

129041

JPRS-NEA-84-046

21 March 1984

DISTRIBUTION STATEMENT A
Approved for public release
Distribution Unlimited

Near East/South Asia Report

19980319 141

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NEAR EAST/SOUTH ASIA REPORT

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biggest thing to come out of the science of transporting water, in terms of keeping up with the development going on in the world. Another new thing is that the water leaves each purification center through two pipes, each of which has a diameter of 2.5 meters and a length of 80 kilometers. The water is transported to various storage tanks at different parts of the capital in a well studied fashion and to the main distribution network. From this storage facility, the purification center and the other storage facilities can be controlled over a long distance."

The official in charge of implementation at the Water Department added: "The project also contains the al-Karkh distribution network, which is 200,000 meters in length. As for the pipe diameter, it varies from 1.60 millimeters to 400 millimeters. On the basis of the project's work schedule and timetable, one can say that work on it will be completed in 1985."

Therefore, can one say good-bye to the old storage tanks?

"Definitely. The storage tanks in the al-Karkh project will be under the ground. The water in the tanks will be pumped at a pressure level of 20 meters. Thus, it will not matter how far away from or close to the storage facility a consumer is. It is completely different with the old storage tanks, which we will destroy after completing the project. One thinks of the storage facility at Karadat Maryam, close to project number 10. We may try to use the old facilities in other areas, in ways the capital secretariat might suggest.

Modernizing the Capital's Water Network

Concerning this project, the general director of the Water Department said it would provide water for Baghdad for many years to come. Mr Fakhr al-Zubaydi said it was the first project of its kind to be carried out in any Western or Eastern capital, since it involved laying out a transportation network of the best hydrologically designed pipe with the aid of a computer. The project's director, Engineer Muhammad Wajih al-Dabbagh, thinks it was more than necessary, given the age of the system and the loss of its plans. He said that the idea of replacing Baghdad's arteries (its water system) arose first of all because of the large number of breaks and large leaks occurring in the old network. Secondly, the idea was conceived because of the inappropriate nature of the system in terms of both design and execution. Thus, the project director thinks that the decision to replace the old system was simultaneously radical, large, and surprising, since Baghdad is considered to be the first capital in the world whose water department is working to replace its entire system in all quarters of the city as part of a single project. The rule followed in other capitals is to replace the system one street or quarter at a time, not to replace the entire network. How can such a thing be done in a broad and large capital like Baghdad? Apart from that, the project is being executed in record time, since the period is no more than 3 years. Such a gigantic undertaking generally requires a longer period.

FIRST STAGE OF KARBALA' ROAD PROJECT COMPLETED

Baghdad AL-JUMHURIYAH in Arabic 5 Dec 83 p 8

[Article by Tariq Amin: "Completion of the First Stage of the Land Pilgrimage Road"]

[Text] Roads are the arteries of life. They represent the necessary introduction to reaching that which is best. The roads in and around the city that embraces the symbols of martyrdom and faithfulness have been extended, thereby making communication in Karbala' as easy and splendid as in the other governorates, now that our internal arteries have become fertile ground for building.

We know from the director of roads in the governorate of Karbala' that the directorate's agencies have completed many important projects ahead of time. Our intrepid workers and technical agencies have played a dominant role in completing these projects, in view of their awareness of their historic responsibility and the depth of the brotherly ties binding the parties to the production process. All of them are working day and night in response to the call of their sacred duty, especially now, when our struggling nation is waging a just battle against the aggression of the perfidious Iranian regime.

The first stage of the land pilgrimage road is 137 kilometers long, and it has the greatest prominence. In addition, a large portion of the second and third phases have been completed, amounting to 120 kilometers. It has been said that this road is considered one of the most important foreign roads. It is the shortest route linking Iraq with Saudi Arabia, and it provides great services to departing pilgrims traveling along it to the holy places.

The al-Tarmistun road project has also been completed. It is 17 kilometers long. In addition, the second lane of the Karbala'--al-Najaf road, which is 40 kilometers long, has been completed. The 'Ayn al-Tamr--al-Rahhaliyah road, which is 26 kilometers long, has been completed, as has the road between al-Masib and Jarf al-Sakhr, which is 14 kilometers long. The road between Karbala' and al-Husayniyah has been paved.

Many members of the plenum and directorate, including the chairman of the authority, whose names have been mentioned many times in the media over the past 3 years following this or that criticism or opinion that they had voiced about radio and television operations, are leaving the authority because, according to the law, they can serve, at most two 3-year terms. Four directorate members (Yaron, Meron, Almog and Shitrit) are completing their terms and leaving on 1 April while two of them (Yanon and Papu) apparently will be appointed to a second term.

As we noted, the government will at the same time have to choose a general director of the broadcasting authority, who is also the editor-in-chief for radio and television, since that 5-year term of office expires then as well.

The present director general, Yosef Lapid, is not hiding his strong desire to continue with an additional term, and in order to assure that prospect, is trying to muster support among the government ministers. But, according to sources close to the prime minister, Yitzhaq Shamir wants to man the position with a reporter close to the positions of the Herut movement. Among the names mentioned as possible candidates for the job were the former communications advisor to the prime minister Uri Porat and reporter Natan Baron, both of them YEDIOT AHARONOT people.

There is greater certainty about the candidate for the job of broadcasting authority chairman. Apparently the education minister will suggest for the post 41-year old attorney Mica Yanon, the general director of the lawyers' bureau and a man who several times filled in for Professor Yaron when the latter was abroad. In his capacity as deputy chairman of the authority in the present term, Yanon has acquired a lot of broadcasting experience, and the education minister sees him as a natural candidate for the job.

These days, with Minister Hammer's return to activity after recuperation from a heart attack, the politicking for the appointments has begun to gather momentum. The final decisions will be made, apparently, only after the education minister concludes his negotiations with the treasury minister on education ministry budget cuts. Not only the electronic media people but also many of its consumers will follow the process in the coming weeks with intense interest, since the outcome will have great influence on the content, character and form of national radio and television broadcasting in Israel for the next several years.

9794

CSO: 4423/36

MILITARY OFFENSES GO ON CIVILIAN RECORD

Tel Aviv BAMAHAHE in Hebrew No 25, 15 Feb 84 p 7

[Article by Lt Col Barukh Avrahami, chief of administration, counseling and law: "Soldiers Convicted in a Military Tribunal Will Be Listed in the Civil Criminal Registry As Well"]

[Text] Dose information about a soldier's military offenses get sent outside the army? When and how does information about IDF offenses get passed on to the Israeli police's civilian criminal registry?

The criminal registry law went into effect recently, and the statute was intended to create an ordered registry of convictions, punishments and other determinations of interest to the courts in criminal proceedings. It sets down the rules for transferring information to the registry and from it. The law sets down the need to transfer information about a criminal past for needs recognized by the law as legitimate needs, such as accepting workers for public service. Under the law, convictions and punishments by a court martial for disciplinary infractions are not listed with the Israeli police. On the other hand the law requires the listing of felonies and all crimes for which the maximum penalty under law exceeds 3 years imprisonment. The question then remains as to all other offenses tried in a military tribunal.

Following our appeal to the minister of justice, the question was taken up for discussion by the Knesset's Legislation, Law and Judiciary committee and statutes were drafted which will be implemented shortly. In this list we will present the essence of these statutes and acquaint our readers with some of the controversy that accompanied their enactment.

Special weight was given in this connection to the particular character of military service. The military framework presents the young soldier with requirements to which a civilian is unaccustomed. The soldier who does not meet his obligations or who does not adjust to the military regimen and discipline is likely to transgress the code even if he is a decent law-abiding person. The army confronts the soldier with higher norms of behavior, and his failure to meet them does not necessarily testify to a negative character. From this point of view it is not justifiable that offenses of a clearly military nature should follow him like the mark of Cain for the rest of his life. Therefore the statutes are written so that infractions such as

negligence, non-obedience of an order, non-fulfillment of obligatory instructions in the army, improper behavior, lapses in discipline, lack of care for military property and a small number of other offenses, of a military-disciplinary nature, are not listed in the criminal registry.

In contrast to these offenses, there are others the external appearance of which is "military" but the essence of which is that of a regular criminal offense insofar as the values protected by them are general social values. Among these, for example, are crimes such as threats and insults to a commander, violence toward another soldier, resistance to an MP, impersonation, and crimes involving military documents. Information about soldiers who commit these offenses will be passed outside the military to the Israeli police registry since it reflects a deviation from social, not just military, norms.

To these are added offenses which are indeed peculiar to military life, with no parallel in civilian life, but for which, nevertheless, listing in the civil registry is required. One of these, for example, is being AWOL. The criterion for including these offenses in the criminal registry has to do with their severity and the fact that they reflect deviant behavior which goes beyond the military framework. Behind this approach is the idea that military service is a part of an Israeli citizen's obligations.

9794

CSO: 4423/36

DEVELOPMENT TOWNS SUFFER UNEMPLOYMENT, MIGRATION

Tel Aviv YEDI'OT AHARONOT in Hebrew 2 Feb 84 p 9

[Article by Avi Shahar: "The Young Are Voting with Their Feet and Abandoning the Development Towns"]

[Text] In a press conference set up by the labor council heads of Yeroham, Mizpe Ramon and Ofaqim together with some Histadrut leaders, an extremely bleak picture was painted of the employment situation of the development towns in the Negev. In a number of places the unemployment rate is over 25 percent of the work force and would have been even higher were it not for the emigration of settlers from the towns. Criticism of the government which "infuses a mighty flow of capital into a handful of settlements--and a tiny stream to the thousands of immigrants in the development towns."

"The employment bureau's data on the scope of unemployment in the development towns do not adequately reflect how bad the situation is in this area," according to three labor council heads of Yeroham, Mizpe Ramon and Ofaqim.

Ha'im Zahavi, head of the Yeroham labor council, said yesterday in a press conference held jointly with some Histadrut leaders that although the employment bureau's data do indicate how many people apply to the employment office, they do not indicate the true nature and extent of the unemployment, and that for a number of reasons "the young simply prefer to vote with their feet." According to him the young leave Yeroham to try their fortune in the big cities; many of them try to stay in the regular army. "In one recent year 120 townspeople were drafted into the IDF, but only 20 of them returned after discharge," Zahavi says. In his opinion the employment office data also do not reflect the fact that many women who are ready to work to help support the family prefer not to register with the employment office.

Temporary Jobs

Likewise, Zahavi claims, the plants occasionally hire workers for temporary jobs and this distorts the statistics. Zahavi explains that the "Penitzia" plant now needs 30 workers for a week, but after that they will find themselves on the outside again.

Unemployment in Yeroham exceeded the danger point of 10 percent months ago. Today the unemployment rate in the southern town is 25 percent of the work force. The number of unemployed in Yeroham has been growing for a long time, but since the beginning of the economic crisis the increase has accelerated. Within a few months, about 200 Yeroham residents who worked in local production plants have been laid off to join the town's swelling unemployment ranks.

The Negev Plastics plant, into which \$7 million were invested, collapsed, leaving 30 unemployed wage-earners in the town. The plant owners fled abroad, leaving without paying their workers their wages or termination benefits. The metal plant, "Brand Metal," so successful in the past, has also begun to founder, and 45 of its 60 workers have been fired. A similar fate has befallen the Ackerstein concrete plant. It has been forced to lay off half of its workers because of a drastic decline in orders from construction companies in Israel.

War of Attrition

The "Long Johns" textile plant had to lay off 50 women workers on forced leave of absence because of liquidity problems, and 15 more were laid off at the "Farmgoose" plant because of a changeover in production from cosmetics to pharmaceuticals. According to Ha'im Zahavi, 150 more workers are about to be dropped from the job market from among those employed in the town's public institutions.

These will involve workers from the local council, the Sede Boqer teachers' institute, the MATNAS (expansion unknown), the health insurance fund, day care centers and others. At this point the workers' council has frozen all discussion on the topic of dismissals and is conducting a war of attrition on behalf of every single worker.

Me'ir Ben-Gigi, secretary of the Mizpe Ramon workers' council, paints a similar picture. He says that 9 plants have been shut down there over the last 5 years. He further relates that between 70 and 80 families of regular army people have left the town because the women could not find jobs.

Ben-Gigi is a member of the Herut movement and says that he is "disappointed in the extreme by the way in which the government has been handling the situation." He claims that the only thing delaying opening the hydraulics plant is government foot-dragging in granting it convenient credit terms. Millions of dollars have been invested in the plant, and the building and machinery have been standing idle now for more than 6 months. The plant is supposed to employ about 300 workers when it reaches its full production capacity, but right now only 4 guards are on the payroll.

Preferential Treatment

According to Efra'im Shoshan, secretary of the Ofaqim workers' council, things are much the same in that town. The diamond industry employed many of Ofaqim's residents, and the crisis in that industry has worsened the employment situation in the town. Today, according to Shoshan, the town has

80 young army veterans who are sitting idle with no future. Gid'on Ben-Yisra'el, chairman of the department for organizations and workers' councils, claims that the government missed the opportunity to develop the Negev following the evacuation of the Sinai peninsula. "Were it not for the negative balance of immigration in the development towns, their unemployment rate would be even higher," Ben-Yisra'el says. In his opinion, preferential treatment should be given in budgets and resources to the development towns and not to creating a situation in which--as now happens--budgets from the 23,000 inhabitants of the West Bank are 7.2 times larger than those for all of the development towns. Ben-Yisra'el says that the government must encourage investments and the flow of money into distant towns rather than to the settlements of the West Bank which are close to the center of the country and in which investment is so attractive. The discussion was concluded by Uzi Bloch, the chairman of the Histadrut's employment committee. In his opinion the Higher Employment Commission--agreed to by the government, the Histadrut and the employers--is doing nothing. "With a few hundred thousand dollars hundreds of workers in the town could be returned to work," he says.

Bloch reports that, according to government figures, 47 plants were set up in the Negev last year. "Where are all those plants?" Bloch asks, and the question remains unanswered.

9794

CSO: 4423/36

KNESSET DISCUSSIONS DESCRIBED AS PATHETIC

Tel Aviv DAVAR in Hebrew 30 Jan 84 p 9

[Article by Shlomo Genosar: "Report from the Market: At Knife's Point"]

[Text] The following lines are a black and white picture of certain moments on the floor of the Knesset. If you see color, don't believe it. This is a sad picture. If it is funny, then it is more bleak. The Knesset may want to forget this discussion of a no-confidence motion, but it will not be able to.

Chairman Meknahem Svidor: I ask for silence. Knesset Member Peres is speaking.

Peres: Mr Chairman, may I ask the finance minister to cut the disturbances?

Svidor: Finance Minister, please. This is not possible. Please sit down. If you are having a consultation, please go out.

Namir (Labor): Is this a session of the Knesset or of the Government?

(The chairman is being replaced. Svidor leaves and Me'ir Cohen-Avidav of the Likud takes his place).

Peres: (In regard to the report of the Social Security Institute on poverty) Mr Prime Minister, are these statistical lies? This awful number of half a million people?

Communications Minister Mordekhay Tzipori: Pure nonsense.

Namir: The same nonsense as the number of people waiting for a phone?

Zakay (Labor): What did Minister Sharon say about Minister Tzipori? What kind of business is this? The ministers are having a choir.

Shalita (Likud): You will never be able to form a government. Read your minutes.

Milo (Likud): We have not yet written books.

Hillel (Labor): You can barely read.

Cohen-Avidav: One moment, Knesset Members, I turn to you left and right.

Gil (Labor): No. Turn to the ministers, sir.

Peres: You had money to flood the country with luxuries, Mr Communications Minister, including large cars.

Tzipori: The cars you have used have never been ordered.

Cohen-Avidav: Minister, you shouldn't interrupt.

Milo: He rides a scooter, right? Peres rides a board with two wheels.

Deputy Agriculture Minister Deqel (Likud): (makes an unintelligible remark.)

Na'im (Labor): I didn't understand what you said, oh great settler.

Deqel: I have made less damage than you.

Na'im: You have destroyed agriculture.

Milo: Knesset Member Na'im, Husayn is waiting for you guys.

Hurvitz (Rafi): Stop shouting.

Cohen-Avidav: Knesset Member Goldstein, I heard you were appointed party whip (Likud). Congratulations. Please whip them and keep them quiet.

Peres: Knesset Member Qatzav, you know that in the development towns unemployment has reached 25 percent?

Qatzav: Since you have addressed the question to me...

Cohen-Avidav: Sorry, I won't let you, please don't interrupt.

Milo: He was raised in an immigrant camp, let him talk.

Shahal: I grew up in poverty no less abject than his, and in an even larger family. Don't use terrorist methods here.

Peres: I am waiting for the prime minister to stop interrupting, along with the deputy prime minister.

Shamir: I am not interrupting.

Peres: Yes, you are.

Milo: Knesset Member Peres, please bring back the money of Bank Hapo'alim from the U.S.

Shahal: You bring back the money of Yehoshu'a Ben-Tzion.

Milo: We want to grow with Bank Hapo'alim.

Peres: It is not possible that one person, Roni Milo, interrupts constantly.

Cohen-Avidav: I agree. If I have to remove him from the room, I will do so.

Goldstein (to Peres): You are prepared to replace us any moment. If we give you a chance, you will replace us.

Peres: Mr Goldstein, your level of intelligence is well known in the Knesset. You don't have to keep showing it.

Peres: You have turned the economy into something resembling a Turkish economy.

Tubi (Hadash): Why are you insulting Turkey?"

Peres: The situation is not backward. The thinking is.

Sarid (Labor): You cannot say that the government is backward if it includes Meridor.

Peres: You cannot go on, no one believes you.

Goldstein: They believe you?

Peres: I don't know what you have accomplished in your career. I know what I have. I ran in the election, not the one for the Liberal Center, by the way, and I did not bring relatives to vote for me.

Cohen-Avidav: I have not chaired such a disorderly meeting for a long time. I congratulate all of you.

(Knesset members are leaving the room. The Likud benches are almost completely empty.)

Cohen-Avidav: The Likud has left the room. You are now free of the Likud, except for Knesset Member Weinstein.

Namir: This is the regular picture of the Knesset.

(The room begins to fill somewhat as the finance minister begins to speak.)

Qatzav (to Zakay): Do you know that Israel has a world record in the number of students?

Namir: This is due to the Likud?

Cohen-Avidav: Knesset members, the amplifiers are dead.

Zakay (to Cohen-Orgad): Do not defend what was, Mr Finance Minister. Thanks to what was you are now the finance minister.

The Finance Minister: I am glad the amplifier near the lectern works, and we can continue with the facts. I propose to the Labor Party that it not join its head in trying to overlook the facts.

Amoray (Labor): Mr Finance Minister, why are you so happy? All the savings are sinking, why are you so jolly?

Cohen-Avidav: Knesset Member Amoray, please, it is not customary to yell in the Knesset.

Gil: He did not yell, don't be one-sided. This minister is rude, he is rude, this minister.

The Chairman: Knesset Member Gil, please don't mix in. You should be ashamed of yourself for saying such things.

Gil (to the finance minister): You are still smiling? You should be ashamed of yourself, you have destroyed the entire economy.

The chairman: To what level are you sinking in your discussion and in your interruptions? You should all be ashamed of yourselves.

Gil: Mr Chairman, tell the minister, who is rude.

The chairman: Why are you repeating these words? If you continue I will call you to order.

Gil: This rude person.

The chairman: You have run to the stand, I didn't know what happened, you almost panicked...

Amoray: I ran to the stand because there are no amplifiers and I wanted the minister to hear me.

The Chairman: I was simply concerned for your health when I say you run like this.

Interior Minister Burg: Mr Chairman, is this organized or not? If it is organized, I move that we adjourn.

Shahal makes an unintelligible call. Ulmrat suddenly realizes Shahal sits among the Labor members.

Ulmrat: Why are you sitting behind me? I keep hearing you in front of me and now you are behind me.

Deputy Minister Qatzav: Mr Chairman, we are being attacked here from all sides.

Ulmrat: This is a planned attack of Labor. Shahal behind and Zakay in front.

Cohen-Avidav: I am asking you again. I have never seen such an unruly session, really unruly.

Zakay: Who started?

Bar-Lev: We are all guilty.

Deputy Finance Minister Corfu: Knesset Member Zakay, no one is innocent.

Goldstein: You are jumping like goats.

Tubi (to Labor): Why are you keeping quiet? What kind of a word is this in the Knesset?

The chairman: I don't hear. I didn't hear. I really didn't hear. The microphones are dead.

The finance minister: Ladies and gentlemen, members of the Knesset...

Zakay: Every finance minister defends his predecessor, then why are you replacing him?

Finance minister: A country does not become Switzerland or a financial center only through the efforts of its citizens.

Nehemqin: Good morning, Eliyahu.

(During the speech of Virshovsky, Avraham Katz-Oz sits in Virshovsky's seat and talks to another Knesset member.)

Virshovsky: I ask Knesset Member Katz-Oz not to sit in my seat and disturb me. This is too much.

Shahal: Knesset Member Katz-Oz, Knesset Member Virshovsky asks that either you change your set or stop interrupting.

Kleiner (Likud, during his speech): Some people are on board the ship, and when the ship veers they lose their balance. This hurts.

Zakay: Are you a seaman?

Kleiner: We have also developed the poor neighborhoods, we are developing the Lavi, we are paying the price of peace and we have brought peace to the Galilee. All of this costs money.

Katz-Oz: What price are you paying? I didn't understand, the price of peace or the price of war?

Deputy Education Minister Ta'asa-Glazer (Likud): Some Knesset members only destroy. They destroy everything, they destroy the dreams of youth.

Aloni (Labor): Just a moment, you don't remember who destroys dreams in the Knesset?

Ta'asa-Glazer: I am not talking to you, I'll take care of you in a minute.

Gil: What does it mean you will take care of her? What kind of language is this?

Aloni: What kind of caretaker are you?

Shahal: Knesset Member Glazer-Ta'asa, I ask of you, the word caretaker is...

Ta'asa Glazer: I am sorry, I take it back, I will take care of the questions she has raised.

Aloni: We have two women Knesset members, one is "the People of Israel" and the other is a "caretaker."

This is enough. Why is it enough? Because we have to stop somewhere. It went on and on, for 8 hours.

9565

CSO: 4423/35

BRIEFS

KAHANE'S EXIT PREVENTED--Tel Aviv Registrar Rut Alqabetz issued a delay injunction last week against Rabbi Me'ir Kahane. The injunction was issued for failure to pay a debt. Before the 1981 elections Kahane's movement published an ad which hinted that the Arabs are liable to violate an "innocent daughter of Israel." The ad showed the picture of soldier Lili Aspir, copied from BAMAHANE. Aspir's lawyer, Yitzhaq Ben-Menahem sued Kahane for libel, using Aspir's picture without permission, at district court in Be'er-Sheva. The parties had reached a compromise when Kahane agreed to pay the soldier for court and lawyer fees. He only paid part of the sum, and owed her 4500 shekels. The soldier's lawyer asked that Kahane not be permitted to leave the country until he paid his debt. His request was accepted. [Text] [Tel Aviv YEDI'OT AHARONOT in Hebrew 29 Jan 84 p 12] 9565

LOWER GALILEE COMMUNAL SETTLEMENT--A communal settlement, the first of its kind, will soon be built in the Lower Galilee, offering the residents high quality living conditions, good climate and a breathtaking view. The new settlement will be built on the ruins of the village of Lubiya, not far from kibbutz Lavi and the Golani junction. The residents will be mainly members of Lower Galilee communities who need housing, as well as services, industry and tourism workers in the area. The initiative for the new settlement has come from the regional council of the Lower Galilee. The council is interested in adding a community with a rural character within its jurisdiction and decided to sponsor the new settlement. It will be formed as a cooperative and will be considered a moshav without agriculture. The degree of success of the "moshav without agriculture" will determine the formation of additional innovative moshavim in other parts of Israel, where the climate and the scenery are good but the land and the water resources do not meet the needs of agriculture. [Text] [Tel Aviv HATZOFE in Hebrew 27 Jan 84 p 12] 9565

NEW SOPHISTICATED ARMS INSTITUTE--The weapons' development authority (REFA'EL) last week dedicated the "Leshem" institute at Gush Sagav in the western Galilee. It sprawls over 7000 dunams and will do work on guided missiles and sophisticated armor, electronic weapons systems, communications and radar, electro-optical systems, transport devices, fuses and protective devices. Sources at REFA'EL believe that at least 500 families will come to live in the Galilee within 3 years following the establishment of the new institute and other high tech plants at Gush Karmi'el and Refen. The establishment of the institute will cost Raf'a \$60 million and 350 new dwelling units already have been set up in the area. REFA'EL's production is estimated at \$300 million a year with 60 percent set aside for production and 40 percent for weapons. The facility is the first in a multi-year program to transfer all of REFA'EL's facilities to the Galilee, a program based on a development forecast for the authority for the next 30 years. [Text] [Tel Aviv BAMAHANE in Hebrew No 25, 15 Feb 84 p 6] 9794

SOME SETTLEMENTS EMERGING FROM KUWAIT'S STOCK MARKET COLLAPSE

Paris AN-NAHAR ARAB REPORT & MEMO in English No 5, 30 Jan 84 p 20

[Text] Some of the clouds of uncertainty that have bedevilled private business in Kuwait since the unofficial over-the-counter Souq al-Manakh stock exchange collapsed during the summer of 1982 are beginning to clear. The crash, which left a mountain of post-dated cheques with a nominal value of over \$90 billion, also meant that many Kuwaiti businessmen who never went near the Souq al-Manakh have no idea whether they are solvent or not until they discover whether debts to them will be paid.

One of the biggest debtors, whose cheques for Souq al-Manakh dealings totted up to Kuwaiti Dinars 1 billion (\$3.4 billion) on their face value is Sheikh Khalifa al-Abdullah al-Sabah, a nephew of the Ruler. Now, according to a report from Kuwait, his creditors are being offered a deal which would reduce what he owes to KD 480 million (\$1.6 billion). The state-controlled Kuwait Foreign Trading, Contracting and Investment Company has already made a first payment of KD 156 million (\$546 million) to those who accept a formula whereby Sheikh Khalifa pays only the nominal value of the shares for which he wrote cheques at the time of the trade. Traders who owe him money must pay the price of the shares plus a premium of 25 per cent. Originally, premia ran to as high as 400 per cent of the share price.

KFTCIC is providing bridging finance for payments in four instalments over 18 months, with Sheikh Khalifa's assets serving as collateral for the loan. Members

of Sheikh Khalifa's family and friends are also providing funds and Sheikh Nasr Sabah al-Ahmed said about 70 per cent of Sheikh Khalifa's creditors had accepted the formula despite the way it favoured him. "It was like being given the choice of being shot in the head or being shot in the knees," was how one broker described it. "Most people chose the knees."

Another brighter sign of better financial weather was the repayment ahead of schedule of a \$200 million syndicated loan granted to the Bahrain-Kuwait Investment Group by 20 banks to cover losses sustained in the crash. The loan was arranged in July 1982 and its terms called for repayment over three years after a one-year grace period. The loan was arranged by the Bank of Bahrain and Kuwait and final repayments are now being made.

A new problem has arisen, however, over the ownership of shares in Kuwaiti closed companies which were traded illegally on the Souq al-Manakh and else-

where. According to Kuwaiti law, shares in such companies may not be traded until the firm has achieved a record of three profitable years. A Kuwaiti court ruled recently that transactions in which shares had changed hands were null and void, but this decision has since been overturned by a higher court.

According to unofficial estimates, trading in these shares has involved about KD 4 billion (\$13.6 billion). It is felt that attempts to unravel the deals would be both enormously complex and might spark off another crisis, in particular because many of the closed companies have post-dated cheques from the Souq al-Manakh on their books. A new law may therefore be required to determine who owns these shares.

CSO: 4400/174

OIL TRANSPORT TANKERS ACQUIRED

Paris AN-NAHAR ARAB REPORT & MEMO in English No 4, 23 Jan 84 p 18

[Text]

Kuwait has bought two large Japanese-built oil tankers through the Kuwait Oil Tanker Company, a subsidiary of the state-owned Kuwait Petroleum Corporation (KPC). The 290,000-ton tankers will be added to the shipping company's existing fleet of 23 smaller vessels which currently transport 48 per cent of Kuwait's total exports.

Abdul Fattah al-Badr, Chairman of the Board of the company, was quoted by the official Kuwait news agency *KUNA* as saying that the company aimed to carry 65 per cent of the country's oil exports to bring down the cost of shipments. He did not disclose how much had been paid for the giant tankers, one of which has already delivered a cargo to Rotterdam.

Mr Badr said that by 1985 the company will be operating four such tankers, three to transport refined products and the fourth to supply a Kuwaiti-owned refinery in Holland. The planned additions to the fleet are designed to complement a projected expansion in Kuwait's refining capacity.

In a related development, Mr Badr indicated that the company had decided to buy a \$10 million vessel to import liquid natural gas (LNG) from countries including the UAE, Algeria, Indonesia and Libya. The first consignment of LNG is due in May, but Mr Badr did not say how the gas would be used.

The shipping company had a budget of KD 333.3 million (\$1.14 billion) in 1983 and made

a net profit of KD 9.3 million (\$31.8 million), *KUNA* said.

The Kuwaiti purchase comes at a time when the amount of tanker tonnage available vastly outstrips demand for cargoes in the Gulf. Conditions for Shipowners from the region were last week described as desperate by E A Gibson Shipbrokers, who were quoted as saying that "the enormity of tonnage available overhangs the market like an albatross."

KPC's move propels it further towards its objective of becoming a fully-fledged international oil corporation in control of all aspects of the business from exploration and production to refining, transport and distribution. In the short term, KPC is also aiming to ensure that Kuwait can market enough of its own crude oil and refined products to meet the country's revenue needs. Kuwait cannot afford to let its oil production fall too low because it needs associated gas to fuel local industries and desalination plants. It would need to pay an undisclosed price for Gulf Italiana, the Italian operations of Gulf Oil Corp. Last year, Gulf Oil Corporation. Last

year it bought Gulf's Benelux and Scandinavian refining and distribution networks. Recent reports that a Kuwaiti-controlled investment group was planning to make a bid for UK Petroleum Products, an independent British oil company with 300 filling stations in Britain, were denied by the Kuwaitis. The Hays Group, on which speculation centred, had already acquired two small fuel distribution companies in Britain.

Meanwhile, Gulf Oil last week denied a report by *KUNA* that it was on the point of selling its refining and marketing operations in Britain to KPC. A Gulf spokesman in London was quoted as saying: "As far as we know, there are no talks going on." *KUNA* had said that KPC would not admit that negotiations were in progress because it wished to avoid any sharp fluctuations in share prices of the companies concerned.

Reports that the Kuwaitis were keen to buy Gulf's British interests surfaced last spring, but KPC apparently decided that it needed time to digest its Benelux and Scandinavian acquisitions. Gulf's holdings in Britain include a 103,000 b/d refinery, rights to 30 per cent of a cracking plant owned with Texaco and about

450 filling stations, representing about 3 per cent of the British market for gasoline.

KPC's first major move towards diversification came in autumn 1981 with the \$2.5 billion purchase of Santa Fé International, the California-based oil exploration and engineering group. Last Corporation. Lfor Gulf Italianan group, Santa Fé Minerals, bought an 8.4 per cent share in an exploration block in Britain's North Sea oil fields for \$7 million. The same company had paid \$4.4 million earlier in the year for a half share in an exploration licence held by Britain's Saxon Oil. Santa Fé also has substantial holdings in the oil-producing Thistle Field in the North Sea.

In 1982, KPC built up a stake of just under 25 per cent in the West German chemicals giant Hoechst, with which it is planning a number of joint ventures in the petrochemicals field.

Last summer, KPC set up a company in London, Kuwait Petroleum International, to coordinate the activities of the companies it had bought in Scandinavia and the Benelux countries and it may be presumed that KPI will also supervise the operations of KPC's new Italian acquisition.

CSO: 4400/174

PROPOSED LEBANESE FEDERAL STATE DISCUSSED

Kuwait AL-WATAN in Arabic 8 Jan 84 p 17

[Article: "A Proposal for a Federal State in Lebanon That Would Consist of Five Regional Units"]

[Text] The weekly Lebanese magazine AL-NAHAR AL-'ARABI WA AL-DUWALI has discussed the existence of a European proposal for the creation of a federal state in Lebanon that would consist of five regional units. In the issue to be published tomorrow, Monday, the magazine noted that this proposal rests on the basis of each of these five units recognizing that Lebanon is one country. In addition, each would have a vital opening to the Mediterranean Sea.

The magazine said that although the European proposal does take into account the country's sectarian-geographical distribution, it does not violate what the magazine called united Lebanon. The proposal does take into consideration the lessons of the civil war and the diversity characteristic of Lebanese society.

The magazine pointed out that the proposal was composed at a previous, unspecified time. At that time, it enjoyed the agreement of former Lebanese President Ilyas Sarkis, after its title was changed to "developmental decentralization, with an emphasis on maintaining a strong central authority.

The magazine explained that the first of the proposed five regional units that would make up the Lebanese state would be the region of Greater Beirut, which would be the center of the federal state. According to the proposal, it would enjoy a special system different from those of the other units.

The second unit would contain a Lebanese Christian majority. Its borders would extend from al-Qalamun and Zagharta in the north, and it would have a corridor to the east that would add to it the city of Zahlah and the township of Riyaq. To the south, it would extend to the Beirut-Damascus highway.

The third unit would contain those areas in which the majority of the population is Druze. Its northern border would be the Damascus highway, while its eastern limit would be the Syrian-Lebanese border. Its southern border would be a line extending from al-Rumaylah to Hasbayya.

The majority of the population in the fourth unit would be southern Shi'ites. It would extend from Sidon to Lebanon's southern border with occupied Palestine.

According to the plan, the fifth unit would consist of areas with a mixed Sunni-Shi'ite population. It would extend from Rashayya al-Wadi in the east to Tripoli in the west, and northward to the Lebanese-Syrian border. It would contain the areas of Tripoli, Halba, and al-Hirmol.

The magazine also referred to the existence of a school of thought it said had begun to establish itself in the last 2 weeks. This school speaks of the need to cause "some kind of change" in Lebanon, whether in terms of geography, the country's population-demographic distribution, or the political system.

The magazine mentioned that this current says that all the political and military events happening in Lebanon are not merely heralds of partition or division. Rather, they also mark the beginning of the embodiment in practical terms of a new situation on Lebanese soil. This has caused some to believe that the United States may now make a new deal with Syria at the expense of the Lebanese entity, after having made such a deal with Israel. This deal rests on partition and division.

AL-NAHAR AL-'ARABI WA AL-DUWALI explained that the American proposal for partitioning Lebanon goes back to 1975. However, the recent meeting between former American Secretary of State Henry Kissinger and former American Secretary of Defense Harold Brown revived this solution to the Lebanese problem.

The magazine said that a change had occurred, because the proposal now calls for dividing Lebanon between Syria and Israel, instead of dividing up Lebanon among the Lebanese, as was suggested in the past.

The magazine said that the idea behind all this is that the interests of the United States in the Middle East are not limited to the security aspect. Rather, they go beyond it to the necessity of assuring access to oil in the Gulf and preventing the outbreak of a new war between the Arabs and Israel.

In addition, the magazine confirmed that despite the recent strategic cooperation agreement between the United States and Israel, each side still views the solution to the Lebanese problem from its own special perspective and in accordance with its interests.

In this regard, the magazine indicated that Israel thinks that the most appropriate solution of the situation in Lebanon is to divide the country into sectarian ministates and independent entities. Beirut and some of its suburbs could remain an independent Lebanese republic with no authority over any of the ministates.

The magazine said that in this case, in accordance with the Israeli point of view, Israel and Syria would sign peace and friendship treaties with the newly created entities in various areas, especially military and economic affairs, with the pretext of assuring their continued existence and preventing them from dissolving into an ocean that might overpower them militarily.

IMPORTANT RELIGIOUS FIGURE FROM SAYDA INTERVIEWED

Kuwait AL-WATAN in Arabic 20 Jan 84 p 10

[Interview with Shaykh Mahir Hamud, a religious leader from Sayda, by AL-WATAN: "The Lebanese Government Is Entering With Israel Into a War Against the Muslims"; Beirut, date not specified]

[Excerpts] The city of Sayda has changed from the administrative capital of southern Lebanon into the capital of the national resistance. Its main street is the scene of heroic operations, and after each prayer service, its mosques witness a crowded demonstration against the occupation. From its pulpits come preaching and incitement. The religious scholars teach and lead civil and armed resistance from them. At night, the city of Sayda becomes a liberated city in which the enemy is ineffectual. They do not possess the boldness needed to enter it. During the day, they move through it fearfully and cautiously. Nevertheless, heroic operations surprise them. At the end of a battle of confrontation, three young men from the city fell as martyrs. Sayda honored them, and Beirut joined in. The statement from the city of Sayda was read at the ceremony in Beirut by Shaykh Mahir Hamud, the foremost religious scholar in the capital of the south. He was also the teacher of the three young men. We met him in Beirut and held this interview with him:

[Question] The south is witnessing a comprehensive uprising against the Zionist occupation. The city of Sayda is playing a leading role in this movement. Do we have a picture of the situation there?

[Answer] In reality, right after the occupation, while the dead were still lying on the ground, and after the destruction had taken in the entire city, Sayda witnessed several heroic operations against the occupation and saw real opposition to it, especially from the mosque pulpits on Friday. The preachers emphasized the historic nature of the struggle with Zionism without any fear of the occupation forces, which used to go through the streets and listen to the talk.

Today, Sayda's true face has returned to it. The dust is gone and the masks have been smashed. We have to explain that by considering a few things:

First, there is the prominent role played by the religious scholars. They did not hesitate to turn the Friday prayer service into an occasion for celebration and commemoration, so that they could incite the people against the occupation forces.

Second, there were the three martyrs. They were the first three to fall in a direct confrontation with the Zionist enemy. They did so in a rare and heroic fashion. Many martyrs had fallen before them, but the way in which they confronted the occupation forces distinguished them from the others.

What made Sayda act in this way for their sake was the fact that they were her sons. They came from well known families and were well known as individuals, too.

Jamal Habbal was a student in the public schools, as well as at the College of Law. He was born in 1959. His concern was jihad on the path of God against the Zionists. He was taciturn and silent about it. No one knew what he was preparing. However, his father felt for him. He was able to secure for him a working visa for one of the Arab countries, although it is difficult to acquire such a thing. Many are waiting for such an "opening", but he said to his father, "I want to strive and die as a martyr for the sake of God."

Mahmud Zahrah was a young man who worked as a mechanic. Born in 1962, he was one of the first to bear arms in secret operations against the occupation forces and the supporters of the occupation. Therefore, the Phalangist forces imprisoned him for 4 months during the summer before last. He suffered hardship, though they were not able to prove he had done anything. He spent some hard days that summer. On the day of his release, somebody said to him, "They could have killed you." He repeated again and again what he had learned from the religious scholars: "If they kill me, I will be a martyr. If they continue to imprison me, my prison will be like a place of retreat and meditation. If they release me, I will return to the arena of battle." This is what happened. Neither the torture he underwent in prison nor the harsh treatment he encountered prevented him from returning immediately to the fight. Moreover, both he and Jamal Habbal spent more than a month in the prison of the Lebanese state. During that time, they ate nothing but a few crumbs of bread, and they were tortured severely. It was as if what they encountered amounted to the implementation of what Israel wanted.

Muhammad 'Ali al-Sharif was a confectioner. Out of the three martyrs, he was the only married man. He also felt a high desire for jihad. He knew that spies were keeping track of him at his home in 'Ayn al-Hilwah. Among them were some of his relatives. Lest the observation cause him to give up his struggle, he rented another house in the al-Qiya'ah area. He and his comrades were martyred in the house, which the Israeli forces destroyed out of revenge.

All three of these men were graduates of the mosques. They represented the finest in Islamic behavior in terms of prayer, fasting, and morals. Therefore, in addition to the things we have mentioned, their blood was fuel for the uprising, which began in Sayda and spread out over the south. It will not subside, if God wills, until it has expelled the occupiers, who will be routed as reprehensible people.

Third, we cannot ignore the role of Sayda's deputy and the other important economic, social, and political figures. They have responded repeatedly to

the call of the religious scholars for various expressions and acts of solidarity intended to condemn the occupation. Sometimes they have been the first to issue similar calls that were no less important than those of the religious scholars.

These three factors have come together to produce this uprising, which has set Sayda on fire. All have taken part in it via demonstrations, strikes, and acts of solidarity. Especially noteworthy has been the solidarity of the women, which has frightened the Jews more than that of the men.

The Capital of the Resistance

[Question] Sayda has witnessed several meetings and gatherings intended to unify the resistance against the occupation. What can you say about them?

[Answer] Sayda is the capital of the south, and the south is fighting. Thus, Sayda is the capital of its struggle. Although it lost this role for a short time, as we have noted, it regained its pioneering role because of the factors we mentioned. We must point out that this role is important because of Sayda's ancient history, its noble cultural and scientific heritage, and its economic and social position in the south. Sayda holds about 450,000 souls, some of whom came to it from the provinces. It has become their city in the full sense of the word. The world is aware of the uprising in the city, and it pays more attention to it than it does to those in the countryside. The occupation can isolate them from all the people and do what it wants with the news of them.

The Slogan of the Struggle

[Question] How is it possible to unify the nationalist and civil opposition to the occupation?

[Answer] We respect all principles and those who hold them and work against the occupation. However, we have always affirmed that Islam is the best slogan for the struggle everywhere and at every time, especially in the lands of the Muslims. This is especially true of the confrontation with the Jews, for the Islamic heritage contains abundant, deep, and detailed knowledge concerning resistance to Zionism. Real experience has shown that this slogan is 100 percent correct. One needs only to look at what the religious scholars have done and at the mass acceptance they have found.

Thus, we must return in memory to our long struggle with the Zionists, in which we have failed many times. During all the battles against the Zionist enemy, the cry of Islam was not raised. This was especially true in 1948, 1967, 1973, and 1982. Now the situation has changed. Islam has clearly emerged as a rallying cry and a pure line of struggle. Both from a position of legal authority and Islamic allegiance and from that of an experienced man observing affairs, we ask all the forces to unite under the banner emblazoned with "There is no God but God, and Muhammad is the messenger of God." If this rallying cry is accepted and people's intentions are good, the defeat and departure of the occupiers will become a very easy matter.

The Jews Are the Enemies of the Christians

[Question] Are there nationalist Christians willing to undertake nationalist, Islamic resistance to the occupation?

[Answer] Unfortunately, we say that the Jews are the enemies of the Christians even more than they are the enemies of the Muslims. Indeed, they are enemies of all humanity. However, we have found that the party that most faithfully, or shall we say most dictatorially, expresses the views of the Christians in Lebanon is the Phalange Party. It has sanctioned and indeed been of the opinion that cooperation with Israel in the confrontation with the Muslims is a necessary strategy for maintaining its own existence. This is very stupid, because Israel is the enemy of all. This position is also a shattering blow to what is called national unity.

The Phalange Party expresses the opinion of the Christian majority, and it allows no one else to express freely a view conflicting with its program and policy. Of course, we confirm that there are Christian organizations, associations, and personalities who oppose the Phalange more fiercely than the Muslims themselves, but several things keep them from expressing this. The most important factor is Phalangist pressure and power. Moreover, they are prevented from emerging by the fact that they are not united by a common name or common leadership. Thus, cases of opposition remain individual or semi-individual. They still have not been transformed into a national phenomenon. We have a great deal of hope that this group will be able to express itself and break the yoke the Phalange has forced on it, so that the fight against Zionism will take on its necessary humane and international dimension.

[Question] What about the partial withdrawal? Sayda will be its first station.

[Answer] The goal of the partial withdrawal in the mountain was to create a security gap, so that war would break out among the Lebanese. Israel is plucking the fruits of the war and confirming that the calculation done in the field does not agree with that done on the threshing floor. The Phalange Party suffered a heavy blow in the mountain. It is Israel's closest ally.

Now in Sayda, we think Israel is making a thousand calculations for a partial withdrawal, especially since it seems that this withdrawal will not give it what it wants: a Phalangist victory over the Islamic and nationalist forces. Israel may be threatening to conduct a partial withdrawal in order to worry the mind of the Lebanese state, but behind this threat it is hiding great fear and worry about what it is tasting in Sayda. Given the things we have mentioned, we confirm that any withdrawal, no matter whether it is partial or comprehensive, will be due to the great losses and constant fear experienced by the occupation forces. We will not credit any other justification, especially since many of the enemy's leaders have stated as much and demanded the withdrawal of the Israeli army, because the south has changed into a tomb and a blazing fire for the enemy's army.

[Question] What about the position of the Lebanese authorities?

[Answer] We regret the information role played by the official media in Lebanon, for it covers up the facts, prominently displays lies, and distorts events. We are sorry that the state, along with its army, media and institutions, has changed into a party making war against the Muslims in this country. We regret that the Israeli army cursed the prophet of Islam while arresting Shaykh Muharram. At the same time, the Lebanese soldiers were cursing Islam, its people, and its sons, while conducting their latest barbaric arrests in Sabra and Shatilla. This followed a security play in which they claimed they were filling a security vacuum that really existed only in their minds. We are sorry that about 80 victims died as a result of the recent bombing of the southern suburb of Beirut. The army claims it is playing its role and doing its duty. We are even sorrier that the Arab and Islamic states are cooperating with the government in Lebanon on the basis of the notion that it is for all Lebanese. They are deceived by the fact that it got 77 votes in the Chamber of Deputies. They have not realized that the government bared its fangs and disclosed its true character in the war against the Muslims in particular and the nationalists in general. This became clear in the mountain war, the storming of West Beirut, and the bombing and encirclement of the southern suburb. We turn to the Arab rulers and media and ask that they deal with the events in Lebanon in a manner different from that of the official Lebanese media. We turn to the mediators, representatives, and delegates and ask them to learn about the facts by contacting the various segments of the people and by listening to the credible voices of truth, so that they will form a clear idea of what is happening in Lebanon in general and in the south in particular. We think their willingness to learn about the situation via the Lebanese government alone is an unforgivable betrayal of Islam and the Muslims.

12224

CSO: 4404/321

ROLE OF CENTRAL BANK IN SUPPORT OF POUND

Paris AN-NAHAR ARAB REPORT & MEMO in English No 6, 6 Feb 84 pp 3-5

[Article: "Bank of Lebanon Can Defend the Pound"]

[Text] The Bank of Lebanon is fully capable of containing and neutralising mounting pressures on the exchange value of the Lebanese pound, according to Nassim Saliba, a former member of the Banking Control Commission at the Central Bank. Analysing pressures on the pound, which recently brought its exchange value *vis-à-vis* the dollar to an all-time low of LL 5.97 in the second week of last January, Mr Saliba stressed that the depreciation of the pound was caused mainly by the deficit on the balance of payments in 1983 which he estimated to be \$1.2 billion.

This estimate is some \$150 million higher than earlier figures. Mr Saliba attributed the deficit principally to the deterioration in security in Lebanon, and particularly the violent clashes in Mount Lebanon between right-wing Christian forces and Druze militias in the last quarter of the year.

Mr Saliba underlined the Central Bank's ability to contain pressures on the pound as evidence by continuous financing of the balance of payments deficit. His analysis was based on monetary and banking statistics available, which cover the period up to the end of November 1983.

These statistics reveal that total credit extended by the banking sector rose by close to 29 per cent during the first 10 months of 1983. The increase for the year as a whole is estimated at 31 per cent, compared with 39 per cent in 1982. The larger part of the

increase consisted of increased credits to the private sector (by 31 per cent during the first 10 months of 1983 compared with 21 per cent in 1982). These loans have in turn been largely caused by the accumulation of interest on outstanding credits.

The figures also show an increase in loans in foreign currencies due to the depreciation of the Lebanese pound. When the effects of interest accumulation and depreciation of the pound are excluded, the real increase in credits to the private sector would have attained the 1982 level, which was depressed due to the Israeli invasion and its effects on the general economic situation.

The increase in credits extended by the banking sector to the public sector was considerably less than the 1982 level, according to Mr Saliba. For the first 10 months of 1983 the increase was of the order of 30 per cent, and

for the year as a whole it is estimated to have reached 38 per cent, compared with 82 per cent in 1982. Accordingly the public deficit which was financed through bank credit amounted to LL 4.1 billion at the end of November 1983. The deficit is expected to have risen to LL 6.4 billion at the end of 1983, compared with LL 6.2 billion at the end of 1982.

Net Central Bank claims on the public sector have therefore risen from LL 2.7 billion at the end of 1982 to LL 5.6 billion at the end of 1983, while commercial banks claims on the public sector reflecting subscriptions by these banks to Lebanese government Treasury bills rose from LL 12.3 billion at the end of 1982 to LL 15.8 billion at the end of 1983.

Mr Saliba outlined two noteworthy observations in this respect. One was that despite the massive deterioration in the security situation in 1983, the size of the deficit was almost equivalent to that of 1982.

The bulk of the deficit was accumulated in the second half of 1983 and specifically in the last quarter of the year. Had it not been for these security developments the state deficit would have narrowed significantly in 1983, at least inasmuch as customs receipts increased during the year after the Lebanese army moved in and took over control of the illegal ports along the Lebanese coastline and the Fifth Basin at Beirut port.

Mr Saliba also noted that unlike previous years the increase in credit was the primary factor contributing to the rise in domestic liquidity which rose from LL 49 billion at the end of 1982 to LL 59 billion at the end of October 1983, a 21 per cent increase compared with a 20 per cent rise in 1982. If the effect of the increase in foreign currency deposits were to be excluded from domestic

liquidity, the increase during the first ten months of 1983 would amount to 25 per cent compared with 73 per cent in the whole of 1982.

The smaller increase in liquidity in Lebanese pounds is attributed mainly to the deficit in the balance of payments and the subsequent contraction that ensued from the Central Bank's intervention in the foreign exchange market to buy dollars to finance part of the balance of payments deficit.

The most significant monetary development in 1983, according to Mr Saliba, was the deficit, registered for the first time, on the balance of payments. Monetary statistics indicate that the deficit amounted to LL 1.2 billion. Most of this, or an estimated \$700 million, came in the second half and more specifically the last quarter of the year following the outbreak of sectarian clashes in Mount Lebanon and the Shuf. The deficit coincided with a marked increase in public spending. Mr Saliba attributed the deficit to three principal factors:

- General economic difficulties, lower exports and a drop in production intended for export;

- The drop in remittances from Lebanese workers abroad, partly due to prevailing insecurity, and partly due to narrowing business opportunities in countries where Lebanese expatriates are employed or self-employed, particularly in the Arab Gulf states where the economic recession was at its worst;

- Increasing external spending by the Lebanese government and transfers of holdings from the Lebanese pound to dollars and other foreign currencies.

Mr Saliba revealed that two-thirds of the deficit was covered from the Central Bank's reserves of foreign currencies while the rest was covered from the domestic exchange market.

The worsening economic situation and the deficit in the balance of payments, Mr Saliba said, have led to a gradual slide in the exchange value of the Lebanese pound *vis-à-vis* the dollar and other major foreign currencies. Although signs of economic recession were apparent early in the year and the deficit in the balance of payments started to build up later, the depreciation of the Lebanese pound remained relatively limited in the first half of 1983.

Its exchange value against the dollar dropped by only 11 per cent during that period, a reasonable drop when one considers the strength that the dollar had registered against major currencies in external markets during this period. Fears stemming from the sudden breakdown in security in the summer of 1983 led to massive shifts by depositors from the Lebanese pound into the dollar and other foreign currencies and a transfer of deposits to banks outside Lebanon.

The pound, sharply affected by these developments, dropped 27 per cent between June and December 1983. The depreciation of the pound during that period was not however directly linked to the balance of payments deficit which was almost wholly covered by the Bank of Lebanon.

Political fears were a major contributor last month to the success of a spate of classic-style speculative operations that brought the exchange value of the pound to LL 5.97 to the dollar, Mr Saliba said. Central Bank intervention, in Mr Saliba's assessment, has curbed the sharp rise in the value of the dollar on the Beirut market. Such intervention took the form of tightening liquidity and raising interest rates. Most speculators liquidated their dollar positions to and took their profits while savers sustained considerable losses.

Given the present circum-

stances, predicting the future of the Lebanese pound is a difficult task, in particular because Lebanon will maintain freedom of currency exchange at any cost, Mr Saliba said. He emphasised, however, that the price of the pound is currently at artificial levels, if one considers the present economic conditions and the Central Bank's ability to contain pressures on the pound originating from the deterioration of Lebanon's external trade balance. This is evidenced by improvements in the exchange value of the pound with every amelioration in security, Mr Saliba noted.

The exchange value of the pound, Mr Saliba said, is doubtless linked to the goods and services account under the balance of payments. Classic measures cited by Mr Saliba to correct balance of payments deficits include reducing demand by curbing bank credit enhancing exports and currency devaluation.

In Lebanon, bank credit is adequately restrained by the prevailing recession and insecurity. The state deficit, on the other hand, would doubtless persist due to the present circumstances and public expenditure requirements. The deficit could be narrowed, however, by cutting non-urgent spending, Mr Saliba suggested.

Drawing on principles of trade theory, Mr Saliba said there are special features to a floating currency system. These were basically the automatic adjustment process by which a deficit on the balance of payments leads to the depreciation of the local currency, which in turn curbs imports and increases the competitiveness of exports. The depreciation of the local currency also induces transfers into Lebanon which also contributes significantly towards correcting the deficit on the balance of payments.

In conclusion, Mr Saliba said

no forecast of Lebanon's balance of payments could be made at this early stage. He emphasised, however, that there were positive factors which are expected to safeguard the position of the Lebanese pound. These include the automatic process of adjustment whereby the depreciation of the Lebanese pounds leads to a fall in imports and a rise in exports which would reduce the trade deficit.

Mr Saliba also referred to the Bank of Lebanon's large reserves of foreign exchange which will make it possible for the Central Bank to continue to intervene in the market to stabilise the value of the pound. There was also, he said, the possibility of increasing the interest rate paid on deposits in Lebanese pounds, at present on a par with interest on dollars. Efforts to obtain foreign aid, if successful, would also have a positive effect on the pound's value, Mr Saliba declared.

CSO: 4400/173

COUNTRY'S INDUSTRIAL EXPORTS FELL IN 1983

Paris AN-NAHAR ARAB REPORT & MEMO in English No 4, 23 Jan 84 pp 12-13

[Text]

For the third year running, Lebanese industrial exports were lower than the LL 2 billion recorded in 1980. According to monthly statistics published by the General Directorate for Industry, total industrial exports during 1983 amounted to LL 1.297 billion compared to LL 1.928 billion in 1982, a drop of 32.72 per cent in nominal terms. (The exchange value of the Lebanese pound averaged approximately LL 4.35 to \$1 during 1983.)

This figure, however, does not include exports from the south, the north or the Bekaa. According to the Beirut newspaper *An-Nahar*, the figure for industrial exports would probably be closer to LL 2.5 billion if exports from these areas had been taken into consideration. A clearer picture should emerge once the Centre for Documentation and Economic Studies at the Beirut Chamber of Commerce and the General Directorate for Customs have published their own statistics.

The General Directorate of Industry is thought to supply about half of all certificates of origin for industrial exports with the other half coming from Chambers of Commerce in Beirut and other governorates.

It is clear that the poor security situation which prevailed during the second half of 1983 was

the main reason why industrial exports fell by 15.7 per cent during the second half of 1983 compared to the first half of the year. First half exports were put at LL 703.8 million against LL 593.2 million in the second half.

Outbreaks of violence halted industrial production in most areas of the country, especially in the north, south, and in areas on Beirut's southern periphery. Transportation inside Lebanon and between Lebanon and Arab markets, notably Iraq, was severely hampered by political pressures.

Industrialists became wary of entering into export contract commitments, especially after the closure of Beirut's international airport and the growing uncertainty of overland routes. This situation was reflected in the closure of some factories as well as declining production levels. Another major factor affecting industrial exports was the Iran-Iraq war which effectively wiped out the Iraqi market for Lebanese goods. The drop in the value of exports to Iraq because of the war is estimated at LL 652 million.

Exports were also affected by the increase in the cost of production factors such as labour, transport, insurance and fuel. In addition, the rising value of the dollar has led to a corresponding

Value of Lebanese industrial exports
(LL thousands)

| Country | 1983 | Per cent of total | 1982 | Per cent of total | Percentage change |
|----------------------------|---------|-------------------|---------|-------------------|-------------------|
| Saudi Arabia | 795500 | 61.34 | 659787 | 34.2 | 20.5 |
| Iraq | 119066 | 9.18 | 771474 | 40.0 | -48.5 |
| Jordan | 91656 | 7.06 | 132269 | 6.9 | -30.7 |
| Syria | 65554 | 5.05 | 90096 | 4.7 | -27.2 |
| Kuwait | 59052 | 4.55 | 76682 | 3.9 | -23.0 |
| Egypt | 36289 | 2.79 | 13906 | 0.8 | 160.9 |
| Abu Dhabi | 15433 | 1.20 | 19786 | 1.1 | -22.0 |
| Libya | 13786 | 1.06 | 1447 | 0.07 | 752.7 |
| Other Arab countries | 42477 | 3.27 | 44693 | 2.3 | -4.9 |
| Total Arab countries | 1238813 | 95.48 | 1810140 | 93.9 | -31.5 |
| Africa | 575 | 0.05 | 2305 | 0.1 | -75.0 |
| Western European countries | 20367 | 1.57 | 31543 | 1.63 | -35.4 |
| Eastern European countries | 14461 | 1.12 | 31548 | 1.63 | -54.1 |
| North America | 22593 | 1.74 | 51173 | 2.65 | -55.8 |
| South America | 212 | 0.02 | 42 | 0.002 | 404.7 |
| Japan | - | - | 1102 | 0.06 | - |
| Grand Total | 1297021 | 100 | 1927861 | 100 | -32.7 |

increase in the cost of imported raw materials.

Export markets

Arab markets remained the most important for Lebanese exports. The value of exports to Arab countries amounted to LL 1.239 billion, 95.48 per cent of overall industrial exports compared to 93.9 per cent in 1982. Total industrial exports to Arab countries fell by 31.5 per cent in 1983 in comparison with 1982.

— Saudi Arabia: Industrial exports were worth LL 795.5 million in 1983, a 20.5 per cent rise over 1982. They represented 61.34 per cent of all industrial exports, largely due to the decline in exports to Iraq.

— Iraq: Industrial exports were worth LL 119 million compared to LL 771 million in 1982, a drop of 48.5 per cent.

— Jordan: Industrial exports were worth LL 91 million compared to LL 132 million in 1982, a drop of 30.7 per cent.

— Syria: Industrial exports were worth LL 65.554 million, a

drop of 27.2 per cent.

— Kuwait: Industrial exports were worth LL 59 million, a drop of 23 per cent.

— Egypt: Industrial exports were worth LL 36.2 million compared to LL 13.9 million in 1982.

— Abu Dhabi: Industrial exports were worth LL 15.4 million, a drop of 22 per cent.

— Libya: Industrial exports were worth LL 13.7 million, rather more than in the previous year.

— Other Arab countries: Industrial exports were worth LL 42 million compared to LL 44.6 million in 1982.

— EEC countries: Industrial exports were worth LL 20.3 million compared to LL 31.5 million in 1982.

— East European countries: Most important were Hungary, and Bulgaria which purchased industrial goods worth LL 14.4 million.

— North America: Industrial exports amounted to LL 22.5 million of which LL 21.4 million were to the US. Industrial exports to this area dropped by 55.8 per cent compared to the previous year.

CSO: 4400/173

CHALLENGES FACING LOCAL INDUSTRIES

Paris AN-NAHAR ARAB REPORT & MEMO in English No 6, 6 Feb 84 pp 2-3

[Article by Marwan Iskandar: "Lebanon's Industries: Crucial Days Ahead"]

[Text]

Economic conditions have difficult in Lebanon and have grown worse in the past few months. The situation has become so serious that questions about the viability of enterprises have become pressing. One of the latest developments clearly shows that remedial action must be taken in the coming two weeks or else industrial closures could snowball with harmful effects for Lebanon, employment in the country and the potential for industrial revival.

The Association of Industrialists of Shweifat has declared its intention to close factories in the area as of February 15, 1984 unless security conditions improve to the point where free access for labourers, industrialists and products is assured without interruption or delays.

According to the Association, there are 100 plants in the Shweifat area. In 1975, they represented 22 per cent of Lebanon's total industrial capacity and employed 30,000 workers. Due to recent troubles, particularly the fighting in the mountains during last summer when Shweifat became a war zone, many plants have already closed, reducing the total number of employees to around 14,000. This number still represents about 25 per cent of the total working

population in the industrial sector in Lebanon which has fallen from a peak of 130,000 workers in 1975.

Most serious of all, the Shweifat industrialists are ready to submit bankruptcy papers to the relevant Lebanese courts by mid-February. This would mean that a select list of important industrial plants, many of which have been re-equipped since the outbreak of the Lebanese war would become defunct. It would be very difficult to reactivate industrial plants once they have been closed. The loss would mean a further significant reduction in Lebanon's industrial potential already half destroyed in the last nine years of fighting.

The effect on the banking sector could be significant as many

of these enterprises have secured their working capital and in many instances long-term loans for expansion from Lebanese banks. Of all economic sectors, the banking sector has remained the most active in the Lebanese economy and has expanded on the local and international levels during the years of crisis. This sector cannot be allowed to suffer difficulties as a result of the deteriorating economic situation without the risk of triggering a severe crisis in the economy as a whole.

In the past 10 months, Lebanon has been living constantly with latent crises and the continued functioning of its economy has depended on two major factors; on the one hand, the Lebanese have remained innovative, hard working and ready to commit all their resources for continuity in the hope of peace and revival; on the other hand, the Lebanese government has supported industry by ensuring the availability of soft loans and has helped the economy by implementing such projects as could be executed in spite of deteriorating security conditions.

However, this latest development poses a concrete threat to the continuity of the industrial sector not only in Shweifat but in Lebanon. If the Shweifat industrialists choose to close shop and to renege on outstanding loans, it would encourage other industrialists facing comparable problems to take similar steps. The process could snowball in a manner that would drag the Lebanese economy down to depths of desperation that have not been witnessed until now.

By contrast, if the conditions of security for work in the Shweifat area were fulfilled, a marked improvement would come about in the political and economic climate of Lebanon. This area is strategically located *vis-à-vis* the airport and the ownership of various industrial enterprises in it is mixed between members of dif-

ferent sects of the Lebanese population. Also, workers in these factories come from some of the most deprived areas of Beirut and loss of their jobs could only lead to political polarisation and further armed strife.

For these reasons, it is of the utmost importance to create a solution that would meet the immediate needs of industrialists in Shweifat, who cite security as their highest priority.

During the whole course of the Lebanese war, economic losses were absorbed with tolerance and partially compensated for by resilience. At no time did economic considerations play a significant role in pressing different political groupings towards reconciliation. In fact, relocation of some industries and industrialists and massive relocation of labour were instruments of adjustment to the conditions of war in the country. But now it seems we are at the end of the road. Economic needs call for political reconciliation or at least implementation of the long-discussed security plan.

If the Shweifat situation is not resolved, Lebanon will face significant pressures on its banking community and on the exchange value of its currency together with the risk of further widespread fighting. On the other hand, a successful resolution of this situation could spell the start of national reconciliation and could prove durable because it is rooted in the needs of people for work, employment, production and income. Lebanon cannot wait very long for this situation to be resolved and the policies adopted will be a guide to expectations of the future. Either we have black and cloudy days ahead or we succeed in clearing the atmosphere and paving the way for regained confidence that would be necessary for attracting investment into Lebanon and increasing exports to the Arab countries in the not-too-distant future.

PEOPLE'S DEMOCRATIC REPUBLIC OF YEMEN

TWO OFFICIALS QUESTIONED ABOUT DEVELOPMENT PROGRESS

Kuwait AL-TALI'AH in Arabic No 827, 1 Feb 84 pp 42-45

[Article by Rabi' Muhsin: "Democratic Yemen: a Report with Pictures about Democratic Progress and the Revitalization of Land and People"]

[Excerpt] When I was in al-Makla, which is the regional capital of Hadramut, I was taken at first by the simplicity of the town. It is a simplicity that is reflected on the simplicity of the Yemeni people as they try to lead a life of freedom. What caught my attention was a sense of hope. One finds there people trying to build for a better future. [That is what I found] when I visited the new port of Khalaf, whose construction is being overseen by a Belgian-Swedish company. This is a project that is funded by the IBRD and the Kuwaiti Development Fund. Afterwards I also visited the fish canning factory. It is known that fish resources constitute the country's primary economic resources. However, the greater utilization of this resource still requires a great deal of investors' funds.

These fleeting visits had reinforced in my mind [the need to] search for more economic information about this good country that is located in the southern corner of the Arabian Peninsula, struggling for its livelihood and for its right to survive.

When I left al-Makla on my way to Aden my eagerness to find out more information about this country had begun taking over my thoughts. I was becoming more interested in getting this information and looking for it. It so happened that on the following day we visited one of the economic institutions. That was a favorable opportunity for me to ask many questions. This was a visit to the governorate of Ibin, the birthplace of the current president of Yemen.

To me that visit was a favorable opportunity to see the Ibin Fair where numerous industrial, professional and educational achievements were on display.

With National Experience

We left the fair on our way to the Agricultural Research Center, (AL-KUD). I was accompanied by a number of Arab and foreign journalists.

We met Dr Shafiq Muhsin 'Ata who gave us a brief and a general historical overview of that center.

Dr Shafiq said, "This center was established in 1955 in the days of British colonialism. At the present time it is one of the largest agricultural centers. When it was established before the Revolution, its aim was to conduct some scientific research on the cotton crop that we cultivate, since the cotton we grew was exported to factories in Manchester, Britain where it was manufactured.

"After national independence the government devoted considerable attention to this crop. In fact, it expanded research in other scientific areas such as that of foods that are necessary to provide food security in our country. The center's 3 departments were expanded to 12, and we are now replacing foreign experts with native experts. The center broadened its activities beyond agricultural research to include preventive operations, agricultural industries, environmental studies and other areas.

"This research is strictly applied research; in other words, the center has not entered the field of academic research."

Dr Shafiq said, "The center is playing a leading role in the development of our country. It is providing the scientific conditions for building a few agricultural industries and their products. In turn, these would provide the foundation of production for any economy that relies on central planning. The textile plant is one example of such industry where the (AL-KUD) Center played a major role in getting the plant to be operational and preparing positions for workers. The tomato [processing] plant is also one of the achievements of the center which had previously devoted attention to tomatoes, stressing the importance of growing good varieties of tomatoes that can be processed. The center also contributed to the process of providing protection for some crops such as wheat and devoting attention to them. It also devised solutions to protect crops from plant epidemics."

Dr Shafiq indicated that the center was trying hard, in its capacity as a high-level agricultural advisory body, to prepare practicing farmers for more experimentation in this economic mode. The center is relying on two fields in farming: an experimental one and an applied one.

Regulating Resources and Ambition

That was the meeting we had at (AL-KUD) Center in the governorate of Ibin. I did, however, get enough information to provide me with a measure of comfort in my efforts to find out about many of the things that I still did not know about in this developing country.

It is being said that human needs are unlimited and that the need for knowledge is one of those unlimited needs. That was my incentive in visiting one of the principal establishments in the country. My next visit was to the Ministry of Planning where I met with Dr Ahmad 'Abd-al-Sadiq, deputy minister of planning. Mr al-Sadiq was ready to answer all my questions, and I started asking him all the questions that came to mind. I started by asking him the following question about how Yemen was getting along under difficult conditions and with modest economic resources and financial revenues most of which were coming from friendly countries and from Arab and international economic institutions such as the Kuwaiti Fund for Development, the Abu Dhabi Fund and the IBRD. I also asked him

about the difficulty of providing labor since Democratic Yemen is a developing country that is suffering from the emigration of its people. Many Yemeni workers are leaving the country and going to neighboring and foreign countries. [I asked], "What specifically do you see in this country's economic future?"

[Dr Ahmad 'Abd-al-Sadiq said], "The experience of Democratic Yemen is actually one that is undoubtedly clear. Democratic Yemen is relying on central planning in many of the questions for which we are trying to find solutions. We inherited a difficult and a burdensome legacy from British colonialism; it is that legacy that undermined the economy as well as public economic institutions.

"The principal strategic objective for development is to create an economy of production, or specifically to effect a shift from a services economy, which has been the principal feature of the economy since the days of the British, to a production economy that depends on a base of production."

We notice that in the past decade most development projects were concentrated in basic infrastructure projects: roads, irrigation projects, land reclamation, communications and transportation, and social services such as health and education. In addition, new production capabilities were put into operation during that period, but the conditions of the country and its harsh nature have had an effect on the development process. However, we can focus on two principal points that impede development.

First, Natural Resources:

It is known that manufacturing requires raw materials and numerous natural resources, and these are available in Yemen in modest quantities. If they were abundant, they would help push the process of development and planning forward.

Second, a Trained Labor Force:

The country used to depend in the past on trade and services. We notice there was a major shortage in production projects with respect to the use of technology in industry or farming. And here many efforts must be made to train the labor force and get workers ready for production operations. This is a problem that is facing development, and it is due to the social cost of training these professional and technical personnel.

In spite of all that, a record large development was achieved in the country's national revenues and GNP. The standard of living rose significantly, and that is attributed to the implementation of centralized planning.

This matter is convincing the government that the plan it is pursuing, despite difficult conditions, makes resorting to a socialist solution for society a better way to solve many of the questions of social backwardness [in the country].

Revitalizing People

[Question] I noticed that you focused on one positive point only, and that is people's standard of living, which rose as a result of implementing the central plan policy. But are there other positive points in other areas such as industry, for example? And how much progress has been achieved there?

[Answer] The GNP did, of course, rise in recent years, and many products that are produced locally in the country have become evident.

Most projects depend on the use of local raw materials or the use of materials to manufacture general consumer goods to make up for imports. This of course led to a good return as far as reducing the deficit in the balance of payments is concerned.

In addition to putting workers to work and acquiring sophisticated skills, which constitute the foundation for the future, there are designs for the cement industry and the glass industry that are still under consideration. These depend on a larger volume of production to cover the needs of the local market and also the market abroad if possible. We may say that prospects for our industry will soon become evident.

[Question] With respect to funding industrial projects, does the plan depend on loans from countries or from Arab or international funds?

[Answer] As far as funding is concerned, the state depends on loans from countries, from international organizations or from Arab development organizations such as the Kuwaiti Development Fund, the Abu Dhabi Fund or the Arab Development Fund. Our economic projects need this funding, and they need to have hard currency available so that technology can be transferred to our country for development projects.

[Question] Development in a certain country is not always measured in terms of that country's industrial or agricultural development as much as it is measured in terms of the change or development of its people. What has the country accomplished in this significant aspect, or what are the gains that were achieved for Yemeni citizens by the Revolution during the past decade?

[Answer] As far as the people are concerned, the Revolution did a great deal for them. Without people we would not be talking about development. In this regard development plans devoted considerable attention to the training of individuals to provide them with their basic requirements including social services. These social services--schools, hospitals and public services--provided Yemeni citizens with vocational and professional training opportunities. Without these principal components citizens could not do their part in pushing the wheel of development forward.

[Question] About housing, would you shed some light on what is happening with regard to this vital demand for citizens?

[Answer] The demand for housing must be met. However, because of circumstances that the state is facing, there are some difficulties in providing housing for citizens. It is known that the supply of housing does not yield to change in a short period of time. A long period of time is required for that. Serious efforts are being made to solve this shortage in housing. There is a plan to build 6,000 residential units (apartments) as part of the second 5-year plan. Work on these units was begun in 1981: some of these apartments have been turned over to citizens; and the rest will be turned over in sequence as they are finished. Compared with previous figures, this is considered a different step forward that emphasizes the government's concern with providing housing for citizens.

[Question] About the 5-year plan whose implementation was begun in 1981, is it being implemented? How far has it gone? And what are its errors or its strengths so these can be verified and changed?

[Answer] It is known that before any plan is laid out, the preceding plan has to be analyzed and evaluated. The directions of development in the subsequent plan are determined while the current plan is being implemented. For example, another review period begins when ideas are laid out for the preparation of the third 5-year plan. This plan is supposed to begin early in 1986. This is done by finding out the weak points or failures and correcting them in future plans.

[Question] About the transfer of technology, does this technology help raise the standards and capabilities of workers here or what?

[Answer] At the present time we are trying to train Yemeni workers on machines at production sites. Workers are either trained directly or by means of specialized supervisors. We may call this a modest experiment since we have agreements with countries that are giving us this technical assistance to provide us with supervisors who would train our workers so they can be prepared to assume their essential roles in the process of production. In some cases the training period may be prolonged as needed.

New Laws for Investment

After listening to what Dr Ahmad 'Abd-al-Sadiq had to say, I had to leave to keep my appointment with Mr 'Abdallah 'Abdan, Yemen's deputy minister of planning. There I met my fellow journalists who were also waiting for Mr 'Abdallah. These journalists worked for the Lebanese newspaper, AL-SAFIR, and there was a female fellow journalist from the French News Agency. As soon as the deputy minister arrived, we started talking with him about Yemen's economic environment. We focused on how Yemen's economy was progressing on the basis of promoting investments, and we asked if there were trade or economic laws to encourage that.

He replied, "We can say that Law No 25 for 1981 promoting investments is the law that is now in effect, even though it has been around for a short period of time. The previous law concentrated on the industrial sector, but this new law opened the country to investments in many sectors. In other words, it expanded the area for investments. But the new law is still in its infancy. Since 1982 we have been going through a period of preparation, and we have been implementing the rules and executive provisions of the law. This law gives Arab and foreign investors some kind of confidence. At the present time we are conducting some foreign communications to get these funds into our country. We are trying to encourage local investors to invest their funds in the country, giving them some privileges, including exemption from property tax and from the income tax. This is noticeable among Yemeni investors who had left the country and gone to the Gulf states. But the investments made by Yemenis coming from foreign countries like Britain, take on another nature. These Yemenis invest in national projects such as the establishment of schools, roads or other projects that have no economic return. It is the Yemenis who come from the Gulf states who make organized investments in the development of economic institutions, such as small industries (sponge, aluminum or cleaners such as soap), and also in the construction materials industry. But as far as the law is concerned, time is needed to understand this law and also to provide an atmosphere of confidence for investors.

The Delegation of the Council of Cooperation Visits

He added, "A delegation from the Council of Cooperation visited us, and we made several suggestions at their request. Members of that delegation made us feel that it would be possible to coordinate between the financing possibilities that are available from the countries of the Council of Cooperation. We shared views in some areas, and at the present time we feel hopeful. As a result of the visit we were asked for a number of details about the projects."

On the Arab scene there were projects in the area of fish resources, and a joint Yemeni-Libyan company was formed. With the conclusion of this modest report about some economic activities in the People's Democratic Republic of Yemen, [I will say that] I hope I did provide the minimum amount of information about a country that has always been striving toward social and economic progress. This is a wish that Arabs have in the wake of present deteriorating conditions.

8592

CSO: 4404/307

MUJAHID LEADER TALKS ABOUT 'UNRELENTING JIHAD, SOVIET BRUTALITY'

East Burnham ARABIA THE ISLAMIC WORLD REVIEW in English No 29, Jan 84 pp 22, 23

[Text] "We do not recognise the Karmal regime. We will not negotiate any settlement with it. We may have negotiations with the Russians, but that is possible only when they withdraw their troops from our country," said Hashim Mujaddidi, the Mujahid leader who is one of the leading figures in the jihad waged against Russian imperialism in Afghanistan for the last four years. He is the brother of Sibghatullah Mujaddidi, the leader of a group of Mujahideen who are now fighting for the independence of their country within the Islamic Alliance of Afghani Mujahideen. Hashim has emphasized the need to make every effort to bring about unity in the ranks of the Mujahideen in order to develop a suitable strategy by which to oust the communists from their land.

Hashim Mujaddidi comes from a Sufi family whose roots lie deep in the highly religious Afghan society. His family has suffered at the hands of communists, especially after the Russian invasion. Seventy members of his family were put into prison in 1980. Later the women were released, but the whereabouts of the men is still unknown.

Describing the Russian brutalities, Mujaddidi said: "The Russians kill our men, rape our women, burn our crops and destroy our villages." He cited the brutal Russian offensive which took place near Herat last year. "Nearly 2,500 houses were bombarded by the Russians for two days. Some 1,000 were destroyed completely, and children were butchered."

According to Mujaddidi, the communists have tortured Afghans in order to control their resistance. He added: "They also use chemical weapons, napalm and cluster bombs on a large scale, and force people to work against the Mujahideen by taking their families captive. They design mines in the forms of toys and dolls to trap children and kill them. They are worse than the wildest animals."

Mujaddidi emphasised that the Afghan people's fight against invaders was an old one; they have been struggling against anti-Islamic forces throughout the centuries. They fought British imperialism, and fought so bravely that the British, referring to any person who had disappeared in Afghanistan, used to say: "He has gone to Kabul." The implication was that whoever went to Kabul never returned. The current jihad, Mujaddidi asserted, was an extension of earlier resistance.

"When the jihad began," he explained, "people elsewhere thought that the turban-clad, bearded, ill-equipped and ill-trained Afghans would soon give in. But anyone who knows the history of the Afghan people must realise that they have fought against nations much stronger, more powerful and better-equipped in the past, and on every front they have outclassed enemies."

"Now," he said, "we are fighting against one of the greatest powers, which possesses the most sophisticated and effective weapons. We are fighting with old rifles, with rifles which fire one bullet at a time, with rifles which are even loaded through the barrel and with rifles which may even splinter while firing. We are fighting even with stones sometimes."

He described the way small children work as vanguards of the Mujahideen. "These small children throw mud at the tanks, making it impossible for the man inside to see. Once he loses his sense of direction, the Mujahideen pounce on the tanks and either capture them or destroy them."

Mujaddidi praised those Muslim countries, including Pakistan, Iran, Saudi Arabia and Egypt, who have given moral or material support to the Afghan refugees and Mujahideen. But he emphasised that more aid is required. He explained that many of the Mujahideen's weapons were captured from the Russians. Sometimes the Mujahideen buy rifles and machine guns in the black market at higher-than-normal prices. "We need more arms," he stressed.

Replying to a question about the advantageous position of the Mujahideen operating from inaccessible mountainous terrain, he said that the Mujahideen were also involved in fighting on the plains, where nature does not provide any hiding place. In Qandhar and Herat, where no mountains surround the cities, the Mujahideen have been successfully carrying out their jihad. "The motivating factor is Islam, which has given them confidence, determination and courage," he added. "As a result, we fight wherever we find the enemy."

Due to the courage of the Mujahideen, the Russians will never be able to control more than 10 per cent of the total area, claimed Mujaddidi. "Nearly 90 per cent of the Afghan territory is held by the Mujahideen or ruled by Afghan people in cooperation with the fighters."

Commenting on the presence of various factions among the Mujahideen, the Afghan leader explained: "There are two main alliances, both working under the name of the Islamic Alliance of Afghan Mujahideen. One includes Sibghatullah Mujaddidi, Rabbani and Sobhani, while the other includes Abdur Rabbur Rasul Sayyaf. There is also a regional basis for the existence of various groups. For example, Afghan refugees who are living in Iran are mostly Shias, and they are supported by the Iranian government. Similarly, Afghans living in Peshawar are supported by the people and government of Pakistan. They do not object to coordination of their efforts, or any exchange of assistance. Various groups of the Mujahideen have come to an agreement about the division of areas and responsibilities in the battlefield."

Mujaddidi said that Sufism has also had a great influence on the jihad. Afghans belonging to Naqshbandia and Qadriya Sufi orders are represented in

the two alliances, and have been fighting with full enthusiasm and vigour. However, he said, efforts to bring about unity should continue. He hoped that soon the various Afghan groups would come together under one leadership.

He also said that sometimes disunity among the Mujahideen was exaggerated. The world Press gives prominence to unimportant Afghan groups who have some grudge against the Mujahideen, he claimed. Sometimes Kabul government agents enter the Mujahideen ranks to try to create confusion and give the Mujahideen a bad image among.

He appealed to the Muslim world to help all the Mujahideen groups fighting for Islam. "They should not give help to any one special group; rather, all the groups should be encouraged alike to continue this noble task."

Mujaddidi also appealed to the Mujahideen to forget their differences in order to form a single organisation to strengthen the jihad in Afghanistan. "Nevertheless," he declared, "the differences are internal matters of the Mujahideen, and they are quite normal in an emergency situation. The outsider must not play them up, must not make capital out of them," he warned. He also said that the differences were not ideological. All the Mujahideen are fighting for Islam and against the invading communist forces.

Replying to a question about the slow response towards the communist danger in Afghanistan during the Zahir Shah regime, he said that the anti-communist movement had always existed in Afghanistan. When the leftists started gaining control, the ulema and Muslim leaders constantly tried to mobilise public opinion against them. "During the regime of Zahir Shah, ulema held a conference in the mosque of Kabul for several days and warned the government of the communist threat. The ulema regularly delivered Friday sermons against Marxism and state policy. Many of them were put behind prison bars and many were beaten," he explained. "Their efforts could not succeed because of the government policy."

Mujaddidi appreciated the efforts Pakistan has been making in hosting Afghan refugees. But he added: "The government of Pakistan cannot represent the Mujahideen in any negotiation. We understand the pressures Pakistan has at present as a result of the refugee influx, but the political destiny of Afghanistan is in the hands of Afghan Mujahideen, and they have the right to speak for themselves."

Criticising the pro-Moscow elements in Pakistan, he said that they were not sympathetic to the jihad and were against any move that might jeopardise Russian interests in the region.

Mujaddidi concluded that the Muslim Press has a special responsibility towards Afghanistan. "We have not seen teams of reporters from the Islamic Press, while we saw many western journalists. The Press should have its perspective in covering the jihad, so that the world may know about the Mujahideen's determination and the Russian brutalities in an objective manner," he said.

CSO: 4600/404

MINISTER REPORTS EARNINGS FROM WORKERS ABROAD

Dhaka THE BANGLADESH TIMES in English 15 Feb 84 pp 1, 8

[Text] Bangladesh earned Taka 1,568.07 crore (634.38 million U.S. dollars) in foreign exchange during 1983 from its nationals working abroad. The earning is about 400 crore taka higher than that of 1982.

Stating this at a Press conference at his Secretariat Office on Tuesday, Minister for Labour & Manpower, Air Vice Marshal (Retd) K.M. Aminul Islam, expressed the hope that the earning from the Bangladeshis employed abroad would be higher during the current calendar year.

The Manpower Minister said that during last eight years since 1976, a total of 277,487 persons had been employed abroad, particularly in the Middle Eastern countries. The total earning from them amounted to Taka 4,545.71 crore, he said.

Air Vice-Marshal Aminul Islam said that of the persons employed abroad during last eight years, 20,466 were professionals, 97,656 were skilled persons, 16,919 semi-skilled and 1,42,046 unskilled persons.

On the performance in recruitment by different agencies, the Labour and Manpower Minister said that the Bureau of Manpower Development and Training had recruited 41,127 persons while private recruiting agents provided foreign jobs to 87,554 persons. A total of 1,48,808 persons secured jobs abroad through their individual efforts, he said.

During 1983, a total of 59,216 persons had secured employments abroad. During 1982, a total of 62,805 persons were employed abroad. Listing reason for shortfall in securing jobs in 1983 the Minister said that shrinkage in the employment opportunities in three countries, namely Libya, Iraq and Iran was the main cause of the shortfall in securing jobs abroad.

Air Vice-Marshal Aminul Islam said that licences of 23 private recruiting agents had been cancelled for their indulgence in irregular practices. Security money of six of these agents had been forfeited, he said.

He said that 124 agents had voluntarily surrendered their licences. Licensing of 25 agents had been held up for alleged cheating, he said, adding that in all 311 private recruiting agents were now engaged in normal business.

The Manpower Minister said that with a view to regularise the activities of the recruiting agents, the Government had promulgated immigration ordinance. Work on the preparation of a manual for recruiting agents and organisations was under active consideration of the government, he said.

B.O.E.S.L.

Air Vice-Marshal Islam informed that the proposed Bangladesh Overseas Employment & Services Limited was expected to go into full operation within a couple of months. About 49,000 shares of the company worth Taka 100 each would soon be put on sale among the public. He said the basic objective of the establishment of the company was aimed at creating competitiveness among the private recruiting agents and ensuring improved conditions for securing employment abroad.

He said that up to 1983, a total of 918 doctors and 2,173 B.Sc. engineers had secured employment abroad.

The Minister said that Oman was the only country which had started recruiting increased number of people from Bangladesh. He said that in 1983 Saudi Arabia had recruited the highest number of people (12,942) from Bangladesh followed by Oman (11,126).

When asked about the number of Bangladesh nationals now in the prison of the Middle Eastern countries for unauthorised entry or any other offence, the Minister said that it was difficult to know the number because the Ministries of Interior in these countries would not disclose anything about it to anybody.

CSO: 4600/1586

KHAN TALKS TO PRESS ON RETURN FROM MOSCOW

Dhaka THE NEW NATION in English 20 Feb 84 pp 1, 8

[Text] DCMLA and Minister for Communications Rear Admiral M.A. Khan said here yesterday the new Soviet leadership reciprocated "our sentiments" to further strengthen the friendly ties between the two countries, reports BSS.

Bangladesh desires to have "best of relations" with the Soviet Union, the DCMLA told the newsmen on his return home after attending the funeral of Soviet President Andropov. Information Minister Syed Najmuddin Hashim had also accompanied him to Moscow.

In Moscow, Admiral Khan met new Soviet leader Chernenko and conveyed to him congratulations 'of our people' on his assumption of the office of Secretary-General of Communist Party. He also met several ministers there.

The DCMLA said he expressed to Soviet leaders the desire of our government to have best of relations with Soviet Union on the basis of sovereign equality and non-interference in each others internal affairs and in the best interest of the two peoples.

They, he added, 'reciprocated our sentiments and expressed their willingness to further strengthen the relationship between the two peoples.' 'The same view was expressed' by Chernenko. Admiral Khan said he found there 'lot of goodwill' for the people of Bangladesh.

Admiral Khan said he was fully satisfied with his talks with Soviet leaders and referred to Soviet assistance in different fields. The trade ties have 'not been snapped and very soon' new trade protocol is expected to be signed, he added.

The trade, DCMLA said, is the symbol of friendship and nothing happened from our side to impair the relationship. The Soviet Union is also eager in this connection, he added.

DCMLA Khan said he met ministers of Railway and Transport Communications and Foreign Trade and discussed bilateral cooperation. The construction of road-cum-railway bridge over the Rupsa river in Khulna is among the subjects that came under the discussions.

He said a Soviet team was in Bangladesh a few days back for a weeklong visit in connection with their assistance for the Rupsa Bridge. After supplying further information on this as required, a protocol is likely to be signed next month on the project.

After the signing of the protocol, he said, the Soviet experts will take up technical studies and determine the range of assistance. Then another agreement would be signed for actual construction which may take 3 years.

The DCMLA said the construction of the Rupsa Bridge would be a major development in the improvement of communication in the country. This would directly connect Khulna with Morgla Port and western part of the country.

Admiral Khan said he also sought Soviet help in turning the metre gauge into broad in western zone and for electrification of Dhaka-Chittagong railway. "All these requests were favourably accepted for necessary actions," he added.

On his way back home, the DCMLA made a stopover in London where he attended the Namaz-e-Janaza of General M.A.G. Osmany, whose body would be brought here today for burial in Sylhet.

The Information Minister Syed Najmuddin Hashim, who had accompanied the DCMLA to attend the funeral of the Soviet leader in Moscow, is expected to return home today from London.

CSO: 4600/1594

ERSHAD TELLS IMPORTANCE OF ISLAM IN BANGLADESH

Dhaka THE BANGLADESH OBSERVER in English 12 Feb 84 pp 1, 12

[Text] The President and Chief Martial Law Administrator, Lt Gen H.M. Ershad, today made a clarion call to all to strengthen his hands in the efforts to establish Islam in all spheres of state and national life, reports BSS.

"Islam is our ideal and it is the only way to our emancipation," the President said.

Addressing a conference of Bangladesh Seerat Mission at Engineers' Institute in Dhaka Gen Ershad cautioned that "the existence" of the country will be at stake if we fail to establish Islam in Bangladesh.

He said any obstacle on the way to the establishment of Islam will be crushed with the united efforts of the nine crore Muslims of the country.

President Ershad said the Muslims can no more remain divided because "a grave danger is hovering over us."

"We will have to overcome this unitedly with every Muslim working hand in hand," he added.

He called for taking a vow to forge greater unity against the "betrayers" and march forward upholding the "green flag of Islam along the path of Allah and our beloved Prophet."

The President said it was unfortunate that if anybody speaks of Islam he is branded as prejudiced. On the other hand, if someone propagates other's philosophy he is described as a scholar.

"We do not want to live in such a situation. We, the nine crore Muslims, will certainly speak about Islam, think about Islam and dream about Islam. This is our only way for emancipation," he said.

Gen Ershad said, "There is no need to declare Jihad against him when he himself is trying to establish and uphold its values. Those who are speaking of Jihad should wage it against such elements who "compare Holy Makkah with the capital of another country."

He said instead of declaring Jihad against him they should stand by him to strengthen his hands for establishing Islam in its right perspective.

President Ershad observed that during his dialogue with political parties he had made it clear to them that he believes in Islam in words and deeds. "I will do whatever I have said."

He wondered why the Muslim brothers will not come forward in strengthening his hands since he is determined to establish Islam in all spheres of national life.

He regretted that some Islamic thinkers did not participate in the dialogue with him. "Do they consider me as a monafiq or non-believer? I am a Muslim."

Gen Ershad said he is the first President to declare that Islam will be established in Bangladesh.

He said the opposition against him is in fact a conspiracy. This is a conspiracy against the country.

He called for frustrating such conspiracy at any cost. "If we fail to resist this conspiracy our sacrifice and bloodshed will go in vain and and Bangladesh will turn into a country of non-believers," he cautioned.

Gen Ershad called upon the people to get prepared to foil such conspiracy surmounting all obstacles.

Gen Ershad expressed his firm confidence that all attempts to create disorder and indiscipline and organise strikes and hartals will be washed away by Islamic wave.

He said our children should learn Arabic in order to understand the meaning of Quran. "We do not want to understand the meaning of Quran in translation. We want to understand the meaning ourselves."

The President deplored that the intention of the government has been misunderstood and movement was launched against him. He called for resisting such movement.

He announced that Islamic missions will be established in every district for providing humanitarian services and medicare facilities to the poor Muslims.

Presided over by Maulana Abdur Rahim the function was addressed also by the Minister for Labour and Manpower Air Vice-Marshal (Retd) A.K.M. Aminul Islam, Principal Dewan Mohammad Azrak Chief Election Commissioner Mr Justice A.K.M. Nurul Islam, Dr Ashraf Siddiky and Barrister Tamijul Huq.

Minister for Industries and Commerce S.M. Shafiul Azam and Special Assistant to the President A.R. Yusuf were present on the dais.

4600/1577

GOVERNMENT ISSUES DIRECTIVE ON USE OF BENGALI

Dhaka THE BANGLADESH OBSERVER in English 12 Feb 84 p 1

[Text] The Government on Sunday issued a directive for the use of Bangla in offices and courts, says BSS.

This directive issued by the Bengali Language Implementation Cell of the Ministry of Establishment and Reorganisation will be effective from February 12 (Sunday).

The Directive said that it will be deemed as an act of misconduct if any officer or employee does not use Bangla in the cases where no provision of English has been made. The eagerness of the concerned official or employee for the use of Bangla and the question of efficiency will be mentioned in the Annual Confidential Report, it said.

The directive said that after the emergence of Bangladesh directive had been issued to use Bangla in all spheres of official work. But that directive was not implemented in all spheres due to some practical difficulties. The Bangla Language Implementation Cell of the Ministry of Establishment and Reorganisation has identified the obstacles in the use of Bangla and chalked out steps to overcome them to carry out the Government's declared policy.

It further said that information had been gathered from each Ministry and Division through the circulation of questionnaire and the Cell held meeting with all the ministries and divisions to identify the problems in the use of Bangla and take measures to remove them. The programme to eliminate the problems was taken after detailed discussion, it added.

Under the programme, it has been decided to do bulk of the work in Bangla from now on. Instruction has been issued to translate the ordinance, laws and rules in Bangla within the specified time.

It further said that necessary type writers will be procured and the typists, steno typists and writers will be given training in Bangla. Their training will have to be completed within six months to 18 months in phases. Bangla will have to be used in the inter-ministerial and internal communications. All communications with foreign missions and officials will also have to be made in Bangla, it said.

CSO: 4600/1577

REPORTER SAYS GANGES TALKS GETTING NOWHERE

Dhaka HOLIDAY in English 18 Feb 84 pp 1, 8

[Article by Jehangir Hussain]

[Text] The latest show of the Indo-Bangladesh see-saw drama, called the Ganges talks, has, as usual, just got nowhere.

The time already taken by the nerve-wrecking negotiations beginning early fifties is thrice the age of Bangladesh itself.

The two sides remained bogged down with the idea of augmentation of the dry season flows of the Ganges for last seven years.

The augmentation question brought the two countries to the negotiating table several times. The talks caused such strain at times that the two countries could not even sit across the table resulting in countless stale-mates and no progress.

The main issue--sharing the Ganges waters--has gone into the background.

India has been manoeuvring to pass on to Bangladesh the burden and responsibility of making up the shortage in the dry season flow of the Ganges created by India itself.

Exchange of Comments

The latest round of talks, the 26th one, started much later than scheduled on Tuesday last in New Delhi, and has been adjourned for resumption in Dhaka for another similar three-day exercise on March 29.

At New Delhi the two sides could only exchange their "comments," which they did several times in the past on the Nepal storage dam project of Bangladesh and the Brahmaputra-Ganges link canal scheme of India.

Although both the sides already know too well each other's mind and about the relative potentials or implementation problems of the two augmentation projects, they decided to resume the talks in Dhaka for their expressed need for further consultations on the two plans.

The news of the Ganges talks ending without progress, being adjourned or running into a stalemate no more creates surprises.

But the expressed need for further consultations and exchange of comments on the augmentation projects because of the long time already taken by such repetitive and even possibly irritating exercise can only produce a comic effect.

Formal and Informal Talks

After the adjourned meeting, the Bangladesh delegation led by Agriculture Minister Obajdullah Khan returned home on Friday night.

A Bangladesh delegation source said that besides holding the ministerial-level JRC meeting with his Indian counterpart Ram Niwas Mirdha, Obajdullah Khan also met Indian Prime Minister Indira Gandhi and Foreign Minister Narasimha Rao.

Mr Khan, according to the source, informed Mrs Gandhi about the latest situation on the Ganges. He is also reported to have expressed the need for continuation of the present Ganges sharing arrangement after it expires at the end of May.

At the formal JRC talks, the source said, the two sides, despite their willingness to continue the augmentation, discussions, gave time to new ideas about looking for alternative oppositions in solving the Ganges tangle.

The Bangladesh side, the source said, made its feelings clear at the JRC meeting that there should be no vacuum in sharing the Ganges water after the present arrangement expires two and a half months later.

Teesta

The source said that there was "some progress" at the irrigation secretaries. Teesta talks taht preceded the ministerial-level JRC meeting.

The irrigation secretaries agreed to set up three joint observation stations, one in the border and one each in India and Bangladesh for sharing the Teesta waters.

The two sides also agreed to set up a joint committee for monitoring the joint observations at the three stations and to frame the terms of reference for scientific studies of the ad-hoc sharing for finding out a long-term sharing arrangement. The committee is to initiate the scientific studies immediately.

The two sides, though scheduled to complete an agreement document for ad-hoc sharing of the Teesta waters by October last, is yet to come out with it.

It is difficult to predict where the Teesta sharing issue would be led to by the scientific-studies talks. Will it prove to Teesta what augmentation has become for the Ganges?

DHAKA, MOSCOW REPORTEDLY SEEK TO EASE STRAINS

Dhaka HOLIDAY in English 19 Feb 84 pp 1, 8

[Text] Bangladesh-Soviet Union ties appear to be recovering from the serious strains it suffered in November last year.

A Soviet proposal to continue trade deals with Bangladesh, preparations to post a new Bangladesh Ambassador to Moscow, and last but not the least, Deputy Chief Martial Law Administrator Rear Admiral M.A. Khan's attending of the state funeral of late President Yuri Andropov only confirm that the two countries are in search for a new relationship.

The developments in Dhaka in late November saw the ties taking turn for the worse. There was an apprehension in Dhaka as well as elsewhere that it will deteriorate further. This, however, has not happened--thanks to the restrained follow-up actions of both sides.

According to reliable sources, trade between Bangladesh and the Soviet Union almost came to a halt following the expulsion of 12 Soviet diplomats and two other officials from Dhaka in November on charges of what was officially told being involved in activities other than normally diplomatic. The Soviet Cultural Centre in Dhaka was also ordered to shut down at the same time.

There was no official announcement for the discontinuation of trade from any side but Moscow showed extreme reluctance to lift jute, jute goods and other items from Bangladesh under the existing barter trade agreement between the two. Authorities in Moscow also cancelled a scheduled visit of a Bangladeshi trade delegation to that country.

But the Soviet Union is learnt to have proposed to begin trade anew with Bangladesh last week. And normal trade exchanges are expected to be resumed soon.

It is widely speculated in Dhaka that Bangladesh is also planning to post its current Minister for Information and Broadcasting Syed Najmuddin Hashim to Moscow as ambassador. The former Bangladesh ambassador to Moscow M.R. Ahmed came back to the country in December on completion of his term and a new ambassador is yet to take the post. Syed Hashim's appointment will mean an upgradation of the Moscow post because of his standing. Hashim was also an

ambassador before becoming a minister. He accompanied Rear Admiral M.A. Khan to Moscow to attend the funeral of the late Soviet President.

Rear Admiral Khan's participation in the funeral ceremony of Yuri Andropov, however, is no surprise. A galaxy of world leaders, particularly western leaders, including the United States' Vice-president George Bush and British Prime Minister Margaret Thatcher was in Moscow to register their nations' condolences at the demise of the Soviet President. All of them, like the Admiral, also exchanged pleasantries and congratulated the new Kremlin leader K.U. Chernenko.

According to reports, while congratulating Yuri Andropov's successor Chernenko, the DCMLA expressed the hope that friendship and cooperation between the two countries will be strengthened further and the new Soviet party and state boss also expressed similar feelings.

Back in Dhaka, President and Chief Martial Law Administrator Lt General H.M. Ershad also went to the Soviet Embassy to sign the condolence book.

Whether these new developments will be matched by more pragmatic actions or whether internal and external forces or issues will continue to cloud the Bangladesh-Soviet relationship remains to be seen for future.

CSO: 4600/1590

DHAKA STUDIES FEASIBILITY OF BRAHMAPUTRA DAM

Dhaka THE BANGLADESH OBSERVER in English 19 Feb 84 p 1

[Text] Bangladesh started pre-feasibility study of the multi-purpose Brahmaputra Barrage at Bahadurabad from December last. The study will be completed by April next, according to a Joint Rivers Commission source.

The purpose of constructing this billion-dollar barrage on the Brahmaputra is to augment Bangladesh's part of the Ganges by diverting the waters of Brahmaputra. Besides, the barrage will help flood control construction of roads and rail links and run the gas line.

A Canadian team will visit Bangladesh in April to discuss the financing of engineering study of the project at a cost of six million U.S. dollars. During the visit of Prime Minister Mr Trudeau in November last, Canada assured financial help for feasibility study of the project.

Meanwhile, during the last JRC meeting in New Delhi Bangladesh formally informed the Indian side about this project. The Indian side did not object to Bangladesh's proposal for constructing the barrage, according to a source close to JRC.

Bangladesh is not obliged to inform India about the Brahmaputra Barrage which will be constructed within the territory of Bangladesh. But as a good neighbourly gesture Bangladesh wants to keep India informed about the project for a permanent solution of the water sharing problem between the two countries. Bangladesh will formally write to India about this project within a week's time.

Regarding the continuity of the present sharing arrangement of the Ganges waters, Bangladesh is learnt to have demanded the present arrangement for two to three years so that the feasibility study of the Brahmaputra Barrage can be completed. The present agreement expires in April this year. A recommendation to this effect is likely to be made at the summit level in the next JRC meeting in Dhaka scheduled to be held on March 29.

In the last JRC meeting Bangladesh side rejected the idea of link canal because of political and human factors. The canal will involve 25 to 30 thousand acres of land in Bangladesh and subsequent rehabilitation of thousands of families. Similar problems will be created in Assam. Similarly India persisted not to include Nepal in the augmentation scheme.

Under the situation the only alternative before the two countries is to work out a permanent sharing arrangement of the Ganges waters. It is learnt that India is promise-bound to make permanent sharing arrangement of the international river as upper riparian before commissioning the Farakka Barrage. Since the two possible alternatives for augmentation of the Ganges fell through as a good neighbour India should respond to the demand for a permanent arrangement for good relations between the two countries.

CSO: 4600/1591

ERSHAD MEETS CHITTAGONG HILL TRACTS TRIBAL LEADERS

Dhaka THE BANGLADESH OBSERVER in English 19 Feb 84 pp 1, 12

[Text] The tribal leaders of Hill Tracts area including Khagrachari, Rangamati and Bandarban districts met the President and Chief Martial Law Administrator, Lt Gen H.M. Ershad at Bangabhaban in Dhaka on Saturday evening, reports BSS.

During the meeting, the tribal leaders expressed their deep gratitude to the President for the third October announcement for the development of the tribal area and also general pardon for those who were misled.

They requested the President on behalf of the tribal people to extend the date of the pardon which expires on February 25 this year.

They expressed the view that the announcement had good impact all over the area and a number of misguided elements returned to their houses for leading a normal and peaceful life after realising their mistakes. Others are also thinking and taking preparations to get back to their homes.

An extension of date, they felt, would facilitate their return to the main stream to take part in development programmes.

With this end in view, the President told them that a special five year development plan was drawn up for the area which has been declared as a special economic zone.

He also mentioned about other concessions like reservation of quota for tribal people in higher education, free residential facilities for primary and secondary high school students, more employment opportunity and relaxation of age and qualifications for tribal candidates for employment.

Among the tribal leaders present were Babu Upendra Lal Chakma, Mr Maung Sheu Pru Chowdhury and Santi Moy Dewan. From among the surrendered Shanti Bahini leaders Mr Jotindra Lal Tripura alias Nirmal Babu Nalini, Ranjan Chakma alias Afuranta and Mr Remra Chai Marma alias Suiching were present.

From the Government side, the Home Minister Major General Abdul Mannan Siddiqui, the Chief of the General Staff, Major General Nuruddin Khan, the Zonal Martial Law Administrator, Zone "C" Major General AKdul Mannaf and the Home Secretary Kazi Azhar Ali were present.

CSO: 4600/1591

BEGUM ZIA ADDRESSES BNP EXECUTIVE COMMITTEE MEETING

Dhaka THE BANGLADESH OBSERVER in English 17 Feb 84 pp 1, 8

[Text] The extended meeting of the National Executive Committee of Bangladesh Nationalist Party (BNP), largest forum of the party, endorsed the five-point programme of the seven-party alliance and its programme of resisting upazila elections.

It also endorsed in a resolution the handing over of party chairmanship to Begum Khaleda Zia by Mr Justice Abdus Sattar.

The seven-party alliance led by BNP under the leadership of Begum Khaleda Zia is following identical programme of movement with 15-party alliance on the basis of five-point programme.

The extended meeting of BNP's National Executive Committee was the first such meeting after Begum Zia took over charge due to illness of party Chairman and after the split of the party, the faction led by Mr Shamsul Huda Chowdhury in February last year. Party Chairman Khaleda Zia inaugurated the meeting at 11 a.m. at the Institute of Engineers. The meeting continued for eight hours till 8.30 p.m. The meeting was also addressed by party Vice-Chairman Shah Azizur Rahman, Secretary-General Dr Badruddoza Choudhury, former ministers Mr Maudud Ahmed, Capt (Retd) Abdul Halim Choudhury, Mr Mowedul Islam. It was attended by members of the party's central committee, former ministers, parliament members, Presidents and Secretaries of organisational districts, subdivisions and thana units.

In her inaugural speech Begum Zia observed that the present political situation was alarming. She stressed the need for strengthening the movement for restoration of democracy and called for expanding the movement for the realisation of five-point demands up to thana level. The BNP Chairman called for making the hartal on March 1 a complete success.

Begum Zia in her written speech bitterly criticised the present Government's economic, industrial, educational, administrative and foreign policy. Terming this Government as "illegal," she observed that it has no right to hold upazila elections because parliament was the only competent body to decide such an important issue. She also held that by decentralising High Court judges the Government has lowered the prestige of the judiciary.

Regarding political dialogue the BNP chief said that they were not opposed to it but congenial atmosphere was not created for joining it. She felt the need of keeping the armed forces above politics.

Shah Azizur Rahman criticising the Government policy said that at present only economic activity in rural areas was elections. But late President Ziaur Rahman introduced politics of production through participation in canal digging and drive against illiteracy.

The former Prime Minister further said that the present Government was headed by a many faced man. Shah Aziz said when President Eishad goes to Gopalganj wears badge imprinted with picture of late Sheikh Mujibur Rahman and again while addressing the Chhatra Dal conference organised by BNP (Dudu-Nilu) he wore badge with picture of Ziaur Rahman.

Dr Badruddoza Choudhury, explaining the present political situation and polarisation said that there exists a triangle now. Government and the Jatiya Oikya Front exist in one arm, Awami League with components of 15-party alliance in another arm and BNP with its colleagues in seven-party combine in the third arm. He observed that in future there would be a confrontation between forces. He called upon the party workers to evaluate the situation and find out course of action.

Regarding those of the party men who joined Janadal Mr Choudhury said that by their departure the party has got rid of 'sins' and was strengthened. He further said that those quarters which term them as agents of Indo-Soviet axis was conspiring against the party.

At one stage when Mr Shan Azizir Rahman was requested to address the meeting, a large number of workers demanded that Mr Moudud Ahmed should speak first. Later Mr Moudud addressed the meeting.

CSO: 4600/1589

SHEIKH HASINA TELLS STAND ON DIALOGUE WITH ERSHAD

Dhaka THE NEW NATION in English 10 Feb 84 pp 1, 8

[Text] Awami League chief Sheikh Hasina asked President Ershad to quit Bangabhaban and come for a dialogue with the politicians if he is so interested in it. He is most welcome to have dialogue with us after leaving power, she added.

Sheikh Hasina said this in response to the repeated appeal made to the 15 and 7 party Alliances by the administration to participate in the dialogue.

It may be noted the Presidential Assistant Barrister A.R. Yusuf Wednesday renewed the administration's offer to the two alliances to take part in the dialogue. He indicated the dialogue will be reopened if they are interested in it.

The Awami League President, who was talking to ENA at her party office yesterday afternoon, said "we have intimated to the government our pre-conditions for the dialogue. We are not secretive about it at all."

Commenting on the just-concluded dialogue Sheikh Hasina said it was a sheer exercise in futility and hence of no political significance at all.

Making pointed reference to the political parties which participated in the month-long deliberations at Bangabhaban she said they have no link with the masses and therefore they are unable to articulate the wishes and aspirations of the people of Bangladesh. These parties in the course of dialogue stated what they were tutored to state. She said the whole thing was stage-managed and hence one needs not lend credence to it. In response to the Presidential Assistants, claim that backstage efforts are still continuing to bring the two alliances to the dialogue. She has said she has no knowledge of any behind-the stage endeavour. Let him disclose the name of the persons or parties with whom he is in touch in this regard, she said.

On the question of upazila polls, Sheikh Hasina said people will launch a massive constitutional movement to prevent it. The AL chief observed an individual has no right to decide on such a vital question as upazila

polls. She thought only a representative government can take decision in this regard. She reminded the administration of the consequences of the bye-elections sought to be imposed by Yahiya government on the people of Bangladesh during the War of Liberation.

Drawing the attention of those who are contemplating to submit nomination for the upazila polls, she asked them to take into consideration all aspects of the matter and carefully take decision in this regard. What is happening in this country at present is game of power politics. Let them not be pawns in the case board of power politics, she said.

CSO: 4600/1573

SHEIKH HASINA SPEAKS AT 15-PARTY ALLIANCE MEETING

Dhaka THE NEW NATION in English 15 Feb 84 pp 1, 8

[Text] Hasina Wazed, leader of the 15-party alliance, yesterday appealed to the people to boycott the forthcoming upazila elections and strengthen the hands of the opposition in early restoration of democracy in the country.

Addressing a meeting of the workers of the 15-party alliance in a local hotel on the occasion of the observance of the "Resistance Week" Hasina Wazed urged the government to hold parliamentary elections before other polls. She said country's political problems could be resolved if a sovereign parliament was elected and allowed to resolve the problems facing the nation.

She said the 5-point demand of the alliance reflected the hopes of the masses.

"We shall give blood, if necessary, to realise the demand," she told the rally amidst cheers and slogans.

The Awami League leader told the alliance workers to make March 1 countrywide hartal a success to bring an end to military rule.

Presided over by Mohammad Toaha of Samyabadi Dal the rally was addressed by over a dozen leaders of the alliance.

Sheikh Hasina said political stability in the country cannot be restored for so long the process of power transfer through guns continued. This unfortunate trend started in August 1975 with the killing of Sheikh Mujib. Stability can be restored by restoration of democracy, she added.

In her brief speech she said the day is not too far when the forces now opposing people's demand for democracy will regret and stand by them.

She gave a gloomy picture of the society which, she said, is beset with manifold problems spiralling price, unemployment and deteriorating law and order situation. She viewed that the administration has opened the flood-gates of repression and oppression.

Sheikh Hasina told the alliance workers to continue the movement for restoration of democracy even if she is not there indicating that she may be taken into custody in the wake of movement.

She regretted that General Ershad and his men are moving around addressing open public meetings keeping politicians within the four walls. They should be tried for violating their own laws, she added.

Baksal leader Abdur Razzaq held the martial law as the root of all problems and vowed that the alliance movement will continue till its end.

Calling for resisting the upazila election he said it aimed at perpetuating military rule in the country. "We shall oppose holding upazila election," he said. Those who will take part in it will be branded with the anti-independent forces, he added.

Mirza Sultan Raza, Syed Altaf Hussain, Maulana Abdur Rashid Tarkabagish and Nirmal Sen were among others who spoke at the rally.

They held that upazila election which has no constitutional basis, is aimed at perpetuating the martial law.

The rally adopted a number of resolutions calling for resisting upazila election set for March 24 and making March 1 hartal a success.

The function over, alliance workers attempted to bring out a procession. A heavy contingent of police posted in front of Eden Hotel chased out the the small group of processionists who were shouting various slogans.

Chittagong

Our Chittagong Bureau reports: The leaders of the local bodies of the 15-party alliance yesterday called upon the people to boycott and prevent holding of upazila polls.

They were addressing a meeting at J.M. Sen hall this afternoon. The meeting was organised in connection with the Resistance Week. The leaders observed that the upazila polls will help perpetuate martial law in the country.

Presided over by Abdul Mobin Bhuiyan of NAP (MB), it was addressed among others by Maulana Ahmedur Rahman Azmi of NAP (M), A.B.M. Mohiuddin Chowdhury of Awami League, Mr Kafiluddin of Baksal and Muruddin Zahed of JSD.

CSO: 4600/1587

15-PARTY ALLIANCE CLARIFIES STAND ON DIALOGUE

Dhaka THE NEW NATION in English 10 Feb 84 pp 1, 8

[Text] The 15-party alliance in a statement issued yesterday termed the fresh call by the government to the alliance as a bid to create confusion.

The alliance also described the claim of the government about the maintenance of its contact with the alliance as downright falsehood.

The alliance stated that it had never shown negative attitude towards the question of dialogue as it wants peaceful solution of the present political crisis.

ENA adds: The statement signed by Mr Rashed Khan Menon said, in the opinion of the alliance the dialogue which the government had with certain parties will have little political bearing and significance.

The alliance said that the government was aware that the announcement of holding the upazila elections while the dialogue was still on meant that the government itself was not serious about the dialogue.

The alliance said in its opinion the only way to resolve the present political crisis was holding parliamentary elections to bring an end to Martial Law.

CSO: 4600/1573

ADB DELEGATION HOLDS DHAKA PRESS CONFERENCE

Dhaka THE BANGLADESH OBSERVER in English 12 Feb 84 pp 1, 12

[Text] Asian Development Bank (ADB) is as much concerned as its aid recipient countries like Bangladesh about the problems causing slow disbursement of its aid funds. The issue has been related to formalities and procedural difficulties on ADB's part on hand and technical and other implementation problems on the part of the recipient countries on the other.

This was stated by the members of the ADB's Board of Directors at a Press Conference on Saturday at the Bank's resident office in Dhaka. The members of the Board on the conclusion of their weeklong "familiarisation" tour to Bangladesh pointed out that disbursements of ADB funds to the country (Bangladesh) were about only 30 percent of its commitments, a level quite similar to the case in other developing member countries of the Bank.

When asked why the situation could not be more favourable for Bangladesh as the only resident office of the Bank outside its headquarters in Manila was located in Dhaka with the obvious purpose of expediting the process for aid disbursements, the members of the delegation admitted that the disbursement difficulties could not be overcome owing to continuing procedural difficulties, technical complications and project implementation and management problems from "both sides."

Six Board members of the Bank out of a total of eight who were in the visiting team were present at the Press conference. They included Mr Hoon-Mok Chung (representing Republic of China, S Korea, Papua New Guinea and Vanuatu), Mr Kai Detto (Australia, Hong Kong, Kiribati and Solomon Islands), Mr R.C.W. Hamilton (Cook Islands, Fiji, Indonesia, New Zealand, Tonga and Western Samoa), Tunku Abdul Matin (Burma, Malaysia, Nepal, Singapore and Thailand), Kazi Fazlur Rahman (Bangladesh) and Mr Paul E. Koehling (Austria, Federal Republic of Germany and United Kingdom). Two other members of the team, Mr Donal R. Sheru (United States) and Mr A. Gill (Canada, Denmark, Finland, Netherlands, Norway and Sweden) had earlier left Dhaka.

Mr Song Chil Lee, chief ADB resident mission in Dhaka was also present at the Press conference.

Mr Paul E. Koehling, Executive Director of ADB who made the opening statement and most of the observations at the Press conference on behalf of the visiting team stated that "disbursement issue" was the most difficult and pressing one before the bank. While observing that the issue was under its close examination, he held out assurances in a general way rather than some improvement in the overall situation was possible through the combined efforts of the bank and the recipient countries.

Mr Koehling expressed the hope that the efforts on the part of Bangladesh Government to streamline the internal procedural arrangement in development administration would have some good impact on the overall disbursement of ADB funds to the country.

The members of ADB delegation noted that the Bank's commitment to Bangladesh rose to 274 million US dollar in 1983 from 224 million dollar in 1981. But disbursements totalled only 49 million US dollar in 1983 as against 34 million dollar in 1982 and 47 million in 1981, they said.

Giving a brief resume of ADB's lending operations tour, of its concessional Asian Development Fund (ADF) in Bangladesh, they pointed out that agricultural sector was the leading sector involving sixty percent of ADB commitments so far. The share of power sector has been around 20 percent, they added.

Asked about the prospects for more programme assistance which incorporates non-project assistance as well, Mr Koehling appreciated the difficulties of Bangladesh relating to Taka shortage problem. Bangladesh, he observed, was the major recipient of ADB's programme lending operations.

Asked about the ADB's lending operations for the private sector activities in the developing member countries, the members of the ADB team informed the newsmen that the issue would be high on the agenda in forthcoming meeting of the Bank. Replying to another question, the resident mission chief of the Bank in Dhaka said that any new credit line for industrial development banks for private sector investment financing would be considered after the technical studies and examination of project portfolio of Bangladesh Shilpa Bank (BSB) and Bangladesh Shilpa Rin Sangstha (BSRS) undertaken jointly by ADB. World Bank and KfW of West Germany would be completed by the end of the current calendar year.

Summing up their tour impressions, the members of the team said that their visit to ADB-aided projects in Chittagong and Khulna and their discussions with the Government leaders including President and Chief Martial Law Administrator had made them quite optimistic about the economic outlook of the country for the coming years. The country has tremendous potentials particularly in the agricultural sector through crop diversification and intensification, they felt.

The ADB delegation was also appreciative of the Government's development priorities and noted with satisfaction that the Government was serious about health and population sector. The members of the ADB team observed that the extensive use of natural gas would unfold new development potentialities for the country. They were in high praise for the present leadership and termed it as 'very capable one.'

The ADB team observed that the economy of Bangladesh was picking up now under the favourable impact of increased flow of remittances, growing reserves of the country's central bank and favourable terms of trade.

CSO: 4600/1576

REPORT ON BANGLADESH-BHUTAN COMMUNIQUE ON KING'S VISIT

Dhaka THE BANGLADESH TIMES in English 7 Feb 84 pp 1, 8

[Text] Bangladesh and Bhutan have reiterated their conviction that the structured regional cooperation in South Asia would lead to the strengthening of relations among the countries of the region and also contribute to the improvement of the quality of life of their peoples.

A joint communique issued on Monday at the conclusion of the three-day state visit of King Jigme Singye Wangchuck of Bhutan said that King Wangchuck and President and Chief Martial Law Administrator Lt Gen H.M. Ershad while reviewing the situation in the South Asian region expressed satisfaction over the launching of integrated programme of action for South Asian Regional Cooperation.

Expressing satisfaction at the steady growth of bilateral relations between their two countries, the two leaders expressed the view that there was considerable scope for strengthening and further developing cooperation between the two countries.

In this context, the two leaders noted with satisfaction that a trade protocol and an agreement on economic and technical cooperation were signed between the two governments during the visit of the King of Bhutan. They also emphasised the need for exchange of cultural troupes between the two countries as another step to promote understanding between their peoples. Both sides agreed to take further necessary measures in this direction, the communique said.

The President of Bangladesh and the King of Bhutan held discussions on wide ranging subjects covering bilateral relations, South Asian regional matters and international situation. The discussions were held in an atmosphere of friendship, cordiality and mutual understanding which characterise relations between the two countries.

The two leaders reviewed the current international situation and expressed concern at the escalation of international tension endangering peace and security in certain regions in particular and in the world as a whole. They reaffirmed the commitment of their Governments to the UN Charter and the principles and objectives of the Non-aligned Movement. They underscored the

importance of respecting the principles of sovereign equality and territorial integrity of states, inviolability of frontiers, non-interference in the internal affairs of other states, non-use of force and peaceful settlement of disputes as the guiding principles for conducting relations among states.

Communique said that--The two leaders expressed their deep concern over the situation in Afghanistan and Kampuchea and called for an immediate and unconditional withdrawal of foreign troops and for full respect of the independence, sovereignty and territorial integrity of these countries. They called for creation of conditions to enable the peoples of the two countries to determine their own destiny free from outside interference and intervention.

The two leaders reviewed the current situation in West Asia and reaffirmed their call for a comprehensive, just and durable solution of the problem on the basis of complete withdrawal of Israeli forces from all occupied Arab lands, including the holy city of Jerusalem, and the restoration of the inalienable national rights of the Palestinian people, including their right to have a state of their own in their homeland under the leadership of the PLO and the restoration of Jerusalem to Islamic sovereignty. They also condemned Israeli invasion of Lebanon, the atrocities committed there by the Israeli authorities and reiterated their call for an immediate and unconditional withdrawal of Israeli forces from Lebanese territory.

The two leaders expressed their profound sorrow over the continuing Iraq-Iran war and appealed to them for an immediate cessation of the hostilities and an end to the war.

Reviewing the situation in Southern Africa, the two sides reiterated their support for the inalienable rights of the people of Namibia to achieve independence in accordance with the relevant United Nations decisions and resolutions. They reaffirmed their continued solidarity with the heroic Namibian people in their legitimate struggle under the leadership of SWAPO, their sole and authentic representative. The two sides also rejected the linkage of the question of Namibia to any extraneous issues.

The two leaders condemned the abhorrent policy of apartheid practised by the Pretoria regime and reiterated their firm support to the oppressed people of South Africa in their heroic struggle for political, economic and social emancipation. They also condemned the repeated acts of aggression committed by South Africa against the frontline and other neighbouring states and expressed their admiration for the courage and fortitude displayed by these states.

The two leaders noted with concern that the Indian Ocean area had become a focus of great power rivalry. They reiterated their support for the 1971 UN Declaration on the Indian Ocean as a Zone of Peace and called for the early convening of the Conference on the Indian Ocean scheduled to be held in Sri Lanka.

They noted with concern the deteriorating world economic situation and the widening of the gap between the developing and developed countries. In this context they particularly called for the speedy implementation of the special measures already agreed upon by the international community in favour of the Least Developed Countries. They reaffirmed their commitment to the establishment of a New International Economic Order and also urged for intensifying meaningful efforts for South-South Cooperation.

The King of Bhutan conveyed his thanks to the President of Bangladesh for the warm welcome and the kind hospitality extended to him and the members of his delegation during their visit to Bangladesh.

King Wangchuk of Bhutan extended an invitation to President Lieutenant General H.M. Ershad to visit Bhutan at his convenience. The invitation was accepted with pleasure.

CSO: 4600/1571

PAPER REPORTS ON CLOSE OF POLITICAL DIALOGUE

Government Spokesman's Assessment

Dhaka THE BANGLADESH OBSERVER in English 8 Feb 84 pp 1, 12

[Text] The formal phase of the political dialogue between the Government and political parties ended on Tuesday which a Government spokesman claimed to be a "complete success."

Mr A.R. Yusuf, Special Assistant to the President told newsmen at Bangabhaban on Tuesday after the conclusion of the dialogue that judging from the formal discussions with leaders during dialogue and predialogue by presidential aides with leaders of other parties the President was able to know the minds of all political leaders. It may be mentioned here that presidential aides had separate meetings with leaders of 15-party alliance on December 28 and 29 at a Mintoo Road office.

Three political parties joined the dialogue on the concluding day on Tuesday. These are National Awami Party led by Mrs Selina Majumder, Front for National Solidarity led by Mr Shfiqul Haider Khan and United Republican Party headed by Mr Majedur Rahman Khan. Delegation of the Front for National Solidarity included Professor A.R. Choudhury of Dhaka University and Mrs Pervin Ahmed, sister of late Mohammad Ali of Bogra.

National Front for Solidarity leaders favoured holding of presidential election first and then parliamentary elections. They demanded holding of pparazila elections on schedule.

NAP (Selina) favoured holding of presidential and parliamentary polls together. They suggested lifting of ban on open politics with a mechanism to check violence.

National Front for Solidarity also held the same view on open politics. The Front congratulated President Ershad for showing courage in expelling Soviet diplomats. They also urged the President to make efforts to unite the nationalist forces to protect the sovereignty and integrity of the country which is according to them, an urgent need.

The United Republican Party favoured holding of all elections on schedule and opposed the demands for shifting upazila elections saying the country was in grip of election fever now.

Correspondent's Analysis

Dhaka THE BANGLADESH OBSERVER in English 8 Feb 84 pp 1, 12

[Text] If views expressed by the political leaders at the dialogue become the determinant factor for a government policy on political issues that would be far from a pragmatic approach. Of the 52 parties that joined the dialogue till Tuesday with President H.M. Ershad the majority of them are of unknown quantity. Most of them exist on paper only. Their views on national issues should therefore bear no political significance.

Among the leaders who met the President and carry some political weight are Mr Ataur Rahman Khan, Khondakar Mushtaque Ahmed Major (ret'd) M.A. Jilil Muslim League (T. Ali) and Janadal.

The political heavyweights like Awami League led by Sheikh Hasina Wazed and Bangladesh Nationalist Party led by Begum Khaleda Zia stayed out of the dialogue and insisted on the acceptance of their five-point demands as a precondition for joining the dialogue. Jamat-e-Islam and Islamic Democratic League (Rahim) also did not join the dialogue.

Any decision on national political issues having no support of these political parties will be difficult to carry through. One may have strong reservations about political parties named above, but the fact remains that Awami League and BNP are political forces to reckon with. It would be difficult to ignore their views.

One interesting point about the dialogue is the unanimity of view among all political parties on the lifting of ban on open political activities.

Main issues discussed at the dialogue were presidential and parliamentary elections, election of Chairman of Upazila Parishads. Only four parties favoured holding of presidential election first to be followed by parliamentary elections. Ten of the parties who took part in the dialogue suggested holding of presidential and parliamentary elections on the same day. Government sponsored Janadal demanded holding of presidential election first while Jatiya Jote led by Mr Ataur Rahman Khan suggested holding both the elections together. Jatiya Oikya Front led by Khondakar Mustaque Ahmed also favoured holding of presidential and parliamentary elections on the same day. A number of parties including Jatiya Janata Party led by M.A.G. Osmany did not express any opinion on this issue. Regarding upazila elections only four parties demanded holding it on schedule and two parties suggested postponement of Upazila elections.

President H.M. Ershad, however, declared that Chairmen of Upazila parishads would not have any role to play in the parliament. By this he tried to dispel rumours that Upazila Chairmen would automatically become members of the Parliament.

The President also informed political leaders that proposal for formation of Zila Parishads were getting serious consideration of the Government.

It may be mentioned that a number of 40 political parties joined the dialogue on the inaugural day on January 7.

CSO: 4600/1572

FIVE MORE SUBDIVISIONS MADE INTO DISTRICTS

Dhaka THE NEW NATION in English 16 Feb 84 pp 1, 8

[Text] Five more subdivisions were elevated into districts yesterday all over the country, reports BSS.

Earlier on February one 12 subdivisions were made districts.

The five new districts are: Narsingdi, Narayanganj, Gaibandha, Chandpur and Brahmanbaria.

DCMLA and Energy Minister, Air Vice Marshal Sultan Mahmud inaugurated Gaibandha district, Industries and Commerce Minister Shafiul Azam Narsingdi district, Local Government Minister Mahbubur Rahman Narayanganj district, Health Minister Maj Gen Shamsul Huq Chandpur district and Special Assistant to the President A.R. Yusuf Brahmanbaria district.

Gaibandha

DCMLA and Minister for Energy Air Vice Marshal Sultan Mahmud yesterday declared open Gaibandha as a new district expressing his confidence that it would fulfil the hopes and aspirations of the local people.

He said the new districts were being created as part of the government's programme to decentralise the administration in keeping with peoples' demands and aspirations.

The DCMLA told thousands enthusiastic people who gathered at the local maidan on the occasion that the policy of decentralisation aimed at activating the socio-economic life of the countryside and accelerating the pace of national development.

Narayanganj

Minister for LGRD, Cooperatives and Religious Affairs, Mr Manbubur Rahman yesterday inaugurated the Narayanganj district amid great enthusiasm and festivity.

Speaking on the occasion, the minister said decentralization and upgradation of administration had narrowed down the gap between the administration and the people. As a result the people and the government are nearer to each other with accountability to the people, he added.

Narsingdi

Mr Shafiul Azam, Minister for Commerce and Industries, yesterday called upon the people to be hard working, sincere and honest in their respective fields to achieve self-reliance in national economy.

Inaugurating Narsingdi Mahokuma as a new district, the minister said that the present government was determined to increase the national resources along with the development activities of the government.

Chandpur

Health and Population Control Minister Maj Gen M. Shamsul Huq yesterday called upon the people to give their verdict in favour of administrative decentralisation for building a happy future.

Inaugurating the Chandpur district the minister said that the present government's pledge for the restoration of democracy was a rare instance in the contemporary history. He outlined the steps taken by the government for transition towards democracy and development of the country.

Brahmanbaria

Our correspondent adds: Brahmanbaria--This subdivision was formally upgraded into a district today by Barrister A.R. Yousuf, Special Assistant to President and CMLA, Lt General H.M. Ershad at a ceremony at the local court premises.

Barrister Yousuf speaking on the occasion, that was witnessed by thousands of people, said that the upgradation of Brahmanbaria into a district would help boost production and other development activities.

He maintained that the responsibilities of the officials had also increased with the upgradation and called upon them to work hard to make the hard earned freedom of the country meaningful in all respects.

CSO: 4600/1588

MOST 1983-84 COMMODITY AID REPORTEDLY NOT ARRIVED

Dhaka THE NEW NATION in English 14 Feb 84 pp 1, 8

[Article by Jalal Nawaz]

[Text] Bangladesh is yet to receive 80 percent of the commodity aid committed by donors for the fiscal 1983-84, although 7 months of the year have passed.

So far, Bangladesh has received 121 million US dollars out of the committed 680 million.

The countries which have already sent the aid are Canada (44 million), Federal Republic of Germany (\$20 million), United States (\$19 million), United Kingdom (\$17 million), EEC (\$6 million) and OPEC (\$15 million).

According to a competent source, a total of 635 million US dollars commodity aid has been earmarked after a review of the Annual Development Programme and the authority expects that about 530 million US dollars will be disbursed by the stipulated time. But the World Bank is reported to have expressed pessimism about the achievement of the aid.

The World Bank is of the opinion that hardly 480 million US dollars could be disbursed by the end of the current financial year.

Experts are of the opinion that delayed disbursement will have a negative impact on the overall economic situation of the country because the commodity aid provides major funds for import trade operation and works as a main source of government revenue earnings.

Budgetary supply and other relevant constraints of the donors and delay in signing of agreements are learnt to be the main causes for delayed inflow of the aid.

The current fiscal year was launched with an aid flow of 3650 million US dollars, it may be recalled.

However, the flow of other kinds of aid--food aid and project aid--is reported to be satisfactory. About 70 percent of the total food aid commitment of 228 million US dollars was received during last 6 months. This excludes 25 million US dollars which had been in the pipe line from the last year's allocation. Bangladesh will also get another 15 million US dollars from Saudi Arabia excluding its formal commitment.

Of the food aid so far received, 65 million US dollars has been already disbursed during the first four months of the current fiscal year.

According to the source Bangladesh received 590 million US dollars out of estimated 1330 million US dollars as project aid during the first 5 months of the current financial year. But the trend of its disbursement is reported to be slow.

The concerned authority apprehends that the target of 600 million US dollars for public sector and 120 million US dollars for private sector may not be achieved. It is learnt that the major portion of the allocation for private sector will remain unutilized. It was expected that the bulk of the aid would be utilized after the handing over of Karnafuli Fertilizer Factory to the private sector, but the proposal was shelved by the government for the time being.

The projection at the beginning of the current fiscal year was made on the basis of expected commodity aid 680 million US dollars, food aid disbursement 230 million US dollars and the project aid disbursement of 1300 million US dollars.

It is learnt that the volume of the Annual Development Programme may be reduced after complete review.

CSO: 4600/1583

RISE IN PRIVATE SECTOR INDUSTRY IMPORTS REPORTED

Dhaka THE NEW NATION in English 19 Feb 84 pp 1, 8

[Text] There has been a substantial increase in private sector industrial import during the first half of the current financial year compared to the same period in the last financial year. During July-December period of the financial year 1983-84, licences worth Tk 450 crores have been issued for import of industrial materials for private sector industries. During the corresponding period last year import licences issued on the same head was to the tune of Tk 148 crores.

Import licences worth Tk 1736 crores have been authorised during the first six months of the current financial year against a total import size of Tk 3150 crores fixed for the whole year. During the same period last year import licences worth Tk 948 crores which was Tk 500 crores less than the projected amount for the period, were issued.

A smooth inflow of foreign exchange remittances and an exceptionally good export performance over the first six months of the current year significantly contributed in attaining the import target as projected for the first half of the year (Tk 1755 crore) despite contribution from commodity exchange and commodity aid to meet the import bill for the period was below expectation.

Of the total import licences issued, receipt of the private sector was estimated at Tk 891 crores in which commercial import licences amounted to Tk 274 crores and export performance licences (XPL) Tk 167 crores. During July-December last year, private sector import under industrial licences was Tk 148 crores, commercial licences Tk 182 crores and XPL Tk 94 crores only.

In the public sector import authorization during July-December period of the current year was to tune of Tk 845 crores in which petroleum products (energy) consumed Tk 472 crores.

The Wage Earning Schemes (WES) contributed Tk 618.50 crores in the projected import bill of Tk 1736 crores for the first half of the current year. Of Tk 618.50 crores contribution from WES source, Tk 210.50 crores was utilised for public sector import, highest since introduction of this source for import financing.

CSO: 4600/1592

BANK DELEGATION CONCLUDES SAUDI ARABIA VISIT

Dhaka THE BANGLADESH OBSERVER in English 20 Feb 84 p 1

[Text] Jeddah, Feb 19--A four-member Bangladesh Bank delegation has concluded six-day visit to the kingdom after holding a series of meetings with bank authorities in different cities, reports IINA.

Banking problems and the possibility of creating Bangladesh banking presence here were discussed.

Mr Lutfar Rahman Sarkar, Managing Director of Sonali Bank and leader of the delegation said "It's too early to say anything about initiating our banking presence in the kingdom . We only presented our views during meeting with Mr Hamad Al-Sayari, Acting Governor of Saudi Arabian Monetary Agency (SAMA)."

Mr Sarkar said the main purpose of the mission was to identify the problems faced by his country's nationals in respect of remittances. "Bangladesh receives dollar 625 million remittances from its nationals abroad of which a third dollar 220 million comes from Saudi Arabia."

Asked what problems his country's nationals have been facing, he said most of them complained of delays in reaching their remittances home and inadequate response from the local banks.

"Our delegations will come here every three months for follow-up works," he said, adding that all the authorities that the delegation called on had high praise for the Bangladeshi labour.

Asked about the investment incentives offered to his country's foreign exchange earners he said that they are offered very good interest on their deposits and the banks in turn make investments in the country's economic development.

Bangladesh ambassador Muhammad Mohsin said two new special housing projects have been initiated by the government for its nationals working abroad. Also big public sector industries are offering investment facilities to them, he added.

CSO: 4600/1593

PROJECT TO HOUSE LANDLESS STILL INCOMPLETE

Dhaka THE BANGLADESH OBSERVER in English 20 Feb 84 pp 1, 12

[Text] The clustered villages and cooperative farming project undertaken in the district of Noakhali is still in the cradle even after 10 years. The project was taken up by the Ministry of Land Reforms and Land Administration in 1973 to rehabilitate landless peasant families in the char areas of Noakhali.

According to the scheme 1400 families in seven clustered villages, 200 families in each village were to be rehabilitated. These families were selected and granted settlement on 2.50 acres of land per family on condition that the rehabilitated families in each village would form a cooperative farming. Out of 2.50 acres of land for each family 2.20 acres were given for farming and 0.30 acres for homestead. The allocation of land to all 1400 families was made in 1973 and since then no financial expenditure was incurred by the government on the project until 1981-82.

In December 1982 a revised scheme of the project was prepared and an area of 590 acres for each village was earmarked. In the revised scheme 68.50 acres of land for each village have been kept reserved for construction of cyclone shelter grazing field, graveyard and other common facilities. The common facilities among others, included one community centre, one mosque, hat bazar, one playground, one demonstration farm, one office for the cooperative society and necessary roads. The lands for the clustered villages were selected from the newly reclaimed char area in the coastal belt of Noakhali.

In all seven clustered villages were to be set up in Noakhali District. Of the seven, four are at Char Clark under Sudharam Upazila, one village at Char Poragacha under Ramgoti Upazila, one at Diara Balua under Companyganj Upazila and one at Char Dorbesh under Sonagazi Upazila.

The estimated cost of the clustered villages project is Tk 2 87 crore and was due to be completed by June 1985. According to the scheme the families are to be clustered in both the banks of water pools. Each village would have 20 tanks. Ten families are to be clustered on both the banks of each tank.

The Noakhali District administration was assigned the task of implementing the project. The Deputy Commissioner, Noakhali heads the programme and he is assisted by a Project Director and other staff.

The seven clustered villages would have 140 Tanks, 20 in each village. But so far 34 tanks were excavated and excavation of 13 more tanks were taken up till February this year.

Although 200 families are put on record in each clustered village, it has now appeared that some of the allottees have left the villages out of frustration since the government could not take up any positive work on the project during the last eight to nine years. The authority is now giving fresh allotment as the new problems have cropped up following departure of some old allottees.

When the correspondent visited Charporagacha clustered village under Ramgoti Upazila, some villagers alleged that many trespassers were enlisted as landless. Though the official salami for allotment of lands in village is Taka 500 per family, the genuine landless people are not getting it as the persons associated with the project are allegedly demanding Taka five to eight thousand for an allotment.

Following this underhand dealing the landless families are facing tremendous difficulties to get themselves rehabilitated in the clustered villages. This has also created touts in the project sites and the poor landless people are being exploited and harassed.

CSO: 4600/1593

DHAKA TEACHERS SCORE GOVERNMENT INTERFERENCE

Dhaka THE BANGLADESH OBSERVER in English 15 Feb 84 pp 1, 12

[Text] Interference in the autonomy of the universities, disregard for the national constitution, obstruction in free thinking and lack of a definite policy for effective functioning of the universities have all combined to pollute the academic atmosphere in the universities and colleges which culminated in the untoward incidents of February 14 and 15, 1983.

Expressing these opinions speakers at a meeting organised by the Dhaka University Teachers Association at the University Club on Tuesday maintained that the universities are essentially places of free thinking. In order to think freely, both students and teachers needed congenial atmosphere in the campus. The thoughts which are often anti-establishment in nature are not encouraged by the Government resulting in agitation. The speakers said that the number of days the Dhaka University remained closed last year was the highest since the independence of the country. There should be a policy of the Government be it military or civil, to ensure effective functioning of the universities without interference from outside, they said.

The speakers said that the internal and external problems of the universities have to be differentiated in the light of teacher-student relationship and student politics. The meeting was presided over by President of the association Professor Moniruzzama Miah while Professor Mohabbat Jan, Professor Sharifullah Bhuiya, Professor Mosharaf Hossain, Professor Abul Kalam Azad, Professor B. Zaman and others participated in the discussions.

CSO: 4600/1585

IRAN'S 'INSANE JOY' REGARDED AS 'PRELUDE TO TERROR'

Paris LE MONDE in French 6 Feb 84 p 2

[Article by Paul Balta]

[Text] Roissy, Wednesday, 31 January, 2200 hours: *Doroud bar Khomeiny!* (Long live Khomeyni!) The slogan swells like a drum roll in the corridors of Charles-de-Gaulle Airport. Never have employees witnessed such an unusual sight: In an overheated atmosphere, some 300 Iranians hoist the portrait of Ruhollah Khomeyni, a giant reproduction of the cover of a French daily with the headline "The Man That Made the West Tremble!" The whole ambiguity of the Iranian revolution, which is not yet "Islamic," resides in this microcosm: mullahs in their black kaftans and turbans, members of Mossadegh's National Front, followers of thinker Ali Chariati, members of the Tudeh (communists), supporters of guerrilla movements, Marxist-Leninist leftists: All have come to hail the religious leader who is returning to Tehran after 16 years in exile. Every group chants its slogan before shouting in unison: *Doroud bar Khomeiny! Allah Akbar!* (Long live Khomeyni! God is great!)

It is nearly midnight when the Ayatollah arrives, surrounded by enough policemen to do honor to a chief of state, coming from the modest house in Neauphle-le-Chateau where he has lived since October. His expression impenetrable, white beard, black eyebrows, cold eyes, he is accompanied by his family: his wife, son and son-in-law -- his two closest advisers -- his grandchildren and some 50 faithful followers who followed him during his tribulations from Turkey to Nejef, the Shiite holy city in southern Iraq. He thanks "the French people" before proceeding to the first-class section of the Air France jumbo jet where he will sleep and ask that the stewardesses be made to leave. They retire to the tourist cabin, where the duty-free sale of alcohol and cigarettes has been banned by religious officials.

"Welcome, Guide!"

Some 150 newsmen board the plane with the Ayatollah, far fewer than the plane could hold. This precaution is to allow the pilot of the lighter craft to have enough fuel to return if prevented from landing in Tehran. Mohamed Reza Shah had left Iran on Tuesday, 16 January, carrying a handful of soil, as if knowing he would never return. Since that time, his last prime minister, Chapour Bakh-tiar, has opposed the return of the Imam. On 24 January, the army occupied

the Tehran-Mehrabad airport and halted traffic. Finally, under popular pressure, Bakhtiar softened his position, but no one could rule out a military outburst and tension on the airplane runs high.

An hour before landing, the Imam, wearing Turkish slippers, returns to his seat after saying his prayers. A number of newsmen are authorized to speak to him. Leaning toward the porthole, he watches the scenery below with a meditative look. I asked him what he would feel when setting foot on his native soil. He recognized me (I had already met him twice), hesitated and then replied: "Nothing," the only word he would speak.

Tehran, Thursday, 1 February, 0830 hours. The airplane landed at a deserted airport. Military vehicles were in position. Ayatollah Taleghani, religious leader of Tehran, came aboard and deboarded with the Imam. They proceeded to the VIP lounge, bursting at the seams with people, and were greeted by an interminable ovation. The Imam thanked "all classes of the nation, the deprived, the *Bazaris*, university students, workers and peasants, who have demonstrated extraordinary courage in the fight."

Then, in that nasal monotone so unmistakable since millions of cassettes have illegally broadcast it throughout the country, he reviewed his program: "We have overthrown the Shah, but that is but the first stage. We still have a long road ahead of us. The Pahlavi have destroyed everything. We are facing a blank page. We want to destroy the existing system and establish another regime with a different content and different forms. I ask all the Muslim people to preserve their unity. That is the secret of our success."

Then began the first of the 12 mad days that would see the fall of the 2,500-year-old monarchy, the collapse of the fifth largest army in the world and the crushing defeat of the United States which since 1951 had made Iran the "gendarme of the Gulf." From the airport to the center of the capital and from there, to Behechte Zahra (30 kilometers), renamed "Martyrs Cemetery," a human ocean could be seen: 3, 4, 5 million? Everyone wanted to see the Imam, greet him, thank him, touch him. The 40,000 members of the Islamic Service of Order, often overwhelmed, had difficulty protecting his car. Only the invocation *Allah Akbar* could momentarily restore calm, including among the Marxist-Leninist fedayeen, who hoisted red flags bearing the hammer and cycle.

The crowd chanted: "Islamic Republic, Yes; Monarchy, No!" "Yankee Go Home!" "Welcome Home, Guide!" "Your Coming Marks the Beginning of the Islamic Republic!" In the spring sunshine, Iranians on foot, riding scooters and motorcycles, in cars, went to the cemetery. At 1420 hours, a military helicopter brought the Imam to the heart of the biggest gathering in history. He took his place on a chair placed on a platform, surrounded by dignitaries in suits. Two children intoned verses from the Koran.

Once again, in simple, effective terms, this satanic holy man condemned the monarchy, hammering home a theme dear to the Shiites: "The martyr is at the heart of history," and spelled out his short-range plan: "These people shout and repeat that they do not want the Pahlavis and their illegal regime. This government and this Parliament are also illegal. I will bring all these

people before the courts that I shall form. I will call on the soldiers to rejoin the ranks of the people."

A political animal, he knows that a military putsch is possible, that he has not yet won. This revolutionary addicted to the past and imbued with the thought of the first century of the Hegira (7th century) is reassuring: "We are not against television, movies, modernization, but we are against imperialism. We are not against the freedom of women, but against prostitution. We are not against cooperation with other countries, but we want to be the masters in our own home. I shall appoint a government and the people will elect a constituent assembly."

"The People Chose Me"

After winning, the Savonarola of Islam will withdraw on 1 March to the holy city of Qom and there his tone will harden: "We are going to destroy the vestiges of the West that have ruined us and build the country of Muhammed. We will not say Democratic Islamic Republic because 'democratic' is a Western word. We shall simply say Islamic Republic. Islam guarantees freedom." But the vice was already clamping down on the media. No longer would the pill be sold and wearing of the chador would be strongly recommended until becoming practically obligatory following the 31 March referendum that turned Iran into an Islamic republic.

Monday, 5 February. In contrast with the inflated solemnity of the imperial regime, the theater of the Alavi School near the Majlis (Parliament), where Khomeyni has set up shop in the heart of Tehran, serves as the backdrop for the enthronement of the Islamic prime minister whom the Imam will pit against the imperial prime minister. Bakhtiar bases his power on the 1906 Constitution? Well then, the Imam, who finds it too "Western" and who grants it little credit, explains that his move does not contradict it because it stipulates that "the people are the source of power." "Now then," he says, "through their demonstrations and the number of their martyrs, the people have chosen me as their leader and religion authorizes me to act as I am doing."

A mullah then reads the decree, in the form of an imperial *firman*, naming Mehdi Bazargan head of a provisional government. Thin, curt, bald, chiselled, harsh features, a wispy white beard, this septuagenarian engineer trained in France is a modernist Muslim. A veteran of Mossadegh's National Front, he has also been Bakhtiar's friend for over a quarter of a century. The choice of this reformist is the best possible one. He will calm the alarm of the West and sooth the distrust of the nationalists, secular members of the university and all democrats revolving around the Iranian Association for the Defense of Human Rights and Freedoms created by Bazargan and a few friends. On the other hand, the choice worries the radicals, the Mojahedin Khalq (Muslims) and the Fedayeen Khalq (Marxist-Leninists). The Imam takes no notice of them. The honors they won in the armed struggle in the Siakhel Forest against the Shah in no way change the fact that they are a minority. He will later set about eliminating them!

Wednesday, 7 February. The test of strength tightens between Bakhtiar, whose sole support comes from the army, and the religious leaders, who have secretly allied themselves with its leaders. The prime minister receives us in the sumptuous office once set up by Amir Abbas Hoveida: thick upholstery, leather armchairs, sophisticated furniture. The Shah's picture behind the desk already looks anachronistic, but he himself does not appear to be aware of the imminent perils awaiting him. He emphasizes that he has granted the people all they wanted: the departure of the Shah, the release of political prisoners, freedom of the press, the fight against corruption, dissolution of SAVAK (political police).

Familiar with Gide and Valery -- he has lived in France -- he uses a refined, sometimes flamboyant, language: "Khomeyni wanted all that. I have done it, but I say no to his archaism. He is an ignorant, jealous man. He does not want to hear about Mossadegh although it was he who nationalized the oil! This reactionary is a no-sayer, a destroyer." (LE MONDE, 9 February 1979) Our interview ended with a revealing exchange:

"Are you not afraid that your language is suicidal?"

"Why? I am right."

"Probably, but the revolution is in the streets and they number in the millions."

"They are hooligans. If I can hang on 6 months, the eyes of the people will be opened. They will see that Khomeyni has perhaps done more damage than the king to our economy."

"But are you sure you will have 6 weeks, even 6 days?"

The prime minister was astonished: "Why? It is that grave?"

Thursday, 8 February. At the appeal of the Imam, the people once again go out into the streets at the cry of *Marg bar Bakhtiar!* (Death to Bakhtiar!) Since "black Friday" (8 September 1978), when the army fired on the crowd, and "red Sunday" (5 November); which began the cycle of riots in Tehran, it would be the last of the gigantic processions which, each in its own way, formed a decisive step in the rebellion of a bare-handed people.

Uprising

In Tassoua on the eve of the great Shiite mourning of the Achoura commemorating the martyrdom of Imam Hussein on 10 December, came the "cortege of protest" authorized in extremis by the Shah on the condition that his name not be decried. On 11 December, it was followed by the "cortege of defiance." The crowd, which had wisely paraded for 8 hours the evening before as far as the Chahyad Arch of Triumph (13 kilometers from downtown) was even larger and, now rebellious, had changed *Marg bar Chah* (Death).

At Arbaine (40 days after Achoura) in mid January, following the departure of the Shah, came the "cortege of the first victory" and for Khomeyni's return, the "cortege of lyricism." That Thursday was the "cortege of the revolution": The slogans were harsher, more political, and larger numbers of demonstrators were in mourning or wore white ribbons around their heads to signify that they were willing to die as martyrs. The climate was revolutionary.

Saturday, 10 February. At 2230 hours the night before, the *Djavidan* (immortals) of the Imperial Guard gave the signal for the uprising without realizing it. They went in seven trucks from the Saltanabad barracks to "correct" the *Homafars* (Air Force technicians), guilty of watching Khomeyni's return on television. The intense shooting continued until dawn. Unarmed Homafars braved the machine guns that decimated them and, shouting "God is great!" reached the Djavidan, whom they strangled with their bare hands. A clamor went up in the city. Residents of the district constantly chanted "God is great!" as the fusillade resumed.

By 0900 hours, the Fedayeen Khalq had rallied 100,000 persons at the university for a political parade. Messengers suddenly stood out shouting: "It is a massacre! The army is firing!" The crowd spread out in the street. Seasoned members of the guerrilla movements would be the spearhead of the insurrection, which caught Khomeyni off guard, as he had banned the use of arms. The time of the *djihad* (holy war) had not yet come. The others occupied strategic points. Barricades went up throughout the capital. Martial law was proclaimed over the radio and a curfew at 1630 hours. The "pirate" radio of the religious leaders quickly denounced these "illegal and illegitimate" measures.

1630 hours. The sun beat down. The feverish city defied the curfew. As if obeying a watchword, streets, city squares and avenues were covered with flowing fires. The burning tires gave off a thick, black smoke, forming a protective screen and a rallying sign. No district escaped the rioting. In the night, police stations were attacked, looted and burned.

Sunday, the 11th. By 0500 hours, some 50,000 persons had surrounded the weapons plant near Place Jaleh, where the massacre of Black Friday took place. Those under attack know that if they fire, they will not be able to prevent the crowd from attacking and murdering them in turn. They debate and give up in exchange for their lives. Then came the rat race. Hastily joined by mullahs in their kaftans, wearing machine guns, members of the guerrilla movements carry off the weapons to protect them, but using a few to attack other targets. Messengers on scooters act as liaison and issue watchwords passed by word of mouth: "To the radio station!" "To the military police!" Barracks, administrative buildings, imperial palaces fell one after the other.

Monday, the 12th. In its first bulletin, the radio read a communique from the Fedayeen Khalq announcing that they controlled the airport. The last day of the "three glorious days" was devoted to putting down the last pockets of resistance of the supporters of the Shah. A race immediately began between the religious leaders and the other political movements. But the former are shrewd enough to immediately take the centers of power: police, SAVAK, media, justice.

Purge

In less than 20 days, the climate deteriorated considerably. Khomeyni announced that the "criminal Bakhtiar" had fled abroad. The purge of the army began. Military men and politicians were summarily tried and executed immediately on the rooftop of the room where Khomeyni slept, for fear that in speaking, they might compromise religious leaders who collaborated with the old regime! Revolutionary committees flourished led by mullahs known to be "conservative" but suddenly stricken with disturbing activism. Young people caught drinking were flogged, the cellars of the great hotels looted and homosexuals shot. Ethnic and religious minorities became afraid. Intellectuals grew worried.

One writer told us at that time: "We did not get rid of one monarchy to swap it for a 'mullahrchy'!" This play on words became popular but the peccadillo, added to others, caused its author to be thrown into prison, from which he emerged only recently. An occult power was established. Religious leaders patiently took power by systematically eliminating all their political rivals, beginning with the weakest one. Masser Pakdaman, one of the most lucid intellectuals, pressed the issue and prophesied at the time: (LE MONDE, 2 March 1979): "If we continue down this path, the country will move toward a fascistic populism."

See: "La Terre A Bouge en Iran," by Billes Anquetil, Hachette, Paris 1979; "L'Iran Insurge," by Paul Balta and C. Rulleau, Ed. Sindbad, Paris 1979; "Iran: La Revolution au Nom de Dieu," by C. Briere and P. Blanchet, Seuil, Paris 1979; "La Chute du Chah," by Fereydown Hoveyda, Buchet-Chastel, Paris, 1980; "Khomeiny et sa Revolution," by Mohamed Heykal, Ed. Jeune Afrique, Paris, 1983.

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CSO: 4619/21

SPORTS STADIUM REPORTEDLY CENTER FOR MILITARY TRAINING, INDOCTRINATION

London AL-DUSTUR in Arabic Nos 318-319, 26 Dec 83 pp 14-15

[Article by Dr 'Ali Nurizadeh: "The Gulf: An Exciting Investigation of a 'Base' for Launching Terrorists"]

[Text] Manzariyeh has a beautiful garden in north Tehran situated near "Tochal" Mountains in the Nayafaran area. The late Shah's father presented it to the Kashfiyeh Club, and for half a century the club has been holding festivals, ceremonial occasions and meetings there.

The Imam came and the Kashfiyeh became the filthy work of Satan. The Kashfiyeh Club's properties, including the Manzariyeh garden, were confiscated. The garden's gates were closed at the end of 1981 when Ayatollah Montazeri gave it to the brother of his son-in-law Hojjat ol-Eslam Mahdi Hashemi for his personal use. It must be said that Hashemi was as notorious as Khomeyni before the revolution because of an atrocious act he committed that shook up Iranian society.

Hashemi was Montazeri's agent in Isfahan in 1975. He used to preach at mosques and collect the khams [taking one-fifth of the people's property as a tax] and charity contributions for Montazeri and Khomeyni. However, because of his private life the Isfahanis did not trust him, especially when he published a book in which he claimed that the Imam Hoseyn did not fight in Ibn Ziyad's army because of his faith in God and in his mission. Rather, he fought out of love of power. This book was criticized and one of the leading ulemas of Isfahan the great Ayatollah Shamasabadi charged Hashemi, Montazeri and their supporters with infidelity.

Hashemi disappeared for a week and at 5:30 am one winter day went with some of his followers to Ayatollah Shamsabadi's house in the village of Qahderijan in a southern suburb of Isfahan. When the ayatollah, his wife and a friend emerged to perform the morning prayer in the mosque, Hashemi and his followers seized them and took them out of the village. After torturing and killing them, they decapitated them and cut off their feet and then fled to the city of Najafabad, but within a week of the atrocity the authorities captured and tried them in the Supreme Criminal Court of Isfahan. The sessions of the trial were a vivid example of the history of justice in Iran. After sentencing Hashemi, his brother (Montazeri's son-in-law), and five of his followers

to death, the judge sent them to the central prison in Isfahan until he set the date for the execution. But Hashemi and his followers were lucky. For the historic events in Iran began and in his desire to gain the mullahs' good will, the shah ordered a stay of execution. As a result, the gates of the prison were opened and the criminals and murderers released among them Mehdi Hashemi and his followers. Because of his relationship to Montazeri, Hashemi became the latter's private secretary. However, after the rise of the Islamic Republic Party and the murder of Montazeri's son Mohammad, one of his positions--the presidency of the Center for Relations with Liberation Organizations--was assigned to Mehdi Hashemi. He was also given the Manzariyeh garden for use in training what was called the "vanguard of liberation forces in the Arab and Islamic countries."

During the last 2 years the Manzariyeh garden has become a center of the "Alamut" craft. Despite the fact that Hasan al-Sabbah lived in the same stronghold with his followers while Khomeyni does not live with his disciples in Manzariyeh, Khomeyni's palace in Shemran is no more than half a kilometer from the garden. Khomeyni would frequently visit the streets and gardens of his earthly paradise and describe for the youth being trained in the garden ways of reaching paradise, sometimes by blowing themselves up, like the hashashiyin [Sect of hashish addicts] who used to hurl themselves to destruction from the "Alamut" stronghold, and sometimes by other means such as viewing his face or kissing his hand.

More than a thousand youths from 20 Arab and Islamic countries now live in Manzariyeh under the supervision of Hojjat ol-Eslam Mahdi Hashemi. Five thousand young Iranians, the oldest 17 years of age, are being trained in another part of the garden to be sent every month to the battlefields to walk over the mines and reach "paradise." The only difference between the Iranian youths being trained as kamikazes and the Arab and Muslim youths being trained the same way and in the same place is the difference in goals and missions. The Iranians are wanted by the regime for the fronts with Iraq while the non-Iranians are wanted for foreign assignments and destabilization of Arab and Islamic countries.

Young Arabs and Muslims are selected by Khomeyni's embassies abroad. When the former Iranian charge d'affaires in North Yemen announced that he was defecting, seeking asylum in Britain, and joining the National Resistance Movement led by Shahpur Bakhtiyar, he said one of his tasks in Yemen was to make contact with Muslim youths and entice them by promises and financial aid and then arrange visits to Tehran through granting unauthorized transit visas to facilitate their leaving Yemen. He disclosed that Khomeyni's embassy in San'a sent 54 young Yemenis to Iran during the last 9 months he spent in Yemen. These youths returned to Yemen after undergoing training in Manzariyeh.

The training programs last 3 weeks during which time they meet with the regime's leaders and start to take pills or the "martyrdom potion." Actual training begins 3 weeks later. It involves both training in the use of weapons and explosives and attendance at ideological indoctrination sessions, and most important of all, it is in Khomeyni's "Alamut" stronghold. The first lesson given the Arab and Muslim youths in the ideological sessions is

how to cast off their nationality. For example, a Muslim youth from Kuwait is told:

Question: Who are you?

Answer: I am Husayn al-Fulani.

Question: Your nationality?

Answer: Kuwaiti.

The teacher then says to the young Kuwaiti: You are Hoseyn and your nationality is Islam and your imam is Imam Khomeyni in whose heart shines the mission.

Your future is in his hand. He is the ultimate key.

Many young Arabs and Muslims are fearful the first few days after entering Manzariyeh, but the trainers soon captivate them.

Every day, early in the morning, the sirens sound awakening the young men. They leave their rooms to pray, but first they perform what is called the dawn prayer, the literal text of which is:

"Peace be on you O Adam God's chosen one, peace be on you God's prophet, peace be on you O Abraham God's friend, peace be on you O Moses God's spokesman, peace be on you O Muhammad God's prophet, and peace be on you O Khomeyni God's spirit!" Reflect on it!

The programs then begin and after 8 weeks those who pass the test receive a diploma signed by Khomeyni himself. The test is not merely a set of questions and essays. It also includes a practical test that must also be passed.

In the practical test the trainer gets to know how concerned the hashish-using feda'iyeh is about the idea of death. After the young man receives a diploma, he is brought back to his native land by a special route. He then has to keep in constant touch with Khomeyni's embassy in his country until he is chosen and drugged to face his fate. In the Iranian embassy is a special section controlled by a group of Khomeyni's followers who possess large quantities of pills and "martyrdom potions," bombs and explosives. When the time comes, the terrorists are contacted by the martyrdom school which explains to them their assignments and gives them pills, bombs and keys to the gates of paradise.

This is an accurate summary of what happened in Beirut and Kuwait.

Hasan al-Sabbah used to claim that he grants life to whomever he wishes and denied it to whomever he wishes. But Ayatollah Khomeyni has a much easier task. He is content with capturing souls, and he doesn't grant life to anyone!

5214

CSO: 4604/11

RAIL CONNECTIONS AGAIN RESUMED BETWEEN USSR, IRAN

Helsinki HELSINGIN SANOMAT in Finnish 29 Feb 84 p 31

[Text] Freight transport from Finland to Iran by rail through the Soviet Union has resumed after a three-month halt. At the beginning of February, with a great number of freight cars backed up, the Soviet Union prohibited all traffic in its Julfa border station from crossing into Iran.

At this moment, it is still unclear how many freight cars daily from Finland will be allowed to go through the Soviet Union to Iran in March. The Soviet Transportation Ministry has sent a note to Finland stating that next month 300 cars with [Finnish] freight could be accommodated. In addition, the note requested that nearly 400 [additional] cars be allowed to pass through Finland with transit goods.

"We have not yet been able to reply to this note," stated Transportation Inspector Kalevi Aikas of the Railroad Authority on Tuesday [28 February].

The ban on loading freight destined for Iran was issued on 4 February, and the border was closed two days later. Departure of railroad cars was able to be resumed last Saturday.

Cars are now being sent according to the February quota: 12 cars daily with Finnish freight and 18 cars with transit goods. The greatest part of the traffic goes through Niiala in Finland into the Soviet Union at Vyartsilya.

The main products exported from Finland to Iran are paper and lumber goods. Some 90 percent of our total exports to Iran in the winter passes through Julfa. Bans on loadings have been previously issued, with transport generally being halted for two weeks to a month.

CSO: 3617/108

REPORTER COMMENTS ON CONDITIONS PREVAILING IN IRAN

Auckland THE NEW ZEALAND HERALD in English 8 Feb 84 p 6

[Article by Gwynne Dyer]

[Text] More modest political dogmas seek to guarantee everyone "life, liberty and the pursuit of happiness," or to spread the dictatorship of the proletariat over the whole world, but the Islamic republic of Iran has no truck with half-measures.

"The aim of government," the constitution firmly states, "...is the establishment of a divine order."

Five years after the revolution that overthrew the Shah (February 11, 1979), however, the divine order in Iran is still distinctly provisional.

As long as the war with Iraq lasts, patriotism and the Shia cult of martyrdom make the new order unassailable.

At Behesht-e-Zahra, Teheran's main cemetery, the graves of "martyrs" killed in the war stretch away into the distance, and the water spurting up from the fountains has been dyed blood red to emphasise the lurid cult of the dead that grips Iran.

Daily life is still distorted by the oppressive attentions of licensed zealots. "Islamic Sisters" are installed in the entrance halls of many office buildings, for example, to pull on the eyelashes of female employees (to make sure they are genuine) and to catch any brave enough to wear make-up.

'Godless Idiot'

Men like Assadollah Lajevardi, the "revolutionary prosecutor" of Teheran, still wield much power. He has personally ordered the execution of at least 3000 people, usually after extensive torture, and it was he who had the bright idea of draining the blood from death-row prisoners for use as plasma.

It was also Lajevardi, in a recent interview, who referred to Joseph Stalin as "that godless idiot who killed 60 million in the service of his stupid socialism," and added: "Isn't Islam worthy of a similar tribute to its grandeur?" The revolution has not run out of hatred yet.

Nevertheless, it is five years old, and it has developed an array of institutions and vested interests like any other regime.

The phase of revolving-door governments, praised one month and denounced or blown up the next, is long past; President Ali Khamenei and the Prime Minister, Mr Hossain Mousavi, have now been in office for two years.

Moreover, beneath the obligatory layer of Islamic rhetoric that coats every issue, it is now possible to discern groupings within the Government that satanic foreigners would describe as radical and conservative.

Keeps Distant

The Islamic radicals from civil life and the lower clergy regularly run up against the resistance of the landlords, the bazaar merchants, and their allies in the higher clergy.

Ayatollah Khomeini himself is basically on the side of the radicals when he deigns to take notice (and provided they can defend their wishes with sound Islamic arguments).

But he keeps himself distant from the everyday work of administration, and few revolutions have had less effect on the economic structure of society after five years of untrammelled power.

The urban poor who were the foot-soldiers of the revolution still idolise Ayatollah Khomeini, for they are cushioned from severe hardship by Iran's oil-fuelled welfare state and fired by wartime patriotic ardour.

But their real situation has scarcely changed at all economically, and neither has that of the peasants. It raises some serious doubts about the future of the Islamic republic after the war ends, and especially after Ayatollah Khomeini dies.

The Ayatollah is 83, but he seems in reasonable health and he comes from a long-lived family: His elder brother is still going strong at 95.

CSO: 4600/405

END