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NEAR EAST & SOUTH ASIA

CONTENTS

NEAR EAST

REGIONAL

| | |
|---|---|
| GIC To Invest in Industrial Projects (TIMES OF OMAN, 9 Jul 87) | 1 |
|---|---|

| | |
|------------------------------------|---|
| Briefs Joint Power Grid Planned | 2 |
|------------------------------------|---|

ALGERIA

| | |
|--|---|
| Local Amnesty International Chapter Asks Official Approval (Frederic Fritscher; LE MONDE, 22 Mar, 2 Apr 87) | 3 |
|--|---|

| | |
|--------------------------------|---|
| Request Touches Sensitive Area | 3 |
| Signs Point to Approval | 4 |

MOROCCO

| | |
|--|---|
| Papers Take Opposing Views of GATT Membership (AL-BAYANE, 21 May, 3 Jun 87; LA VIE ECONOMIQUE, 29 May 87) | 6 |
|--|---|

| | |
|---|---|
| AL-BAYANE Editorial | 6 |
| LA VIE ECONOMIQUE Comment | 7 |
| AL-BAYANE Response, by Abdelhak El Khyari | 9 |

SAUDI ARABIA

| | |
|---|----|
| Aid to YAR Covers Wide Range of Economic Projects (Hamad al'Askar; AL-RIYAD, 4 Jul 87) | 13 |
|---|----|

| | |
|--|----|
| New Ports, Safety Measures Promote Commerce (AL-RIYAD, 31 May 87) | 20 |
| Electrification Boosts Industry, Agriculture (AL-RIYAD, 2 Jun 87) | 23 |
| SYRIA | |
| State Efforts To Control Smuggling Activity Reported ('Abd-al-Khaliq Maghmumah; AL-THAWRAH, 27 Jun 87) | 26 |
| TUNISIA | |
| Prime Minister Sfar Discusses MTI, Western Sahara Question (Rachid Sfar Interview; AL-DUSTUR, 6 Jul 87) | 29 |
| Sfar Visit to France Discussed (AL-MUSTAQBAL, 27 Jun 87) | 36 |
| Distribution of Seventh Plan Regional Investments Reviewed (LA PRESSE DE TUNISIE, 9 Jun 87) | 37 |
| PME's Help Combat Unemployment, Face Problems (LE TEMPS, 18 Jun 87) | 38 |
| Emigrant Workers Could Contribute to Tunisian Economy (Naceur Gharbi Interview; DIALOGUE, 22 Jun 87) | 40 |
| Briefs | |
| Petroleum Exploration in Gabes | 46 |
| Benbella, Mzali Meet | 46 |
| Foreign Minister To Resign | 46 |
| PEOPLE'S DEMOCRATIC REPUBLIC OF YEMEN | |
| Results of YSP Congress Analyzed ('Abd-al-Bari 'Atwan; AL-MAJALLAH, 1-7 Jul 87) | 47 |
| SOUTH ASIA | |
| AFGHANISTAN | |
| Wide Scope To Develop Trade, Economic Relations With India (A. Karim; KABUL NEW TIMES, 16 Jul 87) | 53 |
| BAKHTAR Accuses Pakistan of Meddling, Violations (HAQIQAT-E ENQELAB-E SAWR, 25 Jun 87) | 55 |
| Article Details Efforts of Jirgahs (HEYWAD, 22 Jun 87) | 57 |

| | |
|--|----|
| Article Addresses Reconciliation, Other Issues (Zahir Seddiq Interview; DEFIS AFGHANS, Mar-Apr 87) | 60 |
| Hekmatyar on Reconciliation, Zahir Shah's Return (Hekmatyar Golbeddin Interview; DEFIS AFGHANS, Mar-Apr 87) | 62 |
| Various Scenarios in Conflict Considered (Sa'id B. Majruh; DEFIS AFGHANS, Mar-Apr 87) | 65 |
| Article Comments on Possible Return of Zahir Shah (RESALAT, 2 Jun 87) | 69 |
| Government Striving To Improve Trade (HEYWAD, 2 Jul 87) | 73 |
| Government Protecting Small Businesses (HEYWAD, 22 Jun 87) | 75 |
| Government Backs Private Sector's Agricultural Efforts (HAQIQAT-E ENQELAB-E SAWR, 1 Jul 87) | 77 |
| Flour, Oil To Be Distributed Gratis to Workers (HAQIQAT-E ENQELAB-E SAWR, 28 Jun 87) | 79 |
| Farmers Receive Pest Control Assistance (HEYWAD, 2 Jul 87) | 81 |
| Various Construction Projects Implemented (HEYWAD, 21 Jun 87) | 82 |
| New Land Ownership Decree Clarified (KABUL NEW TIMES, 20 Jun 87) | 83 |
| Cooperative Movement Comes of Age (KABUL NEW TIMES, 17 Jun 87) | 85 |
| Nangarhar Cooperative Activities Detailed (ANIS, 1 Jul 87) | 88 |
| Pharmacy Department To Increase Medical Supply (KABUL NEW TIMES, 20 Jun 87) | 90 |
| INDIA | |
| External Affairs Panel Discusses Relations With U.S. (THE HINDU, 11 Jul 87) | 91 |
| Indo-Soviet Ventures To Make Consumer Goods (THE HINDU, 13 Jul 87) | 92 |

| | |
|---|-----|
| Editorial Notes GEMA-Type Arrangements With Moscow (THE STATESMAN, 10 Jul 87) | 93 |
| Depreciation Renders Borrowings From IMF Too Costly (THE TELEGRAPH, 13 Jul 87) | 95 |
| Gandhi Answers Questions From Foreign Newsmen (PATRIOT, 30 Jun 87) | 96 |
| Gandhi Interview Carried in U.S. Men's Magazine (THE TIMES OF INDIA, 8 Jul 87) | 98 |
| Gandhi Accused of Distorting Bofors Report (THE TIMES OF INDIA, 8 Jul 87) | 100 |
| CPI-M Leader Warns of Trend Toward Authoritarianism (THE TIMES OF INDIA, 8 Jul 87) | 101 |
| Problems in Suggested Janata-Lok Dal Merger Noted (THE STATESMAN, 10 Jul 87) | 102 |
| Andhra Pradesh Cabinet Expanded, Reshuffled (THE SUNDAY STATESMAN, 12 Jul 87) | 103 |
| Results of Industrial Sickness Study Revealed (THE STATESMAN, 12 Jul 87) | 104 |
| IRAN | |
| New Military Service Regulations Announced (ETTELA'AT, 25 Jun 87) | 105 |
| Activities of Organization for Propagation of Islam (ETTELA'AT, 23 Jun 87) | 107 |
| Non-Oil Exports Show 30 Percent Increase in Value (RESALAT, 13 Jun 87) | 109 |
| New Income Tax Rates for Employees Determined (ETTELA'AT, 17 Jun 87) | 111 |
| Opposition Article Estimates Gulf Damages, Casualties (London KEYHAN, 2 Jul 87) | 115 |
| Refugees in Turkey Enduring 'Despicable' Conditions (London KEYHAN, 2 Jul 87) | 117 |
| Rome Airline Office May Close (London KEYHAN, 2 Jul 87) | 119 |

Briefs

Silkworm Missiles for Iraq

120

/9987

GIC TO INVEST IN INDUSTRIAL PROJECTS

Muscat: TIMES OF OMAN in English 9 Jul 87 p 21

[Text]

Gulf Investment Corporation (GIC) is taking up 10 to 12 per cent equity in nine industrial projects involving an investment of \$770 million. At least three to four projects will start receiving funds from the GIC from this year.

According to Paul Brimble, GIC's vice-president for corporate communications, a total of 80 projects have been identified and there are at least 30 other projects under serious consideration, involving an investment of \$3.3 billion, GIC, which is equally owned by the six AGCC countries and with an authorised capital of \$2.1 billion, is concentrating on projects within the region, said Mr Brimble and Dr Abdullatif Al Shamali, assistant vice-president.

The GIC was set up three years ago to promote companies and joint ventures in manufacturing, commerce, agriculture, mining and real estate by investing in their equity capital and providing finance for their operation.

Equity participation by GIC generally range between 10 and 25 per cent. On the lending side, it is providing finance directly or in association with other institutions. A maximum of 7 to 7.5 per cent of loan funds may be provided from GIC's own funds and the rest through its arrangement with institutions of the AGCC region and even from international banks outside the region.

GIC has also taken 20 per cent equity holding in Kuwaiti Pharmaceutical Industries Co. (KPIC) which has started marketing products throughout the Gulf region, said Mr Brimble.

The major projects the GIC has on hand include establishing an aircraft modifications centre, in Riyadh to do

major overhauls, modification and customisation of all types of aircraft civilian as well as military. The project is expected to cost \$127 million and GIC's partners include the Boeing Industrial Technologies group, Saudia, and the National Industrialisation Company. An aeroengine overhaul facility is also to be set up in Riyadh, at a cost of \$152.5 million.

The Gulf Electric Grid Project, estimated to cost about \$1.6 billion, will involve connecting the AGCC countries to one common grid. Saudi Arabia, Qatar, Bahrain and Kuwait will be in the northern system, and Oman and the UAE in the southern system.

Another major project will be a titanium dioxide plant to produce 45,000 tonnes of the chemical, of which about 60 per cent will be exported. The project cost is put at \$140 million.

A \$30-million dairy is to be set up in the UAE and this is among the 30 projects under serious consideration, according to Mr Brimble.

He said GIC is helping the AGCC countries to diversify their economies.

Of its authorised capital of \$2.1 billion, \$540 million have so far been paid up. Mr Brimble said the present level of funds are meeting its requirements and "if more funds are required these will be raised."

GIC also proposes to become active in the management and underwriting of new debt and equity issues. It will be arranging and placing debts and equities of issuers within the AGCC. Selective underwriting and management in international issues will also be sought.

BRIEFS

JOINT POWER GRID PLANNED--A meeting of AGCC Minister of Electricity and Water in Riyadh last week decided to carry out further studies on the technical and financial feasibility of a proposal for a joint power grid connecting the five member states. The Minister of Electricity and Water Khalfan bin Nassir al Wahaibi led the Omani delegation to the talks. He said after the meeting that because of the huge size of the project, it could only be carried out in stages. The UAE Minister, Humaid bin Nasser al Owaiz, who chaired the meeting, said the power grid project was the most important subject on the agenda. He added that Bahrain, Oman and the UAE had made some remarks about the project which would be discussed in detail by a committee consisting of Under-Secretaries of Electricity and Water shortly. Once finalised, the project would be carried out in two stages, Mr Owaiz said. The first phase would link the northern states of Kuwait, Saudi Arabia, Qatar and Bahrain. The UAE and Oman would be linked to the grid in the second stage, Mr Owaiz said the total cost of the first stage was estimated at around \$1,000 million. Other subjects the Ministers discussed included uniform electricity and water tariffs and the introduction of modern technology. [Text] [Muscat TIMES OF OMAN in English 9 Jul 87 p 6] /9274

CSO: 4400/244

LOCAL AMNESTY INTERNATIONAL CHAPTER ASKS OFFICIAL APPROVAL

Request Touches Sensitive Area

Paris LE MONDE in French 22 Mar 87 p 4

[Article by Frederic Fritscher]

[Text] A group of Algiers lawyers, several of whose associates are in prison or under house arrest in the south of the country, have decided to create a local chapter of Amnesty International. The organizational meeting was held 19 March. Approval from Amnesty in London has already been requested, and the bylaws were to have been filed Saturday with the Ministry of the Interior for approval, as required by Algerian law. The names of the chapter's members are not known.

Sources close to the bar in Algiers say that no action or position will be taken before official recognition of the chapter. Algerian lawyers have tangled with the government several times, principally under the presidency of Boumedienne. As long ago as November 1982 they asked Algeria to recognize the African Charter on Human and Peoples' Rights adopted by the OAU in Nairobi in 1981. The National Popular Assembly recently ratified this convention. The decree of ratification has just been published in the JOURNAL OFFICIEL.

There are already two Algerian human rights leagues, one led by Omar Menouer. Its bylaws were filed 8 June 1985 and have never been approved. The other, led by Abdenmour Ali-Yahia, is not recognized by Algerian authorities but is affiliated with the International Human Rights Federation. Most of its charter members were sentenced in December 1985 to prison terms of up to 3 years. The president and the vice president, Ali-Yahia and Ait-Larbi, were tried in June 1985, after having served their full 11-month sentences. They were arrested again on 15 December 1986 and are now under house arrest in southern Algeria.

The creation of these two human rights defense organizations has placed the government in a difficult position and given rise to an internal debate that has the presidency squared off against the party apparatus. In Algeria, nearly all organizations are controlled by the FLN [National Liberation Front]. Exceptions are rare, and the authorities cannot indefinitely refuse

to approve human rights organizations, the independence of which is the only guarantee of their credibility, especially when they are already recognized internationally.

Creation of a chapter of Amnesty will give the government the opportunity to boost its stock in the delicate area of human rights and shunt the existing, unauthorized groups into the background. Amnesty Algeria's first task will be challenging illegal administrative decisions keeping at least 22 people under house arrest in the south, including Mrs Ulla Nekkache, wife of a former minister under Ben Bella and a Swedish citizen.

Signs Point to Approval

Paris LE MONDE in French 2 Apr 87 p 7

[Article by Frederic Fritscher]

[Text] Human rights and individual liberties are sensitive subjects often ridiculed in developing countries, making the smallest step toward liberalization more noticeable than otherwise. Algeria is no exception. In one week, more progress has been made than in the nearly 25 years since independence. On 19 March, a handful of Algiers lawyers met and decided to create a local chapter of Amnesty International, as well as an Algerian Human Rights League, the third in the country. Application to Amnesty was made immediately, and bylaws were filed 2 days later with the Minister of the Interior to obtain the sacrosanct stamp of approval without which no organization can function legally.

On Monday, 23 March, the same lawyers, all members of the council of order, met with President Chadli, who closed the meeting by encouraging them. Moreover, he ordered the security forces to free the very next morning 23 people under house arrest in southern Algeria.

This spectacular turnaround actually had been announced 8 March when Rachid Ben Brahim, director of Algerian television, sentenced 12 January to 8 months in prison for distributing tracts, had his term reduced on appeal to 3 months. Behind bars since 29 December, he was freed immediately. The announcement of his liberation on the stage of a large theater in Algiers before the beginning of the program exhilarated the crowd. His arrest had given rise to a general outcry among intellectuals, who spontaneously demonstrated their solidarity. A petition, signed by over 1,000 people, began to circulate immediately, and a delegation of its signers was received by all the authorities.

These recent decisions cap 2 years of internal debate brought about by the creation of two human rights defense leagues which have never received authorization. One, led by Omar Menouer, is associated with Trotskyite groups; the other, led by Abdenour Ali-Yahia, is described as "Berberist." Several of its members are still in prison under sentences from the state security court in December 1985 of up to 3 years. At that time, the pressured authorities found no other response but repression. Subsequently they have tried to smile on the first organization so as to discourage the second, but without success. The sole Algerian party, jealous of its prerogatives, does

not want any organization, including one defending human rights, to escape its oversight.

Fully Independent

The government has just found an alternative to both repression and vacillation by giving its blessing to the creation of these two new organizations, both of which should draw a wide range of members who are above suspicion. The opportunity is clearly irresistible to wipe the slate clean on the delicate subject of human rights while sweeping the existing but unsanctioned organizations under the rug. As a final twist, the local chapter of Amnesty, pursuant to the organization's own structure, will not have authority to deal with Algerian questions.

In any case, if the minister of the interior's stamp of approval is forthcoming, these two groups will exist and function completely independently of the party, a basic guarantee of their credibility. They may have difficulty extricating themselves from the "protection" imposed by President Chadli which has already given rise to suspicions here and there. The cases they take up in the future will tell how freely they actually operate.

As sources close to the chief of state like to say, "The time has come: Algeria has set an example in the reconquest of its independence and its national riches. Now it must set an example in the matter of individual liberties." Individual liberties are probably the price of social rest. The majority of Algerians lack political consciousness and concentrate their attention on the requirements of daily life, physical needs and individual liberties, which they do not yet demand very noisily, however. At the same time, the riots in Constantine last November cling in recent memory. Since that time, the most legitimate demands are receiving consideration and students have found an ear. Government decisions guarantee the availability of foodstuffs to individuals as well as the supply of materials to business in order to slow present job cutbacks. A nod to individual liberties is therefore appropriate, and the president of the Republic has just given it in the most symbolic way. Clearly Algeria cannot drag its feet indefinitely on the provisions of the African Charter on Human and Peoples' Rights, just ratified by the National Assembly.

The two new organizations, whose staff and membership remain unknown, should have no lack of work. Dissenters are still in Algerian prisons, and 186 young people jailed in Constantine last November await appeals trials.

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CSO:4519/94

PAPERS TAKE OPPOSING VIEWS ON GATT MEMBERSHIP

AL-BAYANE Editorial

Casablanca AL-BAYANE in French 21 May 87 p 1

[Editorial]

[Text] Since Monday, Morocco is the 94th member of the General Agreement on Tariffs and Trade, better known by its English abbreviation GATT.

The protocol of admission was signed by the minister of commerce and industry in Geneva. In a statement to the press he announced the Moroccan Government's intention to conform in future to the rules of that international organization.

Indeed, we know that the main condition for joining GATT is commitment by the candidate country to respect the basic principles of the agreement, that is:

--Progressive reduction of tariff barriers in anticipation of free circulation of goods. In this connection, Morocco has already taken the major step in support of its candidacy by deciding to set a maximum ceiling of 45 percent on collectible customs on imports. However, it will have to continue on the path of liberalization of imports to align itself with the tariff levels in effect in the other member countries.

--Prohibition of any quantity restrictions. In particular, this applies to the quota system, which is, with exceptions, formally prohibited by GATT. The fact remains that the Western powers often violate this principle, in a roundabout way, by establishing complex border formalities and national technical standards. The American customs legislation is very specific in this connection.

Even where imports are not involved, the prohibition of resort to dumping or to export subsidies are also derived from this principle, which serves to combat unfair competition among the member states.

--Prohibition of any discrimination among the contracting parties. This is the automatic extension of the most-favored nation benefit to all the member countries, so that any trade advantage granted to a third country is automatically granted to all the agreement's signatory countries. However, two exceptions have been added to this principle in favor of the developing

countries. One is nonreciprocity of the tariff advantages granted by developed countries to the developing countries in the framework of the Generalized System of Preferences (GSP). Likewise, developing countries are permitted to agree between themselves on mutual preferences, without the latter automatically extending to the developed countries. This principle also prohibits all discrimination between national producers and foreign exporters.

Finally, for a limited period of time, a country suffering from a serious imbalance of payments can, under certain conditions, suspend application of the agreement principles.

Thus, and despite the exceptions provided for by the agreement, Morocco will in future have to subscribe to all these obligations, which rule out any initiative to protect its domestic market. In other words, by joining GATT, Morocco deprives itself, in effect, of all control over foreign trade. Through this act of joining, which the minister himself said was in the context of the adjustment policy, the Moroccan market will be delivered, without the possibility of defense, to the unbridled competition of the multinationals, which will not fail to harm the growing industrial fabric of the country. By promoting free circulation of goods, GATT is primarily in the service of the most powerful, which are in a position to produce at production costs that defy any competition. The emerging Moroccan industry does not have the means to take up the challenge of the powerful Western industries, which have behind them almost 3 centuries of industrial experience. Historically, the Western powers began by protecting their national production and establishing an efficient industry before starting along the road of liberalism. Even today, they do not hesitate at all to resort, contrary to the principles of GATT of which they are the founding members, to protectionist measures every time a sector of their industry is threatened by foreign competition.

That is to say, by joining GATT, Morocco is playing the game of the Western powers and exposing itself dangerously to dismantling of its nascent industry.

LA VIE ECONOMIQUE Comment

Casablanca LA VIE ECONOMIQUE in French 29 May 87 pp 5,6

[Text] Last week, we emphasized that Morocco's joining of GATT would not change very much in the present situation; unless it was to strengthen the liberal orientation of the Moroccan economy.

On his return from Geneva where he signed the document confirming Morocco's joining, Abdallah, Azmani, minister of industry and commerce, made a statement emphasizing in particular that Morocco's joining of GATT was a historic step because of the country's potentials and its opening up to the outside world. Mr Azmani added that Morocco has a substantial production potential capable of supporting competition on the world markets. Morocco's membership in GATT guarantees for Moroccan products a greater opportunity to become established in the world markets, and gives foreign investors greater confidence in the country's economic policy, which tends to remove the obstacles to foreign trade.

Supporting a somewhat different point of view, our colleague AL-BAYANE first of all made an interesting and objective analysis of the conditions established (or imposed) for Morocco. [omitted is almost the entire text of the AL-BAYANE editorial, reprinted verbatim by LA VIE ECONOMIQUE]

AL-BAYANE'S concerns about the "unbridled competition of the multinationals" should not make us forget that the developing countries can also resort to the provided safeguard clauses. Nor should the "multinationals" and people think, however hard the times, that Morocco is only a prey. It is a partner, and one must not forget, for example, that Moroccan industrial products are admitted duty-free into the EEC, while there is no reciprocity for the Community products.

It is this duty-free status that has enabled the remarkable development of the industrial products exports, witness the following:

| | <u>Tonnage</u> | <u>Value</u> |
|------|----------------|--------------|
| 1980 | 27,000 | 1,087 MDH |
| 1981 | 33,000 | 1,470 MDH |
| 1982 | 35,000 | 1,777 MDH |
| 1983 | 37,000 | 2,174 MDH |
| 1984 | 38,000 | 2,838 MDH |
| 1985 | 43,000 | 3,688 MDH |
| 1986 | ? | 4,515 MDH |

In 6 years, the value of these exports has more than quadrupled. Even taking into account the depreciation in the dirham, the performance is remarkable. Certainly, in a liberal economy all industry has to be profitable, however, there can be no question of delivering the national enterprises tied hand and foot to the voracity of the foreign competitors.

In general, these enterprises benefit from a tariff protection that, including all taxes, can exceed 75 percent. Then, let us pose the basic question: is the existence of an industry and end in itself? In other words, should consumers subsidize industries by overpaying for their production?

The main point, as we have already said, is not the current situation in production of agricultural tractors or concrete reinforcements; it is enabling the farmers to buy their equipment at the best price, and businessmen to reduce the costs of construction. If an enterprise is incapable of fighting foreign competition with a protective tariff of 50 percent, it has no reason to be in Morocco. Let us not forget that the guaranteed minimum wage is still 820 DH and that more than half of Moroccans earn less than 2,000 DH per month.

There is often talk about combating the high cost of living with the sole weapon of action against the "profiteers." There are more effective means of combating excessive prices, and that is by freeing imports.

In Fikry Al Kaouachi's remarkable study that we are publishing this week, we noted the fact that import restrictions have negative effects on exports, and the IMF considers that the main brake on exports is excessive protection,

which prompts maximum exploitation of the monopolistic situation created.

We persist in believing that healthiness resides in liberalizing the economy, subjected for 30 years to controls, protection, duties and price controls.

The GATT agreement at least has the merit of defining the rules of the game.

At any rate, and his majesty the king repeated this in his directives to the Government, the national economy must be the reflection and expression of the political liberalism that characterizes the Moroccan regime.

AL-BAYANE Response

Casablanca AL-BAYANE in French 3 Jun 87 p 1

[Article by Abdelhak El Khyari: "More than a Question of Prices, It Is a Matter of National Independence"]

[Text] Following our editorial devoted to Morocco's joining of GATT, our colleague LA VIE ECONOMIQUE dated 29 May, after reprinting extensive excerpts, affirms that it does not share certain ideas developed in the cited editorial.

In an anonymous article, the writer expresses the view that, far from serving the Western powers (the point of view developed by the AL-BAYANE editorial writer), the joining of GATT is primarily profitable to Morocco.

Contradictory Attitude

Before discussing arguments advanced by the writer to support such an assertion, we should underline first of all a certain contradiction between the article in question and another article devoted to the same subject that appeared in the preceding issue of LA VIE ECONOMIQUE (22 May). In the first article (also anonymous), the writer, after congratulating Morocco's joining of GATT, does not express strong reservations when he writes that "it is interesting to emphasize that Morocco's joining of GATT, while in the short term it will bring more duties than advantages, will not in fact result in any major change."

Thus, for someone who has read both articles, it is difficult to get one's bearings and exactly understand the Casablanca weekly's position on the impact of this membership for the Moroccan economy. If we are to believe the 22 May issue, Morocco's entry into GATT will not only not result in any major change, but in addition is synonymous, in the short term at least, with more duties than advantages for Morocco. This is a flagrant contradiction of the second article (29 May 1987), which maintains exactly the opposite.

This double talk in fact expresses the hesitations of certain professional circles (of which the weekly in question is to some degree the spokesman) which find themselves torn between their immediate class interests and their limitless faith in liberalism as an economic philosophy. At the same time as they make their calls for Morocco's total commitment to liberalism, they are no less aware of the dangers of foreign competition, which seriously threatens their production units.

However, Morocco's joining of GATT, by the basic principles governing this international agreement, imposes on it the opening of its national border to foreign competition.

Furthermore, and beyond these hesitations, the arguments developed in the second article in favor of the joining are not at all convincing.

Resort to the Protection Clause, Yes...But

In regard to AL-BAYANE's editorial, the writer begins by saying that far from having been turned over without defense to "the unbridled competition of the multinationals," Morocco can also, like the Western countries, resort to the "provided protection clauses." Though the writer does not add anything new here in respect to the AL-BAYANE editorial, which did not at all omit mention of these exceptions that the agreement specifically authorizes, the fact remains that resort to these protection clauses can only be temporary and exceptional.

Some among the capitalist world's most industrialized countries (following the lead of the United States, for example) often resort to the protection clause to temporarily protect certain sectors of their industries against foreign competition.

However, in a young country such as Morocco, it is not a particular sector that is affected by the competition, but the entire industrial fabric of the country, and particularly the sectors oriented toward the domestic market. Likewise, it is not at all a problem that is limited in time, because, as emphasized by the AL-BAYANE editorial writer, "the emerging Moroccan industry does not have the means to meet the challenge of the powerful Western industries, which have almost 3 centuries of industrial experience behind them."

Until now, Moroccan industry, following the example of other developing countries, has been able to introduce certain articles on the international markets thanks to a competitiveness based on setting the wages given to labor at a lower rate. So that the sectors that have been able to win points in exports are those that use a great deal of labor.

Certainly, with wages less than one-tenth those prevailing in the developed capitalist countries, it has been possible to gain foreign markets. However, the capitalist countries have reacted vigorously to these so-called "wild" exports, either by closing their borders by protecting themselves behind protectionist barriers (in violation of the GATT principles), or by opting for a restructuring of their industry. This restructuring is aimed at reviving certain industrial activities that were threatened with disappearance (textiles, for example) through resort to automation and robotics.

This trend is doubly harmful to the manufactured exports of the developing countries: it causes them to lose the comparative advantage in under-setting wages, while at the same time forcing these countries to follow the change. In other words, if the developing countries want their exports to continue to be competitive in the future, these countries have to resort to the same

technologies. Also, they do not even have a choice, since they have to buy their technology in the West, even if this technology proves unsuitable to their productive structures.

This means that in the future it will be necessary to sacrifice employment in the name of foreign competitiveness, and it will also be necessary to achieve the same degree of technological mastery as the Western countries.

This obviously shows that Morocco's joining of GATT goes against the current of history.

Misunderstanding of a GATT Principle

Also, the second argument developed by the writer reveals a misunderstanding of one of the basic principles of the agreement. Thus, the writer emphasizes that, including all taxes, Moroccan production remains protected at a level of 75 percent. The principle involved is the one which prohibits any member country from applying discrimination between foreign exporters and national producers. In other words, once the foreign product has paid the customs duties on entry into the country (the protection methods accepted by the agreement), it must be treated on the same basis, in regard to domestic taxation in particular, as the national product. This clearly means that this protection cannot exceed the 45-percent maximum entry duty currently in effect.

Moreover, even this 45 percent is considered too high, and Morocco is committed, by joining GATT, to reduce this to the level of tariffs in effect in the other member countries.

Competitiveness and National Independence

The third argument developed in the article in question relates to the consumer's interest.

According to the writer, liberalization of imports puts pressure on the national producer to improve his productivity and to produce at a better price. In order to keep his clientele, and under the effect of the foreign competition, he is obliged to reduce his production costs, which is profitable for the final consumer. Likewise, liberalization of imports enables the businessmen to equip themselves at lower cost and thus lower their cost price.

That is a key argument advanced by the defenders of liberalism, an argument that, while not without some logic, is derived from a rather too simplistic view of things.

The argument is valid when this orientation is not dangerous for the industrial fabric as a whole. It can be invoked when the productive structures of the country concerned are comparable to those of the competitors, such that the liberalization of imports, without presenting a danger for the production system as a whole, enables an industrial restructuring through elimination of the "lame ducks." However, such is not the case for the young Moroccan industry, which is still suffering from an evident lack of diversification. This industry is still being built, and it

would be suicidal, in the name of a hypothetical competitiveness, to throw it to the foreign multinationals. Just because a foreign country can produce an article at a better price, does not mean there is justification for condemning to death the industry that produces it. That is a policy that not even the largest world industrial powers can indulge in, witness the resort to protectionism by the Reagan administration in face of the Japanese invasion. No longer a matter of price and competitiveness, it is a matter of national independence. A country cannot run the risk of importing the essentials of consumer articles from abroad, in the name of a hypothetical international division of labor. Indeed, whatever efforts the national industries can make, they cannot be competitive in all fields. If only for reason of supply of natural resources, there will always be sectors in which Morocco will not be able to maintain foreign competition. However, the imperatives of economic development impose on the developing countries to seek to create a diversified industrial fabric, something which resort to an unbridled liberalism cannot promote.

Political Liberalism and Economic Protectionism

Finally, what must be stressed is that the attachment to liberalism is not necessarily synonymous with negation of all resort to a selective protection of the sensitive sectors of production.

The history, both recent and ancient, of the developed capitalist countries clearly shows that because a country opts for "political liberalism" does not mean it necessarily opts for unbridled economic liberalism. As was emphasized in the condemned editorial, there is not a single historical example of a country that developed without having to first pass through a more or less long period (more than a century for Europe) of protectionism. Thus, these countries historically embraced this contradiction, which is only an apparent one (political liberalism and economic protectionism), with the greatest success and without anyone reproaching them. Morocco today has the right to demand the same treatment. That is why we will continue to maintain that its joining of GATT serves the purpose of the Western industrial powers.

9920

CSO: 4519/124

AID TO YAR COVERS WIDE RANGE OF ECONOMIC PROJECTS

Riyadh AL-RIYAD in Arabic 4 Jul 87 p 15

[Article by Hamad al'Askar: "Saudi-Yemeni Coordination Council Is Step in Ideal Cooperation Between Two Countries; Kingdom Has Set Up Comprehensive Projects Covering Most Parts of Yemen"]

[Text] Cooperation between the kingdom and the YAR is experiencing considerable growth and constant progress.

Cooperation with sisterly Yemen in all areas has received great attention and support from the government of King Fahd ibn 'Abd-al-'Aziz, the custodian of the two holy mosques, in view of the historical ties, the social bonds, the neighborly relations, and the mainstays, embodied in the single faith and blood, binding the kingdom to Yemen. Since the middle of 1972, Saudi Arabia has moved with generous enthusiasm to contribute effectively to developing the Yar's Plans. The custodian of the two holy mosques and his wise government have been keen on enabling the development aid given the Yemeni people to take the most perfect form possible. This is why he has ordered the creation of a complete administrative, technical, and financial agency to take charge of designing, implementing, and supervising the various development projects financed by the kingdom as an aid to the Yemeni people.

The task of supervising and guiding this agency has been entrusted to one of the agency's best men, namely His Royal Highness Prince Sultan Ibn-'Abd-al-'Aziz, who has devoted great attention to Yemen's development projects through the sessions of the Saudi-Yemeni Coordination Council which he heads. By interviewing the members of the Saudi side of the Saudi-Yemeni Coordination Council, it has become obvious that this council is comprised of his highness the minister of interior, his excellency the minister of information, and his excellency the minister of communications.

The presence of His Highness Prince Sultan Ibn-'Abd-al-'Aziz at the head of the Saudi side of the council confirms the kingdom's definite desire to help sisterly Yemen achieve its development objectives. Moreover, the preparatory subcommittees which prepare for the Saudi-Yemeni Coordination Council sessions include members from the state's various sectors out of

the kingdom's eagerness to include all sectors in the aid and to facilitate implementing this aid speedily and in accordance with the council's resolutions.

Health Sector

In view of the importance of the Yemeni citizen's health and safety, the health sector has played an extremely important role in promoting the Yemeni citizen's health. Hospitals and clinics have been built and supplied with the latest medical equipment and are managed by the kingdom's government.

Ten clinics have been built in various parts of Yemen and have been furnished at the highest medical level. Five hospitals have also been built and fully furnished. Some of these hospitals are managed by the kingdom. Seven other clinics and two hospitals have also been furnished.

In addition to building, furnishing, and managing hospitals, clinics, and health centers and in order to bolster the health services and to achieve the objectives of attaining high health development rates, the Kingdom of Saudi Arabia has, as part of its assistance to sisterly Yemen, provided the WHO aid program with 22,666,667 Yemeni riyals over a period of 5 years in order to help WHO carry out its health program in sisterly Yemen without financial pressures that may obstruct the program. A contract has been signed with WHO to provide it with 22,666,667 riyals to bolster WHO's development programs. A sum of 19.95 million riyals has also been allocated to fight malaria and bilharzia.

Education Sector

The Kingdom of Saudi Arabia has responded to the Yemeni political leadership's objectives as reflected in the Yemeni plan--objectives focused primarily on the two most important civilizational and social sectors, namely the health and education sectors, by virtue of the inevitable balance between these two sectors. Should one of them lag behind, it incapacitates the other, thus affecting the development objective itself. This is why the kingdom has built 47 elementary schools, 7 preparatory schools, 5 high schools, 9 teachers' institutes and the Sanaa orphanage complex. In addition to building 69 elementary, preparatory, and high schools and teachers' institutes in the various party of the YAR, the kingdom has shouldered the salaries, wages, and transportation costs of 1,552 teachers working in the various educational specializations and stages and of 226 Saudi teachers and instructors. This is in addition to supporting and aiding the center for the blind and printing school textbooks. Another important aspect is that the education development process is accompanied by support for university and higher education.

The kingdom shoulders the costs of 1,063 annual university grants to Saudi, Egyptian, Pakistani, Austrian, Jordanian, Syrian, and U.S. universities.

More than 100,000 incoming Yemenis are enrolled in illiteracy eradication classes and in the various educational stages in Saudi Arabia. Moreover,

the kingdom has set up the SABA' NEWS AGENCY printing press and the armed forces printing press.

The Saudi educational attache's office in Yemen is an administrative, technical, and financial agency in charge of organizing and supervising the various aspects covered by the cooperation in the educational areas.

Mosque Projects

Worship houses have also received a generous share of the Saudi leadership and government's attention. A total of 21,293,440 riyals have been spent on restoring and building a number of mosques. Moreover, work is in progress to build sanitary utilities for 20 mosques in Sanaa. Twelve new mosques have been built, furnished, and supplied with microphones and Qur'ans

Road and Communications Sector

The Kingdom of Saudi Arabia has responded to the Yemeni development plan's ambitions by building vital utilities highly beneficial to increasing the Yemeni commerce sector's income. The kingdom has built the al-Hudaydah-Saudi border-Jizan highway, which links the YAR to the outside world by a paved highway designed in accordance with the latest international standards and measurements. This is in addition to a similar highway between Sa'dah, the Saudi borders, and Najran. These two highways are two vital commercial arteries for the YAR. Dhamar-Radda' al-Bayda' highway has also been built as one of the road projects to which the Saudi Development Fund has contributed,--projects with a total length of 451 km and costing a total of 830,491,749 Yemeni riyals. The kingdom has also developed and enlarged Sanaa Airport as part of its contribution to developing sisterly Yemen. This project cost 107,984,403 Yemeni riyals.

The Ta'izz-al-Hudaydah microwave link has also been completed at a cost of 15,612,333 riyals.

The kingdom's aid in the area of communications and transportation does not stop at the technical projects, but includes financial aid for international air transport development projects. This is why the kingdom has contributed to aiding the Yemeni civil aviation experts' program with 22,666,669 Yemeni riyals. The project seeks to accomplish the developmental objective of providing reliable air transportation by building and developing the Yemeni Public Civil Aviation and Meteorological Authority and by developing the authority's operational capability and its field unit to achieve a reasonable level of self-reliance.

Irrigation and Agriculture Sector

The drought that afflicted a large part of sisterly Yemen has had its negative impact on agriculture and on the masses' living necessities, considering that agriculture has relied on seasonal rains. When rains

fall late, there is no doubt that the corps are affected and, consequently, unemployment develops. This results in unemployment in society and a rise in the price of agricultural commodities essential to man.

This has had its impact on the officials of the kingdom's government, led by the custodian of the two holy mosques. Consequently, the custodian's wise government has taken the initiative to drill artesian wells in various parts of the sisterly country. A total of 43 such wells, along with the civilian works, the pumps and the storage tanks they need, have been built at a total cost of 70,759,071 Yemeni riyals.

Various Development Projects

The government of the custodian of the two holy mosques continues to advance further aid to sisterly Yemen so that it may achieve a comprehensive renaissance. These projects include:

- A total of 43 artesian wells, costing 70,759,071 riyals.
- Meteorological observation and services, costing 88,320,000 riyals.
- Providing 42,560,000 riyals' worth of urea fertilizer to Yemen.
- Supporting the WHO projects in Yemen with 22,666,667 riyals.
- A microwave communications project, costing 15,574,300 riyals.
- Supporting the Yemeni civil aviation experts' program with 22,666,667 riyals.
- Enlarging Sanaa International Airport at a cost of 107,984,401 riyals.
- Building the SABA' NEWS AGENCY facilities at a cost of 5,315,357 riyals.
- Building the Sanaa beltway at a cost of 39,447,535 riyals.
- Building the Khawlan Institute housing at a cost of 2.94 million riyals.
- Building 54 artesian wells at a cost of 13,233,945 riyals.
- Building the higher Judiciary Institute in Sanaa at a cost of 17 million Yemeni riyals.

Projects Financed by Saudi Development Fund

The Saudi Fund, like other Arab and international funds, has played a major role in crystallizing significant development factors. The Saudi Development Fund has contributed 1,433,000,000 Yemeni riyals which have helped crystallize important development factors, including 451 km of paved highways, water, and sewerage projects in each of Sanaa and Ta'izz,

and al-Hudaydah, and the steam plant in al-Mukha', along with its power-line network. The Saudi Fund continues to finance projects to which sisterly Yemen asks it to contribute.

The projects financed by the Saudi Fund are:

- The Sanaa electricity project at a cost of 17.5 million Saudi riyals.
- The first phase of the Yemen electricity project at a cost of 88.25 million Saudi riyals.
- The second phase of the Yemen electricity project at a cost of 53.6 million Saudi riyals.
- The Sanaa water and sewerage projects at a cost of 51.39 million Saudi riyals.
- The Ta'izz water and sewerage projects at a cost of 100 million Saudi riyals.
- Crop storage and processing projects at a cost of 38.54 million Saudi riyals.
- The second phase of the storage and processing projects at a cost of 36.85 million Saudi riyals.
- Dhamar-al-Bayda' highway at a cost of 134.23 million Saudi riyals.
- Jizan-al-Hudaydah highway at a cost of 335 million Saudi riyals.
- The Sa'dah-South Dhahran highway at a cost of 220 million riyals.

The total sum advanced by the fund to sisterly Yemen is 1,075,26 million Saudi riyals [as published].

Rebuilding Earthquake-damaged Areas

The kingdom and Yemen have old and ever-rejuvenated relations that grow stronger and firmer and become more advanced with the development of the positions and the events. These relations are prominent as a model of fraternal and friendly relations between brothers. The earthquake hit Yemen and the leadership, government, and people of the Kingdom of Saudi Arabia responded. The beginning took the form of immediate relief activities and of the Saudi air bridge between Riyadh and Sanaa--a bridge declaring that the two sisterly countries were confronting the event together. Airborne and mobile hospitals were employed for the first time in the Middle East's history. The kingdom's government contributed 100 million Saudi riyals to bolster the earthquake victim relief programs.

The kingdom's government also opened the door for the Saudi people to contribute and received cash and in-kind contributions from all the

kingdom's cities, with the total contributions made by Saudi citizens amounting to 100 million Saudi riyals.

In view of the fraternal relations between the two countries, the Saudi government has allocated, through the Saudi-Yemeni Coordination Council, a sum of 250 million Saudi riyals to contribute to the reconstruction programs in the areas victimized by the quake. This is in addition to the kingdom's contribution of \$15 million to the GCC reconstruction program.

The major reconstruction plan's implementation has begun in Bab al-Fallak village in the Yemeni province of Dhamar. This is the first of 51 villages in the areas most heavily damaged by the earthquake that hit Dhamar Province at the end of 1982 and which are being rebuilt by the kingdom.

Many of these villages have been turned over to their inhabitants. The total number of housing units being financed by and built under the Saudi government's supervision amounts to 3,461 units distributed in 51 villages in [Dawran Anas], Ma'bar Jahran, Dhamar, and Risabah. These four areas of the YAR's Dhamar Province sustained extensive earthquake damage, with 75-100 percent of Dhamar Province houses destroyed by the earthquake. We find today dozens of modern housing units with complete public utilities and services built in these areas so that these villages may begin a new life.

The Saudi-Yemeni meeting to confront the earthquake catastrophe has been truly continuous, as is the ceaseless Saudi-Yemeni meeting seeking to exert constructive efforts aimed at achieving greater cohesion between the two peoples and countries through the Saudi-Yemeni Coordination Council, which has entered the 11th year of its life. In every meeting, whether in Riyadh or Sanaa, this council further strengthens the mainstays of cooperation between the two countries in all fields and make magnificent accomplishments on the ground. These accomplishments reflect the quality, firmness, and continuity of the distinguished relations which serve both countries' interests.

The basic principles which motivated the kingdom in offering assistance to the sister nation of Yemen spring from the tenets of our orthodox religion, and the tradition of Arab virtue. However, as previously mentioned, being a neighbor to another nation imposes certain obligations and justifies special treatment in regard to the type and amount of help which the kingdom provides. According to reports prepared by international as well as local organizations, the kingdom spearheads the efforts to provide aid and assistance.

Neighborliness, fraternity, and countless other ties between the Kingdom of Saudi Arabia and the YAR have dictated that the kingdom offer the citizens of sisterly Yemen distinguished and exclusive treatment within the kingdom's territories where these citizens reside and live under the canopy of this treatment like Saudi citizens, without any discrimination except in the rights and duties of citizenship.

On the basis of these given facts and principles, the cooperation current between the two countries has moved forward to achieve the two countries' joint interests within the framework of the comprehensive Arab interest. The peripheral policies and the Western intellectual bridges have not been able to find a place among the two sisterly countries' citizens or to obstruct their cooperation.

By virtue of the kingdom's awareness of the scarcity of Yemen's modern economic resources, whether the resources needed to achieve the economic objectives or the civilizational and social objectives, we find that the kingdom includes within its aid annual aid for sisterly Yemen's state budget. Moreover, the kingdom has imposed no restrictions on the remittances made by Yemenis living in the country. These remittances constitute a fundamental part of their country's income.

8494/9190

CSO: 4404/424

NEW PORTS, SAFETY MEASURES PROMOTE COMMERCE

Riyad AL-RIYAD in Arabic 31 May 87 p 3

[Text] A report issued by the General Organization for Ports stated that the number of the kingdom's port docks increased five times over a 10 year period; in 1405 A.H. they numbered 168 whereas in 1397 A.H. there were 307 docks.

The report showed that the kingdom's ports can handle large quantities of imports and exports. It indicated that these ports received 55 million tons in 1406 A.H.

The report set forth the achievements realized in the areas of construction, administration and the operation of Saudi ports. It also showed that Saudi ports are among the most well-known ports of the world in the use of modern dock equipment and systems, the handling of goods, administrative processes and the use of computers.

The report showed that there are currently 8 Saudi ports, including the Jeddah al-Islami Port, the King 'Abd-al-'Aziz Port at al-Damam, the King Fahd Industrial Port at Yanbu', the Ra's Tannurah Port, the Yanbu' Commercial Port and the Jizan Port in addition to a number of small ports serving local regions. The report indicated that the daily production average of one of the docks of the above-mentioned ports totals three times the production of docks in European ports. This confirms that the kingdom's ports are considered pioneers in several areas such as unloading equipment for bulk cement and bulk seed, and the receipt of livestock.

The report added that the King Fahd Industrial Port at al-Jubayl and the al-Yanbu' Port were built especially to serve industrial groups in al-Jubayl and Yanbu', and are assuming a vital role in the export of these group's products throughout the world. The most important of these exports are petrochemicals, fertilizers, sulfur, iron, steel and refined petroleum products.

The development of small ports occupies a high place on the priority list of the General Organization for Ports. Work is now taking place to implement a plan to stimulate the activity of small ports to serve the fishing industry and coastal transportation, and to expedite development in regions supporting these small ports. Among the most important achievements realized in this area are the construction of the Darin port and the fishing port at al-Jubayl,

the construction of the Darsan port and fishing vessel dock at al-Damam and Jazan, the expansion of the al-Khabr, and implementation of the Daba' Port to serve the kingdom's northwest region, which will result in savings with regard to transport costs and which will consequently lead to a reduction in the price of goods and services.

The report showed that, in its desire to form new national work crews, and to provide them with the required equipment and skills in a highly competitive commercial environment, the General Organization for Ports constructed and equipped training centers at the King 'Abd-al-'Aziz Port and the Jeddah al-Islami Port. These centers offer intensive programs in numerous areas such as maritime navigation, maintenance and handling of goods, etc. The report pointed out that the number of those benefitting from the centers' programs during the past 10 years totalled 7,003 trainees.

The report stated that Gulf Cooperation Council [GCC] port officials, in appreciation of the Saudi ports' achievements in the area of training, selected the training center at King 'Abd-al-'Aziz Port at al-Damam to train those affiliated with the GCC's ports. Maritime safety programs continue to be an important concern for the General Organization for Ports. The kingdom was re-elected as a member of the executive council of the International Association Lighthouse Authorities [IALA] in recognition of the organization's achievements in this area. The report reviewed the organization's achievements in the field of maritime safety. The most important of these achievements is the establishment of the LORAN wireless maritime navigation system. This system includes 7 transmitting stations and 3 receiving and monitoring stations. It covers shipping in the Arab Gulf, the Red Sea and the Arabian Sea in order to assist vessels in the determination of their own positions accurately. This not only serves Saudi maritime safety, but also that of the other GCC member nations. This system is also considered an effective Saudi contribution in the area of international maritime safety in the waters of the Red Sea, the Arab Gulf and the Arabian Sea.

In the area of fighting marine pollution, the organization has in previous years activated integrated systems in the ports to fight pollution using technical means and specialized equipment. The most important of these systems are the pollution fighting center at al-Jubayl and the vessel improvement services at Jeddah and al-Damam. The total cost for the establishment of these systems is 1,610 million riyals. The King Fahd Complex for Ship Repair at Jeddah has two floating docks capable of servicing ships with a maximum capacity of 45,000 tons. Likewise, the King Fahd Complex for Ship Repair at al-Damam has two floating docks for the maintenance and upgrade of ships with a maximum capacity of 62,000 tons.

The two centers have been fully equipped with maritime workshops and training centers which offer Saudi students the opportunity to acquire technical experience in maritime matters.

In the field of administration and organization, the organization has introduced numerous pioneering reforms to port procedures, such as the standardization of loading and unloading procedures, the encouragement of containerized shipments

of commodities to facilitate their handling by mechanical equipment, and the granting of incentives for bulk commodities and containerized goods to raise the docks' production. Other measures include the prevention of old ships not carrying certifiably suitable unloading cranes from entering the ports, and the scheduling of ship arrival times in accordance with a previously determined time-table.

The organization also issued a unified English-Arabic directory which clarifies for port service users, the requirements with which they must comply when dealing with the kingdom's ports.

In the area of services provided by the General Organization for Ports to the national economy, the report indicated that the organization's role is not limited to traditional port activities such as handling goods, guiding ships and others. Rather, they extend to the support of the private sector and commercial activities in the kingdom. Among the most significant achievements in this area is the encouragement of the private sector to invest in the operation of ship repair facilities and specialized stations at the ports.

The report pointed out that there are more than 60 Saudi companies working in the ports in the areas of goods handling and maintenance. The organization annually spends about 500 million riyals for services rendered by these companies. In addition, there are more than 83 Saudi maritime commercial agencies licensed to provide services in the ports to owners of ships whose number exceeds 10,000 annually.

Services provided by the organization during the past 10 years to support the commercial sector in the kingdom include the establishment--at a cost of almost 160 million riyals--of advanced laboratories to monitor the quality of imported goods at the port of Jeddah al-Islami, the King Fahd 'Abd-al-'Aziz Port at al-Damam, and the King 'Abd-al-'Aziz Commercial Port at al-Jubayl. The organization also provided the Saudi Chamber of Commerce and importers with more than 10 million square meters of land neighboring the ports for a nominal rent not exceeding 35 halalas per square meter per year. This land is used for the construction of model warehouses for merchants. These warehouses help to reduce importers' transportation costs as well as internal traffic congestion in the cities. They also put an end to the spread of warehouses in residential areas and the affiliated safety hazards.

13286/12859
CSO: 4404/402

ELECTRIFICATION BOOSTS INDUSTRY, AGRICULTURE

Riyad AL-RIYAD in Arabic 2 Jun 87 p 3

[Text] His excellency, engineer Mahmud Tayyibah, the director general of the General Organization for Electricity, told AL-RIYAD that the organization has been able to provide millions of kilowatts per hour since its inception ten years ago because of the success of 34 electrification projects in rural and outlying regions, and 12 central electrification projects, 8 of which have been implemented. Furthermore, hundreds of electrical power generators are on loan in various Saudi locales awaiting linkage with the electrification project.

The achievements of the General Organization for Electricity constitute important developmental stages in numerous sectors in Saudi Arabia.

He spoke to AL-RIYAD of the organization's role in the development of the electricity sector, stating that the organization has participated in the development of this sector through its financial and material contributions to the electricity companies whose incorporation gave rise to merged Saudi electricity companies. The total value of the organization's contribution came to 17,472,898,102 riyals as of 2/6/1405 A.H. The organization established a number of electrification projects in rural, outlying regions, and has loaned generators in order to assist the merged companies and the electricity sector in the formation of an infrastructure for an integrated electricity system. The organization also supervises the activities of the consulting firm which formulates uniform specifications for electrical equipment in order to serve the entire electricity sector in the future and to facilitate the circulation of spare parts and equipment among the units.

Regarding the organization's contribution to the development of the agricultural sector, His Excellency Mahmud Tayyibah, stated that it is well known that the agricultural sector in Saudi Arabia depends on ground water whose depth reaches hundreds of meters in many places. In the framework of the first and second 5-year plans, the use of well pumps powered by diesel fuel has increased despite the problems associated with operating and maintaining this equipment due to lack of technical expertise. The plan of the General Organization for Electricity, therefore, in addition to the electrification of rural areas, is to work on providing electrical energy to farms, and to supply each farm with electricity. The formation of many large agricultural companies in the kingdom has coincided with the establishment of central electrification projects.

He added that the state is committed, under the guidance of the custodian of the two holy places, to the establishment industrial areas in parts of the kingdom, and the granting of industrial concessions and loans to encourage the kingdom's industrial sector. As a result of this, municipalities, villages and cities have taken into account the planning required for industrial areas when formulating new plans. This has made the organization--when it conducts field studies for new programs or the expansion of existing programs--mindful of the burdens expected to be placed on industrial areas as well as [the need to] expand distribution networks and the distribution of transformers with appropriate capacities.

Since assuming its tasks 10 years ago, the organization has engaged in manufacturing activities fundamentally linked to the electricity sector. Examples of this include the manufacture of electrical cables, all types of posts, electricity poles, light-weight insulators, distribution equipment such as meter boxes, switches and insulating pipes for household wiring. National companies have been formed in the kingdom to produce electrical equipment such as small diesel generators. There are also companies that assemble electrical equipment. In view of the volume of flexibly administered business in the kingdom, many large companies active in the electricity sector have decided to give precedence to establishing maintenance centers for their equipment operating in the Middle East in Saudi Arabia.

His Excellency, Eng Tayyibah, extolled the role of the organization in society's development. He stated that the number of subscribers to electrification programs, following the organization's completion of the implementation of these programs, came to more than 213,672 in more than 3,000 cities, villages and agricultural settlements. The citizens of these regions have been able, by virtue of the electricity reaching their homes and establishments, to join the procession of civilization, and to benefit from the inventions of this era as well as from modern, technical information. The organization continues to fulfill user requests according to priority and in view of the rise in the standard of living and the national income, and the decline in the price for electricity. Average individual consumption of electricity in Saudi society rose considerably due to climatic conditions in each of the kingdom's provinces. Total consumption of electricity increased by 50 to 500 percent. This increase, in addition to what was previously mentioned, was facilitated by the decline in the unit price of electricity to 7 halalas for each kilowatt per hour; each kilowatt per hour costs between 40 and 70 halalas to produce, clearly demonstrating the generous governmental subsidy provided to the kingdom's electricity consumers. In view of this excessive increase in electricity consumption, the government of the custodian of the two holy places has decided--based on the principle of rationalizing electricity consumption, and in harmony with the reality of the situation in the Gulf Cooperation Council countries--to place an upwardly adjustable tariff on the price of a kilowatt hour. It did so in Decree Number 14, issued on 21 January 1405 A.H., and amended on the first of Rabi' al-Thani 1406 to satisfy consumers and make it easier for them.

Among the future goals of the General Organization for Electricity, states His Excellency, Eng Tayyibah, is the completion of studies on the establishment of an electrical system which is stable, comprehensive and financially supported,

and the implementation of studies on the linkage of the kingdom's regions in order to benefit from the advantage of linkage and to extend linkage in the future between Saudi Arabia and neighboring countries, particularly Gulf Cooperation Council countries. This requires broad expenditures of financial allocations.

The organization's brief life span has witnessed, as previously mentioned, the establishment of 12 central programs and programs in rural areas and outlying villages with low population densities. The total cost of these programs amounted to approximately 16 billion riyals invested by the General Organization for Electricity to provide electricity to more than a quarter million customers who, according to estimates made at the time of the organization's establishment, total approximately one million people living in some 3,000 cities, villages and agricultural settlements. The electrical current still continues to meet the needs of citizens.

13286/12859

CSO: 4404/402

SYRIA

NEAR EAST

STATE EFFORTS TO CONTROL SMUGGLING ACTIVITY REPORTED

Damascus AL-THAWRAH in Arabic 27 Jun 87 p 6

[Article by 'Abd-al-Khaliq Maghmumah: "Hamah: Quantities of Smuggled Iron Cable, Plywood, and Tires Seized"]

[Text] Despite the recommendations and resolutions for combatting smuggling operations and curbing and pursuing smugglers everywhere to preserve our national economy, we still see--in broad daylight and on the sidewalks of our streets--all sorts of smuggled goods. In the capital square, we find varieties of smuggled tobacco, shortening, coffee, macaroni, Milo [brand of powdered milk], drinking glasses, bananas, apples, oranges, batteries, and other things. What are the reasons that prompt citizens to seek expensive smuggled goods to satisfy their needs?

There is no doubt that when these materials are plentiful locally, the interest in smuggled goods will greatly decrease. But the question one must ask is how these smuggled goods and materials arrive when there are stern measures to curb smuggling and smugglers.

We turned to Mr Mahmud 'Adi, superintendent of customs for the Province of Hamah, with this question. He said:

"Customs patrols are making intensive efforts to combat the various kinds of smuggling operations. The prime minister's office has formed a committee in every province to combat smuggling, headed by the governor of the province.

"In Hamah, this committee has been formed under the leadership of the governor of Hamah. The committee meets whenever necessary."

Concerning customs patrols, the superintendent of customs said:

"Anti-smuggling operations have intensified markedly, in spite of the new and innovative methods smugglers have used to conceal and camouflage smuggled goods, for example:

"Two trucks were seized. In one of them there were quantities of iron cable hidden and camouflaged under quantities of garlic. In the other, there was beech wood hidden under quantities of sand from al-Nabk. The truck, whose

license number was 62-4801, and whose driver was 'Abdallah As'ad al-Sukkari, was apprehended on the Hamah-Halab road, headed for Halab.

"During our inspection, it became clear that it was carrying quantities of garlic licensed to be shipped, but that under it there were quantities of 12, 14, and 10 mm gauge iron cable, with a total weight of about 3.5 tons. The value of the iron, which was confiscated and handed over to the (State) Housing Construction Agency in Hamah, was about 28,000 Syrian pounds. There was a fine of 80,000 Syrian pounds, and the truck was impounded for a period of 3 months in implementation of the measures recently taken to curb smuggling operations. These measures specify that the vehicle transporting smuggled goods shall be impounded for 3 months, if the value of the smuggled goods carried by the vehicle exceeds 1,000 Syrian pounds. For a second offense, the period of impoundment increases to 6 months, with the smuggler to be detained by military court for a period of 1 month initially, if the value of goods seized with him exceeds 5,000 Syrian pounds.

"In general, every vehicle in which smuggled goods are seized is impounded for a period of 1 month, if the value of the smuggled goods is less than 1,000 Syrian pounds. This period increases according to the value of the smuggled goods. In this connection, trailer truck licence 31-2901 was impounded for 3 months after quantities of 1.5 meter beech wood were seized in it, hidden under quantities of sand from al-Nabk, and with a value of about 30,000 Syrian pounds. The fine came to approximately 85,000 Syrian pounds. The truck was driven by Fadil al-Najjar, and it was on its way to Halab. The driver was thrown in prison, and the wood was confiscated and handed over to the (State) Housing Construction Agency in Hamah, where, as a result of the intensive efforts that have been made, there are now 60-70 motorized units of various kinds, including tourist cars, trucks, buses, and minibuses. Generally, the confiscated materials are handed over to the appropriate public agency: food products to the General Consumer Agency; tires, spare parts, and motorized units to the Automobile Agency; appliances to the Farmex Company, to be offered to citizens by these agencies. For example, 150 smuggled tires and tubes were seized in a pickup truck, licence number 44-6409, driven by Ahmad ibn Fad'us al-Faraj from Tall Daww. The value of these tires was about 8,000 Syrian pounds, and the requisite fine was about 28,000 Syrian pounds. The tires were handed over to the Automobile Agency in Hamah."

Concerning the novel ways used by smugglers to smuggle goods, the superintendent of customs said:

"About 4.610 [metric] tons of iron cable were seized, hidden in a water tank placed on a truck. Their value was about 35,000 Syrian pounds. The [customs] fees amounted to 7,974 pounds; the requisite fine was about 84,000 Syrian pounds. A man named Salman Madha was driving the vehicle.

"Also, 457 plywood boards were seized, hidden under fiber boards in a truck with licence number 70-3004, on its way from al-Nabk to Halab. The value of the goods confiscated in it was about 44,000 Syrian pounds, and the fines amounted to 112,000 Syrian pounds. A man named Muhammad Tabarqji was driving the truck.

"Also, 268 plywood boards were seized, hidden and camouflaged in a truck with licence number 52-4002. The value of the goods confiscated was about 26,000 Syrian pounds, and the fine connected with them amounted to about 66,000 Syrian pounds.

"These confiscated materials were handed over to the appropriate (state) agencies. The vehicles used in the smuggling operations have been impounded with us in the impoundment depot."

Concerning the value of the materials that have been seized, State Customs Superintendent Mahmud 'Adi said:

"Fines collected for smuggled materials seized during this period amounted to about 600,000 Syrian pounds. Operations are continuing in an intensified manner to combat all smuggling operations, however clever smugglers may be in hiding smuggled goods."

12937

CSO: 44040439

TUNISIA

NEAR EAST

PRIME MINISTER SFAR DISCUSSES MTI, WESTERN SAHARA QUESTION

London AL-DUSTUR in Arabic 6 Jul 87 pp 10-12

[Interview with Prime Minister Rachid Sfar by al-Salami al-Hasani: "The Terrorists Were Trained in Qum;" in Paris; date not specified]

[Text] "The unity of the Arab Maghreb should be built on clear principles."

"We were somewhat disappointed with the irresponsible positions of the opposition in our country."

"We have approximately 45,000 university students who are being affected by the terrorism of those whom we refer to as 'Khomeynites'."

Tunisia's prime minister, Rachid Sfar traveled to France for a quick, 24-hour visit during which he met with French officials to talk with them basically about bilateral relations and the situation in the Arab Maghreb. This visit also gave the head of the Tunisian government an opportunity to meet in Paris with a number of representatives of the world press. Observers noticed that the prime minister was quite interested in being interviewed by the press. He wanted to get to know them, and he wanted them to get to know him so he could explain to them the official point of view on what has been happening in Tunisia. Prime Minister Sfar was accompanied on this visit to Paris by Mr Abderrazzak Kefi, minister of information, and by Mr Abdelaziz Ben Dhia, a minister and director of the Socialist Destourian Party. While that may be an indication, on the one hand, of the prime minister's concern with media contacts, it may indicate, on the other hand, his interest in contacting representatives of the Socialist Destourian Party in France. Consequently, the question that is being raised by Mr Rachid Sfar's visit to France and his concern about meeting with media people is this: Hasn't there been any understanding in the foreign media for the policy of his government?

AL-DUSTUR interviewed Tunisia's prime minister in the French capital.

Rachid Sfar says, "We have been following the analyses in the press with considerable interest. Some of these were good and fair, but some were less fair to us than others. We believe that all these analyses were written with good intentions, but we felt that we may have been remiss in performing our duty to provide information since we did not contact those who had come to Tunisia and

met with the other parties--the opposition, that is. That is why we are meeting with the press: we want to get to know them, and we want to communicate with them so we can lay down principles for the dialogue. We want to give members of the press direct and better access to information.

[Question] Does your visit have anything to do with the publication in France of Mohamed Mzali's book, "Risalah ila Bourguiba" [A Letter to Bourguiba]? Is this book part of the media campaign against you?

[Answer] I believe that Tunisia has more important problems than that "rag" you mentioned. Comparing what the former prime minister used to say when he was in office with what he is saying now would suffice to know the kind of person he is.

[Question] Trials for members of the Islamic Tendency and its leader, Rached Ghannouchi, are in the offing. Some people believe that these trials may be a political mistake because this tendency is looking for a martyr.

[Answer] We have become accustomed to hearing such remarks which criticize us for making a political mistake. It seems to me, however, that such criticism is attributable to a misunderstanding of this religious phenomenon. No war is being waged in Tunisia against Muslims. Tunisia is an Islamic country: we are all Muslims, and our constitution stipulates that Islam is our religion. That is why no one and no party has the right to decide who is and who is not a true Muslim in our country. That is why you notice that the Tunisian government is applying a multi-party system: it is trying to build a democratic society and create a democratic method; that process is still in the making. The Tunisian government refused to license a movement which calls itself Islamic because in our opinion religion cannot be the subject of political action. We believe that using religion in political activity is a threat to democracy, particularly since the facts have revealed to us that this movement, which calls itself Islamic, is in fact a two-faced movement. During the past years one of its aspects led us to allow it to engage in religious guidance activities, and the movement was involved in religious activities of a positive nature. But the movement's other aspect is manifested in secret activities which parallel its religious activities. These secret activities have developed in an organized fashion within an organization which has ways to win and train supporters. It is an organization that has a system for instilling political ideas into people and giving them military as well as paramilitary training. The organization can also organize commando troops modeled after those of the Iranian regime, and these troops are charged with the task of setting up in Tunisia--at the appropriate time--a backward system similar to that which came into being after the so-called Iranian Revolution. It is on that basis that Islam is, for this movement with its different tendencies, nothing but a cover behind which hides a complete strategy which has targeted Tunisia. And through Tunisia its target is the entire region and all the Arab world.

This strategy utilizes what have become well-known plans for creating disturbances and spreading unrest. The university has been that movement's principal center of activity. That was at a preliminary stage when the aim was to win over and organize supporters. The movement then shifted its activities to the mosques from which it made preparations for moving out afterwards into the

street. The movement made isolated attempts to move stealthily out of the university, which has been its principal center of activity. I am affirming that members of this movement, even in the university, represent a minority among students. In recent years, however, they carried out terrorist activities and created a climate of terror among students. As you know, we have about 45,000 students in the universities who are now being subjected to the terrorism of those we call "Khomeynites." We call them that to distinguish them from true Muslims. All Tunisians are Muslims even though religious practices differ from one Tunisian to another. We call these people "Khomeynites" to separate them from others inside the country and abroad. We use that term to refer to them and to emphasize the close relationship, corroborated by evidence, between those people and the Iranian regime.

It is known that the Iranian Embassy in Tunisia has been offering them assistance. Is it a political mistake to assume our responsibility to protect Tunisian society from those people and from an established and dangerous threat? Is it a mistake to do that when this movement has in past years tried to establish a special reputation for itself abroad, portraying itself as a movement that wants to work within the legitimate system and contribute to strengthening democracy and freedom? Actually, that reputation is a disguise behind which the movement's criminal intentions toward the Republic of Tunisia are hidden.

Those "Khomeynites" actually consider all those who do not share their point of view to be enemies who must be eliminated. They have backward opinions and points of view, and their aim is to take us back to the dark ages. That is what they want for a society in which the vast majority of Tunisians are adhering to the gains that have been achieved. At the same time this majority is just as strongly adhering to our country's specific Tunisian character which manifests itself in a spirit of openness. It is that spirit, which is known to all, that makes the country go along with the age. Tunisia is a country with a balanced society; it is a country that adheres to its Arab character and its Islam while maintaining a liberal attitude toward the world and the age. Thus, it can always be a place that radiates culture. In view of that situation we had to do our duty which is dictated to us by our country's and our society's interests. This duty makes it incumbent upon us to reveal in unequivocal terms the truth about this "Islamic" movement and its true intentions. The facts have become well-known, and Tunisian justice will have something to say about these facts.

Manifestations of the violence which characterizes this movement have been accumulating since early 1980. The violent actions were isolated at first, and they occurred basically on university campuses. A number of students were subjected to these violent actions, and some college deans were detained. These violent actions evolved, and in the first months of 1987 we felt that the situation in the university had become dangerous. The plan was to turn university violence into street violence, and that is what happened on 4/23/1987. Students who are members of the Islamic Tendency believed and thought that if they were to assemble in the street, people would go along with them and carry out their plans to spread unrest. But the people were not interested in what these students were doing, and they did not follow their lead. The people discovered the truth about those students; they found out they were malicious

people who employed violence. The people also found out that the Islamic Tendency's objective was to lead the country to an Islam which all of us have come to know from what is happening in Iran. They were not going to lead the country to the tolerant and affectionate Islam which Tunisians know. That demonstration gave the Tunisian people an opportunity to discover the truth about those fanatics and "Khomeynites." Security forces promptly intervened to break up that demonstration which lasted no more than 40 minutes.

Security forces were patient in handling the violent acts which were carried out by those people. Ever since then we've been uncovering a "dormant" network and networks. That is one of the movement's characteristics, besides its political figures. This movement has separate groups which are affiliated with it. When one of these groups is arrested, the others are not, and one of the groups that is not apprehended replaces the one which was discovered. The aim of all that is to create a climate of instability and unrest through acts of verbal and physical violence. Threatening letters are sent to citizens, officials and journalists. Most journalists in our country have received letters threatening their lives. Another mode of conduct which is characteristic of the group has to do with the trials they organize for those who do not share their point of view. At those trials people who do not share their point of view are condemned to death. Examples of verbal terrorism are those slogans which were proclaimed during the demonstration of 4/23/1987. All of them are a rehash of Iranian slogans, terms and expressions. Complete sentences were lifted and copied from video cassettes which the Iranian Embassy in Tunisia distributed to those people. These cassettes show methods for training others in organizing demonstrations, coining slogans, and placing vehicles in the streets to prevent security forces from breaking up demonstrations. Under the cover of Islam these people want to destroy the Tunisian Republic and establish a backward regime similar to that which exists in Iran. That is why I believe that all those who are working for freedom and justice ought to say what some media agencies said when we broke relations with Iran. They ought to say, "Thanks to Tunisia and to its courage in confronting terrorism." (This is a reference to a commentary which appeared in the French newspaper, LE MATIN DU PARIS.) When I spoke at the outset about some newspaper analyses which were less fair to us than others, I should have mentioned that a number of Arabic newspapers, such as AL-DUSTUR Magazine, and a number of French newspapers as well did dot the i's and cross the t's on this subject. They clarified the sensitive nature of the situation in Tunisia, and they clarified the Tunisian government's position as well. I believe that we were able to assume those positions and take those measures because ours is a strong regime, a regime that is confident about the future.

Tunisian justice will have something to say about the trials, and it will determine the responsibility of each person. This is a complex case, and the facts have to be established. Of course, responsibilities differ according to differences in people. As I said, there are political figures and there are other people. Justice has to look into the matter with an eye on facts and actions, and it has to enforce the law quite independently. No Tunisian citizen is above the law, which supersedes every other consideration.

[Question] Is there any relationship between the Islamic Movement in Tunisia and the terrorist group which was arrested in Paris and which has a number of Tunisian citizens among its members?

[Answer] Undoubtedly there is one. You know that an official of this movement in Tunisia is making no secret of the fact that he is adopting that group and its ideas. In his statements and written articles, this man--a reference to Rached Ghannouchi--says that he is Khomeyni's student and that his spiritual fathers are al-Mawdudi, al-Banna, and Khomeyni. When such a person declares himself Khomeyni's student, we would have to deduce all the ensuing consequences of that. We found out that among the activities of the Iranian Embassy in Tunisia is the distribution of Arabic leaflets which are printed in Iran. The Iranian Embassy in Tunisia also organizes Tunisian citizens into groups which are sent to Iran. Necessary precautions are taken to remove all evidence of their travel to that country, and their passports are not stamped when they arrive there. A number of Tunisians went to Iran in this manner to undergo military training in Qum. It has been established that a member of one terrorist group who was arrested in Paris did have a relationship with members of the Islamic Movement in Tunisia. That person receives support from Iran and did travel several times to that country. The justice system will make plain the relationship between this movement in Tunisia and what is happening in Iran. It has become well-known that Iran's charge d'affaires in Tunisia is a senior official in Khomeyni's guard. That is, he is "an expert in exporting the revolution."

[Question] You are accusing members of the religious tendency of being "Khomeynites." And yet, one of that movement's leaders can be found in one of the Gulf states.

[Answer] So what?! Just because he is in . . . does not mean that he is disloyal to Khomeyni's regime. What we are certain about is the activity of the Iranian Embassy in Tunisia. We are certain of what that embassy did, and we are certain that it made funds available to spread unrest in Tunisia.

[Question] There was discussion some time ago about Tunisia's request to reschedule its debts and perhaps even delay payment on those debts. Is that true? How much are Tunisia's debts?

[Answer] Tunisia's total debt amounts to approximately 6 billion dollars, and that represents approximately 55 percent of the nation's raw materials production. Considering the fact that these are mid-term and long-term loans, that sum represents, as far as payment on the debt is concerned, approximately 27 percent of the public revenues the state receives from exports. The aim of the reform plan which we are in the process of implementing is not to request that debts be rescheduled. Our country is one of few Third World countries trying to overcome the economic difficulties that you know about. Accordingly, we are not requesting that our debts be rescheduled, and we are hoping that we will succeed in this attempt. At any rate, 1986 indicators and indicators for the [first] four months of 1987 are optimistic. They enable us to avoid doing what many countries have done several times; they enable us to avoid asking that payments on our debts be rescheduled.

[Question] There is talk about Tunisian mediation on the question of the Western Sahara. What has been accomplished in this mediation effort, and what is the Tunisian government's position on this issue?

[Answer] Tunisia's position on this issue is well-known. Tunisia supports the OAU resolution and UN efforts to find a solution to this problem. We've been communicating with fellow Algerians and fellow Moroccans on this matter, and our position is well-known and remains unchanged. Our aim is to help--as others are trying to help--in finding a solution to this problem. President Bourguiba was the first president to congratulate President Bendjedid and King Hassan II after that important step was taken: both sides released prisoners on the occasion of the Bairam feast.

[Question] Is there anything new in the area of relations between Tunisia and Libya, particularly after what is being said about a plan for unity between Algeria and Libya?

[Answer] Communications and talks with Libya are continuing, and improvement is slow. Libya has returned the frozen funds to Tunisian Airways, and the talks are still going on. Regarding the plan for unity between Algeria and Libya our position is this: anything that can bring the states of the Arab Maghreb closer together is desirable and good. However, the unity of the Arab Maghreb has to be built on clear principles. President Bourguiba did indicate more than once and on more than one occasion our support for the formation of an economic group for the Arab Maghreb. That is a goal we are struggling to achieve. The economic integration of the countries of the Arab Maghreb will become an additional factor in the creation of better cooperation with the European Common Market. We regard all steps that are being taken to bring the countries of the Arab Maghreb closer together and unite them positive steps. The information that we received recently indicates to us that there is no plan for an immediate unity-merger between those two countries. According to the talks I held in Tunis with my colleague, Algeria's prime minister, there is a plan for Libya and Algeria to form joint companies. There is also a document which has to do with the formation of a body that would oversee these companies. If what is mentioned in this document is implemented in a serious manner, that will be a positive step which can play a part in building an Arab Maghreb.

[Question] We noticed that last June 1, which happens to be Victory Day, some leaders of opposition parties went to the presidential palace to offer greetings on that occasion. At the same time opposition movements, like the Socialist Grouping Movement, are still awaiting permits to engage in their activities, and other opposition members are on trial. When will you recognize these movements which do not support the use of violence and which work within the system?

[Answer] On Victory Day, which is a national holiday, opposition leaders came to offer the head of state their greetings. That is one of the democratic exercises we practice because the president is the president of all Tunisians. I believe that Mr Belhadj Amor did not come because he was abroad, but Mohamed Harmel did come. Ever since political parties were recognized, it has been the custom for leaders of these parties to offer their greetings to the head of state who is the president of all Tunisians. As to why we have not recognized other political parties such as the one you mentioned, that is because democracy and multiple parties are still in the process of being created and developed in Tunisia. Before we give other parties license to engage in political activities, we want to strengthen democratic traditions and the traditions of having

multiple political parties. I must tell you that, unfortunately, we have been somewhat disappointed with the irresponsible positions of the opposition in our country. We believe that a responsible opposition would not attack the government with and without due cause when the country is being exposed to danger. A responsible opposition would join the government in solidarity, even if it did not agree with it on domestic matters, when the country is subjected to imminent danger, such as that of foreign threats, waves of violence and growing disturbances and unrest. That is why our mission is to strengthen the course of democracy before issuing permits to new parties.

8592

CSO: 45040287

TUNISIA

NEAR EAST

SFAR VISIT TO FRANCE DISCUSSED

Paris AL-MUSTAQBAL in Arabic 27 Jun 87 p 10

[Text] Outstanding relations, the international and Arab situation, and the activities of the opposition were at the center of talks between Rachid Sfar, the prime minister of Tunisia, and French prime minister Jacques Chirac. Last Sunday the Tunisian prime minister, who was on his first official visit to Paris, launched an intensive media blitz which overshadowed his political activity in the area of bilateral relations. In an exclusive meeting with AL-MUSTAQBAL, Rachid Sfar attributed the reasons for this political activity to "my previous inaction, and the growing activity of the Tunisian opposition in Paris." Sfar was referring implicitly to the activity of Mr Mohamed Mzali, the former prime minister, who had published a book entitled "An Open Letter to President Habib Bourguiba." As for measures which the Tunisian government would take against such activities, Sfar left that to the appropriate agencies; meanwhile, the press mentioned that the Tunisian government might ask French Prime Minister Jacques Chirac to put pressure on the opposition to curtail its activity, so that Paris would not be turned into the center of Tunisian opposition, thus threatening its bilateral relations with Tunis. On another matter, the attention of French reporters was drawn to the fact that two-thirds of the Tunisian government had suddenly moved to Paris, since Rachid Sfar, foreign minister Hedi Mabrouk, party director 'Abd-al-'Azia Diya, Minister of Information Abderrazak Kefi, and speaker of the house Mahmud al-Mas'adi had all arrived at the same time. This official Tunisian advance is an obvious attempt to show the great importance that Tunis attaches to its relations with France.

12547/12859

CSO: 4504/0283

DISTRIBUTION OF SEVENTH PLAN REGIONAL INVESTMENTS REVIEWED

Tunis LA PRESSE DE TUNISIE in French 9 Jun 87 pp 1,6

[Text] The overall total of investments provided under the Seventh Plan is 10.4 billion dinars compared to 8.865 billion dinars in the Sixth Plan. What draws most attention in regard to the 5-year period (1987-1991) is the evident orientation toward strengthening investments in regional development of the governorates of the north-west, center-west, and south-east, which will receive 46.1 percent of the allocation, estimated at 6 billion dinars, compared to only 29 percent under the Sixth Plan.

This marked interest in the country's southern and western regions, far from being to the detriment of the center-east and north-east regions, whose volume of investments will increase, is the fruit of a coherent strategy developed in the context of the national improvement plan, the plan that provides for balanced and harmonious development of the various regions of the country between now and the year 2025.

A comparison between the investment totals allocated to the various economic regions during the Seventh and Sixth Plans is the best confirmation of this. This parallel is as follows:

--North-west (Beja, Jendouba, Le Kef and Siliana): 1.070 billion dinars, compared to 633 million dinars during the Sixth Plan, or 17.9 and 9 percent of the total regional allocation respectively;

--Center-west (Kairouan, Kasserine and Sidi Bouzid): 656.5 million dinars, compared to 633 million dinars in the Sixth Plan, or 11 and 9 percent of the allocation respectively;

--South-east (Gabes, Medenine and Tataouine): 617.4 million dinars, compared to 430 million dinars in the Sixth Plan, or 10.3 and 6.1 percent of the allocation respectively;

--South-west (Gafsa, Tozeur and Kebili): 415.9 million dinars, or 6.9 percent of the regional allocation.

These figures show for this region that the investments will be larger for the more directly productive projects.

9920

CSO: 4519/123

PME'S HELP COMBAT UNEMPLOYMENT, FACE PROBLEMS

Tunis LE TEMPS in French 18 Jun 87 p 2

[Article by N.O.: "Small- and Medium-Size Enterprises: Obstacles and Constraints"]

[Text] The unemployment problem cannot be solved only in the primary and third sectors. The secondary sector makes a major contribution in absorbing labor and in providing outlets that also help to solve certain social problems and develop the industrial sector.

The industrial development is not based only on the leading edge industries; the small- and medium-size enterprises (PME), which occupy a special place in our economy, respond to the objective of improving our capability for job creation, work competitiveness, and decentralization of activities in the various regions.

The decentralization factor has the advantage of creating outlets, limiting the exodus, and promoting the less-favored regions.

Indeed, the PME's constitute 94 percent of the manufacturing industries in the country and absorb 72 percent of the labor employed in the manufacturing industries sector.

They are even more advantageous in that they have a low job creation cost. This amounts to 7,500 dinars per job, in comparison to 18,500 dinars as the national average.

Solution to Employment and Exodus

On the other hand, the incentives granted to PME's have motivated the promoters to locate their enterprises in the disadvantaged zones. Their proportion increased between 1973 and 1985 from 8 percent to 55 percent of industrial units, from 5.2 to 55.5 percent with respect to investment, and from 9.8 to 55.2 percent in creation of jobs.

Undeniable Support

The promotion of PME's has been carried out thanks to the support of the industrial promotion fund and the national fund for promotion of handicrafts and small trades.

The industrial promotion fund offers to developers of new industrial projects of less than 500,000 dinars, including operating funds, an endowment of up to 41 percent of capital.

These endowments are loans repayable over 12 years at the interest rate of 3 percent. The endowments can cover 21 percent of the project cost when the capital is equal to, or less than, 250,000 dinars.

The role of the national fund for promotion of handicrafts and small trades is to contribute to financing of projects costing no more than 2,000 dinars.

In this case, a bank loan that can cover 60 percent of the overall cost of the projects is granted to the developer. Repayment is made over a period of 7 years, with an interest rate of 6.25 percent.

Obstacles

Despite the achievements of the PME's and the efforts made to promote them, constraints continue to weigh on the sector.

It is particularly problems of a technological and financial nature that undermine the effort of this category of enterprises.

Most often, the developers of PME's adopt available technologies requiring a minimum of training for the labor, and in a majority of cases resort to importing the equipment and intermediary products. It is thus necessary to consider conducting studies of achievements in regard to technology and making an effort on the labor vocational training level to enable the PME's to have labor that is qualified and capable of achieving transfer and assimilation of technologies.

The problems of a financial nature persist. The conditions for promoters to obtain bank loans are still very limiting. The applicants are most often unable to meet the required self-financing share. In the future, there will be increased effort to increase the banking system's participation in these enterprises. In future, rediscount of credit will be provided at preferential rates.

Providing solutions to these two problems will be a means to stimulate this category of enterprises, facilitate establishment of new factories, provide more jobs, and improve the competitiveness of our products.

9920

CSO: 4519/123

EMIGRANT WORKERS COULD CONTRIBUTE TO TUNISIAN ECONOMY

Tunis DIALOGUE in French 22 Jun 87 pp 14-16

[Hedia Baraket interviews Naceur Gharbi, OPETTE [Office of Employment Promotion and of Tunisian Workers Abroad] managing director. Passages enclosed in slantlines printed in italics.]

[Text] The 21st Seminar on Tunisian Workers Abroad will open one month from now in Monastir. It is an annual forum and, this time, it will be used to define opportunities which could enable our colony abroad to contribute to the implementation of the goals of the 7th Plan. Special emphasis will also be given to the artistic and literary ambitions of this colony and to the full range of the young people's emigration-related problems. Concern over these problems are all the more justified as the young people, according to the latest statistics, account for close to half of the Tunisian work force settled in Western European countries.

To get fuller information, we interviewed Naceur Gharbi, OPETTE managing director, who gave us an exclusive on the new data and restrictions which will dictate the topics to be debated during the next seminar.

Consequently, this meeting will focus primarily on the emigrant and the export of goods and services, the teaching of Arabic, the condition of the emigrant woman and the responsibility of emigrant parents toward the new generation.

[Question] What new items will be placed on the agenda of the 21st Seminar on Tunisian Workers Abroad? And, since topics are usually chosen on the basis of the economic outlook of the country what new data or restrictions prompted the choice of topic for this year?

[Answer] If we chose to focus last year's seminar on the topic "Participation of Tunisian Workers Abroad in the National Economy," it is because the Tunisian colony abroad, as an

integral part of the Tunisian economy, is aware enough of its role, mission and community of interests--implied by its adherence to the Tunisian economy implies--to participate in development activities, according to its means and specific characteristics.

This year, which is the first one of the 7th Plan, will enable us to study thoroughly and define as concretely as possible the ways and means, and even opportunities, through which our colony will express--moreover, has expressed many times--its wishes to participate in the implementation of the goals and challenges of the 7th Plan and even go beyond them.

The participation of our colony could therefore follow three broad courses:

The first being a participation in the investment sector through productive projects; and

the second: a participation in savings according to very advantageous formulas, well adapted to the needs of our workers and, even, to their rights to make an investment as profitable as it is capable of giving them security.

This brings us to the third course which is the one we emphasize, namely, exports.

As a matter of fact, our colony can be a channel for both indirect--by consuming Tunisian products and disseminating Tunisian customs of consumption--and, above all, direct exports seeing that there are among our workers abroad some merchants and service enterprises willing and able to endorse the will of the government in the promotion of exports.

In that context, our research and inquiry will bear on the /detail which causes difficulty/, because, in principle, the system is perfect.

However, at the very moment when our workers abroad impart their desire to express their solidarity with our national community, the latter will respond with proofs of its interest for their concerns.

Hence the directive of the minister of social affairs to emphasize the "Second Generation" during this seminar.

[Question] Will this be the main topic of the 21st seminar?

[Answer] No. Because numerous topics will be debated. Let us list, among others, the gains of our colony, questions of supervision and working and residency conditions. In addition, this year a special and new emphasis will be given to artistic

and literary creation as a form of expression, because I believe that emigration is a very fruitful human experience which has not failed, and will not fail, to generate a necessarily original creation.

[Question] With regard to emigration, we hear more about specific measures for organizing the final return than about measures affecting the colony in the host country, its working and residency conditions...

[Answer] Yet, officials of the host country, hear more about our worries concerning the working and residency conditions of the Tunisian colony.

As a matter of fact, the action of the government toward workers abroad encompasses all the aspects of emigration.

Concerning working and residency conditions abroad we have set up, with the various employing countries, an arsenal of agreements pertaining to the work force and to social security. These countries are France, Germany, Belgium, the Netherlands, Austria, Italy, the Arab Emirates, Qatar, Oman, Iraq, Algeria and Morocco (a settlement agreement for the latter).

These agreements secure for our workers equality of treatment in the matter of wages, working conditions and social security.

Joint commissions, with members from Tunisia and these countries, meet regularly to evaluate the situation and consolidate our workers' gains. On that subject, I can confirm that the emigration dossier, and the security and dignity of our colony are at the top of the issues debated between high state officials, headed by President Bourguiba, and their counterparts from the various host countries.

There is also the action of our embassies and consulates.

We have two deputies in the National Assembly entrusted with keeping the interests and concerns of our colony in evidence in the Chamber of Deputies, that constitutional arena.

Forty members, representing the Tunisian colony in various host countries, attended the latest party congress.

As for the associations, they benefit from the moral and material support of the government. In that context, social attaches do an important work since they help our workers with the paperwork they must submit to the employing countries and they implement, on their behalf, individual or group programs of social activities.

[Question] You spoke of a second generation when, in reality, we have now a third one.

Despite all that has been done and knowing that the language issue--as the main anchor--has been raised, what is being done for these emigrants' children, whether in the native or host country, toward a good social or cultural reintegration?

[Answer] You are right to disagree with the words "/Second Generation/." The exact phrase should be "/Emigration-born youths/." In any case, beyond the quarrel over words and phrases, such as "/young migrants, zero generation, young emigrants and second-generation migrants/," which blurred the issue ambiguously, the reality is that the young Tunisians who were accounted for in the various Western European countries (France, FRG, Belgium and the Netherlands) represent close to half of the Tunisian work force settled in these countries.

As a matter of fact, youths less than 14 years old account for 34 percent of the entire Tunisian colony in these countries, and young people less than 25 years old account for 48.8 percent of that same colony.

Thus, close to one Tunisian out of three living in France, Belgium and the FRG is less than 14 years old and almost one out of two Tunisians living in France and Belgium is less than 25 years old. This data is such that the host countries need a strong and responsible approach for these young people who are encountering difficulties, especially in the school and professional training systems.

The need to prevent the learning of Arabic from becoming an additional difficulty must also be taken in consideration.

To that end, two methods for teaching Arabic are being used:

Integrated teaching involving the teaching of Arabic during regular hours in the students' school and taught by Tunisian teachers sent and paid by the Tunisian government;

the second method involves additional classes scheduled outside school hours, either during days off or in addition to regular courses, taught by teachers recruited locally among the Tunisian colony abroad.

According to statistics reporting developments in the teaching of Arabic in Europe from 1974 to 1986, it has been established that, for the 1985-1986 school year, there were 107 teachers for 9,557 students in 455 centers.

However, I would like to take this opportunity to point out that the school is not solely responsible for the teaching of the native language. In the first place, it is a cultural venture involving the parents, the press and the various means of information, programs and cultural events organized for or by the colony.

I can assure you that, in this matter, the field is open to the initiative and participation of the various public or private parties intervening in this sector and that we perceive no opposition on the part of the authorities in the host countries.

[Question] The Tunisian colony in Arab countries has increased in number throughout the years. Since it is not encountering problems with uprooting and lack of familiarity with local customs, one wonders if it has no specific difficulties?

[Answer] No, it has no specific difficulties. The problem of our colony in Arab countries is not one of residency but of movement. That is to say, the number of workers exchanged remains insufficient and within the receiving capability of these countries and the availability of our labor market.

[Question] Some people believe that the emigrants' spouse remains the eternally forgotten one. Is this true?

[Answer] Forgotten by whom? Her husband? Certainly not, since our colony stands out among others by the reliability with which workers return during vacation time and send money to their family.

This does not prevent our social services from uncovering some difficulties which they try to iron out.

If you are thinking about Tunisian women living abroad, you should know that they are entering the labor market in increasing numbers, which is a tremendous means of emancipation, and that they are playing an increasingly determinant role in the education of children and, hence, in the care of the /"family."/

Not too long ago, the minister of social affairs asked the social attaches to initiate programs for these women and to ensure social bureaus opened in permanence for them.

However, beyond this, the whole social care program is aimed indiscriminately at the family unit.

[Question] Among the recommendations made during the previous meeting of the seminar, the possibility to export the services of

Tunisian economic enterprises was raised. Was the suggestion followed up?

[Answer] This idea was very successful inasmuch as a follow-up commission, regrouping the various public and private intervening parties, submitted a report.

In preparation of the 7th Plan, there was a meeting to discuss the export of goods and services. Administrative and regulatory measures are being taken or will be gradually incorporated into our regulations.

This will be done to ensure the same advantages to exporters of both services and goods.

[Question] Emigrants-Office relations. In what terms can they be expressed?

[Answer] In terms of growing confidence and even of a certain complicity since the Office tries to be increasingly more concrete in its intervention on their behalf. At the social action level, it keeps up with the real concerns of the colony and, in a concrete and sustained manner, follows the workers' plans for economic reintegration.

It also takes care of their paperwork with the consenting, or even financial, institutions.

[Question] For a long time, the emigrant worker ignored his rights and duties. The situation has changed. Do you feel that today's emigrant is fully aware of it?

[Answer] Aware, yes. But this awareness can take more meaningful forms through greater participation in the investment and savings sectors as well as at the level of their children's school administration in order to give them better opportunities for a successful reintegration, of their own choosing, in Tunisia or in the employment countries.

The economic exhibition which we will organize on the occasion of the 21st seminar will show that success only comes to those who undertake something.

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BRIEFS

PETROLEUM EXPLORATION IN GABES--The American CONOCO company recently obtained a new exploration permit on 4,152 square kilometers southwest of Gabes. This permit is for a half-and-half partnership of the Tunisian Petroleum Activities Enterprise (ETAP) and CONOCO. It should be noted that the discussions started toward the end of 1986. The two drillings carried out recently by the American company found oil at depths of 700 and 2,000 meters respectively. The third drilling, now in progress, is at 2,200 meters and it is expected to find oil at a depth of 2,400 meters. According to the specialists, a fourth drilling will probably be made because of the presence of oil at different depths. We should also point out that the existence of oil at Zarzis had been detected in the time of the French protectorate, attested to by some cement markers at Souihel. During the recent exploration, the searchers passed by these same markers. [Text] [Tunis DIALOGUE in French 1 Jun 87 p 23] 9920

BENBELLA, MZALI MEET--Arab diplomatic sources say that a meeting has taken place in Geneva between Ahmed BenBella and Mohamed Mzali, the former head of the Tunisian government. During the meeting the chances of coordinating efforts in the Arab West were discussed, as were the issues of religious orientation and democratic action. The same sources say that the two men may have agreed upon a joint media plan. [Text] [London AL-DUSTUR in Arabic 29 Jun 87 p 3] 12547/12859

FOREIGN MINISTER TO RESIGN--A well-informed Tunisian political personality has told AL-TADAMUN that the Tunisian foreign minister Hedi Mabrouk (66 years old), would finally leave the government, that a while ago Mabrouk had asked to be relieved of his duties for health reasons, and that the appointment of 'Umar Chedli, director of President Bourguiba's office, as acting foreign minister would be a temporary step pending the selection of a new foreign minister. The new minister is likely to be Ismail Khelil, minister of planning and finance, who is known for his extensive friendships in the western world, especially the United States, where he worked in the International Bank for Building and Construction. The source added that if Khelil is appointed to head the Foreign Ministry, his own ministry would be divided into a finance ministry and a secretariat of state for planning, because the work load of the ministry has decreased since Khelil completed his preparation of the new development plan. [Text] [London AL-TADAMUN in Arabic 4 Jul 87 p 7] 12547/12859

CSO: 4504/0283

RESULTS OF YSP CONGRESS ANALYZED

London AL-MAJALLAH in Arabic 1-7 Jul 87 pp 24-25

[Article by 'Abd-al-Bari 'Atwan]

[Text] Convocation of the YSP's [Yemeni Socialist Party] Fourth Congress in Aden from 20-22 June 1987 was, in the view of numerous observers, tantamount to almost completely closing the door, at least for the present, in the face of the chances of a political settlement between the legitimate leadership ruling in Aden currently and ex-President 'Ali Nasir Muhammad's faction, which departed the country in the wake of the 13 January 1986 incidents.

One of the most significant conclusions that can be made from following the congress' activities is that Aden's current leadership seems to have grown more confident and stable with the passage of time. The most evident proof of this growing confidence is, as noted by the observers, the convocation of the Fourth Congress itself, the debates and elections held in the provinces to select the congress members, and the decision of the ruling party's Central Committee issued in its meeting of 21 June dismissing 26 pro-'Ali Nasir Muhammad members from the committee and replacing them with 25 candidate members.

It is to be noted that ex-President 'Ali Nasir Muhammad has been demanding as a precondition that all his supporters in the Central Committee be reinstated in their previous positions and that the ruling party hold a general congress to discuss and settle the disputes within a democratic partisan framework. Therefore, the dismissal of these members and their replacement by new members mean the practical rejection of this demand and the organization of the partisan institutions ruling Aden according to new bases and without any consideration for the ex-president's faction or for its demands for power.

Most Tranquil

It seems that the party's Fourth Congress or "conference," as the Yemenis call it, was one of the most tranquil party congresses, enjoying the greatest harmony and, at the same time, having the fewest problems and conflicts among its members. Those who have been observing these congresses,

which are supposed to be convened once every 5 years in accordance with the constitution, were accustomed to the eruption of bitter conflicts between the ruling leadership's members and the party's various currents, with each faction trying to install the largest number of its supporters as members of the congress, of the Central Committee, and of the other institutions.

For example, in the Second Congress, held in 1980, conflict reached a peak within the new leadership which emerged in the wake of the assassination of Salim Rabi' 'Ali and resulted in the ouster of 'Abd-al-Fattah Isma'il from the party's General Secretariat and in 'Ali Nasir Muhammad's assumption of the Central Committee's leadership, with the support of former Defense Minister 'Ali 'Antar. The Third Congress, held in October 1985, was the practical prelude for the bloody January events. In February 1985, 'Abd-al-Fattah Isma'il returned from voluntary exile in Moscow at the party's invitation and as a result of a change in the conflicting alliances and of the warring factions. The most significant feature of that change was that 'Ali 'Antar turned against 'Ali Nasir Muhammad, his former ally who had come to believe that he had exclusive control of power, and allied himself with 'Abd-al-Fattah Isma'il, Muhammad's foe. 'Antar flew to Moscow in the winter of that same year and met with Isma'il in the Soviet capital. There the two men embraced after a frank discussion in which 'Antar admitted that he had been wrong and they returned to Aden with a new alliance intended to restrain 'Ali Nasir Muhammad and curtail his power. From that moment, the conflict began to intensify and the phase of gathering supporters, allies, and cadres in preparation for the confrontation was launched.

One of those who observed the development of events prior to the convocation of the Third Congress said that when the elections to select the congress members were held, it became evident that those elections were not in favor of the conflicting factions and that this is why it was decided to select unopposed members on the basis of equal power-sharing, with each wing allowed an equal number of members in the congress, in an endeavor to solve the problem and avoid a confrontation. As of the beginning of May 1985, Aden, the capital, witnessed armed manifestations and the conflicting factions, particularly the ex-president's faction, began to bring in and store weapons, as revealed by the trials. According to the statement of the defendants in the January events, those weapons were intended to put pressure on the other wing and to obtain concessions in the congress' lobbies and in the party's Central Committee. It seems that the military and political pressures did bear fruit because the Third Congress, convened in October 1985, emerged with a conciliatory formula which pleased all the factions concerned, at least temporarily. The Central Committee's seats were divided in a manner which reflected the influence of each of the ruling party's conflicting factions. It was evident that 'Ali 'Antar's and 'Abd-al-Fattah Isma'il's wing gained a bigger share than 'Ali Nasir Muhammad's wing. In the wake of that congress, the disputes began to escalate especially when 'Abd-al-Fattah Isma'il demanded that he succeed Abu-Bakr Badhib as organizational affairs secretary of the Central Committee Secretariat. 'Ali Nasir Muhammad rejected this demand, realizing that it would mean the introduction of organizational changes detrimental to his interests. These disputes obstructed the Central Committee meetings, which were supposed to settle the disputes among the Political Bureau members. 'Ali Nasir Muhammad

left for a 3-week vacation in Addis Ababa and Bulgaria to avoid summoning the Central Committee to meet. Upon his return, Muhammad set 9 January 1986 as the date for the Political Bureau's meeting. But the disputes within the assembly escalated and it was decided to postpone the meeting until 13 January. The story of what happened afterwards is well known.

Different Circumstances

Thus, the circumstances under which the ruling party's Fourth Congress was held were different from the circumstances of all the preceding congresses. The debates in this congress' lobbies were cooler than Aden's temperature at this time of the year. This is not surprising because the conferees did not include hawks, doves, or any competing members of the heavy-weight historical leadership. The conferees consisted of a group of cadres and of new and younger figures who had mostly lived under the shadow of the "roosters' fight" and who had watched the situation closely, awaiting the historical opportunity for correction. It seems that the latest congress made this opportunity available. This congress, which raised the slogan of "protecting the gains, implementing the Fifth Development Plan, and achieving Yemeni unity," focused on criticizing the previous phase undergone by the country from 1970-86, paused at the negative features in an endeavor to avoid them, and highlighted the positive features in an attempt to develop them. What is meant by the negative features here are all the economic and political steps taken by ex-President 'Ali Nasir Muhammad before and during the bloody January events.

The congress was attended by 351 delegates, 252 of whom had been elected by ballot during the conventions held by various party committees and by the armed forces. This is in addition to 100 delegates who participated in the congress directly and without election in their capacity as members of the party's Central Committee and of the Central Financial Audit Committee. The most significant resolutions adopted by the congress include the resolutions to bolster the ruling party's unity, to reject the influence of the "provincial" tendencies within the party, to devote attention to developing the military and security establishments, to develop the popular organizations and to expand their democratic character, and to underline the state's policy of carrying on with the joint unionist action between the two parts of Yemen, of achieving tangible accomplishments, of renouncing the propaganda approach, and of "focusing on the possible fundamental areas for unified joint action which actually affects the people's and the homeland's future."

Features of Future

The features of the future movement and of the steps which the Aden officials will take toward numerous pending issues concerning the ex-president and his supporters are still unknown. Even though convocation of the congress and the reformation of the Central Committee have been tantamount to the final stage in rebuilding the ruling institutions, the resolutions made no direct reference to the ex-president or to the groupings supporting him, except for what was contained in President al-'Attas' address to the People's Higher Assembly on the general amnesty--an address in which he appealed to the "misled" to return to their families and kinsmen, to take part in building the country, and to

take advantage of the remaining period of the amnesty, which guarantees returnees the various financial rights and privileges they had enjoyed prior to 13 January 1986, promises that they will not be brought to account and that assure them of work, each returnee according to his ability. This appeal has been interpreted as a final endeavor to urge these people to respond to the general amnesty and return. Even though some groups have actually returned, most of the emigres continue to be reluctant to return for various reasons.

In addition to the emigre issue, another pending issue is that of the trials which started last November and which continue to be held. By the time the congress was held, no sentences were issued against the defendants charged with taking part in the January events. The issuance of such sentences and their implementation or non-implementation provides an indicator for many of the country's issues. If the election of new members to the Central Committee has closed the door in the face of reinstating 'Ali Nasir Muhammad's supporters in the committee in their previous positions, the issuance and implementation of sentences mean final estrangement and the revival of problems that are better left frozen.

A prominent official in Aden has said that the coming phase will be the phase of intensifying contacts with the government of the northern part of Yemen to embark on practical steps to achieve comprehensive unity between the two parts and to boost the efforts of the unity committees formed for this purpose in the wake of the recent visits made by the two countries' ministers of unity and of the talks they held in both capitals.

Past Lessons

What can be said is that it seems that Aden's young leadership has learned numerous lessons from the past events which stormed the country. The most significant of these lessons is to steer clear of hasty decisions and steps. This is why numerous issues can be explained, especially postponement of the issuance of sentences in the trials and the response to all the mediation efforts. At the same time, efforts continue to be made to put the state agencies in order. Avoiding haste and preserving and strengthening relations with the Soviet Union have led to a state of stability which has bolstered confidence in the new legitimate government and has given it a local, Arab, and international dimension.

If economic conditions are the main problem preoccupying the new government because of the heavy burden with which the economic crisis saddles this government as a result of the drying up of some sources of financing the development plans and of the enormous costs of rebuilding what was destroyed during the January events, then the latest oil finds in Shabwah Province are tantamount to a rescue from this critical situation. Perhaps this is how one can explain why the talent of Aden's poets has erupted with a number of "oil" poems promising prosperity and wealth whereas this talent had remained dry for

a long period. It was a drought dictated by political conflicts and upheavals which obstructed numerous creative aspects. The visit by al-Barduni, Yemen's prominent poet, to Aden prior to the congress has perhaps motivated Aden's nightingales [poets] to sing anew after a long silence.

[Box, p 24]

New Congress Chairmanship

At the outset of the congress' activities, a new Presidential Council comprised of the following was elected:

1. 'Ali Salim al-Bid
2. Salim Salih Muhammad
3. Haydar Abu-Bakr al-'Attas
4. Yasin Sa'id Nu'man
5. Muhammad Sa'id 'Abdallah (Muhsin)
6. Fadl Muhsin 'Abdallah
7. Salih Munassar al-Sayili
8. Sa'id Salih Salim
9. 'Abd-al-'Aziz al-Dali
10. 'Abdallah al-Khamiri
11. Salih 'Ubayd Ahmad
12. Muhammad Haydarah Masdus
13. 'Abd-al-Jalil Tahir Badr

[Box, p 25]

Dismissals and Appointments

The ruling party's Central Committee, meeting on 21 June 1987, decided to dismiss the following 26 supporters of ex-President 'Ali Nasir Muhammad from membership in the Central Committee:

1. 'Abdallah Ghanim
2. Ahmad Salim 'Ubayd
3. 'Ali Salih 'Abbad Muqbil
4. Salih Hasan Muhammad
5. Ahmad Haydarah Sa'id
6. Ahmad 'Awad al-Mahruq
7. 'Ali 'Abd-al-Razzaq Badhib
8. 'Abdallah Salih al-Bar
9. Riyadh al-'Akbari
10. Haydarah 'Umar Salih
11. 'Abduh 'Ali 'Abd-al-Rahman
12. Muhammad Miftah 'Abd-al-Rabb
13. Hasan Ahmad al-Salami
14. 'Abdallah Nasir Rashid
15. 'Abd-al-Qadir Bajamal
16. Muhammad 'Abd-al-Qawi

17. Nasr Nasir 'Ali
18. Muhammad Nasir Jabir
19. Sa'id Rawah
20. Muhammad 'Ali Bamuslim
21. Sultan al-Dawsh
22. Fathiyah Muhammad 'Abdallah
23. Mahmud al-Najashi
24. 'Abdallah 'Aziz
25. Muhammad 'Abd-al-Jalil al-Sarari
26. Hasan Salih Ba'awm

The following candidate members have been elected to the Central Committee:

1. 'Abd-al-Qawi Muthanna Hadi
2. Muhammad 'Abdallah al-Nahari
3. 'A'idah 'Ali Sa'id
4. Malaki 'Abdallah Hasan
5. Ahmad 'Ubayd Ibn-Daghr
6. 'Umar Muhammad 'Abd-al-Samad
7. Salih Sha'if Hasan
8. 'Ashur 'Abbud
9. Hanash Thabit Safyan
10. Salih Ahmad Muqbil
11. Dr Husayn 'Ali Hasan
12. Hassan Husayn 'Ali
13. Salih 'Ali Zanqal
14. Majid Murshid Sayf
15. Sha'fal 'Umar 'Ali
16. Dr 'Abdallah 'Uthman
17. 'Arabi Malit
18. Muhammad 'Awad al-Sa'di
19. Sha'i' Muhsin Muhammad
20. Dr Muhammad Ahmad Jarhum
21. Salih Muhsin al-Haj
22. Muhammad 'Ali al-Qayrahi
23. Ahmad 'Abdallah al-Majidi
24. Ahmad Nasir al-Dunumi
25. Yasin Ahmad Salih

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WIDE SCOPE TO DEVELOP TRADE, ECONOMIC RELATIONS WITH INDIA

Kabul KABUL NEW TIMES in English 16 Jul 87 p 2

[Article by A. Karim]

[Text]

The friendship and traditional ties existing between Afghanistan and India are centuries old. These relations which bind the peoples of the two countries are diverse and encompass all fields-trade, economic, social and cultural-and have expanded and strengthened in recent years, particularly after the victory of April Revolution. Lately bright prospects for further expansion and diversification of trade and economic relations between the two countries to mutual benefit have opened.

India has always been one of the important trading partners of Afghanistan. Till the end of 1978, bilateral trade between two countries was regulated on the basis of Indo-Afghan Trade and Payments Agreement of September, 1978 on the balance of payment basis. Since then, both countries agreed to free tr-

ade in freely convertible currency.

Afghanistan's exports to India rose from Rs. 547.3 million in 1979-80 to Rs. 1249.43 million in 1984-85. They included fresh and dry fruits, and medicinal herbs. Dry fruits alone accounted for Rs. 611.78 million (60 per cent of total Indian imports). Other items of exports included small quantities of carpets, oil seeds, wool, and hides and skins. Afghan imports from India also grew significantly from Rs. 280.8 million in 1979-80 to Rs. 529.75 million in 1984-85. Tea alone accounted for Rs. 169.64 million. Other items included trucks, pharmaceutical goods, vehicle tyres and tubes, and textiles.

Under the agreement signed between both the two governments in Kabul on October 20, 1985, Afghanistan exports fresh fruits to India. Under the auspices of UNDP

and other UN agencies, India renders cooperation through posting of experts, supply of consultancy services and training personnel in Afghanistan. About 40 per cent of the total assistance is being spent on the supply of equipment, chemicals, scientific instruments and machinery. India extends its technical expertise, manpower and supplies machinery, plants and equipment to Afghanistan under several UN funds projects.

Summing up, there are new vistas for enlarging and diversifying economic cooperation between Afghanistan and India. The planned economic development of India since her independence, has laid the sound foundations of a modern industrial state and led to the diversification of its industrial production and exports. Today India can take pride in being ranked as the tenth most industrialised country in the world.

In management and production processes, modern sophisticated techniques are evident everywhere. There is growing accent on quality. Indian goods and services are competing with the best in the world. The

capital goods industry now accounts for nearly 48 per cent of India's industrial output.

Even though the two-way trade between Afghanistan and India has significantly increased in recent years, there is further potential for expansion in view of their geographical proximity, traditional friendship and complementarities in the economies of the two countries.

The official visit of Mr. N.D. Tiwari, minister of External Affairs of India to the DRA in May last to participate in the 8th meeting of the Afghan-Indian Joint Commission for Trade and Economic Cooperation was another step in deepening the friendly relations between the two countries. The visit prepared the ground for further expansion of Afghan-Indian relations in trade, economic and political fields.

The Afghan-Indian Joint Commission for Trade and Economic Cooperation was set up in 1969. Since then cooperation between the two countries has gone up steadily, particularly in recent years and has expanded to cover all economic, political, trade, health and cultural spheres.

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CSO: 46000283

BAKHTAR ACCUSES PAKISTAN OF MEDDLING, VIOLATIONS

Kabul HAQIQAT-E ENQELAB-E SAWR in Dari 25 Jun 87 p 4

[Text] The undeniable and proven facts indicate that recently the meddlings and armed violations of foreigners, particularly through Pakistan territory, against the DRA have increased considerably.

So far during the current year alone, the Pakistani airplanes have violated Afghanistan's airspace over 28 times and carried out some criminal operations in our independent and non-aligned country.

On February 9 of current year, an N-26 transport plane which was flying over the subprovince of Khost was hit by a ground-to-air missile and crashed, whereby killing its 36 passengers including some women and children. On March 30 another civil airplane with 40 passengers including two children, was attacked by a Pakistani F-16 warplane and crashed over Khamkani region of Khost subprovince, killing all its passengers. On June 11, another passenger plane which was on its way from Qandahar to Kabul was hit by U.S.-made Stinger missiles and crashed, killing its 55 passengers, including several women and children. On April 23 a farmer from Tani village in the region of Khost subprovince, in his farm found a U.S.-made sidewinder missile [used by F-16 airplanes] which had failed to explode. At that time 110 foreign journalists including some from the western countries, visited the missile at the exact location. Six days later, that is on April 29, one of the two Pakistani F-16 warplanes which had violated the airspace of Afghanistan was attacked by the defensive airplanes of the DRA and crashed. The list of such violations and instigations can go on and on.

On the other hand, the arrival of counterrevolutionary armed bands from Pakistan who are equipped with progressive British- or U.S.-made weapons such as Blow-Pipe or Stinger missiles, during the recent months have been on the increase. On the orders and with direct participation of some Pakistani officials, the aforesaid bands carry out most abominable crimes, violations and anti-humanitarian acts in the territory of the DRA.

Here it should be noted that all these armed violations and meddlings take place at a time when the policy of national reconciliation and its related programs are consistently being realized. Likewise, the destructive operations by the counterrevolutionaries, particularly after the end of recent negotiations in Geneva between the DRA and Pakistan which was represented by a representative of the UN secretary general in March of the current year and had reached a position to bring the two countries closer for resolving the political situation, have been on the increase.

In a like fashion, both the Pakistani and Iranian officials and their mass media together with those of the United States, in order to justify their violations and meddlings in Afghanistan and adulterating the facts with regard to the prevailing circumstances in Afghanistan and defacing its policy of national reconciliation, have started a psychological and publicity war against the people of Afghanistan and its revolution. These destructive activities and hostile publicities against the DRA are contrary to both the accepted international rules and the fundamental principles of non-alignment.

BAKHITAR NEWS AGENCY sees it fit to announce that the people of the government of the DRA condemn all the hostile acts of Pakistan and other reactionary forces affiliated with the imperialism and state that our people are intent to continue the path for its social welfare and progress.

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ARTICLE DETAILS EFFORTS OF JIRGAHS

Kabul HEYWAD in Dari 22 Jun 87 pp 1, 4

[Text] One of the great achievements of the national democratic Sawr revolution is the creation of People's Representatives' Councils [Jirgahs], which appear for the first time in the social and political lives of our hard-working people and at the same time as a grand political event from which all the strata of the country benefit, it has ennobled and elevated its role.

As a result of the existence of peaceful conditions and the announcement of the national reconciliation policy, the evolutionary momentum of this process has been further expedited and thus it has created a favorable ground for the participation and cooperation of all the patriotic forces in order to strengthen the people's power ever more, and prepare an amenable atmosphere for reconstruction by the People's Representatives' Councils.

With regard to the improvement of the status of these Jirgahs, we had a brief conversation with the retired lieutenant colonel Ahmad Ali, representative from the new Kheyr-Khanah project, retired colonel Mohammad Ashraf, representative of the people from the second district of Kheyr-Khanah Minah and Ahmad Zia Takhari, a teacher at the martyr Abdul-Sabur High School and representative of the people from the first district of Kheyr-Khanah. At this interview we became familiar with some of the issues pertaining to the Jirgahs and also it became quite clear to us that now all the local power organs and government departments in the DRA have come to be practical bases for action. Furthermore, we learned that the hard-working people of the country, with an ever-increasing force for buttressing the social foundations of the popular government, have mobilized around the Jirgahs, thus expanding their roles and with their original views and suggestions further enhance the work of these councils. This is a great achievement in itself and we've to make every effort in order to make such councils [Jirgahs] the very organ of power at the service of the hard-working people.

Ahmad Zia Takhari, teacher at the martyr Abdul-Sabur High School and representative of the people from the first district of Kheyr-Khanah said: With the announcement of the national reconciliation policy in the country, new and serious obligations were created for the Jirgahs and the people's representatives, particularly those from the 11th district, after realizing the extent of this solemn responsibility the representatives in question prepared themselves more than ever before to cope with new activities and brought about serious changes in various areas so as to preserve the power and authority of the Jirgahs among

the people and attract them to these councils. At the beginning of the formation of these Jirgahs many individuals from our district would come to us for resolving their problems, however as a result of a lack of adequate budget and the existence of traditional red tape and bureaucracy in our government offices, many of these problems would remain unresolved and this would in turn reduce or undermine our authority amongst the people. Furthermore, other issues such as a lack of proper support and cooperation from the officials of the security organs and other government departments would render the individual representative quite powerless and not fully trusted by the people of his district. For instance, if a person was arrested and he would happen to refer to the local representative for help and ask him to go bail for him so that he could get on preparing himself to prove his innocence, the government security officials would not accept the personal assurances of the people's representative; however, at such instances the officials would accept the pledge of a normal store-keeper. Such a display of distrust and authority by the government officials toward local organs and people's representative was not proper at all since it diminished the authority of the representative and thus people would not refer to him for resolving their problems.

As a result of our conversation with Mr Zia-Eddin Takhari, representative of the people from Kheyr-Khanah we found out that the creation of the local power organs and their interaction with the government offices is considered to be a vital project in the political life of our people. However, there are certain deficiencies in our work system and those of some of the government offices when working with the local councils. In the first place, some of our representatives do not feel any responsibility toward this holy duty and approach their task quite lackadaisically. Here we can mention some of the government representatives who have sufficient engagement as far as their original job is concerned and thus it would somehow be impractical for them to attend to other people's problems. This matter in itself creates a sort of mistrust by the people towards representatives. Also in certain instances the competence and qualification of some of the representatives is not quite clear for the government officials so that a more decisive approach and a sense of responsibility could be worked into the equation by these officials.

In our view, one way to deal with this problem is to organize the work and define the responsibilities of all the responsible officials of the executive committee of the Jirgah of the Kabul's representatives and other government and party officials. Furthermore, other responsible local individuals from a certain district could set up regular meetings with the people's representatives in order to discuss the pressing issues and take appropriate action for resolving them.

Retired colonel Mohammad Ashraf, representative of the people from the second district of Kheyr-Khanah Minah stated: First, the people's representatives are constantly facing the government's bureaucratic obstacles which certainly undermine their efficiency and competence. In the second place, even in the Executive Committee of Kabul's Representatives there is no proper and straightforward work system and there is a lot of unnecessary paperwork and correspondence.

Although the Executive Committee of Kabul has been assigned sufficient budget for the purchase and provision of necessary supplies for these committees[Jirgahs] yet it has not done so until now. .

If we are treated by the central office of the committees this way then what can we expect from the rest of the government organs and establishments? For example, at one point we had to go to the Department of Water Distribution to see to some people's problems, however some of the responsible officials of that department without being quite aware of our needs and purpose told us that they had enough chores on their hands and that it did not make any difference whose representative we were... They said that they just didn't have any time to waste with us.

After due analysis of the statements made by the honorable representatives we reach the conclusion that those demands and wishes of the people which are within the sphere of qualification of the committees, will be attended to almost immediately; however, certain demands which are beyond the power limitation of these committees are referred to the higher authorities and unfortunately these officials approach the problems in a bureaucratic fashion, thus prompting the people to look at these executive committees as the old-day municipality outfits which did not have the trust of the people by all means. As it was mentioned before, as a result of a lack of sympathy on the part of the party leaders and other government officials toward the needs and demands of the hard-working people, their demands go unheeded. In order to win the trust of the people and mobilize them in the executive committees, proper attention and positive answers should be given to their reasonable and logical demands and **we should** put an end to the pile of paperwork and unnecessary correspondence. The humanitarian aspects of the national reconciliation policy has properly specified the particular duties of our committees toward our people. Now it is the duty of all the patriotic Afghans to mobilize their efforts in order to secure the peace throughout the country and work toward attaining the holy ideals of the party and the government of the DRA, thus sending home their message. Our country needs the collaboration and cooperation of all.

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CSO: 46650020

ARTICLE ADDRESSES RECONCILIATION, OTHER ISSUES

46190025 Paris DEFIS AFGHANS in French Mar-Apr 87 pp 4-5

/Interview with Zahir Seddiq, publications director of the Jami'at-e Islami cultural committee, by Michel Verron; date and place not given

/Text Zahir Seddiq is publications director of the Jami'at-e Islami cultural committee. A PhD, he studied at the university level in Czechoslovakia. He was studying journalism at the University of Prague at the time of the Soviet intervention in 1968. Under Zahir Shah and Daud, he was chairman of the Ministry of Culture's publication committee. He went on numerous missions abroad, especially to the USSR and the countries of the east. In Kabul, he was also director of the journal LE SOLEIL, a political opposition monthly, that emphasized the importance of links between Islamic values and national values. After the 1978 coup d'etat he was placed under house arrest for 6 months. He was subsequently named editor-in-chief of the daily newspaper AMIS and translator of the foreign press. Dismissed from these positions on three occasions he was definitively fired in 1980 after a squabble with a Soviet adviser. In 1981, he rejoined the Jami'at leadership in Peshawar with which he had been in contact since 1976. We met him during a tour he is presently making in Europe.

/Question What has been the situation in the field since 15 January, the day the ceasefire was proclaimed by Kabul?

/Answer Since that date we have noted significant concentrations of Soviet and government forces in particularly strategic sectors. The so-called peace proposals were, in fact, accompanied by major military operations in the regions of Nangarhar, Paktia, Parwan, Herat and Kandahar. We observe that these operations are distinguished by intense pounding of our positions by heavy artillery and missiles. It appears that the Soviets are avoiding direct contact and engagement.

/Question It is being said that proposals for national reconciliation made by Kabul has spread confusion in refugee camps and that many families have returned to the country.

/Answer Pure propaganda. We were able to see in the press and television the mass gathering in Peshawar on 17 January. More than 300,000 mujahiddin and refugees proclaimed, together with the leaders of the resistance, their willingness to continue the struggle. We have never seen that since the beginning of the war.

/Question/ What do you think of the bombing of Pakistani territory by the Soviet-Afghan air force?

/Answer/ It is classic. It is a matter of the Soviets' increasing pressure on Pakistan by making threats; the same way, the same brutality, the same blackmail on refugee families. The message is clear; "Give up! Otherwise, see what you can expect!"

/Question/ But don't you think despite everything that the USSR has changed its tune and is ready to commit itself to finding a political solution?

/Answer/ The objective is clear. It is a matter for the Soviets to sow confusion in the West and Third World countries. By making them believe in its willingness to disengage, the USSR arouses in them the hope of an imminent solution. Soviet policy has two faces: one turned toward public opinion in the Third World, the one it is presently showing you, and the other turned toward Afghanistan. What it has been unable to win here by arms it is seeking to obtain by political means. Remember what it did in Czechoslovakia immediately after the war. The only thing over there was that there was no popular resistance. They are the avowal of the failure of Soviet policy militarily-speaking. So, they are changing tactics and policy but not objectives.

/Question/ But will the Afghan resistance be capable of doing as well on the diplomatic front?

/Answer/ You know, the unification of fronts and of the entire people is not an easy task in Afghanistan. The majority of the resistance leaders have realized this. They are now seeking to express in a single voice what the will of our people is.

/Question/ It is said that the declaration of the seven parties of the Islamic Alliance of Mujahiddin of Afghanistan had, in fact, been dictated by Hekmatyar Golbeddin, chairman of the Hezb-e Islami.

/Answer/ No. This declaration had been prepared by the seven parties. Each gave its point of view but all were in agreement on the final text.

/Question/ Including the Islamic constitution?

/Answer/ Islam is our way of living, our being. It is as dear to us as freedom and democracy. There is an identity between our national and traditional values and the values of Islam. The latter rejects all forms of extremism and fanaticism. What the Afghanistan of tomorrow will be can only be in conformity with the faith, interests and traditions of our people.

/Question/ To facilitate a political settlement, would you accept to sit in a provisional government in which members of the current regime would be present until the holding of general elections?

/Answer/ We know that only negotiations can put an end to the conflict. These negotiations must show on which side right is. Nothing must be imposed on us but any solution can only be founded on right and based on the fundamental interests of the Afghan people. In these conditions there cannot be any discussion with puppets who have betrayed and who continue to betray our people. We are ready to negotiate with our enemies, the Soviets, but not with puppets.

HEKMATYAR ON RECONCILIATION, ZAHIR SHAH'S RETURN

46190024a Paris DEFIS AFGHANS in French Mar-Apr 87 pp 6-7

/Interview with Hekmatyar Golbeddin, president of the Hezb-e Islami (Islamic Party) of Afghanistan, in Peshawar, 2 March 1987/

/Text/ In our last issue of DEFIS AFGHANS we published the statement made by the Alliance on 17 January in response to the ceasefire and national reconciliation proposals made by Najib, Kabul's number one man. On 2 April 1987 /as published/, a meeting was held in Peshawar on the occasion of the 18th anniversary of the founding of the Hezb-e Islami during which Hekmatyar Golbeddin spoke. Immediately after the meeting the latter willingly answered questions of our correspondent.

/Question/ A good part of your speech today was devoted to Zahir Shah to criticize his past activities and with regard to Afghanistan's future to rule out any possibility of the king's political return to the country. If, as you say, the king does not have today any support among the Afghan people, for what reasons do you, nevertheless, insist on mentioning his name?

/Answer/ In my speech, I mainly mentioned the role of our movement in the contemporary history of Afghanistan. It is the Soviets who are especially making efforts to put forward the name of Zahir Shah.

/Question/ Is Pakistan in favor of having the Afghan resistance participate in the Geneva negotiations?

/Answer/ The only way to negotiate is to talk with the mujahiddin. How can any settlement coming out of the Geneva talks be applicable in Afghanistan if the mujahiddin are not part of it?

/Question/ In that case, who would be the Alliance's representative?

/Answer/ It would be the Alliance's spokesman.

/Question/ The Alliance must make known its position on the interim government in Kabul that would come on the footsteps of the departure of Soviet troops. The committee entrusted with preparing the structural outline of this government completed its work on 26 February. The Alliance Supreme Council was to provide its conclusions the following month. It is now 2 April. Are you in a position to formalize your position very shortly?

/Answer/ No. It will be long. In fact, there are still differences with regard to Zahir Shah. I have asked the Alliance's organizations that have come out in favor of him to clearly and officially renounce this choice.

/Question/ What would be the consequences of your request does not receive a favorable response? Could the Alliance break up?

/Answer/ Yes. If these organizations will not do it the Alliance would break up.

/Question/ Apart from the general talks, the Iranians have proposed a four-party conference: the USSR, the Afghan resistance, Pakistan and Iran, to seek a political solution. How do you react to this proposal?

/Answer/ It is something to consider. We must, nevertheless, know the details to be able to formalize a position.

/Question/ How do you contemplate associating Afghan refugees now in Iran and the organizations they represent in decision-making components you intend setting up in Afghanistan?

/Answer/ Following the withdrawal of Soviet troops, a representative committee made up of all the mujahiddin will be elected on a proportional basis. All parties, all organizations of the resistance will participate in the electoral process.

/Question/ Even organizations not belonging to the Alliance?

/Answer/ Yes. Every local council will appoint its members to be represented, on the national level, on a supreme council.

/Question/ You have come out in favor of general amnesty. Would you be ready to associate repentant communists in power?

/Answer/ The Afghan resistance has come out in favor of general amnesty. However, it will be the electorate that will have the last word. It is up to the people to decide. It is clear that for those who killed more than a million martyrs it will be very difficult to remain in Afghanistan. For them, the best solution would be to leave Afghanistan and leave with the Soviet troops.

/Question/ Are you in favor of having the Soviet troops withdraw under UN control?

/Answer/ We will not agree to having foreign troops on our soil. We cannot have confidence in them.

/Question/ The settlement of the Afghan crisis depends on local factors but equally on regional and international factors. Are you not afraid that, within the present diplomatic context, the Pakistani Government primarily might decide to adopt a position that would not satisfy you fully?

[Answer] (Said with a big smile). The Pakistanis will not abandon the resistance. They know that if today the Russians are ready to negotiate it is because of the Afghan resistance.

(Hekmatyar Golbeddin is the president of the Hezb-e Islami (Islamic Party) of Afghanistan. This party, considered the most radical of the faction called fundamentalist that rallies three other resistance parties is one of the elements of the Islamic Alliance of Mujahiddin of Afghanistan).

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CSO: 46190024a

AFGHANISTAN

SOUTH ASIA

VARIOUS SCENARIOS IN CONFLICT CONSIDERED

46190024b Paris DEFIS AFGHANS in French Mar-Apr 87 pp 8-9

/Article by Sa'id B. Majruh/

/Text/ There is probably only one real political solution to the Afghan conflict. Nevertheless, there are many scenarios, both likely and unlikely, some of which are described below:

1. The annexation scenario. Afghanistan, as a country integrated into the Soviet empire, is declared an integral part of Soviet territory. Thus, any resistance activity in Afghanistan would constitute an attack against the territorial integrity of the USSR and any political problem of the "Democratic Republic of Afghanistan" would come under the internal affairs of the Soviet Union. Afghan Marxists, trained by the Soviets, reckoned on such a solution: they were disappointed, disorganized and divided because it did not come about. The originator, still present in Afghanistan between 1973 and 1979, heard many influential members of the communist party at the University of Kabul, particularly after the 1978 coup d'etat, predict that Afghanistan would shortly be declared a "Soviet socialist republic," an integral part of the USSR. Something did not work out between the Soviets and their Afghan comrades, Taraki and Amin. The scenario did not materialize.

2. The partition scenario. Afghanistan is divided into two equal parts, north and south, following a dividing line that goes from Pamir on the east, the Chinese frontier at Seistan, to the Iranian frontier to the west.

The Tadjik, Uzbek and Turkmen peoples of the north would be incorporated into the corresponding Soviet republics of Central Asia. The south, with a Pashtu majority, would have a separate pro-Soviet government that would seek to attract the Pashtus and Baluchis of Pakistan. Many leftist militants of these ethnic groups and the so-called nationalist leaders in Pakistan seem ready to swallow the bait. Their public position in favor of the Kabul regime and the subversive activities of their partisans in Pakistan tend to prove this.

This solution implies not only the disintegration of Afghanistan as a country but also that of Pakistan, as well as serious troubles for the Iranian leaders in the part of Baluchistan they control,

Nevertheless, in 9 years of warfare, both communism and the Soviet occupation forces have encountered and still encounter stiff resistance in the northern part of the country. By annexing the northern regions, the Russians would introduce serious threats of subversion in their central Asian republics susceptible to destabilizing them. Moreover, the Afghan conflict has assumed international dimensions that cannot be ignored. For these reasons the Russians have given up, at least for the time being, implementation of these two first scenarios.

3. "The People's Democratic Republic of Afghanistan." This is the best scenario from the Russians' point of view. It implies the following:

- (a) The consolidation of a pro-Soviet regime in Afghanistan.
- (b) The withdrawal of Soviet troops in exchange for the official recognition of the Kabul puppet regime by neighboring countries and the rest of the world.
- (c) Guarantees for non-interference in the "internal affairs of Afghanistan."
- (d) Withdrawal of aid to the armed resistance.
- (e) Return of the refugees without political conditions.

This is a perfect scenario for the "Pax Sovietica."

4. "The National Democratic Republic of Afghanistan." This is the same iron curtain painted in white but presented as "national reconciliation" and as a political concession on the part of the Soviets and Kabul. It includes the following:

- (a) A relatively short schedule for the withdrawal of Soviet troops.
- (b) The establishment in Kabul of a coalition government including neutral non-communist members, even opposition personalities, but with the initiative remaining well in the hands of the communists.
- (c) General elections for the establishment of a "national government" but whose development would still be tightly controlled by the communist party in power.
- (d) The "voluntary" return of the refugees and their resettlement with aid from the United Nations. The latter would then undoubtedly give its support to the Kabul regime with genuine recognition.
- (e) The disbanding of the resistance organization with the total withdrawal of military and non-military assistance.

The PDPA /People's Democratic Party of Afghanistan/ has not been able to achieve these two scenarios. This is why Babrak Karmal fell and Najib was entrusted with trying to set up the second version. However, for the time being his offer of a ceasefire and "national reconciliation" has been strongly rejected by the resistance and has had no impact among the refugees. As for all Afghans living in exile, it seems clear that as long as there are Soviet troops in Afghanistan and a pro-Soviet regime in Kabul the resistance fighters should continue the struggle and the refugees will not feel secure enough to return home.

5. The buzkashi (traditional sport similar to polo, known for its brutality) scenario. The Russians, disgusted by their intervention and in a hurry to get out in order to devote themselves to other important problems, both internal and foreign, leave the Kabul regime to its sad fate. This is the scenario that the resistance fighters and command would prefer. For them this would be a short-lived pleasure party (24 or 48 hours) to take Kabul and other cities under government control. It would be a big hunting party with communists as targets ending by a bloody collapse of the Kabul regime. It risks being followed by a bloody struggle for power between the resistance leaders and local commanders. Thus, the Russians could find a new pretext--perhaps the best justification vis-a-vis the outside world--to once again invade Afghanistan and impose one of their best scenarios, the first or second.

In examining this scenario, Scenario Number 5, one must realize that after 9 years of war with the existence of strongly armed resistance groups there is a risk of a period of confusion and chaos. For many people war has become a way of life. They would need time to readapt to peaceful agricultural activities. However, the civilian population, refugee or non-refugee, is very tired of war and really wants peace. If the two main motivations, that is the struggle against foreign occupation and the presence of a communist regime imposed from abroad, no longer exist this population would not support the struggle of one resistance leader against another. And if those who support the Afghan resistance in Pakistan, mainly the Arab countries and the westerners, should abstain from supporting one group against the others things could gradually stabilize and normal conditions of peace would slowly appear. Nevertheless, what one may fear the most is that the Russians will not let the situation quiet down and that they will not give the Afghans the time to resolve their problems among themselves.

6. The national Islamic solution. The establishment of a transition government presided over by former King Zahir Shah or by another personality having the same national stature (who that would be cannot be seen at this time) composed of the following elements:

(a) Four or five of the resistance political leaders now in exile (in Pakistan and Iran).

(b) The most well-known resistance commanders.

(c) A certain number of local or tribal representatives of refugees and the peoples of the interior.

(d) Political and cultural personalities now in exile, unaffiliated with resistance political organizations.

(e) Replacement of Soviet troops with an international peace force.

(f) Guarantees for an independent and non-aligned status for Afghanistan and its Islamic and national identity.

(g) Holding of a traditional council (Loya Jirgah) to adopt a new constitution and to elect the chief of state, followed by free general elections in Parliament in which both rightist and leftist parties would have the same rights.

(h) Disbanding of militias, notably the Khad, the secret political police, replaced by a new national army and new national security forces with the resistance commanders staffing this new army.

(i) Declaration of amnesty for communists who would submit to the new government but without their playing any political role.

(j) Voluntary return of refugees, an automatic consequence of the proclamation of this transition government.

(k) Establishment of a government made up solely of technicians capable of confronting the enormous problem of reconstruction.

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CSO: 46190024b

ARTICLE COMMENTS ON POSSIBLE RETURN OF ZAHIR SHAH

Tehran RESALAT in Persian 2 Jun 87 p 3

[Text] Introduction: Mohammad Zahir Shah was the last king of Afghanistan whose monarchy in 1973, after 41 years, was overthrown by his son-in-law, Daud Khan. Daud Khan put an end to the rule of monarchy in Afghanistan and laid the foundation of a republic. During his long rule, Zahir Shah had become one of the principal factors for preparing the ground and expanding the Soviet influence in the Islamic nation of Afghanistan; and several figures such as Nur Mohammad Taraki, Hafizullah Amin and Babrak Karmal, the leaders of the marxist governments of Kabul after the leftist coup d'etat of 1978, had important roles in enacting the constitution of 1964 according to Zahir Shah's orders. During his rule, Zahir Shah gave free rein to the Soviet Union and other western countries in pillaging and plundering the natural resources of Afghanistan and thus run hundreds of millions of dollars debt to the Soviet Union.

Now, after nine years of communist rule in Kabul and eight years after the occupation of Afghanistan by the Red Army and Moscow's complete impasse with regard to attaining its objective and with due consideration to the international relations, particularly between the two superpowers, there is talk about Zahir Shah's return to Afghanistan as one of the best solution supported by the East, the West and other interested parties. What appears below is the translation of an article in NAWA-I WAQT [Voice of the Time] of Pakistan, concerning the return of Zahir Shah.

Following the extraordinary and unparalleled sacrifice of Muslim Afghan Mujaheddin [resistance fighters], now it seems almost certain that the Red Army of the Soviet Union will withdraw from Afghanistan. The first thing which comes to mind is that after the withdrawal of the Soviet troops what kind of a regime is going to rule Afghanistan and who is going to replace Najib's government, which is dependent on the Soviet Union. There is no doubt that after the withdrawal of the Red Army, Najibullah's subjugated government cannot last for even one day, and similarly his stay in Afghanistan or that of his supporters is something next to impossible. The people of Afghanistan cannot endure the sight of these individuals who, with the support and force of Soviet's bayonets have imposed unprecedented oppression and misery upon their countrymen and whose hands are stained with the blood of innocent women and children and who have caused millions of them to be homeless wanderers. Therefore, it is quite clear that the Afghan Mujaheddin will not cooperate with the agents of the Soviet Union in order to form a national government, and they will not endure the sight of these traitors after the withdrawal

of the troops of the Red Army. Naturally, one would think what kind of government will be ruling in Afghanistan!

The simple answer of Afghan Mujaheddin to this question is that according to the principles of democracy the people of Afghanistan ought to be given the right to determine their own destiny, and the new national government should be formed by the representatives of the traditional national assembly of tribes. However, some of the world powers do not like this line of thought of Muslim Afghan resistance fighters. Particularly, the United States does not want to see the resurgence of another Khomeyni-type government in Afghanistan after the withdrawal of the Soviet troops. For this reason the United States would like to see a secular and nationalist sort of government in Afghanistan, after the withdrawal of the Red Army. Following the same line of thought, the United States has started a favorable propaganda campaign with regard to the personality of Zahir Shah, former ruler of Afghanistan, believing that he is the man who is capable of controlling the fundamentalist Muslims. Likewise, the Soviet Union is fond of the person of Zahir Shah since contrary to the Afghan Muslim Mujaheddin, he holds no grudge or animosity against the Soviet Union. Although the Afghan Mujaheddin make every effort to assure the Soviet Union that the new government in Afghanistan will remain neutral and after withdrawal of the Soviet troops, they will hold no grudge against that country, but the Soviet government, with regard to its supposedly friendly operations in Afghanistan during the last nine years, has come to understand fully well what course of action the new regime in Afghanistan will take against it. It is for this reason that the Kremlin leaders prefer Zahir Shah to the Muslim Afghan Mujaheddin. In the meantime, the opportunist groups while making the best of the Soviet's reconciliatory silence and the serious activities of the United States in this regard, are trying to create a favorable ground for the return of Zahir Shah. Some of the pro-American circles in Pakistan are also gravitated toward Zahir Shah and believe that his return would be beneficial to Pakistan as well.

Contrary to the prevailing thoughts in the United States and the Soviet Union, the Muslim nation of Afghanistan and Mujaheddin will never accept Zahir Shah since in their opinion he is the person who is responsible for all their misery and hardship. To begin with, Zahir Shah was the initiator of friendly relations between the two countries. He paved the way for the leaders of Kremlin to gain influence in Afghanistan which eventually resulted in invasion and occupation of Kabul by the Soviet troops. If Zahir Shah had tried to fortify the Islamic and nationalistic foundation of Afghanistan, today the Afghan nation would not have met with such adverse circumstances. Thus as a result of his gravitation toward secularism and western way of thinking and his suppression of the Islamic and religious elements, the communists of the two parties of Khalq and Parcham found a good opportunity for growth and expansion in Afghanistan. Zahir Shah paid for the negative consequences of his short-sightedness and while he was on an official visit to a foreign country, Sardar Daud Khan with the help of the leftists overthrew his government. Consequently, Sadar Daud followed Zahir Shah's exact policy for suppressing the Islamic and nationalistic elements and he also

met the same fate as Zahir Shah's, if not worse--the leftists annihilated all the members of his family and communists gained predominance in Afghanistan. If it were not for the self-sacrifice of the Muslim Afghan resistance fighters, today's Afghanistan, like Tadzhikistan and Kazakhstan would be under the yoke of the trespassing troops of the USSR. However, the Afghan nation through an unprecedented self-sacrifice proved that no country on earth can force a noble and free-minded people into slavery and submission. Now that this struggle has blossomed, Zahir Shah who had disappeared into oblivion, all of a sudden reappears. Therefore, how is it possible to expect the Muslim nation of Afghanistan to remain silent in a situation like this?

Zahir Shah's sensitivity toward Islam and Islamic movements did not begin in the 1960s or 1970s; as a matter of fact, from the very beginning he was gravitated toward secularism and was not very interested in identifying his country with Islam. It was for this reason that he did not sympathize with the Indian Muslim resistance fighters and both India and the Soviet Union had inculcated him with the notion that if an Islamic democratic country comes into existence in the east of Afghanistan, most probably the Afghan people will revolt against the system of monarchy. Thus he did not show any interest toward the movement for the formation of Pakistan and even after Pakistan acquired the status of a separate state, in the process of voting for Pakistan's membership in the UN, the only vote against its membership in the UN was cast by the government of Zahir Shah. Despite the fact that Pakistan had not engaged in any hostile activity against Afghanistan and even it had extended a friendship hand toward it, yet at the instigation of India that country chose to disgrace itself. At the UN, none of the Christian and communist nations or even India expressed any opposition to the membership of the fledgling Islamic Pakistan except an Islamic country, namely Afghanistan did so and cast a negative vote. The fact of the matter is that if at that time there was a popular government in Afghanistan, the representative of Afghanistan at the UN would not have cast a negative vote for Pakistan, but at any rate, the palace-dwellers chose to give priority to their own personal interests. Therefore, in order to please India, Zahir Shah instructed his representative to cast a negative vote for Pakistan.

This was not the only example of antagonism by the rulers of Afghanistan against Pakistan, rather during the reign of Zahir Shah they always gave preference to India over Pakistan. Chaudry Nazir Ahmad, first minister of industries who consequently became prosecutor general of Pakistan, in his famous work entitled "The Story of Pakistan," has touched upon the complicity of Zahir Shah and Pundit Nehru. He writes: In December 1949 as the head of the Pakistan delegation I went to Jakarta to participate in the independence ceremonies of Indonesia. Simultaneously, with the arrival of our delegation an Indian delegation under the leadership of Raj Kumari Amritkur arrived in Jakarta. Mr Najibullah who was Afghanistan's ambassador to India was also among this Indian delegation. He used to have lunch and dinner with the Indian delegation members but during picture-taking sessions he would stand beside me and address me as his brother. Later on it was learned that all his travel expenses were paid for by India.

In short, in an effort to please India, Zahir Shah would oppose Pakistan and for that he was awarded financial assistance. At the instigation of India, he set up the motto or Pushtunistan which was in turn repeated by a number of political groups in the border province. India supported Zahir Shah and his anti-Pakistani clique and extended financial assistance to them.

The United States is of the belief that following the withdrawal of the Soviet troop from Afghanistan there would be a state of chaos and mobocracy in that country, and the only way to prevent this from happening in the future is to re-install Zahir Shah on the throne. But the Afghan people do not accept Zahir Shah and in case he returns, there will be carnage and bloodshed on a wider scale than ever imagined by the United States. Therefore, the only way to resolve the Afghanistan issue is to give the Afghan people a chance based on democratic principles, so as they can decide their own destiny and no one could impose his wants and wishes on them.

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CSO: 46400151

GOVERNMENT STRIVING TO IMPROVE TRADE

46650024b Kabul HEYWAD in Dari 2 Jul 87 p 2

[Text] Trade plays an important role in the economy of our country. With due consideration to the role of domestic and foreign trade in the economic and social condition of the country, and their subsequent effect on the growth of agricultural, industrial and mineral products on the whole, there is a continual and undeniable relation between the aforesaid and the living condition of the people. In light of the reconstruction and the national reconciliation policy, the main planning indices of 1365 [21 March 1986 - 20 March 1987] which comprise exports and imports, wholesale and retail trade, and similar other transactions were successfully carried out of which a concise detail will appear below.

The Ministry of Commerce's quota for foreign trade was projected at 855.3 million dollars and based on the recent evaluation the aforementioned plan yielded 15.2 percent over and above the projected estimates. In a like fashion, the turn-out of domestic trade of the affiliated institutions of the Ministry of Commerce had been projected at 250 million afghanis which was successfully accomplished with a relative growth. The total trade output of 1365 amounted to 1.345 billion dollars which showed a 7.2 percent decrease as compared to the year before.

With regard to the abovementioned figures, the volume of foreign trade of the country seems to be about 1.96 percent below the projected plan. This can be attributed to several causes such as the shortage of farm products, limited request from international markets for Afghan export products, a lack or non-observation of international standards with regard to our export products, non-existence of trade agencies in the major markets, a lack of healthy competition for the similar export commodities, the high cost of the final price in the western markets and the high price of export goods in Afghanistan as a whole.

In order to prepare the grounds for the growth of our export, the Ministry of Commerce, with due consideration to the factors reflected in the 1366 [21 March 1987 - 20 March 1988] plan, has initiated a series of decisions such as follows:

- Greater utilization of the production and processing plants for dried fruits and kernels.
- Encouraging the employees and workers of production units through financial assistance and overtime motive in order to increase production level.

- Gathering and purchasing of export commodities from the producers.
- Preparation and packaging of raisin and other dried fruits according to international standards.
- Paying closer and more serious attention to bettering the quality of Karakul according to the market demands and constant contact with the producers.

Herewith we have printed the report of the Ministry of Commerce regarding the results of the commercial transactions during 1365 and the decisions which have been made by this organ during the current year for the improvement of trade in the country. What we would like to add here is that the time and era requires each one of us to be more serious and responsible about our work. The work which is intended to realize the primary indices of the 5-year plan and the work which is to be done for attaining victory in fulfilling the objectives of the national reconciliation policy. We must understand that the national reconciliation policy has created new duties and obligations for all the people and the government organs as well. Through our work we must answer those demands. It is not good enough to rest on our laurels.

In short, the situation of trade throughout the country in the government commercial establishments and particularly the wholesale trade from the viewpoint of provision and production of the basic necessities of the people, asks for a new approach in our reconstruction bid. This is an issue which is in need of fundamental steps. We are quite certain that the decisions which have been made by the honorable Ministry of Commerce are going to go beyond the promises made on the paper and will practically initiate effective and constructive measures towards strengthening the foundations of our national economy.

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CSO: 46650024

GOVERNMENT PROTECTING SMALL BUSINESSES

Kabul HEYWAD in Dari 22 Jun 87 p 2

[Text] Following our familiarization and introduction of the small domestic entrepreneurs, hereunder we have an interview with the Akhtar Metal Institute which will appear below.

Metal Institute of Akhtar is one of the small production establishments which became operational in 1364 [21 March 1985 - 20 March 1986] with an initial capital of 3.136 million afghanis with the assistance and cooperation of the Ministry of Light Industry and Foodstuffs. This institute has carried out its role toward strengthening of the national economy in a positive manner.

The Akhtar Metal Institute has wood and metal lathes for tool-making in addition to a painting workshop. There are 20 people working in this establishment. The main products of this small institute consist of various metal items such as tables, chairs, couches, cabinets, safes, doors and windows. These products which are manufactured with great care and interest, can adequately meet the needs of government offices, other private institutions and many homes.

In answer to the question by our correspondent with regard to the type or kind of assistance of the revolutionary government to the private sector, Akhtar Mohammad, director of the aforementioned establishment stated: Based on the economic policy of the party and the revolutionary government for the expansion of favorable activities of the private sector with regard to the development of national economy, our government consistently provides our entrepreneurs with various possibilities in order to enhance and effectuate their roles in the economic activities. Tax exemptions, extending of favorable loans, counseling and consultation on technical matters, provision and installation of equipment and machinery, signing of purchase agreements and other similar facilitating means are some of the numerous measures taken by the government to increase and enhance the competitive strength of the small production businesses. Under present circumstances this initiative is expanding ever more, so much so that the role of government assistance--particularly extending a loan of two million afghanis by the Industrial Development Bank to our establishment--has produced admirable results.

Although our institution, quite successfully in 1365 [21 March 1986 - 20 March 1987] met its projected plans, however there are several problems which impede our activities. Our principal and primary problem is the provision of raw materials which we have to purchase, often at a high cost from the free market.

If we were given the possibilities to produce the raw materials or the government would put such materials at our disposal, the proper grounds for the development activity of our establishment would favorably arise.

Furthermore, other inadequacies such as a lack of electric power and sufficient space comprise some of other problems. Here we wish to express our thanks to the honorable Department for the Development of Handicrafts in Afghanistan for signing of the relevant agreements to sell our products to government offices.

12719

CSO: 46650022

GOVERNMENT BACKS PRIVATE SECTOR'S AGRICULTURAL EFFORTS

46650023a Kabul HAQIQAT-E ENQELAB-E SAWR in Dari 1 Jul 87 p 2

[Text] With due regard to the importance of the agricultural sector in the growth and development of the national economy, our revolutionary government makes every effort to provide all the effective and necessary facilitating means for the farmers, orchard-growers and stock-breeders of our country through comprehensive and beneficial developmental plans. Similarly, in order to achieve this objective, alongside the implementation of other projects such as the land and water reform, mechanization of agriculture, creation of government farms and cooperatives, our government whole-heartedly supports the initiatives of the private sector in this regard. As a result of this policy of our party and revolutionary government, a number of private entrepreneurs have expressed their readiness for participating in the agricultural development and increasing of the farm products through agricultural farms and cooperatives, stock-breeding, poultry farms, etc. For instance, these entrepreneurs have created the cooperative of Gozargah which is active in three sections of farming, poultry and stock-breeding. The head of the aforementioned cooperative with regard to the objectives and activities of this cooperative stated: With due consideration to the great and superior objectives of the PDPA and our revolutionary government with regard to the strengthening of the cooperative movement in our country and with proper consideration to the benefits of collective and cooperative production which are based on specific programming, in order to secure the necessary protein and dairy products for the Kabul inhabitants and enhance the qualitative and quantitative level of agricultural products and align the development plan of the agriculture and stock-breeding sector which has a direct relation with the betterment of the people's living conditions, in February 1985 Gozargah cooperative with the participation of 18 members in the three sectors of farming, stock-breeding and poultry, with an initial capital of 52 million afghanis was established.

He further added: In order to buttress this cooperative financially, the government has put 5,531 acres of land and 80 milkcows at our disposal gratis. Likewise, the cooperation of specialists from the Ministry of Agriculture, veterinarians and those from the Agricultural Research Institute has played a major role in the development of our cooperative and increasing of its production.

In the poultry section of Gozargah cooperative, at present there are 12,000 layer and roaster chickens which are supervised by the foreign and domestic experts. The daily egg production reaches 1,000 to 1,200 which are presented for

sale to the government establishments or the free market. During the current year more than 50,000 eggs were presented for sale on the free market which had a significant effect on the market price of this commodity. A chicken preparation machinery with a daily capacity of 50-ton has been installed and until now up to 300 tons of chicken have been presented for sale on the market. In a like fashion, six incubating machines with a total capacity of 6,000 eggs have been in operation and until now over 40,000 chickens have been presented for sale on the market at reasonable prices.

In the agriculture section, during the spring campaign our cooperative was able to cultivate about 1,000 acres of land. Other activities are also going on on the piece of land in question, however as a result of water shortage, our cooperative has not been able to cultivate the entire acreage.

Hereby we request the Ministry of Irrigation and Resources to fulfill its previous promise for the excavation of six water-wells as soon as possible so that we will be able to implement our plans accordingly. Similarly, it would be very helpful if the government could assist us rent two separate stalls in the marketplace and assign a new area for the construction of a new market for our products. By means of these channels our cooperative will be able to present our commodities for sale at 15 percent lower than the prevailing market price.

12719

CSO: 46650023

FLOUR, OIL TO BE DISTRIBUTED GRATIS TO WORKERS

Kabul HAQIQAT-E ENQELAB-E SAWR in Dari 28 Jun 87 p 1

[Text] At the recent session of the political bureau of the PDPA's Central Committee the proposal of the DRA's Council of Ministers concerning the distribution of two coupon items: flour or wheat and cooking oil gratis to the coupon-holders and a 50 percent increase in the cash payments for groceries to the workers, and other civil servants as of July 23, 1987 was approved.

Securing the essential needs of the people, whether moral or material, has been one of the main objectives of the social and political policy of the PDPA. The focus of the national reconciliation, strengthening of the revolutionary government, buttressing of the defensive power of the country, improving and enhancing the social and economic growth are all aimed at one unified objective, namely the protection and preservation of the happiness and prosperity of all our dear countrymen in the revolutionary Afghanistan.

The recent resolution of the popular party and government under circumstances, where as a result of an undeclared war of the imperialism out of every two Afghans one is annihilated and out of every two loaves of bread one is spoiled, is one which has attracted the utmost care and attention of the revolutionary government with regard to securing the essential needs of the hard-working people.

The aforementioned resolution will have comprehensive effect on improving and protecting the essential needs and sustenance of the workers, civil servants, the invalids and the survivors of the martyrs of the revolution. Here is should be noted that all the beneficiaries of this resolution have had practical involvement in the process of revolutionary growth of the country and the realization of the national reconciliation.

The activities and participation of the aforementioned beneficiaries of the new resolution, have helped and will continue to assist the country to advance its projects by various means. All such activities are segments of a whole centralized endeavor for safeguarding the rear of the front. However, one cannot limit the positive effects of this decision solely to the individuals who benefit directly from it, whereas in the long run, all the people will profit from this resolution. Distribution of flour or wheat and cooking oil gratis, on a wide scale--considering the fact that these two items comprise essential alimentary needs of the people--will directly cause a reduction in prices of such items and likewise affect the price of other consumer goods on the market. Therefore, on the whole all the people will stand to benefit from this decision by being able to obtain goods at lower prices.

Likewise, the beneficiaries of this decision who are married and are coupon-holders will receive an additional revenue of 1,560 afghanis per month, while for the unmarried people this extra revenue will stand at about 780 afghanis a month. In addition, the grocery budget of the workers and other civil servants will increase by 50 percent. On the whole, through distribution of flour or wheat and cooking oil to the coupon-holders and an increase of grocery funds for the workers, the government's financial assistance will reach some six billion afghanis.

This measure is intended to protect the mental and physical capability of the workers so that they can push forward, with a better physical ability and a more powerful mental adequacy, in carrying out their duties and enhancing the level of production of the country. Therefore, in exchange for this measure, the revolutionary government expects to witness the enhancement of the assigned duties with an increased quantity and a more superior quality.

Most certainly, through an unsparing effort and an increased work power, the hard-working masses can attain the progressive objectives and they can be the harbingers of a peaceful and blossoming tomorrows.

12719

CSO: 46650021

FARMERS RECEIVE PEST CONTROL ASSISTANCE

46650024c Kabul HEYWAD in Dari 2 Jul 87 p 2

[Text] Afghanistan is an agricultural country and about 65 percent of its national revenue is derived from farm products. The same way as this land is fertile and favorable for the cultivation of various plants, in the same manner it is susceptible to the procreation and breeding of various pests so much so that if proper and timely means are not employed to stem the propagation of those pests, undoubtedly irreparable financial damages will be inflicted upon our agricultural products and the national revenue as well. Fortunately, as a result of the special attention of the party and the government of the DRA to the sector of agriculture, and particularly for the enhancement of the economic living conditions of our farmers and improvement of healthy agricultural products, through untiring efforts of the employees of the Plant Protection Department of the Ministry of Agriculture and Land Reform and direct cooperation of the farmers and land-owners of the country, during 1365 [21 March 1986 - 20 March 1987] 10.22 million fruit-bearing and non-fruit-bearing trees throughout the country were sprayed with pesticides. In the same fashion, 66,000 hectares of land under cultivation of vegetables, cereal plants, cotton or sugar-beets were sprayed with insecticides. Similarly, 35,000 hectares of land which were infested with rats were duly worked on to entrap the harmful pests and an equivalent of 8,500 cubic meters of warehouse space was also sprayed with pesticides. Moreover, 6,575 tons of grains and industrial plants were treated against insects. Likewise, during the current year the aforementioned department carried out certain effective operations to combat the onslaught of harmful grasshoppers. According to the available figures, about 336,965 hectares of land were sprayed against grasshoppers and in this area the gratis assistance of the friendly country of the Soviet Union played a significant role. During 1365, the friendly nation of the Soviet Union provided 3,000 tons of Geksufloorin powder together with a 13-member team equipped with eight sprayers and one Jeep.

Here it should be noted that during 1365 over 2.8 million afghanis of income was received from the distribution of plant quarantine certificates. At present, the office for the protection of plants and quarantine of the Ministry of Agriculture and Land Reform discharges its duties with regard to identifying the plants' diseases through the central clinic for the protection of plants and other departments for the protection and quarantine of plants in various provinces. On a daily basis, tens of farmers refer to these clinics in order to identify their plant/crop diseases. It is planned that in 1366 [21 March 1987 - 20 March 1988], if financial possibilities so permit, a series of necessary structures and other relevant establishments for the storage and distribution of proper farm equipment be built.

VARIOUS CONSTRUCTION PROJECTS IMPLEMENTED

46650023b Kabul HEYWAD in Dari 21 Jun 87 p 2

[Text] The Afghani Construction Company began its activities in the construction industry 20 years ago. During the years after the advent of the revolution the aforesaid company has been able to build more than 110 important projects in the capital and throughout the country as well. Right now, 10 important projects are under way in the city of Kabul and 17 other projects are being carried out in various provinces of the country.

The main construction projects of this company where work is intensely being pursued comprise the 18-unit apartment building for the Communications Department, Cable Silo, Indira Gandhi's Hospital, Mazar Silo and Ghowr Cement Plant.

This construction company which became operational with an initial capital of 300 million afghanis, as a result of a dire necessity for constructing of new buildings throughout the country, increased its capital to 1.5 billion afghanis.

The employees and workers of this company have carried out their duties and obligations on a more serious and wider dimension during the current year and continue to do so bearing in mind the motto: Gift of good work for leading in the 10th anniversary of the Sawr revolution.

12719

CSO: 46650023

NEW LAND OWNERSHIP DECREE CLARIFIED

Kabul KABUL NEW TIMES in English 20 Jun 87 p 2

[Text]

"According to the decree of the Presidium of the Revolutionary Council on the management of land and water relations, the ceiling on land ownership for a peasant family has been fixed at 20 hectares of first degree land or its equivalent, while it was 6 hectares before.

The land ceiling was changed, because in most of the regions, particularly in areas where shortage of water is felt and lands are not fertile, it was detrimental not only to big land lords but to middle peasants also."

The above was said by Ghulam Farouq Kobakiwal, Minister for Agriculture and Land Reforms in an interview to BIA.

Answering a question on lands which did not come under the provision of ceiling, the minister said: "Since fresh and dry fruits constitute the main export item of the country, in order to prevent the cutting into pieces of orchards and

vine yards, the lands of owners of orchards and vineyards, have been exempted from ceiling provided their entire area grows fruit-bearing trees and vines. Lands of trusts belonging to holy places like mosques, religious madrasas and grave yards also do not come under ceiling. To realise the policy of national reconciliation the main aim of which is to stop war and bloodshed and establish country-wide peace, the lands of those landlords who have played an active role in the realisation of the policy of national accord and made considerable contribution to the cessation of bloodshed and establishment of peace and who have expressed readiness for further cooperation with the state power and whose services are confirmed by the Supreme Commission for National Reconciliation, have also been exempted from ceiling.

"For increasing agricultural production and raising productivity, permission is given for the establishment of mechanized agricultural farms, private and joint corporations on existing agricultural lands and those that are newly brought under cultivation, whether they are in the possession of private owners or the state. The ceiling on land ownership would not be applicable to the lands of such institutions also", the Minister added.

Explaining the decision on surplus lands, and the conditions of distribution of land to landless peasants, Ghulam Farouq Kobakiwal said:

"The surplus land above 20 hectares of first degree or its equivalent would be brought under state ownership. Previously one hectare of first degree land or its equivalent was distributed to peasants, while with the enforcement of the new decree, differ-

ent approaches are adopted in the distribution of land. That is to say, 1-6 hectares of land would be distributed free to every peasant family taking into account the quality, fertility of land and the size of land available for distribution and the number of peasant families.

About lands distributed to landless and small land holding peasants in the process of land and water reforms, the minister said: "The lands which have been distributed in the process of land and water reforms to landless and small peasants who are still working on them, will remain at their disposal for ever. Also peasants who have received land from the state, can expand the area of the land in their ownership upto 20 hectares of first degree or its equivalent through the purchase of additional lands. Material and technical assistance like chemical fertilizers,

improved seeds, veterinary and mechanized agricultural services and bank credits are extended to such peasants.

The minister said: "Before the enforcement of this decree, i.e. in the course of land and water reforms, six hectares of land remained at the disposal of those individuals who had got ownership documents registered in their names. But according to the present decree, individuals who possess ownership documents or have paid the tax jointly with others, can get their share as per the traditional system of property division and register them in the land record. It should also be stated that for realising the decree, concrete procedures and instructions have been worked out to be sent to the local state and agricultural authorities for unified action. Also relevant amendments are introduced to the decrees and regulations.

/9317

CSO: 46000283

COOPERATIVE MOVEMENT COMES OF AGE

Kabul KABUL NEW TIMES in English 17 Jun 87 pp 1-2

[Text] Mobilisation of peasants, artisans and other working people for their active participation in the defence of the gains of the revolution and building a new life constitutes one of the principal objectives of the PDPA and the State of the DRA.

As a large productive force and close ally of the working class, the sizeable peasant population, numbering over 6 million, plays a significant role in elevating the level of agricultural production that is the backbone of the country's economy.

Keeping in view the rôle of peasantry in strengthening and expansion of the pillars of people's revolutionary power and the national economy, the party and state have placed the question of ensuring a better life for them at the centre of their attention. The cooperative movement, being an effective means for their mobilisation and the chief factor for improving the material and cultural life of the working people, plays a key role in the realisation of this objective.

Mainly to improve the production and supply of Karakul pelts in the northern provinces of the country, a number of cattle breeders and sericulturists were organised in 13 cattle breeding and sericulture cooperatives. These cooperatives carried out their activities under the guidance of the Ministry of Commerce and later under the Ministry of Agriculture.

The way of feudalism and semi-feudalism, lack of cooperative knowledge and lack of skilled personnel in the field of cooperative management were some of the causes of the failure of these cooperatives.

In HS 1342 the International Labour Organisation (ILO) sent three experts to establish agriculture and consumer cooperatives in our country. Five consumer cooperatives were established at that time under the direction of Rural Development Department in Logar province.

Despite a number of problems, the cooperatives were successful in carrying out their activities. But they were dissolved because of lack of attention from the government.

The Project on Agricultural Credit and Cooperatives in Afghanistan (PACCA) was established through the good offices of Food and Agricultural Organisation (FAO) of the United Nations under the Agriculture Extension Department of the Ministry of Agriculture in HS 1346. A cooperative training institute was also established to train cadres in the field of cooperative management. During its existence PACCA could train a number of Afghans inside and outside the country.

In HS 1353 the activities of the Cooperative Training Institute was discontinued. This had an adverse effect on training cadres.

Cooperative Law was promulgated in HS 1353. Consequently, 135 agricultural cooperatives were established in the capital and various provinces of the country. But this was not enough to meet the needs of the peasants. These cooperatives couldn't render adequate service to their members and the government officials didn't pay any attention to their working.

After the victory of April Revolution, the party and the government of the DRA paid keen attention to the cooperative movement. The first Congress of Agricultural Cooperatives was held in HS 1359 with the participation of 650 representatives of the party the government and the cooperatives as a basic pillar of National Front under the leadership of PDPA in Kabul.

774 cooperatives including consumer and handicrafts cooperatives with about 169,832 members, are now functioning throughout the country. Over 504 agricultural cooperatives, with 70,000 members, and 270 handicrafts and consumer cooperatives, with a membership of over 93,000, have helped to mobilize peasants and artisans of cities and rural areas in the cooperative movement. In order to provide the members of the cooperatives and people with their essential nee-

ds, 400 stores for consumer goods and agricultural products have so far been opened in the capital and provinces of the country. These stores sell primary commodities at prices lower than in the open market. Expansion of the network of cooperatives to every part of the country would help to hold the price line as the cooperatives sell essential goods at prices 15-20 per cent which are lower than the market price.

The activities of consumer and handicrafts cooperatives have also been expanded. Besides rendering useful service in selling foodstuffs and consumer goods to the people, they help to raise the level of production and market the surplus agricultural products of peasants. This helps to improve the finances of cooperatives as well as prevents hoarding by middlemen. The profits go to the members of the cooperative.

This plays an important role in strengthening the economic base of the peasants.

The peasants, who are members of cooperatives, can get improved seeds, chemical fertilizers and agricultural machinery from the State in time. A sum of 125.24 million Afs, as credit for fertilizer, improved seeds and pesticides, has been distributed to agricultural cooperatives in the capital and provinces.

In HS 1365, 143,165 tons of surplus products of cooperative members were sold in the internal and external markets.

Also, 73,036 Karakul pelts of cooperative members were exported, earning valuable foreign exchange.

Some of the cooperatives have used funds for social activities for the construction of schools for children of the peasants and reside-

ntial blocks for the homeless members of the cooperatives.

Apart from tilling their own lands, members of some of the cooperatives also help cultivate lands belonging to the families of martyrs of the revolution.

Agricultural cooperatives play an important role in enlightening the minds of the peasants and attracting them to the ranks of the PDPA and social organisations.

The peasants belonging to agricultural cooperatives have also been organized in revolution

defence groups to defend their agricultural yields and cooperatives. They do not allow saboteurs to carry out any anti-national activities in their regions. The establishment of agricultural cooperatives has also paved the ground for removing illiteracy among the peasantry.

As a result of the explanatory work undertaken, in HS 1365, 615 members of agricultural cooperatives voluntarily joined the PDPA, 2970 the NF, 208 Revolution Defence Groups, 712 self-defence groups and 92 other social organisations of the country.

/9317

CSO: 46000284

NANGARHAR COOPERATIVE ACTIVITIES DETAILED

46650024a Kabul ANIS in Dari 1 Jul 87 p 2

[Text] The Farmers' Cooperatives Union of Nangarhar Province is active within the framework of the Farmers' Cooperative Union which in turn follows the party and government of the DRA's objectives. The aforementioned cooperative has made every effort to mobilize the farmers and other hard-working people of this province around the revolutionary government.

While making the above statement, a source from the Farmers' Cooperatives Union of Nangarhar Province in a report told ANIS correspondent: The Farmers' Cooperatives Union of Nangarhar Province has done praiseworthy services for the farmers and other hard-working people of this province. This cooperative has 28 professional employees and five wage-earners. Thirteen professional employees of the said union work in the head office while 15 others work in the district and sub-districts' unions. In 1364 [21 March 1985 - 20 March 1986] the Farmers' Cooperatives Union of Nangarhar Province had 16 consumer cooperatives with a total membership of 3,262 and the capital investment for the consumer cooperative reached 1,833,500 afghanis. In 1365 [21 March 1986 - 20 March 1987] the number of consumer cooperatives reached 20 and likewise its total membership increased to 6,723 while at the same time its capital investment soared to 3,356,000 afghanis. Similarly, a cooperative for the manufacture of confectionary products with a capital investment of 300,000 afghanis and a membership of 15 was established in the city of Jalalabad.

Also in 1365 a store for the sale of agricultural products was set up in the city of Jalalabad, and at the same time the construction of a warehouse for farm's products was finished. Furthermore, both in 1364 and 1365 eight new literacy courses were established consecutively. Thus there are a total of 16 literacy courses with 268 students. In a like manner, the aforesaid cooperative has been very helpful to the people of Jalalabad city and its neighboring villages which benefited from the distribution services of the two mobile consumer goods stores.

The Farmers' Cooperatives Union of Nangarhar Province in 1364 had projected eight million afghanis from wholesale, in 1365 this figure was projected to be about 38 million afghanis while in reality it rose to 48.96 million afghanis which showed 129 percent increase over the projected plan. The total revenue for the year in question amounted to 2.46 million afghanis.

In 1365, the Farmers' Cooperatives Union of Nangarhar Province sold close to 35.6 million afghanis worth of goods through consumer cooperatives, free market stores and its mobile consumer commodities stores. Likewise, it purchased 829.5 tons of farm products with an equivalent value of 10.7 million afghanis and sold the same to the people in the time period in question.

12719

CSO: 46650024

PHARMACY DEPARTMENT TO INCREASE MEDICAL SUPPLY

Kabul KABUL NEW TIMES in English 20 Jun 87 p 4

[Text]

The department of pharmacy affairs plans to provide this year at a cost of over 1500 million Afs medicines and medical equipment needed by hospitals and private pharmacies. The department had provided at a cost of 1,330,912,000 Afs medicine needed by the health departments, private and state pharmacies in the last year which was 70 per cent more than in 1364 HS.

The department had produced medicines valued at over 508 million Afs as well as imported medical instruments from abroad costing over 2,721,361,000 Afs during the years of the revolution.

It supplied its products 10-20 per cent cheaper than in the market through 76 state pharmacies in the centre and 66 in the provinces.

Medicines supplied by the department can meet 10-15 per cent of the needs of hospitals, state and private pharmacies.

The department imports raw material from abroad except alcohol which is purchased locally. Recently the department has concluded protocols with Bulgaria and India for manufacture of 14 items of medicine in each case.

To support the policy of national accord, workers and employees of the department carried out extra work in HS 1365 and saved Afs 1,972,965 and transferred it to Account no. 60000 of the NR commissions.

The department was established in 1333 HS. After the revolution, it expanded production.

INDIA

SOUTH ASIA

EXTERNAL AFFAIRS PANEL DISCUSSES RELATIONS WITH U.S.

Madras THE HINDU in English 11 Jul 87 p 9

[Text]

NEW DELHI, July 10.

The External Affairs Minister, Mr. N. D. Tiwari, today admitted in the Parliamentary Consultative Committee meeting that Indo-U.S. relations had received a setback in recent months, but said there had also been, in the past three years, a surge in bilateral economic cooperation.

Reviewing Indo-U.S. relations at the conclusion of the second Consultative Committee meeting on the same subject, Mr. Tiwari spoke of the implications of U.S. arms supply to Pakistan on India's security. He also gave a quick run-down of the growing cooperation in joint industrial collaborations, transfer of technology and other areas of economic cooperation.

Serious security implications: Mr. Tiwari informed members that though the U.S. government had yet to make up its mind on whether to provide Pakistan with the AWACS, India was opposed to all such supplies. According to him, they were 'offensive systems' in the sense that 'it has control, command and intelligence functions and acts as a force multiplier to existing air forces.' This had serious implications for India's security.

Members of the committee expressed concern at the growing U.S.-Pakistani strategic relationship, as manifested in the Reagan Administration turning a blind eye and changing its laws to accommodate Pakistan's nuclear weapons programme. A former External Affairs Minister from the ruling party observed that unless a 'client State' relationship existed with the U.S., good relations with it were not possible.

All members urged the Government to continue pursuing an independent foreign policy based on self-reliance. This would be the surest way to combat efforts at destabilisation, they said. Mr. Tiwari welcomed the broad consensus in favour of India's policy towards the U.S. He said India had made known its 'serious concern' on the supply of arms to Pakistan, not only through diplomatic channels to officials, but also to Congressmen when Mr. Natwar Singh, Minister of State, visited the U.S. recently.

Biggest investor: On economic cooperation, Mr. Tiwari observed that the U.S. had the largest share of investments in India and the highest number of joint industrial collaborations.

/13046

CSO: 4600/1862

INDO-SOVIET VENTURES TO MAKE CONSUMER GOODS

Madras THE HINDU in English 13 Jul 87 p 6

[Text]

NEW DELHI, July 12.

Indian private sector enterprises and Soviet organisations have decided to set up a few joint ventures for the production of consumer goods. In addition, Indo-Soviet joint ventures will come up in the area of construction projects also. This would break fresh ground as hitherto the two countries have cooperated mostly in the capital goods and heavy industry sectors.

The Confederation of Engineering Industry (CEI), which recently sent a high level mission headed by its president, Mr. Suresh Krishna, to the Soviet Union for interaction with government agencies there, is drawing up an action plan for mutual cooperation between Soviet and Indian enterprises in India as well as in other countries. The action plan will be posed to the Soviet State Committee for External Economic Development (GKES).

With the relaxation of rules regarding the setting up of joint ventures by Soviet organisations with foreign organisations, the scope for cooperation between the private sector Indian companies and Soviet enterprises has become larger. Soviet enterprises are keen to form joint ventures with Indian private sector companies.

The new areas identified for further cooperation are metallurgical equipment, electronics and computers and renewable energy. The CEI has signed a cooperation agreement with GKNT, which is the only one of its kind between a Soviet organisation and an industry association anywhere in the world.

The CEI and the Soviet State Committee for

Science and Technology have formed a joint working group for cooperation and joint unit level research and development in areas such as electronics, biotechnology and use of gas in engines.

The working group was formed during the visit of the CEI team, which held talks with ministers and counterpart organisations on how to promote a substantial growth in Indo-Soviet industrial cooperation.

The discussions with Soviet organisations took place in an atmosphere of goodwill and friendship, especially in the context of the cooperation agreement signed between India and the Soviet Union. This would enable India to get the same advantages as other Socialist countries on the question of joint ventures.

The CEI has been identified by the Government of India as the nodal agency in the area of production cooperation with the private sector. According to the CEI, one of the difficulties involved in promoting acceptance of production cooperation and increasing trade through Indian exports to the USSR is the concept of balancing where Indian companies are often requested to buy an equivalent amount of what they sell to the USSR. The CEI mission discussed this matter with various ministries and organisations and there was general appreciation of its viewpoint that company level or sectoral balancing of trade would not be feasible and the objective should be the balancing of overall trade between the two countries.

/13046

CSO: 4600/1866

EDITORIAL NOTES CEMA-TYPE ARRANGEMENTS WITH MOSCOW

Calcutta THE STATESMAN In English 10 Jul 87 p 8

[Editorial: "Into the Soviet Orbit?"]

[Text]

As a follow-up to the long-term cooperation and joint programmes agreed upon in Moscow, Mr Rajiv Gandhi and the Soviet Prime Minister, Mr Ryzhkov, are reported to have negotiated a new arrangement involving certain types of direct economic tie-ups. The details are not clear but they are apparently on lines similar to those followed by the East European countries forming part of the Council for Mutual Economic Assistance (CMEA) for developing and producing new machinery, technologies and materials. This plan is expected to involve the setting up of joint scientific and technical and production associations, centres, laboratories and teams, and also the setting up of joint enterprises in India and the Soviet Union. Further implications of such planned interlinking of the two economic systems are expected to be worked out in the course of this year, but if successful they may not materially alter the fact that India has now agreed in principle to opt for an economic status analogous to that of a member of the Eastern Bloc, whether or not this is formalized as in the case of Cuba or Vietnam into membership of the CMEA. Obviously, this is intended to mark a major advance on the existing basis of Indo-Soviet economic cooperation which has so far represented a judicious reconciliation of the working of the

two different economic systems, one a mixed economy with worldwide links and the other a centrally planned and largely self-contained system with fewer external connexions, especially in monetary and financial matters.

There were some vague suggestions during the Brezhnev period that India may seek direct or associate membership of the CMEA, but Mrs Gandhi was shrewd enough to turn down the bait. Even now, it is difficult to believe that Mr Rajiv Gandhi did not see the snares in economic tie-ups between Ministries, enterprises and firms in India and the USSR proposed in order to achieve a breakthrough "in mutual exploitation of the production and scientific potentials of the two countries". Obviously, this will have to extend beyond the public sector enterprises in the two countries which may more easily come within the purview of official regulation and cover the proposed joint ventures with the Indian private sector which are expected to cater to the domestic markets of both countries and also undertake exports to others. Naturally, doubts will arise whether this kind of integration of the industrial structures of the two countries will be consistent with Mr Gandhi's plans for deregulation, liberalization and exposure of Indian industry to market forces or whether it

will offer adequate scope for the fulfilment of India's obligations to the rest of the world on trade, aid flows and debt servicing which are also dependent on its membership and responsibilities to the international monetary system.

It may well be that Mr Gandhi had not thought out all the implications or was merely unwilling to be discouraged by them in the mood in which he had warmly accepted Moscow's good offices during his time of trouble. Perhaps, Mr Gorbachov's talk of economic restructuring (perestrioka) and openness (glasnost) made him feel that an emerging Soviet mixed economy would not be quite so alien to our own as it had been assumed all these years. Mr Gorbachov for his part, having lost patience with the impediments of his own bureaucracy in the matter of accelerating economic reforms, might well have considered an exposure to the winds of competition and private initiatives from the Indian mixed economy much safer or more acceptable to his own ideological diehards. All this is, of course, somewhat speculative and Mr Ryzhkov's arrival later this year for the Soviet festival in India may provide the moment of truth for both sides.

/13046

CSO: 4600/1861

DEPRECIATION RENDERS BORROWINGS FROM IMF TOO COSTLY

Calcutta THE TELEGRAPH in English 13 Jul 87 p 8

[Text]

New Delhi, July 12 (PTI): India's borrowings from the IMF are proving too costly with obligations in rupee terms going up following the depreciation of the rupee against the SDR, even though these loans have been partially repaid.

India had borrowed between 1980-81 and 1984-85, a total of SDR 4,429 million under the extended fund facility (EFF) and the Trust Fund administered by the IMF. The rupee value of these loans at the time of drawal was Rs 4,706.63 crores.

India, till April 30, 1987, repaid SDR 763.85 million equivalent to Rs 1,155.2 crores. The outstanding obligations were SDR 3,665.15 million, which at the prevailing exchange rate amounts to Rs 6,051.7 crores or Rs 1,345 crores more than the amount borrowed in rupee terms.

Loan value

The total of repayments made and those outstanding worked out to Rs 7,206.9 crores, 54 per cent more than the value of the loans at the time of drawal.

The EFF loan of 3.9 billion SDR was drawn under three different sub-heads, with 1.95 billion SDR from the ordinary resources, 1.2 billion under the

supplementary financing facility and 750 million under the extended access to resources.

The average value of the SDR during the period of drawal of the EFF loan was Rs 10.67, and thus the rupee value of the EFF loan worked out to Rs 4,162.1 crores.

Till the end of April this year, India had paid back SDR 606.25 million of the EFF loan with the SDR varying in the period of repayment from Rs 12.27 to Rs 16.54, or an average of Rs 15.10, the rupee value of repayments worked out to Rs 915.4 crores.

The outstanding repayment obligations for the EFF loan stood at SDR 3,293.75 million. At the exchange rate of one SDR per Rs 16.5116, as on April 30 this year, this amounts to Rs 5,438.5 crores.

Thus, the total of the amount repaid and the amount outstanding on EFF loans at the end of April, was Rs 6,353.9 crores. This means that, assuming no further deterioration in the SDR-rupee exchange rate, India would pay 53 per cent more in rupee terms than the value at the time of drawal.

Repayments under the EFF are scheduled to last till 1994-95, and if the rupee continues to depreciate against the SDR, the price to pay for it may be even

higher.

Trust Fund loan

The Trust Fund loan was borrowed in a single instalment in August 1980. The 529 million SDR loan was equivalent to Rs 544.53 crores at the then rate of exchange of one SDR per Rs 10.29.

Of this, SDR 157.6 million have been repaid in three instalments between February, 1986 and February, 1987. With the SDR ranging in this period from Rs 13.97 to Rs 16.46 or an average of Rs 15.22, the rupee equivalent of these repayments was Rs 239.8 crores.

The outstanding obligations under the Trust Fund were SDR 371.4 million which was equivalent to Rs 613.2 crores, at the prevailing exchange rate, as on April 30, 1987.

Thus, the total of the amount repaid and that to be repaid stood at Rs 853 crores. This means that India would have to pay 57 per cent more to the IMF in rupee terms than the value of the Trust Fund loan at the time of drawal.

With the repayments of this loan to continue till February, 1990 any further fall in the value of the rupee against the SDR may well inflate the rupee cost of these repayments

/13046

CSO: 4600/1865

GANDHI ANSWERS QUESTIONS FROM FOREIGN NEWSMEN

New Delhi PATRIOT in English 30 Jun 87 p 1

[Text]

Prime Minister Rajiv Gandhi on Monday renewed his offer of a Friendship Treaty to Pakistan; notwithstanding its "active nuclear programme", and sought a political impetus to the Sino-Indian border talks in an effort to break the stalemate in the current officials level parleys.

Specific issues blocking a peaceful settlement of the Sino-Indian border dispute "would have to be discussed" during External Affairs Minister N D Tiwari's official visit to China later this year, he said, but thought prospects of bilateral political talks depended on China's stance.

Addressing a luncheon meeting of the Indian Association of Foreign Affairs Correspondents, Mr Gandhi said India's offer of a Friendship Treaty with Pakistan was "still open". He did not feel that Pakistan's nuclear programme posed a hindrance to the treaty.

"They aren't nuclear yet", the Prime Minister asserted when asked whether India would still conclude a Friendship Treaty or a No-War Pact with a nuclear-weapon Pakistan. "They have a very active nuclear programme. But according to my information, they haven't gone nuclear yet. They are actively working in that direction, though without respite".

During a 90-minute question-answer session, Mr Gandhi reiterated India's commitment to pursue the "good neighbourhood policy", but blamed the neighbours for the slowdown in the process and results. Other countries had to match the initiatives India was taking, he said.

"Our whole approach to improving relations with neighbours will have to be taken in a perspective. We can only

improve relations within the constraints of our national interests. We cannot bargain away or give up our interests", Mr Gandhi pointed out.

In the context of China, Mr Gandhi said any real progress in normalising relations could be made only if the "level and method of the talks" were changed. Asked whether he would "elevate" the officials level talks, seven rounds of which have already been held, to a political level Mr Gandhi said this would have to be discussed with China.

During Mr Tiwari's forthcoming official visit to China later this year, specific issues blocking the way to a solution of the border question would be discussed. But whether the border talks would be raised to a political level would depend on China.

Mr Gandhi struck a note of hopefulness and sounded significantly charitable on the issue of China. Both India and China took a "positive" view of the border dispute and both were looking for a peaceful solution, he said.

He categorically denied western media reports of an "alarming situation" on the Sino-Indian border, or of a confrontation building up. He also denied border clashes between the two countries, but admitted that "We believe there has been some increase in the level of Chinese forces in the Tibet region".

Mr Gandhi declined to divulge details of the "increase", or give the Government's assessment of why the Chinese were increasing concentration of their troops in Tibet. "It is difficult to say what their intentions are".

The Prime Minister denied that the Government's decision now to improve

relations with Beijing in trade, economic exchanges, culture and other fields while seeking resolution of the border dispute represented any "departure" or "change" from the Government's China policy in the past.

India still considered the border dispute as the "major issue" in Sino-Indian relations, but isolating it from other aspects of relations would make it "very difficult" to build an area of trust, Mr Gandhi said, adding that the issue was now being approached from a "broader perspective".

Asked about the latest "package proposal" by China and whether the border talks would be continued on the basis of India's "sector-by-sector" approach, Mr Gandhi said the proposals would develop as the talks begin. Hard positions could not be taken right at the start. These would only block the progress of negotiations.

Asked about China's reported demand that Indian troops withdraw to behind the line of actual control to the 1959 positions, Mr Gandhi said, "We do not believe Indian troops are inside the Chinese territory".

On the Sino-Soviet "rapprochement" and its possible impact on Sino-Indian relations, Mr Gandhi observed that the said rapprochement was not taking place in the same degree as was being reported by the media. There still were major hurdles. Even if the rapprochement were to take place, he did not think it would either "speed up or affect" Sino-Indian relations.

Replying to a spate of questions about Pakistan, its nuclear ambitions and acquisition of AWACS planes from the US, Mr Gandhi asserted, "No matter what they do, our defence will never be compromised".

Mr Gandhi blamed Pakistan for the slowing down in the process of normalisation of relations even after agreement was reached in this regard between him and President Zia in New Delhi in December, 1985. If the meetings of the Joint Commission's sub-commissions on trade and economic relations could not be held as scheduled, it "was not because of our domestic problems".

The Prime Minister did not agree with a suggestion that China was instigating Pakistan to keep up its tensions with India. Pakistan did not need any instigation.

Disagreeing with a view that India's actions like the air-drop of supplies in Sri Lanka would make the neighbours invite "protective umbrella" of outside powers in the region, Mr Gandhi said, "I don't think our action or other efforts in Sri Lanka are going to be the prime mover in any of our neighbours inviting any Big Power in". The Government was in touch with Sri Lanka and others.

As to "what went wrong" with the "good neighbourhood policy", Mr Gandhi said while India was trying to improve relations with the neighbours, they "have not been willing to move". There had to be equal movement on both sides.

On the Indo-US relations, Mr Gandhi said over the last two and a half years, India had been trying to change the level of relations. A lot had been achieved, "but there are basic blocks". India had expressed itself strongly on the US arms supplies, including AWACS and force-multipliers, to Pakistan, which "have upset us".

He disagreed that India was behaving like a "suppliant" in accepting a cut in aid or showing willingness to settle for a second-generation super computer. "At no time have we taken anything from the US that we did not need. No decision has been pushed on us by the US." There was "no question of shifting our stand, bending or coming under any pressure", he said, adding a technical committee was examining the US offer on super computer.

About resumption of the dialogue for a political solution to the ethnic crisis, Mr Gandhi said "the ball was in Sri Lanka's court now. India had a tentative option on resolving the issue but was awaiting directions from Colombo".

Making observations on his Government's domestic and foreign policies, Mr Gandhi claimed that he had been successful on both fronts.

Referring to developments at home, Mr Gandhi said although Punjab was still a problem, "the Assam and Mizoram issues have been solved and Kashmir is on way to a solution after all the mess".

GANDHI INTERVIEW CARRIED IN U.S. MEN'S MAGAZINE

Bombay THE TIMES OF INDIA in English 8 Jul 87 pp 1, 9

[Text]

NEW YORK, July 7 (PTI).

THE Prime Minister, Mr Rajiv Gandhi, has described Pakistan as the "most visible tool of cold-war tension" and accused it of exploiting its link with the United States in its dealings with India.

In an interview that is the subject of a raging controversy, Mr Gandhi said that cold war was a "terrible nuisance in every way," mostly because of induced tensions. "In our own area, Pakistan is, from our point of view, the most visible tool of cold-war tension", he added.

Mr Gandhi's remarks are contained in the interview he granted to an American journalist, Mr Russell Warren Howe. It is carried in the latest issue of "Penthouse" despite protests from the Indian embassy in Washington, which says that interview was given for a book and not for this soft-porn magazine.

The Indian government is reportedly considering the possibility of taking legal action against the author and the magazine. A spokesman for the embassy said today that "we have not ruled out any option". "Penthouse" termed the Indian embassy's version as inaccurate.

The Indian embassy spokesman said that Mr Howe had approached it in August for an interview with the Prime Minister for a book, "statemanship in 20th century." The interview was held in New Delhi in March "solely for the book", he added.

When "Penthouse" announced last month that it was carrying Mr Gandhi's interview, "we spoke to Mr Howe as well as to the magazine. We told them it was totally unacceptable to us that the magazine should carry the interview, which was not given for it", he said.

PENTHOUSE INTRODUCTION

In an introduction the magazine says that in a recent interview with Mr. Howe, which appeared in "Penthouse", the former U.S. secretary of state, Dr Henry Kissinger, had stated that India was "about a generation" ahead of China in science and technology.

"This exchange led to a telephone call from the Indian embassy in Washington, expressing satisfaction at the recognition of this point and suggesting that the matter be pursued for Penthouse readers by an interview with the Prime Minister, Mr Rajiv Gandhi, himself", it added.

The embassy spokesperson categorically denied this, and maintained that this was not the correct position. Mr Howe could not be reached for his comment.

INDIAN RELATIONS

Here is an excerpt from the interview, regarding India's relation with China and Pakistan:

Q: If the cold-war did not exist, would your relations with China and Pakistan be easier or more difficult?

Mr Gandhi: I think they would be very different. With Pakistan, I think there would be no problem at all. With China, it is very difficult to say. The Sino-Indian war of 1962 was a very major turning point in our relations. How much 1962 relates to the cold war is difficult to say. Perhaps it would have happened with or without cold war.

The Prime Minister answered in the affirmative when asked if this was an issue of territorial conflict, more than part of the cold war. "Those problems are not necessarily linked to the international power struggle", he added.

Asked if he meant that Pakistan would not be able to exploit "the

Washington link" in its dealings with India if there was no cold war, Mr Gandhi replied, "yes".

Mr Gandhi said that Pakistan was supporting the Afghan guerillas "because it is the key to aid from Washington".

Answering questions of Indo-U.S. relations, Mr Gandhi ruled out India asking for any American defence supplies in the near future. The U.S. had been less than forthcoming in this respect, he recalled.

President Reagan and he had talked about this when he visited the U.S. in 1985, and they had decided that "after such a long period of differences and suspicion we need a period of getting to know each other better, building confidence in each other, before doing something concrete", he said.

He added that the last two years had been in that direction and although India had not made any defence purchases, "we have had a lot of high-tech exchange, which has been very good".

Asked if this included defence or "dual-use" technology, the Prime Minister replied, "well, defence-related perhaps. Some (new) raw materials, some components which could go into defence. But no real hardware. Defence is going to be the area which it will take sometime for us to get into with the United States, because on earlier occasions we have had the feeling that the United States has not stood by us at times of tension, and this has caused problems".

He also sought to dispel the impression in the U.S. that India's defence is totally based on Soviet equipment. "Our really high-tech stuff is mostly from western Europe — France, Great Britain, Switzerland, Sweden, West Germany, Italy", he added.

Mr Gandhi said that India had adopted a policy of not exporting weapons. "There is a big lobby in India that wants us to abandon our ban on arms exports, but we feel that India is the last bastion that is really sticking to certain principles, as opposed to financial, monetary or economic returns, and putting financial values on everything", he added.

Asked if he saw any hope of cooperation with China, Mr Gandhi said, "it is very difficult to say at the moment, because the border problem vitiates all our talks".

Q: Are the Chinese still involved with supporting secessionist and anti-government movements in Assam and elsewhere?

Mr Gandhi: It is very difficult to say how strong the links are, and it is

equally difficult to say there are not any. Okay, there are links, there are.

Answering about Nepal's support to factionalism in the north-east, Mr Gandhi said, "we have some indications, but we are not sure whether the government of Nepal is involved. But whether that comes from sources other than the government. So let us say, we have nothing to link the Nepalese government to it".

The interviewer remarked that "Pakistan definitely plays a role in the Hindu-Muslim faction fighting in Gujarat, and in the Sikh mayhem in the Punjab. He asked if Islamabad gave up its role in that, could friction between India and Pakistan be reduced.

STRATEGIC INTERESTS

Mr Gandhi answered that it would make it easier to have very good relations with Pakistan. Kashmir was a problem, but he did not think that it was the source of the any longer — it is only part of the problem.

"The source of the problem", he said, "is the strategic interest of various countries in the zone". If that could be removed, he had no doubt that India and Pakistan could solve their problems.

The Prime Minister affirmed that India had not made a nuclear bomb. "We really froze it in 1974", he said in an obvious reference to the Indian peaceful nuclear explosion that year.

On domestic issues, Mr Gandhi said that democracy would definitely last in India. "There is no question of any other way. It would be chaos", he remarked.

Mr Gandhi declared it was a "big mistake" to create states on linguistic basis but added, "now, of course, it is easy for me to talk in 1987. Perhaps if we had not linguistic divisions at the time of independence, things would have been quite different and much worse. But today, my feeling is that we should have had geographic boundaries, or perhaps just longitude-latitude lines".

INDIAN ECONOMY

About economy, the Prime Minister said that he did not see either an American formula, or a Soviet formula, or a Chinese formula, or for that matter anybody else's formula as totally valid for India. "What we need is an Indian formula", he added.

Answering on political parties, Mr Gandhi said that it would be very necessary and good for India to have a proper opposition party, "as opposed to 23 opposition parties with no serious standing in the house".

GANDHI ACCUSED OF DISTORTING BOFORS REPORT

Bombay THE TIMES OF INDIA in English 8 Jul 87 p 9

[Text]

NEW DELHI, July 7.

MR. George Fernandes today claimed to know from "reliable sources" that portions were deleted from the Swedish audit bureau before publication "because of pressure" from the Indian Prime Minister.

In a second letter addressed to the President in the last four weeks, Mr Fernandes joined issue with the Prime Minister on his statement that "there is no basic contradiction in the Swedish national audit bureau report on the Bofors deal with India and what the Indian government had stated on the subject in Parliament."

In his latest letter, he has enclosed a photocopy of the Swedish language original of the audit bureau's report was made available by the Swedish government and says, "You will please note that most of page three and page four of the report has been deleted. The deleted portions begin immediately after the following statement: "From

the material that the national audit bureau has studied the following appears," and that "following", — which is everything uncovered by the audit bureau — has been deleted by the Swedish government while handing over the report to the government of India."

He says, "I know it from reliable sources in Sweden that these portions were deleted because of the pressure put by Mr Gandhi on various Swedish authorities."

"So when Mr Gandhi sees no contradiction in the report of the audit bureau and the views expressed by his government, what exactly is he trying to convey? Whom is he trying to bluff?"

Mr Fernandes, in his letter dated June 1, had asked questions pertaining to the submarine deal and the scandal surrounding it. He had urged the President either to give permission for the prosecution of the Prime Minister on charges of corruption or ask the Prime Minister to resign in the national interest.

/13046

CSO: 4600/1860

CPI-M LEADER WARNS OF TREND TOWARD AUTHORITARIANISM

Bombay THE TIMES OF INDIA in English 8 Jul 87 p 15

[Text]

BHUBANESWAR, July 7.

MR E.M.S. Namboodiripad, the CPM general secretary, yesterday warned the people against internal attempts to subvert the Constitution and replace Parliamentary democracy with an authoritarian system headed by either the President or the Prime Minister. He described the opposition candidate, Mr V. R. Krishna Iyer's contest in the Presidential election as a struggle for the policy of defending the Constitution and not for somehow securing the post.

Mr Namboodiripad told a press conference here on Monday that "if there are Congress MPs and MLAs interested in fighting the Prime Minister's attempts to perpetuate his power by reducing the office of President to a cipher and if their fight is political, rather than factional, they need not have a candidate who is necessarily a Congress defector. With a clear conscience, they can vote for the opposition candidate." According to Mr Namboodiripad, Mr Iyer was entitled to the vote of all men and women of principle and "whether there are enough of such Congress MPs and MLAs would be clear only when the votes are counted."

Referring to what he described as the decline in the Congress hold on the people, accompanied by the "exposures of its corruption," the CPM leader observed that "never before has the Prime Minister of the country been under a cloud as Mr Rajiv Gandhi has now come". Asked whether he maintained that Mr Gandhi himself could be charged with corruption, Mr Namboodiripad replied that the way in

which the Prime Minister was trying to evade the issues created "legitimate suspicion". According to the veteran CPM leader, if Mr Gandhi had "ordinary political common sense" he would have stepped down long ago.

Referring to the internal squabbles of the Congress and the formation of factions groups as unprecedented, he said the absence of internal democracy and the refusal to hold the organisational elections exposed the undemocratic character of the party. "One person holding the two offices of party president and the premiership of the country is not an indication of the strength of the organisation, but of the profound crisis into which it has fallen", he asserted.

The President-Prime Minister "conflict", according to him, showed that the factionalism had assumed unprecedented proportions. That the two could not, for months together, see eye to eye on a number of issues on which they should work together, showed the depth of the crisis in the political system.

"This crisis was sought to be resolved by the Prime Minister by trying to reduce the office of the President to a cipher. While some others tried to clothe the office of the President with dictatorial powers", he said. Mr Namboodiripad accused both the sides of attempts to subvert the Constitution.

President Zail Singh, who, according to Mr Namboodiripad, had never been interested in a second term, "was well advised not to go along with those who were trying to make him a tool of intrigue against the Constitution."

The CPM leader observed that while destabilisation attempts had always been one of the factors of U.S. imperialism, the policies of Mr Gandhi had helped the internal forces of destabilisation.

/13046

CSO: 4600/1860

PROBLEMS IN SUGGESTED JANATA-LOK DAL MERGER NOTED

Calcutta THE STATESMAN in English 10 Jul 87 p 9

[Text]

NEW DELHI, July 9.—A number of Janata and Lok Dal leaders have welcomed Mr George Fernandes' move to bring the two parties together. They say that as one party they could be a force to reckon with as they have a significant presence in a number of legislatures, besides ruling Karnatak and Haryana.

But some supporters of Mr Chandra Shekhar, president of the Janata Party, see difficulties in such a merger, especially over the question of who would lead the united party. The suggestion that the party presidentship could be rotated does not appear acceptable to them. Mr Fernandes feels that the modalities can be worked out over a period of time. In any case, he is not the one to give up. He proposes to raise the unity question forcefully at the Janata Party's national executive meeting next weekend.

Even as the socialists in Janata endorse Mr Fernandes' proposal to unite the two like-minded parties. Some of them say the right forum would be the party's 50 member national executive rather than public platforms or the Press. Such an exercise could be harmful to the cause.

But apparently Mr Fernandes wishes to assess the response to his move and build up pressure in the national executive rather than surprise it and be sidetracked.

A Janata general secretary until lately and being close to Mr Chandra Shekhar for some years, as well as having been a general secretary of the Lok Dal in the early 1980s, Mr Fernandes has been

meeting Mr H. N. Bahuguna and some other Lok Dal leaders frequently. They include Mr Karpoori Thakur, leader of the Opposition in Bihar and a socialist by persuasion.

Among the strong supporters of the Janata-Lok Dal unity move would be the Orissa Janata leader, Mr Biju Patnaik, who was expelled from the Lok Dal by Charan Singh several years ago.

Last year Mr Ram Vilas Paswan was expelled from the Lok Dal for anti-party activities. He returned to the Janata Party taking his supporters with him. He has been a general secretary in both parties. He can be expected to oppose Mr Fernandes' move.

"The party should take the initiative to launch a movement for the removal of Mr Gandhi from the Prime Ministership. My proposal is that all parties which are willing to join such a movement should be brought on a common platform irrespective of their ideological predilection.

"I am aware that in the short run we may have to put up with a Congress (I) Government. After all they have a majority in Parliament.

"But the Prime Minister is a different matter altogether there are serious charges of his having bribes. Instead of coming clean on these charges, he is resorting to a lot of diversionary tactics like parliamentary committee and so on.

"His continuance is dangerous to the security of India. He is now open to international blackmail by the USA, West Germany and Bofors.

/13046

CSO: 4600/1861

ANDHRA PRADESH CABINET EXPANDED, RESHUFFLED

Calcutta THE SUNDAY STATESMAN in English 12 Jul 87 p 9

[Text]

HYDERABAD, July 11.—The Andhra Pradesh Chief Minister, Mr N. T. Rama Rao, today brought about sweeping changes in his Council of Ministers, after cancelling the meeting of the Assembly scheduled for 8 a.m., when the Budget for 1987-88 was to be presented and reconvening it three hours later.

Nine Ministers were dropped and 15 inducted, taking the strength of the Ministry to 35. This is the biggest ever Council of Ministers since the Telugu Desam Party came to power in 1983. It is still smaller than T. Anjalai's "Airbus Ministry" consisting of 63 members but much larger than Mr Rama Rao's first Ministry which had nine Ministers.

Justifying the unwieldy size of his new Ministry, Mr Rama Rao said his intention was to infuse new blood into the Government and promote a new leadership group in the Telugu Desam.

Among those inducted into the Ministry today was his eldest son-in-law, Mr D. Venkateswara Rao. Another son-in-law, Mr Chandra-babu Naidu, is the general secretary of the Telugu Desam. Having come to power criticizing the Congress (I) for imposing "dynastic rule" in the country Mr Rama Rao did not see anything wrong in

promoting his "family rule" in Andhra Pradesh.

The Governor, Ms Kumudben Joshi, administered the oath of office and secrecy on the sprawling Raj Bhavan lawns two-and-a-half hours before the Assembly met for its Budget session. While the Cabinet expansion brought in its wake a dramatic reshuffle of portfolios, the Finance Minister, Mr P. Mahendranath, was left untouched, along with the Revenue Minister, Mr N. Srinivasulu Reddy.

Living up to his image as the "shah-en-shah" of Andhra Pradesh, Mr Rama Rao re-inducted two of his Ministers who had come under a cloud earlier and were forced to resign. Mr G. Muddukrishnana Naidu, former Education Minister, had to resign in the wake of the leakage of examination papers and Mr Mohan Reddy was eased out when the Lok Ayukta commented on his misuse of official cars. Both are back in the expanded Ministry, the former as Forest Minister and the latter as Minister for Roads and Buildings, having Cabinet rank.

Senior Minister, Mr Vasanth Nageswara Rao, was divested of the home portfolio and sent to the Ministry of Agriculture. In the drastic changes brought about

today, nine Ministers were sacked, among them Mr Ayyana Patrudu, who came to the limelight for slapping a polling officer in the recent elections to the cooperatives.

Other Ministers dropped were: Mr Y. Ramakrishnudu, Mrs P. Manamma, Mr M. S. S. Koteswara Rao, Mr L. M. Kasi Reddy, Mr R. Rajagopala Reddy, Mr A. Mahipal Reddy, Mr B. Rathnasabhapathy and Mr S. Ramachandra Reddy.

Those inducted into the Ministry were: Mr B. V. Mohan Reddy, Mr G. Muddukrishnamma Naidu, Mr K. Silva Prasada Rao, Mr P. Silva Reddy, Mr D. Venkateswara Rao (all cabinet rank), Mr Nimma Raja Reddy, Mr O. R. Pushpa Raju, Mr K. Ramachandra Raju, Mr P. A. Raj Kumar, Mr R. Satyanarayana, Mr S. Satyanarayana Rao (Minister of State), Mr M. Damodar Reddy, Mr M. Gopalakrishna, Mr C. Ramachandralah and Mr D. V. Veerabhadra Rao (Deputy Ministers).

Of the 35-Member Council of Ministers, 16 hold Cabinet rank, 13 are Ministers of State and four are Deputy Ministers. This is the first time since the Telugu Desam came to power that Deputy Ministers have been appointed.

/13046

CSO: 4600/1863

RESULTS OF INDUSTRIAL SICKNESS STUDY REVEALED

Calcutta THE STATESMAN in English 12 Jul 87 p 4

[Text]

PATNA, July 12. — Nearly 100,000 industrial units in different parts of the country, with a total capital investment of Rs 20,000 crores, are either sick or have reached a point of no return with production, bottlenecks, labour unrest and price rise, reports PTI.

A study conducted by the Calcutta-based National Society for the Prevention of Industrial Sickness found that, of the total sick units, 97,980 were in the small-scale sector. Over Rs 3,805.17 crores credit from banks and financial institutions are locked up in these units. The managements failure to plan in advance was cited as the main reason for sickness. Power shortage, scarcity of raw materials and restricted markets have also contributed to this phenomenon.

NSPIS sources here said that till January, 1987, over 99,700 industrial units were officially declared as sick. The most common symptom of corporate sickness — "failure of the industry to repay institutional credit" — was exhibited by all these units.

Industrial sickness has resulted in serious unemployment problems, widespread labour unrest, price hikes, production loss, and fall in exports during the last four years. It has also blocked investible funds of financial bo-

dies, slowed down the velocity of circulation of money and retarded savings. This vicious circle has affected national economy, the study said.

Several ... al and external factors, operating in combination, have caused sickness, in over 95% of cases, faulty management, impractical planning, lack of financial control, diversion of resources, inadequate attention to research and development, technological obsolescence and poor industrial relations policies resulted in closures.

The surplus labour force employed has also been important factor contributing to the non-viability of a majority of industrial units. During the last two to four years, at least 10,000 industrial units could have been revived by reducing surplus labour alone. Nearly 20,00,000 families are linked up with these units for their subsistence, the study said.

A case study of 123 close industries showed that a lack of interest among promoters pushed 66 of them towards sickness. Shortage of funds accounted for the closure of 11 units, the NSPIS sources said. In 52% of cases, the management's failure was responsible for closure, the sources added.

/13046

CSO: 4600/1864

NEW MILITARY SERVICE REGULATIONS ANNOUNCED

Tehran ETTELA'AT in Persian 25 Jun 87 p 2

[Text] Sari—Guidelines enacted in 1364 [21 March 1985 – 20 March 1986] for the military service laws, with new revisions, are ready for distribution to all the nation's conscription centers.

This was announced yesterday morning during an interview with the ISLAMIC REPUBLIC NEWS AGENCY by Colonel Razmju, national deputy gendarmerie commander, who had come to Sari to take part in a seminar for commanders of selective service regiments, brigades, departments and sections in the Mazandaran district of the gendarmerie.

He said: The new regulations have been set to eliminate obstructive details for eligible persons, to encourage eligible persons who wish to serve in the nation's war areas, and also to distinguish between eligible persons who have failed to report for some time and those who are being sent for military service at the prescribed time.

He said: Henceforth all gendarmerie bases in the remotest parts of the Islamic nation are required to issue call-up papers in areas where there is not yet a gendarmerie company where eligible persons may report.

He said: All eligible persons must obtain call-up papers in their precincts, and when people cannot do this in the district of their birth, they will be sent into service soon after their call-up papers are issued, and if information on persons born in the year 1348 [21 March 1969 – 20 March 1970] is given to precincts other than their precinct of birth, their call-up papers will be issued for the month of Farvardin, 1367 [21 March – 20 April 1988].

He likewise advised those born in 1348 [21 March 1969 – 20 March 1970] that if they do not wish to be identified as fugitives from military service, they should report for call-up papers in their precinct of birth.

In the same regard, Colonel Razmju added: Persons living outside the province of their birth must report to the precinct of their residence to obtain call-up papers.

Concerning regulations pertaining to eligible persons who are avoiding military service, the chief of the military service office said: For fugitive eligible persons who turn themselves in, three months additional service will be added as a penalty, and those fugitives who are apprehended by police centers will serve an additional six months.

He added: So long as such persons do not turn themselves in, they will naturally be deprived of all the facilities of society, such as work permits, loans, and other things.

Concerning the distinctions between persons who serve in operational areas and those who serve behind the lines for whatever reason, Colonel Razmjû said: The period of service for persons who serve at least one year in the operational areas is two years, but under the new law the period of service for those who spend all of their time behind the lines will be extended to 30 months.

In the same regard, he added: With the implementation of the new regulations for military service, the period of service for fugitive eligible persons will go from 27 to 36 months.

Continuing his talk, Colonel Razmjû mentioned that under some conditions exemptions are issued for male members of martyr families, and the families of missing persons and prisoners in the imposed war. He added: All martyr families can obtain an exemption for one male family member in one day.

He said: In such cases, priority goes to the children of martyrs and then to the brothers or other family members.

He said: If a new death occurs in the same family after an exemption has been issued to a martyr's family for one of its members, another exemption will be issued for another male member of that family.

He also said: For those whose files for exemption as physicians or other purpose are being studied in the primary councils or in the physician's council, a special paper will be issued so that they will be able to attend to their other social affairs.

9310

CSO: 4640/0163

ACTIVITIES OF ORGANIZATION FOR PROPAGATION OF ISLAM

Tehran ETTELA'AT in Persian 23 Jun 87 p 3

[Text] Society Service—Ayatollah Jannati, Secretary of the Supreme Islamic Propagation Council, gave a press conference Sunday morning on the eve of the sixth anniversary of this organization's formation. He discussed the organization's future program.

He began by discussing the importance and value of Islamic propagation and Islam's concern for this issue. He said: One of the little-noted, almost neglected principles of the Constitution is Principle Eight, which pertains to issues of propagation and guidance. Great effort must be made to activate and implement this principle.

Ayatollah Jannati then discussed last year's achievements by the Islamic Propagation Organization. He said: The organization has been very active at the war fronts in Islamic propagation and in cultural activities.

In this connection, striking activities have been carried out at the fronts, such as the monthly dispatch of propagation and cultural personnel, the dispatch of Koran teachers, the education of around 100,000 combatants, and other cultural services.

He added: Around 70 million tomans in aid from the people has gone for cultural and propagation services at the fronts of the imposed war.

The Secretary of the Supreme Islamic Propagation Council listed other activities by this organization, including the formation of the tribal cultural affairs council, whose activities are planned for the three provinces of Fars, Chahar Mahall-e Bakhtiari, and Kohgiluyeh and Boyer Ahmad.

Ayatollah Jannati discussed the publication of books. He said: Last year the international relations department of this organization printed and distributed about 50 books in various languages. In this context, a valuable book called 'The Islamic Republic of Iran' was printed and distributed in English. This book has attracted a great deal of attention abroad from foreign embassies and those interested in the Islamic revolution.

Continuing his comments, Mr Jannati said: Last year the cultural section of the propagation organization wrote seven books, and the art section wrote 27 books in various areas.

Mr Jannati added: The Islamic Propagation Organization also has a newspaper and six magazines which are printed and distributed in English, Arabic, Hindi and Urdu. The newspaper TEHRAN TIMES is the only organization newspaper that is published daily in English.

The Secretary of the Supreme Islamic Propagation Council added: Even now 14 Koran associations are active in 14 provinces in the country. In this connection, camps have been organized with the cooperation of the the educational section of the Ministry of Education, and training is being given to teachers for teaching the principles of reading and reciting the Koran.

He then listed some of the propagation organization's policies and regulations. He said: These include the organization's close propagation affiliation with the position of the leader, its lack of desire to acquire a monopoly, coordination with positive and effective propagation movements, refraining from any intervention in political, regional, and ethnic disputes, involvement in political and current affairs, preservation of the prestige and rank of the clergy, refraining from any kind of cultural degradation, efforts to make propagation an affair of the people, the use of sound and worthy personnel, valuing the quality of work above its quantity, and giving priority to the new generation and abstaining from unnecessary work.

Ayatollah Jannati stressed: As of the first of the month of Tir [22 June], on the occasion of the beginning of the seventh year since the formation of the Islamic Propagation Organization, eight centers have gone into operation distributing video tapes of suitable cinematic films in eight cities in the war areas.

In conclusion, Ayatollah Jannati added: On the occasion of the anniversary of the formation of the Islamic Propagation Organization, as of tomorrow there will be a three-day period of special afternoon art and culture programs of various kinds at the Islamic Propagation Organization's art building, including talks, poetry readings, and films.

9310

CSO: 4640/0166

NON-OIL EXPORTS SHOW 30 PERCENT INCREASE IN VALUE

Tehran RESALAT in Persian 13 Jun 87 p 11

[Text] News Department—Iran Customs has announced that in the first two months of the year 1366 [21 March – 21 May 1987] about 133,000 tons of non-petroleum goods were exported, valued at 10,148 million rials, or around 138 million dollars. Compared to the years prior to the splendid Islamic revolution of Iran, these figures are unprecedented in terms of value.

If these figures are compared with the same periods in the years 1355 [21 March – 21 May 1976] and 1356 [21 March – 21 May 1977], even though during these years the weight of the exported goods was 131,000 and 145,000 tons respectively, in terms of value there was a 59.48 percent increase over the year 1355 and a 68.7 percent increase over the year 1356. Compared to the same period last year [21 March – 21 May 1986] this shows an increase of 114.65 percent by weight and 30.27 percent by value. During the last two months the export goods making up most of the weight were metallic ores, weighing about 45,000 tons, or about 33.5 percent of the total weight of exports. In terms of value, the principal export products were dried fruits, valued at about 3,366 million rials, or 34 percent of all the non-petroleum exports in this period. Among the dried fruits, pistachios and pistachio meats, as always, were in first place, weighing about 12,000 tons and valued at 3,034 million rials; 99 percent of the pistachios passed through customs at Kerman. Compared to the same period last year, when pistachios weighing 568 tons valued at 191 million rials were exported, this shows an increase of 2,013 percent by weight and 1,488 percent in value. Raisins and green currants, weighing 5.8 thousand tons and valued at 227 million rials, showed a 95.11 percent increase by weight and a 41.55 percent increase in value and almonds and almond meats, weighing 257 tons and valued at 52,226 thousand rials, increased 542.5 percent and 905.5 percent respectively by weight and value over the same period last year. Among the mining products, goods showing a 100 percent increase in both weight and value over the same period last year include zinc ore, weighing 20,000 tons and valued at 281 million rials, lead ore, weighing 6,000 tons and valued at 73 million rials, chromite, weighing 11,000 tons and valued at 81 million rials, and copper ingots, weighing 3,000 tons and valued at 296 million rials. About 90 percent of these ores passed through customs at Bandar 'Abbas. Among other goods, hand-woven woolen carpets, most of which passed through customs at South Tehran and Mehrabad, weighed 839 tons and were valued at 2,238 million rials, showing an increase of 14.7 percent by weight and 9.82 percent in value; licorice extract, which is a medicinal and industrial product, weighing 240 tons and valued at 258 million rials, increased about 246.39 percent by weight and 20.74 percent in value over the same period last year. Among non-petroleum export goods showing about a 100 percent increase over the same period last year are included mining products and sea salt, weighing 2,158 tons and valued at 1,111 thousand rials, tricot and knitted products, weighing 141 tons and valued at 109,492 thousand rials, and sulphur, weighing 22,907 tons and valued at 174,482 thousand rials.

The most active customs offices in export affairs in the first two months of 1366 [21 March - 21 May 1987] was Bandar 'Abbas at 62.38 percent of the total by weight, Kerman at 9.01 percent, and Jalfa at 7.67 percent. The ranking by value was South Tehran at 31.2 percent, Kerman customs, at 29.84 percent, and Bandar 'Abbas, at 15.57 percent of the total.

9310

CSO: 46400150

NEW INCOME TAX RATES FOR EMPLOYEES DETERMINED

Tehran ETTELA'AT in Persian 17 Jun 87 pp 12, 4

[Excerpts] Majlis Service—The details of the Income Tax Equalization Law were passed yesterday during the public session of the Majlis.

On the basis of this bill, as of the beginning of this year [21 March 1987] all income up to 720,000 rials per year is tax-exempt.

During yesterday's session the Majlis also revised the bill for a fixed tax on some goods and services and the bill to obtain the necessary credit to pay retirement benefits to notary publics and their assistants.

This report states: Also on the session's agenda was a study of the details of legal plan to 'secure financial resources to implement the Agricultural Tariffs and Regulations Law'. Mr Yar Mohammad 'Arab 'Ameri, the deputy from Garmsar, and Seyyed Abu Taleb Hejazi Kamsari, the deputy from Rasht, were the pre-agenda speakers yesterday, and the text of their remarks appears below.

Notary Publics and Assistant Notary Publics to Be Paid 60,000 Rials Maximum Retirement

The Credit Procurement Bill, aimed at implementing articles 10, 11, 57, and 68 of the Official Documents Offices, Notary Publics and Assistant Notary Publics Law, enacted in Tir of 1354 [22 June - 22 July 1975], which was rejected by the Council of Guardians, was presented again yesterday at the public Majlis session. After rejection of the amendment from the Plan and Budget Commission, the details were revised and passed on the suggestion of the deputies. The revised text of this bill appears below.

Article One—For the purpose of implementing articles 10, 11, 57, and 68 of the Official Documents Offices, Notary Publics and Assistant Notary Publics Law, enacted in Tir of 1354 [22 June - 22 July 1975], from the date of this law's enactment, at all times 20 percent will be added as a scribe's fee to every document recorded at the official documents offices (pursuant to the tariff passed in Azar 1357 [22 November - 21 December 1978] by the Ministry of Justice). The official documents offices must deposit this 20 percent in an account for retirement insurance for the Central Notary Publics Association at the Central Bank. They must include the deposit receipt in their monthly statements to the registry of documents and property.

Note One—The National Documents and Property Registration Organization is responsible for implementing this law.

Note Two—Article 55 of the the Official Documents Offices, Notary Publics and Assistant Notary Publics Law is deleted and section One of Article 68 of this law is duly revised.

Note Three—The maximum payment for this purpose shall be 60,000 rials.

The Bill for Collecting Taxes on Some Goods and Services Is Revised

Based on this report: The Bill for Collecting Taxes on Some Goods and Services (sent back by the Council of Guardians) was presented as the session continued, compiled, among other things, in order to secure an opinion from the Council of Guardians, with the addition of a note to Article Seven of the bill, and with provision for taxpayer recourse to judicial authorities.

The text of the bill's revised articles appears below:

Article One—Owners of the freight vehicles listed below, according to type and capacity, will be assessed fixed annual taxes as listed below:

- 1 - Trucks with up to three tons capacity, 20,000 rials.
- 2 - Trucks with three to seven tons capacity, 50,00 rials.
- 3 - Trucks with seven to ten tons capacity, 60,00 rials.
- 4 - Trucks with ten to 16 tons capacity, 70,00 rials.
- 5 - Dump trucks, trailers, refrigerator trucks and the like, with the exception of earth movers, 100,000 rials.

Note Eight—The provision of any kind of service or receipt of freight by all salaried individuals from owners and drivers of the freight vehicles listed in this article, prior to submission of a certificate certifying that the annual taxes listed above have been paid by these persons, is prohibited.

Officials who, after the announcement is made by the Ministry of Economic Affairs and Finance, fail to perform the obligations stipulated in this note, will be sentenced to the appropriate punishments, either under this law if they are covered under the law for prosecuting administrative violations, or else by judicial authorities.

In both of the instances mentioned above, if the government incurs losses because of the failure to perform the stipulated responsibilities, the one responsible for the violation will be sentenced by judicial authorities to repay the losses incurred.

Article Seven—Asphalt taxes. Concerning Note 22 for the Supplementary Budget Law for 1366 [21 March 1987 - 20 March 1988] the asphalt use tax for domestic automobiles is raised from five percent to 15 percent, and from 10 percent to 20 percent for imported automobiles. A five percent tax will be collected on buses and mini-buses.

Note—This article does not prevent the taxpayer from appealing, according to regulations, to judicial authorities.

Income Tax Equalization Bill Passed

The Income Tax Equalization Bill was presented at yesterday's public Majlis session and its details were approved by the deputies.

Based on this bill, employees whose salaries are up to 60,000 rials per month are exempt from taxes. Wages above that amount up to 10,000 rials will be taxed at 12 percent, and wages above 10,000 rials will be taxed according to the tariffs in Article 134 of the Direct Taxation Law.

Article One—As of the beginning of the year 1366, the text of Article Three of the revised Income Tax Bill, in accordance with Article One of the Law revising parts of the Direct Taxation Law, enacted by the Majlis on 7/29/1361 [21 October 1982], is revised as follows:

Annual income of up to 720,000 rials is tax-exempt; the next 120,000 rials income are taxed at 12 percent. Any additional income will be taxed at the rates established in the revised Article 134 of the Direct Taxation Law, enacted by the Majlis on 7/29/1361 [21 October 1982].

Taxes are 50 percent exempt on an additional 560,000 rials of income above the level of full exemption for workers whose wages are paid by the ministries, government organizations, institutions and companies, municipalities, or from government credit accounts.

Note—Indirect payments and payments made exclusively to employees as allowances for food, travel or clothing by employers and production units are exempt from income taxes up to a total of 180,000 rials per year for all such payments.

ETTELA'AT's parliamentary correspondent reports that the rates on income taxes in revised Article 134 of the Direct Taxation Law are as follows:

Up to 400,000 rials annual income, 15 percent.

Income over 400,000 rials up to 800,000 rials, 20 percent.

Income over 800,000 rials up to 1.5 million rials, 25 percent.

Income over 1.5 million rials up to 3 million rials, 30 percent.

Income over 3 million rials up to 6 million rials, 35 percent.

Income over 6 million rials up to 9 million rials, 40 percent.

Income over 9 million rials up to 12 million rials, 45 percent.

Income over 12 million rials up to 15 million rials, 50 percent.

Income over 15 million rials up to 20 million rials, 55 percent.

Income over 20 million rials up to 30 million rials, 65 percent.

Income over 30 million rials, 75 percent.

Explanation: It is necessary to note that the criteria and regulations for income taxes, after approval by the Council of Guardians, will take the form of this same bill (Income Tax Equalization). The text of Article One of the law, 'Revision of Some Articles of the Direct Taxation Law Enacted in Esfand 1354 [20 February - 20 March 1975]', in which up to 480,000

rials annual income was declared exempt, was printed on page four in yesterday's ETTELA'AT solely for the information of our dear readers, to give them precise information on the changes in tax rates.

Setting Financial Resources for Implementing the Agricultural Divisions Law

ETTELA'AT's parliamentary correspondent reports: Also on yesterday's Majlis agenda was a study of the details of a plan to stipulate financial resources for implementing the Agricultural Divisions Tariffs and Regulations Law. Mr Dari Najafabadi, an expert from the Majlis Plan and Budget Commission, spoke concerning this. He said: With the implementation of this law, about 20,000 villages, 50 cities and more than 100 districts will be added to the the agricultural divisions. With the implementation of a scheduled plan, 65 percent of its costs will be paid by the development budget and another 20 percent by the current national budget. This plan amounts to a revision of this year's national budget.

After the remarks by the expert from the Majlis Plan and Budget Commission, the details of this plan were approved by a vote of the deputies, as given below.

Article One—For the purpose of procuring the financial resources necessary to implement the Agricultural Divisions Tariffs and Regulations Law:

1 — Paragraph B, Note 66 of the National Budget Law for 1366 [21 March 1987 — 20 March 1988] is revised as follows:

B. It is authorized, for procurement of credit for line 503059 of the National Budget Law for 1366 [21 March 1987 — 20 March 1988], and for budget laws of subsequent years that up to 30 percent of income obtained for the national income in the implementation of Paragraph A of this note may be used as current credit available to the Ministry of the Interior for the implementation of the Agricultural Divisions Tariffs and Regulations Law. Up to 65 percent of the income so obtained under Paragraph A of this note will be used as development credit based on agreements to be concluded with the plan and budget organization of the appropriate province, and spent on municipal and rural development by the governors, district governors, or the mayors of the precincts of each mine, in the manner to be specified in the executive guidelines for this note.

2 — Paragraph K of Note 12 of the 1366 [21 March 1987 — 20 March 1988] National Budget Law is deleted.

3 — The Ministry of the Interior must allocate all taxes on gas, oil and petroleum products collected outside the municipalities, in accordance with Article 106 of the Municipalities Law, for the implementation of the Agricultural Divisions Tariffs and Regulations Law.

Note—After the establishment of each agricultural division unit, the annual administrative costs for the offices established must be provided for in the national budget bill within the budgets of the appropriate provinces.

ETTELA'AT's parliamentary correspondent reports that the final item on this session's agenda was the legal plan for including Majlis employees in the National Employment Law, aimed at implementing the National Employment Law with regard to Majlis employees. Following discussion by deputies for and in favor of the bill, continued study of this matter was postponed to today's Majlis session.

During yesterday's Majlis session, the Majlis swearing-in ceremonies for the new members of the council of ministers were held, and then it was announced that the government has presented to the Majlis the Implementation of Judicial Sentences for Punishments, Blood-prices and Revenge, and the Islamic Punishments Bill.

OPPOSITION ARTICLE ESTIMATES GULF DAMAGES, CASUALTIES

London KEYHAN in Persian 2 Jul 87 P 8

[London KEYHAN weekly in Persian; founder and publisher Dr Mesbahzadeh]

[Text] From April 18, 1984 until May 18, 1987 a total of 227 commercial vessels plying the waters of the Persian Gulf have been attacked either by the military forces of the Islamic Republic or that of Iraq. One hundred thirty seven of the aforementioned commercial vessels have been attacked by the Iraqi forces while the remaining 90 vessels were attacked by the Islamic Republic's forces. More than 150 of the abovementioned vessels which have come under attack in the waters of the Persian Gulf within April 1984 to May of 1987, consisted of various size oil-tankers. Also during the time period in question, 76 of the commercial vessels have come under attack outside the prohibited/restricted war zone of the Persian Gulf.

The prohibited war zone consists of the northern segment of the Persian Gulf and four years ago the Iraqi government announced that its warplanes will attack any ship plying the waters of that region. Of the 76 damaged vessels outside the prohibited war zone, 70 had been attacked by the forces of the Islamic Republic. Eighteen damaged oil-tankers which were attacked by both Iraqi and Iranian forces returned to service after completion of repairs. Seven oil-tankers have come under attack three consecutive times.

Two of the supertankers called Dena and Superior, after enduring four attacks are still plying the waters of the Persian Gulf.

According to the report by LONDON TIMES, the majority of those vessels which came under attack during the period in question, were flying Liberian flag. Of the 172 damaged oil-tankers, 38 belong to Liberia. Kuwaiti tankers came under attack 14 times and after Liberia, Kuwaiti vessels sustained the heaviest damages.

Inauspicious Sundays

LLOYDS LIST of London quoting shipping sources in the Persian Gulf, wrote: Usually Sundays are the worst days for tankers to ply the Persian Gulf. Most often the attack on the oil-tankers occur between the hours of 10:00 am to 12:00 noon.

In addition to inflicting heavy financial losses, the attacks on commercial vessels and oil-tankers in the Persian Gulf have also caused the loss of life of some of the crew-members as well. As of April 1984 until May 1987 a total of

211 crew-members of the commercial vessels or the oil-tankers have lost their lives as a result of a missile impact, ensuing conflagration or other perils. Ninety eight of the aforementioned people were crews of oil-tankers and another 113 worked on commercial vessels.

The abovementioned newspaper goes on to add: As a result of the imminent dangers from the attacks by the Iraqi or the Islamic Republic's forces on the oil-tankers and other commercial vessels in the Persian Gulf, many of the shipping industry unions have either limited or in certain cases have completely prohibited any activity by their members in the perilous zones of the Persian Gulf. Among such unions the names of the British Mercantile Shipping Union Workers, and those of Japan, Denmark, Norway and Sweden are mentioned more than others. Some time ago the head of a British Mercantile Shipping Union Workers suggested to the United Nations to form a peace-keeping force in the perilous zone of the Persian Gulf in order to safeguard the security of the workers of these vessels. According to the reports in the insurance and shipping-related press, all the commercial vessels are instructed to approach the coastal areas of Iran at night quietly. For fear of being detected by airplane radars, these vessels turn off all their communication systems temporarily. A specialist from the international shipping industry said: Although the attacks on the oil-tankers and other commercial vessels in the Persian Gulf have caused considerable material and human loss, yet the international insurance companies stand to reap the benefits of the prevailing circumstances. In certain instances insurance premiums for the commercial vessels plying the Persian Gulf, in comparison to the beginning period of the current decade have risen 10 times.

12719

CSO: 4640/146

REFUGEES IN TURKEY ENDURING 'DESPICABLE' CONDITIONS

London KEYHAN in Persian 2 Jul 87 P 6

[London KEYHAN weekly in Persian; founder and publisher Dr Mesbahzadeh]

[Text] Reports reaching us from Turkey about the condition of Iranian refugees are quite disturbing. Nearly one million Iranians--the majority of whom according to foreign correspondents are between the ages of 14 to 40--are wandering about in Turkey and every day tens of other new-arrivals who escape the hellish Islamic regime by way of the north-western mountains of Iran, join the rest of these refugees. They come to Turkey to find a way to other countries.

WALL STREET JOURNAL correspondent who has talked with some of the refugees writes: In order to make good their escape from Iran, some of these individuals have attempted very courageous and dangerous acts of bravery which have gone far beyond the extraordinary attempts for escape made by the East Germans or even those of the Vietnamese refugees. The aforementioned correspondent asked these people why they escaped from Iran? In answer, most of the refugees said that they loved the country, however they prefer death to life in the hellish Islamic Republic.

There was a day when the officials of the Islamic Republic claimed that those who leave Iran are mostly the followers of the shah or other individuals who have no interest in Islam and its domain of power, but today when they realize that after eight dreadful years of ruling by the Islamic regime and brainwashing of the children, tens of thousands of young people--who have spent a good part of their lives in the Islamic Republic--escape the country, the only thing they can do is to ask the government officials of the neighboring countries not to admit the Iranian refugees and like the guardians of the regime, shoot these people on sight at the borders or if they managed to enter their country deport or deliver them to the Iranian officials again.

The condition of Iranian refugees everywhere is lamentable, but it is more so in Turkey. Although we hear that in certain instances some of the Turkish officials are kind to Iranian refugees and extend their assistance to accommodate their trip to other countries, yet we likewise hear that in certain areas they are treated very badly. In some cases they're detained and robbed of their cash and clothing. In other instances the Turkish middlemen deceive the refugees and deliver them to the Iranian guards. At times the pressure reaches such heights when our innocent countrymen, in order to reach Greece, brave the waves of the sea and the rivers and bring an end to their lives.

The escape of millions of Iranians, displacement of millions of noble and free human beings and the death and destruction of the entire people of Iran does not amount to a hill of beans to the Islamic Republic; notwithstanding all this, isn't there any obligation left for those of our countrymen who are in a position to help and support these refugees?

There is no doubt that the condition of over two million other Iranian refugees who live in camps in Denmark and Sweden or who live elsewhere in Thailand, is likewise despicable. But despite all this, there are many individuals among our countrymen who, through financial assistance, personal and group involvement or through contact and international help, can on the one hand bring to light the various dimensions of this historic tragedy for the people of the world and hundreds of other humanitarian organizations, and on the other, they can take some measures for their deliverance from this situation. Yet above all they can tell all our countrymen inside the country that if the Islamic Republic has made life quite intolerable for the people in the country, it has similarly managed to bring disgrace and shame to all Iranians abroad, so much so that the people of other countries avoid Iranians and close their borders to them and in order to find legal excuse for non-admittance of Iranians, they are revising the laws and regulations of their countries.

The issue of Iranian refugees before being a political problem is a humane event and for this reason it would be appropriate for some well-known individuals--who are able to be active and attract moral and material support--to take a step forward and with the formation of a committee for the deliverance of the refugees, answer their own conscience call.

Unfortunately, in the past those individuals who stepped forward to deliver these refugees, neither had the financial means nor the good intentions and as a result their activities did not go beyond a series of showmanship acts. Undoubtedly, the formation of a committee composed of some decisive, patriotic and well-known individuals could be effective in changing the destiny of our countrymen. We are pleased to say that we were informed this week that some of our noble countrymen volunteered to bring a few Iranian youngsters to Paris and pay for their education. There is no doubt that if this task is given to a responsible committee or organization, most certainly many other suggestions from other honorable countrymen of ours will find their way to the committee and likewise, other international organizations will be glad to extend their help and cooperate with such a responsible committee.

12719

CSO: 4640/145

IRAN

SOUTH ASIA

ROME AIRLINE OFFICE MAY CLOSE

London KEYHAN in Persian 2 Jul 87 P 2

[London KEYHAN weekly in Persian; founder and publisher Dr Mesbahzadeh]

[Text] The continuation of the strike by the employees of Iran National Airways office in Rome has brought a halt to the daily affairs of this office and caused confusion and mix-ups for the airlines and passengers alike.

It is believed that if the demands of the striking employees which is replacing of the head of the said office named Zin O'ghli and an increase in pay are not met, they will not return to work. Some individuals who are close to the organization of Iran National Airways in Rome told KEYHAN that in case both sides do not reach an agreement on the issues of dispute, and the company insist on non-negotiating with the striking employees, it is probable that the said airline office will be closed in that city.

At present, all the flight and technical affairs of the Iran National Airways at the airport are carried out by Alitalia Airline Company employees, while other administrative and office affairs are attended to by Zin O'ghli, head of the said office and some other employees of the embassy of the Islamic Republic in Rome. As a result of a lack of familiarity of the embassy employees with the issuing of tickets, reservation, etc., there is a great deal of confusion and chaos in this airline office.

Right now Iran National Airways has only one weekly flight from Tehran to Rome and London-Rome-Tehran. Reliable sources state that the main cause of the difference and strike by the employees of this office in Rome is the irrelevant and inappropriate meddlings of the head of this office in various issues pertaining to the employees' affairs.

Part of these differences became quite intensified and heightened when some of the employees of Iran National Airways in Rome--whether Iranian or foreigner--refused to wear Islamic-fashion outfits.

Rome is the only city where the employees of Iran National Airways ignored the threats of the said company with regard to wearing Islamic-mode garments.

12719

CSO: 4640/145

IRAN

SOUTH ASIA

BRIEFS

SILKWORM MISSILES FOR IRAQ--The People's Republic of China has recently delivered four bomber planes and some silkworm missiles to Iraq. The dispatch of this type of weapons to Iraq indicates that China is equipping both sides of the Persian Gulf war with its war materiel. According to a report by HERALD TRIBUNE, the silkworm missiles delivered to Iraq are air-to-ground type with a range of 100 kilometers. These missiles must be fired at the target from a plane. The aforementioned newspaper further writes: The delivery of the above-stated weapons by China to Iraq completes the first phase of the weapons order by Iraq in the current year. During the last few months China has exported arms to Iraq on a regular basis. HERALD TRIBUNE adds: The four bomber planes which have recently been delivered by China to Iraq will further increase the ability of Iraqi's air force. At present, the Iraqi government has 17 heavy-duty bomber planes. The above-stated paper goes on to write: The People's Republic of China has frequently denied the sale of arms to the Islamic Republic of Iran. Notwithstanding all this, the United States have recently accused China of delivering 30 ground-to-ground silkworm missiles to the Islamic Republic of Iran. According to the report prepared by the International Disarmament Agency, from 1981 to 1985 China has sold about 3.1 billion dollars worth of weapons and munitions to Iraq and about 575 million dollars worth of arms to the Islamic Republic. [Text] [London KEYHAN in Persian 2 Jul 87 P 1] 12719

END

CSO: 4640/146

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