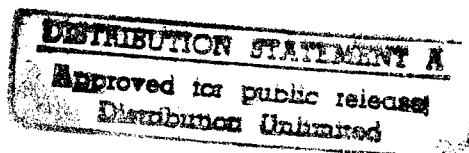


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20 March 1984

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INTERNATIONAL AFFAIRS

BRIEFS

DRUSE STUDENTS IN LEBANON--Twenty Druse between 15 and 23 years old have left to study at Lebanon's al-Biyadah college, considered the premier Druse religious institute in the Middle East. The military authorities in the north agreed to let the Druse go at the request of Druse spiritual leader Shaykh Amin Tarif, who completed his own religious studies there over 60 years ago. The students will study for a 3-month trial period and will then decide whether to stay on or return to their homes. [Text] [TA260754 Jerusalem THE JERUSALEM POST in English 26 Feb 84 p 2]

CSO: 4400/179

DMI INVESTMENT ACTIVITIES REVIEWED

Cairo AL-AHRAM in Arabic 17 Jan 84 pp 4, 11

[Article: "Facts and Figures From DMI's General Assembly on DMI's Expanded Economic Activity to Bolster Islamic Economy"]

[Text] London--Last December, the General Assembly of Dar al-Mal al-Islami [DMI] held its annual meeting during which it discussed the annual report for the fiscal year ending on 30 November 1983. The Assembly was held under the chairmanship of His Highness Prince Muhammad al-Faysal Al Sa'ud, the chairman of DMI's Board of Directors. The meeting was attended by the founders and shareholders from the various Islamic countries, by the Board of Directors, by the chairman of the Legal [Religious] Control Committee and by Arab and foreign journalists, media people and news agencies.

The Legal Control Committee presented its report to the General Assembly members, saying in this report that the investment activities, projects and installations undertaken by the DMI have come within the framework of the rules of the magnanimous Islamic Shari'a, that the investments had been presented to and approved by the Committee and that the investments are founded on the DMI's patterned contracts already approved by the Committee.

After reading the report of the Board of Directors to the participants, they approved all its contents unanimously and expressed their thanks to the Board of Directors and management of the DMI for the efforts they have exerted and continue to exert in order to develop the DMI for the good of the founders and participants and for bolstering the Islamic economy and the welfare of the Islamic nation.

The General Assembly meeting was opened with an address by His Highness Prince Muhammad al-Faysal al-Sa'ud, the chairman of the Board of Directors, who pointed out the great progress achieved by DMI in all spheres in its second year [of existence]. Discussing these spheres in detail, his highness said:

DMI has continued its program to develop the Islamic means capable of establishing a financial system that can respond to the Islamic nation's needs. DMI has also developed additional means for investment, banking and insurance [al-takaful]. These means were developed very carefully by a team of experts

from DMI and have been ratified by the Board of Directors after being approved by the Legal Control Committee.

These means make it possible to invest the Muslims' savings in activities beneficial to them in the spheres of short-, medium- and long-term loans compatible with the magnanimous Islamic Shari'a. Recently, a number of insurance programs have been introduced among the Muslims so that participants may have the opportunity to benefit from the insurance by sharing the risks while their monies are being invested in an Islamic way.

The network of operational Islamic financial establishments has extended to the Gulf, Egypt, Sudan, Guinea, Senegal and the Niger. Some commercial activities and projects have been financed in Nigeria and we have also advanced financing to Upper Volta and Mali.

The contacts with the officials of other West African countries have produced a constructive dialogue, and a high-level understanding has been reached.

The activities of the Faysal Islamic Bank (Bahrain), founded as an offshore unit, have been characterized by rapid growth, whether in terms of the number of clients or of the volume of money invested. An investment firm for the Gulf area has been founded in Bahrain and it will initiate its operations shortly. Other insurance companies and leasing firms are being founded there. The discussions with the government agencies and authorities in Turkey, Morocco, Pakistan, the YAR and Nigeria have achieved big progress this year, and amendments have been introduced into a number of national laws in these countries to permit DMI and some other Islamic financial establishments to initiate their activities in them.

The Faysal Islamic Bank in the Bahamas has begun to appoint and train its employees so that it may be able to operate as an international banking force working in the interest of the funds of the DMI consortium. An insurance firm has been founded in Luxembourg to cover West Europe. A reinsurance company has been founded in the Bahamas.

The monies under management invested have recorded a large increase. These monies have come from both small savers and major establishments and they are invested in varied Islamic limited-partnership activities tailored to meet the needs of all the parties involved. These limited-partnership activities have continued to yield profits to those investing in them, in addition to the role they play in the development of the Islamic countries which are given priority insofar as projects and commercial financing are concerned.

The DMI, a joint-stock service company controlled by the holding DMI consortium, has completed its staff apparatus and has housed this staff in the (Quantran) Tower, the DMI's new administrative building in Geneva.

DMI's financial results show that even though most of the group's investments have been channeled toward expansion and the establishment of

subsidiary firms, without capitalizing [rasmalat] the previous operational costs, a small profit has been made from the operations.

The financial liquidity accumulated from the operations has been used to finance the current expenses pertaining to the foundation of the subsidiary companies. Major progress has been achieved in this second year, thanks to the spirit of Islamic cooperation in the countries in which we have established our operations and to the efforts exerted by the various partners and clients of the DMI.

Most of our attention is focused at present and will be focused in the future on insuring the effective operation of the broad and varied network of establishments belonging to the DMI, with the emphasis put on interaction among these establishments on the one hand and between these establishments and the other Islamic establishments on the other hand.

Phase of Investment of Funds

In an interview with Dr Ahmad Sunni al-Darwish, the general director of DMI, the director spoke of DMI's plan in the current phase:

The previous phase focused on disseminating the concept of applying the Islamic financial and economic system to transactions for the good of the Islamic nation. The late King Faysal Al Sa'ud, may he rest in peace, embraced this message which has been adopted after him by His Highness Prince Muhammad al-Faysal Al Sa'ud, the chairman of the Board of Directors.

The efforts have been crowned with success and, thanks be to God, the Muslim masses have been convinced of the idea and monies have poured in to be invested in accordance with the rules of the venerable Islamic Shari'a.

The current phase differs from the previous phase because the emphasis is put on investing the monies the best way possible within the framework of a complete short-, medium- and long-range link [plan] and through an international Islamic network that realizes cooperation and integration within the Islamic nation. This is why the attention is focused at present on establishing a technical and administrative apparatus to invest the monies, with reliance on an outfit of investment experts in all the sectors and on financial, technical and economic studies and analyses determining the economic feasibility of the various projects and the extent of such projects' compatibility with the country or the place in which they will be implemented.

I said to Dr Ahmad Sunni al-Darwish: What are the most significant aspects of the expansion and success achieved by DMI in its second year [of existence]? He answered:

The second year of the work has witnessed extension of the activities of the DMI network into six more countries. The experience gained in the Arab Peninsula has been put to use in this expansion. Moreover, new firms have been set up in Bahrain, Sudan, the Niger, Senegal and Guinea.

The number of offices through which the Gulf Islamic Investment Company renders its services has risen from 1 office in 1978 to 26 offices in 1983. These offices are spread throughout the UAE, the Kingdom of Saudi Arabia, Qatar and Egypt. This is in addition to countries where new investment companies have been founded.

As for the investment assets put under the DMI group's management, they have multiplied 69 times and the number of investors has multiplied 10-fold. The value of assets invested in limited-partnership activities reached \$820 million on 30 June 1983, rising by 84 percent over the assets invested by 30 June 1982. The number of investors has risen to 46,000 investors, growing by 46 percent over the previous year. Speaking of the spheres of investment, Dr al-Darwish said:

They range from the fourth Islamic limited-partnership issue for current investment, which is an investment account from which money can be drawn on a 7-day notice, to the special securities purse, which is an investment account bearing the investor's name. The minimum sum that may be invested in these accounts is \$500 for the first type and \$500,000 for the second type. On the occasion, I would like to point out that no initiation fee is charged any longer for participation and investment in the current limited-partnership investment for the first time whereas the investor was charged a fee of 3 percent at the outset.

DMI has also met the Muslims' needs insofar as the Islamic alternative to Western insurance is concerned by issuing the third and seventh Islamic limited-partnership bonds for investment, saving and insurance among the Muslims throughout the entire Islamic nation. DMI has also offered its services to the financial establishments by issuing the limited-partnership bonds for financial establishments which make it possible to use investment contracts as additional collateral for Islamic financing and for instruments of credit, in addition to the benefit of opening investment accounts.

Monies pooled in this manner are used for the Islamic financing of projects, financial transactions and other activities. The patterned Islamic contracts (profit-sharing, partnership, limited partnership, leasing, leasing and procurement) have been formulated to meet the needs of the various types of financing. It is possible to conclude contracts with clients on the basis of one or more of these patterns. In fact, numerous projects and transactions have been financed by way of these contracts from the limited-partnership monies. These projects have been carried out in the spheres of construction, transportation, maritime transportation, road construction, fishing, foodstuffs, agriculture, special equipment and real estate. The methods to analyze projects and to do accounting by computer have been developed to fit the clients' needs and to speed up dealing with the requests for financing in accordance with the rules of the Islamic Shari'a.

Investment Companies and Financing Projects

Within the framework of the plan to expand the establishments network, two Islamic companies have been set up in Bahrain and Sudan to provide resources

to invest in and to meet the financing needs in the markets of these two countries. The Islamic companies in the Niger, Senegal and Guinea are among the first Islamic financial establishments to be set up in the area. These companies will devote their activities to meeting the development needs of these countries and to provide Islamic investment resources to their peoples. These establishments, in cooperation with the Islamic banks controlled by DMI, will help provide financing for cultivating and exporting conventional crops and for supplying these countries with essential goods, such as grains, sugar, fertilizers and oil products. They will do so on behalf of the public and private sectors.

Sri Lanka, Egypt and Yemen

The authorities of Sri Lanka have approved the establishment of an investment company. Plans have also been drawn up in Egypt to set up an investment and development company to finance agricultural, commercial and industrial projects to meet the market's needs and its big potential.

In the YAR, discussions have been conducted on setting up an Islamic investment firm to act as a liaison between the Islamic financial activities in the Arab Peninsula.

Consortium of Faysal Islamic Banks

Speaking of the DMI's activities in the sphere of Islamic banking, Dr Ahmad Sunni al-Darwish said:

The banking group has set up entities in Bahrain and the Bahamas that operate in accordance with international licenses, in addition to setting up establishments in the Niger, Senegal and Guinea.

The banks are among the first Islamic financial establishments to operate in West Africa. It is worth noting that the Faysal Islamic Bank in Guinea is the only entity belonging to this country's private sector in the sphere of banking operations. A network of branches will be set up for these banks when they gain experience in the commercial needs of the markets in which they operate.

The Faysal Islamic Bank was founded in Bahrain in December 1982 as the group's first operational bank. This bank has grown considerably since it started its activities. The Faysal Islamic Bank has also been set up in the Bahamas and has been licensed to engage in banking activities and limited-partnership activities. The talks started last year have been resumed to set up banks in Turkey, Pakistan, Morocco, the YAR and Nigeria.

Insurance and Reinsurance

Insofar as the insurance group is concerned, a comprehensive framework has been drawn up for the activities and has been approved by the Legal Control Committee. This framework includes the two principles of insurance and reinsurance as well as a plan for life insurance. The proper rules and

regulations have also been formulated to make it possible to conduct the insurance transactions by way of the subsidiary companies.

Islamic insurance companies have been set up in Bahrain and Luxembourg. The insurance company in Sudan will work to meet the local needs whereas the Bahrain company offers its expertise to the Arab Peninsula, and the Gulf and Luxembourg companies offer the same services to Muslims in West Europe.

An Islamic insurance [i'adat takaful] company is being currently set up in the Bahamas as an alternative to [western-style] insurance to offer all facilities to the DMI establishments to help them meet any possible claims.

Employment and Investment of Monies

This task is carried out by the business group formed in May 1983 as an inevitable must for the rapid growth of business activities. This group is in charge of managing all the joint projects between the holding company and other parties. This group's activity includes the building, real estate, industrial and agricultural sectors and commercial projects. The projects being implemented by the group include, for example, the project to develop a model Islamic watch that shows the daily prayer times automatically and that can be set for any part of the world. After designing the watch successfully, the DMI concluded a contract to implement a joint project for the production of Islamic watches. It is expected that these watches will be marketed in 1984. The other projects include a plant for the production of pediatric foodstuffs, to be set up in West Africa, and two other projects that are under study calling for the establishment of a mining company and a commercial company. An Islamic leasing company and a consulting firm will be founded in the Middle East shortly to support the activities of the business group.

In the commercial sector, the financing has included a partnership contract for the purchase and sale of corn and corn flour in Sudan in partnership with the other Islamic banks. Agreement has also been reached on two profit-sharing contracts for the purchase and sale of edible oils to Nigeria, in addition to a grain deal with which Nigeria is to be supplied from the Niger.

There are other profit-sharing transactions to finance the purchase of fishing boats by a Moroccan firm and to finance a chicken farm in Saudi Arabia through procurement and leasing. In the transportation sector, tractors have been financed for Sudan through lease and procurement and road construction equipment for Saudi Arabia through profit sharing. A project for the cultivation of wheat has also been financed in Saudi Arabia through a limited-partnership contract. A sizeable loan has been advanced to help set up the International Institute for Islamic Banks and Economy in Cyprus. These activities have been financed either by the DMI directly or by use of limited partnership monies in a totally independent manner.

\$35 Million in Investments

Regarding the DMI's investments, Dr al-Darwish cited figures, saying:

A total of \$35 million has been invested in projects and of \$30 million in immovable assets, including the group's administrative building in Geneva and properties in the United Kingdom and West Africa. To avoid the long-range international economic and political fluctuations, the DMI has invested in precious metals. Considering that the value of these metals is exposed to constant fluctuation in the short run, it was necessary to supply a sum of \$29 million on 30 June 1983 to reflect the market value of these investments on that date, keeping in mind that in the same period, the DMI experienced an increase in the value of its investments in its subsidiary companies. The profits of one of these companies amounted to nearly the full book value of the company. Yet the DMI has not reassessed the book value of this company, as it has not reassessed the value of our investments in the above-mentioned buildings and projects, even though a considerable increase has developed in the book value of these assets as recorded in the published budget. There is no doubt that these increases are one of the main reasons leading to an increase of nearly 40 percent of the DMI share in comparison to the share's face value 2 years ago.

Moreover, these short-term investments have yielded an income of \$31 million, and the income from the management of the limited partnerships has grown from \$7 million last year to \$19 million [this year]. This indicates a continued progress that evokes satisfaction in this sector. Moreover, the income from projects has risen from nil last year to \$6 million [this year] as a result of the fact that the projects have reached a more advanced phase of implementation. The total revenues have amounted to \$46 million, compared to \$35 million last year.

Future Expectations

Speaking of the expectations of the immediate future, Dr al-Darwish said:

The year 1983-84 will be the year of putting the emphasis on improving the quality of the products and services currently available to the clients. As for the investment services which dominated past activities, they will have a broader range of instruments. The banking, insurance and service groups will also play a more significant role. Moreover, the services will be disseminated through the new banking and investment firms in West Africa and the Bahamas and through the two insurance companies in Luxembourg and Bahrain. The first company will focus its efforts on the Muslim communities in West Europe whereas the second will focus on the Arab Peninsula.

In 1982-83, 16 new firms were set up in 10 more countries, thus leading to an increase of more than 50 percent in the manpower employed at the international level and to an increase of more than 80 percent in the limited-partnership assets.

The financial services, such as foreign currency exchange transactions, trading in commodities and participation in international projects, will also be expanded. The DMI will focus on singling out and marketing products and services in local currency, with these products and services modified

especially to befit the country involved, thus leading to meeting the clients' needs in a better manner.

Concluding the interview, Dr Ahmad Sunni al-Darwish said:

It is expected that the DMI's participation in the capital of its subsidiary companies will amount to \$50 million in fiscal 1983-84, keeping in mind that the capital paid initially to each new company is determined according to levels compatible with the expected volume of operations in the first years. In West Africa, for example, the DMI has fully invested the entire paid capital of the subsidiary companies. Meanwhile, plans are being made to sell a part of the shares to local investors in 1983-84, with the sale remaining within a set percentage representing the minority of the shares until these companies manage to gain confidence and achieve positive results.

Collective Management of Work and Implementation of Decentralized Policy

To perform all these tasks, the DMI's organizational structure has been re-organized to insure the attainment of maximum efficiency and to establish collective management through the discussions and consultations that take place and through the decisions adopted within the work committees and then through the implementation of a work plan that seeks to control, supervise and follow up on what is achieved in the direction of attaining the set goals. In its new organization, the DMI is working to apply the policy of decentralization for its subsidiary companies and to establish special marketing strategies for each country separately.

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CSO: 4504/153

ALGERIA

QUALITY CONTROL OF FOOD PRODUCTS SUPPORTED

Algiers EL MOUDJAHID in French 27-28 Jan 84 p 7

[Article by Ali Bahmane]

[Text] An involuntary gesture, then a wry look of disgust: An insect swimming about in the liquid that is supposed to be a carbonated beverage, a brown deposit lining the bottom of the can of preserves, a black, formless mass nestling in the crumb of the bread...

Examples of this kind? Innumerable ones can be cited. And it is always the same scenario: The consumer, the butt of the joke, flings it away angrily, reeling off a string of insults to which no one pays any attention...

And it borders on tragi-comedy when all sorts of beasts are uncovered; one can easily guess that their common denominator is simply to live in filth and proliferate in humid, badly maintained places.

And even when what is found are cigarette butts, traces of chews, especially our famous "chemma." In these cases, it is easy to surmise that it is human beings who are at the root of it.

But all these things could possibly not be too serious, at least when the foreign substance that does not belong in the "food" is discovered before perhaps being eaten. However, what can be dangerous to health is when an outright fraudulent practice is involved, as, for example, when the manufacturer of a product cheats with respect to packaging, or labeling, or the denomination of the merchandise, its composition, its ingredients, or even the date of manufacture and of time limit on its use, or when he fails to indicate precautions that must be observed regarding purpose and method of use.

Here again, examples are not lacking; rather, they abound in the various test laboratories: Colors used in house paints have "decorated" cakes, hair cream has been sold in jars of yogurt, a depilatory product has been packaged in containers of egg custard, bread has been put on sale with a very high percentage of water content, fruit juices have been dispensed in jam containers, and so forth.

It is commonplace to see bottles, flasks and other containers, made, for the most part, of plastic (that marvelous brainchild of our small manufacturers), on which no inscription whatever appears other than the trade name of the product. This trade name, sometimes a disarmingly fanciful one when it is not a dreadfully distasteful one, is given primacy over even the identification of the product.

The public health services had the very deuce of a time ferreting out the manufacturer, in Algiers, of some plastic feeding-bottles that could have severely affected the health of infants, and, in Tlemcen, a coffee-roaster was mixing, together with the ground coffee he sold, generous quantities of an animal feed that had the property of not altering the taste of the coffee. It appears that more and more coffee-roasters are yielding to the temptation to add chick peas to their coffee.

At times, carbonated and other beverages are sold in bottles containing all sorts of residues, particularly during periods of heavy consumption. The desire to produce to the maximum impels soft-drink bottlers to neglect the sterilization phase: The bottles are badly washed and sometimes the water used comes from untreated wells.

At Hussein-Dey, this particular soft-drink bottler does not hesitate to use rusted tubs and a filter that is nothing more than a piece of old rag. True, with this "equipment," he has increased his production tenfold in 30 years.

Other manufacturers of food products do not hesitate to cheat on the very weight of the products they put out on the market. Fruits and vegetables do not escape the swindlers: They are sometimes harvested before reaching maturity, especially the early-season crop, at a point where they consist mainly of leaves, stalks and roots that do nothing but increase their weight. Sometimes, residues of pesticides are visible on them.

Products That Should Be Banned

Who is responsible for this situation? No one denies that the situation, while not alarming, is nonetheless disturbing, and the various reports and statistics furnished by the quality control laboratories, the police and controlling ministry in particular, and the public health services, all concur in this respect.

The private food products processing sector is the main culprit, although the public sector is not altogether blameless at times: The ONALAIT [National Milk Office], for example, has several times seen some of its units shut down after health-endangering concentrations of microbes have been found in its milk products. The ONAB's [National Animal Feed Office('s')] slaughterhouses do not always come up to minimal sanitary standards, and certain products of the ONACO [Algerian National Marketing Office] (tomatoes, honey) have at one time or another been put in question. Warehousing conditions in units of the SNNCA [National Construction Materials Company] and in the "souks el fellah"

[rural marketplaces] are not suitable for the proper preservation of food products, especially in the over-the-counter sales sections, where food products with expired maximum dates of use frequently pile up.

It must be said, however, that the situation is improving from year to year in state-owned companies, many of which have their own quality-control laboratories; the same cannot be said of private-sector plants, many of which use obsolete equipment, very often an outmoded technology, and inadequately qualified personnel. Sometimes, children working on a "moonlight" basis are used to handle foodstuffs, and frequent labor conflicts in this sector often have detrimental effects on the quality of the manufactured products.

If already at the production stage a large proportion of the food products being processed is defective or of substandard quality, what then about their consumption in public establishments (restaurants, cheap eateries, cafes, bread shops, pastry shops, canteens)?

In the opinion of food product quality controllers, virtually not a single one of the restaurants, cafes, bars, eateries, bread shops, pastry shops, canteens, etc in the capital meets even the most elementary of sanitary standards. Even the reputedly deluxe establishments are no exception to this generalization, and the tinsel held forth by some establishments like the posted prices they charge is in no way an indication that the products they serve are good. Certain food products should be banned straightaway from these establishments, such as "merguez" [small highly spiced sausages], both the production and sale of which should be totally banned, in the opinion of experts, since more often than not they are made of all sorts of animal offal and very easily go bad. It is commonplace to meet up with manufacturers of merguez making the rounds of slaughterhouses and butcher establishments, from which they buy all sorts of meat scrap, load it on to their tarpaulin-covered delivery truck, and head back to the places where the scrap is malaxated and made into merguez. The problem is more or less the same when it comes to pastries containing cream, a product that very quickly decomposes.

Handling is most often the source of contamination. The workers are rarely compelled to adhere to strict rules of body hygiene: Aprons and hair coverings are seldom required or are not systematically worn, medical checkups are not regularly made, personal cleanliness leaves much to be desired, etc.

Generally speaking, the problem of hygiene is not feared either by the manufacturer or by the worker, and often even by the consumer himself or herself. A sort of general state of mind considers this question as very secondary; a state of mind that, a priori, is incomprehensible but that is ultimately explainable by the phenomenon of the cyclical food-product shortages experienced up until recent years, which has, especially in the case of the consumers, killed or blunted the urge to demand quality or even to check on it. Provided the product can be "found"--the current attitude goes--the rest of it, that is, price and quality, is of no importance.

Then, there is the other side of the coin: The manufacturers, accustomed to seeing whatever they produce quickly and easily soaked up, ensconce themselves comfortably in this mediocrity, with its very juicy returns.

The bad quality easily drives out the good: A manufacturer who refuses to compromise on quality cannot compete, since his manufacturing costs are higher. In this way, mediocrity becomes the rule.

This is approximately the situation that exists today. The public authorities have long considered that satisfaction of the quantitative needs of the public must prevail over all other considerations. But this disinterest has encouraged speculative maneuvers and frauds and has contributed to the "demonization" of the citizen when it is a matter of refusing or denouncing bad quality at the point of buying or consuming a product.

Juridical Fuzziness

The findings of the series of quality controls carried out by the Police Laboratory during the years 1980, 1981 and 1982 show that, on average, 49.3 percent of the sweets, 84.7 percent of the meat products, 59.64 percent of the milk products, 31 percent of the soft drinks and 50 percent of the canned products being sold are of bad quality. These percentages are, of course, indicative, but they attest the extent to which bad quality has become dominant, a fact that is also borne out by the findings of the Quality Control Laboratory and the Fraud Services of the Ministry of Commerce.

In 1983, of 2,000 samples analyzed, 425 contained abnormalities. In Algiers, 559 samples were tested: Of 109 meat products, 81 were in violation of public health requirements; of 48 carbonated soft drinks tested, 18 were in violation; and of 34 milk products tested, 14 were found to be in violation.

The two laboratories arrived at the same findings and the same conclusions: Violations are widespread and concern, above all, meat and milk products, which decompose easily.

The causes of this decomposition are, in order of importance: The bad condition of the manufacturing premises or places of consumption, handling by persons who do not observe the strict requirements of hygiene, and thirdly, the composition of substandard or fraudulent products.

The Police Laboratory intervenes systematically in response to complaints from the Police Services or from Juridical Services, but it also acts on its own initiative, carrying out systematic district-by-district quality checks in Algiers four times a week. This action is not one of its official duties, but the overriding needs in this domain compel it, by the force of things, to carry out quality checks.

The sanctions? They range from a warning to possible closing of the local establishment or enterprise found to be in violation. But the fact is that

the imposable sanctions are very limited and most of the time ineffective, in view of the legislative vacuum, juridical fuzziness and slowness of procedures in this realm, but also, it must be added, owing to the difficulty, at times, of taking action against certain commercial "interests"...

The Quality Control and Fraud Repression Service is only now coming out of its long "absence from the scene"; it did not start to become operational until 1982, when it carried out 4,900 interventions in the available time. In 1983, 12,000 interventions were carried out.

Coming under the Ministry of Commerce, as it now does, it is revitalizing its structures and is counting heavily on training (exchanges of technicians, training courses, recycling). But there remains to define its status and to provide it with funds and necessary equipment. Its laboratory is divided into four departments (composition, fine analysis, microbiology and research and development), whose services are available to the state-owned enterprises and which work in close cooperation with the Toxicological and Public Health Services.

Standards have been set up with respect to content of contaminants and of undesirable substances in foodstuffs, maximum tolerable limits of pesticide residues, and additives used in foodstuffs. These standards are being incorporated into decrees which are presently in the preliminary drafting stage. Projects involving the creation of four large laboratories in the interior of the country, 12 microbiology laboratories and several mobile laboratories, already exist and are awaiting the working out of details.

Inspection manuals are being prepared by this service, as well as official methods of analysis (pesticides, additives, toxins).

Operations have been launched with some APC's [People's Communal Assemblies] with the aim of revitalizing their local sanitation services. APC's, like the wilayas [governorates], are also being funded to take the required steps in this realm, which they will enact in the form of decrees.

As for the public health services, the laboratories of a number of wilayas (Algiers, Skikda, Setif, Oran, Annaba, Constantine and Mostaganem) are operational, and they too are working in cooperation with the APC sanitation services.

Education First of All

The public health services are taking a growing interest in everything having to do with control of food products. The water is systematically tested, as are the products intended for young children. The ideal, say the health services, would be to subject all products to the same level of testing as the water and infant foods. But to do that would require the setting up of a plan of action on a national scale and the deployment of an integrated

strategy, all aimed at maximizing the use of present facilities and generalizing in a coordinated and effective manner the control of quality and of adherence to standards.

As part of the public health services, it is necessary to create forthwith food bacteriology sections involving at least the 27 existing wilaya laboratories, and to equip them sufficiently to be able to quality-control at least two or three groups of food products.

What effect does the consumption of present products have on public health? Food-poisoning infections are commonplace, it is asserted, and for the most part are owing to collective catering (food served during festivities, vacation colonies) and to the consumption of ice creams and pastries, particularly during the summertime. However, it is added, public health is not being seriously affected, hence the important thing is to improve hygiene on a national scale, and above all in regard to infants, to bring schools and school canteens up to standard, and to foster a nationwide awareness, even though there is not even the least perception, of the need for prevention, hygiene and quality: A vast awakening is in the process of coming into being among the people, and all that is needed now is to translate it into practical measures.

This view is shared by everyone. The problem that arises now is the standardization of products, which is now only in its infancy, and quality control, which, because of the absence of applicable legislation, is very inadequate.

Furthermore, an operation must be undertaken to sensitize operators at any and all levels, producers, distributors and consumers. The manufacturers of food products must be sensitized and helped through subsidies for modern and standardized equipment.

The hygiene of the workers must become one of the concerns of the unions and of managements (training, medical examinations, checkups). A public health educational program must be undertaken through the mass media regarding different products and their many uses, as well as in the schools with a view to inculcating in the children the fundamentals of hygiene and an appreciation of quality.

The Government can speed up the process of putting in place the legal basis of intervention. Some work has already been done on this: A bill on quality control has been drafted and is being circulated among the various ministries for comment. Draft interministerial decrees are also in the discussion stage and concern labeling, packaging, hygiene, production and marketing of food products.

During the conference on national development, the creation of a Higher Council of Quality Control was proposed, to oversee the application of the measures being decreed by the Government, to serve as a link between the sectors concerned, to initiate investigations and studies in this domain, and to issue opinions on proposed regulatory legislation.

A National Institute for Prices, Consumption and Quality Control would, for its part, be responsible for enforcing quality control policy, carrying out studies and examining questions related to the development and control of quality.

Judge and Plaintiff

In production plants, manufacturing quality control must be exercised throughout the entire process. But production quality testing must be done by a laboratory that is independent of the production facility concerned, so that it can be done with complete objectivity, since it is difficult to be both judge and plaintiff at the same time.

The ministerial departments and production sectors could have testing facilities of their own enabling them to cooperate with the Ministry of Commerce's Quality Control Service in ensuring that their products will be of good quality and will conform to the standards that have been set up on a scientific basis.

As regards consumption in public places, the latter would be required to adhere to the rules of hygiene in every respect concerning the cleanliness of the premises and of the personnel, improve the quality of service through sensitization but also through disciplinary measures, and encourage structures that are willing to undertake efforts in this regard.

Positive sanctions can be used to place a premium on quality at all levels and to break the "vicious circle" cited above which has made it difficult today to invest in quality, so generalized has bad quality become.

The fact is that nothing is more furtive than quality, which is very quickly lost if it is not encouraged and if it does not evolve in an environment that is itself a quality environment.

It is in this sense as well that we should view with interest the proposals issuing from the conference on the instituting and developing of a label of quality to be awarded for agricultural and agro-industrial products, and of a certificate of quality for industrial products.

The organizations empowered to award the label or the certificate of qualification must be uninvolved in the production of goods and services, so that their judgement will not be clouded. The awarding procedure, and the procedure for canceling the distinction, must be governed by strict rules: A body of rules and regulations will be absolutely indispensable to implementation of a quality label and certification policy.

In the case of imported food products, a Ministry of Commerce memorandum in June 1982 stated that they must at least exhibit the same characteristics as the sound, fair average quality products of the same nature and category

marketed in the country of origin, provided and whenever the contractual clauses involved do not stipulate particular characteristics or requirements that are more demanding and better suited to the specific conditions of our domestic market.

In cases where the products are not covered by a specific order, the responsibility of the co-contractant must be clearly specified with a view to safeguarding the domestic consumer from any and all sorts of fraudulent maneuvers by certain foreign enterprises, such as the sale of products that are no longer being marketed in their country of origin because of the dangers they pose to the health of the consumer, or that are manufactured and intentionally conditioned with mediocre materials, simply because they are intended, in general, for countries insufficiently equipped to discern the fraud or frauds being perpetrated.

9399

CSO:4519/99

ROLE OF REVOLUTIONARY COURTS EXAMINED

Tripoli AL-ZAHF AL-AKHDAR in Arabic 16 Jan 84 p 6

[Article by Sa'id Abu Hulayqah: "Regarding Revolutionary Courts: They Have Returned But We Haven't"]

[Text] The revolutionary committees movement is a constant and ever renewing movement, despite the circumstances it is undergoing and the burdens it is shouldering--burdens that may give some positions a little time but that will not neglect, disregard or forget these positions. By its nature and genuine character, the movement derives its law and its legitimacy from the law and the legitimacy of the revolution itself. It is on this basis that the movement has held its meetings and issued its resolutions according to the current positions. But the movement has not forgotten that it decided at its third meeting to form the revolutionary courts and to confront all the vagabonds--the middlemen of the defunct regime, those who deal in graft, who steal the people's money and who circumvent the resolutions of the people's congresses and subjugate these resolutions to the wishes of the opportunist cliques, of the reactionary bourgeoisie and of all the mercenaries whose real nature has been exposed and who have been put under the bright sunlight of the truth after living in black darkness like bats that fear for themselves from the light of the day.

The counterrevolutionary forces embodied in these opportunists had thought that the revolutionary trials had come to an end and that the people's control had ceased. This is why they proceeded to pounce on our organizations and to return to their positions only to confess on television thereafter that the "devil had misled them" and was the cause for their self-aggrandizing, for their building palaces that rose even higher than before, for their acquiring numerous sleek cars, for their making millions in dollars and in various other currencies and for their having servants, maids and houseboys. They wanted to pounce on the revolution's accomplishments and to undermine the revolutionary committees movement, thinking that the revolution may be subjected to setbacks, foiled and robbed at any time and that the revolutionary committees movement may become unconvincing insofar as the masses are concerned. One of the things we need in this review in order to correct the course and to overcome the obstacles is to develop a profounder vigilance and understanding so that we may be able to attain our goals, may entrench the people's authority and may strengthen the mainstays of the popular system produced by the Third World theory by which we abide ideologically and

intellectually as a path, a code of conduct and a system of implementation and which we must entrench by our revolutionary action and by our leadership of the masses to the authority. This is why we must reexamine the sentences of the revolutionary courts that have been convened and which have referred the dossiers of those convicted to the people's congresses so that they may bring them to account and apply the economic crimes law to them and so that the congresses may also continue forming revolutionary and people's courts for those who have harmed and continue to harm the masses and who have circumvented and falsified the resolutions of these congresses. It is no imaginary phenomenon we are putting to trial. It is a reality embodied in the person of those sick people, one of whom was entrusted with the management of a chicken farm even though he had confessed before the masses that he had taken graft money, had stolen and was an atheist [zindiq]. Then it was made possible for this man to work in the treasury section of one of the people's secretariats and has since then disappeared, intentionally or unintentionally, from the sight of the revolutionary committees and of the people's congresses. We have cited this incident just as an example. Here is where the flaw in the trust between the masses and the revolutionary committees movement was developed and where the questions multiply and the faulty actions increase.

The revolutionary courts were formed and they have interrogated numerous sick-souled people, opportunists and mercenaries who have confessed that they have stolen millions, damaged the economy, taken graft money, spread corruption and encouraged exploitation. What have you done to them? Where does the lively revolutionary force stand vis-a-vis these crimes?

Where is the economic crimes law?

Why have the revolutionary courts stopped? Have the forums [al-mathabat] been closed? Where will the masses' confidence in the revolutionary committees be if these committees fail to put an end to all these faulty practices?

Are we awaiting the order from somebody? Should we resort to silence when these people are still roaming freely and spreading their poison from their green pastures?

This entire period has certainly been a period of undermining the revolutionary committees movement and a period in which the counterrevolutionary forces have been undermining the masses' confidence in these committees. Therefore, it is necessary to be reminded of the need for revolutionary violence, for continuing revolutionary control and for punishing the enemies of the people, of freedom and of the welfare and happiness of the masses. All the trials by the revolutionary courts have left a bad impression that has shaken the masses' confidence and that has opened a door for the counterrevolutionary forces through which they can engage in connectionism, favoritism, graft taking and other faulty, even ugly, actions. The punishment for all those who have been tried and who have acknowledged their crimes has not gone beyond showing them on the television screen as a phenomenon tried outwardly and vindicated inwardly. Else, why have not the sentences been applied to them openly and before the masses so that they may be a lesson to

others and to the enemies of the masses in the future and so that the force of the revolution may unite with the masses to tighten the grip around the necks of the counterrevolutionary forces and liquidate them?

The revolution's success in besieging the hostile forces requires constant vigilance so that these forces may be denied the opportunity to spread their destructive ideas among the masses and so that the hostile elements may be prevented from infiltrating the ranks of the revolutionaries. The revolution often finds itself compelled to engage in revolutionary violence to counter reactionary violence when the hostile forces interpret the revolution's tolerance as a weakness. Therefore, steps must be taken immediately to liquidate the revolution's enemies in accordance with the resolutions of the Third Congress, and the fascists, the dictatorial ones, the opportunists, those engaged in favoritism, the lackeys, the middlemen, the graft takers and the enemies of the masses, of freedom, of socialism and of unity must be wiped out.

The revolutionary committees are called upon anew to form revolutionary courts everywhere and to implement their revolutionary sentences against those who have committed crimes, those who have repeated their crimes and those who have sat in judgment on the rich and have become rich themselves. The revolutionary committees must also stiffen their revolutionary control and must urge the masses to expose the sources of the flaws and the types that obstruct their path so that they may storm, destroy and wipe them out and so that these committees may gain the confidence of the masses. Subsequently, the masses will come in hordes to the revolutionary committees' meeting places.

Will the revolutionary courts and the people's courts be convened?

Will the economic crimes law be applied to past and future crimes? Will the revolutionary committees wager on the confidence of the masses now that the committees have returned? This is what will become clear in the coming days.

8494

CSO: 4504/148

NEW NATIONAL POSTS, TELECOMMUNICATIONS OFFICE DISCUSSED

Casablanca LA VIE ECONOMIQUE in French 10 Feb 84 pp 3-4

[Interview with Mohand Laenser, minister of posts and telecommunications, on the occasion of the creation of the National Posts and Telecommunications Office; date and place not specified]

[Text] Late last year, Mr Mohand Laenser, minister of posts and telecommunications, gave us an interview during which he announced the creation of a National Posts and Telecommunications Office [ONPT].

This office has now been created and has been financially operational since 1 January.

We therefore asked the minister to be so kind as to comment on the creation of that office. Before listening to him, we would like to pay homage first to the celerity with which the ONPT was created and also to the respect shown by Mr Laenser for the very notion of public service, i.e. in the end for the users.

Mr Laenser made it a point to inform them as fully as possible and, this should be pointed out, with the utmost candor. We should not expect miracles, but improvements that will become increasingly obvious. The ONPT, which was given far more freedom of action than the traditional administration, will accept the same rules as a private enterprise. This is a considerable progress, and one that opens a new era in our administration.

Here, then, is Mr Mohand Laenser's interview.

[Question] A National Posts and Telecommunications Office was just created. Mr Minister, could you tell us what part this Office will play and what means will be placed at its disposal?

[Answer] The creation of the ONPT, which was decided by His Majesty Hassan II at a cabinet meeting on 9 January, may be seen as a very important step in the development process of the communications sector in our country.

Indeed, whereas the Administration may have been able to meet adequately the citizens' needs for post and telecommunication services, the soaring demand of the 1970's and the accelerated technological evolution in this field required an adaptation of our management methods.

Of course, the ONPT is not the sole answer to this problem, but long studies and careful consideration have shown that this step is best adapted to our present economic conditions.

Before looking at what the ONPT will do, let us first consider what changes it will bring about: the essential factor is that the sector will now be financially independent. The logical implication of this independence is a more rigorous management, a business-type management with all the resulting obligations for the ONPT, especially with respect to taxes.

I wanted to clarify that point so the creation of the ONPT would not be equated with the disbursement of large sums. In this respect, I would like to point out that, under the appendix to the budget, the Ministry of Posts, Telegraph and Telephone could already boast of large revenues, considering the volume of its operations.

But its management was paralyzed by administrative rules and controls that were ill-adapted to the commercial and industrial character of its operation. In addition, its financial autonomy was much reduced and it did not have the quality of an artificial person. These handicaps were just removed when the ministry was given the status of an Office.

We therefore hope, and we are confident that the Office constitutes an adequate framework to meet the increased demand for communication means and to achieve a rapid expansion of telephone communications in our country.

Yet, the ONPT is not a panacea, and other problems will have to be faced, if only because this is a high technology sector and because we import our equipment, which therefore raises the question of foreign currency payments. But we do expect to overcome these obstacles within a relatively short time.

As far as its attributions are concerned, the ONPT has inherited most of those that used to belong to the ministry. Essentially, its mission is to make available to the public all types of financial and telecommunication services (money orders, post office bank checks; telephone, telex, etc.).

As far as means are concerned, the personnel now employed by the Ministry of Posts, Telegraph and Telephone will of course be placed at the disposal of the ONPT, and additional personnel will be recruited directly. As far as its financial resources are concerned, it will have to use its own capital, but it will also have access to domestic and foreign sources of financing.

[Question] The most urgent problem in Casablanca, maybe not for all but at least for a number of users, is the poor performance of at least two telephone exchanges and the obsolescence of part of the network. We were told some time ago that the problem of the exchanges would be solved by 1985. Will the creation of the ONPT make it possible to solve this problem sooner?

[Answer] As I just said, the situation of the telephone in our country is characterized by a discrepancy between the demand and the supply. This is something I have always proclaimed, and I have never concealed that many towns are experiencing problems. The current five-year plan should bring about some improvement, but not as much as we, and especially the users, would wish.

We should recognize that even the realization of projects programmed in the plan was delayed and shifted because of economic conditions, so that the problems of the telephone became worse in certain large urban centers, including Casablanca. However, contracts have just been signed and Casablanca will receive priority in the realization of the projects involved.

However, we should make one point clear: telephone exchanges and transmission equipment, such as radio relay systems, are not ready-made consumer products that you can buy cash and carry. Not only are preliminary studies before the signature of a contract often rather long, but the units ordered are "custom-made" and must take into account the environment in which they are to be installed. In other words, there are delays that cannot be reduced; it takes 12 to 18 or even 24 months to manufacture and install a telephone exchange. Although the ONPT has no control over these delays, we would at least manage to eliminate procedural delays which, too, can often be long and confusing. Therefore, we shall do our best to hasten the placing into service of these exchanges so as to meet the public's demand and not to freeze investments for uselessly long periods.

[Question] Could credits be made available shortly to create new telephone and telex lines?

[Answer] It is still too soon to answer these questions, although this is our priority objective for, as I already said, we have fallen behind with our equipment and we must catch up. Therefore, we must make an additional effort. But we should realize that the creation of an apparatus as heavy as the ONPT, with its 16,000 employees and all its infrastructure, will take some time. It is only when this is done that we shall be in a position to consider what additional resources we can mobilize to start an additional program.

[Question] What changes could the ONPT make to improve its services to the public and to its customers? Most users fear that the greatest change will be a change of name and that, for instance, they will still have to wait in line over one hour to get a money order at the Casablanca Central Post Office. They feel the same about the parcel post which, at times, takes very long to deliver a parcel.

[Answer] I think it would be unfair to us to believe that the creation of the ONPT would amount to no more than a change of name.

The government chose this way because it expects improvements will be the result. It is also accepting all the risks involved: Any enterprise worthy of the name will see its management yield positive or negative results. Of course, the ONPT will accept the rules and abide by the moral agreement that must govern its operations.

It must improve the quality of its services, both its mail and telephone services, but a few basic conditions must be met: procedure flexibility, freedom of action, enough personnel for the level of activity, expenditures commensurate with the development objective not only of the sector but of the country's economy, which cannot be fully developed unless reliable and adequate communication means become available.

In a first stage, we shall try to improve mail-forwarding operations, make sure that existing facilities are working properly, and provide additional services to users of the Post Office and National Savings Banks.

Then, the time will come for a quantitative improvement of our means, i.e. our ability to meet new demands.

Briefly, this is what the ONPT is all about, what it intends to do and how it expects to do it.

9294

CSO: 4519/105

EDITOR-IN-CHIEF SCORES PROCESS OF ISLAMISATION

East Burnham ARABIA THE ISLAMIC WORLD REVIEW in English No 29, Jan 84 pp 18, 19, 21

[Article by Fathi Osman: "Sudan: Why Islamisation is not a Top People's Game"]

[Text] On the 21st of Dhu Al-Hijjah 1403 AH - September 28, 1983 - President Jaafar Numeiri of Sudan issued, by provisional decree, the Law of the Fundamentals of Judiciary Rulings.

The Law states that if an interpretation is required of any text in an existing legislation it should be interpreted in a way which makes it comply with the Islamic Sharia law in its general principles and detailed provisions. Where there is no relevant legislation, the Sharia should be applied. When there is a Quranic injunction or an authentic tradition of the Prophet which deals directly with the case under consideration the injunction should be applied; otherwise the court is guided by certain principles which should be considered integrally, or according to the priority of each as indicated in the decree.

The observance of consensus (ijma') and the general principles of Sharia and its directives stand at the head of this guidance. Courts are then directed to consider in sequence: analogy (qiyas); what maintains benefits (masalith); and prevents damages (mafasid) so as to fulfil the goals of Sharia, the general principle of Sharia being that everything is originally permitted as long as no specific prohibition has been decided by Quran or Sunna, the judiciary precedents and custom which conform with Sharia, and the general concept of justice as it is felt by sound people and applied in respectable human laws.

It is remarkable that a decision of such great importance and consequence should take the form of an ordinary law which deals with judiciary rulings. Such a form is more suited to providing practical

solutions for problems which arise from the application of laws during a transitional period until such time as a general review of the existing laws and a comprehensive Islamic codification is accomplished.

A law whose purpose is to interpret texts or rulings in the absence of any relevant legislation is technically not strong enough to initiate the enforcement of Sharia. Such a radical change should be declared clearly in the constitution and in the main objective laws, for it is not something merely formal or supplementary. Sharia cannot be reduced to the status of an interpreter of other laws or be turned to only when there is a legislative vacuum. Sharia should from the very beginning direct the legislative function in its entirety. Moreover, the weak and unsuitable form chosen for the implementation of Sharia has been issued by a weak legislative instrument: a mere provisional decree.

Turning from the form to the content, the application of Sharia for an Islamic society and state is as essential for a Muslim individual as regards his

acceptance of Islam as bearing witness that there is no deity but the one God and that Muhammad is the Apostle of God. One understands the joy that every religious Muslim in Sudan feels at the implementation of Sharia. The Divine justice means that henceforth there can be no bias in favour of or against any individual or group (ethnic group, political party, sex, social class), since the measures that comprise justice have been taken by the Sustainer of the whole universe and of all mankind.

The Divine justice covers both Muslims and non-Muslims as it comes from the Creator of all human beings. Full equity, kindness and generosity should be observed in the behaviour of Muslim individuals and in the acts of Muslim society and state towards non-Muslims (LX/9). Peace, good relations and cooperation should be developed between Muslims and all other peoples of the world, as long as these do not initiate any aggression or oppression against Muslims.

It is the commitment of the Muslim people – the rulers as well as the ruled – to maintain the Divine justice by enforcing Sharia. Naturally, the responsibility of a Muslim ruler is heavier in this respect: "Those who (even) if We firmly establish them on earth, remain constant in prayer, and secure zakat (the rights of the poor towards the rich) and enjoin the doing of what is right and forbid the doing of what is wrong" (XXII/41), "Rule among them according to what God has bestowed from on high, and do not follow their errant views" (V/49).

It goes without saying that enforcement of Sharia should be genuine and comprehensive: "Do you then believe in some parts of the Divine writ and deny other parts? What then could be the reward of those among you who do such things but ignominy in the life of this world and the Day of Resurrection and commitment to the most grievous suffering, for God is not unmindful to what you do. All who buy the pleasures of the life of this world at the price of the life to come: their suffering shall not be lightened, nor shall they be succoured" (II/85-86).

Nor is Sharia only a code of penalties. The fixed penalties in Sharia (hudud) are very few and they have been stated only for the most serious crimes such as murder, robbery, endangering public security and causing great damage to property and life (hiraba), adultery and calumny.

The definition of any of these crimes and the conditions which have been indicated for the legal existence of the crime and for carrying out the fixed punishment are such that they are not easy to be decided upon in many cases. Cases of crimes with fixed penalties which lack any element of legal definition as well as other numerous crimes which have no fixed penalties are left to the discretion of the legislature and courts, according to the changing circumstances in different times

and places. However, the main goals of the Divine justice are to protect human rights and political and civil liberties. Unless they maintain the dignity of the individual and society, the penalties will not secure Islamic justice; on the contrary, they will be an instrument of oppression, a sham, a facade for a pretended enforcement of Sharia.

Human rights and social justice are the constitutional fundamentals for the application of civil and penal laws. "We have conferred dignity on the children of Adam, and have borne them over land and sea, and provided for them sustenance out of the good things of life and favoured them far above most of Our creation" (XVII/70). Dignity in its various dimensions, moral and material, should be maintained in the Islamic state for all human beings, Muslims and non-Muslims. Enforcement of Sharia should start by providing this solid basis for Islamic justice.

The state penalties for any individual crime are combined in Sharia with maintenance of individual and public rights. Moreover, struggle against political oppression and social exploitation is legitimate in the Divine law: "... but if one of two (groups of believers) goes on acting aggressively towards the other, fight against the aggressors until they revert to God's commandment, and as soon as they revert make peace between them with justice ..." (II/9). "And how could you refuse to fight in the cause of God and of the oppressed helpless men, women and children who are crying: O our Sustainer, lead us forth (to freedom) out of this land whose people are oppressors and raise for us out of Your grace a supporter ..." (IV/75).

If maintenance of human dignity and liberation of man from various illegitimate pressures provide the solid basis for Islamic justice, can we say that this has been the process of Islamisation in Sudan? The Sudanese president has issued his provisional decree, ignoring the normal approach either with regard to the structure of Islamic justice or with regard to the positive constitutional process. No radical change has begun to end an imposed regime with an authoritarian presidency. Among the political and economic troubles in the north and the south of the country, the enforcement of Islamic law has been suddenly declared in a very odd way. Rebels in the south carry

on their attacks and seize hostages. Maintenance of Islamic justice or even clarification of what it provides for the deprived masses in the north and the south has not been carried out. Nor were the opposition groups given any chance for a free expression of opinion and a serious discussion.

The Sudanese Islamic leader Sadiq al-Mahdi highlighted in the feast sermon (Eid Khutba) the well-known fact that Sharia should be enforced as a whole, starting with the fundamentals of political liberties and social justice. He was arrested. Islam acknowledges differences and disputes among the believers and does not allow any suppression of any view, whatever it may be: "and if you are at variance over any matter refer it unto God and the Apostle" (IV/59). The Companions of the Prophet expressed on several occasions their different opinions, even on their understanding of the revealed texts. For example, when Umar spoke in public after the death of the Prophet, denying that it was possible for him to die, he was not put under any pressure for this misleading public speech except that of a strong argument from Abu Bakr, based on the Quran, which incorporated ample correction and clarification.

It has been claimed that the arrest was not ordered because of Al-Mahdi's speech, but because he joined his followers, "al-Ansar," after the prayer in a march through the streets in a show of strength. It is everybody's right in a truly Islamic state to organise a public gathering or to participate in one, whether this right is used briefly in temporary demonstrations or for the establishment of permanent associations with legitimate objectives. The rebels against Caliph Ali (who were called Khawarij) challenged him by demonstrating right in the mosque. Nor did Imam Ali's statement on that occasion prevent those opponents of his from gathering in the mosque; it was their right to do so. By contrast, members of the Sudanese opposition had to pay for a half-page in *The Times* of London on November 18 to express their opinion. It really is a pity that the implementation of Sharia had to be declared in such a fragmented political climate.

What position should the Muslim people and the Islamic movement in Sudan take in such a complicated situation? No Muslim who is committed to Islam can oppose a ruler who has seriously decided to enforce Sharia, whatever the odds may be. Sadiq al-Mahdi, the leader

of al-Ansar, expressed his reservations about Numeiri's process of Islamisation, while emphasising strongly his commitment to a genuine and comprehensive approach towards Sharia.

The Muslim Brotherhood (Ikhwan) seemingly chose to support the enforcement of Sharia whatever reservations about the process there may have been. Dr Hasan al-Turabi, the leader of Ikhwan, former attorney-general and present adviser of the president, lectured in Cairo University in favour of the recent presidential decision and later accompanied the president on his visit to Europe and the United States. Although Ikhwan may be enthusiastic about the enforcement of Sharia, they appear at the same time not to be as eager to seize political power as other professional politicians in Sudan.

One can support the stand of Ikhwan by assuming that they have preferred to secure public support for Islamisation itself in order to turn it from a "Numeiri issue" into a public one. Getting a deep commitment and winning wide support for the enforcement of Sharia would make it a genuine public demand transcending any person or regime. Such a strategy would be making use of the president's initiative for the sake of Islamisation, and not using Islam in the political interests of the president. Ikhwan thus show themselves to be loyal to their beliefs and concepts and not merely supporters of a certain ruler. Even if the president were to be changed for whatever reason, the enforcement of Sharia would remain a permanent public issue, instead of being a temporary ploy associated with a certain person or regime and hence susceptible to the changing political climate.

However, our brothers in Sudan are certainly aware that Numeiri may actually be trying to gain some popularity amid the accumulating political and economic difficulties in the country. Moreover, he – like other rulers – would be pleased to be able to divide the opposition and specifically the Islamic front. He has surely realised that his regime continues to survive only because the opposition cannot agree on a plan of action or on a replacement.

Though Ikhwan may feel confident about the president's piety, there have throughout history been many rulers who, despite their ostensible spirituality and faith, have shown themselves as leaders to be authoritarian, autocratic and even tyrannous. The Sudanese brothers know Numeiri better than anyone outside

Sudan – how unpredictable his attitudes have been and how prone they are to change suddenly from one extreme to the other. As Muslims, they know that the enforcement of Sharia cannot be achieved merely by good intentions or wishful thinking. It requires the firm establishment of public rights and positive encouragement of the people to participate centrally in shaping the country's policies and decisions (Shura).

There has so far been no sign of a change from authoritarianism to the rule of unbiased law in Sudan or that the people's needs are being satisfied: no radical change has taken place. Numeiri has gone from a leftist attitude in his early days when he suppressed any public opposition including the Islamic movement, to enforcement of the Sharia now, while maintaining all along the personal authoritarian character of his regime. Ikhwan may be suspicious about the seriousness of Islamisation when it is tackled through the tactics of political parties under democracy, but are they more confident about moody changes of mind of authoritarian rulers? Can anybody who is committed to Islam support the absolute authority of one person, whatever ideological gains may be assumed? Haven't Muslims realised after several bitter experiences that the illusion of a "just despot" is a logical contradiction and that its impossibility has been proven in practice?

No one argues that Sharia should be enforced in a Muslim country without any hesitation. Any power which brings enforcement of the Divine law closer should do its best to achieve this goal, since it would be responsible to Allah and the Muslim umma for any hesitation or passivity. Sharia will of course be enforced by some human beings upon their fellows. We should therefore in no way expect the infallibility of angels in human behaviour, even when an Islamic state is established and Sharia enforced.

Deep Islamic knowledge as well as the experience and capability necessary for any leading position should certainly be secured, but any human practice of authority will inevitably include trial and error and positives and negatives despite its being guided by infallible revelation. Human perfection is relative in this world, although sincere and continuous efforts should be made to please Allah and carry out His teachings. Those who think that

they should educate the Muslims and practice tarbiya until they become equal or close to the moral level of the Companions of the Prophet will end their life and leave this world without any effect, even if they manage to escape persecution and torture, allowing tyrants to rule while ignoring the merits of the believers for the practice of any authority.

The enforcement of Sharia should be integral and comprehensive. The maintenance of liberty and equality, political and social justice in addition to moral and material development are healthy signs and qualities of an Islamic state, which cannot be limited merely to penalties or an abolition of usury (riba). This narrow judicial conception of Sharia might well have been responsible for successive eras of political tyranny in Muslim history, under which the fixed penalties (hudud) were the only part of Sharia that was carried out, together possibly with the legal abolition of riba – while human rights and liberties were ignored.

I believe that Ikhwan in Sudan know their way. They know well the laws of Islam, and contemporary political experience. They will lead the masses to demand a genuine and comprehensive enforcement of Sharia built on respect for the dignity of man and maintenance of justice in the relations between individuals, groups and peoples. They are expected to support the enforcement of Sharia on their own terms, being sure that if a ruler merely pretends to stand for a public cause in order to gain popular support, their best response is to accept the game and participate in it in order to seize the chance for a change and get the masses involved.

The people would certainly outweigh the oppressor and prevail if they insisted firmly on the terms of the Divine lawgiver, whatever the initial aim of the game may be. "And beware of them lest they tempt you away from aught that God has bestowed from on high upon you" (V/49), "God has promised those of you who have attained to faith and do righteous deeds that of a certainty He will cause them to accede to power on earth . . . and that of a certainty He will firmly establish for them the religion which he has been pleased to bestow on them, and that of a certainty He will replace their fear by security, (seeing that) they worship Me alone, not ascribing divine powers to aught beside Me" (XXIV/55).

The Islamic state and law truly establish security and justice in all their dimensions. Let us hope to see these fundamentals clearly in Islamic Sudan.

VARIOUS RELIGIOUS DEVELOPMENTS IN NATION'S LEGAL SYSTEM REVIEWED

Riyadh AL-DA'WAH in Arabic 28 Nov, 5 Dec 83

[Article by Muhammad Jadd al-Banna: "Will Egypt Join with the Sudan in Applying Islamic Law?"]

[28 Nov 83 pp 22, 23]

[Text] The spirit of Islam is surging and fermenting in Moslem Arab Egypt, now that the fraternal Sudan has pulled ahead of it in applying Islamic law. In the media context, an official parliamentary source declared in recent weeks that the Egyptian People's Assembly's new session (the fifth and final session) will not end before "some" legislation on Islamic law is issued. The official asserted that there are "guidelines" that the printing of the legislation which the Application Committee has come up with be concluded, preparatory to its presentation to the competent committees in the assembly. It was known in advance that the coming People's Assembly election campaign would be subjected to review by the broad bases of the Egyptian people as far as the promise which Dr Sufi Abu Talib, the chairman of the assembly, made that the session which ended would end only with the ratification of legislation from Islamic law, before he stepped down from the chairmanship of the assembly in the new session. Of course his statement and his promises vanished! So far not even preparations have been made for the application of certain Islamic laws.

The Egyptian president, Muhammad Husni Mubarak, has made Dr Muhammad Kamil Laylah, member of the People's Assembly, who (by direct vote) was chosen chairman of the People's Assembly as a successor to Dr Sufi Abu Talib, a partner.

Dr Laylah participated in the delegation which accompanied the president in his recent visit to the Sudan. As some Egyptian Islamic newspapers declared, that visit was aimed at participating in the issue of the application of Islamic law in Egypt and the Sudan for the sake of arriving at a common formula in the context of integration between the two countries.

The reports, as the Islamic weekly newspaper AL-NUR stated, revealed that perplexing questions had imposed themselves on citizens in Egypt, once the Sudan along had taken the initiative of applying Islamic law, at a time when all the Moslem Egyptian masses had asserted that there should have been Egyptian and Sudanese coordination on such a great decree as that, so that integration be-

tween the two fraternal countries would have meaning. The Egyptian newspaper went on to say, "It is obvious that the efforts that are being exerted in the framework of integration to unify legislation and laws between Egypt and the Sudan will require that the aid of the two committees codifying Islamic law in the Egyptian People's Assembly be sought in order to put the constitution into effect and declare the start of the application of Islamic law." If that is accomplished, with God's permission, it will result in making a success of the formula of integration on the one hand and will lead to the elimination of the disease of schizophrenia in the legal personality that Egyptian courts have actually begun suffering from.

Following his election and assumption of the new position, Dr Kamil Laylah, the new elected chairman of the Egyptian People's Assembly, declared that he would not issue a law contrary to the stipulation or spirit of Islamic law, on grounds that it was the sole basic source of all legislation. He also stated that it was not true that statements on the attempt to apply Islamic law were being made in order to absorb the anger of the masses.

We have hope in God that Moslem Arab Egypt will take practical steps toward the practical application of Islamic law, without publicity or electioneering, as was the case previously.

Shaykh Salah Abu Isma'il, independent member of the Egyptian People's Assembly, discussed al-Azhar's report on the testimony he gave on the subject of holy war 4 weeks ago. With documents and evidence, he addressed himself to one of the serious issues of the hour, the issue of war and peace, an issue in which a horrifying contradiction has occurred on the part of a scholarly body that has a great reputation. Shaykh Abu Isma'il, in his thorough discussion, addressed himself to the sum total of the decrees issued on this matter, including the ruling by the Council of Islamic Research which represents the council of the senior scholars of al-Azhar.

He then reviewed the document of a ruling which the committee on rulings in al-Azhar had issued in 1956, in response to a request for interpretation it had received regarding the ruling of Islamic law on the conclusion of peace with Israel. The committee, under the chairmanship of His Grace Shaykh Muhammad Hasanayn Makhluf, stated that peace with Israel, as those who call for it wished, was not permissible by Islamic law, in view of the endorsement it entailed of the pillager's continued pillaging, the recognition of its right to keep his hands on what he had plundered, and the empowerment of the aggressor to continue with his aggression. The ruling urged all Moslems to declare holy war against the Zionist plunderers and to set forth the platform of the prophet of God, on whom be God's prayers and peace, and use it as a good example to follow as regards his position on the people of Mecca and their tyranny, after they had expelled him, and his companions with them, from their homes, kept them from their property and the observance of their rituals, and desecrated the sacred home by worshipping idols, and God ordered him to make preparations to save his sanctuary from the hands of the aggressors and suppress the ways of life they enjoyed, until God gave him bounty in full and opened Mecca up to him, purging his sacred home of the filth of the idols and clipping the nails of idolatry and tyranny.

Shaykh Abu Isma'il also referred to the ruling by His Eminence Shaykh Hasan Ma'mun, the mufti of Egypt and former sheikh of al-Azhar.

In addition, His Eminence Shaykh Salah-al-Din reviewed a number of other documents on rulings, including the third document bearing on the statement of the Moslem scholars' opinion, in the wake of the issuance of the resolution on the partitioning of Palestine, calling for holy war to save Palestine and protect the mosque of al-Aqsa, then the ruling by Shaykh Muhammad al-Husayni Al Kashif-al-Ghata' before the Shiites in al-Najaf in Iraq. Finally, the sheikh presented the last document, bearing on the ruling by the religious scholar Mr Muhammad Habib al-'Ubaydi, the mufti of Mosul in Iraq. These all refer to the need for holy war to save Palestine.

The part bearing on the response by His Eminence Dr Musa Shatin Lashin, the former president of al-Azhar University and chairman of the department of prophetic tradition in the Faculty of the Principles of Religion, which includes support for Shaykh Abu Isma'il's opinion on the personal status law, will be the subject of a coming article, God willing.

[5 Dec 83 pp 11-13]

[Text] When the government in the Sudan raised the byword of "justice in full" last Dhi al-Qa'dah, people thought that it was another of the slogans people in power formulate to conceal an emergency crisis. People have become accustomed to have crises hammer slogan upon slogan on them, and the crisis of the law had been flaring up that day.

That was not just a new slogan, but rather a determination to apply Islamic law. Political slogans in the face of such an issue become meaningless.

A fear exists which has arisen from worry over this experiment -- a fear that the application of Islamic law in the Sudan will collapse, especially since the Sudan is going through an extremely critical period.

Proceeding from this premise, it is now difficult for someone to talk about the social effects which will arise from the application of Islamic provisions in the Sudan.

However, we can say that if sincere efforts and serious work are provided, it will not be difficult for full justice to be realized. Throughout history, we have seen how a society which was pagan by nature was transformed when the rays of Islamic law suffused it into a society governed by justice, freedom and tolerance.

In the first part of this meeting, we talked about the development of legislation in the Sudan and about the direct effects of the danger of alcohol. We began to talk about the experiment of Islamic banks in the Sudan. In this section we will complete the conversation we had started with Mr Rabi' Hasan Ahmad, the secretary general of the Islamic Federation in North America, Dr Hasan Abu 'A'ishah, assistant professor in the Faculty of Medicine at King Sa'ud University, and Mr Mahdi Ibrahim, the director of the media department of the Organization of the Call to Islam in Khartoum.

AL-DA'WAH: Hopes that the application of Islamic law will be declared in the Sudan have been rising, and tens of thousands of people have gone out, filling the streets of the main cities and crying out these slogans. Do you consider that this revolution of expectations will continue or that the experiment will collapse and people will become disappointed?

Rabi' Hasan Ahmad: Every effect has a cause. If the causes for success are present, the experiment will succeed, with the aid of almighty God. I feel certain that the experiment will be a success. We have relied for our rulings on secular law through the past years, although they have no roots in our society, so how will it be with Islamic law? Secular law, as the definition states, is mere punishment and a mere organization of social relations in the society. Punishment is always temporal, because the persons codifying the law have nothing to do with the hereafter.

I am very optimistic over the success of the experiment, God willing, and I believe that the beginnings in the Sudan have not been like the beginnings elsewhere. The circumstances show that what has occurred in the Sudan is a comprehensive change. However, it is true that the experiment does call for concern, because it is not easy and we are trying to shift people from one system to another. The matter entails a great challenge, and it requires agencies supervising the transformation. It requires liberalization and consultation. That is, it is not just a matter of applying administrative decrees.

Proceeding from this premise, one must be concerned over the experiment, but I can say that the matter is not as difficult as you might imagine. We must accept the experiment, realize its dimensions and requirements, and set out the steps, step by step and stage by stage. Change does not take place by mobilizing the people alone. We should not forget that the books and intellectual efforts at the disposal of the Islamic government are few: they are works of research which win people over to Islam more than showing them how to apply Islam in the economic or political field or in international relations. This is an opportunity for the Sudan to offer something in this area.

AL-DA'WAH: If we take this comprehensive view of secular law and Islamic law, do you anticipate social dimensions to this application over the short range? You know that secular law consecrated capitalism in society, because it is a law which came to us from a capitalist society. If the new laws eliminate many of the abuses of the past, will these laws be able to have an effect on the foundation of the society?

Rabi' Hasan Ahmad: Of course. The purpose in the laws is to regulate life and guide man's conduct. Islamic laws, by their nature, are positive. They are not content to prohibit — they impel one toward action. Therefore it is natural that we should see that they have obvious effects in the lives of people.

Islamic legislation will change the social and economic structure. If the law on companies, for example, was an issue in a capitalist society to serve specific goals, there will categorically be a law on companies in the Islamic system serving Islamic economic objectives whose benefits will revert to

society. Thus, law comes before development. As long as we are a developing country which strives to develop in various directions, Islamic law will set out the contexts and channels by which the process of development and social evolution can take place. The law has come at the right time.

AL-DA'WAH: The question is now being directed to Dr Hasan Abu 'A'ishah, assistant professor in the Faculty of Medicine in King Sa'ud University:

There is no doubt that the sudden shift toward the provisions of Islamic law in the Sudan is a suitable subject for study and research on the family, on the health effects on society, and many other issues. What is the role of the health sector and medical leaders in supporting the orientation toward the establishment of Moslem society?

Dr Hasan Abu 'A'ishah: In the context of the Islamic awakening, it has been noted in recent years that doctors have kept abreast of this awakening. In Khartoum, the Society of Islamic Medicine has been active, out of the doctors' feeling for the need to steep the profession of medicine in Islamic statutes. The chairman of this society is Dr 'Abd-al-Rahim Muhammad Ahmad, the senior bone specialist, and the society includes Dr 'Abd-al-Rahman Musa, dean of the Faculty of Medicine, Dr Ma'mun Hamidah, professor in the department of internal medicine, and an additional elite of the most prominent doctors who are enthusiastic about Islamic action and proper medical work as well.

One of this society's goals is that it should conduct serious medical research from the Islamic standpoint, proceeding from the premise that medicine is to be considered one of the areas that most calls for piety.

One of this society's programs is to issue a scientific magazine and review the harms of such destructive things as alcohol and smoking and the like.

When the president declared these decrees, this society embraced the health viewpoint in order to support these decrees, and established a symposium which was well received. The symposium was held again in the cultural season at the Islamic University of Omdurman, with a number of scholars and officials in attendance.

I believe that this is now a golden opportunity, as far as doctors and all researchers in various fields (preventive doctors and doctors in treatment) are concerned.

What was well known, for example, about the abuses of alcohol, was the result of cumulative studies, that is, studies of the cumulative effect, of the consumption of alcohol over a number of years on such parts of the body as the liver. There is no doubt that modern medicine has reached the conclusion that alcohol is harmful and destructive for the person as a whole, especially his brain, not just when he is drunk but also at other times, through what is known as disintegration, causing his mental powers to deteriorate irrevocably.

However, what is new in the Sudan is the collective effect of abstention from alcohol. In the past, studies were limited to individuals, but now there are

many areas, as you were so gracious to state, concerning research on young people and on leisure time available to the family and individuals. How can one benefit from this time and from the powers that were once wasted through alcohol? When the head of the household returns to the family, what are the gains from that on his children and his family?

Another aspect is the social (medical) effect on the health of the family. If a family's main source of livelihood was lacking because of alcohol, a psychological and economic effect undoubtedly resulted from that which therefore had an effect from the health standpoint.

This sudden shift is providing an opportunity to compare the period prior to the decrees with the period that followed and social and psychological researchers have a broad scope for research and study.

AL-DA'WAH: A negative question which is in reality related to the criminals whom the authorities have released: their number was large, from what we have learned, 13,000 criminals from various prisons. They of course constitute a community; doesn't their presence as free persons in the society have side effects, considering that crime is an illness?

Dr Hasan Abu 'A'ishah: It is not proper for us to say that they are sick, because if they were sick we ought not to have punished them; sick people just get treated.

These people ought to have been punished in accordance with the stipulated Islamic penalties, but they were punished in accordance with the old laws. At the present time, I do not believe that merely deterring them by Islamic laws will solve the problem. In reality, the objective outcome has been that many of them have committed crimes and gone back to prison again.

There is no doubt that President Numayr's intentions in releasing them were good.

The good side is that Islamic penalties will be applied to those people who commit a crime, instead of their remaining in prison in accordance with the old laws.

These laws ought to have been accompanied by a rehabilitation program. Many prisoners are "habitual criminals" and many of them were in prison a long time. It would have been more appropriate to wait awhile on this decree.

I have learned that many of the prisoners have gone back to prison and they will be under the jurisdiction of the new laws.

AL-DA'WAH: Let us resume continuing the discussion with Mr Mahdi Ibrahim, the director of information in the Organization of the Call to Islam.

In your talk on the experience with Islamic economics, you referred to serious tendencies to apply Islam in economics, as embodied in Islamic banks and cooperative insurance. Do you expect that the government will embrace that

orientation, so that it will be an alternative to the system of usury that had been established in accordance with the Western philosophy of economics?

Mahdi Ibrahim: The government managed to address itself to transactions in Islamic banks through the reports of the Ministry of Finance, and it confirmed that these banks were adhering to all the commitments they have assumed from the government and indeed were supporting the government when required, and providing free currency, not to speak of the Islamic banks' success in realizing financial profits.

The experience with Islamic economics has in practical fashion, managed to prove its success, prompting the government to issue laws prohibiting usury in bank dealings and grant every facility for the establishment of banks on Islamic bases.

There is no doubt that the legislation that has been passed will provide trust between the judiciary and the public, and that will have a direct influence on the movement of money. The government's money will not be in the hands of the rich; rather, anyone, with the collateral he has, will be able to engage in activity with confidence, and thus living conditions will become improved for many deprived persons.

AL-DA'WAH: Do you anticipate pressure from a specific direction, especially in the economic field, to obstruct society's progress toward Islam?

Mahdi Ibrahim: Attempts at economic repression are expected. Therefore, the people will have to prepare themselves for some difficulties because we must sacrifice much for the sake of realizing higher principles. Let us look into the biography of our predecessors, who offered many sacrifices in order that Islamic law would be brought about. The first era of Islam was full of confrontations and challenges which affected people's coexistence and comfort. In the prophet's biography you can read of the hunger and starvation which the prophet of God, on whom be God's prayers and peace, suffered, to the point where he would tie a stone to his stomach. However, the Moslems adhered to Islam, in spite of their sufferings, the world became indebted to them, and blessings were granted to them. This is what almighty God promised, and it is a promise that cannot be negated. One should bear in mind that current signs indicate that the promise will be close at hand, by the permission of almighty God.

The volume of reserves of Sudanese oil has risen, by virtue of the most recent discovery; they have risen to nearly 1 billion barrels, while the first estimate was 250 million barrels. The pipeline will carry 80,000 barrels per day.

We beseech God that his promise may be realized, and blessings may be granted to us, as they were granted to neighbors of ours who had applied God's law and whom God rewarded with the blessings in his possession.

Let me conclude my talk with the story of a person I met following the announcement of the prohibition on alcohol. This person told me, "I had been drowning

in alcohol, and even though I felt that I had lost something, I have nonetheless gained much. I have gained the future of my daughters. I had always thought about their future in a society in which I had no trust. Now I can live happily and if I die even then I will die happy."

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CSO: 4504/168

ROLE OF ISLAMIC BANKS IN PROMOTING DEVELOPMENT EXPLORED

East Burhham ARABIA THE ISLAMIC WORLD REVIEW in English No 29, Jan 84 pp 58, 59

[Article by Bagkir Mudawi, General Manager of the Faisal Islamic Bank of Sudan]

[Text] The concept of Islamic banks emerged from the philosophy of Islam that Allah created man to worship Him. God laid out closely interwoven rules of behaviour which show how man should worship Allah. He created the universe and made us His surrogates to exploit and develop the wealth thereof to the benefit and wellbeing of man. This we are ordered to do in accordance with set rules of conduct.

One specific rule is avoidance of Riba, the charging or paying of interest, in our financial transactions. Taking riba on personal loans for consumption is prohibited, since those who take such loans are the really needy ones in our society who do not have any cushion of savings.

Prohibiting riba on loans for production purposes is based on the rationale of justice and fair play. There is inherent risk in all types of business. It is therefore difficult to foresee with any degree of certainty the operating results of the enterprise, and the magnitude of profit or loss cannot be determined in advance.

It would be sheer injustice if the party providing the capital is guaranteed a fixed and predetermined rate of return at a time when the other party, providing enterprise, is made to bear the uncertainty alone. On the other hand, a fixed interest rate can also be unfair to the supplier of money if the entrepreneur employing the money earns a profit quite out of proportion to what he is charged by way of interest.

There has been growing apprehension among economists whether scarce finance

could, through the mechanism of interest, efficiently and adequately be channelled to the uses which best enhance economic growth.

Professor Horst Albach of Bonn University has attributed the decline in the rate of growth of fixed assets in Germany and West Europe to the inefficiency of their financial institutions because of the inadequacy of the rate of interest mechanism.

For the purpose of his thesis Albach distinguished between financial risk and

business risk. The first is associated with the rate of interest and the second with the investment or equity capital and entrepreneurship. The result was a decline in the rate of investment. Investors have apparently responded to increased financial risk by reducing business risk. Between 1960 and 1979, the debt equity ratio rose from 1.7 to 1.1 in West Germany.

Economic projections have revealed the need for large investments, involving high technological, economic and social risk. This is matched by a marked decline in risk preference. The western financial institutions failed to bridge the gap created by this situation. Those which provide equity capital are likely to be more able to bridge this gap.

It is often argued that the rate of interest acts as a means of attracting deposits and as a criterion for determining investment activities. Studies have cast serious doubt on the existence of a direct relationship between the rate of interest and volume and form of personal savings.

It appears that the success of any financial institution in mobilising savings depends on its ability to meet the taste and requirements of the people. Added to this is the imperfection of the capital market. Product differentiation is based upon salesmanship, advertisement and personal approaches. In this situation the Islamic bank can independently devise savings schemes which serve to channel investment to meet the requirements of the people.

IN Sudan, the experiment revealed certain aspects which could serve as reliable indicators to the effectiveness of the Islamic financing system to the economic problems of modern society. It proved to be more compatible with government financial, monetary, and social policies.

If, for instance, the government wanted to implement a policy of rationalising imports by introducing an import licencing system or an import quota system, the Islamic bank would be the first to observe such policies. The nature of its transactions obliges it to do so. Since the Islamic bank can only finance real goods it would automatically stop financing restricted goods, should the authorities stop issuing import licences for those goods. The overdrafts and loans given by non-Islamic banks could go to financing such restricted goods and, therefore, would not help government policy.

Islamic forms of finance proved to be more effective in controlling both the volume and direction of finance. This is particularly true of the musharaka and mudaraba contracts. Finance in these forms would be provided to introduce certain goods or services for the benefit of a partnership which is contracted between the bank and its customers.

The bank would be in a position to monitor the costs of the goods or services, their sales price and quality. This is usually made a condition to the partnership contract. This would guarantee that the partner would purchase the right quality of goods at the right price and would also ensure that sales are effected according to the legal prices, or at what are considered to be the ruling and fair prices.

An important implication of this form of financing is that the mechanism employed would enable the Islamic bank to make sure that its money went to purchase the commodity it was originally intended for. It would also help the bank to prevent the financing of goods for the purpose of speculation of hoarding,

Islamic banking could prove to have an obvious impact on promoting economic and social development. It is a cardinal principle of Islam that labour rather than money is worthy of reward. One can get a return on money only if such money is combined with labour. This principle motivated Islamic banks to give access to classes of the society which would otherwise not be able to get badly-needed finance, though they possess the necessary skills. The experiment of the Faisal Islamic Bank of Sudan in providing artisans and craftsmen with all sorts of goods at concessionary prices, proved very successful.

Mudaraba contracts could achieve a combination of skill and capital, thus ensuring the efficient use of resources and, at the same time, making talented individuals and institutions able to render their efficient services to society.

It is sometimes argued that since Islamic banks provide risk capital they would end up with a host of bad projects which would be turned down by traditional banks. This is not the case. Being aware of the magnitude of risk to which its finance is exposed, an Islamic bank not only studies the project with the utmost care, but also closely follows up the execution and

renders all the necessary advice and expert service to its partners. Since efficient management in countries like ours is a rare commodity, our clients found this practice quite rewarding. The Islamic bank, realising that because of its developmental nature its success and very existence largely depends on the success of the projects it finances, exerts persistent and continuous efforts to improve and diversify its investments. Its profit is the result of real efforts to achieve the best return to the satisfaction of society, the shareholders, depositors and partners.

Islamic banks could attract and channel into the economy funds which had kept outside the economic cycle because their owners, sticking to their religious belief, refrained from placing them with traditional banks. By so doing the Islamic bank helps to discourage hoarding.

Islamic banks could make large profits not because they take a high share of the profits of the operations they finance, but because with careful selection of operations and close supervision and follow up we could help realise quick turn over.

It has become the practice of Islamic banks to allocate funds to operations in areas which realise higher profits as well as those which earn lower profits. By so

doing we keep in mind the difficult task of striking a balance between the profitability target of the bank and its social and developmental goals. In mudaraba operations the FIBS, for example, charges lower profits - as low as a quarter per cent - on commodities of strategic importance like sugar, rice, flour, to 5 per cent on medicals and 15 per cent on articles with high profit margins.

When the operations relate to projects executed on musharaka contracts, the rate of profit depends on the ultimate profit realised by the relevant project. It varies between 7 and 22 per cent.

These examples show that Islamic financing gives fair chances for the different sectors of the economy or different types of commodities to expand according to their own economies and circumstances and the chances of profitability.

It has become a fact of life that Islamic finance could help the monetary authorities direct finance to certain sectors of the economy and to certain goods and services. This is so because the authorities would be more able to trace every financial operation we execute to its ultimate use.

At the international level, Islamic banks are conceived as complementary to rather than competitive with, or a replacement for traditional banks. Although the concept and area of cooperation with those banks has not as yet been sufficiently explored, our experience shows that there is much to be said for cooperation.

A degree of cooperation could be initiated, based on the ordinary correspondence relationship which exists between banks and involves common transactions like confirming, advising and negotiating letters of credit. Arrangements for lines of confirmation of letters of credit could also be made under these relationships. Islamic banking in Sudan has started correspondence relationships with banks in Europe and the US.

At the beginning we started our relationship with them as holders of our deposits on non-interest terms. The condition was that we did not charge them interest on our credit balances with them, and they did not charge interest in the rare cases when our accounts went temporarily in the red. Immediately these arrangements were developed to cover letters of credit confirmation facilities.

Some of our correspondents made available to us these facilities without withholding any margins on the confirmations and advice they make on our behalf. Others withhold margins ranging between just 10 and 20 per cent.

Since Islamic banks have a greater involvement in business by the very nature of their transactions they are in a better position to furnish their counterparts in other parts of the world with more reliable information on individuals, firms and projects. They also have better information on opportunities for investment. With further understanding by western banks of the mechanisms and philosophy of Islamic banks this area of cooperation would prove conducive to the promotion of investments.

In co-financing, there is an obvious area of joint efforts, namely in the finance of hire purchase and leasing operations. Western banks can finance jointly with Islamic banks equipment, compute their mark up, add it to the cost and resell them in Muslim countries.

There is room for joint equity participation in medium and long-term projects, which directly depends on the willingness of western banks to provide risk capital. This is where these banks can become very close to the Islamic banks. Equity participation on a profit and loss sharing basis is the situation of linking available finance with the scarce resource of human entrepreneurial spirit.

Closely associated with these areas is the question of petrodollars recycling. Through Islamic banks recycling could be channelled to Muslim countries for the purpose of real investment. With an informed partner in these countries the western banks would feel more secure in areas of high risk.

The area of cooperation, however, is still relatively unexplored territory. More study is needed to acquaint the western financial institutions with the techniques of Islamic finance. This also requires more understanding on the part of our western counterparts, of the Islamic principles and concepts. More tolerance, imagination and courage are basic requirements for cooperation.

CAUSES, HARMFUL EFFECTS OF DESERTIFICATION OUTLINED

East Burnham ARABIA THE ISLAMIC WORLD REVIEW in English No 29, Jan 84 pp 56, 57

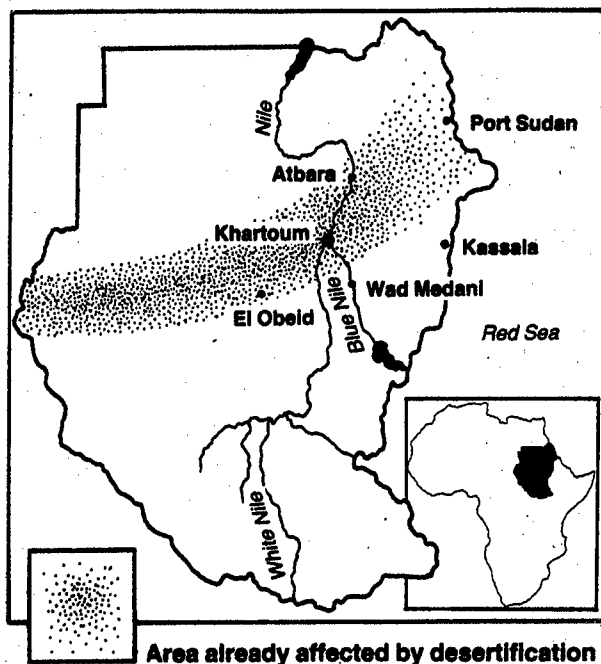
[Article by Chris McIvor: "The Desert: Sudan's Man-Made Disaster"]

[Text] ● Recent years have not been kind to Sudan. Political instability in neighbouring countries – Chad, Uganda and Ethiopia – has, despite international aid, further burdened a people already suffering from economic depression and one of the largest foreign debts in Africa. Political instability around it is not, however, the only cause of the refugee problem.

Increasing numbers of Sudanese are becoming homeless and destitute because of the ravages of a different and more lasting kind of destruction than that caused by guns or bombs. Desertification, the spread of desert over arable land, is moving south at a rate of about ten kilometres a year. It has forced numerous farmers and villagers to abandon their homes in the northern part of the country in search of a living elsewhere. Those who stay behind find it increasingly difficult to find adequate food and water; though starvation has so far been averted many people are malnourished and badly in need of aid.

Meanwhile, local residents in areas to which farmers and their families have moved have begun to object, claiming that their own land and resources are insufficient to support this new population. If nothing is done within the next few years to stop or make provision for this exodus from the north, many government officials fear that political instability will be the inevitable result.

Desertification in North Africa is man-made. It is primarily caused by the



harmful effects of agricultural activity on the fragile belt of land that divides the desert proper from the grasslands further south of the Sahara. In the last 50 years it has been estimated that 65 million hectares of productive ground has been turned into useless sand. The main agents of destruction are deforestation, unsuitable farming techniques and overgrazing by goats and cattle.

Deforestation is difficult to combat since wood is the staple fuel. Houses and stockades for animals also use wood. As the trees are cut down, the ground held

together by their roots is loosened. Strong winds and heavy rains during the wet season then erode the top-soil, so that the ground becomes impoverished and unable to support vegetation.

Sorghum and millet, both widely cultivated in the affected areas, is also to blame for soil degradation. This is because the farmer, to maintain production, is reluctant to have ground lie fallow: he plants the land continuously. Both crops demand a rich soil and quickly exhaust the nutrients in the ground. A vicious cycle ensues, in which more and more ground is planted for less and less result. Last year in western Sudan the price of grain rose four-fold and large-scale starvation was only averted when the government imported sizeable quantities of flour from America.

Too much livestock is also a problem: grazing cattle and goats further depletes the soil cover. Improved veterinary services have increased the numbers of animals and intensified the problem. In an area where the size of a cattle herd confers social prestige, it is difficult to persuade farmers to reduce the size of their herds. A lot of thin, underfed cows producing nothing are regarded by most people as better than a few well-fed fat ones. There is also a reluctance to export cattle from western Sudan to the bigger markets near Khartoum, since there is no system for the quick transportation of animals. Merchants are unwilling to buy cows and goats from local farmers in large numbers because the journey to the centres of consumption would result in the weakening of livestock and a sharp decrease in their market price.

All these factors have combined to produce an environmental disaster. The Sudanese government is aware of the problem but claims that lack of money and a shortage of skilled manpower have prevented it from carrying out an effective programme to halt the deterioration.

The measures which the government has taken reflect an insensitivity to the complex issues involved. A law, for instance, is now being considered to protect natural resources by imposing a financial penalty on people caught cutting down trees. In the absence of alternative sources of fuel and building materials, such a law is tantamount to asking people not to heat their food or build a house.

Government engineers have also dug numerous wells to increase water supplies

for humans and livestock. This, in many cases, has proved to be more a burden than a blessing. When large numbers of animals come to drink at a well set in grazing land they cause permanent damage by destroying grass cover. Overpopulation of the surrounding areas also takes place and within a few years fierce competition for available land and water ensues.

Mechanical farming in certain areas is also a factor contributing to desertification. Government projects around Gedaref and Damazin near the Ethiopian border are causing loss of topsoil and trees and the use of heavy machinery on poor soil further decreases its productivity.

Perhaps the most important thing that the government has neglected or failed to influence is the minds of the people themselves. No matter how much land is set aside for forest planting, no matter how many research projects are set up or laws passed, nothing can be done to solve the problem without the conscious efforts of farmers themselves to curb activities that are the direct cause of desert growth. Yet attempts at educating people in alternative agricultural methods are lacking. Even today most farmers remain unaware of the causes of desertification and what can be done on a local level to prevent it. Most cooking, for instance, is still done on open fires, which require large amounts of fuel. A simple construction of mud-bricks on three sides would retain the heat much more

effectively, and so reduce the need to cut down so many trees for fuel. Little if anything has been done to communicate such information to local people.

Alternative methods of farming are also possible, such as rotating crops and planting beans and vegetables which do not demand so much of the soil. Millet cultivation, it has been proved, can also be safely continued if land is left fallow every alternate year and a belt of trees established around existing fields. Acacia trees and certain grasses grow quickly in this area, so establishing a protective enclosure around arable land. Inducing farmers to decrease the size of their herds is more problematical since long-standing social traditions come into operation. Nevertheless, no attempt has been made to open up some kind of dialogue.

Knowledge of the harmful effects of desertification in Sudan goes back many years. In 1944 a study group set up at the University of Khartoum stated that

appropriate measures had to be taken if this large area of land was not to become permanently transformed into desert. Forty years later this prediction is coming true and today many people wonder if it is now too late to do anything about it.

If a programme of local education and economic assistance is not forthcoming within the next few years, Sudan will not only join the ranks of its troubled neighbours but probably head the list. Wars can be stopped, political instability can be solved – but land that becomes desert is almost impossible to reclaim.

CSO: 4500/43

BAHRAIN

BRIEFS

CONTRACT FOR POWER CABLES--Manama, 29 Feb (WAKH)--Bahrain and Mitsubishi Corporation signed today a BD 2.5 million contract to extend power ground cables. The contract was signed by Majid Jawad al-Jishi, Bahraini public workd, electricity and water minister; and Mr Itto, the corporation's representative in the Gulf region. Mr al-Jishi said that the contract includes extending 60 kms of power ground cables of 60,000 watt capacity to meet the growing needs of power in Bahrain during 1984 and 1985. [Text] [GF011814 Manama WAKH in English 1540 GMT 29 Feb 84]

CSO: 4400/178

FALASHAS' ABSORPTION INTO ISRAELI SOCIETY DIFFICULT

Jerusalem THE JERUSALEM POST in English 10 Feb 84 p 3

[Article by Liora Moriel]

[Text] The Pandora's box that was opened at Monday's anthropology conference in Beersheba, some officials have said unofficially, may be the best way to highlight the plight of Ethiopian olim. "If I were not bound by government regulations, I would shout as loudly," was a typical comment.

The box was opened by two anthropologists: Michael Ashkenazi of Ben-Gurion University and Jeffrey Halper of the Hebrew University. Both deplored the absorption agencies' efforts to hasten the integration process artificially. "Most of the Ethiopian Jews have never even left their village before, and therefore have no experience in processes of change," said Ashkenazi. "The olim develop a total dependency and are afraid to complain."

At first both the Jewish Agency and the Absorption Ministry declined to comment on allegations made at the conference, but once they caused a stir in the news media, they were quick to retaliate.

"We have developed a project especially suited to the Ethiopians and we're consciously avoiding all the mistakes that may have been made in handling the last wave of refugees in the 1950s," Yoram Dori, a Jewish Agency spokesman, told *The Jerusalem Post*.

But Halper is not convinced. "The agencies are trying to destroy the legitimacy of the Ethiopian culture and make them into religious Ashkenazim." He added that Rabbi Daniel Hadani "was adopted by Habad," and now would refuse to eat in his father's home in Ethiopia because it might not be sufficiently kosher — even though the father "is one of the main Kesim (religious leaders) in Ethiopia."

Halper said there are cases of poverty and even hunger in the absorption centre in Beersheba, and an alarming number of attempted suicides due to depression brought on by the "total dependency" the centre breeds.

"If you try to hasten the process of absorption you get fragmentation and depression," he said. The natural absorption process would take "two or three generations."

Dori categorically stated that there were no attempted suicides in the past two years and that the one suicide and one murder that did take place were caused not by depression but by family problems. "Nobody treats them as primitives, and there is no hunger. Some have even lost money on the stock market. I think our people are doing everything to ensure that past mistakes (in the absorption of Oriental Jews) are not repeated."

BUT SIFTING through all the

comments from all the officials, on and off the record, the picture that emerges is of a subtle battle between the Jewish Agency and the Absorption Ministry. Officially, there is great cooperation on all levels, but in reality there are many snags.

One of the problems is that the division of labour between the two calls for the Jewish Agency to take care of olim for up to six months, until they move into a flat. In reality, a large number of Ethiopian Jews are still in Jewish Agency absorption centres two and three years after coming. Only 30 per cent of the Ethiopian Jews who have arrived since 1980 have moved into apartments.

To discount allegations that these olim do not get proper schooling after arrival, Dori said that 31 of the Ethiopians are in institutions of higher learning. But the figure, low as it is, is misleading. Twenty-two of the 31 are at the Practical Engineering College in Beersheba where, Halper said, they learn only basic mechanical skills in special classes. The treatment is often patronizing — the absorption agencies feel that they know best what is good for the newcomer.

The sharpest criticism is reserved for the allegedly insufficient efforts made by the government to help bring the Ethiopian Jews to Israel. Halper, an activist in the Union for

Saving Ethiopian Jewish Families, said that many Jews still remain in Ethiopia. The government must negotiate directly or indirectly with the Ethiopian government, with which Israel has trade ties, for the release of the Jews left behind. "But I don't think the issue is very high up on the agenda," he said sadly.

Dori categorically denies the allegation, saying that Israel is doing everything it can to bring as many Ethiopian Jews as possible to the country.

As one official noted, the Ethiopians are "truly Zionists" who have wanted to come to live in Israel for over 30 years, but the government has thwarted them in the past because of Halachic uncertainties about their Jewishness. (In 1973, the chief rabbis declared them Jewish, and in 1975 it was agreed that the Law of Return applies to them as well.) Perhaps the pattern of rejection is hard to shake.

All sides seem genuinely eager to absorb the Ethiopian Jews properly, but goodwill without good faith is not always enough. There are still many preconceived notions at play, and perhaps, as Halper had suggested to his colleagues at the conference, the best way of resolving the matter is for anthropologists to act as brokers between the absorption agencies and the confused and baffled new olim.

CSO: 4400/169

NEW ULTRA-ORTHODOX SEPHARDI LIST FORMED

Jerusalem THE JERUSALEM POST in English 7 Feb 84 p 3

[Article by Sarah Honig]

[Text] TEL AVIV. — A new ultra-Orthodox party will contest the 11th Knesset elections — a Sephardi list which will compete with Agudat Yisrael.

The initiative for the move came from former Sephardi chief rabbi Ovadia Yosef.

The move has caused concern in Aguda, especially in view of the large bite taken out of support for Aguda in Jerusalem during last November's municipal elections by a similar religious Sephardi list. It is feared that such a nation-wide list could do similar damage to Aguda in the Knesset.

Yosef himself says that he does not want to head the list, and there is already competition among several Sephardi yeshiva heads as to which of them will have the honour.

Yosef said that part of the reason for the new list is that the "religious parties never gave fair representation to Sephardim, although much of their support came from observant Sephardim." He noted that the fifth on Aguda's Knesset slate was Yemenite Rabbi Yosef Melamed of Rosh Ha'ayim. Since only four Aguda candidates made it into the Knesset, it was agreed that one would yield his Knesset seat mid-term in Melamed's favour. However, the rotation agreement

was never carried out, a fact interpreted as discrimination against Sephardi Jews in Aguda.

Although Aguda claims that most of its support is not Sephardi, it did epergetically count Sephardi voters. But its supreme authority, the Council of Tora Sages, is almost all Ashkenazi and the language in which deliberations are held is Yiddish.

Yosef's initiative is interpreted in Aguda as part of a vendetta against the party for having failed to back his demand that his term as chief rabbi be extended.

Fear of competition from the new list is seen as one more reason why Aguda opposes early elections.

CSO: 4400/169

EFFECTS OF KAHAN REPORT REVIEWED ONE YEAR LATER

Jerusalem THE JERUSALEM POST in English 3 Feb 84 p 9

[Article by Ze'ev Segal]

[Text] ARIEL SHARON'S recent failure to be selected as head of the Jewish Agency's Aliya Department should not be interpreted solely as a victory for his political opponents. It may also be considered as an example of the deep and widespread approval of the findings of the Kahan Commission of Inquiry into the massacre at the Sabra and Shatilla camps in Beirut in September 1982.

Today, a year after the completion of the commission's report, which was issued on February 8, 1983, it is timely to consider its effect on Israeli public opinion and the attitude to its recommendations.

The nature of a commission of inquiry under the Commission of Inquiry Law, 1968, may help to explain the unique value of the report.

The Israel government's decision to establish a commission of inquiry in accordance with the Commission of Inquiry Law, came after a week of intense internal and international pressure. The delay in setting up a full inquiry was viewed as an attempt to cover up possible Israeli involvement in the affair. The effort to circumvent the Commission of Inquiry Law was roundly condemned in legal and political circles. It was rightly felt that an inquiry by a commission, under the specific law, was the *only* possible way to overcome a worldwide crisis of confidence. This general feeling can be well understood, thanks to the basic characteristics which conceptualize a commission of inquiry

under the law and distinguish it from any other investigatory body.

Under the law, a commission of inquiry is, in substance, an administrative fact-finding agency. Its task is to hold hearings and to ascertain facts about some matter of vital public importance. The commission does not make decisions, though its conclusions and recommendations may provide the basis for decisions by others. Its findings and recommendations have no legally binding value, and the government has full discretion to accept or ignore them. In spite of this, the British tradition that when an independent, quasi-judicial tribunal of inquiry concludes that government ministers were responsible for improper behaviour, those ministers resign from office.

THIS TRADITION was a guiding line for the Kahan Commission as it has been for any other commission established under the Law of 1968. The members of the commission were appointed by the president of the Supreme Court, regarded by the public as an independent figure. Entrusting him with that duty was an assurance that those members would be selected on their merits, disregarding political pressures and considerations.

President of the Supreme Court Yitzhak Kahan's choice of himself, Justice Aharon Barak and Aluf (Res.) Yona Efrat ensured judicial

wisdom, coupled with impartiality, and an expert's familiarity with the subject-matter on the part of the military member.

The Kahan Commission differed from the famous Agranat Commission, which was established under the same law, in having a judicial majority. The fact that like the earlier commission, it was chaired by the incumbent president of the Supreme Court, as it was in the past, added prestige to its report. The choice of a Supreme Court judge well known for his ability and a man with a high military reputation laid the ground for a thorough investigation that enjoyed the confidence of the country as a whole, and of people of goodwill abroad too. As the commission itself noted in its report, the investigation was important "from the perspective of Israel's moral fortitude and its functioning as a democratic state that scrupulously maintains the fundamental principles of the civilized world."

It should be stressed that no other forum of investigation could have allayed public anxiety and ensured that an inquiry was conducted without bias. The inquiry was praised outside the boundaries of Israel. Some American jurists were ready to consider the advantages of such a commission over an inquiry by a Congressional Committee, which is influenced by political motives. After the Kahan Report was published, the former secretary of state, Dr. Henry Kissinger, said: "It is true that there are very few governments in the world that one could imagine making such a public investigation of such a difficult and shameful episode."

IN ORDER to evaluate the implementation by the government of the recommendations embodied in the Kahan Report, some of the commission's main conclusions should be clarified.

The principal findings were that the direct responsibility for the perpetration of the slaughter rested on the Phalangist forces, and not upon Israel or upon those who acted on its behalf. Thus, Israel's responsibility was of an indirect nature. It derived from the omission

to consider the danger that the Phalangists would massacre the inhabitants of the camps. It was based also on the commission's findings

that, when reports about the actions in the camps began to arrive, they were not heeded and no immediate action was taken to restrain the Phalangists.

The responsibility attributed by the commission was a non-legal one, and was based on a breach not of legal norms but of moral and ethical norms. Thus, the commission could have decided on Israel's indirect responsibility without determining the legal status of Israel in Lebanon at the time. The responsibility mentioned — with regard to ministers and other officials — was personal, and not ministerial. All the personal recommendations made by the commission were a result of personal involvement in actions or inaction. Only when the commission felt that the gravity of the misconduct so required, did it make recommendations regarding certain personas. These were the minister of defence, the director of military intelligence and the divisional commander. As to the chief of staff, the commission said that it was not recommending the termination of his appointment, as he was completing his term in two months anyway.

AS A MATTER of principle, the Israel government decided to adopt the commission's recommendations. Yet it should be considered to what extent they were actually followed. With regard to the minister of defence, the commission recommended as follows:

"In our opinion, it is fitting that the minister of defence draw the appropriate personal conclusions arising out of defects revealed with regard to the manner in which he discharged the duties of his office — and if necessary, that the prime minister considers whether he should exercise his authority under section 21-A(a) of The Basic Law; the Government, according to which, the prime minister may, after informing the cabinet of his intention to do so, remove a minister from office."

It seems quite evident that the commission's call for drawing the appropriate personal conclusions, meant a demand that the minister of defence should resign from any governmental position. This interpretation can be strengthened by mentioning the prime minister's legal power to remove a minister from office.

The legislative history of the above-mentioned section of The Basic Law; the Government, is that it was introduced into the Law in 1981 in order to enable the prime minister to fire a minister; it was not aimed at providing a procedure for changing a minister's position in the government. But it could be argued that the commission's language was ambiguous and could be interpreted otherwise. Thus, the attorney-general decided that in allowing the minister of defence, Ariel Sharon, to stay in the government as a minister without portfolio, the government had fulfilled the recommendation.

THE RECOMMENDATION that the director of military intelligence should not continue in office was strictly observed. Aluf (Maj.-Gen.) Yehoshua Saguy was offered another position in the army, but he preferred to retire from the IDF.

As to the divisional commander, Tat-Aluf (Brigadier) Amos Yaron, the commission recommended that he should "not serve in the capacity of a field commander in the IDF, and that this recommendation not be reconsidered before three years have passed." As a result, Yaron was moved from his post as chief infantry and paratroop officer, and given the desk job of OC Manpower, but without the rank of aluf that normally goes with this appointment. The commission did not refer to Yaron's rank, but it was explained by army jurists at the time that to promote Yaron would be inconsistent with the spirit of the report.

A few weeks ago, on January 12, Tat-Aluf Yaron was promoted to the rank of aluf. This was made possible by Defence Minister Moshe Arens, who informed the chief of staff that he no longer opposed the promotion, since nearly a year had

lapsed since the commission made its recommendation, and "Yaron has paid his debt."

One might comment that in this respect the letter of the recommendation was followed, but that it is still open to question whether the spirit of the recommendation was honoured.

Generally, a year after the Kahan Report was signed, it can be said that the commission's spirit still exists. The report confirmed Israel as a democratic state which respects the rule of law and the right of the people to be informed. The basic implementation of its recommendations reflects the importance of a commission under the law to the well-being of the democracy. One hopes that no government in the future will fail to establish an independent inquiry whenever the gravity of the circumstances requires one.

CSO: 4400/169

NEW WEST BANK REPRESENTATIVES PROFILED

Amman AL-DUSTUR in Arabic 19 Jan 84 pp 10-11

[Article: "Brief Biographies of New West Bank Representatives"]

[Text] Dawud Muhammad Sulayman, Representative for Jerusalem:

--Born in Silwan, Jerusalem in 1940.

--Has a degree in management.

--He began his career carrying out contractual duties with his father, the late Mahmud Dawud, a resident of Jerusalem.

--At the present time he is employed in the contracting field.

--Has been president of the union of contractors since 1982.

--He manages several companies.

Rabhi Mustafa, Representative of Bethlehem

--He was born in 1930 in the village of Batir, the governorate of Jerusalem.

--He completed his education at al-Rashidiyah College in Jerusalem in 1945 and at Khaduri Agricultural College in 1947.

--He held several administrative positions in a number of economic and commercial firms in Jordan and Saudi Arabia.

--He was chosen to serve as a member on a number of boards of directors for companies like the Arab Cement Company on the West Bank and the Cooperative Organization for Olives in the Bethlehem area.

--In 1963 he was elected to the Jordanian parliament to represent the area of Bethlehem.

--He was appointed district officer of Hebron late in 1965 and then district officer of the district of Ramallah on 8 January 1984.

Dr Musa Abu Ghawsh, Representative of Ramallah:

- Born in 1924 in 'Imwas, in the subdistrict of Ramallah.
- Has a medical degree from Cairo University, 1952.
- He practices medicine, and he has a private medical office in Ramallah.
- He is the president of the Society of Islamic Shrines in Jerusalem.

Muhammad Salim al-Dhuwayb, Representative for Jerusalem:

- Born in 1941 in al-Ta'amirah, Jerusalem.
- He attended Bayt Sahur Preparatory School and completed his secondary education in Bethlehem.
- He earned a bachelor of arts degree in 1967 and a diploma in management from the University of Jordan in 1983.
- He has been working in the field of education for 23 years.

Ma'ruf Salim al-Raba', Representative of Janin

- Born in 1926.
- Has a public secondary school certificate.
- Worked for over 30 years as a merchant in Nablus, Janin and Amman.
- Elected to the eighth session of Jordan's National Assembly.
- Selected member of the Nablus Chamber of Commerce and a representative of the Alliance of Chambers of Commerce on the West Bank.
- Is serving as a general manager of a private firm.

Fayyad Jarar, Representative of Janin:

- Born in 1944 in Sanur/Janin.
- Completed his secondary education in Janin.
- Worked in customs.

Ziyad Muhammad Sa'id Yunis, Tulkarm and Qalqilyah

- He was born in 1940 in Qalqilyah to Mr Muhammad Sa'id Yunis, former representative for the subdistrict of Tulkarm. He completed his secondary education in Qalqilyah in 1948, and completed 2 years of study in the College of Islamic Law at the University of Damascus in 1962 and 1963.

--He taught for 19 years in Jordan, Saudi Arabia and Kuwait. His last position was that of a supervisor in the Ministry of Education in Kuwait. He held several positions in Qalqilyah among which was that of president of the Agricultural Marketing Society in Qalqilyah since 1979 and for several terms after that. He is still president of that society.

--He has also been president of the National Cooperative Housing Society in Qalqilyah since 1980. He has served as president for several terms, and he is still president of that society. He is also a member of the Society of Friends of al-Najah University in Nablus.

8592

CSO: 4404/308

AGREEMENT ON ECONOMIC COOPERATION, TRADE DEVELOPMENT, TECHNICAL RELATIONS

Amman AL-RA'Y in Arabic 20 Jan 84 p 2

[Article: "Agreement on Economic Cooperation with Turkey Approved; Trade and Technical Relations between the Two Countries To Be Developed"]

[Text] A royal decree has been issued approving the agreement on economic, industrial and technical cooperation between the government of the Hashemite Kingdom of Jordan and the government of the Republic of Turkey. The agreement is as follows:

Article One: The two parties to this agreement are to strive to develop economic, industrial and technical cooperation between the two countries in those fields that will help develop their economies. Those are areas such as joint projects, services, engineering, consultations, contracting and all other economic operations and activities among both countries' subjects, companies, banks and government institutions.

Article Two: The economic and technical cooperation between the two countries includes in general trade, banking operations, financial operations, industry, tourism, transportation, agriculture, communications, public works, shipping, ship-building, fishing and any other areas the two parties to the agreement agree upon, taking into consideration the benefits as well as the resources that are available to both of them.

Article Three: The two parties to the agreement are to take all essential possible steps to develop technical cooperation between the two countries through training and the exchange of specialists and technical experts and through the sharing of scientific and technical information in various areas as well.

Article Four: On the basis of this agreement the two parties to this agreement may, when necessary, enter into special agreements regarding the cooperation mentioned in the previous paragraphs. In addition, they may make agreements on specific projects agreed upon by the two countries.

Article Five: The two parties to the agreement are to encourage economic, industrial and technical cooperation between the subjects of both countries, and that includes joint organizations, in accordance with the laws and regulations that are in effect in both countries.

Article Six: The joint committee which was formed in accordance with Article Seven of the Trade Agreement that was signed by both countries on 17 June 1980 shall be responsible for facilitating and implementing this agreement, and it shall also be responsible for expanding economic and technical cooperation between the two countries.

Article Seven: This agreement goes into effect on the date on which ratification documents are exchanged and remains in effect for a period of 3 years from that date. Accordingly, this agreement will be renewed automatically for the same period unless one of the two parties to the agreement gives notice of its wish to cancel the agreement 1 year before its expiration. Cancellation of this agreement does not signify cancellation of private agreements made and signed in accordance with Article Four.

8592

CSO: 4404/308

JORDAN

BRIEFS

TECHNICAL AGREEMENTS SIGNED--Three agreements were signed yesterday at the Authority for Natural Resources. The first agreement is one with the Romanian (Rompetrol) Company to provide the authority with the technical expertise it might need in the area of looking for oil. The second agreement, which was signed with the same company, is an agreement to furnish the authority with drill operators, mechanics and electricians needed by the authority to operate its battery of water drills efficiently. It is known that at the present time the authority has 18 drills. Among them are three rotating drills that were imported recently. The third agreement, which was signed with the Naphtha Gas Company of Yugoslavia, stipulates a 20 percent reduction on all prices and costs of drilling operations that are being carried out by Naphtha Gas's drill. Naphtha Gas has been working with the authority for 2 years on a project to look for oil. This reduction will entail annual savings of about 1 million dollars. The three agreements were signed by Engineer Ahmad Dakhqan, the vice president of the authority on behalf of the authority; by the general manager of the Romanian company on behalf of that company; and by the manager of the Yugoslavian company on behalf of that company also. The signing [ceremony] was attended by Engineer Yusuf al-Nimri, general manager of the authority. [Text] [Amman AL-RA'Y in Arabic 20 Jan 84 p 2] 8592

CSO: 4404/308

JORDANIAN PAPER INTERVIEWS WALID JUNBLATT

JN071030 Amman AR-RA'Y in Arabic 7 Mar 84 pp 1, 20

[Lima Nabil's interview with Progressive Socialist Party leader Walid Junblatt in Amman on 6 March]

[Text] Question: Will you go to the second dialogue conference?

Answer: It seems that President Amin al-Jumayyil wants to hold the second conference in Switzerland. We heard that he has entrusted [Lebanese] ambassadors and envoys to extend invitations for the conference. I will consult with my allies, particularly Nabih Birri and the National Salvation Front. If I find that my attending the conference will be useful, I will go.

Question: This means that you have not decided to go yet?

Answer: We have not decided anything yet.

Question: Will the talks during the second conference be based on new ground, or will they be a continuation of the first conference?

Answer: Of course not. Facts have changed in the period between the first and the second conference. There are new responsibilities. There are some things to be accounted for. Those responsible for the destruction in southern Beirut and the mountain will have to account for their actions. Somebody ordered the Lebanese Army to strike at southern Beirut and the mountain. Who gave these orders? We say it was Amin al-Jumayyil. We demand a trial for whoever was responsible for this because what happened was unreasonable.

Question: You have previously said that if the 17 May agreement is abrogated you would still insist on al-Jumayyil's resignation. Are you still insisting on this?

Answer: The issue is not a personal matter. We have always demanded the abrogation of the agreement. This has happened. It seems that the bright lawyer Amin al-Jumayyil has at last discovered that the agreement was illegal. He must have reread the Lebanese constitution.

However, there must be a public enquiry. We demand that Amin al-Jumayyil abandon his Phalangist trend and the legislative decrees he issued. A human disaster

befell southern Beirut and the mountain. We say that Amin al-Jumayyil will, until further notice, remain responsible for the displacement of 400,000 people from southern Beirut and the mountain. Let us go back to the time before the recent clashes. We believe that Amin al-Jumayyil's Phalangist policy had harmed the Christians in the mountain more than it did the Muslims and Druze. There are many issues that concern me personally. There is the issue of assassinating Shaykh Halim Taqiy al-Din. I have accused and continue to accuse the Lebanese intelligence apparatus of being behind this assassination. There is also the assassination of Malcolm Kerr, president of the American University of Beirut. The issues are numerous and as I say the situation has changed for the worse in one way or another.

Question: Then you are still insisting on Amin al-Jumayyil's resignation?

Answer: Let us say trial.

Question: Will the trial be before or after the second dialogue conference?

Answer: I will decide in consultation with my allies whether there is a need for me to go to the conference. If we go we will submit this issue before the conference.

Question: Do you believe that the abrogation of the agreement will enhance Israel's attacks against Lebanon?

Answer: Israel is not affected by the abrogation or the nonabrogation of the agreement. It has been attacking Lebanon daily. However, this abrogation will strengthen Israel's pretext to remain in southern Lebanon.

Question: Israel says that the abrogation is unilateral?

Answer: We support measures to guarantee the security of southern Lebanon through the application of the 1949 Israeli-Lebanese armistice agreement and through expanding and affirming the UN forces' role in southern Lebanon. We will not accept any measures other than these. In this regard I think that the Lebanese president has the authority to hold secret agreements and does not have to inform the council [majlis] [not further identified] of such agreements. Reaching an agreement similar to the 17 May agreement with Israel. [Sentence as published]

Question: What about the recent Lebanese-Syrian talks?

Answer: They are a triumph for realism, for the Arab policy, and for Lebanon's return to the Arab fold.

Question: Will this [Amin al-Jumayyil's visit to Syria] visit improve the Lebanese situation?

Answer: Of course. But what is needed is a deep-rooted internal reform of the Lebanese system. The constitution should be amended, and Lebanon's Arab identity should be stressed. This was the first decision to be taken at the first confer-

ence. If these changes are not realized, al-Jumayyil's visit to Syria will be a mere Phalangist maneuver to gain time and avoid discussing reforms and the Arab identity of Lebanon.

Question: What were the issues that you and Nabih Birri discussed with President Hafiz al-Asad?

Answer: We met the day before the agreement was abrogated. President al-Asad told us that al-Jumayyil would abrogate the agreement and that there must be some political reform as a result of the great sacrifices offered by the Lebanese opposition to preserve Lebanon's unity and independence, and after the destruction and ruin to which Lebanon has been exposed for many years. This, the president said, is for the Lebanese people to decide in one way or another.

Question: How do you view France's decision to withdraw its forces from Lebanon?

Answer: There is no need for foreign forces. France was involved with the Americans in what is called the multinational forces. The French forces were biased in Lebanon but less biased than the Americans. Eventually, this French-U.S. policy proved to be an utter failure. I believe we need not have foreign forces except in southern Lebanon, as I have just said.

Question: Shamir has recently said that Israel will not withdraw for security reasons.

Answer: Shamir's security measures differ from the security measures that we propose in terms of the armistice agreement and stationing UN forces. We oppose any direct or indirect Israeli security measures in southern Lebanon. We do not want another Sa'd Haddad area. We do not want another Sa'd Haddad phenomenon. Through its contacts in the south, Israel is currently trying to attract certain people, impose its terms on them and enlist them in the Free Lebanon Army which had been established by Sa'd Haddad.

Question: How do you view the return of al-Wazzan's government?

Answer: Al-Wazzan has revived himself. It may be that al-Jumayyil has resuscitated him. This is the worn-out so called Lebanese democracy. They sign a document of surrender and then go and revoke it.

Question: President al-Jumayyil was acceptable during the first conference. Will he be acceptable during the second conference?

Answer: In the first conference, we regarded al-Jumayyil as a party to the conference and not as president of Lebanon. We treated him accordingly. This feeling has been accentuated after the recent disasters and after al-Jumayyil used the Lebanese Army the way he used it. This led to the partition and destruction of the army. There are more than one army in Lebanon. There are armies, or rather two armies.

Had al-Jumayyil carried out his promises after the first conference, he would have averted the disaster. He went to the United States and came to flex his

muscles and say that the United States would help him strike at the Syrians and the nationalist forces. This is what the United States did when it used the "New Jersey" and other means of destruction. The U.S. policy in Lebanon reached a dead end and proved to be a failure. This failure shows us that we cannot rely on U.S. policy, that we cannot cancel the Soviet role whether we like it or not. I believe that today, a new page in Lebanon as well as in the Arab world has been opened. This will have a great effect from Lebanon to the Gulf.

A positive factor will dominate the second conference, namely, the abrogation of the agreement. This means that a positive factor has arisen in the Lebanese Arab relations. Lebanon, in cooperation with the Arabs, particularly Syria, has abrogated the agreement. What remains is the internal problems and internal reforms. A new advanced system must be established in Lebanon. We demand that sectarian politics be canceled. As a Lebanese Progressive Socialist Party, we believe that this is the best solution that would drive the specter of civil wars away from Lebanon.

CSO: 4400/180

IDDIH INTERVIEWED ON LEBANESE AFFAIRS

PM071130 Riyadh AL-RIYAD in Arabic 3 Mar 84 p 25

[Interview with National Bloc Leader Raymond Iddih by Mahmud al-Rajih in Paris--
date not given]

[Excerpts] Question: Following the recent deterioration in Lebanon, everyone now agrees that President al-Jumayyil's resignation, or at least the reduction of his term of office from 6 years to 2 years, is the only way out of the present crisis. A government of national unity embracing all factions could then be formed. Do you agree with that view?

Answer: I do not agree with that view, which has not been well studied. We either let the man complete his term or ask him to resign immediately. In 6 months time he will have completed 2 years. What will he do during these 6 months? Will he again order the opening of fire on the citizens as he did before? There are other ways of deposing the president. There is no need to amend the constitution. The constitution was not promulgated in order to be changed on request.

I believe that unless he reaches agreement with the armed resistance--Junblatt and Birri--President al-Jumayyil cannot last long. He should resign now, particularly because he did order the army to open fire on the people.

Question: The Lebanese crisis was one of the topics discussed in the bilateral talks between His Majesty King Fahd of Saudi Arabia and President Mitterrand in Paris. They agreed to invite the warring parties to resume the Geneva dialogue in Paris. How do you view the possible results of such a meeting, assuming that the various parties agree to attend?

Answer: Any meeting or dialogue before the withdrawal of the Israeli and Syrian forces will not succeed. The first meeting in Geneva proved this point. What did the Geneva dialogue produce other than the "moustache kissing" scenes?

Question: In your opinion, why did President al-Jumayyil wait so long--until matters reached the point of no return--before abandoning the 17 May agreement? Why did he not do that before, when the balance was in his favor?

Answer: I believe that President al-Jumayyil lacks political balance and skill, otherwise he would have reached agreement with Syria before signing the agreement with Israel. Lebanon cannot have a peace agreement with Israel before Syria and Jordan do. Lebanon signed the 1949 armistice agreement after Syria and Jordan.

Question: So you believe that President al-Jumayyil was late in resorting to the present course because of political shortsightedness and immaturity, and not because he relied on certain powers which had promised to back him up if he insisted on adhering to the agreement.

Answer: He should not have approved the agreement. Anyway, he is not experienced enough to pass good judgment. Furthermore, he was forced to do what he did. We know very well that it was [then Israeli Defense Minister] Sharon who imposed Amin al-Jumayyil as president of Lebanon. So how is he going to allow him to make changes that are not in Israel's interests? The destruction of the Palestinian revolution was not the only aim of the Israeli invasion of Lebanon. The main aim was to force Lebanon to sign a peace agreement with Israel and thus become the second Arab country to do so after Egypt. Both Begin and Sharon have officially said so.

Question: To what extent, in your view, will President al-Jumayyil's latest decision help him in resolving the crisis and preserving his regime after all that has happened?

Answer: President al-Jumayyil cannot preserve his regime unless he comes to some agreement with the opposition in the Chamber of Deputies, but the armed opposition. He should come to terms with that opposition. I say this despite the fact that I am against the use of arms in politics. That is why I am here in Paris where I can oppose and speak freely. In Beirut, a simple operation requiring no more than a car laden with a few kilograms of explosives could silence me forever.

Question: Recent events have proved the failure of U.S. policy in Lebanon. What contributed to that failure was the fact that the U.S. contingent in the multinational force changed from being a peacekeeping force into a force supporting and fighting alongside one of the warring parties. How do you view the U.S. presence in Lebanon?

Answer: The presence of the U.S. forces in Lebanon and what they did there remind me of Vietnam, and more. In Vietnam the United States shelled military positions in that country's jungles. In Lebanon it is shelling summer resorts and populated areas. I wonder, will the United States pay compensation to the Lebanese people who have suffered as a result of that shelling? The United States has sent experts and arms to improve the Lebanese Army's combat capabilities. Lebanon has in return paid \$1.5 billion. What was the result? President al-Jumayyil ordered the army, which consists of druze and Shi'ites, to shell the people. How could the army be used to do such a thing? How could we ask a

Druze or a Shi'ite to fire at his own brothers and kinfolk? That is why there was a split within the army, and that is why it refused to carry out the orders. Some units joined the opposition and other units returned to barracks and took a neutral stand. The presence of the U.S. and French forces was necessary in the beginning. We realize that had it not been for the French forces' presence Yasir 'Arafat and his men would not have been able to leave Tripoli. The U.S. contingent, however, soon became a force fighting on the side of the Phalangists, and it bombarded civilians. What was the result of all that? The United States was compelled to pull its forces out to sea in a manner reminiscent of the U.S. flight from Vietnam. It would have been better if the United States had forced Israel to withdraw its forces from Lebanon in implementation of the UN Security Council resolutions supported by the United States, but Reagan only thinks of Lebanon in terms of votes in the coming elections. out

CSO: 4400/180

AMMAN DAILY COMMENTS ON JORDAN-PLO TALKS

JN070827 Amman AKHBAR AL-USBU' in Arabic 1 Mar 84 p 1

[Editorial: "Optimism and Hope for the Future of JOint Action"]

[Text] The inevitable upshot of the Jordanian-Palestinian talks dictates the emergence of studied practical steps for joint and quick action to face the critical situation experienced by the occupied territories which will be lost in the absence of a unified Arab stand capable of opposing the expansionist Zionist invasion.

All information and indications pertaining to the talks stress that the two sides have reached what may be considered an historical agreement, the effects of which will direct action on the proper path regarding practical steps for preserving the Palestinian cause, regaining the national rights of the Palestinian people and saving the kinfolk and the land from the claws of Zionist occupation.

Talks have undoubtedly dealt with all the problems and issues that directly affect events in the West Bank, and took into account all the successive developments, either in Lebanon or the dangerous escalation of the Iraqi-Iranian war, and the effect of these developments on the events in the occupied Arab territories.

The optimism that accompanies the crystallization of the Jordanian-Palestinian march stems from the complete confidence in and support for the clear Jordanian stand that is committed to the Palestinian cause and to the legitimacy of the Palestinian leadership and its representation of the Palestinian people's will. This optimism also results from the belief that this joint march represents an extension of the natural and historical relations between the Jordanian and Palestinian people who are now standing in one trench facing the most vicious enemy attack on the whole region.

Logic and Arab commitment make it necessary that this blessed march and every step agreed on between the Jordanians and Palestinians must be accompanied by unambiguous and strong Arab support that will give it a strong push, enabling it to achieve its objective of liberating the land and rescuing the kinfolk.

CSO: 4400/180

YEMEN ARAB REPUBLIC

BRIEFS

ARMS FROM USSR--Diplomatic sources in Cairo confirmed that the Arab Yemen Republic has recently received three shipments on a military deal from the Soviet Union. Included in the shipment were T-62 tanks and anti-aircraft artillery. These weapons were received even though San'a' has failed to make its payments on its military loans. At the present time Moscow is considering acquiring military privileges in the Yemen Arab Republic in return for its approval to defer payment on the loans. [Text] [London AL-MAJALLAH in Arabic No 206, 21-17 Jan 84 p 8] 8592

CSO: 4404/308

REFUGEE REPORTS SAY SOVIETS WILL NOT HAVE WINTER RESPITE

Kuching THE BORNEO POST in English 15 Jan 84 p 7

[Text] UNITED NATIONS.— Afghanistan's Muslim guerillas, the Mujahidin, are planning to maintain their high level of harassment of the Soviet invaders throughout the coming winter, according to recent refugee reports.

It will be the first time since the start of the Afghanistan war four years ago that the Russians will not have a respite from frequent attacks during the winter.

Afghan refugees in Pakistan have reported that the indiscriminate bombing and shelling of villages and towns has become a routine feature of Soviet military tactics in Afghanistan. These bombardments are reprisals for guerilla activity and an attempt to terrorise the civilian

population into denying support for the Mujahiddin.

The Soviet troops deliberately destroy crops, irrigation channels and farm animals. With their sources of food gone, villagers are usually forced to become refugees.

Istalef is one of many undefended Afghan villages which were attacked by the Russians in recent months. In mid-October the village, famous for its lapis lazuli pottery, was shelled and bombed. More than half the houses were destroyed in this onslaught, mainly by night-time artillery bombardments.

Soviet troops then overran the village and surrounding countryside. They poured petrol on the remaining houses and set them alight. Although supposedly looking for guerillas, the soldiers bayoneted about 15

children and stole money, jewellery, rugs and food from the wrecked buildings.

On October 13th Russians concluded similarly brutal attacks on three villages near Kandahar, Afghanistan's second largest city. Altogether 126 inhabitants of these three villages were

killed. They included women and children who were bayoneted and a number of people blown up when grenades were thrown into their houses.

Nikolai Ryazkhov and Alexander Voronov, former privates in the Soviet army headquarters in Kabul, have confirmed that the Russian forces' fire-power is being deliberately directed mainly against Afghan civilians.

As a result of this strategy, more than a

quarter of Afghanistan's population are now refugees. Three million are being given shelter in camps and villages in Pakistan, and an estimated half-million have fled to Iran.

CSO: 4600/387

PAPER REPORTS SOVIETS PINNED DOWN IN GUERRILLA WAR

Kuching THE BORNEO POST in English 24 Jan 84 p 4

[Text] IT TOOK just one captured T-55 tank to gain a neat little victory for Commander Jalalidin and his men at an Afghan army post near the garrison city of Urgan.

In this area of southern Afghanistan, a day's march from the Pakistan border, the mujahideen have gained almost total control of the mountains round the city. The capture of the outpost was a clear illustration of the failure of the Soviet-backed regime to break the siege.

All land routes to Urgan are dominated by guerrilla ambush units. The only way to bring in supplies is by helicopter under constant anti-aircraft fire as they come in to land.

The main garrison of about 800 soldiers, an Afghan commander and 10 Soviet advisers is bombarded daily by the guerrillas' 122mm cannon, heavy mortars, machine-guns and anti-craft guns, all captured from the government forces.

The tank assault followed the successful ambush of a small convoy of three armoured personnel carriers and two tanks

carrying rations from Urgan to one of the outposts that defend the city.

Twenty men were captured and three Afghan officers, all Communist Party members, were executed. The other ranks, conscripts, were questioned and then allowed to join the guerrillas.

One of these men, a tank driver, volunteered to inspect his vehicle and having repaired a broken track, brought it to the camp of Commander Jalalidin, a member of the Mauvli Yunus Khalis party which recently joined forces with six other political groups to form Ittehad Islami, the most powerful organisation now fighting in Afghanistan.

Jalalidin planned a night attack on the government post using the T-55 as a spearhead. He briefed his sub-commanders and personally checked the heavy support weapons. By 10.30 p.m. he had moved his men within 300 yards of the enemy position using a group of deserted houses as cover. At 11 p.m. precisely the tank began sending shell after shell into the large fortified complex.

With its crew shouting 'God is Great,' the tank began clanking forward. One guerrillas, using a megaphone, repeatedly asked if the government troops would like to surrender. In the darkness a faint voice could be heard angrily replying with the Afghan equivalent of 'get lost.' Then mortars began shelling the mujahideen but with little effect.

This cat and mouse game lasted for number of hours until a final shot at close range demolished part of the 30 ft high perimeter wall, through which the mujahideen poured. Running along the route the tank tracks had left on the ground to avoid anti-personnel mines, we waited just outside the wall.

Intense fighting went on for about 20 minutes as the mujahideen fought their way through a series of underground bunkers into which they fired automatic bursts of Kalasnikov fire and threw grenades at any sign of resistance.

The Communist commander it was discovered the following day, ordered his batman to shoot him to prevent capture. This was promptly and

cheerfully carried out as his executioner was in fact a mujahideen who had been forcibly conscripted earlier in the year.

Seventy-five prisoners were ushered outside and forced to sit with their hands behind their necks, eight soldiers had been killed and an unknown number buried under the collapsing wall. One survivor was found 48

hours later barely alive. Tons of equipment were removed including mortars and eight machine-guns which had been sited in towers and had caused the most casualties on the attacking mujahideen. A large collection of radios, secret army manuals, food and ammunition were also taken.

PHOTOGRAPHS

Daylight revealed the post in ruins. Inside sandbagged buildings

desks were overturned and photographs of Breshnev and Andropov on the walls were daubed with mujahideen graffiti. Uniforms hung on coat hangers and half-eaten bowls of food lay on tables, showing the surprise with which the attack had taken defenders.

Villagers began to pick at these odds and ends, but fled when a

group of MiGs arrived to bomb and rocket the area.

For Muhammad Ghul Khan, head of the government forces in Urgan, his Soviet advisors and junior officers, the future must seem bleak. Every day men are deserting, bringing valuable weapons and information to the mujahideen.

They tell of serious shortages of food and ammunition, of helicopters being damaged and frequently flying away without delivering urgently needed supplies.

REUNION

Outside the perimeter defences guerrilla loudspeakers offer encouragement to defect with promises of good food and reunion with their friends who have already decided to join the war of the mujahideen.

CS01 4600/388

AFGHANISTAN

BRIEFS

19 SOVIETS REPORTEDLY CAPTURED--New Delhi, Wed:--Afghan Mujahideens have captured 19 Soviet soldiers in guerrilla action since the start of the new year, Western diplomatic sources said here. The Mujahideens captured 12 Soviets in a major attack launched on Jan 5 on the Northern Afghan town of Mazar-E-Sharif, about 60 km from the Soviet border, the sources said. Two days later the Mujahideens captured seven Soviet soldiers near Kabul where they had increased their activity markedly in recent weeks, the diplomats said. [Text] [Kuching THE BORNEO POST in English 19 Jan 84 p 4]

CSO: 4600/391

REMNANTS OF FORMER SHAH'S ARMY SEEM POWERLESS TO ACT

Penang THE STAR in English 29 Jan 84 p 11

[Text]

ANKARA, Sat. — A few dozen Iranian monarchists, tattered remnants of the late Shah's imperial army, dream from their Turkish exile of mounting a powerful resistance to overthrow the Government of Ayatollah Khomeini.

They are tight-lipped, suspicious and disillusioned, having long lived under the eye of the Turkish police who are intent on enforcing Ankara's policy of "authorising no activity on Turkish territory directed against friendly and brotherly Iran."

The resistance began taking shape in early 1981, headed by the Shah's former army chief of state, Gen. Bahram Aryana, and former Defence Minister Admiral Ahmad Madani.

The plans attracted a few hundred officers but they ran into stiff Turkish opposition, and all indications were that the "resistance army" never got off the drawing board.

The only concrete action attributed to the resistance here was the Aug. 13, 1981,

hijacking of a French-built Iranian missile launching gunboat off the coast of Spain.

The engineer of that attack, former Iranian navy chief Admiral Kamal Habibollahi, promised afterwards that further action would take place in Iran.

But the claims were followed by only a few isolated and limited actions.

A year later, most of these "lost armies" left Turkey, leaving behind the few comrades unable to get visas, along with a few "co-ordinating officer's" which performed clandestine activities of an ill-defined nature.

One Iranian officer explained the failure this way: "Without the aid of a State, the plan could not succeed."

Meanwhile, in Stockholm, 70 Iranians asked yesterday for political asylum as soon as they stepped off a plane, a Swedish police spokesman said.

Their arrival pushed the number of Iranians who have reached Sweden via Turkey since Jan. 1 to nearly 300. — AFP.

CSO: 4600/392

JI HEAD SAYS PARTY READY FOR ELECTIONS

Lahore THE PAKISTAN TIMES in English 9 Feb 84 pp 1, 8

[Text] Mian Tufail Mohammad, Amir of the defunct Jamaat-i-Islami has reiterated his party's earlier stand that they would contest the elections in all the eventualities whether they be held on party basis or under a party-less system. He made it clear that his party stood for a change through elections only.

Talking informally to newsmen in Lahore on Wednesday, Mian Tufail Mohammad said that they could not afford to "let the country go to dogs" because if the present Government insisted that the elections be held on non-party basis his party could not leave the field open by boycotting the polls. He argued that his party stood for a political election on party basis and had been pressing this demand during their meetings with the President for the last six years. He regretted that though they had been all along given a patient hearing but none of their recommendations had been accepted.

He took strong notice of the activities of the Soviet Ambassador in Pakistan and referred to his speeches in Lahore. He wondered if Lahore was the Ambassador's farmland he behaved in a manner which could not be termed "responsible". He asked the Pakistan Government to ensure that liberties enjoyed by the Pakistan Ambassador in Moscow should be extended on reciprocal basis to his Soviet counterpart and there should be no extended hospitality whatsoever.

Mian Tufail Mohammad condemned the kidnapping and ultimate killing of an Indian diplomat in the United Kingdom and termed it an act of un-civilised behaviour. He however regretted that an effort was being made by India to implicate Pakistan some how in the international crime. This, he said, was being done with a purpose to find an excuse to kidnap Pakistani diplomat somewhere.

Referring to reports attributed to Nawabzada Nasrullah Khan he said that it was Nawabzada Sahib himself who let his friends of PNA and joined those who wanted to resort to a large scale killing of the PNA leaders and supporters. He however, clarified that his party strongly disliked the atmosphere of confrontation in the country among the various political parties including the PPP. He said that they wanted to live and work in peace and harmony.

Supporting the JUP's call for observing Afghanistan day on next Friday to strongly protest against the atrocities being committed by the Karmal regime and the occupation troops of Soviet Union on the Muslims of Afghanistan he told a correspondent that it was correct that the Jamaat had made no contact with the JUP. He pointed out that the JUP leaders had always used "abusive language" against the Jamaat and hence the initiative for a contact should come from their side.

Mian Tufail did not agree with the Government's decision to ban union activities in the educational institutions of the country. He was of the view that the banning of healthy union activity would give birth to a dangerous trend of taking the entire student movement under ground which would naturally fall in the hands of disruptionists and terrorists.

Asked if his party's Naib-Amir Prof. Abdul Ghafoor was contacting the country's political leaders including those belonging to Peoples Party under the instructions of the party Mian Sahib replied that Prof Ghafoor was an important office bearer of the Jamaat and added that he was "only making contacts" not for an alliance or a united front but for bringing down the tempo of tension and inter party rivalaries. He however thought that the possibilities of an alliance among the like-minded parties would be mooted if and when the circumstances so required.

CSO: 4600/395

GOOD PROSPECTS SEEN FOR PRIVATE AMERICAN INVESTMENT

Karachi MORNING NEWS in English 18 Feb 84 pp 1, 8

[Text] Washington, Feb 17: Prospects for American investment in Pakistan will move forward with the visit next month by one of the Chairmen of the 1983 "O. P. I. C." mission.

The mission has identified 29 Projects for investment in Pakistan and the Islamabad Government has approved them in principle. Agro-industries dominate the list.

The "OPIC" is a Government-owned" overseas private investment corporation" that seeks to mobilise and facilitate the participate of United States private capital and skills in the economic growth of developing countries primarily by ensuring the investments against the political and financial risks.

A communique issued today by the US-Pakistan Sub-Commission on Economic and Commercial Affairs, says the two sides "expressed special satisfaction over the results of the April 1983 OPIC investment mission to Pakistan", attributed much of the success to the special procedures set up by President Gen. Mohammad Zia-ul-Haq to ensure rapid processing of the OPIC projects", and "explored ways to sustain the momentum".

The two delegations also agreed on a Pakistan trade mission visiting USA in the near future and a seminar being held in Pakistan for business firms on trade with the United States.

According to the communique: "They discussed a range of outstanding trade issues with a view to seeking ways to remove impediments and constraints. Pakistan highlighted its problem concerning the textile exports to the United States. The US, side noted the seriousness of that concern."

The concern notwithstanding--no improvement in terms of trade between the two countries is expected during the election year 1984. PPI special correspondent Ghani Erabi quotes Pakistan delegation sources as saying that the administration, does not appear to have any intention of raising the "aggregate limit" of textile imports from Pakistan. The Pakistan Commerce Secretary, Mr Izharul Haq, during his visit here on Jan 27, had been promised "special

consideration" for Pakistan requires to "aggregate limit" to accommodate additional textile imports from Pakistan, but apparently the administration has not found that politically feasible and as such no US delegation will be visiting Islamabad in the foreseeable future.

Dialogue

Nevertheless, a more institutional arrangement has been devised to facilitate continuing dialogue. The Sub-commission has decided to set up an "economic commercial relations working group", made up of Joint Secretary-level officials from the Ministries of Commerce, Industry, Economic Affairs etc., in the two countries, that will meet three or four times a year.

There already exists a special working group on narcotics. It met here on Dec 20 and will be meeting in Islamabad on Feb 20. Thursday's communique records the Sub-commission's satisfaction over the progress made so far in narcotics control cooperation.

The leader of the Pakistan delegation, Secretary-General Ejaz Naik told this correspondent that "Islamabad is seeking to involve the United Nations in mobilising funds and making an international effort to control the drug traffic.--PPI.

CSO: 4600/393

FARM MECHANIZATION DATA DISCUSSED IN DETAIL

Karachi ECONOMIC REVIEW in English Jan 84 pp 17-28

[Text] There is now rush for tractor manufacturing plants. Five units have already been sanctioned and are now in process of installation or production. All Pakistan Tractor Manufacturers Association appealed to the Government not to sanction any more tractor manufacturing plants in the country. There appears to be three major snags in the present tractorisation policy. Import of tractors gets the maximum incentives and official support. Moreover, there is no official monitoring of the deletion programme in this industry. Secondly, the process of transfer of technology is slow. Finally under the impact of proliferation the after sales service is likely to become unreliable reducing the intake of agricultural technology.

The result of concentrating the efforts of the authorities on the import, assembly and progressive manufacture of tractors alone has been that "tractor power" is lying idle for lack of accessories. The machine is grossly under-utilised. This has been the major reason for the fact that although the purchase of tractors has been substantial, the yield per acre has remained static.

According to some research studies it has been noted that farm mechanisation has not kept pace with the increase in the availability of irrigation water. As a result, a desired increase in agricultural production could not be achieved. It may be mentioned that out of the 19.950 million hectares under plough only 14 per cent is cultivated through mechanised means. The absence of mechanisation is considered to be the major contributing factor. At present there are about 180,000 tractors in Pakistan. The demand of tractors has been increasing rapidly and therefore, the Government has allowed liberal imports of tractors so that adequate mechanical power could be made available for increasing agricultural production.

Imports

The annual imports of tractors has been given in Table - I. It would be seen that there were 51,038 tractors in 1975-76. In seven years the number increased to 179,053 in 1982-83 with highest tractor imports of 25,597 number in 1979-80.

The number of tractors in use during 1982-83 were 150,000. According to an estimate the number rose to about 70 thousand during 1978-79 and in view of the accelerated trend of imports which jumped from 18 thousand to more than 25 thousand in 1979-80 their number will increase over 150 thousand before close of the current period. This will exceed the projection of 111 thousand numbers for 1982-83 as estimated by the Planning Commission.

Import of tractors and power tillers is restricted to standard makes and origins. The import policy for the year 1982-83 listed the following makes of tractors and power tillers.

The value of imports has shown a sharp rise increasing from Rs. 386.00 million in 1975-76 to Rs. 1532.46 million in 1982-83. Unit price has also shown a rise from Rs. 43.395 in 1975-76 to Rs. 66.899 in 1982-83. The marked increase in imports in 1979-80 was due to import of tractors under a gift scheme to overseas Pakistanis.

According to estimates 75 per cent of tractors in the country are in the range of 45/50 horse power. The Agricultural Development Bank of Pakistan played a leading role in funding accelerated tractorisation. Out of 180,000 tractors imported in the country from early sixties to date, 96,077 tractors were financed by ADBP. An amount of Rs. 5329 million was advanced for this purchase upto June 30, 1983. According to a report, until 1981 out of the estimated farm power availability of 0.12 H. P. per acre mechanical power contributes 0.048 half of which was the outcome of the efforts ADBP.

Table - I

Imports of Tractors into Pakistan

Year	Total Numbers	Cumulative Numbers
1975-76	10,910	51,038
1976-77	15,098	66,136
1977-78	15,213	81,349
1978-79	18,056	99,405
1979-80	25,597	125,002
1980-81	15,796	140,798
1981-82	15,348	156,146
1982-83	22,907	179,053

Source: (i) Agricultural Statistics of Pakistan, Ministry of Food & Agriculture

(ii) Statistical Bulletin Central Statistics Division, Government of Pakistan

Import of Small-size Tractors

In Pakistan, about 90 per cent farming units range between the subsistence level of 12.5 acres and 25 acres and big tractors have proved to be uneconomical

for such farms. The ADBP in 1980 decided to import five small Chinese tractors for the first time. These tractors were within the means of small farmers. In 1981, the Government allowed the import of 100 small tractors ranging between 18 to 25 H. P. to begin with, these tractors were placed at small and medium sized private farms to assess their efficiency and to popularise their use.

Signifying a major shift of emphasis from big to small farmers, the government has also allowed import of 500 American made tractors. The tractors were imported by a firm of Lahore, Khud Kafeel Foundation, 'Self Help Tractor' fitted with a Japanese seven H. P. engine and named after its manufacturing company estimated to cost a buyer maximum Rs. 25,000 and were imported in 'Knockdown condition' to be assembled in Pakistan by Millat Tractors.

Table - II

Tractors and Tillers Importable
During 1983-84

I. Tractors

Fiat	Model 48-S (50 H. P.)
Massey Ferguson	Model 640 (64 H. P.)
	Model 240 (47 H. P.)
	Model 265 (62 H. P.)
Ford	Model 3600 (46 H. P.)
	Model 4610 (62.3 H. P.)
IMT	Model 540 (52.5 H. P.)
	Model 560 (67 H. P.)
Belarus	Model MTZ-50 (55 H. P.)
International Harvester	Model IH-444 (45 H. P.)

II. Power Tillers:

Chinese	D-12
From Japan Only:	
Iseki	K 48 CL (7.9 H. P.)
Kubota	K 900 ZGA 100 (10 H. P.)
Mitsubishi	CT-83 and CT-85 (10 H. P.)
Saton	K 179 with Fulperland Diesel Engines Model K. B. 2-RB (7.83 H. P.)
Yanmar	YZ-3 N with Diesel Engines Model F-7, C.E.P. (7-8 H. P.)

III. Mechanical Farming Equipment+

1. Seed drill, seed-cum-fertilizer drill.
2. Cane Planter
3. Cutter Binder
4. Mold Board Plough

5. Potato/Onion digger
6. Potatoplanter and potato harvesters
7. Rice transplanter
8. Rotary Cutter
9. Rotary Tiller
10. Spinner Broadcaster
11. Sub-Soiler
12. Toolbar fitted with rigid time Ridger and Disc.
13. Tobacco Transplanter
14. Tobacco Inter-Cultivator

Case for Small Tractors

The case for small tractors may be considered on the following economic advantages:

i) The land holdings of the 80% of the entire farming community consist of 12.5 acres. There is likely to be further sub-divisions in the years to come and the holding's would be subjected to further sub-division, and it can be expected that by 1992, the number of farmers with holdings around 12.5 acres will be beyond the 90 per cent mark.

ii) A farmer needs a tractor to till and prepare his land, plant seed, to care for the crop, to harvest it, thresh it and haul it to the market. Given an average holding of 12.5 acres, his actual horsepower requirement will not exceed 20, based on tillage of soil and sub-soil preparation, cultivation, in growth plant care, harvesting, threshing and ultimately haulage.

iii) The capital cost of small tractor is likely to be 20% lower than that required for a large horsepower tractor. The resultant foreign exchange savings to the national economy can easily be computed. Assuming that the gap of 10,000 units is to be met from the small horse-power range and is to comprise entirely of 24 hp machines with an average c&f price of \$ 3500, the additional import bill would be \$ 35 million, if the existing horsepower range were to be imported to cover this gap, the bill would be \$ 6000 (average c&f price) x 10,000 Nos. = \$ 60 million. Thus a net cost advantage of \$ 25 million P. A. is to be had at current prices if the unsatisfied demand is to be met from small HP tractors.

iv) The operating cost element is also highly favourable the fuel cost per hour

Table - III

Imports of Tractors

(Code No. 7224001)

Quantity Year	Quantity Numbers	Value (Rs. million)	Unit Price Rs.
1975-77	8,895	386.00	43,395
1976-77	17,771	767.00	43,160

Table - III (cont)

Year	Quantity Numbers	Value (Rs. million)	Unit Price Rs.
1977-78	15,095	726.14	48,104
1978-79	18,056	853.14	47,241
1979-80	25,597	1272.00	49,693
1980-81	15,796	871.82	55,192
1981-82	15,348	926.62	60,373
1982-83	22,907	1532.46	66,899

Source: Statistical Bulletin Statistics Division, Government of Pakistan

at Rs. 12.50 (factorized) as compared to Rs. 20/- hour for large tractors is substantially lower. If the gap is to be fed with small HP tractors there would be a 20% reduction in the overall fuel cost outlay than if this gap were to be met by large HP Tractors.

v) It logically follows that the spare parts inventory would also be lower than that of large tractors. Thus if in the initial stages, small HP tractors are introduced to cover the gap between demand and supply, initially, this will ensure:—

- A larger spread of tractors than present.
- Reduced debt burden on the farmer.
- Reduced import bill.
- Reduced fuel bill.
- Enhanced mechanization.
- A net increase in the on-farm operations being performed by tractors.
- Greater productivity at reduced costs.

vi) This introduction is bound to have a telescopic effect, and the small HP tractor would make gradual inroads into the market which is considered to be the traditional domain of large HP tractors.

vii) The manufacturing technology development process will not be disturbed but would be encouraged as small (12/15 HP) engines are already being progressively manufactured in the country, and adapting the existing technological infrastructure to suit the needs

of manufacturing 18-25 HP power plants would be achieved in a much shorter span of time than if the same technology were to be adapted to meet the needs of 40 HP Power Plants. Thus there is tremendous scope for small HP Tractors in Pakistan.

Tractor Manufacturing

Import of tractors is restricted due to shortage of foreign exchange resources and consequently do not measure the true extent of the demand. In order to economise on foreign exchange expenditure and to meet the requirements adequately, local manufacture of tractors was emphasised for a long time. In pursuance of this, sanction for assembly-cum-progressive manufacture of 1,500 Deutz tractors a year was accorded to Adamjee Deutz (Pak) Limited, with financial and technical collaboration of Messrs Klockner Humboldt Deutz of West Germany. The unit was located at Wah Cantt. (Near Taxila). The Pakistan Ordnance Factory (POF), undertook production and machining of components. Starting with assembly of 100 per cent imported components, the programme was for local manufacture upto 55 per cent in a period of five years. This unit commenced operations in 1964 but could not make any progress towards manufacture, mainly due to (i) insufficient allocation of foreign exchange for imported components and raw materials and (ii) inability of the POF on account of unavoidable reasons to fulfil the commitment for manufacturing the required components. The factory was shifted to Karachi in 1968.

The Government of Pakistan further sanctioned assembly-cum-progressive manufacture of 500 tractors per annum each in favour of four parties, namely, Rana Tractors and Equipment Company, for Massey Ferguson; Shahnawaz Limited for International Harvester; Ali Automobiles for Ford; and Arusa Industries Limited for Fiat Tractors. In addition, a proposal for Fecto Limited for assembly-cum-progressive manufacture of Belarus tractors was also approved.

In January 1974, however, the manufacturing licences of tractor manufacturing were revoked as it was alleged by the Government that the sanctioned units were running their plants for below their capacities and their managements were inefficient. The manufacturers whose licences were revoked were Adamjee Deutz (Deutz Tractors), Arusa Industries Limited (Fiat Tractors), Fecto Limited (Belarus tractors) Shahnawaz (International Harvester tractors). Moreover, the Government declared that tractor manufacture would be confined to public sector only.

The Industrial policy announced in October 1977 clearly indicated that assembly-cum-manufacture of tractors was reserved for public sector. However, the Government in January 1980, in deviation to its original policy called the private sector to set up tractor plants in the country. Thus, without making a formal change or amendment in the industrial policy, the Government opened the door for the private sector to enter into the field of tractor manufacturing.

Manufacturing of Small Size Tractor

In May 1983, the Federal Government decided to allow setting-up a plant to manufacture tractors of 20 to 30 horse-power in the private sector. The Government invited bids fulfilling the following conditions:—

i) The tractor should be suitable for operation in the soil and climatic conditions of Pakistan. Suitability will be determined by the Government of Pakistan whose decision will be final and binding. If the tractors have been tested at a testing centre of international repute

the bidder should furnish a certificate from the testing centre along with the bid. In addition the bidder shall, on demand, supply one unit of tractor to the Government of Pakistan free of cost for test and trial;

ii) maximum deletion of imported parts / components should be achieved through progressive manufacturing with in the plant premises as well as by sub-contracting with the existing engineering units the public or private sector;

iii) The plant to be set up by the bidder should have a built-in element of convertibility to produce a product mixbased on market demand for the products and requisite capability of adopting such changes as may be necessitated by improvement in design or technology; and

vi) the cost of production of the product is competitive with international market and the recurring foreign exchange cost involved in the purchase of components and raw-material, etc., be substantially low.

It will be seen that upto now imports and manufacture of low-horse power tractor has been discouraged. The protagonists of high power tractors argue that low power tractor would let loose certain serious social problems such as ejections and unemployment of farm labour. Another argument is that small tractors are not suitable for Pakistan soil and thus would hamper farm output. It may be stated that there has been mass exodus of labour from the farm sector. A large number of overseas Pakistanis belong to the rural sector. Thus, there appears to be serious shortage of manpower on the farms. The mechanisation of farming has become an actual necessity for the timely and effective farm operations.

There appears to be no meat in the second argument as the benefits of large-sized, tractors accrued primarily to the progressive large and medium farmers. It were they who had the ability and credit worthiness to get tractor loans. The small farmers cannot offer collaterals and peasants with less than 25 acres of land were simply precluded from the availability of funds for buying tractors.

The tractor ownership and the flow of resultant benefits has thus remained concentrated in the hands of the upper strata.

A dual pattern of farming came to the surface. The one characterised by continued use of animal power, crude tools, traditional practices with conventional inputs and subsistence orientation. And the other attributed by the growing adoption of mechanical power, chemical, fertilizer, improved seeds and commercial approach. The former could not compete with the latter. It survived because of the Zero opportunity cost of family labour and resignation to continued poverty. Evidently a dualistic pattern of farming cannot be permitted to continue for an indefinite period of time.

The answer to the problem apparently lies in confining large tractors with 50 to 60 H.P. to large farms of 50 acres or above. On farms below 50 acres, small hand driven two wheel tractors or power tillers should be introduced. All the tractors manufacturing units so far okayed like Yugoslavia IMT, Russian Belarus, Italian FIAT and British Massey Ferguson are for the production of large tractors, while there is need to manufacture smaller tractors in the country. The Government has already imported small tractors from Japan and China for trial. The Chinese tractors already in Pakistan are shortly being handed over to genuine farmers. The Japanese, it is understood, have agreed in principle to go for progressive production in Pakistan after successful trial.

The mini-tractors can be the harbingers of a technological revolution on the farms. According to a study, if these machines are utilised for 1,000 hours a year, they can bring about 45 to 55 per cent increased intensity of cultivation.

Assembly of Tractors

At present four makes of tractors are being assembled in the state owned enterprises. The assembly capacity is estimated to be about 15,000 tractors.

Table - IV
Tractor Units and Makes

Units	Make	Capacity (Numbers)	Production (Numbers)	
			1982	1981
PACO	Fiat	5000	5171	3772
Awami Autos	Ford	3000	502	502
Millat Tractors	Massey Ferguson	6000	7684	4972
Bela Engineers	Ursu	1000	42	126

FIAT

PACO has a FIAT tractor assembly plant at Multan. This plant has the facility to assemble 5000 FIAT tractors in semi knocked down (SKD) condition per annum. Arrangements are in hand to assemble completely, knocked conditions tractors in this unit.

FORD

Awami Autos has the facility to assemble Ford tractors in SKD condition and as such FORD tractors are being imported in SKD conditions.

MASSEY FERGUSON

Millat Tractors at its Lahore plant has the facility to assemble 6000 MF tractors in CKD condition on single shift basis. At present the company has developed 65 per cent component. The capacity of manufacturing tractor components in the plant would increase to 80 per cent by 1986.

URSUS

Under an agreement Bela Engineers have started assembly and production of Polish tractors, fitted with Bedford engines. About 500 Polish tractors have been imported and placed on the production line. Bela Engineers Limited has the annual production capacity of nearly 1000 tractors. Local components of Bela tractors are reported to be 40 per cent including the engines.

In 1976-1979 the first Polish-Pakistani tractor Bela C-360 has been created as a result of joint efforts of ZPC URSUS technical representatives in Karachi and Bela Engineers Limited. The

tractor was built on the basis of Polish chassis Ursus C-360 of 60 H.P. and Pakistan engine Bela 4UT of the same H.P. Moreover, in a practical way foundation was laid for elaboration of a programme based on progressive local manufacturing of components.

The tractors obtained positive test results from three agricultural institutes in Pakistan and then the standardisation certificate of the Ministry of Agriculture of Pakistan has been issued to this effect. All technical-economic parameters of the tractor, mainly KG/HP ratio, low fuel consumption, efficiency in principal field-works in Pakistan, number of gears, parameters of hydraulics, working condition for a driver and many other features are at the level representing the very same standard as the tractors of the same HP of other manufacturers already introduced on this market.

Preserving upto date construction and parameters, tractor Bela is easy and simple in production and uncomplicated in exploitation. Tractor Ursus C-360 being basis for Bela C-360, has fully proved itself during years of exploitation in Poland and in the world and is produced by ZPC URSUS in the greatest number in comparison with other models of Ursus. More than 0.5 million tractors of this type and its secondaries are in operation. Simultaneously, Pakistan engine Bela 4UT being driving unit for Ursus Bela C-360 tractor is a proven licenced engine, fully tested in long production series by General Motors, having versatile utilisation for traction, power generating, marine and agricultural purposes.

Bela engines in 6 - cylinder and 4 - cylinder versions are very well known at Pakistani market and network for service and supply of spare parts is already existing and well organised. More than 120 thousand of Bela and Bedford engines are exploited in Pakistan, thus the problem of service and supply of engine spares is easy to cope with.

The analysis of production capacity in machine industry in Pakistan, done by Polish experts and information received from Pakistan Automobile Corporation became the basis for elaboration of com-

plex offer for progressive local manufacturing of Bela tractors in Pakistan. For realisation of the project, Polish industry guaranteed free of cost granting the right of production, technical, technological and commercial documentation, technical assistance for progressive manufacturing also in the form of free of charge industrial training. It means, that Pakistan will have a possibility to overtake the whole technical know-how without charges and royalties. Simultaneously, the Polish party ensured free of cost transfer of all developments and improvements of the said tractor alongwith the process of modernisation in Ursus factories.

The above forms and services given free of cost are understood as development aid for Pakistan and towards the important topic of its mechanisation. Application of locally made Bela engine for which production capacity has not been fully utilised, means an instant share of local component in the production of tractor upto 40 per cent.

Deliveries of Polish chassis would be affected in frames of barter agreements between Poland and Pakistan, thus saving for Pakistan remarkable amounts of free currency. Such step has been already arranged on April 12, 1979, while signing the barter protocol for 1979/80 in which both sides agreed to allocated U.S. \$ 1 million for the import of first 300 chassis in 1980, as well as in the barter protocol for 1981/82 in the amount of US \$ 3.3 million to continue and develop this project.

NEW PROJECTS

Al-Ghazi Tractors Limited

The project is located 7 miles out of D.G. Khan town on the Sakhi Sarawar Road which connects the Province of Punjab with the Province of Baluchistan. Eighty acres of land have been acquired out of which the assembly plant will be spread out on 35 acres. On the rest of the area the staff and workers' colony is under construction leaving some land for future expansion.

The project is jointly sponsored by the Pakistan Automobile Corporation, the National Development Finance Corporation, Habib Management Services,

Sr. No.	Name or Sponsors	Tractor Units in Private Sector					(Rs. in million)	
		Make	H.P.	Location	Capacity Long H.P.	Capacity Small H.P.	Cost	Foreign Exchange Included in the cost
1.	PECTO	Belarus U.S.S.R.	55	Lahore	5,000	5,000	320.00	102.00
2.	IMT Associated Tractors, Limited	IMT-540 Yugoslavia	52.5	Lahore	6,000	3,000	135.00	70.00
3.	Allied Engineering Services Limited	Ford 3610 U.S.A.	61	Hub Chowki Dadu Sind	6,000	2,000	399.64	270.34
4.	Al-Ghazi Tractors Limited	Fiat Italy	48	Dera Ghazi Khan	15,000	---	235.92	134.60
Tractor Units in Public Sector								
5.	Millat Tractors Limited	Massey Ferguson U.S.A.		Lahore	10,000	---	411.60	233.14
Tractor Units under Consideration in Private Sector								
1.	Bahbani Group Kuwait	John Deer U.S.A.	31-37 29-90 105 HP	Dadu - Sind	---	---	530.00	---
2.	Imtiaz Engineering Company Limited (Raja Group)	International Harvester USA IH-254 IH-533 IH-733	24 45 60	Mirpur Azad Kashmir	4,800	---	---	---

Ltd., and Fiat Trattori. This is the first public sector venture in which Government has invited participation of the Private Sector in both equity as well as management and represents, in a mixed economy of the present type, a good example of the mutually supporting roles of the private and public sector.

Under the new arrangement the majority of the shares of the new company would be held by state-owned PACO, whereas the Habib Group with minority share holdings would manage the project under a contract between the two sides. The assembly of tractors now being done with 30 per cent local components at Mack Trucks would be undertaken for the new management till August 1984 when the new plant goes into full operation.

The project is estimated to cost Rs. 80 million, including foreign exchange component in the first phase. It will assemble tractors in the range of 28 HP, 50 HP and 64 HP. The project is likely to commence production in July-December 1984. The project will have a capacity of producing 15,000 Fiat Tractors. These tractors have been assembled and marketed in Pakistan for quite some time. Thirty per cent of the Fiat Tractor components are already produced locally and the new company will be responsible for achieving a local deletion of 85% within the next five years.

Allied Engineering Services Limited

This project being promoted by Allied Engineering Services Limited, is proposed to be established as a joint venture in financial collaboration with Messrs Ford Motor Company of USA and M.E. International Development Limited of United Arab Emirates. The assembly plant would be set up either at Hub Chowki or in the Dadu District of Sind where equal fiscal concessions are available to new industrial project.

The plant would assemble/manufacture Ford Tractors of Model 3610 with 61 H.P. diesel engine. The production of the above two models is proposed to be in the ratio of 3:1 respectively. The plant would have the designed capacity to

assemble/manufacture 6,000 tractors annually on the basis of single-shift operation. It would have the flexibility to increase the production upto 10,000 tractors per annum commensurate with demand during a given period.

The fixed cost of the project has been estimated at Rs. 399.64 million including the foreign exchange component of Rs. 270.34 million, which is proposed to be arranged partly through equity participation from foreign sponsors and partly through long term loans from abroad or local financing institutions. It is stated that the American participants Messrs Ford Tractor Corporation a sister concern of the Ford Motor Company would provide technical assistance, for which, no royalty or technical fee will be paid to them. The technical assistance from the US partners will be applicable right upto vendor sources of supply. The availability of technical know-how will be on continuous process so that all improvements in technology in respect of tractor manufacturing will be made available to the local company. Ford would provide initial manufacturing know-how in the form of lay-out and drawings, manufacturing process etc. They would also make available the services of technical experts who would prepare lay-outs, designs, drawings etc., and guide in production process, material handling, quality control, acquisition of local contents, etc. They will also give training to local personal.

According to a tentative plan for achieving deletion of imported contents/components and parts, as submitted by the sponsors to the government, the company aims at achieving deletion upto 90 per cent in the sixth year of the plant's going into operation. The plan is stated to have been prepared in the light of a survey about the capacity and status of vendor services in the country.

In the first six months of the establishment of the plant, the enterprise would turn out assembled and painted tractor. In the first year, the company will be able to manufacture initial sheet metal items and then it will move towards the goal of manufacturing or procuring locally electrical items, rear tyres and

wheels, selected engine parts and assembly, steering gears, engine blocks, transmission gears and shafts, Rear Axle Gears and Shaft, Crank Shaft and Camshaft, Rear Axle centre housing, transmission case, front axle, etc., in the sixth year.

In view of the absence of any significant development in the vending units for the supply of parts and components, the enterprise would have to go in for creating in-house facilities to manufacture essential parts. While forwarding the project to the ECC, the IPB is understood to have emphasised that:

- i) The sponsors would give an undertaking that they would export 50 per cent of the envisaged production of tractors as has been indicated by the other project "International Harvester of Pakistan Limited".
- ii) The rate of interest and other terms and conditions of foreign loans will be subject to prior approval of the Finance Division and the State Bank of Pakistan.

PECTO Pakistan Limited

This company has successfully negotiated with Soviet firm, Tractor-export to build a plant in Pakistan to produce 5,000 tractors per annum. The plant is estimated to cost Rs. 320 million including foreign exchange component of 102 million rupees to be provided as credit.

In the first phase, the plant will manufacture 18 per cent parts of the tractor locally but will progressively manufacture 80 per cent parts in the country in five years time. The percentage of the locally manufactured parts will increase by another 10 per cent with the completion of the Government project of manufacturing wheel rims.

Digressing from the prevailing international practice, the Soviet firm it is learnt, has agreed not to bill any trade mark charges. This would help reduce the burden on the foreign exchange.

Besides, no technical fee or royalty will be charged which should add to the economic advantages of the project.

The project would take about one year for completion and in the final stage it would manufacture 80.90 % of the components. It is estimated that the project would provide job opportunities to 1000 workers besides involving a good number of sub-contractors. At present there are about 40,000 Belarus tractors in Pakistan.

Stanko import Machine export would supply plant machinery and technical know-how under a long term plan. Minsk Tractor Plant of Soviet Union has the facility to produce 88,000 tractors of 50, 60 and 80 HPs a year and has a special school for training foreign technicians in tractors making. The facilities at Minsk school would also be available to Pakistanis.

Financing arrangements for the implementation of the project have been finalised. According to arrangements the ICP-led consortium of banks and financing institutions have sanctioned Participation Term Certificates and Bridge finance for enabling the company to go ahead with the construction of the project. A local currency loan of Rs. 22.500 million has been sanctioned by local financing agency. This loan will finance the procurement of locally-fabricated machinery. The project is expected to go into commercial production by January 1984. The plant is being established on Sheikhpura Road, Lahore with a designed capacity to assemble/manufacture 5,000 tractors per annum at 100% capacity. Initially, the enterprise will undertake assembly of tractors through imported CKD units from Russia. Subsequently it will progressively add plant facilities to achieve local production of parts and components. The deletion programme involving local manufacture of parts and components is said to be as under:—

First year	18.32%
Second year	31.47%
Third year	40.60%
Fourth year	60.44%
Fifth year	80.90%

It may be observed from the above programme that the company might be able to achieve local production of parts and components to the extent of 80.96% by the end of the 5th year of going into operation. The plant would be established with a total cost of an estimated amount of Rs. 119.500 million out of which, the foreign exchange component equivalent to Rs. 22.500 million is being provided by the Soviet Union's tractor machinery manufacturing/supply Corporation known as V/O Tractor Export. The plant and machinery will be imported against a Suppliers' Credit Protocol loan equivalent to Rs. 22.50 million as mentioned above initial working capital requirements of the company is estimated at Rs. 10 million.

IMT Associated Tractors Limited

This factory was inaugurated by President General Mohammad Zia-ul-Haq in April 1982 at Lahore. The factory has been set up in the private sector in collaboration with IMT of Yugoslavia. Three thousand five hundred IMT tractors of 52.5 have already been assembled. The factory has achieved 26.8% local contents in tractor produced by the plant. In about 5 years the unit will be able to manufacture 80 per cent of the components.

The new factory directly employs over 200 people while over 500 people are involved in supply of components to the Company through sub-contractors. Complete transfer of technology for undertaking 100 per cent manufacture of tractors is the ultimate objective of the IMT in Pakistan. They have allowed every access to all technical documentation, production specifications, time charts and all other details as are necessary to successfully undertake production of components in the country. Additionally, IMT provides training to any number of personnel from Pakistan in their factory and with their sub-contractors on a cost free basis except cost of air-ticket. In other words, IMT meets all boarding and lodging expenses of all personnel who visit Yugoslavia for training from Pakistan.

Initially 3000 tractors per annum will be produced in single shift basis. The production of the tractors can also be increased by starting second shift.

The unit has plans to increase assembly and manufacture of 10,000 tractors a year. The total cost of the project is estimated at Rs. 135 million including a foreign exchange component of Rs. 65 million. The Pakistani sponsors of the project would have 51 per cent share in the capital while Arab Associates and Yugoslavia would have 35 per cent and 15 per cent of the shares respectively. The other salient features of the project are:-

- a) The manufacture of the IMT tractors in Pakistan would help Pakistan in saving of foreign exchange reserves and utilising them for other more important jobs. The estimated saving will be as follows:

First year	Rs. 28.8 million
Second year	Rs. 57.4 million
Third year	Rs. 86.4 million
Fourth year	Rs. 122.4 million

These estimates are based on production of three thousand tractors per year.

- b) To provide maximum facilities in local manufacture, the factory has decided that the tractor and engine components will both be integrated in the local development programme.
- c) The project for manufacture of IMT tractors in Pakistan also envisages Exclusive Export Franchise by the IMT for export of these tractors to 10 countries, namely:-

Burma	Syria
Saudi Arabia	Oman
U.A.E.	Qatar
Kuwait	Bahrain
Muscat	Aden

and many others

Millat Tractors Limited

Millat Tractors Ltd. (formerly known as Rana Tractors and Equipment Limited) is now all set to manufacture tractors progressively in the country. Regular production of tractors has already started when the plant was formally inaugurated by Punjab Minister, Brig. (Retd.) Ghazanfar Mohammad Khan. All the inhouse manufacturing facilities have been installed at the project for some components for which

manufacturing facilities are non-existent in the country. Engine testing and quality control has been completed.

The annual production will be 10,000 tractors. The company will gradually replace foreign components with local ones. Within about three years time, there will be total deletion of foreign components. In order to manufacture a tractor the first step in that direction is to assemble a tractor from Completely Knocked Down condition. The company has been assembling tractors for the last many years and their production was as follows:

Tractor Assembled CKD Assembly

Year	Production (Units)
1975-76	3812
1976-77	4756
1977-78	5650
1978-79	3884
1979-80	4204
1980-81	4972
1981-82	7684
1982-83	11180

The production was mainly for MR-265 and MF-240 models. For the first time in Pakistan Millat was able to introduce assembly, from semi knocked down condition of 25 HP MR-210 tractor. For further indeneration of tractor components. Millat further knocked down the tractor differential assembly and are now assembling this within the company. The local development programme is being pursued vigorously and the company has presently developed about 50% of the tractor in the country. The inhouse facilities that are being set up for the machining of major castings of tractor and engine are slightly behind schedule because of the various difficulties which they faced in raising necessary foreign exchange loans. The Sump and Block Line shall be commissioned before the end of 1983 while the Centre Housing and Transmission Case shall go on stream in the first half of 1984.

Behbani Group Kuwait

A private sector company of Karachi has sought permission of the

Federal Government for setting up a tractor plant in the Dadu district of Sind. The John Deere of the USA and the Behbani Group of Kuwait have also expressed their willingness to contribute 20 per cent and 30 per cent of the investment for the 40 million dollar projects. Mr. Abdul Kadir Jaafar and Company the applicant will contribute 25 per cent of the capital while the remaining 25 per cent will be in the form of public shares. Tractors to be manufactured at this plant will be of 31 : 37 : 79 : 90 and 105-horse power. Besides, this plant will manufacture self-propelled combined harvesters and other agriculture implements.

Kubota Tractor

Kubota, Japanese agricultural tractor manufacturers, has sought Pakistan Government's permission to manufacture 25 horse power tractors in collaboration with a private firm of Karachi. The Kubota manufacturers produce tractors from 20 horse power to 105 horse power range and are manufacturing over 150,000 tractors annually and exporting 50 per cent of them to the USA. Kubota will support a joint venture company to be set up jointly by the State Engineering Corporation Karachi and a private Karachi group with the latest technology and a small equity participation. It is proposed to commence assembly of the tractors straight away at the idle capacity under State Engineering Corporation Karachi. This venture is coming about as a result of a visit to Japan in September 1983 of the Minister for Production Lt. Gen. Saeed Qadir who held discussions in Tokyo with the Kubota top management.

Imtiaz Engineering Co. Ltd. (International Harvester Tractor)

The I.H. operations have carried out in depth study of local manufacturing resources and have shown great interest and preference to collaborate with Imtiaz Engineering Co. Ltd., (a Company of Raja Group of Industries) for manufacturing and assembly of its three very popular and improved models IH-254 (24 H.P.), IH-533(45 H.P.) and IH-733 (60 H.P.). These models are especially suited for all climatic and soil conditions

of Pakistan and are already operating in developing countries with similar conditions as Pakistan such as Saudi Arabia, Iraq, Egypt and North Africa. Imtiaz Engineering Co. Ltd., already possess one of the most modern and largest facilities in Pakistan with adequate tool from machining and pressing and other machinery for production purposes. Forging and Foundry facilities are planned to installed within this proposed period. Assembly operations of the proposed models would be sub-contracted to Novelty Enterprises Ltd., (another Company of the Raja Group of Industries). The existing facilities of Novelty Enterprises Ltd., is most suitable for such operations as it already possess the space

and most of the equipment necessary to carry out assembly operations as it already possess the space and most of the equipment necessary to carry out assembly operations; such as a comprehensive gauge of Welding, Assembly, Engine Testing, Test Bench Rollers and a biggest painting booth in the country.

The operation would be run by local staff already trained for assembly process under the supervision of Principal's experts, thereby imparting modern technical know-how to local staff, needed for this product. Imtiaz Engineering Company and its sister enterprises are located in rural under-developed area of Pakistan and this project would greatly enhance the opportunities for economic uplift of this area. Another unique advantage which the proposed project offers is that the Imtiaz Engineering Company, already possess a net-work of sales and after sales service outlets for automobiles throughout the country. These outlets could be readily utilized for providing marketing services (both sales and after sale services) to the customer, without additional investment.

The CKD parts for model IH 254 (24 H.P.) would be supplied by IH-Mitsubishi plant in Japan, well known for supplying high class technology at most economic rates throughout the world. However, the CKD parts for models IH-533 and IH-733 (45-60 H.P.) would be

supplied by I.H. plant in Dorsseldorf a well known for high quality technology and is in existence since 1908 and is commanding No. 1 position in sales in Europe in last 10 years. In this way Pakistan is going to be benefited by a mix of highly advanced technologies of most advanced countries without such financial encumbrances.

Agricultural Implements

Mechanisation is an important part of technological developments in agriculture. In fact, mechanisation and application of other agricultural inputs are closely inter-related. Full economic benefits of one cannot be achieved without the other. For example take irrigation. Additional water supply permits more intensive cultivation, but this advantage can be derived only if the land can be prepared for a second crop within a few weeks after the first crop is harvested. With animal draught power, a fraction of the desired land can be prepared in time. Same is the case with improved varieties of crop seeds and utilization of chemical fertilizer. The new seed varieties need better seed bed preparation. Similarly, efficient application of fertilizer is possible with mechanical power and modern agricultural implements.

Type of Agricultural Implements

The object here is to discuss agricultural implements other than tractors and combined harvesters. Agricultural implements needed for efficient cultivation and harvesting can be classified into three broad categories according to the stages of agricultural operations as given below. Preparatory, tillage and cultivating equipment, namely:

- i) Cultivator,
- ii) Mould Board Plough,
- iii) Disc Plough,
- iv) Harrow,
- v) Ripper/sub-soiler,
- vi) Rotavator,
- vii) Levelling Blade,
- viii) Chisel Plough,
- ix) Ditcher,

- x) Ridger,
- xi) Border Disc,
- xii) Scraper and
- xiii) Land Planner

Sowing, Fertilizing and Spraying Equipment, namely:

- i) Grain Drill,
- ii) Row Crop Planter,
- iii) Fertilizer Distributor,
- iv) Power Sprayer and Duster,
- v) Manure Spreader

Harvesting, and Haulage Equipment and other machines, namely:

- i) Trailer/wagon,
- ii) Thresher (Stationary),
- iii) Comlime Pull Type,
- iv) Sheller,
- v) Cane Crusher,
- vi) Khandsari,
- vii) Chaff Cutter, and
- viii) Others.

The use of above implements proceeds with the number of tractors and tubewells in use although no hard and fast rule is there about the relationship between the two. According to the Census of Agriculture Machinery 1975, by the Agricultural Census Organisation of the Government of Pakistan, some 81,375 pieces of agricultural machinery were in use in 1975. Of these 53,512 pieces were of the first category namely preparatory, tillage, and cultivating equipment, 2334 pieces were of the second category, namely sowing, fertilizing and spraying equipment; and 25,529 of the third category, viz harvesting, and haulage equipment and other machines. Brief detail is given in annexure.

In addition, the Government of the Punjab has set up tractor and implement pools at Tehsil levels. These pools are distributing and hiring out tractors and other implements to those who cannot afford to purchase their own machines and implements. The Government is providing facilities for maintaining, training and repairing of various machines throughout the country.

Cost of Mechanisation

According to the Agricultural Development Bank of Pakistan, "Presently

many of the agricultural machines are lumpy in nature. They involve an investment outlay going beyond Rs. 2,000 to Rs. 3,000. On the average the cost of a 45 to 50 H.P. tractor with attachments comes to Rs. 1 lac. The expenditure on installation of a tubewell is around Rs. 40,000. Ordinary lift pumps cost Rs. 15,000. Thresher price is approximately Rs. 20,000." On this basis the estimated cost of agricultural machinery (other than tractors) in 1975, comes to Rs. 302.05 million as calculated below:

Table — I
Estimated Cost of Agricultural Machinery use in 1975

	(Rs. 000s)
1. Value of 5635 threshers at the rate of Rs. 20,000 each.	112,700.0
2. Value of other machinery (75,740 Nos) at the rate of Rs. 2,500 each (average of Rs. 2,000 & 3,000 each).	189,350.0
Total:—	302,050.0

Present Estimate

From the middle of 1975 to the middle of 1982, about 105,310 tractors were imported and added to the pool of tractors existing in 1975. The number of existing in the middle of 1982 should be around 140,000, if some allowance is made of depreciation and wear and tear. The value of equipment attached to these tractors should be around Rs. 1183.98 million. In the Annual Plan for 1982-83, it was envisaged to import additional 20,000 tractors. Thus the number in the middle of 1983 should be 160,000 and the equipment attached to these tractors valued at over Rs. 1353.12 million. These are very rough estimates and do not take into consideration the machinery owned by the Government, for distribution or hiring out to farmers, held at Tehsil level.

Large and Small Farmers

Present types of tractors and attached equipment goes in favour of big farmers and it is difficult for small farmers to own them. Tractors are of big size and very costly for small farmers and are beyond their reach. If they don't

own tractors, it is difficult for them to own modern agricultural implements. This fact has been well explained by Dr. Abdul Matin. According to him, "The mechanical technology available in the market has than an in-built bias for adoption and ownership in favour of large farmers having landed property exceeding 25 acres. The tilt has a tendency to continue as long as the imports or domestic assembly and manufacturing of small tractors of 20 to 25 H.P. are not arranged. The disadvantageous position of the small farmers can be counted only with the introduction and development of fractional tubewell, small but efficient machines for land ploughing, levelling, sowing of seed, weeding of crops, spraying of fields, harvesting of wheat and rice and threshing it."

Because of above tendency, most of the farmers with holdings below 25 acres each are deprived of the full benefits of the use of improved agricultural machines. According to the Census of Agriculture, 1972, 97 per cent of land holdings with 76 per cent of farm area and 82 per cent of the cultivated area of the country was with holdings of 20.2 acres each and below 20.2 acres. Thus most of this area should be out of mechanisation process.

The Government of Pakistan are seized of the problem of the small farmers. In order to meet the requirements of the small farmers, the use of small tractors with 20.35 H.P. is being arranged. In addition, suitable agricultural machinery appropriate for small farms would be imported and supplied to them at concessional prices. In this connection, a special aid in the form of grant/credit would be secured from Japan. Rs. 100 million were provided for 1982-83 Plan period and the Agricultural Development Bank of Pakistan would manage it. This may be a commendable move as the Agricultural Development Bank is well aware of the problem.

The non-availability of small tractors and agricultural implements for small farmers affects adversely the entire agricultural operation of the country. The farmer of small means cannot own and

use small tractors as these are not available. Purchase of big tractors and equipment is beyond his reach. Agricultural credit supplies would also be limited. There is a need to arrange the supply of small tractors and equipments or to organise the entire small farming community into cooperatives.

The induction of the private corporate sector into agricultural farming should push up the demand for agricultural machinery in many ways. Firstly, they cannot operate without machinery. In addition, several types of machinery needed for poultry farming, livestock farming, feed mills, dairy industry, meat industry, fruit and vegetable preservation, etc. would be needed. The establishment of big farms would push up the demand for machinery not only for agricultural farming but also the agro-based industries.

Agricultural Machinery Production

With the introduction of tractors and tubewell in farming, the demand for agricultural machinery has necessitated the setting up of light engineering industries for fabricating such equipment. There are estimated to exist 60 units mostly in the Punjab engaged in the production of agricultural machinery and implements. Industrial units in the organised sector produce wheat threshers, sugar crushers, chaff cutters, and agricultural sprayers. In addition, industry is there to fabricate rice hullers, rice husking machines, rice polishing machines, wheat grinding machines, M.S. Ploughs, cultivators, drills, cotton ginning and processing machines, maize shellers, food processing machines, Persian wheels, plant protection equipment and fertilizer equipment.

Annual production capacity for wheat threshers is 4000, chaff cutters 5,000, sugar cane crushers 1000 and agricultural sprayers 25,000. It is roughly estimated that capacity for the production of other machines and implements is around 36,000 pieces a year. In addition, there are a large number of small units, mostly in villages for the manufacture of animal drawn implements and other small tools like spade. The value of the annual

production capacity, if it operates fully, may be around Rs. 100 million.

According to the IACP total production of different implements and their quantity in the country was as follows:—

Table — II
Production of Agricultural Implements

Particulars	Annual Production (In Pcs.)
1. Cultivator/Tiller	4,500
2. Plough	2,200
3. Border Disc	600
4. Harrow/Disc Bar and Spike	500
5. Blade (Leveller, Ridger)	1,400
6. Cotton Planter	940
7. Drill (Grain, Cotton, Seed)	800
8. Rotavator	400
9. Wheater Thresher	1,150
10. Maize Sheller	10
11. Grader	200
Total:—	13,000

Source: I.A.C.P.

Table — III

Unitwise Production of Agricultural IMP

Name of Unit	Location	Annual Capacity (In Pcs.)
General Tractors & Machinery	Rahimyar Khan	16,000
Supreme Engineering Works Ltd.	Lahore	6,000
Ghazi Industries	Multan	2,600
Carvan Engineering Works Ltd.	Okara	1,100
Pak-Land Trading Corporation Ltd.	Lahore	1,000
Co-operative Karkhana	Bahawalpur	775
Iqbal Brothers	Rahimyar Khan	1,100
Rana Tractor & Equipment Co.	Lahore	3,000
Karimi Industries	Nowshera	1,000
		32,575
Total Sanctioned Capacity:		
Habib Industries, Karachi	Karachi	1,800
Adamjee Industries	Karachi	4,500
		6,300

Total Sanctioned and Installed Capacity (per annum) **38,875**

Source: I.A.C.P.

Annual Capacity

In the organised and semi-organised sectors, there are 9 units engaged in the manufacturing of tractor drawn agricultural implements. These implements include cultivators, disc plough, border disc, mould board plough, cotton planter, grain drill, rotovators, disc harrow, mounted blades for levelling, threshers, drills, shellers ridger and various spares. The total installed capacity of these units as reported by them is about 32,000 pieces per annum and their detail is given in table-III. The two sanctioned units of Karachi were previously producing agricultural implements, but now they have shifted their production line to manufacture industrial machineries and assembling of tractors.

Imports and Exports.

Pakistan makes heavy imports and small exports of agricultural machinery. Imports of agricultural machinery (other than tractors) during 1981-82 were estimated at Rs. 28.88 million as shown below:

Table — IV

Imports and Exports			
	Number	Value Rs.000s	Unit Cost Rupees
Ploughs	2,747	4,629	1,685.22
Cultivators	711	6,697	9,419.66
Lawn movers	5,652	3,019	534.23
Harvesting machinery	212	4,222	19,719.17
7212402 No.	4	64	16,027.00
Air pumps for agricultural tractor, etc.	750	127	168.68
Agricultural Sprayers	6,831	1,909	279.43
Poultry Agr. Machinery	932	10,248	10,996.03
TOTAL:—	17,839	30,915	1,733

Exports are small but these have been increasing in recent years. During 1980-81, exports of agricultural machinery were extra-ordinarily high but there was a sharp decline during 1981-82. The following table shows the value of exports during the past six years.

Table - V
Exports of Agricultural Machinery and Implements

	(Rs. in million)
1976-77	0.4
1977-78	0.5
1978-79	1.5
1979-80	1.3
1980-81	6.8
1981-82	1.4
1982-83	—

Most of the exports are made to Middle Eastern countries particularly Saudi Arabia, U.A.E. and Kuwait. According to the State Bank of Pakistan, export receipts from agricultural machinery during 1981-82 were Rs. 679,000. Offtake of Saudi Arabia was Rs. 473,000, of Norway Rs. 190,000, of U.A.E. Rs. 12,000 and Sri Lanka Rs. 4,000.

New Units

In the Industrial Investment Schedule of the 5th Five Year Plan. Rs. 1,885 million (including foreign exchange component of Rs. 1,249 million) were provided for investment in the manufacturing industry for agricultural machinery. Investment sanctions appear to be not going well. In addition to the sanctions for plants for the manufacture of tractors in public and private sectors, 4 units involving investment of Rs. 23,149 million including f.e.c. of Rs. 6.5 million have been sanctioned. These sanctions are only less than 4 per cent of original projections at Rs. 585 million (excl. tractors). It is understood that some American investors are interested in agricultural machinery projects.

As such, the cost of machinery and equipment incurred by the tractor owners to own a tractor was Rs. 8,547 each. This is an average. The cost of a thresher is Rs. 20,000. A farmer who owns a thresher should have spent much more than that who did not own it.

Agriculture Implements Projects Lasbela

The Government has accorded approval to an enterprise with plans to

establish a plant at Hub Tehsil, District Lasbela, Baluchistan for the manufacture of agricultural implements, such as, threshers, ploughs, cultivators, sprayers, seed drills, rice transplanters, manure spreaders etc. The designed capacity of the proposed plant would be for the manufacture of 10,000 units of different types of implements.

Total fixed cost of the project is estimated at Rs. 3.72 million, of which, foreign exchange component for financing the import of plant and machinery, is estimated at Rs. 1.20 million. The project has been sponsored under Non-Repatriable-Investment Scheme. The foreign exchange funds will be provided by overseas Pakistanis. The local machinery would be purchased at an estimated cost of Rs. 0.80 million. Total raw material cost of the project has been estimated at Rs. 59.00 million per annum, out of which imported raw materials are expected to involve a recurring foreign exchange expenditure of Rs. 35.5 million which works out to about 60 per cent of total raw materials requirements.

The project under review has plans to take up assembly of the various types of agricultural implements in the first year through imports of components and sub-assemblies in CKD/SKD conditions, and then switch over the basic manufacture of agricultural implements in the second year.

Agro-Implements Peshawar

A unit for the production of 7000 units of Agricultural implements has been planned to be established at Peshawar. This unit will manufacture Threshers Ploughs, cultivators, sprayers, seed drills, rice transplanters, manure spreaders.

Agriauto Industries Limited

The plant is being set-up at Hub Chowki, Lasbela in Baluchistan with an estimated cost of Rs. 26.420 million including a foreign currency component of Rs. 11.240 million. It will have facilities for the manufacture of components and parts such as engine valves to the extent of 0.4 million units and gaskets and steel sleeves to the extent of 0.06 million units each annually. The project is based primarily on imported

raw materials. It will create 150 new job opportunities. The project is at an advanced stage of implementation and is expected to commence commercial production by the end of 1982.

Sayyed Machinery Ltd.

The project of Sayeed Machinery Ltd., Lahore has been approved by the CIPC to establish a new unit for the production of farm implements and agriculture machinery with equity participation of F.M.C. Holland to the extent of Rs. 1.00 million and a foreign currency loan of Rs. 3 million from the F.M.C. The cost of the project would be Rs. 10,604 million with foreign component of Rs. 4.5 million including I.D.B.P. loan of Rs. 1.4 million. The plant would have the designed capacity to manufacture about 1,000 pieces of different types of implements comprising Reapers, Cultivators, Tractor Driven Ploughs, Disc Harrows etc. per annum. The total cost of raw materials, to be used by the proposed enterprise would be in the region of Rs. 2,508 million out of which, the recurring foreign exchange expenditure on imported raw materials is estimated at Rs. 2.261 million per annum. The imported raw materials would consist of special carbon steel, special steel for moulds, disc steel, mild steel, aluminium alloy parts, wires, clamps etc. Some of the imported raw materials may be available locally after the Pakistan Steel Mills goes into full-scale production of different types of steel.

Demand

The existing requirement of tractor drawn agricultural implements is 130,000 pieces based on five implements for every two tractors. The annual existing demand of new implements for the replacement of old implements and increasing number of tractors is estimated at 85,000 pieces per annum.

The future demand is estimated at the growth rate of 16 per cent and will be 155,000 pieces per annum by the year 1982-83.

Table - VI
Future Demand of Agriculture Implements

Additional Capacity Requirements	In Pieces
Capacity required by 1982-83	155,000
Installed Capacity in Organised Sector	38,000
Estimated Capacity in Un-organised Sector	70,000
Additional Capacity to be Installed	47,000
Economical Capacity of a Plant	6,000

The only consumer for this product is agricultural sector and its main market is concentrated in agricultural areas. Punjab and Sind are the provinces where our main agricultural activities are carried out and their main cities like Multan, Lahore, Hyderabad, Sukkur, Okara, Sargodha etc. are the prospective cities for this plant.

The farm machinery demand also depends upon the types of farm depend upon the types of farm enterprises, namely, forestry; orchard and vegetable farming; crop husbandry and cattle and dairy farming. The other factors affecting machine selection are: soil type, climatic conditions, irrigation practices and topography of land. It is difficult to design a multiple function machine. This necessitates a careful study of selection of farm machines with respect to agro-ecological zones. The FMI has started to work out farm machinery requirements according to agro-ecological zones which is expected to be completed in the Sixth Five Year Plan.

Incentives

To encourage the manufacture of farm machinery, the Government announced a number of incentives, exemption from income tax, rebate on duty and raw materials and fabrication and testing machinery. These incentives paid rich dividends. Consequently agriculture implements like threshers came on top of the list of equipment resulting from the local initiative. They had become so popular in the last two years that wheat crop in the Punjab is now being mechanically threshed to about 50 per cent - an

operation which had proved profitable to the farmers as well as the nation. In order to make maximum utilisation of tractors, a number of modern implements are required for use alongwith tractors. These implements are: cultivators, sub-soilers, fertilizer applicators, seed drills, sprayers, disc ratooners, chisel and reversible ploughs, spinner weeders etc. Additionally, other implements or machines which are not tractor-driven, are also required in the preparation of land and other operations. Government have extended the facility of tax holiday to agricultural implements manufacturing industry for a period of five years, which had expired on June 30 but now the period has been extended upto 1988.

CSO: 4600/393

ECONOMIC COUNCIL APPROVES VARIOUS PROJECTS

Karachi MORNING NEWS in English 18 Feb 84 p 5

[Text] Islamabad, Feb 17: Following is the remaining part of the decisions taken at the meeting of the Executive Committee of the National Economic Council which met here yesterday under the chairmanship of the Federal Minister for Finance, Mr Ghulam Ishaq Khan. The meeting approved a number of projects in various sectors of the national economy partly reported yesterday.

ECNEC also approved a scheme for upgrading the existing KKH-Skardu road for 24-hour traffic at a cost of Rs 530.371 million including a foreign exchange component of Rs 112.846 million.

Telecom Facilities

A scheme for expansion and improvement of telecommunication facilities in Northern Areas of Gilgit and Baltistan Project No. III at an estimated cost of Rs 54.53 million with a foreign exchange component of Rs 15.175 million was okayed by the ECNEC. The scheme is aimed at expansion of the existing auto-exchanges and manual exchanges respectively by 1600 line units and 250 line units in major towns. It will also provide new telephone connections by installing 220 line units of manual exchanges.

The Gulshan-e-Shahbaz Housing Project (Phase-I) at an estimated cost of Rs 613.00 million without any foreign exchange component was also approved. The project is aimed at alleviating the problem of housing in Hyderabad by developing 10,000 additional small residential plots.

Oil Exploration

In the field of oil exploration, the ECNEC was informed that drilling of two development wells at Toot No. 16 and 17 has already been completed. This has resulted in an increase of more than 500 barrels per day production of oil.

An oil and gas exploration project for drilling programme of six exploratory wells to test structures for hydrocarbon deposits was also approved. The project is estimated to cost Rs 1303.025 million with a foreign exchange component of Rs 790.4 million. A provision of Rs 1000 million has already been made in the Sixth Five-Year Plan (1983-88) for this project.

Another project approved by the ECNEC aims at enhancing Oil and Gas Development Corporation's drilling capability by modernising and upgrading its equipment base with procurement of 10 drilling rigs by 1986. The total estimated capital cost of the project is Rs 1844.70 million with a foreign exchange component of Rs 1477.30 million.

ECNEC also approved the Toot Development Project Phase-II, which envisages drilling of two wells (Toot 18 and 19) along with the installation of necessary production facilities. The project also envisages construction of gas transmission pipe lines and crude oil terminal and tankage at Toot and Dhu-lan, upgradation of field workshop, specialised oil field transport and construction of 20 miles link road between Gharibwal and Toot. The main objectives of the project are to increase daily crude and associated gas production by 800 barrels per day and 2.6 MMEFD respectively. The total cost of the project is Rs 512.376 million with a foreign exchange component of Rs 319.780 million. The project is proposed to be funded through the World Bank assistance.

Power Station

Approval was also given by ECNEC to the technical study for Tarbela hydro-electric power station extension units 11 to 14 at a revised cost of Rs. 58.240 million. The purpose of the project is to fully assess the total hydro power at Tarbela and to carry out engineering designs and consultancy services.

An allocation of Rs 6000 million has been made in the Sixth Five-Year Plan for the main Tarbela generating units 11-14. A provision of Rs 20.351 million exists for survey and engineering design studies etc. in the ADP for 1983-84.

Other schemes approved by the ECNEC included the extension of geological investigations to determine additional iron ore reserves at Pachinkoh in Baluchistan and strengthening of research capabilities of Pakistan Central Cotton Committee institutes at Multan, Sakrand and Karachi with an estimated expenditure of Rs 72.480 million.

Project on coal-fired thermal power station at Duki (Baluchistan) and proposed study-survey and investigations was also approved. It will cost Rs. 144 million including Rs. 89 million in foreign exchange. The ultimate objective of this project is to establish the pre-feasibility for setting up a power plant based on coal in Duki area. For this purpose coal exploration and evaluation, mining reasibility study, review of the water availability and power plant pre-feasibility study will be carried out over an area of 1500 sq. km near Duki.

A revised project for a bridge across River Indus between Dadu and Moro at a total cost of Rs. 302.20 million was also given bx-post facto approval. The construction of 3950 ft. long bridge over River Indus on the Dadu-Moro road has already been completed.

Fertilizer Industry

The Pakistan Fertilizer Industry Rehabilitation Project (Nov IV) at an estimated cost of Rs 631.37 million with foreign exchange component of Rs. 500.5 million was also approved. The project consists of four components namely, modernisation and expansion of urea plant, Multan plant rationalisation Programme, PAEL rehabilitation project, Dadu Khel Phase-I and improvement in operational management and training facilities. The project envisages optimum utilisation of existing capacity with simultaneous reduction in energy consumption.

The second phase of the scheme relating to the establishment of Ayub Medical College at Abbottabad at an estimated cost of Rs 635.656 million with a foreign exchange component of Rs. 130.319 million was also okayed. The scheme, provides for construction of a teaching hospital with 500 teaching beds.

This would raise the hospital beds for teaching in the college to 1000. Nursing school for 100 admissions, para-medical school for 100 admissions and separate hostels for male and female students, para-medical staff and others are also included in the project. The college would have all the necessary facilities for 200 students admission every year. The ECNEC directed that this project must be completed by early next year.

The revised project for the establishment of a Centre of Excellence in Water Resources Engineering at Lahore at an estimated cost of Rs 26.613 million was also okayed.

Health Care Project

A primary health care project spread over five years was also approved by the ECNEC. It involves setting up of 13 medical technicians' training institutes and 53 integrated rural health centres. These would provide the essential basis for improving health services in the rural areas. Standard medical kits would be prepared and supplied to trained medical technicians and community health workers under this programme.

The total cost of the project is Rs 275 million. USAID has already signed an agreement for initial assistance of dollar 5.5 million for the first two years. The total amount of grant agreed to by the USAID is dollar 20 million. The project also includes Rs 28 million for vaccine and cold storage equipment for accelerating the immunization programme.

The ECNEC also okayed a scheme for establishment of a measles vaccine production laboratory at the National Institute of Health, Islamabad at a total cost of Rs 52 million, including Rs 39 million in foreign exchange, half of which will come as a donation of High Highness Prince Talal Bin Abdul Aziz of Saudi Arabia through UNICEF. The remaining foreign exchange component will be met from country's own resources. The project is aimed at producing measles vaccine concentrate equivalent of eight million doses every year to provide coverage to all the children in Pakistan.

Another scheme okayed by the ECNEC envisages expansion of the facilities of the existing Armed Forces Institute of Cardiology in Rawalpindi as national institute of heart diseases to provide advanced facilities for the treatment of cardiovascular diseases to armed forces personnel as well as civilians in the northern parts of Pakistan. The scheme is estimated to cost Rs 138.16 million including a foreign exchange component of Rs 90.0 million.

The meeting also approved a scheme for furnishing of Parliament building at Islamabad at a total cost of Rs 33.986 million without any foreign exchange component.

A scheme for the repair of Karachi Hyderabad Superhighway at a cost of Rs 202.55 million was also approved by ECNEC.--APP.

CSO: 4600/393

PAKISTAN

PROPOSALS FOR ITALIAN INVESTMENT BEING NEGOTIATED

Karachi BUSINESS RECORDER in English 20 Feb 84 p 1

[Text] Rawalpindi, Feb. 19--Some concrete proposals for investment in Pakistan by Italian industrialists were under negotiation.

This was disclosed here today by Dr. Fabio Cosciotti, leader of the Italian businessmen and industrialists delegation.

He said that he was fully satisfied with the guarantees assured by the Pakistan Government to foreign investment in this country.

Replying to newsmen's questions on this assessment after having talks with the Finance Minister Ghulam Ishaq Khan and other concerned Government officials Dr. Fabio Dasciotti, who represents Italian Institute for Foreign Trade said the investment climate in Pakistan was quite favourable for investment. He noted with satisfaction that the Pakistan Government was giving maximum possible incentives to both domestic and foreign investors.

He said these proposals were in preliminary stage. These proposals were related to the establishment of ready-made garments and pharmaceutical products industries he added.

The aging leader expressed his hope that concrete results would emerge as "we found situation conducive." He said some other areas which were of interest to Italian investors, were engineering goods, processing and finishing of marble and onyx and domestic appliances.

About the imbalance of bilateral trade Casciotti said "we will explore ways and means to reduce this imbalance. We would suggest to our Government measures so that bilateral trade grows.

Earlier, addressing the members of Rawalpindi Chamber of Commerce and Industry, he said Italian private sector desired to establish joint ventures on equity basis.

He said Pakistan was a huge market and there existed immense potential for joint venture projects. This would not only help to meet the country's domestic requirements, but also would explore markets in other countries like Middle East, Gulf and European countries.--PPI.

CSO: 4600/395

REPORTAGE ON SOUTH ASIAN SEMINAR ORGANIZED BY THE MUSLIM

Agha Shahi Delivers Keynote Address

Islamabad THE MUSLIM in English 8 Feb 84 pp 1, 6

[Text] ISLAMABAD, Feb. 7: Former Foreign Minister Agha Shahi said here today that for a more favourable political climate in South Asia, India must reappraise its predominant-power status which is the "single greatest factor" impeding regional cooperation. He was delivering his key-note address at the inaugural session of the seminar on South Asia organised by 'The Muslim'.

Once the present state of distrust and discordance is overcome, Mr. Shahi said, the peoples and governments could emerge as a far more powerful force for peace and progress in the world.

He said the obvious answer to problems of this region lay in devising effective confidence-building measures. But in relations among States the obvious is the most difficult course to follow, particularly when it runs counter to the direction already set and with the "momentum of history behind it".

A glittering galaxy of journalists and scholars from the region, besides a large number of Pakistani intellectuals, newsmen and public figures, are participating in the Seminar. Eminent Indian journalists Prem Bhatia chaired this morning's session.

In Mr. Shahi's view the geo-political advantages India has derived or acquired cannot but exercise a powerful temptation to assert its claim to its "manifest destiny" in the region. He said when Indian opposed the acquisition of modest defence needs by the smaller countries in the

region it was natural for these states to feel concerned about their security and independence.

By claiming a pre-eminent status, Mr. Shahi argued, India seeks legitimacy for exercising a free hand against its neighbours. He said such a desire strikes at the very foundations of contemporary international order as enshrined in the United Nations Charter and is also repugnant to the principles of the Non-Aligned Movement to which all countries of South Asia are pledged.

Mr. Shahi said that in the South Asian Regional Cooperation sovereign equality is expressly spelled out as a basis of economic cooperation but "what is lacking is a credible commitment to this principle and its reflection in the actual conduct of relations between Pakistan and India".

He strongly pleaded that in 1985, when the South Asian Summit takes place, the leaders should adopt a "more inclusive approach" and address the bilateral relations which overshadow economic cooperation. This would be going beyond the scope of the SARC, which tends to exclude "bilateral and contentious" issues, but the summit

opportunity would be too valuable an occasion to be lost by a rigidly narrow and technical legalistic approach.

Mr. Shahi said that there could be a summit meeting even outside the framework of the SARC or there could be bilateral discussions on major issues of peace and security.

Mr. Shahi did not approve of Mrs. Indira Gandhi's policies regarding Afghanistan and her statement on the internal problems of Pakistan.

Lt. Gen. Vohra from India opined that both governments should at least express their agreement on not raising the present military strength immediately.

Javed Jabbar found the approach of the participants "hypocritical" and said that interference was a fact of present day political realities. He also questioned the idea that the countries of the region could work as equals in an alliance a LA ECC. He said that the big countries always enjoyed an upper hand in regional alliances.

Sareen from India said that Pakistan preferred to counter the situation in Afghanistan by seeking support from the Islamic bloc. "India" he claimed, "was never invited participate in conferences held in Pakistan on the issue."

Agha Shahi disagreed with him and recalled that Mr. Charan Singh had been invited to visit Pakistan but had turned down the invitation.

Bhawani Sen Gupta remarked that while making an evaluation of Indo-Pakistan relations, positive developments should not be overlooked.

Khawar Mumtaz regretted that the Seminar was only considering mutual Indo-Pakistan relations to the neglect of regional issues and problems. Nusrat Ali Shah stressed the Pakistani position on Afghanistan and Kashmir while Dr. Mohammad Wasim underlined the need for understanding inherited conflicts, some of which were centuries old.

ECONOMIC CO-OPERATION

Addressing the second session, presided over by Dr. Mubashir Hasan, J.D. Sethi, a renowned Indian economist, strongly pleaded for close economic cooperation between the South Asian countries in general and India and Pakistan in particular. He said if the two countries are able to forge close cooperation in the field of agriculture, the Sub-Continent alone would be able to export at least 60 to 70 million tons of foodgrain to the world in ten to fifteen years' time.

Reading his paper on "South Asian Co-operation, Economic Dimension", the Indian economist said the two countries should set aside the other issues and extend cooperation to each other in the field of health, trade and agriculture in a joint effort to eliminate poverty from the region. Appreciating Pakistan's point of view with regard to its domestic industries, he suggested that mutual trading between the two countries should be confined to commodities which are basically needed for the common people and not the elite. He said it was abnormal and illogical that countries believing in free economy should restrict their mutual trade to the public sector.

Strongly pleading for expanding trade relations between Pakistan and India, Mr. Sethi said these relations would pave the way for joint enterprises. He suggested that the economists of the two countries should sit together to define the areas of economic collaboration and the politicians of the two countries should publicly declare in advance that the proposals agreed to by these economists would be implemented in letter and spirit. He warned that if the two nations failed to come to a close understanding in the economic field they would become more dependent on borrowed capital and technology in the times to come.

Justifying the fears of the small regional countries about Indian hegemony and domination because

of its abnormal size, J.D. Sethi suggested that the area of cooperation should be extended to the entire South East Asian region. He said if the ASEAN and Gulf Co-operation Council's countries are

included in such a regional arrangement, India will not loom as large as it does, especially if Indonesia and Malaysia are members.

Replying to certain issues raised by the speaker, the Chairman, Dr. Mubashir Hasan said trade in small consumer items would not be possible between India and Pakistan in view of the sharp differences in their social setup and the standard of living of the two countries. The two countries, he maintained, could develop mutually beneficial trade and economic relations by helping each other in various industrial fields. He said a mighty power plant based on Lakhra coal could be constructed in Pakistan with active Indian help and support and the India could buy electricity from Pakistan in exchange for the assistance provided by them for the construction of the power plant. Similarly, he said, India could provide cement plants to Pakistan on the understanding that it would buy cement from it against the cost of the plant. The Indians, he added, could also help in the exploration of the huge copper mines in this country and Pakistan could easily meet its requirement of coal and iron ore from India.

Participating in the discussions, Ibnul Hassan, Hamid Qizalbash, Sultan Ahmed, M.B. Naqvi and Arif Nizami expressed the opinion that some sort of political understanding was urgently needed as a pre-requisite for any economic cooperation between the two countries.

The delegate from Sri Lanka, Vijithi Yapa, deplored some of the restrictions recently imposed by the Indian Government against his country. He said the foreign exchange quota for the Indian tourists visiting his country had recently been drastically reduced and the nationals of his country who were so far exempted from obtaining visit visas for entering India have been deprived of this facility. He considered these steps to be against the spirit of mutual cooperation.

AFGHANISTAN

Bhawani Sen Gupta read his paper on Afghanistan in the fourth session which was presided over by Mr. Sajjad Hyder, Pakistan's former Ambassador to India and the Soviet Union.

Discussing the problem Gupta claimed that governments in the region had made minimal out of the

problem. According to him, if Pakistan's present regime was stabilised and appeased by the Western forces after the intervention, the India government in India was offered more Soviet help.

He warned that the problems in Afghanistan were directly affecting the future of Pakistan that it was essential for the Pakistani people to find a solution of the problem.

He, however, opined that Pakistan could not find the solution on its own and that it needed the help of others to convince the Soviets to withdraw from Afghanistan.

He claimed that all efforts on the part of Pakistan to settle the issue directly with the Soviets would not bear fruit as the Americans are determined to keep the Russians busy in Afghanistan and will not let Pakistan negotiate on its own.

In this perspective, Dr. Gupta suggested that Pakistan should try to negotiate with the Soviet Union regarding the issue from some South Asian platform and that India should be asked to help Pakistan in this respect.

Dr. Gupta, nevertheless, was not certain how the Indians could be made a party to any joint South Asian move to press for a Soviet withdrawal. He, however, stressed again and again that the U.S. would never let Pakistan find a solution on its own while directly negotiating with Kremlin.

He also claimed that the U.S. would only support the solution of Afghan problem if it is reached through some kind of global negotiations between the super powers

on a larger scale. "At that moment", he said, "Americans would simply forget that they once had an ally with the name of Pakistan".

Sajjad Hyder commented that India must realise that the Soviet presence in Afghanistan is also a threat to the security of India. This position was supported by Kukdeep Nayyar, Dr. Mubashir Hasan and Pran Chopra. All of them were of the opinion that Mrs. Indira Gandhi had failed to appreciate the historical reality that the security of India lies at Khyber and that the disintegration of Pakistan would be inimical to Indian integrity too.

They also opined that while talking about a South Asian initiative to resolve the problem, Dr. Gupta had ignored the fact that Iran is also deeply involved in the matter. Dr. Ersin of Turkey regretted that the Indira regime couldn't understand the implications of the Soviet presence in Afghanistan.

Khursheed Hassan Mir and Aitzaz Ahsan claimed that Pakistan, U.S. and the Afghan refugees were not interested in any solution as they were gaining tremendous mileage out of this problem.

Answering various questions at the end, Dr. Gupta ruled out the possibility of facing the problem with a common Muslim approach and questioned the wisdom which projected the Soviet Union as a decaying nation. He emphasised that one must not take the Soviets lightly and that as a nation they were developing and growing at a tremendous pace.

Text of Agha Shahi's Address

Islamabad THE MUSLIM in English 8 Feb 84 p 5

[Text]

Distinguished guests from South Asia, Ladies and Gentlemen,

It is indeed an honour for me to be invited to inaugurate this unique Seminar. The enterprising Management of "THE MUSLIM", and its able Editor, Mr. Mushahid Hussain, have brought together a stellar group of eminent intellectuals and influential opinion-makers from India, Bangladesh, Sri Lanka, Nepal and Pakistan and sought to focus their creative minds on "South Asian Cooperation: Problems and Prospects". A commitment to the goal of mutual cooperation is implicit in the priority given to it in the arrangement of the title of the Seminar. The invitation to talk about "Problems" is by no means a negation or a counter-point. For, unless we identify the problems, squarely face them and promote solutions, the "Prospects" will not be as bright as we should wish them to be, in the interest of peace, security and economic uplift of the over 900 million people of the region, almost a fourth of the human race.

CO-OPERATION

The idea of regional cooperation in South Asia is something new. Only the first steps have so far been taken towards the realisation of this goal by institutionalising economic cooperation among the seven regional states. The areas of cooperation have been identified; a programme of action evolved and the machinery for implementing it erected, beside adding the new acronym of SARC to contemporary vocabulary. For the present, the scope of cooperation is however limited. Its goals are modest. But

the potential for growth exists. The process needs time and above all, turns on the will of the member governments.

Until recently this will was weak, illustrated by the fact that South Asia has been among the last regions to contemplate the idea of cooperation. It is remarkable that the countries of the region which have been independent states for a generation or more should have attached the greatest importance to their roles in world forums and hardly any, until three years ago, to the intra-regional arena. When we look at their performance in the United Nations, the Non-Aligned Movement, the Group of 77, UNCTAD and other international agencies on such great issues as strengthening peace, add promoting disarmament, the right of self-determination of dependent peoples and global negotiations towards a new international economic order, and turn from this global to the South Asian scene, we see a stage but no action until, three years ago.

Why has this been so? The answer unfortunately, is too obvious. Because bilateral relationships among the countries of the region have been marred by disputes, differences and perceptions which have kept alive the fear or distrust of one another arising from the legacies of history, the facts of geography and disparities of power.

DISPARITY IN SIZE

The first striking characteristic of South Asia is the disparity of size, power and stage of development among the countries of the region. With over 700 million people,

India accounts for three-quarters of the population of the region and, it is nearly eight times bigger than Bangladesh, the second most populous state. In area, India is four times larger than Pakistan. In economic development, too, especially in industrialisation, India is far ahead of other countries.

Let me hasten to add that this disparity is an objective reality, not to be regretted or lamented but one that must be recognized in order to appreciate the concerns of the parties.

The sheer weight of India generates apprehensions of domination on the part of the other states of the region some of which are medium size states by world standards but pale into smallness in comparison with India. On the other hand, India itself seems to fear that the other states might "gang-up" to contain what India considers its due role.

While all countries of the region will have to make a contribution to the development of confidence in place of suspicion, it is not unreasonable to say that India as the biggest state shares the greatest responsibility.

The second feature of the region is its relative poverty. All the seven countries of the region fall in the low-income category of states. All of them rely heavily on external resources to finance their economic development. The capacity of the regional countries to export capital from one to another is virtually non-existent. One can well imagine the extent of cooperation that will be promoted during 1983-84 from the fact that all the seven countries together contributed barely over one million dollars for the regional cooperation action programme.

The third characteristic of the region is that political disputes and differences among them have defied solution even after many years of effort. The Jammu and Kashmir dispute between Pakistan and India and the apportionment of Ganges waters between India and Bangladesh at once spring to mind. It is not necessary for me to list all of them. Besides, there are minority issues in almost all the countries of the region. Consequently, the political climate exercises a decisive negative influence over the potential for the development of multilateral relations in the region.

STRATEGIC AREA

Political understanding may not be enough in itself to ensure the success of regional cooperation, as shown by experience in RCD, but it is certainly a necessary starting point. ASEAN, for instance, was founded on a regional entente and only later was the economic dimension added to it.

The fourth characteristic is that the region constitutes a strategic area of the world. Consequently, the interests and the strategies of the major powers have become involved to a greater or lesser degree with those of the countries of South Asia. Pakistan was a member of US sponsored military alliances until 1979 though after 1965, this association had become more or less purely formal. China and India after twelve years of friendship, fought a short sharp war in 1962. A neighbour of both countries, China has maintained steadfast friendship with Pakistan since 1963 but its relations with India have been marked by vicissitudes. The Soviet military intervention in Afghanistan in 1979 has opened a new area of disagreement between Pakistan and India.

The characteristics of the region that I have just mentioned, have not contributed to the promotion of cooperation in South Asia. The single greatest factor which impedes wide-ranging cooperation is fear of the emergence of a dominant-dependent pattern of relationships that could result from it. Even in the field of economic cooperation, where only the first steps have been taken, the disparities in natural resources and scale of industrialisation of the different countries, could lead to inequitable apportionment of costs and benefits among them. The inter-dependence which would be forged would reflect serious imbalances to the detriment

of the smaller countries. It is for this reason that trade, which is vital to economic cooperation, has been so much circumscribed between India and Pakistan.

The fear of small countries of domination by their larger neighbours, is not peculiar to South Asia. It is widely prevalent in other regions of the world. Not until this fear was laid to rest, did Western Europe begin a meaningful programme of cooperation. In South Asia, it has been a dominant factor. India enjoys a military preponderance which is overwhelming. There is no need for me to cite the statistics and indicators of India's military power, its nuclear capability and missile acquisition potential. If added to these strategic

advantages is a political doctrine of intervention or interference in domestic affairs, the capability and the will can be seen as fused together to impose domination, particularly when one's own security is sought to be defined in terms which would reduce the others to a state of defencelessness.

Whether the fear of domination is a spectre conjured up from the inferiority complex of being smaller and weaker or is rooted in objective realities, needs to be analysed and confronted. The problem cannot be ignored if the prospect of extending cooperation to the political and security sphere is to be brought into focus. If this fear is found to be not ill-founded, how best can it be allayed?

CONFIDENCE BUILDING

The obvious answer lies in turning to the exploration of effective confidence-building measures. But in relations among states what is obvious can also appear to be the most difficult course to follow when it runs counter to a direction already set and with the momentum of history behind it. However, a reappraisal of policy is the necessary catalyst to bring about a more favourable political climate in South Asia such as would be hospitable to the growth of economic cooperation and the orientation of this cooperation towards political and security horizons.

The geo-political advantages that India has derived or acquired, cannot but exercise a powerful temptation to assert a claim to "manifest destiny" in the region, all the more beguiling from historical memories of the Maurya, Gupta and Harsha empires and Moghul rule. The more recent imperial

legacy of the British Raj and its doctrine of paramountcy over the entire subcontinent reinforces this urge. Therefore, when one hears of predominant power status, opposition to the fulfilment of one's relatively modest defence needs, and promulgation of doctrines of interference which could readily be invoked to justify intervention with the military power to apply them, the first and natural reaction is one of deep concern for one's security and independence.

It is of course true that the countries of the world though equal in status are unequal in power because of disparities in their na-

tural endowments or acquired resources. That India is the most powerful country in South Asia by reason of these assets would only be stating the obvious. But to claim predominant status from this position of strength is to seek legitimacy for exercising a free hand against neighbouring independent states which cannot but reduce them to subordinate status and curtails the exercise of their inalienable sovereign rights. It would strike at the very foundations of the contemporary international order raised on the principles of international law and justice and sanctified by the Charter of the United Nations. It would be no less repugnant to the basic principles of the Non-Aligned Movement to which all the countries of South Asia are pledged.

The post World War II international order is a conscious and deliberate attempt to turn history away from its past, to make it possible for all the peoples and nations of the world to coexist in peace and security free from the empires dominations and powers of the world. The catastrophic experience of two world wars in one generation which caused a countless number of deaths, unprecedented destruction and untold human suffering, finally led the leading warlords and statesmen of the world to build international peace and security on foundations different from the classical concepts of concert of powers and real politik which had plunged the Europe repeatedly into the abyss. Hence the new international political order based on the primordial principles

of non use of force, peaceful settlement of disputes, sovereign equality of states large or small and the right of self-determination of peoples.

If the United Nations has so far proved itself ineffective in enforcing full compliance with these principles by the international community, the principles themselves cannot be considered unvalidated. They are not dead. They are alive and vibrant in the hearts and minds of the newly independent and other peoples of the world. On the respect for their observance, are predicated the best hopes for mankind. The force of these principles is stronger than the collective ability to enforce compliance on those powers which are again manifesting a dangerous tendency to resort increasingly to the use or threat of use of force to impose their domination and hegemony.

This is apparent from their behaviour in some parts of the world considered to be of strategic importance to them in the competition with their adversaries for influence and control over other sovereign states. The peoples and governments of the countries of the Third World whose independence and sovereignty and territorial integrity are at stake can afford to let any form of imperialism and colonialism be re-incarnated except at their own peril.

I am aware that in many of our formal declarations, joint statements and communiqués and among the principles incorporated in SARC, sovereign equality is expressly spelled out as a basis of economic cooperation. But what is

lacking is a credible commitment to this principle and its reflection in the actual conduct of relations between Pakistan and India. Whether in negotiations over a No-War Pact or in the Friendship Treaties between India and some of its neighbours, nothing should be required of either party which objectively derogates from its sovereignty. This principle of respect for sovereignty is equally mandatory in dealing with the other issues be they related to questions on defence, security, economic or political cooperation.

The use of force by the Soviet Union against Afghanistan, by the United States against Grenada and

in Lebanon, by Israel against the Arab states, by Vietnam against Kampuchea, not to speak of the threats of force implicit in US-Israeli strategic cooperation in the Middle East, in the Persian Gulf and elsewhere, have benumbed the world into passively instead of arousing a sense of outrage. But success does not lend legitimacy or acceptability to the use of force and victory can be ephemeral. Has Israel been able to achieve its aim

of a united sovereign Lebanon under Phalangist domination even though its brutal invasion of that country in 1982, everything before it or the threat of force implicit in U.S.-Israeli strategic cooperation compelled Syrian withdrawal from the Bekaa valley and the elimination of Soviet influence in the Middle East? The use of force by a superior military power against its victim seldom prevails over motivated human resistance.

I now turn to the relations of the major powers with the countries of South Asia. As, in their perceptions, the region is of strategic importance to their global policies, their involvement with the one or more of the regional countries, has

extended over a long period, but marked by fluctuations in the depth and range of interest from time to time.

The Soviet Union has been the major supplier of military equipment to India as well as a major donor of economic aid. The assessment of the nature of the Indo-Soviet treaty of 1971 varies from a friendship pact, an entente cordiale, to a strategic alliance. The political rapport between the Soviet Union and India on major world issues, is obviously close.

With Pakistan, Soviet relations have generally been under strain, because of Pakistan's membership of military pacts, Soviet partisanship on issues between Pakistan and India and, more recently, despite Pakistan's entry into the Non-Aligned Movement, because of the Soviet military intervention in Afghanistan. But economic relations between the two countries have withstood political strains and have recorded considerable expansion. The Soviet Union has thus become a major donor of economic assistance to Pakistan. Once the Afghanistan issue is settled on a honourable basis through negotiations under UN auspices, there should be no remaining impediment to friendly relations with that superpower.

U.S. INVOLVEMENT

The United States has been deeply involved with Pakistan and India since the fifties. Pakistan received military assistance from America by reason of its membership of SEATO and CENTO but after the 1961 India-Pakistan war, the US cut off military aid to Pakistan. Both India and Pakistan

continued to be recipients of US economic aid but after 1977, even the economic aid to Pakistan was severely curtailed over the issue of Pakistan's intended acquisition of a reprocessing plant from France even though under the strictest possible international safeguards. The nuclear issue brought US-Pakistan relations to their lowest point. It has been Pakistan's analysis that on the nuclear issue, the United States accorded more permissive treatment to India.

In 1981, Pakistan entered into a \$ 1.6 billion economic aid agreement with the United States over a five year period, and a military sales agreement in an equal amount over the same period, including the sale of 40 F-16 aircraft, to be purchased from loans at market-related rates of interest, which have varied from 14% to 11%. These agreements were carefully negotiated so as not to involve any question of quid pro quo or run counter to Pakistan's obligations as a member of the Non-Aligned Movement. It was made clear to the highest levels of the United States administration that Pakistan's obligations as a member of the Non-Aligned Movement. It was made clear to the highest levels of the United States administration that Pakistan would give no bases to the US, would not have anything to do with the US strategic consensus in the area then being forged by the United States and that Pakistan would pursue indirect negotiations through an intermediary of the United Nations for a political solution of the Afghanistan crisis in accordance with the United Nations resolutions. This stand of Pakistan was fully accepted by the United States as is borne out by the hearings held by the US Congress before voting on appropriations to Pakistan.

Nevertheless, allegations are made from time to time by various quarters that Pakistan has, or is about to grant bases to America. President Ziaul Haq has given the most authoritative possible contradiction to such tendentious reports.

PAK.-U.S. TIES

The present Pakistan-US relationship is thus on a totally different footing from that it was when Pakistan was a member of military pacts. Pakistan is not strategic ally of the United States nor does it enjoy and special relationship with that superpower as is shown by US readiness to sell a billion dollars worth of high technology military equipment to India. But Pakistan certainly values friendly relations

with America as no doubt does India-Pakistan sees no constraint arising from Pakistan-US relations in pursuing an independent policy as is evident from its votes in the United Nations on the US intervention in Grenada and its opposition to US pro-Israeli policies in the Middle East.

In the interest of brevity, I shall not deal with the relations of the two superpowers with the other states of South Asia. These relations are normal, based on the respect for their non-alignment. In varying degrees, they are beneficiaries of US and Soviet economic assistance.

China's relations with the countries of South Asia give proof of its strict adherence to the five principles of peaceful coexistence. During the first decade of India and Pakistan's independence, Sino-

Indian ties were so close that they were able to contain the differences between the two countries on the Tibet issue. Their border clashes in 1959 and the three-day war of 1962, plunged the relationship into deep crisis. One can only welcome the marked improvement in these relations since the last few years and hope normalisation cannot be a far-off event.

Pakistan takes considerable satisfaction in its relations with China which has provided substantial economic and military aid over a long period. These bonds have withstood the stresses of internal political changes in both countries as well as external developments. At one time, it was alleged there was a Peking-Jakarta-Islamabad axis; at another a tacit Washington-Islamabad-Peking alliance. Time has exposed the baseless and tendentious nature of these charges. Equally unfounded, were suspicions that China and Pakistan and concerted plans against India.

CHINA'S ROLE

China's relations with South Asian countries, in my judgement, are a model for big powers to follow in their dealings with the smaller countries of the world. Bangladesh, Nepal, and Sri Lanka equally, are the beneficiaries of China's economic assistance and of its moral and political support to their independence, sovereignty and territorial integrity as much as Pakistan.

In order that the bilateral relations of the South Asian countries with the two superpowers and China do not interpose constraints

on the development of political cooperation in the region, it is sine qua non of such cooperation that none of them aligns itself with either super power in its differences or rivalry with one or more of the others. Nor would such cooperation be compatible with a strategic relationship with any of the major powers. Regional countries should refrain from seeking to enlist the support of these powers in their disputes and differences with one another. Neither should they seek special relationships with the regional powers.

It is no less necessary that the regional countries harmonise their perceptions on major international issues and take positions in accordance with their obligations under the Charter of the United Nations and the Non-Aligned Movement and not subordinate the principles of these organizations to considerations of bilateral relations with one or the other of the super powers. If the countries of South Asia had been able to take a unified stand based on principles on the situations obtaining in South-East and South-West Asia the prospect of political cooperation in the region would have emerged long ago as a practical possibility.

ISLAMIC FOUNDAMENTALISM

I now turn from relations of the regional countries with the non-regional powers to make a few observations on a question which is essentially within the domestic jurisdiction of each country, but nevertheless does arouse humanitarian concern in one or the other of them. This is the problem of minorities. On the one hand governments are hypersensitive about their sovereignty. In regard to the problems of their minorities and declare they will brook no interference from any quarter. On the other hand the insecurity of life, property and honour to which a minority is condemned arouses the most anguished concern across national borders, compelling other governments to demonstrate at least a modicum of humanitarian interest. We, the countries of South Asia are rightly jealous of our sovereignty but we are also the inheritors of the human and spiritual values of three great world cultures and civilisations; conscious of a glorious past and dedicated to the future greatness of our nations. Is it impossible for us to reconcile the rights of sovereignty with the demands of humanity? The Liaquat-Nehru Pact

was a monument to the enlightened statesmanship and human compassion of its two architects-but it has been allowed by both sides to become a dead letter. I express the fervent hope that South Asian cooperation may promote greater amity and understanding so as to resuscitate the spirit and letter of that agreement in one form or another and enable the minorities to enjoy the rights of equal citizenship and to live in freedom from fear.

"In this context, it would not be out of place for me to make a few observations on the cultural, social and political phenomenon which is manifesting itself in some of the Muslim countries. In the West, it is called Islamic fundamentalism and sometimes "militant" Islam which in Western jargonese, means Islamic fanaticism. I would call it Islamic awareness. It has caused puzzlement in the West and even a

degree of concern over a potential threat to its economic and security interests in the Islamic world.

Whatever the West or its friends in the Muslim world may think, Islamism presents no threat to any country of the region. We are not living in the age of the Crusades which was a movement of aggression by the West against the East, but in an era of revolutionary stirrings against the imposition of foreign domination, political, economic and cultural. In a real sense, it is a revolt against the elites and their capitulation to western cultural domination and suppression of indigenous value systems. Is Islamism in Pakistan and Iran danger to India because India has a Muslim minority of 11% of its population? Is there a danger to India reminiscent of the historical invasions from central Asia and West Asia through the centuries? I do not think I need to answer such chimerical questions.

Pakistan's consciousness of its Islamic mooring and ties with Muslim states are not a grand Islamic alliance directed against India. The Muslim countries have ties of amity and friendship with India as well. India enjoys in these countries equal opportunities to share in the gains from their rapid economic development of which, we are glad to note, it has fully availed itself.

South Asian cooperation in all fields is in the interests of all the countries of the region. As was stated by the Foreign Minister of Sri Lanka, "regional cooperation enables countries to derive strength from each other, whether by way of enhanced trade, institutional linkages, sharing of technology, improved human resources or mutual

investment," and that the objective of such cooperation is to develop collective self-reliance as a parallel strategy to global economic cooperation. But before cooperation can reach its plenitude, a host of problems would have to be overcome. I have surveyed some of the most important of them.

The countries of the region are on different levels of development industrial and technological. At the same time, they are experiencing a rapid structural change. This makes complementary relations necessary as well as difficult. The least developed countries, namely Bangladesh, Nepal, Bhutan and the Maldives Islands need to be given special assistance to halt the growing gap between them and the more advanced developing countries. For Nepal and Bhutan, both of them landlocked countries, the problem of how to increase their economic relations with other South Asian countries, would constitute one of the major issues in regional cooperation. Another such issue is the need to increase the volume of trade which amounted to only 4% of the total world trade in 1978 of the regional countries.

REGIONAL IMBALANCES

There are regional imbalances as well. To quote from a UNITAR report "Sub-regional Cooperation in the ESCAP Area-SOUTH ASIA (pages 32-33):

In fact, from the colonial period, India had advanced in industrial fields (In 1945, about 90% of factories in British India were located in today's India: as for cotton factories, among 950 factories, only 14 were located in Pakistan, where 40% of raw cotton was produced) and other countries could not yet catch up to the industrialization level attained by India. Today's situation is derived partly from a sort of "natural" division of labour based on the colonial legacy. However, this type of vertical division of labour has been vigorously contested by smaller countries, as we pointed out earlier. That is why we may presume that India could assume a particular responsibility and initiative in activating a rectification process of actual regional imbalances. One scholar, studying the subject of regional cooperation, noticed the important role "that India can play in enlarging the orbit of regional economic co-operation for larger economic gains, as also in reducing the element of Indo-centricism on the Indian subcontinent" and for this "India should

make some short-term sacrifices in the interest of the countries in its neighbourhood in order to be able to make more permanent long-term gains".

A study made recently at the instance of the United Nations Institute for Training and Research recommends cooperation in energy development and joint ventures in developing Himalayan and marine resources and also the establishment of a National Resources Exploration and Development Fund with the aid of the United Nations.

In conclusion, it may be noted that a South Asian summit is to be held, perhaps in 1985. No doubt when they meet, the heads of state and government will review and appraise the progress towards economic cooperation that would have been made by that time. If they decide to consider strengthening this cooperation, they will face a heavy agenda.

Would they be willing to adopt a more inclusive approach, and address the bilateral issues which overshadow economic cooperation and exercise a determining influence over it? We know that "bilateral and contentious" are excluded from the scope of SARC. It seems to me that so important a meeting as a South Asian summit, which potentially could be historic, is too valuable an opportunity for improving the political climate of South Asia to be lost by a rigidly narrow and technical legalistic approach to scope of the agenda before it. The growing challenges of peace and development cannot be ignored so lightly.

SARC

A summit meeting, outside the framework of SARC could also take place on an informal basis after the SARC agenda is completed to discuss possible solutions to the political differences which have kept multilateral economic interaction in South Asia, to such an unjustifiably low level. Even such a meeting is to be ruled out, the least to be expected of the our leaders—is that they will engage in deep bilateral discussions on the major issues of peace and security outstanding between them.

Comprehensive cooperation will in no way militate against but will in fact facilitate the roles that the regional countries hope to play in the world. Far more will be gained by a harmonisation of their political relations than by a continuation of the present state of

distrust and discordance. If our peoples and governments can forge solidarity, South Asia, acting unitedly, can emerge as a far more powerful force for peace and progress in the world.

My last words will be addressed to our distinguished guests. You wield the power of the pen and the spoken word. The pen is mightier than governments when it is wielded in the cause of truth, peace and amity among nations. I fervently hope that through the power that is given to you to influence the minds and hearts of your countrymen, you will help usher in a happier era for the peoples of South Asia than it what they have seen in the past.

I thank you for your attention and patience.

India's 'Big Brother' Role Assailed

Islamabad THE MUSLIM in English 9 Feb 84 p 5

[Text] ISLAMABAD, Feb. 8: In the panel discussion on "Relations among South Asian States" which dominated this morning's session at 'The Muslim'-sponsored Seminar on South Asian Co-operation, the delegates from smaller countries took India to task for what they termed its 'hegemonic ambitions'. In fact, the morning's first speaker, Rajinder Sareen of India, provided the immediate cause for provocation by presenting his country's point of view rather bluntly.

In his remarks, he questioned the wisdom of Pakistan's stand on various issues, including the Indian Muslims, Kashmir, the two nation theory and what, he called the 'geo-political reality' of the region.

He said Pakistan's approach to the Indian Muslims issue is propagandist and single-dimensional. The two-nation theory, he said, also carries an explosive dimension which is: "Does the presence of a very large number of Muslims in India call for reconsideration of Partition?"

Reacting sharply, Arif Nizami of Pakistan quoted various instances from recent history which stand witness to the fact that India, in its pursuit of a regional power status, has developed disputes and differences with all its neighbours, including China. He rejected the argument that India should have a bigger role because of its larger size and said that if that be the logic of inter-state relationship then China is even bigger than India.

Search for a bigger role must be evenly matched with maturity and farsightedness, which, he said, India lacked.

HEGEMONY

Mr. Nizami was of the view that India tried to impose its hegemony over Pakistan by telling this country not to give bases to a foreign power, which, in any case, Pakistan is not doing. "Even a mention of Kashmir is like a red rag to India".

Vijithi Yapa of Sri Lanka said that if peace and cooperation has to be achieved in South Asia then better relations between Pakistan and India are essential, but India's

consciousness of a superior status has made things very difficult. He said his country started thinking of joining the Association of South East Asian Nations only after the Soviet Union has occupied Afghanistan because his government realised that "what happened in Afghanistan could also happen in Sri Lanka". Neighbourhood of India, he remarked, was "like sleeping with an elephant".

Quoting various instances of India's interference in the internal affairs of other states, Mr. Yapa said if India today does not have good relations with any of its neighbours, it should ask itself why this is so.

Ramesh Panday of Nepal also took strong exception to India's behaviour as a "Big Brother" in the region and said that EEC and ASEAN should serve as models for South Asia Regional Cooperation. In these organisations, he said, the member-countries are treated as "sovereign-equals".

Mr. Panday pleaded that the political will of the new generations, which is not inhibited by the legacies of the past, must be cashed in for promoting regional peace and progress.

Dr. Ersin Onulduran of Turkey said that being next door to the Soviet Union his country understands the predicament of small neighbours whose perceptions are determined by a continuous threat.

CRISIS OF CONFIDENCE

In his remarks on these presentations, Brig. Nur Hussain of the Institute of Strategic Studies observed that Pakistan-India relationship suffered from many distortions of perception, which he said should be looked into the corrected.

On the part of India these distorted perceptions are: (1) China is not a member of this region; (2) Russian presence in Afghanistan has saddled Pakistan with a two-front strategy; and (3) Pakistan exclusively belongs to this region and should have no connection with countries in the West (with which it has long historical, religious and cultural relations).

On the Pakistan side, he said, the perception that Indian goods and cultural excellence can swamp this country should be corrected.

Summing up the discussion, Lt. Gen. (Retd) A.M. Vohra of India

said that the present crisis of confidence can be overcome only by creating bridges of understanding, and both Pakistan and India should try to evolve a "joint policy".

The next session of the Seminar was presided over by the veteran politician, Sardar Shaukat Hayat Khan, Retd. Brigadier Siddiqui, while presenting his submissions, said that it was the political conduct of Mahatma Gandhi which intensified the Hindu-Muslim problems in the Sub-Continent.

He alleged that the main problem in creating a meaningful dialogue in the region was the "superiority complex" of the Indians who wanted to play the role of a big brother.

PAST WOUNDS

He said that the Indian army was one of the biggest in the world and the politicians had to keep it professionally busy lest the top brass started nursing political ambitions. Hence the periodic bouts of jingoism.

Javed Jabbar observed that the people of both the countries were suffering from the wounds of the past. He claimed that only the post-Partition generation could see things in a fresh perspective. Jabbar blamed the bureaucracy for complicating the issues and suggested that non-governmental forums should be established to discuss the issues faced by the region.

Brig. Siddiqui's comments infuriated Kuldip Nayar who alleged that in Pakistan the new generation were taught the history of the Sub-Continent in a biased and chauvinistic manner. To substantiate his claim, he read from the history books recommended for the syllabus in Pakistan and compared it with the contents of Indian books which he claimed were secular and objective.

Aitzaz Ahsan said that the only way of ensuring peace in the region was to keep the super-Powers out of it. He claimed that an overwhelming majority of Pakistanis were also against giving bases to the USA.

Dr. Qazilbash said that the Indians must clearly define their priorities and should tell other countries of the region as to what kind of a role India wanted to play. He said that the Indian model of democracy, socialism and secularism could be a perfect one in its own way but other countries of the region were not inspired by it.

S.A. COMMISSION

J.D. Sethi from India suggested that a South Asian Commission should be formed on non-governmental level to monitor the human rights situation in the countries of the region. He also suggested the formation of an institute of peace to study the perspectives of peace in the region.

Prem Bhatia remarked that it was wrong to assume that India had some deliberate, well defined policy to bully its neighbours. He said this was a myth.

P.K. Shahani, Hassan Habib and Sultan Ahmad supported the idea of creating an institute of peace by the non-government agencies.

Concluding the discussion, Sardar Shaikat Hayat advised the new generations in both the countries to struggle for the realisation of their dreams.

He said that talking about the problems of present-day South Asia, we must not dwell on the past and should take history as a fact which sometimes worked against the wishes of the past generation.

He agreed with the opinion of an Indian journalist that the first Prime Minister of Pakistan made certain mistakes regarding Indo-Pakistan relations and could not foresee the implications of his policy. He, however, added that one must avoid commenting on the political acts of those who were no more present to defend themselves.

In the post-lunch session, which was presided over by Aslam Khattak, Sayeda Abida Hussain expressed her views about the future perspectives. She stressed that the views prevailing amongst the post-Partition generation should be appreciated and said that the youth in Pakistan were more concerned about the situation in the Middle-East than developments in India.

She said that India could be proud of its democratic institutions but the new generation here was surprised over the continuation of a particular family in power for three successive generations.

She said that while talking about human rights we must also raise the issue of economic justice which has been denied to both the people of India and Pakistan. She claimed that the two countries have retained the colonial administrative structures which made it impossible to provide justice to the common man.

Pran Chopra said that one should appreciate the positive developments. He said that when one was functional, the emotional

problems did not arise. In this regard, he referred to the agreement which was reached between Pakistan and India on the distribution of Indus waters.

He expressed his confidence that the forum of the SARC had tremendous possibilities and added that the principle of unanimity adopted for deciding issues at SARC was the best way to allay the fears of those countries of the region which were reluctant to join the SARC. He said if India was haunted by the ghost of a gang-up by smaller countries, the smaller countries were scared by the spectre of Indian dominance.

CLOSE RELATIONSHIP

Speaking next, another delegate from India, Miss Uma Vasudeva, firmly maintained that without enlarging the scope of cultural exchanges between India and Pakistan the chances of establishing a close relationship in the economic or political arena were not bright. How can the idea of close economic cooperation flourish if the people of the two countries are not allowed to travel freely and are debarred from reading each other's literature? She said close understanding between Pakistan and India was the prerequisite for an extended cooperation which may eventually cover the other countries of South Asia. Some kind of equation, she said, has to be established on a very viable and lasting basis between these two countries before we can think of larger South Asian cooperation.

Taking part in the discussion Fakhar Imam pleaded for some basis understanding between the countries of the region prior to wider regional cooperation. This cooperation, he said, could only be possible if we are able to overcome the feeling of mutual mistrust.

Dr. Mubashir Hasan was of the view that every framework has to have an ideological goal and programme without which the people cannot be mobilised. It was only with the support of the people that any framework could be established. He regretted that "the nations of South Asia have not been elevated enough to apply the principle of the greatness of man."

Rounding off the second session, the Chairman, Aslam Khattak, appealed to the media people of the two countries to do their best to eliminate the venom of communalism which, he said, was the main cause of bitter relationship between the two countries.

SUPER-POWERS

Addressing the concluding evening session, presided over by Kuldip Nayar, Hanif Ramay emphasised that no meaningful cooperation would be possible between the South Asian nations without eliminating the growing influence and interference of the two super Powers in matters concerning the region. He said both India and Pakistan were non-aligned at present but in the real sense neither of them is non-aligned. Their policies were tilted in favour of one or the other super power. A true sense of mutual trust and confidence, he said, has to be developed and established for lasting and worth-

while mutual cooperation. This, he added, would only be possible when the smaller nations of the region were completely free from the fear of domination by the larger country of the region. The big brother, he said, should give an assurance that the rights and privileges of the smaller nations would not be usurped and there would be no danger to their territorial security.

The South-Asian region, Ramay said, is like a federation and this federation could not work effectively until all the federating units have a sense of full participation on an equal basis. India and Pakistan badly needed internal unity. A disunited India would never think of attacking a united Pakistan; similarly a disunited Pakistan would never have the courage to create problems for India. If the two countries were internally united they would respect each other's sovereignty and territorial integrity.

Speaking next, a delegate from India, A.G. Noorani, maintained that the two super powers were not to be blamed for the situation prevailing in the region as it were the regional countries themselves

which, instead of following a path of mutual cooperation, have created an atmosphere of mutual mistrust. He said it was the need of the hour that the regional nations should be something really meaningful for removing the basic causes of mistrust. This objective, he said, should be achieved through diplomacy and not through legalities. He admitted that his country must play a major role in creating such an atmosphere of mutual trust because if a smaller nation felt threatened it was bound to seek protection from outside.

7-Point Consensus Adopted

Islamabad THE MUSLIM in English 9 Feb 84 pp 1, 10

[Text] ISLAMABAD, Feb. 8: Leading intellectuals from South Asian countries ended their wide-ranging exchange of ideas on the problems and prospects of regional co-operation here today with a broad informal seven-point consensus which emphasised the exclusion of the super-powers from the area and the dire need to promote maximum economic co-operation.

The opportunity for this unique non-official discussion among some of the ablest minds of the region was provided by a Seminar organised by the daily Muslim.

Though not written into a formal document, the broad consensus suggested by Dr. Mubashar Hasan and later summed up by the Editor of daily Muslim, Mushahid Hussain included (1) the need for a defence pact against outside aggression; (2) no resort to war among the states of the region; (3) renunciation of nuclear weapons; (4) disarmament to a level which does not make member states feel insecure, and (5) Helsinki type agreement on cultural exchanges.

In an outstanding contribution today, retired Air Marshal Zulfikar Ali Khan called for a direct approach to the Soviet Union to settle the Afghanistan problem which he described as the most serious faced by Pakistan. The

key to its solution lay not with New Delhi but with Moscow. In his view the Soviet move into Afghanistan was a defensive one. He dismissed theories about a Russian thrust towards warm waters or Gulf oil. Pakistan's diplomacy, he asserted, must provide a right response to this challenge by finding some way of talking to the Soviet Union.

While delegates from Nepal and Sri Lanka today added new dimensions to the debate by articulating the fears of small countries about India's hegemonic ambitions in the region, India Pakistan relations and the Afghanistan issue once again loomed large over the frank and often emotional exchanges between the participants from India and Pakistan. The chair had to intervene repeatedly when the controversy on the two-nation theory tended to assume a somewhat acrimonious character.

But, as observed by the Editor of Muslim in his summing up, despite this historical hang-over,

the seminar also helped to highlight the consensus that healthy India-Pakistan relationship was central to any new co-operation in the South Asian region and the future of this co-operation depended above all on goodwill between these two countries.

Referring to some "moralizing" by Indian delegates about democracy, Mr. Hussain said the people of Pakistan were not defensive on the issue as they were committed to democracy and its restoration in Pakistan. For that they did not need any sermons from outside. He said on the whole the exchange of views at the Seminar had been very candid, frank and stimulating among the ablest minds from the region.

In his concluding remarks, Mr. Agha Murtaza Pooya, Editor-in-Chief of The Muslim, described the Seminar as "a most wonderful experience" and hoped it would help the region to look forward to a period of glorious co-operation among South Asian countries. This co-operation, he emphasized, should be voluntary and not based on compulsion.

Indian journalist Kuldeep Nayar who presided over the concluding session emphasized that people in India did not want war with Pakistan. Indeed the pro-Pakistan, anti-war lobby there was now growing. Public and press opinion in India had at one stage compelled the government to start a dialogue on Pakistan's proposal for a no-war pact. He also suggested that India should unilaterally "soften" its borders and permit visa-free visits of Pakistanis to India and do away with the system of police surveillance of Pakistani tourists.

Intervening during the controversy on the two-nation theory, former Foreign Minister Agha Shahi recalled that the Quaid-e-Azam in his famous speech to Pakistan's Constituent Assembly had made it clear that as citizens, Muslims and minorities in Pakistan would enjoy opportunities.

The controversy on the two-nation theory erupted when India journalists Rejender Sareen and

Kuldeep Nayar said the concept had dangerous implications for Indian Muslims as it would give them a status of aliens in Indian society. A Pakistani participant recalled that the Quaid-e-Azam, on the eve of his departure for Pakistan from India in 1947, advised the Indian Muslims to pledge their loyalty to the Indian government and accept their role as loyal Indian citizens.

In an attempt to end the escalating acrimonious debate on the two-nation theory, Pakistani diplomat Sajjad Hyder emphasized the need for looking forward rather than backward as India and Pakistan today were in transition from an era of recrimination to a phase of co-operation. The need of the

hour was a new awareness of the problem of Afghanistan and joint approach to the issue.

Retired Air Marshal Zulfikar Ali Khan, who was loudly cheered for his presentation on Afghanistan, disagreed with Mr. Alam Khattak's view that the key to this problem lay with India. He said the time had come to rethink on this issue and to understand that the Soviet Union alone could contribute to the solution of the problem. Pakistan must talk to Moscow to secure the repatriation of the refugees to Afghanistan, gradual withdrawal of Soviet troops from there and the broad-basing of the government in Kabul. He said after the initial deployment of its troops, the Soviet Union had not added more troops in recent years. When Mr. Aslam Khattak again rose to say that both India and Pakistan should approach the Soviet Union, Air Marshal Zulfikar said his feeling was that the Indian government would not be willing to rescue Pakistan from its predicament in relation to Afghanistan.

The former Finance Minister Dr. Mubashar Hasan, ridiculed the theory of Indian bigness and the alleged threat it posed to Pakistan. He thought such a bogey was used by Pakistan's Foreign Office whenever it found itself weak. He also evoked laughter among the audience when he said that calling India "big brother" reflected a feudal mentality. "We do not need big or small brothers in South Asia. We want to be friends and not brothers."

Dr. Mubashar Hasan's observations promptly brought Mr. Agha Shahi to his feet. He said the head

of the government of which Dr. Hasan was member held protracted consultations among his colleagues and Foreign Office officials to discuss problems of security which Dr. Hasan was now dismissing as a Foreign Office bogey.

A significant contribution today also came from Indian journalist Pran Chopra who emphasized the need for giving the specific experiment of SARC a fair trial. He said the principle of unanimity accepted by the institution to approve decisions was an adequate safeguard against any big country imposing or dictating its will on the smaller members.

Editorial on Significance of Seminar

Islamabad THE MUSLIM in English 11 Feb 84 p 4

[Text] BY all accounts, the two-day seminar on "South Asian Cooperation: Problems and Prospects", sponsored by The Muslim provided jam-packed audiences the rare opportunity to listen to presentations from some of the ablest minds of South Asia. Over 40 delegates representing Pakistan, India, Sri Lanka, Nepal and Turkey met for two days to thrash out issues facing this strategic region where one fifth of humanity lives. With no participation from Europeans or Americans, who are normally very keen to express themselves on distant areas with blissful ignorance, this seminar probably for the first time brought together an exclusively South Asian gathering whose worldview and perceptions were indigenous. In a country where most seminars are dominated by VIPs and Chief Guests, which invariably degenerate into single-person monologues or glorified talk-shows, this one was different. It had people of eminence, representing a wide cross-section of opinion leaders, who chose to spoke on issues with refreshing candour.

Whenever Pakistanis and Indians get together, there are bound to be the usual polemics and verbal sparring. Then, of course, there are many who are still haunted by painful memories of partition and the parting of the ways of 1947. While such intellectual detours did take place, the overall thrust was positive and forward-looking. Since the gathering was of non-official academicians and editors, it was not bound by the constraints which officialdom is heir to. What was particularly striking was a sense of confidence visible among younger Pakistanis — a sort of new elan in their sovereign identity. This manifested itself in an approach which was thematic in content, while

concurrently not defensive and apologetic. What is also more important is that the seminar participants were able to agree on a broad consensus in terms of concepts and issues. All speakers underlined their resolute commitment to peace and friendship and the absence of war among states of the region, as well as upholding the principle of non-alignment, non interference in internal affairs and sovereign equality among nation-states. Additionally, there was unanimity on keeping the super powers out of this region and ensuring that no country gets locked in an embrace with any super power.

This seminar, which, according to veteran seminar-goers, was the most unusual of its kind ever held given the diversity of participation, the high intellectual level of debate and the degree of democracy in discussion which prevailed throughout managed to take even controversial issues head on without hedging. The messages which emanated from the seminar are bound to be heard loud and clear in quarters these were meant for. To the governments of the region, participants telling with conviction that they want to move at a faster pace in forging cooperation discarding rhetoric. The younger generation pointedly told the older generation: Don't harp on past tunes, and stop always raking up old memories. And then of course, the essential message that they care and feel for the future of the country and its people. More importantly, the issues they care about are not just the hackneyed old themes to which we have always paid lip-service to, but, rather there is profound concern in this country for new issues like Afghanistan and the refugee problem as well as strident opposition to super power involvement in the region. Similarly, as some Pakistanis aptly pointed out, they were not defensive on the issue of democracy; rather they had struggled for democracy several times, but for this they did not need to listen to high-sounding sermons from across the border which, as one participant pointed out "was a wonderful democracy run by one family for the last 35 years".

As the enthusiastic participation in the seminar demonstrates, there is great desire, indeed urge, for people of the region to talk to each other and with each other rather than talking at each other which the governments do most of the time. There is a famous Chinese saying: "The journey of a thousand miles begins with the first step". While The Muslim has taken the first step in initiating a dialogue and providing a forum for non-official opinion leaders of South Asia, we ardently hope that others too will come forward with similar initiatives so that problems for South Asian cooperation are less and the prospects more.

Commentary on 'Meeting of Minds'

Islamabad THE MUSLIM in English 11 Feb 84 p 4

[Article in the "Spectrum" Column by Khalid Akhtar: "South Asia's Meeting of Minds"]

[Text] With Pak-India ties not at their very best the Seminar on 'South Asian Cooperation: Problems and prospects' held in Islamabad on February 7-8 was a timely exercise. As the situation prevails — aggressive rhetoric from Delhi again marring the prospect of peace in the region — the symposium tended to focus largely on Pak-India relations.

Free from the bondages of officialdom, views were expressed frankly in the forum. There was no attempt from any quarter to project the policies of any government. It was the two countries' peoples' show who had once lived together, and who despite three wars behind them, have been left with enough warmth in them to look for ways to live peacefully as two independent peoples. This made the Seminar a unique one. And perhaps it has done more to help the two people understand each other better than any meeting of the Joint Commission of the two sides could have done.

Agha Shahi's address at the seminar was an in-depth and exhaustive one. There was hardly any aspect of the two countries relations which he did not touch upon. There was nothing new in his analysis that it was India's ambition to play a big-power role that has created a sense of insecurity in the region. Here it must be added that over the years India has gained enormously in strength and this has proportionately strengthened its desire to dictate terms to its neighbours. Kuldip Nayyar and Kushwant Singh's view that Indira Gandhi's anti-Pakistan tirade was merely a part of a move to sway the voters on her side was only partly true. Basically her anti-Pakistan stance is motivated by her hegemonic intention where the weak must bow before the powerful. In

this respect Rajinder Sareen's views that India's size and strength give her the right to play the "big brother's" role is a manifestation of the thinking of a large section of people in India.

Coming back to Mr. Shahi's address, it is correct that once the Afghanistan issue is resolved, our relations with Moscow would improve. But more true is the fact that with the Soviet presence being felt on the Durrand Line (and here it must be noted that even after the Red Army's withdrawal the situation will not change much) we have been confronted with the stupendous task of our relations with Moscow. Intriguingly we have accepted the far off West's role in this strategically important area and have accordingly conducted our ties with them, but for some inexplicable reasons have not shown the same maturity and vision in evaluating the next-door Soviet Union's role in the region. It has been a great foreign policy mistake. And the more delay we make in understanding the existing realities the more we are likely to suffer in the bargain.

Then there is another factor that we have not cared to look at. With post-Shah Iran walking out of the U.S. camp and Moscow stretching its presence up to the Durrand Line, the equilibrium in the area has been greatly disturbed — the balance perhaps slightly swinging in Moscow's way.

TIES WITH USSR

Then our ties with Moscow reflect on our relations with Delhi. It will be unrealistic to expect normalisation with India if a downward trend in our ties with Moscow continued. It will be significant to note that our relations with Moscow and Delhi started deteriorating simultaneously — Afghan issue doing the damage in both the cases.

Some may extend a counter argument that India's ties with Moscow are more or less of similar nature as our's with Washington. As a matter of fact Indo-Soviet ties are more closer than Pak-U.S. relations, the difference between the two situations is that whereas the U.S. does not have the same understanding of the problems of the area, Moscow's comprehension of region's realities maybe more thorough. This has placed the Indo-Soviet alliance in the context of

regional politics at a much advantageous position than Pak-U.S. special relationship.

Mr. Shahi has called for confidence-building measures on the part of Delhi to boost Pak-India relations. But this could only be possible if India could get rid of the obsession of becoming overlord of the region. Whether India goes for peace or the fulfilment of her ambition remains to be seen.

AFGHAN ISSUE

Most of the Indian delegates to the seminar agreed that India should have taken a positive stand on the Afghan issue. There must be some explanation for India's strange behaviour. And it must be noted that India has not made too many blunders in the conduct of foreign affairs. Some have attributed India's negative approach to its close ties with the Soviet Union. But there appears more to it. It seems that Delhi and Moscow have reached an understanding on their respective spheres of influence in the region undertaking to back each other. It would be interesting to note that if India has been left free to deal with Pakistan, Bangladesh, Nepal and Sri Lanka the way it likes. On all such occasions Moscow has always backed Delhi notwithstanding India's highhandedness in most of the cases. In this respect Moscow's open declaration that India is the pre-dominant power of the region is too well known.

Having such a complex background, it is not easy to give a healthier look to Pak-India ties. Dismissing the No-War Pact and Treaty of friendship proposals Mr. Khushwant Singh said

that more important was that how we think about each other. And none knew this reality better than those delegates who had assembled in Islamabad to discuss South Asian Co-operation. At times the heat of the debate made many uncomfortable. But there were no walkouts, no turning back from realities.

The seven-point consensus emerging from discussions speak of the desire of the participants to lift the region from morass and put it on the road to peace, friendship and prosperity. Some of the provisions such as exclusion of foreign powers' influences

from the region and formation of joint defence pact against "foreign" aggression may appear to be too ambitious. But the very fact that the delegates came out with something in itself remains an achievement.

It was for the first time in the history of the two countries that official policies were discussed at the non-official level. And only the informal atmosphere of an unofficial forum could have made it possible to discuss the many misunderstandings and the deep suspicions that have marred Pak-India relations. The limitation of an official channel are too many to allow in-depth and frank discussions. It is here that the importance and significance of 'The Muslim' Seminar lies. Rarely before more honest efforts were made to find out the root cause of the trouble.

Frequent contacts at this level could at least somewhat clear the Haze.

For the home government the seminar also gave something else to think about. Democracy results in certain elevation and confidence.

The democratic background gave the Indian delegates fillip and they demonstrated it throughout the proceedings. It is hoped that the message from Islamabad Seminar would not go unheard.

CSO: 4600/381

BAN ON STUDENT UNIONS CRITICIZED, CALLED 'DISASTROUS'

Karachi JASARAT in Urdu 1 Feb 84 p 3

[Editorial: "This Ban Is Disastrous"]

[Text] According to a news item published in every newspaper in the country, martial law administrator has banned, by martial law ordinance No 60, enacted on 30 January, all student unions in Islamabad, the capital, and the funds of these unions have been confiscated on behalf of the educational institutions to which they belonged. The heads of these institutions have been empowered to give the severest punishment on those who disobey the ordinance, which may include permanent expulsion from the educational institution. Considering the mentality that the present government has shown over the last 6½ years, and the attitude it has shown, the ordinance was neither sudden nor unexpected. This step has been under consideration in government circles for some time now. Rumors about it were heard from time to time. Student circles also suspected that this step could be taken at any time. The student unions, too, had an inkling of what was going to happen, and they often warned the government that if the step was taken it would be met with a severe reaction from the students, and they would fight it to the utmost of their ability. The reaction started as soon as the ordinance was announced. The leader of the largest student union in the country, the Islamabad Jamiat-e Tulba, as well as the leaders of the Punjab and Karachi unions, have demanded its immediate repeal. It is expected that there will be a great deal of agitation in all educational institutions in the country, and that will not benefit the country in any way at all. It will please only those who want to see the country in the grip of agitation and crises.

At present, the ban is limited to Islamabad, but it is expected that if things remain calm, the ban will be clamped on all of Punjab and Karachi. Students in Sind, Baluchistan and the Frontier [Province] have already been deprived of their democratic rights. How important is it to have student unions in educational institutions? What are the pros and cons? These are questions that require cool-headed thinking. Student unions, like all social institutions, have positive and negative aspects. Both should be studied and then a balanced attitude adopted.

Here is the gist of what is said against these unions. Different student unions have their own political viewpoints and have links with different political parties. When the union elections come, the educational institutions turn into arenas where different political parties fight out their battles. The calm and cool environment necessary for the attainment of knowledge is destroyed by the agitation and sloganeering of students of different political persuasions. Universities turn into arsenals, and the pure atmosphere of educational institutions is poisoned by the smell of gunpowder. This state of affairs destroys that sacred relationships between teachers and pupils that is essential for the transmission of knowledge.

Opposed to this is the view of those who are in favor of student unions. They think these unions are the training grounds for the architects of the future. Students learn democratic values and democratic leadership through these unions. Future leaders of the country are prepared here and their talents are developed. They learn to understand different points of view. Various students unions engage in healthy competition over the solution of student problems. Those who are defeated correct their mistakes and face their voters again with a better program. The winners try to maintain their prestige by doing their work to the best of their ability. That is why the students of today do not have to face the numerous problems that bothered students 10 or 15 years ago. It is through student unions that problems involving transportation, textbook supplies, admissions, and many other areas have been solved. Again we must remember that these unions have played a great part in making the students conscious of the purpose for which Pakistan was created and in training them in democratic activity. In student unions, young people come face to face with those who hold opposing opinions of national ideology and see at close quarters their views, programs and activities. They get an opportunity to closely judge their merits and demerits, such as they are unlikely to get when they enter practical life. God be praised, most students leave their colleges convinced of the truth of Pakistan's ideology as a result of this direct observation of the views of the two opposing camps. The triumph of Pakistan's ideology in educational institutions was not achieved in a day. It has behind it years of endless struggle and countless sacrifices. Thousands of young people gave their sweat and blood for this cause. It is a well-known fact that for years our educational institutions were under the control of people whose attitude was totally anti-Islam. They wanted to make the perspective of Pakistani students Moscow or Washington instead of Mecca. They had connections with those external powers that have always wanted to destroy the identity of Pakistan. God be thanked, as a result of the supreme sacrifices of Islam-loving students, the anti-Islamic elements became ineffective in educational institutions. Their ideas lost their charm, and the truth of Islam conquered the hearts of the new generation. Had it not been so, the country would have been under the influence of some foreign ideology today, and nobody could have dared to talk about Islam.

With this background in view, we find that a ban on student unions will put an end to the democratic activity that teaches the students the ideology of Pakistan and trains them in democratic activity. If we look at the matter from this standpoint, we come to the conclusion that the merits of the student unions outweigh their demerits. Why ban the unions because they have some defects? It would be better to find ways and means of doing away with the factors that spoil the atmosphere in the educational institutions. We think this can be accomplished through proper supervision. We have the example of the recent election at Jamia Karachi, where no unpleasant incident occurred as a result of proper supervision. We think the only way to reform an institution is to remove its defects without destroying its identity. Our present rulers follow this principle in every other matter. For instance, there is much corruption in the police department, but nobody talks about doing away with the police. It appears that the present rulers are determined to destroy every institution that can help keep alive democratic activity in the land. They have destroyed political parties, law courts and unions of lawyers and laborers, and now the students are being deprived of the training they were getting in democratic values through student unions. This makes us wonder if the government really wants to restore democracy in the country. This state of uncertainty is ruinous for the country and the nation. Hence, it is our vehement demand that the government not only revoke the orders banning student unions but also given the people their full democratic rights.

12476

CSO: 4656/88

EDITORIAL URGES DEMOCRATIC SYSTEM INDEPENDENT OF ARMY

Karachi JASARAT in Urdu 5 Feb 84 p 3

[Editorial: "Democracy and the Army"]

[Text] Pir Pagara, erstwhile president of the defunct Muslim League, told newsmen at Tandoo Mitha Khan that our country needs both democracy and an army. The Naib Amir of the defunct Jamaitul Islami Pakistan also expressed similar feelings recently. He said that in view of the external and internal problems of Pakistan, an army is equally as important for our safety as is democracy. The only difference between the statements of these two political leaders is that one mentioned the army first and the other mentioned it second. People and politicians fully agree that we need both democracy and the army. The rulers who have established their dictatorship with the help of the army, however, believe that the army is very important for the stability and progress of our country, whereas democracy is not. The country, according to them, can survive and even make rapid progress without democracy. They are willing to accept a small dose of democracy but are not ready to raise the status of democracy from that of salve to the equal of the army.

Leaders gaining power with the help of the army have always subscribed to this viewpoint. During the Ayub era, the idea of a "controlled democracy" was conceived, and it was explained that since Pakistan was backward in education and politics, it could not afford democracy. We were told that the country would benefit from the gradual implementation of a democratic system. The only purpose of this democratic philosophy has been to make sure that those who obtain power by force should be able to rule as long as their bodies and minds are functioning. As long as that is true, no one should be allowed to challenge their authority. Ayub Khan gave up power only when his body stopped cooperating. His successor, Yahyah Khan, had no alternative but to hold elections. Even then he tried his best to remain in power. The former prime minister, Bhutto, who was a product of dictatorial rule, emerged as a politician and leader of a large political party. The events of his ear indicate that he was a demon of dictatorship hiding behind a facade of democracy. He risked the unity of the country for his personal and his party's gains. He used martial law as an extension of his government and made so many amendments to the

constitution that it was wholly changed. He cheated in elections to keep himself in power. When people rose against him, he tried to crush them using the army. He procrastinated in accepting suggestions from the authentic representatives of democracy for so long that a new martial law became a necessity.

In light of all this, it is evident that Ghulam Mohammad, Ayub Khan, Sikandar Mirza, Yahyah Khan and Bhutto all believed that the army and martial law should have the upper hand in our country's administration and that democracy should only be there to serve the army. This philosophy of democracy has been applied by the despotic rulers in our country for almost a quarter of a century. Pakistan was divided into two countries because of this attitude; we got and lost a Band-Aid democratic system and then got stuck with another martial law.

It is a dismal affair that even after these painful experiences and damage, some people still believe that democracy should play second fiddle to the army and work as its slave. To this end, they propose various schemes. If their proposals are accepted, then the country will travel the same path that split it in two. Patriotism and good sense dictates that we oppose any scheme that makes democracy dependent on the army.

The role of the army and democracy in the country's defense, security and progress is like two wheels of a cart. Both wheels should move in unison. An obstacle in the path of one wheel can mean a major crisis for the country.

The security and progress of our country demands that we keep both wheels in motion on their own sides of the axle. The army is responsible for the defense of the country and democracy has to deal with the politicians and political parties. If the army interferes in political affairs, it will harm politics and democracy as well as the country's defense. Our experience for the last 25 years tells us that whenever the army intruded in politics, our enemies got bold and attacked our borders. They manipulate our internal unrest. Shelling by MIGs on our northern border and the activities of a neighboring country in Sind illustrate this. The least we can do under this circumstance is to give power to elected representatives belonging to various political parties. The army should focus on defending our borders. A strong Islamic democratic system, the establishment of a representative government and an army united for the country's defense can bring stability, progress and unity to our country. If we forsake this path and implement those plans demanding that democracy be made a slave to the army, we will be destroyed. The elimination of these plans is demanded by our faith in Pakistan and the ideology it is based upon.

7997

CSO: 4656/90

SOVIET AMBASSADOR'S REMARKS ON AFGHANISTAN ATTACKED

Karachi JASARAT in Urdu 3 Feb 84 p 5

[Editorial: "Sermon on Peace and Development"]

[Text] Recently, some planes resembling Russian-made MIGs invaded Pakistani airspace and dropped bombs and rockets on Pakistani territory killing more than 40 people and injuring between 50 and 60 Pakistani citizens. The wounds of the MIG incident were still fresh in our memory when an agency invited the Soviet ambassador to hurt us even more. This was like throwing fuel on a fire. The ambassador took advantage of this opportunity. No one asked him why the innocent citizens were killed. Perhaps his hosts did not want to hurt the sensitive feelings of the honored guest.

We ask the Pakistani Government why the ambassador of the country whose planes and helicopters bomb our country every other day and massacre our citizens is feted and allowed to tread on our toes? Would the Soviet ruler allow our ambassador to make such cutting remarks about the Soviet Army in a public statement? The Soviets definitely would not permit such an exercise. They would not tolerate our ambassador there even for a single day should he comment on the tyrannical nature of the Russian Army. It is strange that our leaders have given full permission to a faction in our country to worship Russia and allow the Soviet ambassador to say anything he likes. We ask our president to take strong action on this issue. The Council of National Security Studies, the agency that entertained the Soviet ambassador, by its name appears to have been established to think about our national security. It is disgraceful, however, that this agency entertains persons who make speeches that are dangerous to our national security and freedom.

The Soviet ambassador, in his 21-page prepared speech, depicted his country as a god of peace, prophet of progress and development, savior of oppressed nations and protector of revolution in those suffering countries. He presented Pakistan as an agent of imperialists, shelterer of Afghan terrorists and provider of training and arms to those Afghans. The ambassador also informed us that there are 80 training camps established for Afghan terrorists in Pakistan. How much of this statement of the Soviet ambassador is correct, and can he prove any part of it? We will discuss that later. For now, we want to ask him where his country got the right to invade a

neighbor with over 100,000 armed troops, possess it, convert its cities into ruins, kill millions of men, women, children and elderly and force millions of others to leave their homes? And at the same time, why does not that neighbor, Afghanistan, have the right to let its people take shelter in a neighboring country, fight for freedom, get military training and set up camps. Perhaps because they belong to a minority race, they have no such rights! If they tried to exercise their rights they are labeled as rebels and terrorists and are punished with bombs and bullets. If a country considers them oppressed and offers refuge to their children, women and old people, it is an agent of imperialists. That country offering refuge will also be subjected to bomb and bullets. We ask the Russian ambassador: "Who do you claim to protect human rights? How do you think that your country protects the oppressed nations?"

The Soviet ambassador tried to justify his country's aggression, tyranny and expansionism in his long statement. He maintained that the Soviet Army entered Afghanistan at the invitation of the Afghan Government to protect it from external intrusion and keep its revolution alive. Making such a statement is an inexcusable crime. Kabul has been a center of activity for Russian agents for a long time. These agents have assassinated one ruler after another, and these very agents invited the Soviet aggression. You [the Soviet ambassador] called this massacre the April Revolution and sent your armed forces to protect it! Your country has been interfering in Afghanistan's internal affairs--be they political, economic or military. Now you have taken over Afghanistan and cry wolf about Afghanistan being in danger from an imperialist country and its agents and needing international pledges of support. Can any other country be more imperialist or colonist after your aggression in Afghanistan? Can you promise no aggression against Pakistan, Iran or any other neighboring country? If you think that you have the right to take over Afghanistan just because people there are suffering under the landlord system, then other countries have a very valid reason to invade your country because several free nations are suffering under your communist dictatorship and waiting for a savior to release them from the iron walls of the communist regime so that they can breathe in freedom. If every world power followed your reasoning, the whole world would become a battle ground.

The Soviet ambassador, pointing to the untapped resources in Pakistan, said that with the cooperation of his country Pakistan could become very affluent. We thank you for your offer, but we know what happened to Afghanistan, where you made similar promises. The Afghan rulers fell for it. They lost their lives as well as their country to you. Dear Soviet ambassador, your second scheme, to establish multilateral cooperation to construct a network of railway lines and roadways to connect Russia, Afghanistan, Pakistan, Iran and India, is also excellent. But wait a minute. What is that bridge on the River Aamoon being used for? Is this bridge built by your country on the Soviet-Afghanistan border being used to transport tractors and agricultural machinery or tanks and armored trucks? Will not this multinational cooperation build roads so that Russian tanks can be moved to every corner of Iran, Pakistan and India? The Soviet

ambassador, before making such a proposal, should get out of Afghanistan and reintroduce Russia as a peace-loving country that respects its neighbors' freedom and safety.

We want to impress on the Soviet ambassador that Pakistan will neither fall for these offers of development nor will it fall to its knees from shellings and bombings by MIGs and gunship helicopters. Pakistan will not budge an inch from its position demanding the departure of the Soviet Army and the reinstatement of Afghanistan's freedom, neutrality and Islamic nature. The Afghan people should have the right to establish a system of government of their own choosing, and the refugees should be able to return to their homes honorably. Pakistan considers it its human and Muslim duty to help these refugees and will continue to do so. It has been participating in the Geneva talks and has expressed a desire to talk with the Soviet rulers on this issue. The Mujahidin have Pakistan's political and moral support. As for the Soviet ambassador's accusation that Pakistan is arming and training these Mujahidin, our government has repeatedly denied this accusation as being baseless. The Soviet ambassador, however, has repeatedly blamed us for this. His statements and speeches are not limited to the expression of the diplomatic protocol and his country's position on various issues. He seems to be on a crusade to threaten and frighten the Pakistani people. In our opinion, the Soviet ambassador is breaking diplomatic ethics, and our government should take appropriate action to stop that.

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BRIEFS

MARRI FIELD GAS WELLS--Islamabad, Feb 19: The Government proposes to drill an additional 27 development wells in the Marri Field to produce an additional about 100 million cubic feet of gas per day in order to meet some of the fuel requirements of the Giddu Thermal Power Station, it was learnt here today. According to official figures, the gas production/supplies from the Marri Field to the three fertilizer factories located at Daharki, Mirpur Mathelo and Goth Machhi averaged about 182 million cubic feet per day last year as compared to 158 million cubic feet per day in 1982. From the wells already drilled on the field, Marri Field's current production capacity is rated at 200 million cubic feet of gas per day.--PPI. [Text] [Karachi BUSINESS RECORDER in English 20 Feb 84 p 1]

PIA WELFARE FOUNDATION--One more foundation is to come into being, which is to be launched soon by Pakistan International Airline (PIA), BUSINESS RECORDER understands. This foundation would also work on the pattern of Fauji Foundation, Shaheen Foundation, Police Foundation etc. The PIA management has already taken a decision to set up the foundation for the welfare of the employees of the Corporation. It is expected to be registered soon. Initially PIA will provide Rs. one crore as capital and later more funds will be contributed by the employees. The foundation will take part in trade and industry. It will, however, be a separate entity and will not work as PIA's subsidiary. It may be mentioned here that PIA is already working in the industrial field, running hotels, motels and Shaver business etc. A micro-computer manufacturing plant has also been sanctioned to PIA recently. [Text] [Karachi BUSINESS RECORDER in English 20 Feb 84 p 1]

REFUGEE OFFICIALS DISMISSED--Peshawar, Feb 19: As many as 268 officials of various cadres have been dismissed in a period of last seven months to weed out corrupt elements from the Afghan Refugees Commissionerate. This was disclosed by the Afghan Refugees Commissioner while addressing a news conference here today. He told that in all some 1500 people had been retrenched out in five years of the setting up of Commissionerate on various charges ranging from bungling to other sorts of corruption. However, he paid tributes to the staff of Commissionerate on performing such a great job in all odds. In all there were about 6,500 personnel in the commissionerate. Replying to a question, he refuted the allegation that Afghan refugees were armed and said the arms were strictly applied on them as elsewhere in the country.--PPI. [Text] [Karachi BUSINESS RECORDER in English 20 Feb 84 p 8]

KARACHI-NAUSHERA CARRIAGE WAY--Islamabad, Feb 19: Work on the Rs. eight billion project for the construction of a dual carriage way from Nowshera to Karachi would begin during the current year, it was learnt here today. The National Highway Board has already prepared the feasibility report of the project along with floating international tenders. The Ministry of Communication will submit the suitable offers to the economic committee of the Cabinet for the final approval within the next few days. The Government has decided to contribute more than Rs. two billion, while the rest of the investment would be made by the private sector. The deadline fixed for the completion of the 1760 kilometres highway in 1990. It will be the first ever road construction project to be financed by the private sector in the history of the country.--APP. [Text] [Karachi BUSINESS RECORDER in English 20 Feb 84 p 8]

MUMTAZ BHUTTO'S SPEECH CASSETTES--Hyderabad, Feb. 3: The speech cassette of ex-chief minister Sind, Mumtaz Bhutto is getting popular day by day in Sind. This cassette of the speech of one hour duration was sent by Mumtaz Bhutto from Karachi jail last month. His speech makes out a case for a confederation of the four provinces of Pakistan. [Text] [Islamabad THE MUSLIM in English 6 Feb 84 p 6]

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