questioned their achievements against the background of the difficult housing situation caused by natural [population] increase, rural migration, the shortage of housing for sale, the shortage of rental units, the lack of new starts, the high cost of building materials, and the government's neglect of housing in general.

M'louk then noted the following regarding the government's housing policy:

1. The government's fiscal policy does not favor helping employees and the working class obtain affordable housing.

2. The fact that the field has been left open to real estate promoters and land brokers has made it difficult to obtain land for building economic housing.

3. Efforts regarding loans have been diffident.

4. The government has failed to put forward a rent law that makes renting affordable for ordinary citizens and safeguards landlords' rights.

5. The government has distributed sand quarries to its political clients.

6. There are no price controls on construction materials, which have skyrocketed in price. In short, the government, through this method and policy, is helping to create an explosive social situation for which it alone is responsible.

### Labor

In the debate over the Labor Ministry's 1992 budget, Ayyach Madani, a member of the USFP team in the Chamber of Deputies, discussed the labor policy and working-class issues based on their connection to economic and social conditions.

He noted that the "constant improvement" in economic growth in Morocco to which the government refers—if there is indeed an improvement—is to be attributed to factors that are not under the government's control (the agricultural yield and low oil prices). Such factors are circumstantial and cannot be relied upon to continue.

He also noted that the government submitted a draft fiscal law without placing it within the framework of the plan. The government should have evaluated previous years covered by the plan before drafting the fiscal law.

Madani then made the following points:

1. Employment: The government lacks the political will to remedy the employment problem. There is a glaring discrepancy between rhetoric and reality. Investments are weak, the public sector is not providing jobs, and the private sector is refraining—for objective and subjective reasons—from playing a basic role in solving employment problems.

2. Labor: The labor sector is experiencing strong tension, stemming mainly from the decline in the working class' purchasing power due to high prices and the absence of wage increases commensurate with rapid cost-of-living developments. The tension also stems from inadequate monitoring by the ministry of occupational safety; inadequate legal protection for workers; and labor instability stemming from closures, the reduction of work hours, and dismissals.

He stressed that workers have no recourse but to go on strike to defend their rights in this extraordinarily critical situation, which is sometimes marked by sharp conflicts in which the public authorities, preferring violence and coercion to dialogue, intervene to suppress

workers. Instead of dealing with workers' demands by giving them serious consideration and opening a dialogue with the workers' legal representatives, the government is resorting to maneuvering.

3. Social welfare: Services have deteriorated and have been mismanaged. Workers are thus unable to enjoy their rights fully in this regard. He pointed to a lack of concern for medical treatment, housing, transportation, recreation, and occupational medicine, and to the lack of health insurance, the failure to apply compulsory insurance against work accidents and occupational diseases, and the meagerness of damages awarded to victims of work accidents.

[2 Jan p 7]

[Text]

#### Interior Ministry

[Yucef Rezouani] is the representative in the Chamber of Deputies on behalf of salaried workers in the Democratic Labor Confederation, and is also the general secretary of Workers of Municipalities and Prefectures. He contributed the following to the debate over the Interior Ministry's 1992 budget:

"I will focus on the position of workers and employees of municipalities and prefectures.

"1. The general state budget lacks support for workers' wages in general, despite the fact that prices have risen continuously and purchasing power is weak.

"2. The budget of the Interior Ministry—which administers local communities, prefectures, and provinces—contained nothing new that does justice to workers and employees by increasing their wages and compensation, or promoting them and appointing them to fiscal positions. Several initiatives have been undertaken to present demands regarding the allocation for communities and the Interior Ministry's budget.

Workers and employees of municipalities and prefectures were expecting a wage increase to offset the decline in their purchasing power, price increases, and increases in the costs of housing, health, and transportation. These same workers and employees work hard to improve sanitation, beautification, landscaping, road services, and social facilities in every city for the convenience of all citizens.

"We are calling for improved health services for all workers and employees of municipalities and prefectures by providing all municipalities and prefectures with physicians, and by furnishing these physicians with everything they need to provide health services.

"We are also calling for the construction of economic housing for workers, officials, and employees of municipalities and prefectures. His highness the king has mentioned this in his speeches on national occasions.

"In addition, urban transportation is no longer within the reach of all municipal workers and employees, because they cannot afford it in the morning and evening.

"Regarding compensation, we will not forget the interior minister's effort regarding compensation for dirty jobs. We are also calling for the implementation of overtime compensation for workers and employees of municipalities and prefectures, who work overtime on all holidays and occasions. There is still no improvement in official appointments and promotions, given that they have not been made in some local communities. Problems related to retirement remain unresolved, given that a number of retired persons have been waiting over a year to obtain their pensions."

#### Foreign Trade

In his contribution to the debate over the 1992 budgets for the Foreign Trade Ministry and the Foreign Investments Ministry, [Abdeldjelil Tiyamaz], a member of the USFP's team in the Chamber of Deputies, noted the following:

"In the past three years, three new ministries have been created, all of them concerned with foreign affairs: the External Trade Ministry, the Ministry in Charge of the Moroccan Emigre Community, and the Foreign Investment Ministry.

"This indicates a need to become more open to abroad and to closely follow events abroad because of the importance of foreign relations to our interests.

"After these ministries were created, which entailed removing the Moroccan emigre community portfolio and foreign trade investments portfolio from the Labor Ministry and Commerce and Industry Ministry, respectively, it was expected that the Labor Ministry would devote itself to the labor portfolio and that the Commerce and Industry Ministry would devote itself to the commerce and industry portfolio. However, nothing of the sort happened."

He stressed that the multiplicity of ministries concerned with foreign affairs—whether foreign investments, foreign trade, or emigre affairs, in addition to the Foreign Affairs Ministry and the Privatization Ministry—requires governmental coordination, especially given the need for a single interlocutor as the unification of the European market approaches. He stated that impediments to foreign investment in our country include structural impediments, administrative complications, the high cost of industrial land, the lack or scarcity of infrastructure, or its unavailability at the required quality level' the lack of integration in the general industrial network, and foreign investors' ignorance of what Morocco can offer.

He emphasized that the Foreign Investments Ministry's function should not be limited to receiving investors, but should also include efforts to create a favorable investment climate.

The Ministry in Charge of the Moroccan Emigre Community can also help stimulate investments by creating a bank for projects of interest to the emigre community; holding contacts with the community; and other measures, including concern for emigres when they return to the homeland to face unemployment.

Tiyamaz emphasized the need to publicize our country abroad and to unify the Investment Law to simplify its guidelines, save time, and thus encourage foreign investments.

Regarding Morocco's trade balance deficit with Europe, Tamayaz advocated boosting the textiles industry, which is considered the spearhead of Morocco's export industries. He also called for the regulation of commercial exchanges with Arab Maghreb Union [UMA] countries, especially regarding customs duties.

To stimulate Moroccan exports, he recommended establishing a fund to support Moroccan products abroad (the fund would be financed by the imposition of a duty on exports and export projects), making efforts to sponsor Moroccan products abroad, and providing ongoing training to the staffs of export organizations.

He stressed the need to make material, social, and legislative provisions for employees of the National Export Stimulation Office, the Marketing and Export Office, and the Industrial Development Office. He also highlighted the need for ongoing training, incentives, and the democratization of these organizations.

Finally, he said that the inadequate material and human resources allocated to the External Trade Ministry and the Foreign Investments Ministry cannot achieve the desired results in view of the enormity of the task in the field of foreign trade and foreign investments.

### Education

After noting the education minister's absence from the discussion, Mohamed Sabri, a representative in the Chamber of Deputies on behalf of salaried workers in the Democratic Labor Confederation, discussed the Education Ministry's 1992 budget along three main lines:

**1. The background of funding for education and its effects on educational progress.** He indicated that the debate over the Education Ministry's 1992 budget, based on the draft fiscal law for 1992, cannot be separated from the approaches and results of the fiscal assessment policy linked with the directives of international funding organizations. These organizations are intent on fiscal balance without regard for economic and social balance.

He noted that this assessment policy has affected the educational sector, especially since 1983. He recalled the attitudes surrounding the Ifrane controversy of 1980,

which national forces strongly opposed out of a desire to avert education cuts and thwart an attempt to establish a national education charter.

He emphasized that the measures taken by the Education Ministry to implement the said fiscal appraisal policy have had disastrous effects on educational results in Morocco.

**2. The Concept of Educational Reform and the Educational Employee's Position on it.** Sabri pointed to the failure to prepare the physical, legislative, administrative, educational, and pedagogical conditions needed for the primary education system, which was implemented in compliance with the fiscal appraisal policy. He then reviewed the creation of a new testing system, the establishment of academies at the secondary level, and the "reform" of higher education, which was implemented without the input of the professors' union and the professors themselves, who rejected the reform and called for comprehensive reform. Sabri then asked:

"Has current educational reform overcome the negative aspects of the previous educational system, which was incapable of achieving the national goals of democratizing education and eliminating traditional methods, which produced graduates who became unemployed? These unemployed graduates did not contribute to the country's development. The educational system was out of touch with the economic and social milieu, and was incapable of universalizing education to eradicate illiteracy! Has this new system, at the end of the plan, actualized its slogan of linking education with development, vocational training, and the work place?"

Sabri stressed that the ministry's reform clearly falls short of stated objectives, whether regarding the rate of school attendance; education's link with vocational training; the universalization of education in rural areas; or education's link to development, employment, vocational training, and the economic and social milieu. He said that after the plan's failure to achieve the desired goals, it is now being said that the next plan will present new approaches, including the establishment of university admission requirements, admissions based on competition and selection, the discontinuation of universalized scholarships, and the re-examination of free education. According to Sabri, the government's adoption of these serious measures, without a national debate or a debate in constitutional institutions, is dangerous and likely to plunge the country into endless mazes that will only complicate and exacerbate Morocco's education problem.

**3. Educators' social and material demands.** Regarding educators' social and economic situation and morale, Sabri said that the fiscal draft law of 1992 does not give the social and economic balance its due, as it did for the fiscal balance. He pointed to weak purchasing power due to high prices and the burdening of workers, including educators, with taxes and fees.

He added that, since 1988, any compensation that has been given to educators—especially those at grades one through nine, assistants, and assistant professors—has been consumed by cost-of-living increases. Moreover, the increase given in 1975 and in 1988 was in exchange for an increase in work quotas.

Sabri dealt with the demands submitted jointly by the three educational unions concerning wages, the retirement system, the tax system, changes in the system for ranking university professors, and social affairs. He stressed that these issues can be settled only if the government makes a commitment to study and resolve them.

He noted that the government, before and after the 10 December 1991 strike, was silent, despite the memorandum listing demands that the three unions directed to it.

He stated that the strike was held in an atmosphere of discipline and responsibility. He described it as a civilized strike, which indicates the board of education's great awareness.

He stressed that the 10 December strike was a warning strike. After the government's silence, educators will no doubt defend themselves again by entering into other struggles. He called on the Education Ministry to apprise the government of educators' discontent and grumbling, stemming from the fact that the draft fiscal law for 1992 contains nothing new and marginalizes educators' pressing demands.

He noted that the government refused to discuss educators' basic demands and rejected the opposition's recommendations regarding amendments to the fiscal law. Those recommendations would improve the conditions of public employees, particularly educators, through a re-examination of wages, changes in the ranking of professors and assistant professors in higher education and fair treatment of them, a lowering of the tax rate on income up to 16,000 dirhams instead of up to 12,000 dirhams, a lowering of the rate of income tax deduction [from salaries], elimination of the tax on compensation for scientific research in higher education, elimination of the tax on training in elementary and secondary education, a re-examination of retirement, and the creation of 45,000 (versus 12,000) positions to enable the education sector to use the new positions to fill the tremendous void in education.

### **Finance Minister Defends New Budget**

92AF0325A London AL-MAJALLAH in Arabic  
15 Jan 92 pp 40-42

[Interview with Finance Minister Mohamed Berrada by Mohamed Aujar; place and date not given: "Morocco Refuses To Apply for Debt Repayment Relief?"]

[Text] The submission of a draft budget to parliament is an important occasion in Morocco, one that gives room

for conflict between government and opposition. The government tries to defend its achievements, while the opposition counters to show the shortcomings and deficiencies of government performance in all areas.

Amid the heated political debate in Morocco, AL-MAJALLAH took the questions of the man on the street to Mohamed Berrada, Morocco's minister of finance. This frank and heated interview took place.

The time and place of the interview determined the first question about the finance minister's feelings and the emotions that are affecting him during the few short hours separating him from facing the members of parliament. Berrada answered:

[Berrada] I am living these hours with complete assurance and confidence, because we in the government have done our job fully. The government started the policy of fiscal rectification in 1983-1984, and has continued to move in this direction. When I joined the government in 1986, I continued to implement the same policy from the Finance Ministry. Now we see that it has brought results.

What we now must see and consider is what our financial condition was in 1983 and what it has come to be now.

[Aujar] Before that, could you tell us about the overall result of this policy?

[Berrada] In 1983, Morocco's indebtedness reached a level at which our country was unable to repay its debts, so it was forced to request debt rescheduling. Debt rescheduling requires going to the IMF [International Monetary Fund] to request a certificate of conduct, and to obtain this, one must be committed to following a rectification policy. The World Bank helped support this policy by giving Morocco loans to implement a number of structural reforms in a variety of fields, such as liberalizing foreign trade. This goal was 90 percent achieved, thereby strengthening the competitiveness of Moroccan companies and the Moroccan economy.

The second structural reform was embodied in the tax reform that we began in 1984. Today we have a modern, highly-developed tax system, such that we now see countries like Canada and Japan beginning the same reform that we carried out.

We introduced a value-added tax in 1986, and it now yields important revenue that contributes to financial balance. Then we broadened the tax base, and we are still continuing the process. This broadening has enabled us to lower tax rates. The tax on contractors used to be 58 percent; today it is only 44 percent. We lowered the general income tax from 62 percent to 52 percent, and the registration tax from 15 percent to 5 percent. When we decreased tax rates, we did not decrease state income and revenues; on the contrary, they rose.

[Aujar] This success in the area of current budgets has had a heavy social cost. The opposition is emphasizing the social disturbances to prove the failure of your policy.

[Berrada] The policy followed before 1983 led us to a foreign debt level at which it was difficult to repay loans. When Morocco embarked on the program of a rectification policy, it had to reduce expenditures and investments from the level of their previous growth. The reduction was highest in the social sectors. All the countries that followed rectification programs experienced social disturbances resulting in growing unemployment. But the problem is not merely this. The essential question that must be asked is what our social conditions and situation would be today had we not been following this policy since 1983.

Did we and the government have any alternative in 1983 other than this policy and reducing expenditures?

[Aujar] The opposition says and affirms that there is an alternative to this policy of "impoverishment."

[Berrada] They say they have an alternative. I challenge them to announce and explain this alternative. Where is it? Is the alternative for us to continue spending more than our resources and drown in debts? How can someone who has not repaid his prior debts obtain new loans?

[Aujar] Indebtedness is an international problem. Can't one consider an international solution to settle the problem?

[Berrada] The problem has been on the table for two years, and several measures have been taken on it, either in the context of the Brady plan, or the Baker plan before it. France has also made symbolic initiatives in this area. The problem is that there is the "London Club," uniting international banks, which are based on interest and cannot exempt a country from paying. All that they do is grant long-term rescheduling. However, in the context of the Paris Club (public debt), there have been some measures from which some very poor countries unable to pay their debts have benefitted. Also, some of Egypt's debts have been cancelled for political reasons connected with the Gulf war. Morocco does not want to be among the countries that do not pay their debts and request cancellation.

[Aujar] Has Morocco not already benefitted from any cancellation initiative?

[Berrada] Yes, Saudi Arabia has relieved us from repaying approximately \$2.8 billion in debts owed to it.

[Aujar] You say that this is the only possible policy for emerging from financial straits, but the opposition says there is an alternative. While one waits, unemployment rises and social problems deepen. How do you see the way out? What do you say to young people who are suffering the effects of this situation?

[Berrada] Speaking honestly and responsibly, I am optimistic and confident, as I told you at the beginning. The disturbances and collapse that have already occurred in the communist countries corroborate the correctness of Morocco's choices. The communist countries, whose

policies were based on supporting social expenditures, are drowning in debt and preparing to enter the tunnel from which we are emerging. All the countries that have followed a rectification policy have ended with lowered national income and increased unemployment. We are the only country in the world for whom following that policy has yielded positive economic growth. The average growth rate has been 4.5 [percent] during the past 8 years. This is a fact that the World Bank affirms publicly and officially.

[Aujar] You promised before parliament last year to prepare an immediate program to employ young people. Then the National Council for Youth and the Future was created to deal with the problem of youth unemployment, particularly of university and education school graduates. However, budget appropriations contains no positive sign inviting optimism about a speedy solution to this social and economic problem.

[Berrada] Personally, I believe that only economic growth can create jobs. Employment cannot be stimulated by administrative decrees and interference. We have significant results. In 1983, the unemployment rate was 18 percent; today it is 16 percent, despite the demographic increase.

[Aujar] But where is the immediate employment program you promised?

[Berrada] In fact, we in the government prepared a program two years ago. The National Council for Youth and the Future was then created. Under its framework, we finished studying a number of important measures to combat unemployment, and we have incorporated some of these measures into the current budget law.

[Aujar] Yet parliamentary circles accuse the government of having done nothing!

[Berrada] It is not true. I can give you a list of these measures. There are 21 measures that will have a positive effect in stimulating the employment market. However, what I must firmly stress is that economic stimulation and growth will solve the employment problem. To solve the unemployment problem, one must think of ways and formulas to stimulate the economic growth rate, so that we do not waste our time. One of the most important conditions for economic growth is financial housecleaning. This is what the government has proposed.

[Aujar] While we are discussing economic growth, I would point out that businessmen are criticizing your tax policy. They believe that it is hampering investments, and hence economic growth, by infringing on the laws stimulating investments. What is your reply?

[Berrada] Citizens, particularly contractors, hate taxes. I, too, am a businessman. I confess that before becoming finance minister, I spent my time criticizing the policy of the finance minister who preceded me. However, today I am at the service of the state and look out for its interests

and those of the national economy. We must understand what position we are in: that is the problem.

[Aujar] You have not answered the question of whether the measures and tax policy have a negative effect on national and foreign investment.

[Berrada] There is absolutely no negative effect. In 1987, when we decreased the privileges bestowed by the investment stimulation laws and reduced the tax exemption period from 15 years to 10 or 5 years, and when, instead of a 100-percent exemption, we set it at 50 percent, investments rose by 45 percent the next year. What causes investment is not only the exemption, but the existence of a market, the existence of consumers, the amount of costs, etc.

[Aujar] The speaker of parliament will soon study your proposal for banking reform. Can you tell us the general outlines of the proposal?

[Berrada] We have a banking law that goes back to 1966. The structures of our banking system are frozen. In the reform, we have relied on the structures of European banks. This modern system stipulates that there should be no specialized banks (farm, real estate, tourism, etc.); there should just be banks, and they should be able to engage in all operations. In other words, all the kinds of discrimination and specialization previously known will cease. The reform proposal also strengthens depositors' interests and protects their rights, particularly in cases of liquidation and bankruptcy, and strengthens mechanisms for competition among all banks.

[Aujar] One of the major goals of the rectification policy is making the Moroccan dirham convertible by 1993. What does this decision mean?

[Berrada] Care is needed in understanding the term "convertibility." It must not be misinterpreted. In fact, the dirham is now convertible, in the sense that when you import goods from abroad, you give the bank dirhams and the bank gives you hard currency for the payment and remittance. This is the case now for about 70 percent of commercial exchanges.

[Aujar] Then what will happen in 1993?

[Berrada] Important developments will occur. For example, we shall be able to give any citizen travelling abroad the right to convert 5 million dirhams for the trip. This does not mean that in 1993 we shall reach automatic, complete, and comprehensive convertibility. Such convertibility exists only in a few countries, such as Switzerland. Even France began liberalizing exchange controls only three years ago. Foreign investors can transmit their capital and profits abroad with full freedom, but Moroccans cannot convert all their money and take it out of the country.

[Aujar] Parliament has approved a law permitting the establishment of offshore banks in a free zone in

Tangier. What is the purpose of creating this kind of bank? Why did you choose the city of Tangier to receive offshore banks?

[Berrada] The city of Tangier has a long past. It has international traditions and history, and an important business pool. It is only 13 km from Europe. When the latter closes its doors in 1993, many European banks will be interested in having agencies and branches abroad. Seen in this context, Tangier will be very attractive and will compete with Gibraltar.

These banks will provide jobs. More importantly, they are international banks that will create international financial mechanisms and will deal with the rest of the world. They will likewise deal with Moroccan banks and will encourage them to use international financial methods and mechanisms.

Morocco is a liberal country. Freedom requires that all choices be provided, so that people are given an opportunity to choose. Morocco must have all the facilities available in the world, including offshore banks.

[Aujar] Mohamed Berrada, as a liberal and businessman, after years of government experience, what message can you give to businessmen, contractors, government and opposition political parties, and everyone involved in public life?

[Berrada] People confuse liberalism with untamed capitalism. I approve of social liberalism. We are in a country with deep roots and traditions. Our liberalism must be Moroccan, based on Moroccan traditions rooted in family solidarity, mutual assistance, mutual consultation, and social justice.

Moroccan contractors, who have traditions of solidarity, must develop their social works. They can do a great deal to improve the conditions of their workers, build low-cost housing, etc.

This is a comprehensive policy that we must begin on the basis of social dialogue and mutual consultation. But this policy, which contractors must inaugurate and the state must direct, must be understood by all other parties, for we must not fall into partisan demagoguery. I think Morocco is fortunate that, after the referendum on the Moroccan [Western] Sahara, we shall have a clearer situation. In years past, our economic and financial policy was hostage to the results of negotiations with international financial organizations. This year will be a year in the policy of progress and the year of the last agreement with the IMF.

After the referendum, we must sit down—right and left, opposition and government majority—for a national dialogue. Having finished the policy of rectification, what do we want to do? We shall then be in control of our policy, for we shall not need to agree with the IMF. But there will be a choice: We must have a national dialogue

and agree among ourselves on a number of principles, especially a market economy, freedom of contracting, etc.

I am optimistic because I have noticed in the Moroccan left the existence of a trend in this direction. There are changes. There are young people trying to change attitudes. This is very important. In the same context, the right must mobilize, redefine its positions, and adopt an unambiguous stand on liberalism. There are many on the right who do not understand the meaning of liberalism and think it means not paying taxes. So when I try to widen the tax base, they accuse me of being unfair to the rich.

The parties of the Moroccan right must get together and redefine themselves and their positions. They must think of crystallizing a real right. If, before 1993, we define and find a good left and a good right structured with the possibility of taking turns with each other, I believe that will be very important and very positive for Morocco.

[Aujar] Where does the liberal Mohamed Berrada find himself among the components of the parties of the Moroccan right?

[Berrada] I am not a politician; I am a technician.

[Aujar] You are also a university professor. What do you say to the younger generation as it experiences anxiety and disappointments in finding jobs and in its hopes for the future?

[Berrada] I have been a university professor for 20 years. I have lived with these young people. I have seen how our students shine in the world's universities when they travel to complete their studies. So I am optimistic. I know that my country will surge forward and shine. Morocco is lucky to have such fine, outstanding young people.

Growth basically depends on wealth of human resources, especially young people. The challenge that faces us after 1993 is restructuring in the centers of leadership. We must pass the torch to youth and have confidence in them. I have experienced this in the Finance Ministry, having appointed a large number of young people to positions of responsibility. I am very happy because they are succeeding.

Young people must be given responsibilities at every level. Morocco is a country of youth. We must see young people in leadership positions. We must have confidence in them, so that they can shine, surge forward, and innovate.

### **EEC Aid Denial Said Reaffirming Independence**

92AF0343D Rabat *L'OPINION* in French  
21 Jan 92 p 1

[Editorial by Mohamed Idrissi Kaitouni: "Unacceptable Interference"]

[Text] In the past, North-South relations were rooted in colonial occupation, economic dependency, and exploitation. Today, that state of affairs would be inconceivable

because our peoples won their independence after a hard-fought battle for liberation and cannot allow foreign tutelage and intervention in their internal affairs.

From that fundamental and irrefutable perspective, the Moroccan people can only condemn the inconsistent, anachronistic, and unjustified attitude of the European Parliament, which has allowed itself to dictate its conditions to Morocco and meddle in our internal affairs. In so doing, it has undermined our national sovereignty and our inalienable right to achieve full territorial integrity.

The European legislators who voted against the financial aid package for Morocco, citing the Saharan problem as their pretext, should know that the Moroccan people will never abandon their Saharan lands nor make any concessions regarding their Moroccan identity. To the people of Morocco, it is a sacred cause, an inalienable and infeasible right, and a matter of identity and destiny on which no price can be placed.

Morocco can always turn to lenders other than the Europeans to borrow money, if borrow it must. But the EEC countries have vital interests to preserve, and if they wish to protect them, they should not offend the dignity of the Moroccan people and their sacred causes.

Morocco can sacrifice its development projects or defer them; it can seek new markets for its exports and offer more favorable terms to non-European investors. Several EEC countries, however, are not in a position to sacrifice their interests in Morocco or abandon their cooperation with Morocco.

In short, the European Parliament's denial of financial aid to Morocco is a greater blow to Europe than to Morocco, because in taking that stand, Europe runs the risk of compromising its future relations with the entire Maghreb.

The Moroccan people will not submit to blackmail nor tolerate any challenge to the Moroccan identity of their Saharan lands.

In recovering those lands, Morocco merely freed a portion of its national territory from the colonial yoke. Like Tarfaya and Sidi Ifni, those lands had remained under foreign occupation.

Morocco has abided by international law in this process: Its actions are justified by an advisory opinion of the International Court of Justice, by an agreement duly concluded with the former administrative power and submitted to the UN General Secretariat, and, most of all, by the Saharan population's continued affirmation of their attachment to their Moroccan identity and willingness to confirm it, if necessary, by any means.

Thus, to the Moroccan people, the Saharan question is a determinant factor in Morocco's relations with other countries. Under no pretext will hostile groups be allowed to interfere in Morocco's internal affairs and thwart its sacred national cause.

### Figures Show Increase in Arab Investments

92AF0368B Casablanca LA VIE ECONOMIQUE  
in French 6 Dec 91 p 27

[Article by F.S.: "Arab Countries Have an Almost 26 Percent Share"]

[Text] Few people know that Morocco is one of the principal countries receiving Arab capital, especially since the beginning of the war in Lebanon in 1975. In the period between 1980 and 1990, Arab capital represented 25.8 percent of all foreign investment in Morocco.

Virtually insignificant in 1980, when it represented 4.9 percent of all foreign investment in Morocco, Arab investment experienced substantial growth during the past decade, increasing to 32.2 percent of all foreign investments in this country. Because of the Gulf crisis this percentage experienced a sharp decline in 1990 of 22.3 percent, which was further aggravated in 1991 by the war in the Gulf and its aftermath. In the course of recent months, however, an upsurge of investments by the Saudis—and in particular by the Emirates—was observed, whereas a slight decline was recorded in overall investment by Western countries.

Despite their important role in providing Morocco with foreign exchange—417 MDH [million Moroccan dirhams] in 1990—Arab investment in Morocco continues to be limited to sectors that generate little economic activity and employment, i.e., finance and real estate. In those banking circles that are "host" to Arab capital in Morocco, this phenomenon is attributed to the inexperience of many Arab investors in the industrial sector and also to their failure to appreciate—for lack of information—Morocco's economic reality and the opportunities for investment in sectors other than real estate and finance. According to these same circles, if Arab investors were better informed they might be keenly interested in participating more extensively in Moroccan enterprises in the industrial and tourism sectors, including those enterprises currently being privatized.

Moreover, the crisis that currently finds Libya in opposition to the Western countries and the United States—and the beginning of a retreat of Libyan capital from the banks of those countries—could redound to the benefit of the Moroccan banks.

Some of these banks have already initiated negotiations with Tripoli in the hope of attracting a part of this Libyan capital to Morocco.

Annual Percentages of Foreign Investment in Morocco

Country	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	Average 1980-90
France	32.0	19.9	20.2	13.8	13.9	17.9	16.2	24.3	28.9	23.6	30.6	21.95
Spain	4.10	1.8	3.4	4.5	0.5	3.3	6.0	4.9	3.8	6.0	8.3	4.32
Switzerland	6.9	2.3	6.0	4.4	5.2	6.5	4.8	9.6	3.9	5.5	5.2	5.5
Germany	3.8	3.2	3.7	3.2	2.4	5.7	1.9	3.5	10.4	4.3	4.2	4.21
Great Britain	2.1	8.7	1.1	1.0	8.2	1.0	1.0	2.7	5.8	4.0	4.0	3.6
United States	12.9	14.9	1.3	0.7	8.2	0.7	0.8	6.6	3.0	4.5	2.6	5.12
Benelux	5.6	2.9	0.3	0.8	8.2	1.0	0.6	1.5	2.0	5.0	4.7	2.96
Total Western countries	67.4	53.7	36.0	29.3	46.6	36.1	31.3	53.1	57.8	52.9	59.6	47.6
Emirates	0.0	2.1	7.1	10.4	16.2	3.4	13.5	20.9	11.2	15.4	12.5	11.27
Saudi Arabia	4.9	19.2	15.9	17.4	20.0	28.5	16.9	9.7	10.7	16.8	9.8	15.44
Total Arab countries	4.9	21.3	23	27.8	36.2	31.9	30.4	30.6	21.9	32.2	24.3	25.8
Other countries	27.7	25.0	41.0	42.9	17.2	32.0	38.3	26.3	20.3	14.3	8.5	27.65
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

### Filali Condemns EEC for Denying Aid

92AF0343C Rabat L'OPINION in French  
19 Jan 92 pp 1, 3

[Quotation marks as published]

[Text] Yesterday in Rabat, Mr. Abdellatif Filali, minister of foreign affairs and cooperation, severely criticized the European Parliament's decision not to approve a protocol for financial aid to Morocco. The European legislators have placed "intolerable" and "unacceptable" conditions on the approval of aid, he said.

"The protocol (between Morocco and the EEC) is a classic one that should not have run up against technical problems, much less political problems," he declared at a press conference. He went on to state that "something is seriously wrong when a supposedly credible institution (...) enacts measures that are seriously flawed, not to say indicative of a total ignorance of the realities on which the institution is taking a position."

The European Parliament withheld its assent to the financial protocol on Wednesday evening citing the human rights situation in Morocco.

"Morocco is not intent on the protocol, which it does not need. It will find other solutions," said the foreign affairs

minister, adding that the Europeans "need not go to the trouble of trying to find a solution to this, as that would be useless."

"Indeed, Morocco will not go bankrupt without the 72 million dollars it was to receive each year over a five-year period," the minister pointed out.

Mr. Abdellatif Filali went on to state that the European legislators had "exacerbated the problem" between Morocco and the EEC by rejecting the protocol only a few months after they had passed a resolution on the Western Sahara, which "was a scandalous measure in itself because it openly and unabashedly authorized interference in the internal affairs of another state."

Mr. Filali was referring to the resolution of September 1991, which called for observers from European parliaments and nongovernmental organizations to be sent to monitor the referendum in the Western Sahara.

"We thought that the mind-set of the colonial era had ceased to exist, but here it has resurfaced openly—not to say cynically—in the form of conditions placed on the granting of aid. That is intolerable and unacceptable as a matter of principle and because no country can allow interference in its internal affairs."

He also expressed surprise at "the incredible lack of coordination and agreement" between the European commission and its council of ministers on the one hand, and the European Parliament on the other. In Mr. Filali's view, the European Parliament's failure to approve the protocol "has, quite simply, nullified the policy of cooperation between the EEC and the countries of the Maghreb."

The conditions placed upon aid to Morocco and Algeria are an "affront to human dignity that cannot be measured in monetary terms," he concluded.

### **Future Role of Informal, Formal Sectors Discussed**

#### **Duality Viewed Favorably**

92AF0345A Rabat L'OPINION in French 22 Jan 92 p 5

[Article by Samira Acherki: "A Look at the Underground Economy"]

[Text] The informal sector of the economy—also known as the parallel, underground, unstructured, marginal, invisible, or illegal economy—encompasses an extremely diverse range of activities, from trades practiced without a license to small business start-ups.

Although this sector is often viewed in negative terms by decisionmakers in the Maghreb, it continues to expand. Now there is growing awareness that the informal sector deserves special treatment because it has become an economic reality in all the countries of the Maghreb. The sector obeys its own inner logic and its own dynamic, and it is expanding independently of the modern sector.

The developing economy is now characterized by a dualistic system made up of a formal or official sector and an informal one. This duality helps to ensure a degree of socio-economic balance.

#### **What Is the Best Name for the Informal Sector?**

It is now thought that the informal sector may be, after all, an essential facet of the economies of the Maghreb, the sector that best meets the needs of the largest segment of the population by making goods available at the lowest price and by employing a considerable portion of the work force.

This sector is growing primarily within the structure of family relationships. It is perpetuated and enabled to expand by family ties and connections that serve as the mechanism by which intermediate consumer goods are made available, given the official sector's inadequate response to the needs of the informal sector in terms of credit, regulations, and access to public markets.

This economy based on family ties enables the most humble segments of the population to survive. Consequently, a better name for it would be the "popular urban economy."

#### **The Informal Sector As a Challenge**

The principal causes of the informal sector's expansion are urban growth as a result of rural-urban migration and the modern sector's inability to absorb surplus labor. Even when the joblessness rate appears to stabilize, however, the informal sector is a source of gainful but unregulated activity for workers who are shut out of the modern sector.

Government bureaucracies very frequently hold negative views of the informal sector to the extent that it escapes taxation and goes undetected by the statistics-gathering apparatus. The attitude of decisionmakers toward the informal sector tends to be ambiguous: Informal activities are sometimes tolerated and sometimes punished.

#### **Services Provided by the Informal Sector**

The informal sector should henceforth be presented in a positive light. First, we must ask ourselves to what extent the informal sector can ensure socio-economic balance and what services it provides. The answer to those questions will enable us to appreciate its positive contribution. Although it is not reflected in national economic statistics and is overlooked by economic policies, the popular urban economy generates a considerable degree of added value and substantial income. It also promotes employment.

The per capita GDP and GNP [gross domestic and gross national product] figures published by the international organizations are erroneous. At the very least, they fall short of the reality. If these figures were real, the inhabitants of the Maghreb would be living at less than

subsistence level, and yet they can be seen managing to survive, even achieving a minimum of well-being.

This sector is also a boost to socio-economic balance in that it enables those who migrate from the countryside to find employment and return a portion of their income to the rural areas.

The informal sector thus helps to even out regional imbalances. It absorbs some of the joblessness among rural immigrants and those who are shut out of the official sector. In so doing, it eases tensions on the job market.

The popular urban economy enables the most disadvantaged to buy products that the official market cannot offer at low prices.

Many tend to think of the informal sector as tradition bound, producing goods with archaic or outmoded processes. And yet its goods and services are competitive with those produced by the formal sector. It also takes in supplies of intermediate consumer goods from the formal sector, whether imported, locally produced or recycled.

#### A Structural Reality

The informal sector has been analyzed in different ways. It has been viewed as a separate entity made up of elements that do not interact with the modern economy.

There are those who see it as a by-product of the modern economic system, which directly or indirectly exploits it as a cheap labor pool. If that is the case, the informal sector would disappear as soon as the modern economy is able to extend its reach and absorb surplus labor. There are those who see the informal sector as a tradition that amounts no more than a phase in the transition to modern economies.

Most analysts view the informal sector in the Maghreb as a long-term structural reality that is expanding.

The informal sector is not to be considered a marginal phenomenon, but a facet of the social and economic system with its own dynamic and internal logic.

#### Role of Small Firms

92AF0345B Rabat *L'OPINION* in French 22 Jan 92 p 5

[Interview with Mohamed Salahdine, professor of economics at the University of Fes, by Samira Acharki; place and date not given]

[Text] In recent years, we have seen renewed interest in small-scale activities and micro-enterprises because they have become longlasting facets of the economy.

Small-scale activities account for most of the informal sector. For a closer examination of this sector, we turn to Mr. Mohamed Salahdine, professor of economics at the University of Fes, an expert in micro-enterprises, and the author of several studies on the informal sector.<sup>1</sup>

[L'OPINION] How is the informal sector defined?

[Salahdine] The informal sector encompasses a multitude of micro-enterprises that are expanding and developing outside the reach of certain laws. I do not find the International Labor Bureau's definitions to be either relevant or operational. Its cites such characteristics as the absence of accounting, ease of access, use of local resources, and a limited scale of operations, but these are not entirely convincing. For example, ease of access presupposes that such trades are not organized and that they can be entered into freely. That is not necessarily the case, because small, informal activities are well organized and some are even dominated by a particular ethnic group.

In construction, for example, the "Saharawis" are present in large numbers and the "Jballas" are close to holding a monopoly on the small-scale garment industry.

Use of local resources is a very vague criterion. It presupposes that informal activities are cut off from merchant capital and the rest of the economy. Finally, to define informal businesses as those that employ fewer than five or 10 persons is to equate the sector with small-scale undertakings and yet we know that many of the professions and other formal sector activities are practiced by small groups of fewer than five, although micro-enterprises do account for largest share of the informal sector. The informal sector is better defined by its relationship to laws and regulations, as that is essential to understanding the mechanisms by which it operates.

For the most part, informal entrepreneurs are men and women who refuse to comply with certain rules and regulations that are restrictive or burdensome. Consequently, informal activities are strategic and ingenious ways of by-passing rigid controls and cumbersome and costly legislation.

In fact, the informal sector will develop and expand the more the laws and regulations become costly, selective, and difficult to put into practice. It should also be noted that artisan activities are a major component of the informal sector, and if there is one domain in which Morocco performs well against all competition, it is artisan services and crafts production.

[L'OPINION] What explains the interest being taken in the small entrepreneur and the informal sector with regard to economic policy and theory?

[Salahdine] In my view, not enough interest is taken in Morocco's informal sector, despite its social importance and its undeniable economic weight. It can be estimated that more than 60 percent of the urban work force is engaged in informal activities. That is an indication of the entrepreneurial dynamic of the Moroccan population and their desire to be economically active as producers and sellers.

Entrepreneurship and the enterprising spirit are firmly rooted in Moroccan society and culture. It is a matter of recognizing that fact, of studying the sector and quantifying its contribution to employment, income-generation, and training. If there is a true private sector in Morocco, it is the informal sector. The informal sector is a private sector that develops beyond the reach of the state and without aid from the state, even undetected by the state.

The Ministry of Planning and the Ministry of Economic Affairs and Privatization are attempting to determine the scope of this sector. The two ministries are conducting several studies to describe it accurately. But, between now and the time their findings become available, what are we to make of the existing figures in light of the fact that the economic activities of 60 percent of the population are not reflected in the official statistics?

That means that our assessment of national production is highly inaccurate, well short of reality, and that our economic potential is underestimated. The accounting system currently in use takes the modern company as the pivotal point of all economic activity, and yet it is difficult to accept that assumption in quantifying our economic standing. Worse still, academics and government offices refer to the official data without pointing out their weaknesses. The international organizations do the same, which gives surprising and not very relevant results when these organizations rank Morocco in relation to other countries.

For example, Tunisia is supposedly one and a half times more prosperous than Morocco, comparing Tunisia's average yearly income of 1,200 dollars with Morocco's 800 dollars. Saudi Arabia is supposedly 10 times richer and the United Arab Emirates nearly 20 times richer than Morocco!

These figures based on existing accounting practices are not reliable and do not express the country's true national wealth and activities.

[L'OPINION] What explains the fact that this sector develops and flourishes in the shadow of the law?

[Salahdine] It is because access to the formal sector is very costly in Morocco. You must have large amounts of capital and many business acquaintances; you must comply with numerous administrative formalities and pay excessive taxes. The tax burden in our country is too heavy. In the case of a registered company, it amounts to 55 or 60 percent of profits, which is an enormous sum for both the salaried employees and their employers. What counts for the employee is his take-home pay. To employers, the tax burden affects the way they run their companies and prevents them from hiring new managers.

In fact, managers account for barely 4 percent of the personnel employed by Moroccan companies, because if a manager is to receive a monthly salary of 15,000

dirhams, he will have to be hired at 24,000. Taxes totaling 9,000 dirhams is a great deal! It is an enormous sum!

Administrative procedures are also in need of major reform. They must be simplified; delays in obtaining authorizations must be eliminated. It is certain that the royal letter of June 1989 is a major step forward in Morocco's economic liberalization process. It removed several obstacles faced by investors. But, in my opinion, certain legislative texts must be revised and the tax burden reduced. Then you will see how well Morocco can perform economically and thereby improve socially.

[L'OPINION] What sort of contact is there between the informal sector and the tax office?

[Salahdine] It is often said that informal sector operators do not pay taxes. In my view, that assertion needs to be clarified. First of all, tax evasion is not an invention of the informal sector. Many formal sector companies declare an insignificant percentage of their earnings, thus paying paltry sums in taxes; fraudulent invoices and tax declarations are known to occur here. Informal businesses, on the other hand, do pay various taxes—to the makhzens [treasuries], to the municipal authorities and in road user fees.

I would even say that some segments of the informal sector willingly pay taxes. For example, the occupants of unauthorized housing welcome the tax collector, serving him tea and paying their fees which, in their eyes, represent official recognition of their status by the authorities. They carefully retain their receipts and present them when any doubt is raised. In these areas, people gladly pay taxes to the state.

[L'OPINION] What do you think of the state's attitude toward the informal sector?

[Salahdine] The state's attitude is an interesting one. I believe that all levels of the administration are now concerning themselves with the informal sector, but a clear and consistent strategy is still lacking.

There is no particular policy regarding micro-enterprises, the main component of the informal sector. At times they are reined in; at other times they are allowed to function freely.

Itinerant vendors, for example, are occasionally chased away or prevented from selling their wares; at other times, the authorities close their eyes on them.

I believe that micro-enterprises should be supported and assisted. They need small loans, markets, and training. It seems to me very urgent that micro-enterprises be given assistance so as to encourage this large pool of entrepreneurs. Several experiences have shown that industrial and commercial dynamism are particularly strong in the micro-enterprises. You cannot help but be impressed by the profusion of such enterprises in Morocco.

To meet the challenge of development, it is essential at this juncture that all economic potential be mobilized. The cult of business undertakings should be fostered in Morocco. As long as we fail to realize that businesses—small businesses, in particular—are the source of wealth and economic growth, it will be difficult for us to achieve a respectable standing in the world economic arena.

In Morocco, we have considerable assets and potential. Look around you and you will see thousands of men and women entrepreneurs achieving excellent results. Thanks to these small entrepreneurs, Moroccans are able to obtain low-priced goods, housing that defies all competition, and competitively priced clothing.

Micro-enterprises are finding a growing clientele and support thousands of families.

[L'OPINION] What can be done to improve the performance of the informal sector?

[Salahdine] The enterprising individuals of the informal sector need support, new types of assistance. Of course, the state cannot take action at the micro-economic level, but I believe that a very important role in promoting micro-enterprises could be played by the professional associations and social and economic development associations, such as Solidarite Feminine [The Women's Network] in Casablanca, the Moroccan Association for Agricultural Techniques and Training, and the Bouhmane alumni association.

Such organizations, as intermediaries between the state and the citizens, have a place in Morocco's privatization process, all the more so because it is important and more efficient that the state delegate some of its prerogatives.

The banks and the financial institutions should also lend support to the associations. A program at Gremeen Bank in Bangladesh has demonstrated that when small loans are granted on the strength of a sense of solidarity and social pressure in place of material forms of collateral and without bureaucratic red tape, the results are increased income and improved living conditions for the entrepreneurial population.

[L'OPINION] Do you think that the Moroccan administration will grant this sector special treatment in the coming years?

[Salahdine] I am convinced that the Moroccan administration is taking great interest in the informal sector—micro-enterprises, in particular—with a view to the future. The Ministry of Crafts and Social Affairs has already launched innovated social projects and is attempting to draw up a new strategy of social action that would emancipate the poor and integrate them into the job market through professional training. Training will be geared to self-sufficiency. The Ministry of Planning is looking very closely at the informal sector and has launched several efforts to understand the sector better with a view to methodology. I would like to see academics participate in these efforts as they would be able to conduct detailed studies and draft highly specific profiles.

I have also learned that the Popular Bank plans to hold a symposium either at the international level or among the countries of the Maghreb on the subject of the informal sector.

Official overseas development agencies such as USAID [U.S Agency for International Development] and such nongovernmental organizations such as Catholic Relief Services and AMIDEAST [America-Mideast Educational and Training Services] have made support for micro-enterprises a priority of their programs and are already financing several small business projects.

In short, the current context in Morocco is favorable to the promotion of the micro-enterprise and to the study and understanding of the informal sector. It is time that large-scale, concrete measures were taken to support micro-enterprises and the informal sector, which are essential to economic growth and to employment.

#### Footnote

1. "The Silent Revolution: The Informal Sector," ICEG, USA, 1991; "L'Emploi invisible au Maghreb" ["Invisible Employment in the Maghreb"], SMER, 1991; "Les petits metiers clandestins" ["The Trades of the Underground Economy"], EDDIF, 1988.

#### Marrakech Tourism Figures Show Upturn

92AF0343A Casablanca LA VIE ECONOMIQUE  
in French 13 Dec 91 p 28

[Text] In 1990, the tourism industry in Marrakech accounted for 20 percent (15,500 beds) of Morocco's total hotel capacity; 18.6 percent of overnight stays; 27 percent of all arrivals combined; 44 percent of tourist arrivals; and 18 percent of revenues from tourism.

Tourism is essential to the city of Marrakech. Some 7,000 persons are directly employed by it. Considering the fact that each of those employees supports five or six other persons, it can be estimated that half the city's population is directly or indirectly dependent upon tourism.

Everyone knows that the Gulf crisis and the "blight" it caused in the tourism industry took a significant toll on the city of Marrakech. Has the situation changed in the past six months?

The best indicators of tourist activity are the number of arrivals and, more important, the number of overnight stays.

Arrivals in Marrakech			
Month	1991	1990	Percent Change
July	20,368	40,599	-49.80
August	58,725	62,074	-5.40
September	53,697	53,310	-0.72
October	57,006	58,876	-3.71
Total	189,796	214,859	-11.66

The number of arrivals recorded between July and October 1991 was 189,796 as compared with 214,859 for the same period in 1990—a decline of 11.66 percent. Since the month of September, however, there have been signs that a “reversal” is under way. In the past two months, Europeans have accounted for the majority of arrivals with 66,330 entries (27,014 of them from France), as compared with only 31,568 domestic arrivals.

#### Overnight Stays in Marrakech

Month	1991	1990	Percent Change
July	87,289	105,687	-17.40
August	171,230	167,303	+2.34
September	150,885	144,084	+4.72
October	144,149	148,975	-3.24
Total	553,553	566,049	-2.20

Overnight stays between January and October 1991 fell to 566,049 from 553,553 for the same period in 1990—a drop of 2.2 percent. The negative trend is for the most part due to a decline in the number of French tourists visiting Morocco since the Gulf war. But, here too, a relative improvement has been under way since September.

It should be noted that the peak season for tourism in Marrakech occurs in spring (March, April, and May). The vacation period at the end of the year ranks second.

#### Detained Students' Sentences Reduced

92AF0324A London AL-SHARQ AL-AWSAT in Arabic  
10 Jan 92 p 4

[Report from Rabat: “Moroccan Court of Appeals Reduces Sentences of Students Charged in Fez Incidents”]

[Text] The Moroccan Court of Appeals ruled yesterday to reduce the sentences of 25 students indicted in connection with riots at the Mohamed Benabdellah University in Fez.

Sentences of up to four years in prison were issued by a lower court for students described as fundamentalists or leftists and found guilty of the 25 October incidents. The sentences were reduced to 18 months or to one year.

However, the Court of Appeals delayed until its upcoming 15 January session a ruling in the case of student [al-Daghoughi Abdellali] who had appealed the lower court's five-year prison sentence.

The Court of Appeals issued the following rulings:

Group of 23: 17 sentences of imprisonment for 1.5 years, reduced from four years; two sentences of imprisonment for one year, reduced from three years; One sentence of imprisonment for one year, no reduction; Three sentences of imprisonment for six months, no reduction.

Group of Four: one sentence of imprisonment for 1.5 years, reduced from four years; two sentences of imprisonment for one year, reduced; one sentence of imprisonment for six months, unchanged.

Group of Three: Three sentences of imprisonment for 1.5 years, reduced from the original four years.

The court also upheld without change the fines imposed on all defendants.

## SAUDI ARABIA

### Millions of Tons of Phosphates Found in al-Jalamid

92AE0162A Riyadh AL-JAZIRAH in Arabic  
11 Dec 91 p 5

[Text] Jiddah—Professor Ibrahim Ahmad Khubayri, deputy minister of petroleum and mineral wealth, stated that economic feasibility studies of phosphate ore in the al-Jalamid region located east of the city of Tarif had confirmed the discovery of many deposits of this ore, and that they put the kingdom among the top countries of the world in overall sources of phosphate.

That came in a statement by Prof. Khubayri after he had made a field trip to the region, which is considered one of the most important sites of phosphate ore in the kingdom. He affirmed that the steps of discovery and exploration for minerals, and identifying many of the metallic and nonmetallic deposits in the kingdom, are proceeding in accordance with the development policies of all the various state offices and establishments. He said: “If, in previous years, we have been able to overcome the sand barriers and rugged mountain regions by covering large parts of the kingdom with technical charts through which to get to the regions that show evidence of minerals, and to identify what mineral ores those regions contain, then our study's reaching this stage of detailed work pertaining to the exploitation and evaluation of these ores—represented in establishing and confirming the reserves of these ores and their type, veins, dimensions, and the ways and means of extracting them—is an accomplishment in and of itself, done with the grace of God. In themselves, they are an effective way to develop areas that accompany the needs of some industrial and agricultural facilities and their future in the kingdom.”

It should be mentioned that the primary reserves of the phosphate deposits in the kingdom are estimated at about 4.470 billion tons, with a concentration of 19.4 percent phosphorus pentoxide, of which 310 tons [as published] are reserves that have been shown to have 23 percent phosphorus pentoxide in the al-Jalamid region.

It is known that the preliminary studies conducted by the General Directorate for Mineral Wealth in cooperation with the American geologic team on the economic feasibility of the al-Jalamid phosphate, had contained: geologic studies, engineering studies, processing the ore, and an economic study.

Previously, a 8.3-km<sup>3</sup> area had been selected in the al-Jalamid region that contained 120 million tons of phosphate ore. The studies had shown the following:

- That huge sources of commercially exploitable phosphate deposits existed.
- That it would be possible to extract phosphate concentrations either of 33 percent phosphorus pentoxide by flotation, or 35 percent phosphorus pentoxide by burning (calcination).
- That it would be possible to establish nitrogen and phosphate fertilizer industries that would use the produced concentrates, and at operating costs less than those of other countries.
- In the event such an industry is established in the kingdom, it would be the closest industrial place to the Asian market, which is expected to be one of the largest consumer markets in the world.

Prof. Khubayri was accompanied on his field trip by assistant deputy minister for mineral survey and exploration Dr. Muhammad As'ad Tawfiq; the head of the American geologic team in the kingdom, Mr. Paul Williams; and a number of technicians and geologists in the ministry.

## SUDAN

### Government Dissemination of Information Expanded

#### SUNA Opens State Offices

92AF0353A Khartoum SUNA in English 29 Dec 91  
pp 11, 12

[Text] Khartoum, 29 December (SUNA)—The Sudan News Agency (SUNA) has started implementation of a plan for internal and external expansion that enables the agency to reflect the activities of all the states in the country through a network linking the headquarters of SUNA in Khartoum with its regional offices, said SUNA General Manager El-Tayeb Mustafa.

In a press statement, Mustafa said measures were taken to set up the five new offices of SUNA in the Northern states in the country, indicating that directors of these offices were named.

He explained that some of the directors of SUNA state offices have reached their places of work while the others will arrive by the end of the current week.

The opening of new offices in different states came within the context of the role that SUNA had been playing in support of the Federal government system, he said, stating that the agency's technical, manpower capabilities and its position as a strategic organ enables it to play an effective national role.

He underlined that SUNA will open a number of offices in the neighbouring countries with a view to boost Sudan's relations with these countries.

Mustafa underlined that the foundation of the SUNA office in Cairo will be completed in the coming days, describing the performance of SUNA Cairo and Nairobi offices as satisfactory.

He announced that an office of SUNA will be opened in Addis Ababa, Ethiopia, early next January, noting that measures are being taken for opening an office of the agency in Kampala, Uganda, shortly.

Mustafa hoped that the opening of SUNA's new offices in neighbouring countries will contribute to the strengthening of Sudan's relations with these countries.

#### Resource for Decisionmakers

92AF0353B Khartoum SUNA in English 1 Jan 92  
pp 9-11

[Text] Khartoum, 4 January (SUNA)—Chairman of the Revolution Command Council, the Premier and the Supervisor of the Culture and Information Ministry General Omer Al Beshir paid a visit Saturday to Sudan News Agency (SUNA) premises.

Gen. Al Beshir met during the visit with SUNA General Manager El Tayeb Mustafa and Deputy General Manager Neimat Bilal as well as directors of the Agency's departments.

During the meeting, Gen. Al Beshir was briefed on the various tasks undertaken by the agency's departments and the role played by the agency in the local and international spheres as well as its future programmes and plans under the federal system.

Gen. Al Beshir underscored the importance of SUNA's role internally and externally, indicating that SUNA witnessed great deterioration after it had previously been playing a pioneering role in the domestic and international domains.

He affirmed that efforts will be exerted to bring back SUNA to its pioneering position.

Gen. Al Beshir emphasized that SUNA should cope with the advanced technology being used by the international news agencies and be promoted to work on commercial basis.

He also pointed to the importance of benefitting from SUNA information and research department and putting it at the disposal of the decisionmakers, scientific institutions and the public.

Gen. Al Beshir promised to remove all obstacles, including the technical ones, faced by the agency.

On the other hand, SUNA General Manager Ustaz El Tayeb Mustafa asserted that Gen. Al. Beshir's visit to SUNA and the keenness expressed by him for promoting the agency demonstrates the deep concern attached by the National Salvation Revolution to the information as it considered it the spearhead of the civilizational change process being witnessed by the Sudan.

Al Beshir's visit to SUNA also shows the special concern he attached to the agency, said Mustafa.

The General Manager vowed that SUNA Administration and employees will spare no efforts for the development of SUNA to enable it to make the voice of Sudan heard in the international spheres and become a tool for linking all parts of Sudan under the federal system.

#### **New Organs Announced**

*92AF0353C Khartoum SUNA in English 4 Jan 92  
pp 11, 12*

[Text] Khartoum, 4 January (SUNA)—The General Secretary of the Ministry of Culture and Information Amin Hassan Omer, has announced that the regulations of the nine cultural and informational organs, affiliated to the Ministry, have been signed by the Chairman of the Revolution Command Council, Gen. El Beshir. Amin told SUNA that he would hold a press conference in the coming days to explain the basic features for these regulations.

The General Secretary added that the RCC Chairman approved that the directors of these organs are to hold the special Group One posts with privileges similar to that offered to the General Manager of the Sudan News Agency.

On the other hand, the Minister of Finance and Economic Planning has formed a three-member committee headed by the Director of the Establishment to review the job and organizational structures of the Information Ministry's organs.

#### **State Production Company**

*92AF0353D Khartoum SUNA in English 4 Jan 92 p 12*

[Text] Khartoum, 4 January (SUNA)—The Chairman of the Revolution Command Council (RCC), Gen. Omer Al Beshir, received Saturday in his office at the Friendship Hall the General Secretary of the National Corporation for Information and Artistic Production, Muawia Hassan Fadlalla, who briefed him on the achievements and future programmes of the Corporation, in the presence of the General Secretary for the Ministry of Culture and Information, Amin Hassan Omer.

Muawia told SUNA that Gen. Al Beshir had signed the Corporation's Act earlier, enabling it to perform its role efficiently.

### **SYRIA**

#### **Muhammad Salman on Information, Political Issues**

*92AE0173C Doha AL-SHARQ in Arabic 23 Dec 91 p 5*

[Interview with Syrian Minister of Information Muhammad Salman by Hamid 'Izz-al-Din in Damascus on 21 Dec 1991: "Damascus Declaration, Historic Document in Cold Storage"]

[Text] I sent my questions to Muhammad Salman, the Syrian minister of information, nearly a month ago during my stay in Damascus to attend its film festival. However, he did not get them until my second arrival on Wednesday, 18 December 1991, or to be more precise, at noon on 19 December. In view of his heavy schedule and because—for one reason or another—there are many from the foreign press corps in Damascus these days, we did not meet until noon on 21 December. He preferred to talk face to face, without written questions and answers prepared in advance. The interview follows:

['Izz-al-Din] In two days, the visit to Syria by His Highness Shaykh Khalifah Bni Hamad Al Thani, the emir of Qatar, will begin. What are your views on this visit and how it will affect relations between the two countries in the near future?

[Salman] At the outset, I wish to clarify an important point. Relations between Qatar and Syria are special relations, which are probably affected by the strong personal relationship that binds President Hafiz al-Asad and officials in Qatar. There is no stronger evidence for that than the president's strong desire to receive Shaykh Hamad Bin-Suhaym, Qatar's minister of information and culture, when he recently visited Syria, despite the fact that the president sometimes does not meet with visitors at the ministerial level.

The recent and important visit to Syria by Crown Prince and Minister of Defense Shaykh Hamad Bin-Khalifah Al Thani also played a major role in bolstering relations.

Accordingly, I think that the emir of Qatar's visit is a comprehensive step for the total good of the two peoples and countries, because every meeting between President Hafiz al-Asad and the emir of Qatar will certainly produce positive results in terms of bilateral relations, and will deepen the close ties of brotherhood between the two peoples. This visit will also strengthen Arab solidarity and serve the Arab issues. I would like to refer to Qatar's positions, which are always marked by nationalism aimed at serving the Arab community [ummah].

#### **Media Cooperation**

['Izz-al-Din] Does your excellency believe that media cooperation between Syria and the nations of the Gulf Cooperation Council [GCC] in general, and Qatar in particular, require strengthening in light of the new circumstances?

[Salman] We have constantly welcomed developing media cooperation with Qatar, the GCC states, and other Arab states. We start from our nationalist position, which emphasizes Arab coordination and cooperation in various fields in order to confront the dangers surrounding the ummah and to defend our fundamental issues. I recall the nationalist, comprehensive speech by President Hafiz al-Asad at the Kuwait Summit a few years ago, when he renewed his call to the Arabs to overcome secondary and peripheral antagonisms and work within a unified Arab strategy whose goals would

be headed by achieving effective Arab solidarity to respond to all dangers against the Arabs, led by the Zionist peril. We stress this coordination and cooperation. There is a media agreement with Qatar that requires continuous development.

#### Declaration in Cold Storage

[Izz-al-Din] Can you tell us something about the directions of media cooperation among the nations of the Damascus Declaration? When does implementation begin?

[Salman] To continue what I said in response to the previous question, meetings have been held to find an implementation formula in the media field in accordance with the text of the Damascus Declaration. But, let me say that perhaps the circumstances that we and the Gulf states went through, as a result of the Iraqi invasion of Kuwait, have made it necessary to take the initiative on implementing of the Damascus Declaration. However, since this declaration was established, we have not sensed any movement or practical step toward implementation. Therefore, we say that the Damascus Declaration has remained ink on paper! It is merely words that contain no implementing formula. It has turned into a historic document. Perhaps there is satisfaction that it has been deep frozen. The Damascus Declaration nations were not committed to a unified position during the Arab summit in Dakar. They were also not committed to a unified position in the UN General Assembly during the vote to abolish the resolution equating Zionism with racism!

[Izz-al-Din] Perhaps Iran's cautious position with regard to the Damascus Declaration played a role in deep-freezing it, as you put it?

[Salman] The fact is that the Damascus Declaration was not directed against anyone, but rather, its text emphasizes that all nations of the region could join the Damascus Declaration. There is another part of the text that emphasizes that Iran is one of the Gulf nations. However, Iran is not the one that has frozen the declaration!

#### Complete Coordination

[Izz-al-Din] What about relations between Damascus and Cairo?

[Salman] We coordinate with Egypt at every step. We do not blame Egypt for not participating in voting on the UN resolution to abolish the resolution equating Zionism with racism, because we know—and we understand—the restriction imposed on Egypt because of its signing the Camp David Agreements. However, we are also aware that Camp David has not stood in the way of many of Egypt's positions. We appreciate Egypt, and President Husni Mubarak is a nationalist. He is one of the leaders who meet most often with President Hafiz al-Asad for consultations.

#### What We Have Is Enough

[Izz-al-Din] After renewing the pledge of fealty to President Hafiz al-Asad in a demonstration of love, which we followed from close up, what is new in Syria's media strategy for the near future? Is there a development plan for the future?

[Salman] Renewing the pledge was the embodiment of the people's cohesion with their historic leader, President Hafiz al-Asad, and their complete confidence in his wise leadership. This leadership has manifested itself at home by the building of modern Syria and by the stability that the people enjoy. On the Arab level, it is distinguished by the tireless efforts for unity of decision and action, for the unified Arab vision to confront the challenges and perils to which our Arab ummah is subjected, and for adherence to Arab nationalist invariables. These include not abandoning a grain of soil on the occupied territories or a single Palestinian right, along with confirming adherence to a just and lasting peace based on UN resolutions and international legitimacy. President Hafiz al-Asad's leadership has also been demonstrated on the international scene through the widening of the circle of foreign nations that support our Arab issues as a result of Syria's turning from the stage of conflict and polarization to the stage of political activity, concentrating on the invariables of our ummah and our Arab people.

As you know, the Ministry of Information expresses and explains policies; it does not make them. But with the escalating importance of the media in our age, and in light of the international changes that the world experienced after the collapse of the cold war, the media has become the translator of policies, as the instrument that expresses them through sound, word, and picture, and the development of constant means of communication.

Our media bears the responsibility for explaining our positions, comprehending various developments, and dealing with them, so as to protect the citizen against any injurious ideas. We, as Arabs, have defined goals, and the media's mission is to adhere to these goals and devise ways to express our positions in accordance with changes and developments. If this is the purpose for developing the media, then it is correct, because artistic and technical development continually exists. With regard to the press, we have four central newspapers. There are newspapers in the governorates, such as Hims, Hamah, and al-Ladhiqiyah, and a newspaper is currently being established in Dayr al-Zawr. We don't see any need to publish new newspapers; what we have is enough!

#### We Have Our Democracy

[Izz-al-Din] Democracy in Syria—What do you say about that?

[Salman] We understand democracy as we see it, not as the West depicts it for us. In Syria, we live a democratic life in all its meaning. After the Corrective Movement, a

statement was issued by the provisional political leadership defining the tasks and plans for the future. The most important goal was liberating the occupied territories and resisting Israeli expansion. All parties and people were called on to do that. A national progressive front was founded, which included seven political parties. We went into the October 1973 War with all these forces. The war had its positive repercussions on the brilliant future of Arab man, but foreign plotting worked against these military achievements. A turnaround took place, which led to the signing of the Camp David Agreement. When we opposed it, the forces of the Muslim Brotherhood took action. They are always acting under foreign orders. They tried to sabotage the Syrian economy, carrying out orders from abroad, such as from Saddam and others. Their initiative went along with the initiative of former American Secretary of State Henry Kissinger, who supported Israel and never worked for a just and comprehensive peace. This is the reason for our opposition at that time. An armed uprising occurred in the city of Hamah, which we confronted with military action, because there was no other option. The Brotherhood was completely eliminated, but the effects of the sabotage remained.

In 1987, the Syrian Government announced the application of the spirit of October to work with the national progressive front. In October 1987, the program of the Corrective Movement was defined in an executive program, for example, on the economy, deepening the democratic experience, and achieving a national unity that Syria has never before seen.

Our People's Assembly includes all six political parties, in addition to the Arab Socialist Ba'th Party and independents. It also includes doctors, lawyers, and merchants. We have a system of local administration, which has the Governorate Council elected by the people, which operates as an executive council in addition to the governor.

Therefore, this is the democratic formula in which our people have operated since the Corrective Movement. Democratic formulae are not sent down from heaven. They vary in every country according to circumstances. There is a difference between the democratic system in France and the one in Britain, or in America, for example. There is the Senate in America and the House of Lords in Britain; there is nothing comparable in France. As Arabs, the revealed religions originated in our lands and from them came the prophets who prescribed the ideal and principles of morality. Why don't we author initiatives to create a system to reorganize relations between ruler and ruled within the framework of the state's system?

We call on journalists and the media to study Syria's accomplishments under the aegis of its democratic experience for the Corrective Movement's past 20 years.

[Izz-al-Din] What is your opinion regarding technological developments in the media field, and media inundations via satellites?

[Salman] We must emphasize the fact that our media responsibility requires us to guard the Arab citizen against any poisonous or injurious ideas. Despite our considerable confidence in the Arab citizen's awareness, there must be broad Arab media coordination, in order to ensure our media presence on the Arab level and to confront the flood of media that serves policies and leaderships hostile to our Arab issues.

#### **People's Assembly Speaker Qaddurah Interviewed** *92AE0173B Doha AL-SHARQ in Arabic 24 Dec 91 p 4*

[Interview with 'Abd-al-Qadir Qaddurah, speaker of the Syrian People's Assembly, by Hamid 'Izz-al-Din, in Damascus, date not given: "The Syrian People Send All Friendship, Respect to Qatar, Emir, People"]

[Text] When AL-SHARQ asked 'Abd-al-Qadir Qaddurah, the speaker of the Syrian People's Assembly, for an interview, he welcomed the idea, despite the fact that he was not prepared. When he learned the details concerning the long wait in the arduous press trip, and in light of the many errors in arrangements for meetings, and when we told him we had only a few hours in Damascus, he said: "Let's meet in an hour."

In his office in the ancient Syrian People's Assembly building, he talked very simply. His conversation was marked by organizing his thoughts and by a forcefulness in presenting his positions without any prior preparation. The following is the text of this interview:

[Izz-al-Din] What is your view on the expected visit of the emir of Qatar to Syria, and the effect of this visit on relations between the two countries, and between Syria and the Gulf Cooperation Council [GCC] states? In your capacity as speaker of the Syrian People's Assembly, can we discuss parliamentary relations between Syria and Qatar?

[Qaddurah] We are pleased by the visit that His Highness the emir of Qatar will make to our country. He is, in fact, coming to his second country. There have always been brotherly and friendly relations between us and Qatar. We constantly work to develop, expand, diversify, and deepen these relations, because we have found in them everything to benefit the two countries and peoples. In his second country, the emir will find respect, love, and friendship from his brother, President Hafiz al-Asad, as well as from our people in Syria. They harbor friendship, love, and respect for Qatar and its people and government.

We here in the People's Assembly have not yet begun—and this is not a good matter—to build relationships in Qatar's Legislative Council, because of the fact that this council has not taken the initiative. We also have not taken the initiative. The blame lies on both sides, and

one is no more guilty than the other in this matter. However, I think that we must remedy this defect in the coming days. We should begin parliamentary relations between us and the Legislative Council in Qatar. By this means, we can bolster existing relations on the political and economic levels by strengthening the legislative and parliamentary levels.

Here in the People's Assembly, we are in our fifth legislative term. Each legislative term lasts four years. You know that Syria is a country deeply-rooted in democracy. It was the first Arab country to have a council of deputies founded in 1915, known as the Syrian Congress. No other Arab country had such a council. Democratic life in Syria ebbed and flowed depending on circumstances at the time. In 1916, the French attacked and the French Mandate was imposed. The Syrian Congress was abolished. Democratic life returned in the thirties, and this assembly that you are now visiting was subjected to bombardment on 29 May 1945 by the French Mandate forces here. Outside this assembly, you can see a plaque commemorating that. An assembly guard was sentenced to death during this bombardment. We named him the martyr of the neighborhood. There were also representative assemblies in the days of independence. Military coups came, which always suffocated freedoms. Then came the unity stages. There was a parliament that declared unity with the Egyptian People's Assembly. Later, the separation caused an election of sorts.

During these periods, there was no stable parliamentary life but since 1970, with the legislative movement led by President al-Asad on 16 November of that year, parliamentary life stabilized. We have just ended a year and a half of the fifth legislative term, that is, we have finished four terms, or 16 years. We are now in the 18th year. Every legislative term has been full and complete. Stability has come to legislative life. This stability has influenced the laws that are enacted, inasmuch as they are consecutive, equitable, and well-studied. The previous four assemblies were able to enact a group of laws that touched many social strata, including laws to eliminate illiteracy, organize local associations and offices, and for health insurance. There was also Law No. 10, [for] developing the national economy and investment, which was issued a year ago.

Therefore, you will find that the legislative assembly and life can be described as stable, productive, and deeply concerned with all legislation required by society.

Accordingly, in the fifth legislative assembly, the number of members has been increased from 195 to 250, including representatives of six political parties in addition to the Arab Socialist Ba'th Party, which is represented in the assembly by 138 members.

As you know, the basic characteristic of the People's Assembly is that it represents all strata of Syrian Arab society. Members include doctors, lawyers, engineers,

workers, farmers, young men and women, and the middle-aged. Women are very well represented, with 21 serving in the current legislative assembly from all governorates of the country.

There are 12 permanent committees in the assembly according to societal sectors. We have the Legislative and Constitutional Committee, to which all draft legislation is referred for scrutiny as to whether it is compatible with the constitution. After this committee makes its report to the assembly, the assembly refers the bill to the appropriate committee. We have committees for agriculture, irrigation, budget, accounting, Arab and foreign affairs, services, planning, production, complaints and petitions, environment, and housing.

The assembly has the right to form temporary committees to study some problem or issue. The ad hoc committee then reports its solution for the particular problem to the assembly.

The assembly sets the budget, devises and enacts laws, and also monitors the executive authority and questions it about either good performance or shortcomings. The assembly has the right to withdraw confidence from a minister as a result of a specific question, or from the entire government.

[Izz-al-Din] How much do you follow the experience of the Advisory Council in Qatar, since it has the most experience among the Gulf Nations?

[Qaddurah] Unfortunately, there is no information. As I said, there have been no contacts made, neither on our initiative nor from them.

[Izz-al-Din] Man can aspire; if man loses his aspirations, he has lost a great deal. What are your aspirations as speaker of the Syrian People's Assembly? To increase democracy? From your long experience, what is required?

[Qaddurah] Hope is what is always required the most. But, up to this moment, we feel that the democratic experience in Syria has been desirable and carefully studied vis-a-vis others. Democracy has different interpretations for people. Democracy is saying what you want and to enjoy freedom up to the point that you don't infringe on the freedom of others or make light of others' viewpoints.

Democracy—many now hear this as a transitional slogan without making it work. We do not have this concept. We would not be able to advance in experience and be recognized by others. Attempts to apply democratic theories in certain Arab countries are always perceived according to circumstances. Man develops; he does not stay as he was. Everything we have develops and requires developing. This is what we apply. In the first People's Assembly in 1972, the deputies numbered 177; now, they number 250. In the first assembly, there were six permanent committees; now, there are 12 standing committees. Moreover, in the fourth legislative term, as a

result of certain erroneous practices by some officials in the executive authority, the assembly refused confidence to four ministers. This did not happen in the first or second assemblies. Therefore, an event is linked to a circumstance or to a situation's need. We are now going through celebrations of allegiance and renewing the fourth constitutional term for the president. I have never witnessed such celebrations as these throughout my long political life. They were spontaneous celebrations, and the reasons are clear. There have been two decades of productive stability, of building an integrated economic structure and a broad cultural society. The number of students going to school in Syria every morning is more than 3 million boys and girls. This is a number that is larger than the population of some Arab countries. Education is the primary basis for knowledge, freedom, and democracy. Primary education here is compulsory and free. We punish those who do not send their children to primary school. We have four universities that are considered among the best in terms of educational curricula at the least cost.

Let's go back to democracy, which everyone interprets as he pleases. There is British democracy in which the prime minister has the last word, and the king or queen is symbolic. There is the United States' democracy. There is no place for a prime minister in Germany's democracy. The chancellor is the active one there. Consequently, how do the people express themselves? How do they initiate legislation required for their society? Democracy is not as some think.

Is there a difference between one man and another? Where is democracy among the Palestinian people or with many African peoples? Where are the human rights in their countries, in some cases? Does Paris allow the nearly 3 million Moroccans, Algerians, and Tunisians to discuss their religious affairs freely? Where are human rights in this matter?

I believe that there is a group of Algerian brothers described as activists and estimated at 200,000, who broke with France over their position regarding the revolution. They still live in tents. Despite that, they carry French citizenship. They cannot enjoy freedom and democracy like the rest of the French people. There was also the live broadcast from France. We then found that matters had gotten out of line. These limits vary from country to country.

We consider ourselves a knight of democracy. If we find there is a need to develop and add to it, we will take advantage of that. But we completely reject any specific democratic model imposed on us that is not compatible with our society and its socialist goals.

[Izz-al-Din] There is stability and there are political parties, but popular participation in them is ineffective. Why?

[Qaddurah] This is a problem for the political parties. We have the biggest Communist Party in the Arab Nation. Why isn't it talked about like the Communist

Party in France, despite the fact it is active, operating, and has representatives in the parliament and in the various sectors. We have the oldest Socialist Party in existence, 40 years. Why shouldn't these parties have a role?

These parties exist on the ground. They have their grassroots and their deputies. As for why they are not expanding, this is their problem. Sometimes, there is a belief that the parties are of no use, but this is not a matter that will remain unchanged.

[Izz-al-Din] Is there any support from the government to the parties?

[Qaddurah] No. They finance themselves.

[Izz-al-Din] What about Arab solidarity?

[Qaddurah] We still work for Arab solidarity. We say: Let us Arabs not be like the American Indians some day. There must be at least a minimum of Arab solidarity, so that we can stop this bloodshed in the occupied territories. They are upsetting Syria with all their hopes. When Syria stands on the field of honor, we have a saying: The trees are dying, yet they stand. If death is imposed on us, let us be standing. Unfortunately, many Arabs pay no attention to that.

#### Gains Under Minister al-'Imadi Described

92AE0188B London AL-MAJALLAH in Arabic  
1 Jan 92 pp 48-49

[Text] Damascus has once again become a center of international trade and industry and has opened its markets to imports and exports. Dr. Muhammad al-'Imadi, a well-known Syrian economist and the incumbent minister of economy, has played a major role in opening the gates of Damascus to world trade and in realizing the success of this openness.

Dr. Muhammad al-'Imadi was Syrian minister of economy 1972. In 1979, he was appointed director general of the Arab Economic and Social Development Fund in Kuwait. In 1985 he returned to Syria to once again assume the Ministry of Economy portfolio.

In 1991, Dr. al-'Imadi was nominated as the 1991 economic "man of the year" because he oversaw shifting the Syrian economy from a closed, inward-looking economy to openness and liberalism that characterized 1991.

Speaking about this year's achievements, Dr. al-'Imadi said that great efforts have been made to deal with questions on foreign economic relations because Syria believes in the importance of the foreign trade sector and its ability to lead economic activity and to stimulate the rest of the economic sectors. Syria also believes in the foreign trade sector's effective role in securing requirements for production, investments, and consumption, as well as creating an active demand for export goods that would lead to boosting productive capabilities and

attracting new investments. This would lead to diverse results in the fields of labor, production, and services.

Referring to the policy that he is pursuing in order to fix the exchange rate for foreign currencies, al-'Imadi believes that the steps he has taken to establish a foreign currency market—where the public and joint venture sectors within the banking system are concerned—have consolidated the legal and organizational basis of holding and disposing [of currencies] in a manner that would ensure that demands are met. The law on encouraging investment and its precise executive regulations have added basic clarifications to the basis of this market, where no operative penal clause may apply to any of its operations. Law No. 10 of 1991 has been issued with the aim of encouraging investments by Syrian Arab resident and expatriate citizens, and by citizens of Arab and foreign countries, in all development projects in Syria that would contribute to economic development.

With regard to production sectors—especially in the fields of oil, mineral wealth, and industries—they are foremost in the government's interest. The Syrian Oil Company has continued oil exploration, drilling, and production work. Some 14 contracts have been signed with companies of different nationalities, including American, French, Spanish, German, Belgian, Finnish and others.

Dr. al-'Imadi added that oil production has begun in three areas. This is in addition to exploration for oil and gas in the regions belonging to two service contract companies. Plans are under way to bring oil discoveries of commercial value into production. "Despite the fact that we are not an oil-producing country," he added, "the results achieved so far augur a bright future for Syria. It would suffice to point out that exploration has been completed only in 17 percent of our territories, and that about 40 percent of the area is still under exploration. There are hundreds of test wells in the Syrian territories, of which only 178 have been drilled. Oil in commercial quantities has been found in 60 of those, and traces of oil have been found in 30 other test wells. We are continuing drilling in some of them in the hope of finding more oil in commercial quantities. In other words, half of the test wells in Syria indicate that they contain oil deposits of the highest rates in the world."

Regarding the industrial sector, Dr. al-'Imadi said that during the past years, the Syrian industry witnessed a major structural development tending toward engineering and chemicals, and promoting textiles and food industries. The new arrangements and facilities have led to increasing capital invested in industries licensed to the private sector from about 2 billion Syrian pounds in the fifth five-year economic plan, to about 26 billion pounds in the sixth five-year plan. The number of workers employed in it increased from 29,155 to 99,886 during the same period.

"In the field of tourism," Dr. al-'Imadi added, "the government has been anxious to continue accomplishing

major achievements. We now have a chain of international and luxury hotels comprising 22 buildings with 5,500 rooms and suites. Trained and qualified staff graduate from the six educational institutes that come under the Ministry of Tourism. The necessary facilities have been provided to the private and joint-venture sectors to enhance their ability to stimulate and develop tourism. Out of the desire to preserve Arab culture, the state supports the traditional industries by establishing a market for handicrafts and opening schools to teach such crafts."

Among the achievements of 1991 realized at the meeting of the Syrian-Saudi Joint Committee was taking advanced steps toward coordination between the two countries in the political, economic, and commercial fields, in addition to setting up a joint council for businessmen from both countries, with the aim of strengthening ties and encouraging cooperation in the establishment of joint investment projects. To strengthen ties with Kuwait, a Syrian delegation visited Kuwait last July. During the visit, the delegation held economic and trade talks at the highest level, which resulted in an reaching agreement to take immediate and practical steps to increase trade between the two countries, whether by signing export contracts or by intensifying contacts between those involved in economic activities in both countries.

Al-'Imadi added: "As part of strengthening economic and trade ties with the Arab countries, a trade agreement was signed in 1990 with the Sultanate of Oman and a similar one with the United Arab Emirates, as well as a trade protocol with the Tunisian Republic. All of these agreements incorporate provisions concerning the volume of trade with these countries and the establishment of commercial markets for each of them in the other country; and strengthening cooperation in the industrial, scientific, technical, and information fields."

Syria is continuing to work for the development of trade and economic ties with the advanced, industrialized countries, as well as with economic groups and international organizations.

#### **Economic Policy Reportedly Becoming More Open**

*92AE0188A Paris AL-DUWALIYAH in Arabic  
16 Dec 91 pp 34-35*

[Jean Dabaghi article: "Syrian Economy Moving Toward Openness"]

[Text] Syria is considering carrying out substantial changes in the economic structure in order to keep abreast of the economic situation in the area and in the world, since everybody is looking for capital that only liberal laws can attract.

Any observer of the economic situation in Syria would feel that the Syrian Government has determined its stand on a free economy and decided to pursue an open policy. This decision did not come as a result of a change

in principles, as much as it is the result of difficult conditions that the country has been experiencing and of developments in regional and international conditions.

It is noted that the question of giving the private sector a bigger role in Syria did not come as a result of conflicting dialogue, as was the case in Egypt for many years. It is also noted that Syria is the last Arab country to decide to begin introducing substantial changes in the economic system inherited from socialism. This coincides with the beginning of Syrian President Hafiz al-As'ad's fourth term and with the official effort to adopt openness toward the West since the Gulf war.

Following the Gulf war, the Syrian Government introduced amendments to its investment law. A special investment office, considered to be the executive body of the Higher Council for Investment headed by Prime Minister Mahmud al-Zu'bi, has been established. This office's task is to study applications for investment, license investments, and provide services to help investors.

The new investment law offers many incentives, including opening foreign currency bank accounts and [offering] customs, financial, and tax exemptions. The law equalizes the foreign investor and the resident Syrian investor. According to the law, the Syrian businessman can transfer the net profit of his share in capital invested in foreign currency that he brought to the country when the project was first established. This advantage had been restricted to expatriates and foreigners.

The objective of the new investment law, before it was amended to include the resident Syrian investor, was to encourage Syrian expatriates to invest in their country. The Syrian Government pays great attention to those expatriates because a large proportion of the 1.5 million expatriates belong to the rich class and are interested in investing in their country.

Syria has been aware of what the regional changes would bring about after the Gulf war, particularly since the Gulf countries have found that conditions are favorable for opening a new chapter of coordination with Syria and Egypt. The Damascus Declaration can be regarded as the beginning of that chapter, particularly with regard to its economic dimensions. The Gulf Cooperation Council [GCC] countries have explicitly expressed the desire for economic coordination. They are considering the idea of establishing a fund to finance joint projects. The GCC countries, as part of this cooperation, demand amending investment laws in Syria in order to allow the Gulf capital to operate under restriction-free laws. In this regard, Syria stresses that the new investment law has succeeded in attracting Gulf funds.

Sources of the Syrian Investment Office say that 90 companies have been issued licenses for industrial and agricultural projects since it was established. The starting capital of some of the projects is estimated at 800 million Syrian pounds (\$20 million). The investors came from Saudi Arabia, Jordan, Kuwait, Syria, and the United

Arab Emirates. The investing companies also include British and French establishments.

In fact, Syria had no choice other than to turn the page of nationalization and move toward private capital—local, Arab, and international. In the coming years, Syria will face challenges compelling it to resort to new ways of exploiting its natural resources and manpower. Among these challenges is a population growth which international organizations regard as the fastest in the world, reaching 3.8 percent annually. This means that by the end of the century, the population will increase from 13 million to 18 million.

Syria is also suffering from mounting unemployment which, according to International Monetary Fund statistics, is about 20 percent of the total labor force.

This rate is continuously escalating, because economic growth rates do not allow for absorbing the demand as long as investment rates are low. In the past years, investments relied on state revenues from oil and foreign aid, particularly from the Arab countries.

Syrian Economy Minister Dr. Muhammad al-'Imadi believes that Syria needs an annual investment of 60 billion Syrian pounds, or \$1.5 billion, a year, according to the official rate of exchange. The minister noted that the previous investment laws did not attract private capital and, therefore, investments were much less than needed. Often the volume of investments dropped below what was estimated in the development plan because of an acute shortage of foreign currency.

In order for the state to provide foreign currency, it was compelled to take steps to liberate foreign trade and give local capital the opportunity to operate in this field. The Syrian citizen has, in fact, been allowed to import and export goods, using his private foreign currency resources. Syrian Central Bank statistics show that the private sector's share in foreign trade between 1985 and 1989 increased from 7 percent to 48 percent of the total value of exports, and last year went from 27 percent to 47 percent of the total value of imports.

However, despite these openness measures, investors are still cautious. They demand that additional measures be taken. Expatriate associations have shown their readiness to finance projects in Syria, but demanded that the state-controlled Syrian banking system be revised, something which the state is unwilling to concede. At this stage, the state is not considering any changes in the system, which basically depends on the Syrian Commercial Bank and a group of specialized banks, such as the Agricultural Bank, the Industrial Bank, and the Real Estate Bank. In view of the state's unwillingness to revise the banking system, the expatriate associations proposed setting up a special bank for the expatriates that would act as a channel for the flow of funds, provided that the bank is a joint venture to be managed according to developed banking procedures. The proposal has met with no positive response from the Syrian Government yet.

All that happened was that the government recognized the need to "reform the banking system," but without allowing the establishment of new or joint banks. The government also decided to carry out reforms in the Commercial Bank by introducing advanced operation methods that would respond to the need of capital movement.

Moreover, the state is still reluctant to establish a financial market for trading in stocks and bonds of "limited liability" companies, which would be established according to the new investment law. The government says it is preparing to issue a decision that would facilitate stocks and bonds trading, but that this does not mean the establishment of a full-fledged financial market, because this requires legislating laws that might take a long time.

Apparently the government has no complete picture of its future economic policy. By necessity, openness means revising the banking system and establishing a new, liberal system for fixing exchange rates and giving greater freedom to the Central Bank to fix exchange rates and interest rates.

Also, the prices of investment companies' products and services must be liberalized, for the government control on price fixing does not encourage the private sector. In addition to liberalizing prices, labor market laws that prohibit laying off workers for economic reasons must be changed. The investors demand flexible laws or, at least, special laws for the private investor, since the current law grants the farmer ownership of the land he is working on. Amendment of the labor law is also necessary under the present conditions because the Syrian public sector is unable to absorb unemployment.

Syria has a long way to go before it can enter the arena of a free economy, but several signs indicate that the government insists on carrying out changes that would give the private sector a greater role compatible with the country's needs. This was what the ruling Ba'th Party has decided after having come to the conclusion that the time has come to open a new chapter in the Syrian economy.

#### **Businessman on Success of Joint Venture Sector**

*92AE0188C London AL-SHARQ AL-AWSAT In Arabic  
10 Jan 92 p 10*

[Article by Walid Najm]

[Text] Damascus—Syrian businessman Sa'ib Nahhas believes that this year is the year of reaping benefits for the Syrian economy, which for many years pursued a multilateral economic policy. This policy prompted the joint venture and public sectors to participate effectively in the numerous investment opportunities that have realized remarkable growth for the Syrian economy and good profits for the investors.

In a statement to AL-SHARQ AL-AWSAT, he referred to the joint venture sector which, in 1978, was launched in the tourist sector, and in 1986 was expanded to include agriculture and agricultural industries. Expanding even further in 1991, it included several industrial sectors.

He said that this has given resident and expatriate Syrians a great opportunity to contribute to a large number of projects, thus encouraging Arab investors to regain their confidence [in the Syrian economy] and to participate in Syrian projects.

Giving some examples of these projects, he cited Ghadaq Agricultural Company, which was established in 1986. Some 30 percent of those who established it and contributed to its capital were Syrian emigres. As for 'Amrit Company, Arab contribution to its capital was 50 percent, and the same was true for al-Sayyidah Zaynab Company.

He said: "If we look at the companies on the basis of their capital, we can say that the Syrian joint venture sector is the most active and profitable economic sector.

"Going back to the examples, I would say that when we established Transtar company, its capital was 10 million Syrian pounds, which has now reached 160 million pounds, and further increase is expected.

"As for Ghadaq Company, which is only five years old, its capital jumped from 300 million pounds to 500 million pounds. The same thing goes for 'Amrit Company, which started with a capital of 250 million pounds. Its capital today is 500 million pounds."

He said that the success of the Syrian joint venture sector confirms the credibility of the Syrian Government, which has enacted flexible and thoughtful laws to develop the economy. He stressed the government's desire to implement these laws for the benefit of the national economy, as a result of which we have seen 1992 as the year marking the beginning of reaping the fruits of the experiment.

The experiment scored further success, thanks to Investment Law No. 10 of 1991, which has created investment opportunities with numerous advantages and facilities.

Nahhas expressed the belief that what prompted the government to enact such a law was the success that the joint venture companies achieved in the past 10 years, which constituted the grounds on which the government based its enactment of Law No. 10, which opened a wide door to industrial activities.

As soon as this law was issued, many shareholders unhesitatingly came forward with applications to establish industrial companies. During six months, some 169 applications for the establishment of companies with a total capital of 33.8 billion pounds were received.

Nahhas said: "We are proud of the fact that we were the first to establish a company under this law, namely the

al-Zahrawi Company for the production of surgical threads, using guts of locally slaughtered animals. The company's capital is 200 million pounds.

"Under this law, we also established a company called al-Kima' to produce industrial chemicals, with a capital of 200 million pounds. Al-Kima' produces chloric acid for use in Syrian factories, primarily using rock salt found in Dayr al-Zawr mines. We also established Ghadaq Agricultural Industries Company, with a capital of 350 million pounds, the Ibn-Zahr Company for medicine industries with a capital of 200 million pounds, the al-Mutawassit [Mediterranean] Citrus Company for preparing and processing fruits for export with a capital of 222 million pounds, and the al-Mutawassit [Mediterranean] Company for packing and packaging with a capital of 400 million pounds. We also established [Talbina], a baby food company—[talbina] being an Arabic word for bread and dates—with a capital of 200 million pounds, and Ghadaq Water Works Company for well drilling with a capital of 65 million pounds.

"This is as far as we are concerned. Hundreds of other companies will be established following the issuing of Law No. 10. I must clarify an important point: All projects that will be licensed will have an important impact on the national economy and social life.

"All these projects are founded on solid bases, most significant of which are:

1. They satisfy the local needs, dispense with imports, and allow entry into the export field.
2. All the raw materials that these factories will need are locally available. This enables processing Syrian raw material and exporting manufactured goods instead of raw material. This would also enable earning large amounts of foreign currency, which would be made available in the market.
3. These projects will provide a large number of well-paid jobs, which would limit the brain drain among Syrian scientists and trained people. At present, there are an estimated 16,000 jobs for workers and engineers.

Speaking about the guarantees that may have prompted him and other businessmen to respond so quickly by investing their capital in several projects, Nahhas said: "As far as we are concerned, the principal guarantee is the [government's] firm policy. The economic diversification which the Corrective Movement put forward was not a mere slogan. Rather, it has evolved into a reality. In the seventies, in particular, Syria's infrastructure was built and, as a result, we now have the best transportation network linking the Syrian towns and linking these towns to the production and export locations, using railroads, ports, and airports. Moreover, Syria has all the components of the infrastructure that serve industrial and agricultural projects. This in addition to the flexible and ever-renewing laws that played an important role in Syrian, Arab, and foreign investors investing in Syria. Law No. 10, for example, provides all the guarantees that

any investor would ask for his invested capital, his capital returns, and the transfer of these returns. This is in addition to the significant exemptions and advantages granted when compared with privileges granted in some other countries."

Regarding the public sector and its role, he said that the public sector exists in all countries and often constitutes the economy's sound foundation. It shoulders major responsibilities, and it is subject to the Syrian equation, which believes that opening the door to both the private and joint venture sectors is absolutely not contrary to public sector projects.

Nahhas expressed the belief that the Syrian public sector is in dire need of self-criticism so that it will remain a pioneering sector.

### Report on Situation of Damascus Jews

92AE0173A Beirut AL-SAFIR in Arabic 4 Jan 92 p 8

[Article by Muna [Sakariyah]: "Strict Traditions Prevent Marriage Between Eastern, Western Jews; Palestinian Neighbors Light Rabbi's Sabbath Stove; Bridal Dowries a Problem"]

[Text] The street is crowded with pedestrians. There is no respite from the passing traffic until the work day is done.

This is the situation in the streets of al-Amin quarter. This is one of the quarters in old Damascus that starts at the vegetable market, from which narrow streets branch off, lined with ancient houses. There is a common dialect among the residents of these long, narrow streets. It is heard from the Jew who lives in this quarter, from the Palestinian who has squatted in the neighboring alleys since 1948, and from others who are Syrian citizens in identity and allegiance.

The commercial shops are small. These quarters are marked by craftsmen of various professions crowded behind shop doors, most of them clothing manufacturers. Shops specializing in the sale of gold are missing from the Jewish quarter of al-Amin quarter, because they are so numerous on al-Salihyah and al-Hamra' streets. These are the main shopping streets of Damascus. Jews acquire gold from various parts of the world to use in industry and business, as one of the senior gold merchants in the Moses Sect, Victor Jajani, says.

In those two streets, there are several shops that are owned by Jewish merchants or, as they have been called in Syria since 1948, the "Moses Sect". Free occupations, especially commerce, distinguishes those persons wherever they are found. In Syria, members of the Moses Sect are distributed among the cities of Damascus, Halab, and al-Qamishli. Numbering more than 4,000 residents, they practice various professions, because a number of legal measures adopted by President Hafiz al-Asad have provided them with increased freedom to work and

travel. (They used to be forbidden to travel farther than 4 km). They may also travel abroad, have the freedom to own property, etc.

The head of the Moses Sect in Syria, Rabbi Ibrahim al-Hamra, 48, says: "We are a segment of the Syrian society. Our occupations range from small wage-earners to big merchants, doctors, pharmacists, engineers, and lawyers. Before 1970, we were not allowed to take up a post."

Lawyer Shihadah al-[Qutri], 51, graduated from the University of Damascus in 1965 and joined the Lawyers' Union in Damascus in 1968. He says: "I find it strange that the subject of Jews in Syria has been raised. We are Syrians first in our identity. I pursue my job in the Palace of Justice. I deal with many lawsuits in district agricultural, commercial, and civilian courts, and even in military courts. My clients are from all social strata and various regions of Syria. I am also an agent for many firms owned by people who are not of our sect.

"Raising Jewish 'pride' annoys me. Therefore, I prefer to deal with them like anyone else. In addition, I am an agent for Moses Sect property in Syria. I have the freedom to travel any time I wish. I accept only Syria as my nation, because I am sure that those who emigrated to America or elsewhere are living a hopeless life. Most of our sect here is wealthy."

Moses Sect members are inclined toward educational fields. They do not go into fields of the stage, cinema, and literature, "because those fields do not provide bread," as Rabbi "Abu Subhi" says.

Rabbi al-Hamra, who has been head of the Moses Sect in Syria since 1976, is married and has six children: Subhi (who has a bachelor's degree), Stella, al-Bizah, Jacques, Judith, and Benyamin. According to the traditions followed in the sect, the first four names of male and female babies must be the names of the paternal and maternal grandparents.

### Traditions

The Moses Sect's traditions are innumerable. They begin with the Torah and do not end with inherited Eastern traditions. They are not very different from those of other religions, but with considerable commitment and fidelity in following principles of proscription.

"Everyone understands a man being disturbed at producing a daughter," says Mrs. Umm-Elie, who lives in a secondary street in al-Amin quarter. The "dota", which is the term for the bridal dowry, is the most difficult problem for young girls of the Moses Sect, particularly for those with limited incomes.

The value of the "dota" at times approaches a million Syrian pounds, paid in cash to the bridegroom. That explains the saying that the young Jewish girl takes money from her family, because she doesn't inherit. The

majority of girls marry early, as Emilia Shaluh, 14, wants to. She also wants to be a ladies' hairdresser.

According to these social traditions, it is a disgrace for the Jewish girl to marry outside of her sect. This will cause her to be ostracized from her family, but perhaps they will try to make her change her mind.

The prohibition in this principle is not just confined to marriage outside the sect. Marriage between Jews and Arabs or Jews and Westerners is virtually impossible. Rabbi al-Hamra confirms that:

"Our traditions remain far apart from Jewish traditions in Western society. Even those who go to Israel by way of America, can certainly marry Jews from Arab countries, but any young girls from here who go to America prefer first to marry a Jew of Syrian stock (The Damascus Jewish girl prefers to marry a Damascus Jew, and one from Halab a Halab Jew). Failing that, she looks for a Jew from Egypt, Morocco or Lebanon."

One lady said that the small number of marriages with Western Jews who lived in Israel ended in divorce.

One should note here that about 300 unmarried Jewish girls were permitted to travel outside of Syria by President al-Asad during the past few years for the purpose of matrimony. In order to complete the wedding ceremony in the Moses Sect, there are strict social rituals, which begin by confirming possession of the "dota," which the bride gives to her groom. Then there is "compulsory pampering of the groom", and the holding of receptions in his honor. The "official dinner" is held in the home of the bride's family, and it is followed by seven kinds of hospitality.

Another custom for the groom is to send a large basket of flowers to his bride's home. He then takes half of them back to his home as proof of completing the betrothal! Most of the wedding parties are held in the grand hotels in Damascus or in the sect's synagogue. Boy's circumcision ceremonies are similar to wedding parties in terms of material costs and spiritual importance.

### Religious Practice

In Syria there are 22 Moses religious temples in Damascus, three in Halab, and one in al-Qamishli. Moreover, Mazar Jawbar is considered one of the holy places by sect members. Here, offerings are made by lighting candles, asking for a cure for a sick person, etc.

Because strict religious customs forbid Jews to eat from dishes owned by non-Jews, when they hold wedding receptions at hotels, they must bring their own dishes, pots and pans, and cutlery to the hotel. Three sect members also supervise meal preparation.

Preparing meals at home requires a great deal of time in order to follow the requirements of rituals and customs. In honor of the holy Sabbath, seven kinds of food are prepared, starting on Wednesday morning. This was related by Syria Nahmud, who was given this name on the day of

her birth, Evacuation Day 1946. She says: "All Moses Sect members eat a meal of *kibbeh* every Thursday evening (made of bulgar mixed with meat into a loaf). Also, the cooking of rice is compulsory on Friday. The evening meal is composed of chicken with potatoes." It is said that meat can only be eaten when slaughtered by the rabbi. All food dishes have a specialized use.

Passover (Pesah) is honored with its own special dishes. On this holiday, tea is prepared in a different pitcher than on other days of the year. What is used for sugar is for sugar, and what is for salt is for salt. This is strictly adhered to by all sect members.

Moses Sect members make wine at home, in preparation for Passover. There is also special food served in special dishes.

These dishes are stamped with the word "kosher", which is a Hebrew word which means "prepared for eating".

Syria Nahmud says that sect members dress in their most beautiful clothes and pray four times on the Sabbath. They pray three times on the other days of the week.

Moses Sect members have a natural religious freedom in Syria. It helps them to be at one with their neighbors, because lighting the fire is forbidden on the Sabbath. Rabbi al-Hamra calls on neighboring Palestinian children to light the fire in his stove to ward off the chill.

Moses Sect members celebrate their religious holidays. These are the Hebrew New Year, which is followed in 10 days by Yom Kippur, the Day of Atonement; Sukkoth; Channukah, the Feast of the Lights; Feast of al-Shajrah; Purim (rescue of the Jews from King Haman); Passover or Pesah (flight of the Israelites from Egypt); Shabuoth, or Feast of the Weeks (revelation of the Torah); Day of al-Kharinah (destruction of the Holy Temple), which becomes a holiday when the structure of the Holy Temple is built. Only unleavened bread may be eaten on these holidays.

Rabbi Ibrahim al-Hamra, who speaks French and a little English, is fluent in Arabic and Hebrew, the language of the Torah. Each year, he travels to New York to meet with senior Jewish officials there, "to insure financial assistance for the poor of our sect". These funds are spent for education, clinics, wedding assistance, etc. Although "there are poor people in the sect"—as Mrs. Umm-Elie says, who opened a grocery shop after leaving her job as a seamstress, while her husband works as a teacher—"many in the sect are wealthy. There are few needy families. There are no paupers, in the true meaning of the word. I am reckoned to be poor for example, but I have everything in my house. The total of our monthly income is more than 10,000 Syrian pounds."

Umm-Elie loves her house very much. The courtyard and main doors are shared with the homes of Christian, Palestinian, and Muslim families (an Armenian family used to live in that house before her). She refuses to

travel, saying: "I have a passport, but I refuse to travel because I like only this area." The mixture, as she says, "enriches us culturally. My neighbors are not of my religion. Perhaps I would prefer some of my sect members. The area without me would annoy its residents. They drink coffee and I eat bisarah [a kind of porridge]."

#### Israeli or Syrian?

Rabbi al-Hamra relates an incident that occurred in New York in 1980, when he led the prayers in a New York synagogue. After the prayers were over, he was asked by some of the congregation: Are you from Israel? He replied, "No, I am from Syria." They did not believe him. He showed them his passport. He asked them, "Why do you think I'm from Israel?" They replied: "You are young, and you pray very well. How can you live in Syria?"

The Rabbi added: "I assured them that there was freedom of religious practice in Syria. They asked me: 'Do you have a television set?' I said yes, we have everything available. One of them said to me: 'You talk like a representative of Syrian Foreign Minister 'Abd-al-Halim Khaddam,' (who was foreign minister at that time)."

Rabbi al-Hamra commented: "If I had talked about the privileges enjoyed by our Moses Sect in Syria, I would have made others envious. We live here with every comfort, although we do lack family travel. This is what is called the broken family."

We asked Rabbi al-Hamra why it was called this, and he replied that "it was the Western media that invented this name, not us." After a discussion about human rights in many countries of the world, he added: "It is an unfathomable problem in comparison to what we enjoy here as citizens. It does not need all this importance, after President Hafiz al-Asad allowed all Jews of Syrian origin to return to Syria. This means the reunification of the broken family. I played a role in convincing those abroad to return to reunite some of these families."

He stressed that it is not a tragedy for the head of a family to travel in pursuit of his daily bread. This happens in every country of the world. However, the problem comes home to him sometimes through keeping track of the family that the breadwinner left behind.

Dr. Nasim Hasbani, who has practiced medicine for 26 years, denies that the issue of families traveling together has always been banned. He was the first Jew to enter medical school after the 1948 catastrophe. He says: "I travel every year to America or Canada. I also traveled with all members of my family, which is composed of five children, to Turkey in 1984. There are some who intend to travel by illicit and unorganized means. They must bear the responsibility. Some "magnify" the issue, but it is not a big problem."

Hasbani is one of the members of the Moses Sect's religious council. There were seven members but now

there are four; three of them died. The council's leader is Salim Tutah. Hasbani stresses that some sect members who emigrate abroad resort to complaining and grumbling to obtain material gain.

Hasbani was born in Damascus, as were his grandparents. The entire family will not leave the city to go anywhere else. "I would not emigrate. I work at my profession, and I have a well-known social position that I could not achieve in any other country. Aside from my profession as a doctor, I carry out my responsibilities in certain social services. I give free examinations to children in the Christian orphanage. I supervise distribution of assistance to poor sect members and to clinics and schools. We have no problems. Our situation has increasingly flourished economically, under the freedoms of President al-Asad."

### Schools and Instruction

The Moses Sect has two private schools in Damascus, the Ibn-al-Mimun School and the Alliance School. They are elementary and intermediate schools, with 835 students. There is one school in Halab, the al-Samaw'al School.

After completing studies in these two schools, students go to secondary schools, "because they cost less," and to college.

The two schools follow the curriculum established by the Ministry of Education in Syria, in addition to being allowed to study a foreign language from the kindergarten level, as well as religious subjects in ancient Hebrew.

Because the Sabbath is the holiday for sect members, the Syrian Ministry of Education shows tolerance in excusing Moses Sect students from taking examinations on that day.

Students of these two schools come not only from the Moses Sect, but there are also students from other sects. The teaching staff is noted for its diversity, as well, because it includes Muslims, Christians, and five Palestinians.

One of the professors (a Palestinian) says: "I have been teaching English for three years, during which time I have felt no sensitivity because I am Palestinian. I work in UNRWA. I do the job of a person and a teacher. Relations in the school are normal with everyone and are dominated by brotherhood."

A student, Sheila [Qayna], 14, confirms that. She thinks that "all religions are splendid to God." Her colleague, Nellie Hasbani, wants to study medicine "in order to serve mankind."

Rabbi al-Hamra directs his prayers to mankind, in order that peace will prevail on earth. We asked him what Israel means to him as a Jew, and he replied: "You ask a rabbi? The rabbi loves all men. They are our brothers and our families in religion. As for politics, they are enemies."

"Does your living in Syria contradict what is said in the Torah about the promised land?"

The rabbi replied: "Syria is my nation; visiting Jerusalem is a religious duty, but it is not obligatory to live there."

### Tunis Air Role in Tourism Growth Discussed

92AF0356A London AL-HAWADITH in Arabic  
20 Dec 91 p 75

[Interview with Fethi Ellouze in Cairo, date not given: "Tunis Air Is Bridge Between East and West"]

[Text] The relationship between tourism and aviation is a close and organic relationship, because aviation plays a very important role in supporting tourism and tourist exchange among nations of the world. Tunis Air occupies a distinguished position in this domain, hence our desire to conduct this interview in which Fethi Ellouze, the director of Tunis Air in Cairo, outlines the company's main features and standing.

To start with, Ellouze talked about Tunis Air and its pioneering efforts to serve the civilizational awakening in Tunisia. He said:

[Ellouze] Tunis Air enjoys an unquestionable and deep-rooted status, and has spent 30 years of its life offering great and honorable service. It currently covers 30 countries around the globe, and tourism represents 60 percent of its endeavors. Official authorities and travelers alike attest to the company's pleasurable, comfortable, and safe service, which no other airline in the world provides.

As for its endeavors to serve tourist activities in Tunisia, they represent a medal of honor for all those who are associated with the company, whose efficiency in transporting many tourists all over Europe or from the Gulf region and other Arab countries is well-known to everyone.

From a tourist viewpoint, our efforts do not depend solely on European tourists, for Arab tourists coming to our country from any part of our great Arab nation are just as welcome. We provide apartments, cabanas, and special accommodations to Arab tourists, families in particular, in keeping with their traditions and temperament, because we know they prefer these kinds of hotel accommodations. Furthermore, we are on the verge of removing the visa barrier for our Arab brothers. We in Tunis are convinced that no Arab should need a visa to enter Tunisia. Indeed, our borders and hearts must be open to all Arabs coming to our country. The Cairo office is one of the oldest international airline offices in Egypt. It is over 25 years old and has made major contributions in facilitating communications between the two fraternal countries and in bolstering exchange activities in all the various fields and domains. This office has been like a school for aviation officials in Egypt and a splendid purview for laying the foundations of activity planning between the Arab East and Arab

West. It has also fulfilled its pioneering role as a bridge of friendship between Tunisia, Egypt, and all other parts of the great Arab nation.

[AL-HAWADITH] How many flights do you currently have between Tunis and Cairo?

[Ellouze] We currently have two flights between Tunis and Cairo, and Egypt Air has the same to Tunis.

[AL-HAWADITH] Are there any specific programs or plans for active tourist exchanges between Tunisia and Egypt in which Tunis Air can participate with its long experience and high technical efficiency?

[Ellouze] We do, in fact, have programs specially designed for this purpose, which will undoubtedly invigorate and develop cooperation between the two fraternal countries in the fields of tourism. A number of senior Egyptian tourist officials recently made a 10-day visit to Tunisia, accompanied by a number of Egyptian tourist correspondents and senior tourist officials from the Egyptian private sector. Our program includes organizing visits for Egyptian reporters to Tunisia and vice versa, and exchanges between tourist agencies in Tunisia and their counterpart in Egypt. Furthermore, Egypt will host Tunisian finance managers and officers from the tourist sector to avail itself of their long experience in this field. Moreover, preparations are now underway to organize a Tunisian tourist week in Egypt and an Egyptian tourist week in Tunisia. This ambitious program will be put into effect as of the beginning of 1992.

All this promises to be an outstanding and booming tourist activity between the two fraternal countries. For your information, 100 Tunisian tourists will be en route to Egypt in the next week alone, and another 300 will come to Egypt at the end of the year to spend their new year's vacation. We also hope to establish charter flights between Tunisia and Egypt.

[AL-HAWADITH] All indications point to the fact that, now that peace has been restored, Lebanon will regain its tourist glory. Will this lead to tourist cooperation and exchange between the two countries, in which Tunis Air will play an outstanding role?

[Ellouze] First, I would like to say that the bitter civil war in Lebanon notwithstanding, Middle East Airlines has maintained its route between Lebanon and Tunisia. With the beginning of 1992, Tunis Air will open the Tunis-Beirut line to add to its routes.

[AL-HAWADITH] What programs have you prepared to promote Arab tourism and attract Arab tourists, with their special traditions, temperament, and orientations, which are largely different from those of foreign tourists.

[Ellouze] The fact is that five or six years ago, we did not have the climate or the circumstances to receive families, a distinguishing trait of Arab tourism, which often includes the entire family. We were not making arrangements to receive Arab families and provide the kind of accommodations they prefer. We are undertaking active

and incessant efforts in this regard whose impact will soon be manifested, God willing.

[AL-HAWADITH] How many tourists visit Tunisia annually and how many nights do they spend there?

[Ellouze] Close to 3 million tourists visit Tunisia annually, and they spend 25 million nights there.

[AL-HAWADITH] What arrangements have you made to deal with the great event in 1992, namely the establishment of a unified Europe, and its certain impact on the Mediterranean region?

[Ellouze] As you know, a meeting of Arab civil aviation officials was held in Cairo, during which a unified Arab aviation policy was formulated and a unified foundation for tourist coordination and a joint tourist market, able to deal with this upcoming European bloc, was laid. At any rate, the establishment of a unified Europe ought to give us in the Arab world an incentive to foster creative cooperation among the Arab countries and to unite our energies and capabilities for joint Arab action in all fields, so that we may have a common ground for existing and potential economic blocs. We have much to lose if we fail to act immediately. The time has come for serious and fruitful work in all fields and domains. I think that we in the Arab Maghreb are getting ready to deal with this momentous event, and have taken some pretty good steps in this regard. The situation, however, calls for serious initiatives on the part of all Arab countries before it is too late.

In this current stage, the Arab Maghreb countries are coordinating and unifying their activities in several fields, including economics, business, projects, roads, communications and transportation, and integrated planning and development programs. The Arab Maghreb has taken the initiative, but this matter calls for massive Arab action encompassing all Arab countries mobilizing all their energies, capabilities, and expertise; laying the foundation for a joint Arab market to remove border and customs barriers; and to facilitate activities among the various Arab countries so as to make a place for ourselves in the new world, the world of blocs and greater economic entities.

## TUNISIA

### Abdelfettah Mourou Focus of Videotape Scandal

#### Paper Reveals Details of Tape

92AF0393A *Tunis LES ANNONCES in Arabic*  
24 Jan 92 pp 4, 5

[Article by Abdelaziz Djeridi: "Biggest Scandal: Videotape Reveals Shaykh Mourou Fornicating in His Office"]

[Text] To begin, I beseech God to forgive my every great sin. God, O beloved and dear God, I was born shouting: "There is no god but God and Muhammad is God's

apostle." I grew up wishing to obey You, and I still do. Faithful brothers in Tunisia, the mother of religion, I swear to you in the name of the best Benefactor and the most generous Provider that we in LES ANNONCES decided from the time we took its editorial management that we would be guided by the masses and would adhere to high moral standards and to what has been revealed to us by the last of the prophets, working day and night to expose the advocates of darkness and the usurpers of power!

Gentlemen, we promised you last July to expose the secrets of other figures who trade in religion and who, on the instructions of Iran, Sudan, and Afghanistan, want to transform the Arab Maghreb countries into "Tunisiastan" and "Algeriastan"! After the unmatched scandal of Ali Laridh, here we are presenting to you the biggest scandal. This time, the protagonist is the venerable and friendly Mr. Abdelfettah Mourou, founder of the al-Nahdah Movement, and Rached Ghannouchi [as published].

This shaykh who has been making the rounds in the name of Islam—and Islam is innocent of him—and who has been using Muhammad's message to assassinate democracy and to threaten, in a statement he issued on 2 October [1991], with all sorts of woeful deeds, a minister who sought to spread light instead of darkness and modernism instead of myth.

This shaykh who meets with U.S. ambassadors to talk to them about his moderate program and then meets with journalists to tell them that al-Nahdah elements were compelled to resort to violence in the Bab Souika incident because they were denied the exercise of their political rights; this shaykh who carries a mask to play fast and loose with the officials while calling for sedition and internecine fighting in his private meetings.

Today, this shaykh stands before you as naked as he was on the day he was born. He stands face to face with his real character and with the reality which says: From vice he comes and to vice go the bases and mainstays of his call!

This shaykh has permitted himself, throughout 20 years, to use all kinds of deception to mislead generations, to displace families, and to throw young men in the prime of their youth into the jungles of international terrorism in Afghanistan, Iran, and Sudan.

Today, the mask has fallen and the naked truth is revealed.

### Naked Truth

As usual, I was opening my mail on Monday and reading my letters one after the other when a thick letter arriving from France and addressed to me personally in bold letters attracted my attention. I opened it to find in it a letter from a French journalist whom I have known since 26 January 1978. My friend's letter said that he did not understand what was happening in Algeria and that he was coming to Tunis to write articles on the Islamists in

Tunisia. He said that he wanted to learn the characteristics of Abdelfettah Mourou's personality and wanted to know if I would provide him with more details on the life of this Islamic notable, who seems to be flexible. Concluding, the colleague said in his letter that he would be arriving at week's end. I smiled and put the letter aside. In the evening, I went home and spent the time with the children and their mother until they went to bed.

When everybody was asleep, I pulled out a file with the name of Shaykh Mourou written on it and took out a videotape that is like no other—a tape which I prepared for my colleague, the French journalist. But before the foreign journalist could enjoy it, I wanted every Tunisian citizen to learn its details so that the true nature of the shaykh may be exposed to everybody.

### Details of Tape

The scandalous film [videotape] begins with Shaykh Mourou standing stark naked on a prayer rug in the center of his office and amidst his customers' files and legal documents. On the opposite side, a shivering woman stood disrobing while asking the shaykh repeatedly: "Here, Shaykh Abdelfettah?" The shaykh responded: "Here, and with utter freedom." The woman advances toward the shaykh and then the epic of lips and of other things that cannot be mentioned here began. The love scenes continue for minutes and then the imam and the dove kneel on the rug in a game of vice. The moans and groans of both partners reach a feverish pitch in the middle of the office of the venerable attorney, Shaykh Mourou, and amidst the files and documents of the customers who have entrusted him to defend their rights and to serve justice. The naked bodies of the venerable Shaykh Abdelfettah Mourou and of the victimized woman are seen clearly over the entire screen. What follows are scenes which the pen finds too repulsive to describe. The shaykh then rushes to carry the rug and hide it in another room and returns to kiss the woman on the desk which he uses to receive his clients and whoever slips and goes to the venerable attorney to seek fairness and justice.

Other scenes return, and it is improper to describe them here. Farcical acts reflecting most clearly the ambivalence of those who trade in religion and who exploit what is noblest and most sacred in man for mockery and for engaging in vice shamelessly follow in rapid succession. Perhaps it is beneficial to remind that:

First, Shaykh Mourou enjoys exploiting the moments of weakness experienced by some women clients who come to his office seeking assistance to eliminate some injustice. He bargains with them and engages in sex with them in return for delivering what they need.

Second, we see Mourou engage in sex, vice, and adultery and then in prayer on the rug that is intended for prayer, for submission and devotion to God, may He be praised, and for avoiding whatever is harmful to mankind so that a believer's relationship with his Creator can be clean and pure of this world's dirt and vices!

Third, we see Mourou fornicating amidst the files and lawsuits of citizens who have entrusted him with defending their rights and who have assigned him to litigate on their behalf in order to uphold justice and the rightful word. We see him fornicating amidst and on top of these files and soiling them with his sex sins and crimes.

These videotapes are nothing but one of many proofs that expose visually and audially the insane acts of this age's buffoons.

#### Who Do We Believe?

In the past, we viewed the shaykh and the imam as the model emulated by Muslims in matters pertaining to the believer's relationship with God, may He be praised and exalted.

But now that the odor of those who trade in religion has spread, we have become confused. Here is Ali Laridh urging the believers' sons to rebel against the civilian society's gains in the name of religion. In seclusion, these youth groups form a select group from which Ali Laridh chooses his victims, turning them into slaves who obey the dictates of his instincts.

And here is the esteemed and venerable Shaykh Mourou, who opened his practice to defend the powerless, turning this office into a den of corruption and debauchery. He then turns to the foreign embassies in Tunis to proliferate his Machiavellian theses that are based on a sexual schizophrenia that confuses the rights of his legitimate wife and of his street customers. Exploiting his female clients' goodwill, the shaykh bargains with them over litigation and copulation, exactly as he does in politics when he vacillates between trading religion and the faithful for his desire to gain power and to mock and fool around with Muslim men and women.

#### Tragedy Is Deeper

The country's citizens, including intellectuals, humanitarian associations, and national labor union organizations, are called upon today to pause before the true character of al-Nahdah leaders, beginning with Ali Laridh and sodomy and Rached and his weekly marriages and ending with Mourou and adultery. But Mourou's adultery is not like anybody else's.

Mourou is a well-known, popular personality to whom we devoted the "famous people" page three weeks ago [see related article] in order to talk about his private life. We deemed it to be the shaykh's right to have such a page because he is a notable who has risen to fame with his ambivalent stances. But now the shaykh is figuring prominently with other virtues, namely by demeaning his workplace and turning it into a fornication place and demeaning his clients by fornicating amidst court files and documents and, third, by fornicating on that which the worshiper holds most sacred, the prayer rug. We mention this only because the people's masses are entitled to be acquainted with the true character of these frauds. On 7

and 8 last January, Shaykh Mourou received a French press delegation and stressed to its members that the change was a setback for the Islamic tendency and the Islamists and that al-Nahdah's violence in the Bab Souika incident had its justifications, such as the fact that the al-Nahdah youth could find no framework within which to express their ideas, and so they responded with violence. He also said that Tunisia doesn't respect the [Muslim] Brotherhood and that the FIS [Islamic Salvation Front in Algeria] acted well by doing what it has done even though he does not take part in the FIS. This is what Mourou has been telling foreign and Tunisian journalists. The shaykh then feigns humility and says that the new administration has created signs that encourage a democratic climate and that this urges him to apply for a license to create a political party with Islamic tendencies. The shaykh's double-talk is refuted by his private deeds and actions. He is consumed by sex, and this is permissible. But when vice is perpetrated in a lawyer's office, then the profession's sacred and noble character stands against such abnormality.

The law profession is one of the noblest and most honorable and esteemed professions. The shaykh would not transform his office into a den of vice unless he was demented and schizophrenic.

We make these observations so that we will not be attacked by the pens which we are accustomed to seeing stir on such occasions. The videotape is real and Mourou's deeds have been known for sometime. Neither the mind nor the conscience condone the conversion of one's office and source of livelihood into a shameless brothel.

We are not attacking Mourou here so that he will end his anomaly which, evidently, reflects the anomaly of the ideas of al-Nahdah and of the new al-Nahdah Party, both of which are symbolized by Shaykh Abdelfettah Mourou, who leads both and whose true character is completely exposed by the videotape.

#### Duality

Recently, we have been seeing the pictures of Shaykh Mourou—see pages 26-27 of the latest edition of L'EX-PRESS magazine, dated 23 January—sitting at his office amongst his clients, making numerous comments and calling for human rights and democracy. Do we really understand this to mean fornication in offices and the right to terrorism in the name of human rights? Do we understand them to mean the right to engage in vice in sacred workplaces?

We will not be deceived this time, our shaykh, and it is not every time that the jar escapes the fall unscathed. He who is blind and he who has no brains cannot see. The shaykh has been blind to the reality of civilian society and he has run into the wall of the democracy that he hates. The shaykh has no brains and this is why he has perpetrated crime in prohibited places. Thus, he is

doubly blind. Blindness is the result of weak faith, because God sends light into the heart of the believer, and he sees.

#### Editorial Observation

We have cited these facts with utter impartiality, and without engaging in oneupmanship or in settlement of accounts, in order to make matters clear to the masses so they will learn that al-Nahdah leaders and those who, for 20 years, have thrown Tunisia's young and innocent sons into the dens of terrorism, murder, and violence, who have displaced families, and who have orphaned children, are ultimately no more than the advocates of sedition and the pioneers of terrorism and of darkness.

To conclude, LES ANNONCES has in its possession several tapes of these al-Nahdah leaders who are famous for their fornication, sodomy, and other things, and we will publish them when the time is right.

#### Background Interview With Mourou

92AF0393B Tunis LES ANNONCES in Arabic  
3 Jan 92 p 15

[Interview with al-Nahdah leader Abdelfettah Mourou by Lotfi Ammari at Mourou's Office in Tunis; date not given: "Shaykh Abdelfettah Mourou to LES ANNONCES: I Was Embarrassed by Bab Souika Incidents; I Didn't Attend Ghannouchi's Wedding; Yes, I Do Defend Prostitutes and Drunks"]

[Text] [Ammari] Hello, Mr. Abdelfettah?

[Mourou] Yes, who is calling?

[Ammari] Before I introduce myself, I hope you will promise to listen to me with a completely sporting spirit.

[Mourou] Okay, I promise.

[Ammari] I am a journalist and I wish to interview you.

[Mourou] For which paper?

[Ammari] For LES ANNONCES.

[Mourou] No, I cannot give anything to LES ANNONCES.

[Ammari] Don't forget your promise to me at the beginning of this conversation. I know that you have your disagreement with LES ANNONCES, and I don't wish to dwell on the details of this disagreement, because the future will take care of explaining it. I only want to conduct an interview with you in which I present to the readers, in general, the hidden side of your life.

[Mourou] (A pause) Okay, I agree, provided that I see the questions in advance. [end phone conversation]

This was the conversation that preceded my interview with Shaykh Abdelfettah Mourou. Prior to the interview, there had been numerous futile appointments that took

many hours of waiting at Mr. Abdelfettah Mourou's office before he permitted me to conduct this interview.

[Ammari] Mr. Abdelfettah Mourou, is this your full name?

[Mourou] My name is Abdelfettah Ben Jilani Mourou.

[Ammari] Do you have an organizational name?

[Mourou] No.

[Ammari] They call you the shaykh. Does this have anything to do with your age?

[Mourou] I don't think so. I am only 43.

[Ammari] Under what sign of the zodiac were you born?

[Mourou] Under Gemini.

[Ammari] Is Mr. Mourou careful to read his fortune in the newspapers every morning?

[Mourou] No, I pay no attention to such things.

[Ammari] What is Mr. Mourou's educational level?

[Mourou] I have a law degree.

[Ammari] And family standard, meaning the family from which you descend?

[Mourou] I am the descendant of a humble family. My father was a coffee shop owner and my mother worked as a seamstress.

[Ammari] You are a native of the capital. Do you consider yourself a "country boy?"

[Mourou] I believe that such characterizations are outdated.

[Ammari] You aren't, of course, an only child?

[Mourou] I only have one sister.

[Ammari] Was your father one of the first to apply family planning?

[Mourou] No. My father married at a late age and he then developed diabetes. So he managed to produce four children only, two of whom have died. My sister and I are the only survivors.

[Ammari] We come to your smaller family. How many members does it count?

[Mourou] I, my wife, and my five children.

[Ammari] Do you remember how you made your wife's acquaintance?

[Mourou] She is the sister of a friend of mine. I used to visit them and thus made her acquaintance. We crowned our relationship with marriage.

[Ammari] Does your wife work?

[Mourou] No, she stays home and takes care of raising the children.

[Ammari] Have you forced her to stay home?

[Mourou] No, this is her option. Besides, it is better for a woman with five children to stay home.

[Ammari] What is her educational level?

[Mourou] Baccalaureate.

[Ammari] Does she wear a veil?

[Mourou] Yes.

[Ammari] Have you forced her to wear it?

[Mourou] No. She wore it for the first time when she came to visit me in prison in the company of her mother. I recall that I told her at the time that I wouldn't force her to wear it and that she was free to wear it or abandon it.

[Ammari] We come to the children. You have told me that they are five in number.

[Mourou] Yes, four boys and a girl.

[Ammari] What do they do?

[Mourou] They are students. Two of them are in high school, two in elementary school, and one hasn't gone to school yet.

[Ammari] Your daughter is 10 years old. Do you permit her to engage in sports?

[Mourou] Yes.

[Ammari] In a sectarian [religious] uniform?

[Mourou] No, in an ordinary uniform, like all other girls.

[Ammari] Does she wear a veil?

[Mourou] No.

[Ammari] You have just told me that your father suffered from diabetes. Have you inherited this disease from him?

[Mourou] Yes.

[Ammari] May God heal you. Have you inherited better things from him?

[Mourou] A clean name.

[Ammari] Financially?

[Mourou] Nothing. I began from scratch.

[Ammari] And where have you gotten?

[Mourou] I manage, God be thanked.

[Ammari] How about your money?

[Mourou] I don't have much.

[Ammari] I haven't completed my question yet. You put your money in the bank. Do you enjoy the interest it yields?

[Mourou] I have a current account at the bank. A current account pays no interest.

[Ammari] Does some of this money go to finance al-Nahdah Movement?

[Mourou] Yes, when I was in the movement. But not now.

[Ammari] What was your first job.

[Mourou] In the judiciary.

[Ammari] You then moved to the law practice. Don't you find it somewhat embarrassing to defend prostitutes and drunks, keeping in mind that you are well-known for your conservative affiliation?

[Mourou] No. My work as an attorney requires me to respond to whoever needs a lawyer.

[Ammari] If you were made the offer to defend Abbas Madani...

[Mourou] As a lawyer, I would accept. This doesn't mean that I agree with his options and convictions.

[Ammari] Frankly, Mr. Abdelfettah, aren't you afraid that some radical al-Nahdah elements will assault you?

[Mourou] I work and live a normal life. All that anybody fearing for his life from the radicals has to do is lock himself up in a safe and seal it tightly. This is not how I live.

[Ammari] As long as we have touched on violence, what is your position on violence?

[Mourou] I will only tell you that the Bab Souika incident embarrassed me greatly, because it happened at a time when I was disavowing violence. I was then surprised to find that those who perpetrated the incident were people to whom I was tied by the same frameworks.

[Ammari] And didn't the 2 October declaration embarrass you?

[Mourou] Only partly. But I then eliminated its consequences.

[Ammari] What embarrassment have you experienced as a lawyer?

[Mourou] I once found myself litigating against a relative without having any prior knowledge of the fact.

[Ammari] In a few words, what would you say about the following names: Hamma el Hammami?

[Mourou] A quarrel and a dispute. We have met before a magistrate

[Ammari] Anas el Shabi?

[Mourou] I don't know why his heart is full against me.

[Ammari] Abdelaziz Djeridi?

[Mourou] We have met before a magistrate.

[Ammari] Mr. Abdelfettah, how did you receive news of the 7 November transformation?

[Mourou] With utter joy and happiness. I was in Germany and, as usual, I listened to the radio to hear Tunisia's news. I was surprised with the news of the change, which was repeated by the announcer many times. I experienced indescribable joy, but I could find no way to express my joy, because I was far from my country and kinsmen.

[Ammari] What was the first thing you did?

[Mourou] I called my family to inquire of them about their news and news of the change.

[Ammari] What were you doing in Germany at the time?

[Mourou] I didn't work. I took a refresher course in German. I stayed at the Goethe Institute for three months.

[Ammari] Mr. Mourou, do you have any comment on Rached Ghannouchi's latest marriage?

[Mourou] I didn't attend it and I haven't heard about it.

[Ammari] Is what we have heard about your miraculous survival in the January 1978 incidents true?

[Mourou] A 9-mm cartridge was actually fired at me and was on its way to my heart. But it was rendered ineffective when it hit a Koran and some personal papers I was carrying in jacket chest pocket. So by the time it reached my body, the cartridge was spent and could not penetrate the flesh.

[Ammari] Do you believe in holy men?

[Mourou] I believe in good deeds.

[Ammari] Do you litigate free of charge?

[Mourou] In some cases which dictate that one take into consideration the circumstances of the people involved.

[Ammari] What kind of car do you have?

[Mourou] I have an R-9 for my work.

[Ammari] We have learned that you have acquired a Mercedes, the latest model.

[Mourou] True.

[Ammari] Do you watch television?

[Mourou] Yes.

[Ammari] What is your favorite program?

[Mourou] Najib Khattab, if you don't mind.

[Ammari] How about Channel Two?

[Mourou] I watch its political and social programs, especially the "screen dossiers" which used to be shown on Tuesday evening, before it was suspended recently.

[Ammari] Mr. Mourou, what is your opinion of the "Roof Bird?"

[Mourou] I haven't seen it.

[Ammari] Mr. Mourou, where do you spend your vacation?

[Mourou] I have no vacation.

[Ammari] Don't you go to the beach?

[Mourou] Yes. Last summer, I went to Karm beach twice.

[Ammari] Do you wear swim trunks?

[Mourou] Yes, a relatively long pair.

[Ammari] And your wife?

[Mourou] I haven't seen her swimming.

[Ammari] If your daughter wanted to wear a mini-skirt, what would be your position?

[Mourou] I would only intervene to advise her and to tell her that she would be accountable.

[Ammari] What is your sweetest memory?

[Mourou] My first pilgrimage to Mecca.

[Ammari] And your worst memory?

[Mourou] My father's death.

[Ammari] Do you sing well?

[Mourou] Yes, especially popular songs and al-Salamiyah. I also sing in German.

[Ammari] Who do you listen to?

[Mourou] To people with melodious voices—'Abd-al-Basit 'Abd-al-Samad, Shaykh al-Barraq, and Muhammad 'Abd-al-Wahhab.

[Ammari] Mr. Mourou, you have two cars, and may God give you more. But has it so happened that you ran a red light in one of them?

[Mourou] Yes, this did happen.

[Ammari] And have you smuggled things without the knowledge of the authorities?

[Mourou] This, too, has happened.

[Ammari] May we know what you donated to the latest telethon?

[Mourou] I didn't donate anything.

[Ammari] Mr. Mourou, if you were appointed education minister for a single minute, what is the sole decision that you would make?

[Mourou] I would consult the people so that they would participate in drafting the program under which we raise their children.

[Ammari] What is your opinion of what has happened to the Soviet Union?

[Mourou] Next to the two world wars, it is the most important event in the 20th century.

[Ammari] Is there an explanation?

[Mourou] It is perplexing that a country as great as the Soviet Union would fall in a matter of months. I believe that there has been collusion from within the Soviet Union. A single person has accomplished what the cold war and the hot war failed to accomplish.

[Ammari] Mr. Abdelfettah, will this dialogue be beneficial to you?

[Mourou] I believe that it will reveal to the people my other side, my private life, my affection for singing, and other things.

[Ammari] Thank you, until we meet again.

[Ammari] Until we meet again.

#### Trade Official Jilani Discusses Business Success

92AF0356B London AL-MAJALLAH in Arabic  
8 Jan 92 p 72

[Interview with Hedi Jilani in Tunis, date not given: "Mr. Hedi Jilani Tells Story of His Business Success in Tunis"]

[Text] He is a successful businessman in Tunis who, with his experience and despite his young age, was able to run 18 trade and industrial firms operating in textile sector, with all its components. This man is Mr. Hedi Jilani, president of the Business Owners' Organization in Tunis and former president of the largest sports association in Tunis, the Tunisian Hope Organization.

Mr. Hedi Jilani related to AL-MAJALLAH his success story and how he switched from medicine to business.

[AL-MAJALLAH] How did the story of your success in business start?

[Jilani] First of all, I have to tell you about the reasons that led me to the field of business at a time when I was headed for medicine. The story began when I obtained my B.A. degree in 1965 and went to Paris to study medicine. At that time, Tunis was going through a unique economic experience, an experience known as mutual cooperation. I had decided not to return to Tunis and to continue my studies and work outside the country. However, when Mr. Hedi Nuwayrah came to

power in the seventies and the national economy changed its course, I changed my mind and, with the enactment of the investment law known as the 1972 Law, we adjusted to this law and set out to develop the first nucleus of the Jilani Textile Corporations. At that time, my father was in poor health, so I decided to return to Tunis to help him out, whereupon I immediately went into business and took over our business concerns, where my father was my best teacher.

My father died in 1978 and I suddenly found myself on the frontlines. Moreover, from 1974 to 1978, we introduced a new method in the trade and manufacturing business, namely the creation of diversified export companies. We chose to go into partnership with European nationals who had the expertise, the technology, and the money; while we had the adaptability and the know-how for doing business in Tunisia. We were able, in quick order, to establish seven export companies that employ 2,300 workers in one sector, namely the textile sector. Today, our business is worth \$140 million, and we have a plan to increase it tenfold by the year 2000 and to create 6,000 job opportunities.

[AL-MAJALLAH] Do you have other business partners?

[Jilani] Our business is a 100-percent privately-owned family business and includes several business concerns, seven of which specialize in export.

[AL-MAJALLAH] What are your export markets?

[Jilani] They are primarily European, because we are very familiar with European markets, and the quality of our products are in keeping with their consumption power. We now have a full team dealing with the Arab Maghreb Union [UMA] and we have established contacts with our brothers in Algeria and Morocco to create joint-capital companies to export to the Maghreb and European markets.

[AL-MAJALLAH] Have you considered entering the Gulf markets?

[Jilani] We have not turned to Gulf markets for obvious reasons, particularly in our line of business—textiles. In this field, Gulf markets consume two kinds of merchandise: low-quality merchandise supplied by Hong Kong, Taiwan, the Philippines, and Thailand. It is impossible to compete with these countries or to match their prices; and high-quality merchandise, which is usually supplied by European markets. Therefore, if and when a demand for medium-quality merchandise is created, we will certainly enter the Gulf markets.

[AL-MAJALLAH] What are some of the goods that you manufacture?

[Jilani] We manufacture three world-reknown brands—two brands of jeans (Lee Cooper and Chevanal) and ready-to-wear attire ([Marzato]).

[AL-MAJALLAH] Besides your business, you have other administrative and athletic responsibilities. How do you reconcile them?

[Jilani] I was an athlete for 14 years and president of the largest Tunisian sports organization, the Tunisian Hope Association, for four years. This was my way of contributing to the promotion of sports in Tunisia. Success in sports can be reflected in business, because these two activities are very similar in nature.

So far as the president of the Business Owners' Organization in Tunisia is concerned, this is the least a person can do for his country, which has given him so much. As for the coordination process, it requires time management and delegating full responsibility to young company officials so they may bear their full responsibilities. One indication of that is the success of multi-national conglomerates operating in various sectors that are not exclusively run by their owners, but give the initiative to their selected officials.

### Problems Facing Phosphate Industry Detailed

92AF0340A Paris JEUNE AFRIQUE ECONOMIE  
in French Jan 92 pp 21-25

[Article by Tunis correspondent Françoise Paoletti: "JEUNE AFRIQUE ECONOMIE Focuses on: Tunisian Phosphates"—first paragraph is JEUNE AFRIQUE ECONOMIE introduction]

[Text] The leading worldwide exporter at the beginning of the century, ranking fourth during the seventies, Tunisia now ranks only seventh. For the chemical industry, it is the leading Third World country in the fight against industrial pollution.

As the new year begins, Tunisian chemical industry officials are concerned. Actually, the public sector, i.e., the heavy phosphate-processing industry (75 percent of the country's chemical sector), as well as the private sector (chemical-related industries, pharmaceuticals, rubber, etc.) are going through a major crisis due, no doubt, to poor economic conditions worldwide, but also to low industrial productivity.

The Tunisian Chemical Group [GCT], a state-owned raw-material processing company, reported a deficit of 529 million dinars (one dinar is worth about one dollar), while private manufacturers of paint, cosmetics, and various cleaning products often operate at 50 percent of capacity. If the poor results of the former can be explained by the high cost of mining phosphates, by overstaffing, and by export problems, those of the latter are mostly ascribable to unfair competition from unstructured illegal units. The two sectors have two things in common: the "social" parameter that forces the State to support a company that is mostly operating in the red, and to allow illegal companies to operate in the chemical-related sector because of the jobs they create; and the "environmental" parameter, which all parties

take into consideration, so that Tunisia ranks first among developing countries in this respect.

The heavy phosphate-processing industry alone (which produces mostly fertilizers) accounts for three-fourths of the chemical sector's total production. In the midst of a thorough reorganization, the Tunisian Chemical Group (see box) is now struggling to find ways to cancel its debt and improve its profitability.

### Poor Sales and Low Productivity Hamper the Chemical Industry

Tunisian raw phosphate is hard put to compete with Moroccan or American products, which are of better quality. This is why, already in the sixties, the Tunisian Government had to develop an industry to process its ore, mostly into fertilizer, so it could be exported. The Phosphoric Acid and Fertilizer Manufacturing Company (SIAPE), therefore, developed its own process to make phosphoric acid out of phosphate, and that process is now used in countries such as Greece, Turkey, Pakistan, Romania, and even China. In addition to the quality handicap, mining costs are higher than in other countries. Represented by a state-owned company, the Gafsa Phosphate Company (CPG), the mining industry has trouble mining ore from phosphate deposits (located mostly in the Tunisian South) at a competitive cost. Because operating costs are twice higher at the seven underground mines (6.1 million tons per year) than at the seven pits (2.5 million tons per year), the survival of some of the mines has been thrown back into question for several years. But the plan to close down the most costly mines is closely linked to the problems of finding other jobs for the personnel and expanding the pits, so that no decision has been made yet. Nevertheless, the CPG's reorganization plan prepared in 1986, which would reduce the company's personnel to 10,000, from over 13,000 ten years ago, has had positive results. The CPG's deficit (46 million dinars in 1986) disappeared in 1989 and was replaced by a net profit of 5 million dinars. But the company's recovery seems to have been thrown back into question again since 1990, as a result of lower production (-5.3 percent in 1990, the lowest production level in 20 years) and poor phosphate sales (2.7 million ton inventory), which brought back a deficit of 12.4 million dinars. The company's high raw-phosphate price obviously affects the profitability of the Tunisian Chemical Group, which purchases 80 percent of the CPG's production, i.e., 4.774 million tons in 1990 (-7 percent compared with 1989).

The leading exporter worldwide at the beginning of the century, ranking fourth during the seventies, Tunisia now ranks only seventh with a 1.75-percent share of world exports, far behind the three giant producers: Morocco (34 percent), United States (24 percent), and Jordan (18 percent). Export revenues thus dropped by 46.5 percent, from 32.5 million dinars in 1989 to 17.4 million in 1990. At the same time, the average selling price increased only by \$1 per ton from one year to the next, from \$32 to \$33; in real terms, this amounts to a

price decrease of 3.7 percent due to the depreciation of the U.S. currency. The drop in raw phosphate exports (-44.3 percent) is due to several factors: the interruption of imports from East European countries that accounted for 40 percent of the total (as a result of drastic economic changes); the loss of the Greek market (for ecological reasons); and the lack of exports to Brazil and Uruguay which are in serious financial crises.

Fertilizer production was also the subject of keen international competition, all the keener as consumption has markedly decreased in the past 15 years. The imbalance between supply and demand is due to a large extent to the Western context of surplus agricultural production, but also to ecologist pressures aimed at reducing the use of fertilizers detrimental to the environment. Thus, the Tunisian Chemical Group's 1990 revenues from phosphoric acid exports declined by 23.1 percent (to 123.1 million dinars compared with 160 million in 1989) under the triple effect of the dollar depreciation, falling prices, and reduced exports (741,600 tons, i.e. a reduction of 8.1 percent). Phosphate fertilizers, too, suffered from depressed market conditions: export revenues declined by 18.5 percent, from 340.5 million dinars to 277.6 million. Mostly, two products are affected: triple superphosphate (TSP) with a reduction of 26.1 percent due to an 18-percent price drop; and sodium tripolyphosphate (STPP), which is no longer exported to Iraq after the Gulf war.

Figures for the first half of 1991 show that no improvement can be expected this year, as exports of phosphate and phosphate products continue to decline sharply (-38.4 percent by value and -41.1 percent by quantity, compared with the first half of 1990).

#### **Two Big Problems: Unemployment and Rural Exodus**

The disappointment is all the greater for Tunisian authorities as exports in this sector play an important part in the country's economy: they represent 13.5 percent of all exports, ranking after textiles and leather (38 percent) and energy products (oil: 17.2 percent). The poor results of the phosphate and energy sectors account for the increased trade deficit, which rose by 27.8 percent in 1990 (1.765 billion dinars). The loss of earnings in dollars is most unwelcome this year, when the Gulf war has unfavorably affected foreign currency revenues in the tourist sector.

Based on these results, financial analysts would be unanimous to advise: "Do not throw good money after bad." But economy and finance are two different ball games.

Like the Lorraine in France and the Ruhr in Germany, the Tunisian South is facing considerable social and economic problems. The cure (closing down a money-losing state-owned company) might be worse than the disease. The heavy chemical industry lies at the heart of Tunisia's two essential problems: unemployment and the drift from the land. How could the government close down companies (GCT and CPG) that, directly or indirectly, provide jobs for over 300,000 people around Gabes and Gafsa, where

unemployment rates are the highest in the country (13 and 26 percent, respectively)? In what sector would these people find new jobs? As for the drift from the land, from south to north and west to east, it is beginning to be a problem in some towns, which are unable to cope with the massive arrival of hundreds of unemployed people. Speeding up the trend might jeopardize the social balance of the country, which already has its hands full with the fundamentalists. The South's mining and chemical industry is of considerable strategic importance. It has the advantage of keeping a population in an area which, in addition, needs to be peopled with men and companies as the desert is gaining ground and taking over wherever economic life disappears.

Therefore, radical solutions are out of the question for the moment. The Tunisian Government intends to reorganize the chemical group on sound bases, through a three-year planning agreement. Several financial solutions are under consideration: loans to be requested from various international organizations such as the World Bank; allocation in the State budget to cancel the debt outright; conversion of the group's loans into equity participations; or even proposal from the State to its foreign creditors to reschedule part of its foreign debt by converting debt servicing expenses into new loans.

Despite some real problems, the private sector, which so far represents only a small part of the Tunisian chemical industry (one-fourth) seems to be starting the year under more favorable auspices.

Consisting mostly of processing and packaging industries, which deal with raw materials and semi-manufactured products, most of which are imported (glues, paints, cosmetics, detergents, etc.), private companies (the chemical-related sector is 100-percent privately owned, the pharmaceutical sector 80 percent, and the tire and rubber sector 20 percent) sell mostly to the local market. Lacking large-scale projects, the sector did not manage to trigger any genuine growth process. Several small and mid-size companies are competing although none actually manages to break out of the pack.

#### **Branches in Trouble: Soap, Perfumes, Cosmetics, and Detergents**

Performance figures for the sector are contrasting. While some branches are overcrowded, which forces companies to work at less than full capacity (sometimes at 40 percent or 60 percent at most), others are facing a nice future in buoyant subsectors.

Among the problem sectors are the soap industry, the perfume and cosmetics industry, the detergent industry, and finally the paint, varnish, and ink industry.

While producers of soap and miscellaneous cleaning products (110 companies in all) suffer from the consumers' craze for the new imported synthetic products, they also join the manufacturers of cosmetics, and paints and inks (also 110 companies in all) to complain about unfair competition. This is the focus of all talks among

professionals. If the local market of these registered companies is saturated, it is because a multitude of small nonregistered units are operating on the gray market. Substandard products sold at cut-rate prices by unscrupulous manufacturers swamp the market, doing serious harm to industries in the modern sector as well as to consumers. Tarak Cherif, president of the National Federation of Chemical Industries (FNAC), a division of the employers' union UTICA [Tunisian Union for Industry, Trade and Handicrafts], blew the whistle at a recent seminar on unfair competition. He believes that the unofficial sector—which, being unofficial, does not pay social security contributions and, in certain fields, represents up to 50 percent of the country's production—may bring about a leveling down of quality. Some manufacturers may actually have to cut down on quality to make their products competitive and align their prices on those of illegally manufactured products. The risk is all the more serious now that Tunisia is about to open its borders to foreign (in particular European) competition, which will show little concern for any manufacturer who does not rely on quality. There is a real danger that our young and delicate chemical industry may collapse by 1993.

#### Who Would Dare Tackle the Informal Sector?

Why does the State turn a deaf ear to the demands of legally created companies and a blind eye to "illegal" manufacturers, allowing them to operate with complete impunity? The answer is simple: once again, it seems that Tunisian authorities give the "social" parameter precedence over any other consideration. The illegal sector, even though it does not pay the taxes imposed by law, has the advantage that it provides work for some of the people, who might find themselves out into the street if a major offensive against tax evasion were to be organized. Wrong tactic, the professionals answer. The elimination of the illegal sector would enable the companies, at last, to use 100 percent of their production capacity and would therefore force them to hire workers, the very workers who plied their trades illegally. Yes, but it could take months after the closing down of illegal companies before the legal sector would begin to hire: what political leader would have the courage to face the social unrest that could not fail to lead to street demonstrations during the transition period?

The leader among promising sectors is the pharmaceutical industry, which represents only 18 percent (24.3 million dinars) of the country's consumption—the equivalent of 130 million dinars in 1991. Since nearly 88 percent of this consumption is paid in foreign currency, the task is now to develop this large market on Tunisian soil; currently, it consists of only 10 companies. The State, therefore, multiplies incentives to attract investors: in 1988, a 6-percent value-added tax replaced the 16.8-percent production tax, and materials destined to drug manufacture have been exempted from customs duties for the period 1991-1994. It is hoped that Tunisian production will cover 60 percent of the national consumption by 1996. Another attractive sector for

investors is the plastics industry which offers opportunities in the still unexplored field of automotive and electronic parts manufacturing.

[Box, p 23]

#### The Tunisian Chemical Group

The emergence of a processing industry dates back to 1952, when the SIAPE started production in Sfax (the country's second-largest town), processing phosphate into TSP (the fertilizer known as "triple superphosphate") and phosphoric acid. In 1964, the NPK [nitrogen, phosphorus, potassium] plant built in the same town started a similar production. Then, the trend accelerated. From 1972 to 1987, eight new units were created in the Gabes area to process phosphate into fertilizers and various by-products.

International cooperation was also organized: a technical partnership with Turkey and Pakistan to train the personnel of plants designed to process phosphate into phosphoric acid and, more recently (early in 1991), the start-up of a fertilizer plant in China, with the Chemical Group as a shareholder investing \$4.5 million of the \$50 million of initial capital.

Since 1968 [as published], a merger of all companies has been taking place, to form the Tunisian Chemical Group, a state-owned company whose by-laws are still being worked out. It was actually at this date [sic] that Kuwaiti investors, citing the companies' poor results, withdrew from the capital (in which they had a 49-percent stake since 1980), leaving it to the Tunisian Government to pull this industry out of the financial abyss into which it was falling.

Today, the group's plants process 5.5 million tons of phosphate per year to produce phosphoric acid, TSP (triple superphosphate), DCP (dicalcium phosphate), and STPP (sodium tripolyphosphate). Approximately 1,200 people are working for this industrial group.

[Box, p 24]

#### Betting on the Environment

In spite of the poor economic conditions that affect all of the chemical industry, Tunisia decided to give special attention to environmental protection in this highly polluting sector. At a time when Third World countries tend to say: "Bring us your pollution," Tunisia has the courage not only to reject this idea, but also to tackle pollution control at its own companies, at the risk of further reducing an already inadequate profitability. Greeted by all Western countries, this first pollution-control initiative in Africa started in Tunisia already in 1988, when the NPK plant in Sfax was deemed to cause too much pollution and was closed. The creation, that same year, of the National Environmental Protection Agency (ANPE) and, more recently—in October 1991—

of a Ministry of Environment, testifies to the country's interest in this cause, the focus of debates in major industrialized countries.

An ambitious pollution-control program was thus implemented by the government at the Gabes industrial site (GCT plants), with an available budget of 100 million dinars (i.e., one-fifth of the amount devoted to environmental protection over seven years). At the same time, an international competition bid was launched by Tunisia in order to find other sources of financing for this large-scale project.

Private enterprises are not spared by this campaign. During the past year, ANPE experts have been inspecting small- and mid-size enterprises in all industrial sectors where pollution is a factor in order to find suitable pollution-control solutions. Since 11 March 1991, an environmental impact study is required to accompany any application to create an enterprise in Tunisia. The administrative authorization is granted to the promoter only if the ANPE does not oppose the project.

## UNITED ARAB EMIRATES

### Bankers Suggest Exchange, Deposit Insurance

92AE0168A *Dubayy AL-BAYAN in Arabic 9 Dec 91 p 4*

[Article by Ahmad Muhsin]

[Text] Abu Dhabi—About 400 bankers from the United Arab Emirates [UAE] concluded a two-day conference on the banking sector's role in supporting the national economy. The bankers decided to task a committee to formulate recommendations on the banking sector's desired role in the near future. The committee will submit its recommendations to the relevant agencies.

Yesterday, Thursday, the conference reviewed working papers. The first paper, submitted by Emirates Industrial Bank, concerns the banking sector's developmental role in establishing national industries.

Al-Hajj Muzaffar, the deputy director of the Emirates Industrial Bank, who prepared the paper, pointed to the countries with specialized development banks, then to the reality of the banking sector in the UAE. In this regard, he cited the lack of full national sovereignty in this sector, which he attributed to: the paucity of citizens at decision-making levels; the increased number of banks, which has reached the saturation point, most of which are foreign banks; the small size (no more than 7 percent) of the national labor force in the banking sector; and the absence of integral regulations, including regulations pertaining to banking interest.

He then dealt with investment policies and regulations in Emirates Industrial Bank, the role expected of the bank, and impediments to investment in industry. He cited the need to: increase the number of national banks; reduce the number of foreign banks; limit the freedom of foreign banks; issue legislation concerning the structure of loan portfolios

for growth, which should stipulate earmarking allocations for all economic sectors, especially production sectors; establish more development and investment banks; support and protect national industries; eliminate all impediments to industrial investments; increase national participation in decision-making in the banking sector; and, finally, establish specialized courts to examine banking disputes, particularly the dispute over banking interest.

### Banking Crises

The second paper examined by conferees, which was presented by the Bank of Amman, Ltd. and prepared by its executive director, Muhammad Nasr 'Abidin, treated the different types of loans and guarantees that banks request from each other. According to the paper, a bank reinvests the deposits which it receives in numerous ways, domestically or abroad. These investments constitute its aggregate investment. Forms of such investment include mutual lending between banks, investment in the sale and purchase of foreign currency and bonds, joint loans between banks, domestic lending operations, and numerous other forms of investment commonplace among banks. Of these forms, loans are the most important way in which banks invest the funds available to them. The nature and conditions of banking loans differ, depending on their purpose, term, and recipient, and the currency in which they are granted.

The paper states that banks differ in their credit policies. This difference is considerable in societies in which the banking sector has not reached full maturity, but quite limited in societies that have an experienced, practiced banking sector with a sufficient degree of maturity. The paper explains that banks also differ in the guarantees they offer, depending on the competency and philosophy of senior bank administrations, and the effect of these factors on lending operations and the guarantees that are requested.

The competency of a bank's administration also determines how that administration will respond to the pressure of competition in a free, open market. Recent experiences indicate that some banks that are unable to obtain suitable clientele bases are attempting to enhance their competitiveness by easing credit regulations beyond the level needed to protect depositors' funds, and by lowering loan interest and servicing rates. These measures are being used to attract clients without regard for cost and risk factors or the difficulty of recovering loans that come due. At the same time, the author believes that excessive credit regulations and excessive requirements on bank guarantees add up to an ultra-conservative policy that impedes a bank's development and adversely affects economic development. Notwithstanding, the paper stresses that failure to observe accepted limits on protection and the provision of guarantees when granting credit might result in a disaster. Such a disaster damages not only the concerned bank, but also those who transact with it, and its effects spill over into the entire banking sector, which is inherently very sensitive.

The paper concludes that competition between international banks currently focuses on developing services without

harming protective elements in credit policies. This requires the employment of personnel possessing a high degree of competency, expertise, and training, and the development of systems through the use of advanced technology.

### The Financial Market

The conferees then examined a working paper by the Abu Dhabi Chamber of Commerce and Industry on the possibility of establishing a securities market in the state. Dr. Ibrahim al-[Ja'li], who presented the paper, first dealt with the nature of the securities market, or stock exchange; including its types, goals, instruments, and operating method.

He then dealt with the companies and centers that engage in trade and securities brokerage operations in the emirate of Abu Dhabi, and previous attempts to establish a stock exchange in the UAE.

Dr. al-Ja'li mentioned a number of negative and harmful aspects related to the presence of an unofficial, unregulated securities market in Abu Dhabi or in the UAE as a whole. Chief among these aspects is that most share-buying and share-selling operations are done in total secrecy. This secrecy prevents state economic planning authorities from having a clear view of economic activity, and it allows brokers to control share prices in a way that is perhaps misleading and unfair to investors.

In addition to intentional misleading regarding share prices, secrecy does not allow domestic authorities to monitor share price fluctuations for the purpose of intervening at the appropriate time to stop trading when they sense a dangerous situation. The paper also states that domestic investors are frequently exposed to losses due to the unavailability of price information. For example, the same stock is sold on the same day at two different prices by two different brokers. It should also be noted that a difference in the selling price of a stock affects the reputation of official brokerage offices in the eyes of investors. Another negative aspect is that sales or purchases are sometimes not carried out, because trading is sometimes subject to the moods of sellers and buyers.

The paper stated that there are numerous economic and social justifications for quickly establishing an official stock exchange in the UAE, and the climate for doing so is better now than at any time in the past. The numerous anticipated advantages offered by a stock exchange are themselves sufficient justifications for establishing a regular stock exchange in the UAE. The most important of these justifications include:

- Large savings exist in the UAE's private and public sectors. There is also a financial surplus stemming from the trade balance surplus.
- There are enough general stock companies in the state. Ninety public stock companies are registered in the Emirate of Abu Dhabi with the Abu Dhabi Chamber of Commerce. These companies and their enormous capital are undoubtedly one of the justifications for establishing a stock exchange or a regulated market for trading shares and other securities in

the UAE, especially after the promulgation of the Companies Law, which went into effect in early 1985.

- The presence of an existing market for share trading. The presence of such a market, although it is limited and unregulated, is a strong justification for the establishment of an official, regulated market. The current market suffers from several negative aspects, as we have seen. It lacks sound regulations and foundations, and needs supervision and regulation. Permitting this market to continue in its current form will perpetuate these negative aspects and the damage being incurred by transactors and the national economy.
- The establishment of an official stock exchange will encourage investors to invest their capital in the UAE. Enormous funds are invested abroad in the form of deposits, stocks, securities, and other investments. The establishment of an official stock exchange will help attract this capital back into the country for investment in economic and social development.
- The establishment of an official stock exchange will encourage investors to establish more public stock companies that offer their shares on the market, which will stimulate floatation operations. It will also encourage the government to offer a portion of its stocks or shares in national companies for floatation.
- The presence of an official market will help the economic planning authorities by giving them a clear picture of the volume of capital circulating on the stock exchange and the volume of shares offered for trading. Such information will provide an indication of economic activity in the market.
- The establishment of a regulated securities market will help achieve prosperity by facilitating the amassing and optimal use of capital. The liquefaction of shares enables the transfer of savings to investors for their use. The investment yield achieved in this way benefits everyone.
- The establishment of a stock exchange will attract small savings by inducing small companies, which would not be able to operate alone in the stock exchange, to merge into large companies and combine their small savings for use on the national level.
- The application of the Companies Law has provided an appropriate climate for the establishment of a stock exchange. The promulgation of a stock exchange law will result in determining the members to be admitted to the official market, the conditions for admitting securities to the exchange, rules regulating trading, and rules restricting trading to brokers and their representatives. The new law would also determine securities procedures and trading centers.
- The stock exchange administration will assume the function of financial advisor for market traders, including both savers and investors. It will intervene when necessary to control changes in the prices of, or to stop the trading of, securities, if it becomes clear that these securities originated as the result of fraud or deception.
- The rights of everyone, both investor and broker, will be protected under the laws and regulations that will

govern the official market. Under these laws and regulations, selling and buying will be conducted exclusively through brokers in the presence of a stock exchange representative and a government representative. Brokers will thus offer shares at their true price, instead of the imaginary prices that are sometimes published in the absence of market regulations.

- Another advantage of an official market is that it will stimulate and enhance investment awareness in the UAE. Through the agencies of the official market, the stock exchange administration will make savers and investors aware of the procedure for establishing new stock companies. It will also encourage them to invest their liquid funds in stock companies, instead of freezing them in bank deposits, which are of no great benefit to the national economy.
- The establishment of a stock exchange will help shareholders to evaluate different investment opportunities. It will also permit business owners to obtain the necessary funds for investment purposes.
- The stock exchange administration will provide an important service to the public, namely providing all market transactors—sellers and buyers—with the same information, at the same time, and with the same clarity, by issuing data and publications containing important information on trading prices.
- The establishment of an official market makes it possible to curb excessive speculation in the market, which is preferable to leaving the exchange unregulated and exposed to different risks.
- The establishment of a stock exchange will produce major social and economic benefits. It will facilitate the amassing of savings and the redistribution of the state's financial resources for optimal use.
- The establishment of a stock exchange will allow the private sector to play a greater role.

The paper concludes that all signs point to the UAE being ready, now more than ever, for a stock exchange. It proposes the establishment of a central, national stock

exchange in the city of Abu Dhabi, which would have branches or offices in the other emirates, and which would operate under the supervision of the Finance Ministry or the Central Bank. The paper also recommends the formation of an independent body or committee, with a four-year tenure, to administer the stock exchange in the UAE.

#### **More on Banking Crises**

The conferees also discussed a working paper presented by the National Union Bank on the causes, effects, and remedies of international banking crises. Written by Sa'ud al-Zayyani, a banking relations official, the paper deals with the highlights of the trend toward the international deployment of banks, the 1970s, the recirculation of interest, the loan crisis of developing countries, the excesses of the 1980s, and the financing of the 1990s.

The paper concludes that improved regulations, better coordination between regulators, the strengthening of depositor protection schemes, and the continuous merging of financial organizations will function to reform the financial situation so that it keeps pace with economic developments in the 1990s.

#### **Protecting Depositors**

The final paper discussed at the conference was written by Dr. 'Usamah 'Abd-al-Khaliq al-Ansari and presented by the Emirates University. It treats ways to protect depositors from banking crises, stating that a deposit insurance system is needed. Such a system should consist of an insurance fund supervised by an independent organization subordinate to the government and independent, but under the supervision of, the Central Bank. Participation in the system would be compulsory for all organizations and banks entitled to accept deposits. Also needed to protect deposits from banking crises are numerous reforms on capital adequacy [the percentage of equity held by a bank] and credit-granting regulations.

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