

JPRS-NEA-90-053  
27 SEPTEMBER 1990



**FOREIGN  
BROADCAST  
INFORMATION  
SERVICE**

# ***JPRS Report***

# **Near East & South Asia**

**DISTRIBUTION STATEMENT A**

Approved for public release;  
Distribution Unlimited

19980515 139

REPRODUCED BY  
U.S. DEPARTMENT OF COMMERCE  
NATIONAL TECHNICAL INFORMATION SERVICE  
SPRINGFIELD, VA. 22161

**DTIC QUALITY INSPECTED 3**

# Near East & South Asia

JPRS-NEA-90-053

## CONTENTS

27 September 1990

### INTERNATIONAL AFFAIRS

- Leaders Split Over Arafat Meeting [Rome L'UNITA 11 Sep] ..... 1

### NEAR EAST

#### REGIONAL AFFAIRS

- Iraq Seen Forcing Dangerous Precedent on Arab, Islamic World [Riyadh AL-DA'WAH 16 Aug] .. 2  
Egypt's Ulema Say Iraq Blockade 'Legally Permissible' [Cairo AL-JUMHURIYAH 24 Aug] ..... 2  
Egypt Bars Export of Power Pylons to Iraq [London AL-SHARQ AL-AWSAT 11 Sep] ..... 4  
Egypt Steps Up Campaign Against Israeli Counterfeiting [London AL-TADAMUN 13 Aug] ..... 4  
Egyptian Writer Warns Arabs About 'Arafat, Palestinians' [AKHIR SA'AH 12 Sep] ..... 5  
Egyptian Professors Resign From Sanaa University  
[London AL-SHARQ AL-AWSAT 11 Sep] ..... 6

#### EGYPT

- Islamic Scholars Issue Statement on Gulf Crisis [AL-AHRAM AL-DUWALI 21 Aug] ..... 6  
AL-WAFD Assails Opponents of Foreign Gulf Presence [AL-WAFD 27 Aug] ..... 8  
Government Told Absorbing Worker Influx 'First Priority' [AL-AHRAM AL-DUWALI 7 Sep] .... 9  
Shop Owners Assess Economic Impact of Returning Workers [AL-WAFD 27 Aug] ..... 10  
Returned Expatriates Sue for Iraqi Property [London AL-SHARQ AL-AWSAT 5 Sep] ..... 12  
Bases for Boundaries of Election Districts Discussed [AL-AHRAM AL-IQTISADI 6 Aug] ..... 13  
New Free Zones Planned To Create Job Opportunities [AL-AHRAM AL-DUWALI 5 Sep] ..... 14  
New Measures To Draw State Income, Investment Detailed [London AL-DUSTUR 20 Aug] ..... 15  
Writers Predict Gulf Conflict Resolution, U.S. Role [AL-AHRAM AL-DUWALI 29 Aug] ..... 16

#### ISRAEL

- Ben-Aharon Said Responsible for Extremism [HA'ARETZ 4 Jul] ..... 20  
Moda'i Discusses Steps to Economic Recovery [YEDI'OT AHARONOT 3 Jul] ..... 21

#### MOROCCO

- Information Ministry Sees Upturn in Economy in 1990's [London AL-TADAMUN 12 Aug] ..... 22

### SOUTH ASIA

#### INDIA

- Minister on Troubles With Oil Supply, Imports From USSR [THE TIMES OF INDIA 5 Aug] ..... 24  
Reportage on India's Relations With European Community ..... 24  
    Sengupta to Brussels [PATRIOT 31 Jul] ..... 24  
    Textile Imports to EEC [THE TIMES OF INDIA 8 Aug] ..... 25  
Papers Report Developments in Relations With Nepal ..... 25  
    Gujral in Kathmandu [THE TIMES OF INDIA 8 Aug] ..... 25  
    Constitutional Experts [THE TIMES OF INDIA 8 Aug] ..... 26  
    Papers Interview Singh [THE STATESMAN 17 Jul] ..... 27  
Papers Report Reaction to Situation in Gulf ..... 27  
    Government Statement [THE HINDU 4 Aug] ..... 27  
    Stakes in Kuwait Reviewed [THE TIMES OF INDIA 3 Aug] ..... 27  
    Danger to Oil Supply [THE TIMES OF INDIA 4 Aug] ..... 28  
    Walkout in Lok Sabha [THE TIMES OF INDIA 10 Aug] ..... 29

Namboodiripad: CPI-M Support to Delhi Continues [THE TIMES OF INDIA 4 Aug] .....	30
Reportage on Meeting of All-India Congress Committee .....	30
Constitution Amendments Discussed [THE TIMES OF INDIA 23 Jul] .....	30
Party Election Schedule [PATRIOT 23 Jul] .....	32
Gandhi's Presidential Address [THE HINDU 24 Jul] .....	32
More on Gandhi Speech [THE HINDU 24 Jul] .....	34
Report on Political Resolution [THE HINDU 24 Jul] .....	35
Economic Policy Discussed [THE HINDU 25 Jul] .....	36
Gandhi Closing Address [THE HINDU 25 Jul] .....	37
More on Resolutions [THE HINDU 25 Jul] .....	38
Assam Group Starts Move for Constitution Change [THE TELEGRAPH 19 Jul] .....	39
Government Opposes Bhopal Disaster Settlement [PATRIOT 18 Jul] .....	40
Government Job Quota for Backward Classes Announced [THE TIMES OF INDIA 8 Aug] .....	40
Bangladeshis Lured Into India by 'Unscrupulous' Agents [THE STATESMAN 30 Jul] .....	41
Papers Continue To Report on Kashmir Developments .....	42
Amnesty Offer [THE HINDU 4 Aug] .....	42
Interview With Farooq [THE TIMES OF INDIA 5 Aug] .....	42

### Leaders Split Over Arafat Meeting

90ES1279Z Rome L'UNITA in Italian 11 Sep 90 p 3

[Article: "Craxi Meets With Arafat in Tunis. Quarrel Erupts Within Government Over PLO Issue"]

[Text] Rome—The case of the nonmeeting between Foreign Minister De Michelis and Yasser Arafat has touched off a controversy between governing allies. At the same time that Palazzo Chigi [Office of the Prime Minister] was announcing that the minister had contacted the PLO representative in Italy to work out the details of a forthcoming meeting with Arafat, in Brussels De Michelis was stating that "at this time a meeting is not planned." And although the Farnesina [Ministry of Foreign Affairs] hastened to apply damage-control measures, rejecting the hypothesis of a split between "hawks and doves," VOCE REPUBBLICANA argued that the Prime Ministry's denial "appeared to be none other than a confirmation. The fact is that the difference in emphasis and tones with respect to the Iraqi crisis has been evident since the very first moment." Associating Arafat's role and the Palestinian question with the Iraqi crisis "appears to be out of place." And the PRI [Italian Republican Party] newspaper concludes that one in the position of president of the EEC "must bear in mind the attitude of the Twelve as a whole before bowing to the crackpot sympathies of his own country." The Social Democrats are of the same opinion, contending that there is the risk of "damaging European and world solidarity."

Prime Minister Andreotti sought to play it down and, at Bonn, called it "a tempest in a teapot." De Michelis replied that "all the ministers of the Arab countries, except Iraq's, will be in Venice during the 6-7 October informal meeting of EEC foreign ministers." In Venice, the EEC will meet with the representatives of the Arab

League. "Yasser Arafat will also be among the guests," says De Michelis. In any case, clearly to demonstrate the existence of different emphases within the government, the foreign minister adds: "Personally, I consider that under the circumstances any meetings to prepare for meetings would be counterproductive." On the other hand, the thrust of the PLO positions is clear: The Euro-Arabic statement refers, and explicitly so, to the further injustice the Arab people are being subjected to because of the Iraqi aggression. At the Farnesina, however, this did not suffice to clarify the issue. In Brussels, Under Secretary Vitalone issued a statement denying the existence of "differences within the government as to its foreign policy line." "There are neither hawks nor doves. There is the common awareness that the free world must react with utmost cohesion. No dissent exists, not even as to the attitude to be assumed with respect to Arafat, whose pro-Iraqi position has been unanimously censured." Ugo Pecchioli, group leader of the PCI [Italian Communist Party] senators, has expressed his gratification that the government has announced a forthcoming meeting with the PLO leader: "Following Arafat's criticism that he has been ignored by the Italian government, which we relayed to the prime minister, the government itself has issued assurances that such a meeting will be prepared. Over and above any differing views of the PLO's position, which in part we do not share, Arafat nevertheless is the bearer of concrete proposals for a political and peaceful solution that warrant being heard." And the fact is, that as one of the Middle Eastern questions, the Palestinian question cannot be ignored.

Although De Michelis did not see Arafat in Tunis, Bettino Craxi did see him at his residence in Hammamet, together with the number two official of the PLO leadership, Faonik Kaddumi. Craxi then informed the Italian government of the PLO positions with respect to the Gulf crisis, as well as of his intention to discuss them with UN Secretary General Perez de Cuellar.

## REGIONAL AFFAIRS

**Iraq Seen Forcing Dangerous Precedent on Arab, Islamic World**

90AE0289A Riyadh AL-DA'WAH in Arabic  
16 Aug 90 p 9

[Editorial: "Serious Precedent"]

[Text] There is no doubt that the extremely acute security and military tension shrouding the Arab Gulf region as a result of the armed aggression Iraq has committed against the Arab and Muslim State of Kuwait, of the displacement of Kuwait's legitimate government and of its citizens, and of the blow dealt its economic gains in a manner that has stunned the entire world—there is no doubt that this tension poses the threat of visible and invisible dangers to Arab and Islamic security.

This is because the entire Gulf area and its Arab states represent an economic, security, and military dimension of extreme strategic significance by virtue of the influential role that has been performed and that continues to be performed by the Arab Gulf states, led by the Kingdom [of Saudi Arabia], to bolster and reinforce solidarity, joint action, and cooperation between the Arab and Islamic states in confronting all the numerous and serious challenges that we witness and experience every moment from the enemies of the Islamic nation, of its faith, and of its legitimate rights to security, peace, stability, and development.

There isn't a single reasonable justification for what Iraq has done against Kuwait. What Iraq has done has had its impact on all the Arab and Gulf states which have lost their trust in Iraq's credibility, considering that Iraq had promised and pledged not to attack Kuwait and that it then betrayed everything. This confirms the strong belief that Iraq will repeat the act against other states in the region with the same crooked logic used to justify the aggression and the brutal massacre it has committed against a Muslim people.

Perhaps what has aroused the anger of all the world countries against Iraq is that Iraq has totally disregarded its commitments to international charters and to all human rights principles. Iraq has even disavowed the Islamic Shari'a which prohibits aggression by one Muslim against another: "A Muslim's blood, property, and honor are proscribed to another Muslim," the Hadith says.

Iraq's aggression against Kuwait in accordance with the principle or the justification which Iraq has proclaimed and which the entire world has opposed undoubtedly gives the Islamic nation's enemies a strong argument and a dangerous precedent to use in order to justify what Israel is doing against our Palestinian brothers in the occupied territories. This aggression also gives the forces coveting the region's wealth the justification to use this same pre-Islamic logic for any similar aggression.

Under the leadership of the custodian of the two holy mosques, the kingdom's position toward this difficult ordeal and the true test of the Islamic nation is a position dictated by Muslim ethics and by Arab and Islamic duty and out of concern for the inviolability of the sanctities in the first place, out of concern for the country's and the citizen's interest in the second place, and out of concern for the interest of the Islamic and Arab nation. Some have characterized this nation as a nation threatened by storms as a result of the Iraqi acts of aggression and threats which have dictated the adoption of prompt and decisive measures to confront present and future possibilities and to prevent the occurrence of further aggressions that may harm the region, on the one hand, and harm the Islamic and Arab security on the other.

**Egypt's Ulema Say Iraq Blockade 'Legally Permissible'**

90AA0311A Cairo AL-JUMHURIYAH in Arabic  
24 Aug 90 p 7

[Article by Mujahid Khalaf: "Iraq Blockade Is Legally Permissible; Iraqi People Responsible for Continued Tragedy; If Blockade Fails, War Is Solution"]

[Text] Islam's ulema have asserted that applying a tight blockade to Iraq is legally permissible as a means to pressure and deter Iraq's rulers so that they may restore the usurped rights to their owners and as an alternative to a devastating allout war.

The ulema have said that, according to the word of the holy Koran, the Iraqi people are jointly responsible with their leaders for the continuation of these tragic conditions.

The ulema have pointed out that if the blockade and peaceful means fail to settle the conflict, then it is the duty of the entire Islamic nation to fight.

Dr. 'Abd-al-'Aziz al-Mat'ani, a professor at al-Azhar University, sees that use of the blockade method as a means to pressure the aggressors is less harmful than resorting to arms and than the clash of forces in ferocious battles, keeping in mind that the blockade should be used cautiously.

Dr. al-Mat'ani points out that a blockade may be employed on the basis of the legal [Shari'ah] rule which states: "If faced with two evils, commit the lesser evil in order to avoid the greater evil."

He added: The anti-Iraq economic blockade decided upon by the United Nations is not prohibited by Islam because it is the alternative to war, and war is destructive and ruinous.

This opinion is confirmed by Dr. 'Abdallah al-Najjar, a professor at al-Azhar University's Shari'ah and Law College, who has said: The Shari'ah permits the use of this method (blockade) as a means of punishment, even though punishment in itself is hateful and detestable. But in this case, it is a way to avert the dangers which the

enemy (is planning to create), especially since the use of violent means against this enemy will lead to devastating consequences, considering that he has threatened to use chemical and mass destruction weapons.

Dr. al-Najjar has added: Applying the blockade to Iraq to punish it for what its leader has done is tantamount to mitigated punishment. This blockade falls short of the duty which God, may He be praised and exalted, has decreed. God has decreed that such a leader must be fought, considering that nobody doubts that he is a tyrannical aggressor.

Dr. al-Najjar added: What is being done at present is just a sort of harassment of Iraq's leader who has enough to meet his needs, else he would not have embarked on this war. He who embarks on war must be prepared for it.

The current threats of Iraq's leader are aimed at more than food and drink!

#### Joint Responsibility

But the question that dictates itself is: What sin have the people committed to be denied their food, drink, clothing, and essentials?

What sin have the infants who are subjected to suffering committed? What sin have the elderly committed to suffer the pain of deprivation?

Dr. al-Najjar answers: Basically, it is forbidden to inflict such suffering. But such suffering is less harmful than subjecting cities to shelling by tanks, missiles, and bombs. The harm in this case is severe and certain whereas in the case of blockade, the harm is light and avoidable.

But what is to be done if the blockade is protracted and who would be responsible then?

Dr. al-Mat'ani says: The responsibility will fall on the shoulders of the oppressor who launches the oppression and the aggression. This oppressor must have enough courage to restore right to its owners and to set matters aright so that the causes of the blockade may be eliminated. Else, the oppressor is responsible before God for every tear shed and for all pain experienced by an infant or an old person.

He who holds an intransigent position, such as the Iraqi Ba'thist regime's position toward the Kuwaiti people, and who flagrantly defies the entire human community must be tasked.

Dr. 'Abdallah al-Najjar adds another dimension to the issue, saying: Those blockaded also shoulder the responsibility for the continued blockade and for its consequences because they have condoned this regime, have not corrected its crookedness, have not pressured it, and have allowed it to do whatever it wishes to do until it led them to their current situation.

God spells out the proof of their responsibility in the holy Koran when He, may He be praised, says:

"And fear tumult or oppression which affecteth not in particular (only) those of you who do wrong."

The words are addressed here to those who can resist this man and who can prevent him from persisting in his rash policy and his evident error.

Dr. al-Najjar further adds: If we encourage him and support him in his error, then we may not call for help, pleading the cause of the innocent and the weak. Else, we would provide an irrefutable proof of our schizophrenic view of reality.

It is our logical duty to consider the cause of the malady and the source of the tribulation. It is not right to ignore the source of the tribulation and to just consider its consequences. Oppression and abomination must be removed first. Oppression is indivisible.

#### Final Solution

If the blockade is futile, then what is to be done? Dr. al-Najjar responds without hesitation: He must be fought. The Islamic nation must act in solidarity to rescue and save Kuwait from this oppression and aggression because Iraq's ruler has failed to respond to all the peaceful means offered to settle the conflict.

So a proper means must be used to avert the danger, even if we are compelled to declare war on him! Falsehood must be repelled with any means.

#### Prophet and Blockade

But have the Islamic armies been used for "blockading" as a means of war?

Dr. 'Abdallah al-Najjar responds: Yes. The prophet, may God's peace and prayers be upon him, used the blockade in the battle of Badr. When one of the prophet's companions asked him about the place in the Koran in which the blockade is revealed, saying: Has the blockade been revealed to you by God or is it a matter of opinion, of war, and of stratagem? The prophet answered: It is a matter of opinion, of war, and of stratagem.

So the companion advised the prophet to deploy behind the water well at the battle site so that the Muslims may drink and may be able to deny the infidels access to the water. The prophet agreed.

Dr. al-Mat'ani points out that blockading is an old method of putting pressure on enemies to make them change their positions and tendencies. The Quraysh tribe used it against the Hashimites at the beginning of the prophecy era as a means of [putting pressure] on the prophet. The Quraysh decided to boycott the Hashimites, not to trade with them, not to talk to them, not to listen to them, and not to contract marriages with them. The tribe inscribed a declaration to the effect and hanged it in the Ka'bah. The Hashimites starved and suffered as

a result of the boycott until God sent a group of Quraysh youth whose mothers were from the Hashimite clan who tore up the declaration and broke up the blockade.

If this was done with those who were oppressed and subjected to religious persecution, then why shouldn't it be applied against the oppressive aggressors?

Al-Mat'ani adds: In the modern age, blockades have been employed as a semi-peaceful means used against a country that swerves from the UN charters after having acceded to and signed these charters.

### **Egypt Bars Export of Power Pylons to Iraq**

*90P40150A London AL-SHARQ AL-AWSAT in Arabic  
11 Sep 90 p 2*

[Text] Cairo AL-SHARQ AL-AWSAT—Engineer Muhammad 'Abd-al-Wahhab, Egyptian minister of industry, has affirmed that no industrial investments [in Egypt] previously approved by Arab monetary funds were affected by Iraq's occupation of Kuwait except for those investments related to the Kuwaiti Development Fund, in spite of the assurances of the legitimate [Kuwaiti] Government that all projects in Egypt will continue.

The minister of industry, in a meeting yesterday of the manufacturing committee of the ruling National Democratic Party, added that investment opportunities in Egypt within the coming period are expected to increase as a result of the good political situation and Egypt's confirmed international credibility.

Moreover, Engineer Mahir Abazah, minister of electricity and energy, announced that the projects for electricity links with the Arab East passing through Jordan, Syria, and Turkey are being affected by the Gulf crisis because of the agreement with Iraq on an electrical power link via Turkey through the Sakha region on the Turkish-Iraqi border.

The minister of electricity pointed out that Egypt has decided to stop exporting electrical power pylons to Iraq and is currently studying reusing them domestically and opening new Arab markets for them.

### **Egypt Steps Up Campaign Against Israeli Counterfeiting**

*90AA0280A London AL-TADAMUN in Arabic  
13 Aug 90 pp 33-34*

[Article by 'Abd-al-Qadir Shahib: "Egyptian Banks Prepare to Face Counterfeit Dollar Season; Israelis Are Most Active Circulators"]

[Text] The Egyptian banking establishment has declared a state of emergency to meet the possibilities of counterfeit dollars circulating in the Egyptian market during the current summer season and the start of the tourist season abroad. The Egyptian Central Bank has sent a warning to Egyptian banks to scrutinize dollar bills carefully in their

transactions, especially dollars sold in the currency exchange markets, for fear that counterfeit dollars are slipped in among them.

In accordance with that, the banking establishment will examine dollars sold to it or deposited in banks, and will be assisted in this regard by a number of forgery and counterfeiting experts, to make sure of the dollars' soundness, about which bank officials might have doubts. This announcement of the emergency in the Egyptian exchange system came after the Egyptian security agency—for its part—warned the Egyptian Central Bank of the possibility of increased activity with regard to flooding the Egyptian market with counterfeit dollars during the current period, and in the coming months. This was based on information available to the agency concerning this matter, and is a repetition of what has occurred in previous years with the advent of summer.

During past summers, Egypt has been subjected to repeated campaigns to circulate bogus dollars. Counterfeiting operations have concentrated on dollars in view of their acceptance as the standard for other foreign currencies, and after the American dollar became an effective means of savings and an excellent repository of value. At the same time, the value of the Egyptian pound is shrinking, because of the increase in the current inflation rate in Egypt, which has reached 30 percent a year.

The Egyptian security agency's information indicates that the Rafah border post, as well as Taba, are the two most important entry points for counterfeit dollars to reach the Egyptian market. Moreover, this information stresses that Israelis are the biggest circulators of counterfeit dollars in Egypt, and that they smuggle dollars across the land borders with Israel.

A number of Israelis have previously been arrested carrying quantities of counterfeit dollars. After interrogating them, the Egyptian authorities deported them to Israel. During the past two years, approximately 15 Israelis were arrested, and all were tourists entering Egypt through Rafah and Taba. The arrested Israelis confessed to counterfeiting dollars in Cyprus, which is considered the third country in which counterfeiting foreign currency banknotes flourishes, ranking behind Italy and Lebanon. Special, highly advanced photographic machines are used in the counterfeiting process. Egyptian security has banned these machines from Egypt. The latest attempt to counterfeit dollars in Egypt was smashed; it was carried out by three Israelis, and \$300,000 in their possession was seized.

The most infamous and bizarre operation that has been uncovered, with regard to the circulation of counterfeit dollars in Egypt, concerned an attempt to circulate a \$1 million note. The Egyptian banking authorities had no knowledge as to whether this note circulated in the American market, or whether its circulation had been stopped. The matter required urgent contacts with the American banking system, in order to clarify the facts in this case. Precautionary measures have been taken at both Rafah and Taba entry points to seize any counterfeit dollars that might

be carried by Israelis entering Egypt through those two points. Egyptian authorities have intensified their investigations concerning certain gangs attempting to circulate counterfeit dollars inside Egypt, especially since they try to sell these counterfeit dollars at prices which are usually lower than the prevailing price in the black market, in order to encourage purchasers to buy these dollars.

Some observers think that one of the reasons for the decline in Israeli tourists in Egypt is the precautionary measures that the Egyptian authorities have taken at Rafah and Taba to prevent the entry of counterfeit dollars with Israeli tourists. The number of Israeli tourists during the first quarter of this year has dropped by about one-third; the total was 7,100 tourists, while 10,700 entered during the same time frame last year, according to Israeli estimates.

The infiltration of bogus dollars, despite the precautionary measures taken at Rafah and Taba, is likely to occur. The Egyptian banking establishment has attached importance to declaring this state of emergency to combat any operations to circulate these dollars, in view of the fact that they ultimately end up in the banks.

Some observers also point out that operations to circulate counterfeit dollars are not merely individual operations carried out by persons to gain large profits, but are also not inconsistent with the planning and organizational abilities of Israeli intelligence (Mosad). In this regard, these observers recall Israel's recent actions in Jordan, when it tried to circulate bogus Jordanian currency, in order to strike a blow against the Jordanian dinar. They also recall Mosad's penetration of several dirty operations, such as smuggling and distributing narcotics, or rather, organizing drug gangs in a military fashion.

These observers also point to several Israeli attempts to damage the Egyptian economy, such as the attacks of rodents coming out of Israel, which have done enormous damage to Egyptian agriculture, and the flood of various rotten seeds, with which Israeli companies have inundated the Egyptian market. This has ruined several Egyptian crops.

It is also well known that operations to counterfeit and circulate any currency are enormous undertakings, in which vast networks of professional counterfeiters, financial backers and organizers take part.

### **Egyptian Writer Warns Arabs About 'Arafat, Palestinians**

90AA0333A Cairo AKHIR SA'AH in Arabic  
12 Sep 90 p 53

[Article by Faruq al-Tawil: "Referendum To Deport Palestinians to Iraq"]

[Text]

### **Toppling 'Arafat Is A Must**

Whoever thinks that he knows Jordan's interests better than King Husayn or better than Prince Hasan, whose

star has begun to shine, is wrong. Whoever thinks that anybody knows the Palestinian interests better than the PLO's collective leadership is wrong. We cannot say that, like the Iraqi people, the Jordanian and Palestinian people are powerless because these peoples enjoy liberties which numerous Arab countries envy. We don't know how they handed over their leadership to Saddam who does not know the simplest rules of freedom and who only recognizes the freedom of physical liquidation. However, we thank God that Saddam has been able to put the Jordanian cat and the Palestinian mouse in his trap. After Jordan had distanced itself from the Palestinians to the point of disengaging itself from the West Bank a few years ago and it had jailed, tortured, and deported Palestinians and prohibited them from engaging in action, beginning with al-Karamah battle, through the black September, and ending with all the battles with al-Shuqayri and 'Arafat who have always asserted that Jerusalem's liberation begins with the liberation of Basman Palace [of King Husayn]—after all this, President Saddam was able to persuade both sides to unite. This is considered one of Saddam's unionist accomplishments, and it is what motivates me to say that it is necessary to hold a referendum among the Palestinian brothers in Egypt, in all the Arab countries, and even in Iraq on whether to stay in Cairo or to go to Baghdad, whether to remain in Jeddah or to move to Baghdad. I suggest that all the Gulf states should be very interested in asking every Palestinian whether he wants to stay with us or to emigrate to Baghdad.

What is indubitable is that Baghdad needs Palestinian men and needs struggling fighters. Its battles will not end, and our Palestinian brothers have been fully trained in such battles, including Chairman 'Arafat himself who is very interested in finding out the secrets of all the Arab states and their weak points as a part of his liberation strategy and of the Palestinian repatriation line. So, it is certain that there are conflicting interests between the Palestinian collective leadership which is reflected by 'Arafat and all the Arab states that have condemned Iraq's invasion of Kuwait. The Palestinian people have to prove the opposite in order that they may stay in Egypt or in the Gulf states. They have to prove it not with statements or with written support for the kings and presidents but with action. Action here is confined to toppling 'Arafat and selecting a new leadership because continued hostility by the Palestinian brothers toward the host countries means an extremely serious security threat to these countries' internal front. Every president and king is entitled to secure the internal front and not to expose himself to danger or to fail his people's right. I am aware that many Palestinians are opposed to 'Arafat and are not convinced of his approach and that many of them just want to live and have nothing to do with politics. I am also aware that some of them have disavowed the Palestinian leaders and have made their opinions publicly known regarding these leaderships' exploitation of their positions. But all this is not enough. The PLO has an elected democratic leadership, and Yasir 'Arafat



cannot make a decision without it. This leadership is elected by the bases, and the bases must do something to protect themselves or they have to be deported to Baghdad to join the strugglers there so that President Saddam's ranks may be completed and that their numbers may exceed millions of daring fighters.

I warn all the Gulf states' security agencies that these Palestinians represent a major danger and that they have already had dealings with Israel. I recall here Ibrahim Shahin, the famous spy who married an Egyptian woman and had six children from her, all of whom he recruited to work for Israel. We seized with him a radio as small as a matchbox. That radio cost a million pounds, and it was the most expensive radio set in the world. I also recall that Palestinians have precedents with Iraq and Libya. However, many of them have turned themselves in and have refused to do anything in Egypt. Some of them were assigned to plant a bomb in al-Tahrir Complex and Bab al-Hadid and others brought in a car loaded with dynamite with which to harm their Egyptian brothers. But their conscience awakened, and they turned themselves in to the security agencies. This is why caution is necessary and why one must find if they are willing to participate in a democratic referendum that asks all of them if they wish to stay in Egypt or the Gulf or go to Saddam. I also recall that the PLO leadership does not realize to this moment that it has committed an offense against the Palestinians, not against Kuwait. The Palestinians ask: What have we done and why are you treating us in this manner? They are like Saddam Husayn who asks why the entire world has risen in anger against him. Therefore, toppling 'Arafat is a Palestinian must and is the beginning of the road to solving the Palestinian issue.

#### **Egyptian Professors Resign From Sanaa University**

90P40149A London AL-SHARQ AL-AWSAT in Arabic  
11 Sep 90 p 3

[Text] Cairo, AL-SHARQ AL-AWSAT—Dr. Abu-al-Wafa al-Taftazani, acting chairman of the Shura Council's services committee has revealed that 18 members of the Egyptian teaching staff at the University of Sanaa in Yemen have resigned and refused to continue [their work] there. They returned to Egyptian universities in the wake of the recent situation and Yemen's support of the conduct of Iraqi President Saddam Husayn and of his occupation of Kuwait.

[Al-Taftazani] affirmed that Egyptian universities would welcome them to rejoin the ranks of the teaching staff in Egypt. In addition, members of the committee called for reopening the door to students returning not only from Kuwait and Iraq, but also from Arab countries that have evidenced clear differences with Egypt concerning their position toward the Iraqi invasion of Kuwait—such as Yemen, Jordan and Sudan—and admitting them [the students] to Egyptian schools and universities.

[The committee members] pointed out the mistreatment to which these students were exposed after the change in

the political situation between the supporters and opponents of Iraq's position in the Arab region.

The Egyptian Government officially asked its ambassador in Sanaa, Muhammad Zayid Fawzi, to send it an immediate report on the truth about the mistreatment to which Egyptian teachers are exposed there. This happened after the Egyptian cultural attache, Dr. 'Abd-al-Hadi al-Jawhari, and the labor attache there sent an urgent report to the Egyptian Ministry of Foreign Affairs affirming that a large number of Egyptian teachers in Yemen had been exposed to severe abuse by the Yemenis as well as the Yemeni authorities. The report also mentioned that a large number of them had decided to go back to Egypt but do not have enough cash.

Some of the returnees from Yemen stressed that the situation there had become so bad for the Egyptians that they are suffering beatings, insults, and mistreatment due to Egypt's position on the Iraqi invasion of Kuwait. They said that some Yemenis are threatening to kill the Egyptians there if war breaks out in the Gulf.

### **EGYPT**

#### **Islamic Scholars Issue Statement on Gulf Crisis**

90AA0277A Cairo AL-AHRAM AL-DUWALI in Arabic  
21 Aug 90 p 7

[Article: "Communique to the Nation"]

[Text] The Arab conscience quaked and its sense of security was shaken when it was surprised on the dawn of 2 August with news about the disastrous Iraqi invasion of Kuwait on the heels of a disagreement between the two fraternal Arab countries over oil, fiscal, and border issues before the two sides had exhausted every means to contain it through peaceful and lawful methods recognized by the Arab and world communities and when the repercussions and the grave consequences of this invasion, represented in an enormous rift in the Arab position and a total loss of the sense of security by all Arabs from the Atlantic to the gulf, began flowing in.

These repercussions came to a head when foreign troops, armed with the most dangerous and deadly weapons and unprecedented in size and international composition, began massing in preparation for combat operations amidst the Arabs and Muslims directed, in particular, at brother Iraq whose people occupy in the heart of every Arab and Muslim a place commensurate with their cultural stature and incessant contributions to Arab causes.

Warnings of impending evil began to come together very rapidly while Arab leaders were at a loss and incapable of dealing with it. They were satisfied with posturing and hurling accusations in a way that underscored to the Arab conscience the landmarks of endemic incompetence and decline in the land of the Arabs and Muslims at a time when they are about to enter a new century in which they will face the most dangerous challenges in the life of the nation amid a new international situation

where the dangers of Western hegemony over our Arab and Islamic world are growing and multiplying.

Faced with this situation and amid warnings of impending danger, a group of the nation's scholars, intellectuals and knowledgeable people are making a patent appeal to the masses and the political, cultural, and legislative establishments of the Arab Islamic Nation...to the rulers and ruled alike—to listen to the voice of reason; to the call of conscience; and to the trust put in them to protect the lives, interests, and future hopes of Arabs and Muslims and to adopt—on that premise—rapid measures to contain the crisis and stop it from turning into a national and human tragedy.

In the face of this decline, and in grappling with those erupting dangers, we bring to the Arab Nation these principles, stands, and measures that are, in our opinion, milestones on the way to overcoming the crisis and halting the decline:

We believe that the invasion and annexation of a Muslim Arab country by a Muslim Arab army, despite any claims and justifications, is a heinous crime against the peoples' right to self-determination, the exercise of their sovereignty over their land, and their freedom to manage their affairs. It also represents a serious renunciation of the Arab Islamic Nation's values and higher principles and an indefensible violation of all laws, charters, and pacts governing Arab, Islamic and international orders. Recognition of the fruits of a crime is a crime in itself and foregoing prompt action to eliminate it is to surrender to evil and instincts, and the law of the jungle.

Whereas the crime of occupying Kuwait and changing its system of rule and annexing it to Iraq by force is a despicable act that must be resisted and changed in words, deeds, and spirit. This resistance and this change must always and forever be a purely Arab and Islamic action. Paying homage to foreigners and resorting to their intervention, especially when their records are replete with blatant denial of our rights and constant aggression against our interests—not to mention our vast disagreement with the way they handle our causes, the Palestinian cause in particular—is a despicable act no less evil and no less serious. It establishes a precedent that is bound to open the doors wide to further foreign intervention in our affairs, thus dashing any hope for setting up an independent Arab order driven by Arab wills and guided by concern for Arab interests.

We caution that foreign intervention in our affairs is aimed simply and solely at protecting foreign interests, even if it means the destruction of all the Arab peoples, including the fraternal Iraqi people.

Our determination to drive away the specter of odious foreign intervention dictates to us all to choose the hard alternative and to cooperate—with purely Arab and Islamic action—to remove the traces of aggression and restore Arab legitimacy that has been violated and scorned.

The urgent goal that must be attained while the crisis is at its peak is to repel aggression and correct the gross mistake the Iraqi regime became involved in. If this objective is not undertaken by the power of the Arabs and Muslims, and if this is the way it has to be, we insist that the international initiative to wipe out this abominable act be under the umbrella and in the name of the United Nations and not under the banner of any specific Western or Eastern country, in firm observation of the international principle that says that, should a country or a regional regime be unable to repel an aggression against its sovereignty and freedom, the international order represented by the United Nations alone shall have the lawful right to intervene to repel the aggression, restore legitimacy, and set matters right.

The first sin is keeping silent about injustice and overlooking the many violations of our liberties within our countries and in our practices toward one another. Respect for man's dignity, human rights, and liberties are a pillar of our Arab and Islamic civilization. Nonetheless, we have gone too far in allowing man to run after ephemeral interests and fleeting political expediencies. Man has closed his eyes to outrageous images of squandering rights and liberties, desecrating the honor of individuals and minorities, and humiliating dissenters and opponents, even in the simplest of issues and the most trivial matters. We have forgotten that injustice is darkness and gloom; and when we sanction it against others, we have no right to keep it away from us.

The second sin is that we have squandered another great value of our Arab Islamic civilization, the value of counsel that the people truly and freely share in running their affairs on the premise that people are equal and individual action in the community is prohibited. The result was that leaders went over the heads and individual rulers were surrounded by a pagan holiness that destroys self-esteem and stokes all values of tyranny and oppression.

The aggressive adventures in which some Arab regimes have been embroiled in and the whimsical decisions that have carried some other regimes from one extreme to another would not have happened and tens of millions of Arabs and Muslims would not have had to pay their price had they had the benefit of counsel and had there been establishments [acting] responsible toward their people.

O ye people of the Arab Nation and the Islamic Nation,

O ye Egyptians, one and all,

This is a statement of truth by which we condemn the Iraqi invasion of Kuwait and we declare our determination to repel it by any means. We call for a purely Arab Islamic action to surround it and change this despicable action. We also caution against the perils of foreign intervention, against which all mindful and sincere Arab and Islamic forces have warned and fought throughout the years, and we hold the reckless aggressors responsible for it. Finally, we draw attention to the need to uproot deviation in our midst by respecting the freedom of

individuals and people by safeguarding their rights, by allowing them the benefit of counsel in running their own affairs, and by eradicating all forms of political, societal, and economic injustice in the exercise of power and the equal distribution of wealth.

"But God tells (you) the Truth and He shows the (right) Way." [Koran, 33:4]

Signed: Shaykh Muhammad al-Ghazali, Dr. Mustafa al-Shak'ah Dr. Ahmad Kamal Abu-al-Majd, Dr. Yusuf al-Firdawi Hasan 'Abbas Zaki, Dr. Ahmad Haykal Khalid Muhammad Khalid, Dr. Sultan Abu-'Ali, Ahmad Bahjat, Shaykh Muhammad Mustafa Shalabi, Dr. Muhammad 'Ammarah, Dr. Ni'mat Fu'ad, Dr. Muhammad Salim al-'Awa Anwar al-Jundi, Dr. Jamal-al-Din 'Atiyah, Dr. 'Abd-al-Hamid al-Farabi, Dr. Ajlal Rafit, Dr. 'Abd-al-Sabbur Marzuq, Dr. Salah 'Abd-al-Mit'al, Dr. Layla 'Anan, Dr. Hasan Shafi'i, Dr. Sayyid Dissuqi 'Adil 'Abd, Dr. Sa'id Isma'il 'Ali 'Abd-al-Halim Muhammad Ahmad, Dr. Mahmud Hamdi Zaquzuq, Safi Naz Kazim, al-Sayyid al-Ghadyat, Mahmuf 'Azzam, Dr. Hasan Rajab, Ibtisam al-Huwari, Dr. Muhammad Kamal Imam, Dr. Ahmad al-Mahdi, Muhammad al-Mu'allim, Dr. 'Abd-al-Wudud Shalabi, Dr. 'Awad Muhammad 'Awad, Dr. Hamid al-Musalli, Dr. Ahmad Shawqi Hifni, Justice 'Uthman Husayn, Dr. Midhat Hasanayn, Dr. Buhayrah Siyam, Dr. Zakariya Matar, Dr. 'Abd-al-Ghani 'Abbud, Dr. Taghrid 'Anbar, Mahji Majhur, Fahmi Huwaydi.

#### **AL-WAFD Assails Opponents of Foreign Gulf Presence**

*90AA0325A Cairo AL-WAFD in Arabic 27 Aug 90 p 6*

[Article by Dr. 'Abd-al-'Azim Ramadan: "Have Fear of God in Democratic Experiment"]

[Text] The hypocrites' cause and sole concern has become foreign intervention in the Arab region! As for the issue of Iraq's occupation of Kuwait, of Iraq's plundering of Kuwait, and of Iraq's turning of the Kuwaitis into refugees, they brush past it swiftly. These hypocrites may get an attack of the renowned Arab chivalry and sense of honor so they may shed a tear or two as one sheds tears over a dear departed person. Some of them find no objection to condemning Iraq's invasion of Kuwait with swift or eloquent words. They then turn to their favorite issue, namely the issue of foreign intervention in the Gulf.

This is insofar as hypocrites are concerned. As for the braggarts, they are the ones who raise their ugly voices with censure for the Kingdom of Saudi Arabia because it has enlisted the help of foreign intervention and of foreign forces before the Iraqi regime could storm through its territories and the territories of the other Gulf states. They shed crocodiles' tears for the return of foreign influence to the Arab region, and they hold the Kingdom of Saudi Arabia responsible for the return of this influence, without tying effect to cause.

These boastful and tearful hypocrites are no less criminal than the Iraqi regime that hires them to write these wretched and cheap words so that the Iraqi media may broadcast and exploit them before Arab and Islamic peoples and may portray the Egyptian people as a people divided over Iraq's invasion of Kuwait even though these media are well-aware that in recent decades, the Egyptian people have never been as unanimous over any issues as they are over condemning the Iraqi regime's occupation of Kuwait and over their adherence to the restoration of the legitimate political regime that has been erased from the slate by the Iraqi regime.

This hypocrisy, braggery, and lamentation reaches the point of treason because they are well-aware that the Egyptian armed forces, which include the blossom of this homeland's and this pure Egyptian soil's sons, have been sent to the Kingdom of Saudi Arabia and to a number of Gulf states to help protect these states against any likely future invasion. They have been sent on the basis of the principles of Arabism, honor, and chivalry, in implementation of the special Arab summit resolutions, and on the basis of the state's supreme interest. True Egyptian patriotism dictates that these troops not be confused while they proceed to go outside the country to pay their life in defense of all the principles, values, and interests for whose sake they are going.

To expose the positions of these bragging and lamenting hypocrites, we ask them: Is it truly the Kingdom of Saudi Arabia that has introduced foreign forces to the Arab region or is it the Iraqi regime that has done so with its criminal invasion of Kuwait? We wonder: Had not the Iraqi regime staged its armed assault on Kuwait, would the Kingdom of Saudi Arabia have asked the U.S. forces to come and protect it from a tyrannical invasion that reminds us of the barbarism of ancient and medieval ages? This invasion is draining resources, crushing peoples and wiping their names off the slate, and assaulting honor and dignity.

If these bragging and lamenting hypocrites acknowledge this fact, and they cannot but acknowledge it, then do they truly believe that there is in the arena a united Arab force to which Saudi Arabia's rulers could have turned to ask it to protect and secure their country and to prevent its fall and the fall of other Gulf states into the grip of the Iraqi regime the way Kuwait has fallen into this grip?

We appeal to the conscience of these hypocrites to answer this question so that we may be convinced that they are truly sincere in the poisons they [unwittingly] spread and that which is between us and them is a disagreement of opinion which we must respect and protect and not disagreement over a deviation which we must correct with all the might we possess. We also ask them this question: Do they truly believe that the Iraqi regime was prepared to give up Kuwait and to end its occupation of that state in response to any Arab consensus when this regime has plundered Kuwait and transferred \$4 billion from this country to Iraq, when it has sabotaged Kuwait's banks and has seized the funds

of their depositors? If Iraq is prepared to give up Kuwait, then is it prepared to return all the funds it has plundered, to compensate the Kuwaiti people, and to return all the deposits it has usurped?

We refer these people to all the statements issued by the Iraqi regime and to all the alleged initiatives this regime has offered. Does any of them show serious readiness on the part of the Iraqi regime to withdraw from Kuwait, to restore its legitimate government, and to return the Kuwaiti money it has usurped? Has not the Iraqi president asked the British hostages if they are willing to give up a part of England in order to emphasize that Kuwait is a part of Iraq that cannot be ceded? If it is so, then how can the conscience of those lamenting foreign influence and intervention condone the disappearance of an Arab Islamic state before their own eyes in a matter of hours and in the final decade of the 20th century?

We read in AL-SHA'B the same arguments that are reiterated by the Iraqi regime. It is so much so that one imagines that one is facing an Iraqi paper speaking in the Iraqi regime's name and not an Egyptian paper speaking in the name of the Egyptian people's interests and of the world community's interests! In its latest edition, AL-SHA'B defends the transformation of foreigners in Iraq into hostages with the same pretext which the Iraqi regime offers, saying: "What did the United States do to its citizens of Japanese extraction during World War II? What did the British do to the German and Italian subjects in Egypt? Were not those people placed under "restraint?"

The Iraqi, I mean Egyptian, paper forgets that a state of war existed between the United States and Britain on the one hand and Italy and Germany on the other. The paper also forgets that the fascist and Nazi regimes launched World War II when Germany invaded Poland on 1 September 1939 as Iraq has invaded Kuwait and that Japan raided Pearl Harbor on 7 December 1941 when the allies were in a defensive position, as is Saudi Arabia and the Gulf states at present. The paper forgets that war is not imposed on Iraq because Iraq can defuse the war by ending its occupation of Kuwait, by restoring the legitimate government, and by returning the money it has stolen to the Kuwaiti people and to the Egyptian and other workers who were working in Kuwait instead of persisting in its aggression and of escalating this aggression and expanding its scope by using the foreigners in Iraq and Kuwait as hostages.

No Arab or international political issue has been as clear as the issue of Iraq's invasion of Kuwait. If some people pretend to be stupid, if they argue falsely, if they speak in the name of something other than the Egyptian interest and of justice and international law, if they disregard the main issue—namely the issue of the disappearance of the name of an Arab state from the world map in a matter of hours in the final decade of the 20th century—and want to bury it in forgetfulness, then we are entitled to suspect the motives of those who engage in this contemptible action, to doubt their evidently false arguments, and to

doubt the crocodiles' tears they shed in fear for the aggressor and for the Arab region from foreign intervention. We are entitled to suspect and doubt because we are aware that the position which they are taking and in which they support falsehood and help perpetuate the Iraqi regime's occupation of Kuwait is the position that exposes the Arab region to danger, exposes the fraternal Iraqi people who are afflicted with the Iraqi regime to the danger of foreign intervention, and, moreover, exposes Egypt's democratic experiment to danger because in any democratic system, all the opposition political forces are supposed to be patriotic and to be as eager for the national interest as is the ruling political force eager for it. If some opposition forces create this suspect confusion at a time when our armed forces are leaving the country to defend right, justice, freedom, true Arabism, Islam, and international law, then we are entitled to fear for these opposition forces from this manipulation which could expose the experiment to danger, especially since these forces are well aware that if they were under the control of a regime like the Iraqi regime they would not dare take this risk, else they would find themselves facing overnight the same fate Kuwait has faced!

#### **Government Told Absorbing Worker Influx 'First Priority'**

90AA0312A Cairo AL-AHRAM AL-DUWALI in Arabic  
7 Sep 90 p 6

[Article by Salamah Ahmad Salamah: "Returning Labor"]

[Text] Here are hundreds of thousands of agricultural and non-agricultural workers starting the return trip from Iraq, Jordan, and Kuwait as they started the departure trip, without arrangement, without preparation, and without a plan to absorb them or to retrain them in a sound direction.

The move made by the government recently to implement a number of projects or to secure the necessary financing for them with the hope of alleviating the stifling crisis resulting from the return of these vast numbers which will be added to the columns of the unemployed—the move may lead to confronting the problem partially in the long term. But in the short term, the problem will be an extremely serious problem. This should provide numerous circles with the incentive to reconsider the policies of exporting Egyptian labor to the outside world and to examine the conditions and circumstances of the returning workers, especially agricultural workers and unskilled workers in general.

What is interesting is that the speedy tackling of this problem has produced just two measures:

The first is to emphasize to the security agencies that they must devote greater attention and caution to confront the expected increase in crime rates emanating from delinquency by these thousands of unemployed returning workers in the countryside.

The second measure is to launch a large-scale campaign of statements by a number of officials who prefer to sit behind their desks—a campaign asserting that the return of agricultural or peasant workers to join the agricultural production column represents a positive contribution to changing the shape of the agricultural map. One of these officials has asserted that this labor represents no real problem because the agricultural sector suffers from the scarcity and high wages of this labor!

Such statements that belittle the dimensions and danger of the problem are the most serious aspect of the problem. What is logical is that if a vast surplus of agricultural labor had not existed in the countryside, these workers would not have considered emigrating in such fearful numbers to the unknown in Iraq and Jordan in return for contemptible wages that do not under any conditions match the hardship of expatriation. They emigrated after the doors of work were shut in their faces here in the capital and in the major cities.

There has also been ceaseless talk about small projects. But we have not heard to date of any detailed programs, guidance centers, or advisory offices in the various governorates to receive these repatriates and to help them invest their small savings in some projects.

The problem is not an easy one, and it will not be solved with declarations and statements made from behind bureaucratic desks without proceeding to the real ground and without formulating immediate and future plans, and the immediate plans are the first concern now.

### Shop Owners Assess Economic Impact of Returning Workers

90AA0313A Cairo AL-WAFD in Arabic 27 Aug 90 p 6

[Article by Nasir Fayyad: "Will Service Prices Be Affected by Workers' Return; Craftsmen: Market Is 'Sleepy' and Does not Need New Labor; Some Crafts Have Come to Halt and Their Workers Have Become Unemployed; Chairman of al-Jizah Chamber of Commerce: Supply Allocations Are Reserved for Repatriates and There Is no Fear of Shortage of Such Supplies"]

[Text] Within a few weeks, more than one million Egyptians, most of them craftsmen, are scheduled to return from Iraq and Kuwait. With their return, they will constitute an additional burden to facilities and services. They will undoubtedly need supply allocations and will demand to return to their jobs. The question is: Are their jobs still available and still awaiting them?

Indications affirm that they will join the ranks of the unemployed, thus raising their number to 3 million. Thus, the situation has become very serious. AL-WAFD has made a tour of some crafts, such as plumbers, carpenters, tailors, fruit sellers, and grocers. They have all been unanimous that they do not need to employ new workers, that they are suffering from unemployment because of market stagnation, and that some of them are

moving to liquidate their activity. When asked, economic and agricultural experts have noted that they expect the prices of goods and services to rise and the average labor wages to decline.

These experts have made demands and proposals to reform the situation and to create the conditions for receiving the repatriates. Now, let us listen to the opinions of some craftsmen and economic experts. Sayyid Ibrahim, a car body repair shop owner, has said: I do not need new workers. To the contrary, I want to reduce the number of workers so that only I and my brother may work in the workshop. Clients have decreased in number, and there have been repeated complaints from car owners about high costs. We have nothing to do with these costs. The cost of all requirements has increased. Any car repair requires hundreds of pounds at least. As for the return of Egyptians from abroad, we are not guilty of failing to employ them because the market determines such employment in spite of us.

### Recession

Muhammad 'Abd-al-Fattah, a taxicab owner, sees that the problem is summed up in the recession that is engulfing all investments. The Egyptians' savings have been lost, production activity has come to a halt, and inflation has prevailed. As a consequence of all this, unemployment had to spread in this manner because the government has been unable to make large investments in order to absorb the youth's capabilities. What is happening is the opposite. The government has obstructed investment and has halted the investment companies' activities.

'Asim Salah, an employee in a car workshop, has said: I have been working for three years. After acquiring my business diploma in 1985, I knocked on numerous doors, and I tried to go to work abroad, but to no avail. So I had no alternative but to work as an errand boy employed in a car workshop on a daily basis. My wages have decreased greatly as a result of the abundant labor supply. University graduates have come to the workshop asking for employment. As a result of repeated offers, my wages have dropped in spite of me.

### Market Is 'Sleepy'

Hasan 'Abd-al-Rahman, the owner of a furniture painting shop, has asserted that the market is 'idle' these days. He recalls that about three years ago, this market was active, that he had many customers, and that work activity required inviting workers and young men to work at the shop. He believes that the 1970's were the most active work period. That is when he had numerous young men working for him. But now he only has two workers as a result of the lack of work. He believes that the solution lies in having the government move to reclaim the desert so that we may achieve self-sufficiency with our agricultural products and may curtail the importation of such products. He demands that the government make the invasion of the desert its main

objective and that it support and encourage private sector factories so that they may absorb the largest number of youth.

#### Tailors Complain

Sa'd Naj'an, a tailor in al-Sayyidah Zaynab, asserts that tailors are in no better condition than others. Rather, they are in a much worse condition. The tailors' end came with the establishment of the ready-made clothing factories. Most tailors dismissed their errand boys and their workers when their work came to a halt. Tailor shop owners have been compelled to close their shops and to work in other areas. Some have joined the ready-made clothing factories.

As for his vision of the solution to the problem of unemployed labor returning from Iraq and Kuwait, Naj'an proposes deportation of some Arab elements that are not beneficial to the economy, such as the Sudanese and the Palestinians, and the replacement of these elements by returning workers who are more beneficial and useful to the country.

#### Unemployed Youth

Jum'ah Shawqi, a grocery owner, knows nothing about solutions to deal with repatriates because the (situation) is, in his opinion, futile. There are 2 million unemployed young craftsmen and intellectuals. The government has been unable to employ them. So will it be able to employ one million more people returning from the Gulf "empty-handed?" They have no money to invest in any projects, not even to spend on themselves.

Ibrahim al-Sayyid, a fruit seller, asserts that the market can absorb the repatriate labor, especially since the market will need a large number of workers when students return to schools and universities. He believes that despite the increased demand, prices will retain their balance as a result of increased production.

#### State Services

At the al-Jizah Chamber of Commerce, 'Abbas al-'Atabani, the chamber chairman, stressed that the services offered by the state are capable of accommodating the repatriates. Supply allocations are available and set shares are allotted and reserved for those who are abroad until they return. These allotments cannot be canceled. Each family can regularly get the "ration" allotted to it in accordance with a (ration card). Al-'Atabani emphasizes that he is optimistic because nearly the majority of the repatriates are craftsmen and because the Egyptian market is in the direst need of them. For example, the construction sector requires large numbers of workers now that the (daily wage of a worker) has risen to 15 pounds. The agricultural sector also needs them badly. I believe that the land needs a large number of the repatriate peasants.

Al-'Atabani goes on to add:

There is no doubt that we will experience increased unemployment. This is why it is necessary to open new investment spheres in order that they may attract labor.

It is also necessary to organize the labor. Al-'Atabani holds all of the ministries and institutions responsible for providing as many employment opportunities as possible. The government is required to abandon its red tape in solving the problems of the repatriate youth and to make all the possible resources available to them. Al-'Atabani also demands the creation of a central emergency chamber to control other emergency chambers created in every ministry, company, institution, and in the private sector to coordinate with the central chamber. He also proposes that the Ministry of Labor or of Emigration be put in charge of these measures.

Finally, al-'Atabani expects labor wages and the prices of goods to decrease. He also expects that the Egyptian economy will, despite its difficult circumstances, be able to employ the repatriates and to provide them with proper employment opportunities.

#### Repatriation Expectations

Dr. Ahmad al-Safti, an economics professor at the Economics and Political Science College of Cairo University, believes that expectations had indicated the return of this labor. This is in addition to numerous recently conducted studies that recommend making preparations for the return of expatriate Egyptian labor because this labor will inevitably return for one reason or another. In any case, there is not enough time to answer some questions. However, what must draw our attention is [the need] to ensure the safety of expatriate Egyptians and to try to absorb them at home. We must share services with them. Therefore, I demand that the labor and employment market be viewed from a new perspective. I believe that the Egyptian economy is capable of absorbing these workers and of solving their problems. I also demand that we reexamine our behavioral patterns and that we expand our work sites. A new outlook is necessary to absorb the youth and to benefit from them in penetrating new production areas.

#### Faulty Information

Dr. Ahmad al-Safti goes on to add: The faulty information that the repatriates have must be corrected, and they must be informed of the importance of depositing their savings in Egyptian national banks. I believe that the Gulf crisis has restored credibility to the Egyptian banking apparatus. I hope that this will constitute a new beginning for a successful Egyptian economy. In the coming phase, I expect Arabs to increase their investments in Egypt now that everybody has understood Egypt's vanguard role.

I also expect the Egyptian citizen's importance abroad to grow at least tenfold what it has been so far. The Arabs' view of Egypt will change completely. Aid in the investment field has become a duty now. All this will be

beneficial to small industries and, consequently, to craftsmen. Thus, services will become available.

### Rising Prices

On the other hand, agricultural experts expect commodity and service prices to rise by 30 percent at least and wages in the private sector to drop considerably.

Dr. Riyad al-Sayyid 'Imarah, an economics professor at the Agriculture College of Cairo University, believes that the rise of prices by such a percentage will be due to an increased demand and that the drop in wages will be due to the repatriation of large numbers of Egyptian workers. Small industries were expected to succeed in absorbing a number of youth. But these industries have failed. This is why we will be facing large unemployment figures, especially among craftsmen and agricultural workers.

Dr. 'Imarah proposes a number of alternatives to confront this dilemma. The first alternative is to devote attention to small rural industries, provided that the government secures the investments needed for that purpose. The second proposal is to re-market skilled Egyptian labor by providing it with proper employment opportunities. In this regard, I propose that Saudi Arabia and the UAE open their doors to the Egyptian labor returning from Kuwait and Iraq and to install this labor in the place of workers from other countries. Or let Saudi Arabia and the UAE create a complete production line compatible with the region's new circumstances. The third proposal concerns production and pricing policies and it calls for considering positive formulae that help increase production and establish a uniform price policy that is not subject to fluctuation. The fourth proposal concerns the need to penetrate new desert lands and to seriously consider securing the investments needed for the agricultural sector.

Ultimately, Dr. 'Imarah believes that the wage pressures and the rising cost of living will lead to terrible poverty in the countryside and may lead to the decline of the prices of cultivable lands, especially since most farmers will not turn to agriculture upon their return because it will not be possible to absorb them. Thus, they will be compelled to seek service jobs that may not be available.

### Returned Expatriates Sue for Iraqi Property

90AA0326A London AL-SHARQ AL-AWSAT in Arabic  
5 Sep 90 p 3

[Article by 'Amr 'Abd-al-Hamid: "To Pay Dues of Expatriates Returned From Kuwait and Baghdad, Lawsuit in Egypt to Demand Imposing Custodianship on Iraqi Government Property"]

[Text] Cairo—The Cairo Emergency Cases Court will consider on 25 September 1990 the first lawsuit filed by Egyptians returning from Iraq and Kuwait against Iraqi President Saddam Husayn to demand imposing judiciary custodianship on all Iraqi properties and accounts, Iraqi organizations and institutions operating in Egypt,

all Iraqi planes flying through Egyptian airspace, and Iraqi ships and oil tankers in Egyptian territorial waters. The lawsuit also demands confiscation of liquid assets, stocks, and bonds owned by the Iraqi Government in Egypt.

Mustafa 'Ashshub, an attorney who litigates before the Appellate and Higher Administrative Courts and who has filed the lawsuit in his capacity as the representative of the repatriates, has pointed out that this case is the first of its kind, considering that the state customarily represents individuals in demanding the dues owed them by other states. If this is impossible, then the help of the International Labor Organization, which is controlled by the United Nations Organization, can be enlisted to collect these dues.

In exclusive statements to AL-SHARQ AL-AWSAT, 'Ashshub has emphasized that the debtors are entitled to file this lawsuit as long as the indebted government owns properties and assets that can repay the debt it owes. He has pointed out that the debtors are entitled to impound these assets, whether movable or immovable, in order to prepare to sell them and collect their dues.

He added: We have often heard of the compulsory sale of a plane or of a ship in accordance with a court decision in order to collect a debt. An Egyptian institution has been able to impound a foreign plane to collect a debt owed by the airline concerned. This has also happened with ships in Port Said, Suez, and Alexandria.

'Ashshub has also asserted that the lawsuit is sound in accordance with the provisions of international law, of Egyptian civil law, and of litigation law. Any Egyptian harmed by Iraq's invasion of Kuwait, whether through the plundering of property or the loss of dues, may file such a lawsuit.

As for whether this case is different because the debtors are (Egyptian) individuals and the indebted is a state, namely Iraq, 'Ashshub said: There is no difference. There is a debtor and an indebted in all cases, regardless of whether the debtors are a state or individuals and whether the indebted are individuals or a state. Both are equal before the law. An individual contractor is entitled to impound a company's treasury in order to collect his dues and a "public or private sector" company is entitled to impound state money if the state is indebted to such a company, provided that this state own assets in the debtor's country. But if the indebted state owns no assets, then the debtor organizations have to follow diplomatic routes through their government to secure their rights. In case these rights are not fulfilled, one can resort to international organizations.

'Ashshub noted that Iraq's assets and dues in Egypt amount to nearly \$600 million, not to mention the liquid assets whose volume can be determined by the Central Bank.

He added that a lawsuit must be filed before the Egyptian courts concerned so that they can consider the

dispute, keeping in mind that the assets are located in Egypt and that the Iraqi property is inside Egypt.

As for the documents in this case, the attorney asserted that he will rely on press, radio, and television reports, all of which demonstrate the hardship experienced by Egyptian workers, whether in Iraq or in Kuwait. These documents are available now and at any time.

As for the executive steps that will be taken when the court makes the decision to impose custodianship, 'Ashshub said: The Egyptian Government has entered as a party in the case. The decision can be carried out through the government, considering that it issues the executive decrees concerning the court decision. The Iraqi assets are subject to the control of numerous Egyptian ministries, such as the ministries of interior, defense, tourism, aviation, economy, and finance, and of the Central Bank.

'Ashshub expressed the belief that as soon as the case is announced, it will be joined by nearly 2 million Egyptians, not to mention the Kuwaitis who are entitled to file a similar lawsuit because their chosen country has become Egypt and because, therefore, they are subject to Egyptian law and are entitled to file such a lawsuit.

'Ashshub further noted that such a lawsuit should have been filed in connection with the long overdue rights owed Egyptian workers in Iraq in order to preserve these rights. But political circumstances were not convenient at the time for filing a lawsuit against an Arab state.

He asserted that, in the wake of the regrettable acts perpetrated by the Iraqi regime against the Egyptians and the Arabs, it has become necessary to file this lawsuit because it is easy to devour these rights, especially since Saddam Husayn has not been reluctant to devour an entire country.

**Bases for Boundaries of Election Districts Discussed**  
*90AA0270A Cairo AL-AHRAM AL-IQTISADI in Arabic*  
6 Aug 90 pp 22-23

[Article by Dr. Iyhab Salam: "Current Debate Over Dividing Districts"]

[Text] Choosing boundaries for election districts is one of the processes of distributing voters in specific areas. Whenever the number of voters in one election district is equal to or approximate with the other districts, it is said that electoral parity among candidates has been achieved throughout the republic. Whenever a fundamental disparity occurs, an electoral injustice is caused, because that disparity results in a representative achieving his victory in a district by a disproportionate number of votes, compared to what others achieve in other districts. In the past, a rural candidate required many fewer votes than an urban candidate, so that victory or defeat in certain districts was the result of support by numbers of voters that varied from one district to another.

Debate these days centers around whether the partitioning of election districts should be on the basis of the number of residents or the number of voters.

The first method of determining election district boundaries is on the basis of population. We believe that the authors of this method intended population to mean citizens and not just residents, because the second category means that residents include both citizens and foreigners. Foreigners are not entitled to political rights, and do not enjoy them as citizens do. Therefore, the authors of that method of partition intended to mean citizens. Are all citizens blessed with political rights (the right to vote and the right of referendum)?

Citizens are divided into the following categories:

Naturalized citizens. There are some countries that deny the exercise of political rights to naturalized citizens, until after a certain period of time has elapsed.

Children and youths under the age of 18 do not enjoy political rights.

Persons who have been convicted of a felony, or a misdemeanor that by law restricts the exercise of political rights, are also forbidden to practice political rights.

Finally, those who can exercise political rights include citizens who have attained the age of 18, who have not been convicted of a felony or certain misdemeanors, and who have not been declared legally incompetent because of insanity, imbecility, incompetence, etc.

The base upon which the district boundaries rest is the number of resident citizens who are—or are not—entitled to political rights. These persons are subject to birth rates, which differ from one province to another, or to be more exact, from one election district to another. Moreover, they are also subject to death rates that vary from one district to another.

In addition, internal migration patterns among the provinces and, consequently, among the various election districts, are unceasing. How does the fixed measurement for distribution of election districts move and change to this degree? How does distribution of the citizens' political responsibilities depend on a measurement that decreases or increases from time to time? What is the relationship of those citizens who do not enjoy political rights to those election districts that are allocated only for those who do enjoy these rights?

The second method of determining election district boundaries is on the basis of number of voters. Each police precinct has one or more voter list depending on the number of election districts within the precinct. Beginning 1 January of each year, the list is closed; nothing is added to it, nor deleted from it. Persons who are newly entitled to political rights must be added to the list in December of each year. Those who have lost their rights, because of death or having been convicted of a felony or certain misdemeanors, or because of joining the armed forces or police (since soldiers cease to enjoy



these rights during the period of their service in the army or police) are deleted from the list. The number of voters in each police precinct, or in one election district, is fixed and cannot be changed beginning 1 January, or until considerations of submitted challenges are concluded, with regard to those who are not entitled to political rights or, on the other hand, those who have not earned this entitlement, and it is decided to delete them from the voter list. The number of voters is also fixed when elections are scheduled. The list is closed until the elections are concluded. This fixed number is a sound measurement to determine election district boundaries. It is closer to fact than to fiction, because the list must include all who have political rights at a given time, without any decrease or increase.

#### Determining the Number of Delegates

Determining the number of delegates varies between being unlimited and determined on the basis of a specific number of voters, or limited starting with a specific number, with the number of voters—who will choose one representative—allotted on the basis of that number.

The first method does not initially determine the number of delegates, but assumes that a specific number of voters will elect a representative for themselves. If this number is 60,000 voters, and the total number of voters is 30 million, the number of members of the People's Assembly will be 500. Since there must be two members from each election district, with one of them either a worker or a farmer, the number of districts has to be 250, with each having 120,000 voters. Therefore, each election district could have a list containing 120,000 names of voters, which might increase or decrease by 5 percent, i.e., by as much as 6,000 voters. (These districts are later distributed among electoral committees, which might assign one district a thousand or more names.) If excesses in the number of voters were to exceed five percent, then an imbalance among the various districts would appear, and the principle of equality becomes nonapplicable. For example, a delegate who obtains 20,000 or 30,000 votes in one district could win, while another delegate in another district might win only if he obtained 60,000 votes or more.

It is not necessary for a police precinct to include one or more election districts; there might be a number of police precincts included in one election district. On the contrary, an entire governorate could be located within the sphere of one election district, if the number of voters therein did not exceed 120,000. All that is required is to achieve balance among the districts in terms of numbers of votes, with a specific minimum number of voters. If the share increases or decreases by five percent, those responsible for that have no objections. But if it exceeds that, then the candidates are done an injustice with regard to distribution of districts.

In the second method, the election law determines the specific number of People's Assembly members. (This is

the method followed in Egyptian elections.) The composition of districts is on the basis of the number of voters, allocated on the number of delegates. If the number is 448 members, and the number of voters is 30 million, the district's share—in this case—would be 134,000. If the situation remained unchanged, and the number of voters is 12 million, the number of districts would be determined on the basis of 54,000 voters per district, on the basis that each district would be represented by two delegates.

It is not difficult to partition districts, because the number of voters is fixed, and increases or decreases are not permitted at the beginning of elections. Accordingly, the responsible agency is able to compile that, divide the total by the number of delegates required, and multiply the result by two, since each district will be represented by two delegates, one of whom will be a worker or farmer. The number of voters for each district and, consequently, the allocation of voters' names, will be on the basis that each district is allotted that number of voters' names. That number might be exceeded, so that some citizens are not inconvenienced by having to travel from one governorate to another, or from one district to another.

#### New Free Zones Planned To Create Job Opportunities

90AA0312B Cairo AL-AHRAM AL-DUWALI in Arabic  
5 Sep 90 p 5

[Article by Muhyi-al-Din Fathi: "Eight New Zones Emerge on Egypt's Investment Map"]

[Text] With the influx of the Egyptians who have been working in Kuwait and Iraq, with the number of these workers approaching 200,000 citizens, and with the expectation that this figure will be doubled in the next few weeks, the government and all its agencies are making efforts to create work opportunities for the repatriates, especially since a large number of them are experienced and skilled in the various vocational, industrial, and agricultural areas.

There is no doubt that a problem will surface in the short term in creating adequate work opportunities for this large number of repatriates, especially since unemployment is already widespread among university graduates and graduates of technical institutes. This is why the government is discussing the creation of eight new industrial zones in the various governorates, including two free industrial zones.

Dr. Muhyi-al-Din al-Gharib, executive chairman of the Public Investment and Free Zones Authority, has stated that the cost of building the infrastructure for each of these eight zones is approximately \$50 million. This means that there is a need to urgently secure a sum of \$400 million to begin building the infrastructure in these zones. The governorates of North Sinai, al-Sharqiyah, al-Minufiyah, al-Qalyubiyah, Ismailia, and Matruh have been designated as sites for these new zones. An area of

800 feddans in Bi'r al-'Abd, south of al-'Arish, has been designated an industrial zone which will seek to offer investment opportunities intended to set up construction material industries whose objective is to supply the construction materials needed to build new villages and towns in al-'Arish plain and to extend al-Salam canal to this area. This is in addition to setting up numerous industries to process fruits and fish in the area. In al-Sharqiyah Governorate, an area of 200 feddans on the Bilbays-Cairo expressway has been designated an industrial zone. Plants for the production of construction materials, ready-made clothing, and some leather products will be set up in the zone. In al-Minufiyah Governorate, a total of 117 feddans have been purchased by the governorate in Kufur al-Raml area in the provincial capital of Quwaysina. This zone will be set aside for agro-industries and for the production of ready-made clothing. In al-Qalyubiyah Governorate, an area of 250 feddans within the jurisdiction of the town of al-Khanakah have been designated a new industrial zone. This land is located nearly 10 kilometers from the Cairo-Alexandria desert highway. Like the industrial zone in al-Minufiyah, this zone will also be set aside for the ready-made clothing industry, for agro-industries, and for leather industries. In Ismailia Governorate, the proposed industrial zone is located outside the city of Ismailia. Varied industries can be established in this zone. In Matruh Governorate, an expandable area of 1,000 feddans, located 15 km south of Marsa Matruh at the intersection of highways leading to al-Sallum and Libya westward, to Siwah southward, and to Alexandria eastward, has been designated an industrial zone. This zone will be set aside for the construction of cotton yarn, ready-made clothing, and fertilizer industries, considering that the natural gas pipeline coming from 'Ajibah and Khalidah fields in the western desert passes through this area. Additional electric power amounting to nearly 50 megawatts is available to the area from Matruh plant.

Dr. Muhyi-al-Din al-Gharib added: These governorates will submit applications to have the necessary ministerial decrees issued to set up these zones which will be created under the umbrella of law No. 23, the new investment law, so that they may enjoy the guarantees and advantages provided for in article 11, including a 10-year tax exemption similar to the exemption given to the new development communities. The price of land in these zones will be set to equal the cost of the infrastructure in the zones.

Dr. al-Gharib noted that two other free industrial zones will be set up, one in Damietta over an area of nearly 400 feddans and another in al-Adabiyah, Suez, over an area of 1,000 feddans. Al-Adabiyah zone will be set aside for heavy and medium industries, as well as small industries, whereas the Damietta free zone will be designated for furniture, leather, and food industries.

Dr. al-Gharib asserted that the objective of these new zones is to absorb labor in the activities designated to

supply the zones with the infrastructure, then in the activities to build the new projects, and finally in the operation of these projects.

### **New Measures To Draw State Income, Investment Detailed**

90AA0306A *London AL-DUSTUR in Arabic*  
20 Aug 90 pp 34-35

[Article by Muhammad Basyuni: "Egypt Turns to Financial Resources"]

[Excerpts] Cairo—"Every age has its malady and the malady of this age in the developing countries is the meagerness of financial resources. In their search to boost resources, governments turn to borrowing. But instead of borrowing to strengthen their financial resources and to channel these resources toward the production process, these governments consume all the money they borrow on food and primary utilities."

This is how Burhan al-Dajani, secretary general of the Union of Arab Chambers of Commerce, Industry, and Agriculture, has characterized the condition of the developing countries in general and of the Arab countries in particular.

If the problem of securing financial resources represents the concern of governments in the northern and southern parts of the world, then the pressure of this problem on southern countries makes these countries try harder to rid themselves of the problem that is threatening their financial system and that forewarns of social and economic crises resulting from unemployment, from the balance of payments deficit, from inflation, and from the inability of production means to meet society's needs of goods and services. According to Egyptian Prime Minister Dr. 'Atif Sidqi, the "Egyptian economy is ailing but not dead. A patient needs treatment in order to be cured."

The prescription developed by Egyptian economic experts is embodied in several items tied by one thread, namely the thread of squeezing expenditures and boosting financial resources to create a balance between the constant consumption demand and the production capacity.

With the onset of the current year and throughout the past 6 months, the Egyptian Government has moved actively in the direction of developing available financial resources and boosting the fixed capital elements so as to secure new financial resources.

The economic policy applied by Dr. 'Atif Sidqi's government seeks not only to enhance the production of the currently existing units and increase the export rates but also to set this fixed capital in motion and turn it into cash liquidity that enables the government and society as a whole to develop this capital's economic performance. [passage omitted]

### Indebtedness and Reform

The Egyptian economic reform program is based on the concept of the ideal utilization of resources, Dr. 'Atif 'Ubayd, the Egyptian minister of administrative development, says.

The concept is founded on the fact that the production cost of economic projects, be they production or service projects, is very exorbitant and the fact that their production does not meet constant expenditures. Consequently, these projects do not yield appropriate profitability. A large number of the production units incur losses, as in the case of the industrial sector in which a total of 210 companies have incurred losses ranging from 1/2-2 million Egyptian pounds per company.

The losses rise higher in the service sectors, especially in government-owned hotels which have been unable to develop service and modernize facilities, not to mention their increased operation costs. The final outcome of the budgets of this type of hotel is negative. But the value of these production and service projects' fixed assets, such as land, buildings, utilities, and equipment, has multiplied tens of times in recent years. If the value of these fixed assets is exploited by selling these assets, then the [sold] production unit will turn into a value added to the invested money. Moreover, selling these units will reduce the burden of the government commitment to the units, considering that the government is the owner of these units.

The Egyptian Government has based its policy on the fact that disposing of these production and service assets by selling them to domestic or foreign capital will accomplish three objectives:

- Secure foreign investments to boost the productivity of these production and service units, most of which are incurring losses.
- Alleviate the government burden.
- Deal with the manifestations of laxity and of masked and open unemployment, improve production, and develop and increase export volume.

### Boosting Resources

If the Egyptian Government has decided to sell the losing production units as a way to boost resources, then it has, on the other hand, tried to create an economic and political climate that permits capital coming for investment in Egypt to feel reassured.

Egyptian banks have begun to apply new banking methods that ensure the absolute confidentiality of deposits made with them. Banks have also begun to issue investment certificates and development bonds in Egyptian and foreign currencies, especially in U.S. dollars, disregarding the condition requiring verification of the source of money deposits. The total revenues of these certificates and bonds amounted to \$37 million last year.

This activity has coincided with the promulgation of laws that permit individuals to own developed real estate

and land at a rate of no more than 3,000 square meters per person. This is in addition to granting investors the right to export their profits from investment projects in the same currency they used for their investment. Moreover, projects established in Egypt are exempted from taxes for a period that may extend to 10 years.

The Egyptian Government has begun to focus on projects that yield higher profits and on enhancing the production and research capability of agricultural and industrial experts.

As a result, Egypt has succeeded in manufacturing units for the transportation of ammonia gas and in producing high-tension and medium-tension electric power plants, in addition to developing sugar-production machinery and expanding the shipbuilding industry. This has resulted in modernizing the Alexandria shipyard which can now produce giant ships. A German firm and a Dutch firm recently concluded contracts with this shipyard to build four gigantic oil tankers. These advanced production projects are expected to yield a revenue of \$100 million this year. What is more, Egypt's success in these areas has enabled it to compete with countries that are deep-rooted in and that have been monopolizing these areas. While the Governorates Authority has strongly rejected successive offers to bury the world industry's poisonous wastes in Egypt's eastern and western deserts at astronomical prices, the Egyptian Government and the Governorates Authority continue to offer numerous easements for Arab and foreign capital seeking to set up tourist projects and production projects in agricultural, industrial, mining, and development areas, as well as other areas.

### Writers Predict Gulf Conflict Resolution, U.S. Role

90AA0308A Cairo AL-AHRAM AL-DUWALI in Arabic  
29 Aug 90 p 9

[Article: "Gulf Crisis: Possibilities and Outcome of Military Confrontation"]

[Excerpts] The possibilities of a compromise have diminished considerably in the past few days even though the path to such a compromise has not been totally blocked. Very regrettably, this development has been coupled with enormous deterioration in the Arab division created by Iraq's invasion of Kuwait. The most tragic and painful aspect of this deterioration is that the Arab and international interest in the intifadah [uprising] and the Palestinian issue has shifted and become a low priority.

The resolution the Security Council adopted at the beginning of this week has provided an important indicator of the increased possibilities of a military confrontation. The developments make it more likely that the countdown for this confrontation has begun, primarily within the context of U.S. military moves taking advantage of an effective international cover emanating from the failure to develop an Arab solution based on Iraqi

withdrawal from Kuwait, on restoration of the conditions prevailing at the start of the Iraqi-Kuwaiti negotiations, and on providing an Arab protection that guarantees both parties' legitimate interests within the framework of the supreme pan-Arab interests.

On 8 August 1990, the "National Dialogue" page provided space to writers of various orientations, and they dealt from their own perspective with the immediate consequences of the invasion to the Arab system, to the Palestinian issue, to the international system, and to the oil and money economics. On a subsequent occasion (15 August 1990), writers dealt, also from their own perspective, with the possibilities of a compromise for what has come to be known as the Gulf crisis.

Today, "National Dialogue" opens its page to the viewpoint of a number of writers so that they may discuss the possibilities of a military confrontation and the expected consequences of such a confrontation at the regional level on the one hand and at the level of the international system on the other hand, as well as its consequences to the Arab and world economy. "National Dialogue" will continue to publish any other viewpoints it receives, provided that they are expressed in no more than 600 words and that they deal with the issue from a pan-Arab and futuristic perspective.

#### **International Forces' Completion of "Strategic Conquest"—by Retired Staff Major General Ahmad 'Abd-al-Halim**

The U.S. forces in the Gulf region, given legitimacy by the Security Council resolution, have completed their military preparations in the region or completed what the military call the "strategic conquest" by the forces designated for the "strategic operation." As of this moment, these forces are ready to carry out the military operations asked of them. [passage omitted]

The U.S., forces are now completing their "strategic conquest," namely deployment of the forces in a formation from which the military operations begin—a formation which cannot be maintained for a long time after it is completed—in preparation for any developments that may require prompt military intervention. The most significant features of this completion are the following steps:

1. The transfer of the central command's strategic command [as published] from its base in Florida to Saudi Arabia in preparation for commanding the military operations. We should note here that this announcement means the transfer of the central command commander and his immediate command staff. The command units themselves have moved recently through a cumulative process.
2. The "strategic re-distribution" of some of the U.S. forces in the operations theatre, considering that these forces have reached areas (behind) their combat positions—areas which we call the "strategic amassment" areas. With the start of the "strategic conquest" operations, namely deployment of the forces in the areas from

which the combat activities start, we reach the end of the "strategic planning" which, in its entirety, is tantamount to a number of strategic steps that are needed to transfer the forces from the sites where they originally exist to the point where they are ready for combat.

3. Reinforcing the operations theatre with some new weapons, consisting fundamentally of certain types of Air Force squadrons, and launching new satellites to outer space in order to manage military operations, considering that the task of the current satellites is to gather information whereas the task of the new satellites is to provide the communications needed to manage the strategic operation and to direct numerous technologically-sophisticated armament systems.

Thus, the U.S. forces are completing the "strategic conquest" operation and putting the region on the mouth of a volcano. Meanwhile, Iraq continues to fail to comprehend what it sees in the international arena, in the regional arena, and in the expected operations theatre.

#### **New Regional Strategic Balances—by Dr. Muhammad al-Sayyid Sa'id**

It is still too early to anticipate the forms that will determine regional reality in the Gulf and in the Arab homeland generally if the current confrontation between Iraq and the west is allowed to reach its logical conclusion.

However, there are four general consequences expected to emanate from the confrontation in the immediate future:

The first consequence is the emergence of a serious strategic imbalance in the Gulf region favoring Iran and an imbalance in the Middle East region favoring Israel if the confrontation leads to "destroying" Iraq's military force.

The second consequence emanates from the first. The west will not agree to let the Gulf region fall hostage to Iran, exactly as it has refused to let it fall to Iraq's domination. At the same time, the west will not be able to endure the presence of the big current military concentrations in the Gulf for a long period. It seems that the only solution to this dilemma in the immediate future is to declare explicit U.S. supervision of Gulf security. This supervision may take the form of a security agreement or treaty or, at least, the form of a unilateral political declaration making an aggression against the Gulf states a military act aimed against the United States. In return, the United States will have full control over whatever is connected with the defenses of the Gulf states, and these states will have to pay all the costs.

The third consequence is the need to create a stronger bond between the small countries of the Gulf on the one hand and Saudi Arabia on the other. Instead of collapsing as expected, the GCC [Gulf Cooperation Council] will make a longer stride in strengthening the bond. It will not only be inevitable to conclude the unified security treaty which was opposed by Kuwait but

also to strengthen the obligations included in this treaty to the degree of turning the small Gulf states into satellites of the Saudi policy.

The fourth consequence is the Arab Gulf states' expression of their independent identity and security strategy through greater "separation" from the Arab regional system. In an extreme case, this may take the form of withdrawal from the Arab League—a withdrawal which will inevitably lead to the league's collapse.

Contrary to the majority opinion in the Arab press, no major changes are expected to occur in the region's "political geography," especially if a swift military victory is scored by the west, meaning that we find it unlikely that Iraq will be dismembered and that a Kurdish state will be established in its northern part. We also find it unlikely that the west will encourage Israel to apply the so-called transfer scenario, i.e. the proclamation of a Palestinian state in Jordan and the transfer of the West Bank's Arab population to this state.

All regional forces will oppose the idea of establishing a Kurdish state. Moreover, it is not even in the west's interest to break up Iraq or to keep it weak for a long time to come in order that the strategic imbalance may not continue to favor Iran for a longer period than the Gulf's political situation can withstand. Furthermore, the world in its entirety will not agree to see the west encourage Israel to exploit the opportunity and commit aggression against Jordan. If the justification for the entire current amassment and mobilization is to defend the independence of a UN member state, then it will not be acceptable for another state be eliminated by another regional power, regardless of how strongly this power is tied to the west. However, various possibilities remain open and continue to be dependent on the interactions of the wills of the influential parties involved, including the Arab will "or the absence of this will." The concealed struggle in international and regional diplomacy is revolving as of the moment around the "future images" of the Gulf region and around the kind of bond this region will have with the Arab homeland or will sever with this homeland.

The fact is that this [future] depends on the task of mobilizing all capabilities and forces to avert the collapse of the Arab regional system. Such a collapse will serve the interest of nobody other than Israel. The task of mobilizing all the capabilities to avert the collapse of Iraq as a nation and a state in the wake of military confrontation and the task of helping Iraq rebuild quickly at the political, economic, and military levels depends on Egypt now that the Iraqi regime has made the Arab scenario a near certainty.

#### **Emergence of Single-Axis System—by Wahid 'Abd-al-Majid**

Only a few hours after the crisis emanating from Iraq's invasion of Kuwait erupted, it became evident that this crisis surpassed the characteristics of being a new regional crisis. With record speed, the international

reaction rejecting this invasion reached its peak under the umbrella of the unprecedented uniformity and coordination with which the major powers have approached the crisis. The resolution issued by the Security Council hours after the invasion and the U.S.-Soviet statement issued in Moscow on the following day were tantamount to a clear sign underlining the new characteristics that distinguish the interim phase into which the international system has entered now that the phase of dual polarization has disappeared.

One of the most important of these characteristics is not to permit the detonation of major new regional crises and not to accept any challenge to the rules established as the bases of the emerging international system, especially the basis which calls for codifying exclusion of the use of military force to settle disputes.

At the same time, it has been evident from the start that this crisis will be the profoundest indicator of the process of the formation of the new international system by virtue of the fact that the crisis will speed up crystallization of this system's fundamental features which, prior to the crisis, were likely to mature calmly through complex interactions over an interim period extending for several years. Before this crisis exploded, there were two visions of the features of this new system: One vision inclined to believe that this system will move toward a single axis—the "U.S." axis—and a second vision which found it more likely that the system would have multiple axes. Even though the first "single-axis" vision relied on strong bases, indicators reinforcing the second vision continued to exist. It is not easy to slight the Soviet Union's ability to continue to be a superpower, especially if it manages to solve its economic and ethnic problems. Moreover, the Europe 1992 plan and the unification of Germany promise the creation of a new international axis which has an immense economic power. This power plus Japan will constitute two new axes.

It is obvious that this second "rational" vision was founded on the assumption that the interim phase which paves the way for a new international system must inevitably take enough time for the European axis in particular to emerge. But the crisis that has been touched off by Iraq has created a new variable that dictates a type of interaction that leads to speeding up the crystallization of the new system in the direction of a single-axis system before the proper opportunity is given to pluralism.

The crisis has made it clear that establishing the bases of the post-cold war era requires the use of force to confront any rebellion against these bases. Consequently, the United States has been offered the opportunity to reaffirm its distinguished role which emanates from its possession of the biggest military force which is ready to be used with much less restrictions than the restrictions shackling the Soviet force and also to be used at a level to which the European force cannot rise.

But the question that may be raised logically here is: Why, then, did the other major powers rush to support the U.S. approach for dealing with this crisis? It is obvious that the crisis has posed a common challenge to all at two levels: First, the level of threatening the special interest of each of these powers which are harmed by sudden changes that affect the issues of stability outside the Gulf region and affect the world economy.

Second, threatening the rules that these powers agree on as a foundation for the post-cold war era. This is why it has been impossible for any of these powers to lag behind in participating in the process of confronting the Iraqi rebellion in accordance with these rules, even though some of these powers disagree with some of the particulars of this confrontation. However, this disagreement, minor as it is, reflects varying degrees of eagerness to curtail the exclusive U.S. leadership of the confrontation. This is indicated by the interest in bolstering the UN role.

It is most likely that the outbreak of an armed conflict to force Iraq to back down will make it possible to complete the development taking place in the direction of entrenching the single-axis as a fundamental feature of the new international system. But the degree of this development will continue to depend on a number of factors, the most important of which is the success of the U.S. military force in ending the crisis in a fundamental manner, without a protracted war, and with the smallest degree of negative collapses that spread chaos in the region and that enable some of the region's states, such as Israel or Iran, to exploit the opportunity to make regional gains.

**Inflation, Recession Wave; Debt, Trade Crises—by Dr. Taha 'Abd-al-'Alim**

No war is like a war over burning oilfields. The harbingers of an all-out war over the Gulf's oil wells seem like an imminent catastrophe. The war may flare up as a result of a desperate Iraqi decision or of a U.S. decision relying on the west's interests in liberating the Kuwaiti and Gulf oilfields from the grip of Iraqi control and threat.

From the perspective of political economics, the outbreak of war in the Gulf region, which contains nearly two thirds of the world's proven oil reserves, will generate fires that will spread on the spot to all corners of the world. These fires may last for decades if the oil wells themselves catch fire. The harbingers of the effects of this war have loomed in the wake of the embargo imposed on Iraq's and Kuwait's exports which represent one fifth of OPEC's production and of the world's oil reserves.

In an attempt to explore the economic consequences of an all-out war in the Gulf, we will note the effects of a likely sharp drop in the Gulf's oil exports, the ability of both the north and the south to confront the economic consequences of the war, and the Arab homeland's place in the international system after the war ends.

We will note first that increased oil prices will affect the entire international economy. It suffices that we ponder the significance of lower stock and bond prices in major international financial markets in order to anticipate higher costs and lower profits in gigantic international western firms and the fear of an expected recession in case an all-out war erupts. As in the past, rich industrial countries will make poor developing countries pay the bill for the increased costs and for resumed high profits. The west's endeavors to develop alternative energy sources have failed because of the exorbitant costs and of the difficulty of replacing oil by oil alternatives in the areas in which oil is used. This is in addition to the growing dangers of reliance on the sources of nuclear energy. All this signifies the early signs of a new wave of inflation and recession in the north, exported to the south in the form of debt and trade crises. This will be a furious wave in case an all-out war erupts and in case the Gulf fields catch fire. No matter how great the west's losses, the south's catastrophes will be even greater.

Second, the major direct and indirect losses which harm the south's economies—both Arab and non-Arab—reveal the inequality in mutual international economic dependence. In the immediate future, the west can resort to its vast strategic store, the likes of which the poor non-oil countries of the south do not possess, to pressure the Arab Gulf oil-exporting countries to increase their production, considering that these countries have been compelled to request the west's military assistance to confront the Iraqi threat. In addition to its economic, political, and military pressures, which can force Iraq to withdraw from Kuwait, the west, led by the United States, can also accomplish the same objective with military force. While unable to manage its economy under the blockade conditions, Iraq, like the other backward and subservient countries, will also be unable to renovate its war machine under the war conditions.

Third, the U.S. initiative in leading the Gulf crisis seems to be a noisy demonstration reaffirming the status of the United States as the undisputed leader of the western industrial countries and the unrivaled controller of the new international system. The United States relies on a comprehensive and collective economic and military force and on the momentum given by Iraq's invasion of Kuwait to accelerate the process of reshaping the international system now that the cold war has ended. After extinguishing the fires of the Gulf war, should they flare up, the United States will have further causes of strength because it will have greater capability to determine oil production and pricing policies. It will also have the justifications to maintain an immense military machine whose fires are turned from the south to the east. The Arab countries and peoples will incur the war's losses and costs. The legitimate Arab dream to develop elements of the comprehensive Arab force will vanish. After the oil wealth is squandered, control over this oil will be lost. Oil prices will again decline, Arab economic difficulties will worsen. Blocking the regional ambitions of Israel, Iran, Turkey, and other neighbors of the Arab

region will depend on the west's will, not on Arab capability. The special opportunity to barter oil for technology and to surpass partition and move toward integration will be lost. The Arab nation will be laid open to hostile international and regional powers.

## ISRAEL

### Ben-Aharon Said Responsible for Extremism

90AEO198B Tel Aviv HA'ARETZ in Hebrew  
4 Jul 90 p 1B

[Article by Gid'on Samt]

[Text] Yosi Ben-Aharon, the director general of the prime minister's bureau, is one of the most influential persons in the making of Israeli foreign policy. He is a quiet, inconspicuous man whose voice is heard in public only rarely. He formulated and delivered to the American ambassador, William Brown, a letter addressed to the secretary of state that stated that "our relations are close to a moment of truth." Even the political leadership of the Likud, which tries to blur this fact whenever it is raised by the other side, became alarmed.

A note written by Ben-Aharon to Mubarak was returned for improvements by the new foreign minister, David Levi, not a great moderate himself, because it contained extremist expressions. Ben-Aharon's contribution to David Levi's heart attack is a matter of conjecture, but his contribution to Israel's political style is certain.

Some time ago, he sent an angry letter to the general director of the Anti-Defamation League, Abe Foxman (a hawk), because of an article Foxman had published in THE NEW YORK TIMES. He did not withhold a copy from Bert Levinson, the president of B'Nai B'Rith, to which the league is affiliated. A well-informed source close to political developments in the government said that he hopes that Levi will be given an opportunity "in the face of this savage."

The "confidants" of the ambassador in Egypt, Shim'on Shamir, have been at pains to emphasize that one of the main reasons for his resignation is the director general of the prime minister's bureau, Yosi Ben-Aharon. Shim'on Shamir, a recent, successful survivor of foreign appointments, left because of the meager chances of realizing the hope mentioned above in relation to Levi. In the vacuum that Levi is creating, Ben-Aharon will strengthen his ability to be the shadow minister of foreign affairs.

Ben-Aharon is the hard nucleus of the political bureaucracy, and his style sometimes indeed verges on diplomatic pornography. While the prime minister and his ministers see an obligation to be restrained in their political formulations despite everything, Ben-Aharon enjoys, behind the scenes, wanton freedom of action that is confounding the administrative class.

He is an acute example of a process that is occurring in Israel's foreign relations, which can be described with

circles. The broad range of sympathy and understanding on the part of Western governments has been eroded for a long time. The somewhat restraining circle of the unity government has been undone. Ben-Aharon has become an official with increasing power that is stretching out within the internal nerve center of the government. Former Foreign Minister Moshe Arens was even forced to complain about him to Shamir.

Ben-Aharon interprets Israeli policy according to his reasoning without the limits that elected political figures and diplomatic representatives set up for themselves. He represents, authentically and repulsively, the brutalization of our political style. In the official sector in which he operates, which is greater than what his relative anonymity would indicate, Ben-Aharon has liberated the most extreme tendencies of the Likud government's policy.

### The American Secretary of State Would Hit the Ceiling

There is probably no reason to complain about that. Ben-Aharon is the net Israeli policy, without the veils of diplomatic manners and a unity government. Perhaps he is filling, unintentionally, a desirable disclosing role behind the covering of appearance and pretension. Ben-Aharon is probably preferable to the government's secretary, Eli Rubenstein, who adorns with gracious, humorous manners the dangerous line of the Shamir government. Not long ago, Aba Eban quoted a senior American source's reaction to Rubenstein's missions in Washington: If he is sent again to Baker, the secretary of state will hit the ceiling.

Therefore, if Ben-Aharon were not sitting in the prime minister's bureau, it would have perhaps been desirable to invent him. However, we are currently in an embroiled political line, whose agenda does not contain even a trampled chance for a settlement. This is a front that is seriously eroding other vital interests. The "savage," who is roving freely next to the prime minister, is having a substantial effect on the expression of official statements. He is causing real damage.

The increase by almost a third in the percentage of survey respondents who would cut aid to Israel, according to a new survey conducted by THE NEW YORK TIMES and CBS, must reflect the influence of the style being dictated by a man such as Ben-Aharon, no less than the not-so-new political obstinacy of the government.

The Likud knows how to make great capital out of "Peres' boys." Terrible political wrongs are attributed to his blazer-clad young aides. In relative quiet, without the public's sanction, a small, unbridled bureau of foreign affairs is growing next to the prime minister.

With an inexperienced and neutralized David Levi, and in an atmosphere of obstinate entrenchment, this bureau not only formulates extremist policy that is implemented

on our behalf, it also has a nonnegligible, personal share in daily policymaking and the damage it apparently causes.

### **Moda'i Discusses Steps to Economic Recovery**

90AE0198A Tel Aviv YEDI'OT AHARONOT in Hebrew  
3 Jul 90 p 17

[Article by Gid'on 'Eset]

[Text] Yitzhaq Moda'i made a sophisticated move this week. Surprisingly, without advance announcement, he convened the economic correspondents. The finance minister wished to discuss the fifth birthday of the July 1985 economic plan: lessons from the past, and conclusions regarding the future. The Finance Ministry spokesman claimed that it was decided to call the press conference only five hours before it took place. However, Moda'i withdrew from his pocket a thick notebook filled with his handwriting, indicating that he prepared well for his first meeting with the press.

This development is part of the renewed image building of the new/old finance minister—no more quick draws, but serious debate with strenuous preparation work culminating in a big economic plan. Moda'i explained to reporters that, although he did not come with details, much could be learned from his thoughts. The finance minister was at pains to emphasize that, until the big plan, intermediate steps will be planned, which he is of course prevented from detailing.

Dr. Moda'i first diagnosed the patient: excessive inflation, frozen exports, excessive unemployment, and a budget deficit swollen beyond what is desired. Added to this is the absorption of mass immigration, and in the background is the great failure of his predecessors. Moda'i's restrained remarks, when translated into the language of the simple man, mean that he claims that his two predecessors, Moshe Nisim and Shim'on Peres, performed to the best of their ability, but their ability was below that of the best.

How is the diagnosis translated into a prognosis? How does one make the transition from economic analysis to economic policy?

#### **When and How?**

The size of the problems is so large that there is no real possibility of individual treatment. It is necessary to proceed with the macro based on economic development, having the basic economic picture. When the journalists pressed him to specify the time, the finance minister refused. However, he did not forget to indicate that what is needed for the future should have been done "yesterday."

#### **Changing the Structure of the Economy**

What is this macro? Moda'i has in mind a total change in the structure of the economy. The immediate significance of his remarks is a massive transference of public

activities to private hands. This would involve not only the sale of governmental companies to private concerns (and Moda'i complained about the slow pace of the sale of the banks), but also an attempt to transfer ordinary public activities to others. For example, trash and refuse do not have to be collected by workers employed by the local authorities, but could be handled by private contractors.

#### **Budget Deficit**

Moda'i strongly attacked the recommendation of the governor of the Bank of Israel to increase the government deficit to five percent of product. Moda'i and his advisers are talking about one half of this amount. Because the defense budget can be reduced by only a little, it is clear that cuts will be made in the areas of welfare and subsidies, capital, and basic products.

#### **Taxes**

Several minutes before Moda'i spoke, the person in charge of state revenues, Yoram Gabba'i, spoke with journalists. Gabba'i indicated that there is no need to increase the net tax "as long as the economy is in a recession." Moda'i fully shares this position. However, as expected, if the economy improves as a result of the immigration wave, the possibility of additional taxation is not ruled out. Also, whoever maintains, as does Moda'i, that the budget deficit must be reduced, is naturally leading himself into additional taxes.

#### **Wages**

The finance minister explicitly stated that the cost-of-living increment agreement that was reached between Peres and [Histadrut labor federation head] Qaysar will not be damaged or changed. On the other hand, Moda'i refrained from answering a question about whether he intended to remove housing, mortgages, and financial assets from [consideration in determining] the cost-of-living increment. The finance minister was also at pains to indicate that wages should not be paid without an increase in productivity. In his introductory remarks, he pointed to inflation as an important treatment objective. All this leads to the conclusion that a devaluation of automatic wage payments is definitely an important component in the plan that is being devised.

#### **The Capital Market**

Moda'i, who spoke like some professor of economics, really became enthusiastic when he spoke about the capital market. Moda'i's capital market is the savings of the public. He explicitly said that "protectionism in the capital market must be eliminated." What is this protectionism? The giving of improved interest to bonds purchased from the treasury by pension funds and life insurance companies. Moda'i would push our savings holders to buy shares in private companies. And our pensions would be linked to the profits that would be obtained, not to fixed interest paid by the treasury.



**Linkages**

Moda'i did not speak explicitly about a plan to reduce linkages. He recalled that such a plan existed previously and was not implemented. It is estimated that Moda'i will reduce the public's access to linked assets. The government will issue fewer linked bonds and will reduce linkage regarding contracts with suppliers. The idea is that whoever wants to ensure himself profits will go to businesses and not to linked governmental interest.

**Interest**

Moda'i has consciously decided not to argue with the Bank of Israel openly. However, it is known that the finance minister is moving slowly but surely toward forcing the hand of the Bank of Israel so that it will act much more energetically in lowering interest.

**Foreign Currency**

Foreign currency is another subject that Moda'i did not speak about explicitly, except for his unimportant announcement that a devaluation is not expected. However, it is known that the finance minister is seeking to strengthen liberalization in this area. The main topic that could come up on the agenda is the provision of a sweeping license to Israelis to invest and borrow abroad by canceling the 7.5-percent charge on the acquisition of foreign currency. Because the shekel was recently devalued by about six percent, no immediate pressure currently exists to change the exchange rate.

Moda'i's main intention was to instill calmness. However, the adviser he chose for himself, Shlomo Ma'oz, thinks that the plan must be comprehensive as well as surprising. In that case, perhaps the finance minister is building a poised image for himself now, but whoever wants to plan ahead needs to take into account surprises as well.

**MOROCCO****Information Ministry Sees Upturn in Economy in 1990's**

90AA0301A London AL-TADAMUN in Arabic  
12 Aug 90 pp 34-35

[Text] A report published by the Moroccan Ministry of Information entitled "Morocco Today", containing a survey of all fields of economic activity by the various government bodies, says that since the beginning of this year the future economic situation in Morocco has been the subject of discussion by several quarters in light of the fact that economies of Morocco's partner countries have shown encouraging signs and that the growth rate in these countries continues. This is in addition to improvement in the rate of inflation and reduction in the rate of unemployment.

With respect to Morocco, the report notes several signs indicating that, on the basis of several factors, this year is

a good year. The economic conditions are favorable and estimates by contractors regarding industrial activities are very optimistic. Yet certain negative aspects have emerged regarding phosphorous sales to India which has suspended the contract under which it imported substantial quantities of phosphoric acid. This has led to several difficulties with very serious consequences. The rise of oil prices in the world markets was an early indication of difficulties, thus causing confusion. Moreover, analysis of the state of the national economy was based on comparison with 1988 which was considered an excellent year during which record results were achieved. Therefore, it can be said in advance that the results recorded during 1989 were generally satisfactory. The GNP has increased at a rate less than that recorded in 1988, the growth rate having dropped from 10 percent to 2.4 percent.

The trade imbalance has deteriorated inexplicably. By the end of November it increased from 9.317 billion Moroccan dirhams to 17.769 billion dirhams, an increase of 90.7 percent. There has also been a slight increase in the rate of inflation. During the same period the treasury's general deficit, according to the objectives set by the authorities, increased; it reached 7.527 billion dirhams. But last December expenditures showed a great increase, leading to the deficit increasing by 3 billion dirhams. By the end of the year it reached 11 billion dinars, thus showing an increase of 42 percent compared with last year. These results reflect the trends of the economic activity of the various sectors, the analysis of which enables knowing the degree of Morocco's economic ability to deal with the various emergency situations.

In 1989 the agricultural sector, despite favorable climatic conditions, failed to match the production achieved in the previous season. In fact, 73.3 million kantars of principal grains were produced compared with 79.8 million kantars during the previous season, that is a drop of 8.2 percent. Soft wheat represents 30 percent of the total grains. As for barley, although it still occupies the number one position, it has begun losing it in favor of other grains, though not in terms of production or of cultivated areas. Cotton planting too has dropped in the previous season by 24 percent, since production dropped from 4.5 million kantars to 3.4 million kantars. With regard to industrial agriculture, sugar cane and beet production has shown a decrease of 10 percent and 3.5 percent respectively. These results have led to a drop in sugar production by 1.2 percent. This production reached 493,000 tons, which covers only two thirds of the country's needs which are estimated at 720,000 tons.

The cattle breeding sector has benefited from the previous season's positive developments. This sector and products related to it, which represent 30 percent of the agricultural sector's added value, experienced very important developments during 1988-89 season. Briefly, the agricultural sector's added value will see a slight increase of two percent.

The agricultural sector was not alone to benefit from the substantial rainfall in the 1988-89 season. The rainfall also contributed to raising the level of water stored behind dams. This enabled the dams to meet the need to generate hydroelectric power which in turn would contribute to reducing oil consumption and, consequently, reduce the trade deficit in the payment balance. However, despite the increase in thermal energy production during the first 10 months, thermal energy still represents 85 percent of the total of energy production which reached 6,293,700,000 kilowatts per hour compared with 5,778,500,000 kilowatts per hour during the same period last year, an increase of 8.9 percent.

The quantity of oil refined during the first nine months, including that of sectors affecting the energy sector, reached 3.95 million tons compared with 3.78 million tons during 1988. The increase was scored despite the increase in the cost per barrel in the world market. In contrast, coal production is still suffering from very difficult international conditions, which poses several economic and social problems. No signs were apparent that there will be any change this year, and production continues to decrease. Thus production during the first 10 months reached 396,100 tons, a drop of 25.7 percent. According to these figures, the energy sector will show a growth of 5.5 percent compared with last year.

This growth was not matched by similar growth in the industrial sector. It is difficult to put figures on this growth because of the delay in publishing the industrial sector indexes. Therefore, the results of the analysis of the industrial conditions that give an idea about the sector's past and future growth show that the industrial sector will experience a slight growth in that its added value will increase by one percent. This rate could have been higher had the chemicals and semi-chemicals sector not faced marketing difficulties. Some other industries also faced the same problems, including the textiles, foodstuffs, and equipment industries. Available data for the evaluation of the industrial sector during the first six months show that industrial production reached 129.4 points compared with 131.3 points a year ago. But the construction and public works sector have been the most active during 1989. Investments have increased very rapidly, reaching 20 percent for the construction and public works sectors. Consequently, the added value of the said sector is expected to increase by 15 percent annually. This is due to the key ministries carrying out public works in excess of 20 percent over the growth shown by construction permits during the first seven months of the year, which is estimated at 11.7 percent.

With regard to trade between Morocco and the rest of the world, this has been distinguished by a rapid growth in

imports and a decrease in exports, which has led to the deterioration of the trade deficit and a reduction in the ratio of imports to exports. The exports value has totalled 23.953 billion dirhams during the first 11 months, a drop of 5.75 compared with the same period in 1988. Meanwhile, imports have increased to 41.704 billion dirhams compared with 34.708 billion dirhams. Thus the trade deficit has further deteriorated after having almost doubled. As for the rate of coverage, this has dropped to 57.34 percent from 73.15 percent a year ago. The increase in imports is due to the increase of the energy bill that went up by 40.2 percent because of the increase of oil prices in the world market. Machinery imports have also increased and so have semi-manufactured and manufactured consumer products. With regard to the drop in exports, it is due in particular to marketing problems that have restricted our sales of phosphoric acid.

The foreign debt is still constituting a heavy burden on the state finances. Servicing public debt requires 11.792 billion dirhams. No measures have been taken to ease the severity of the problems foreign debts are posing and adversely affecting the economy. The cash policy was not very expansionist during 1988. Its aim was to ensure economic prosperity and contain inflation. The cash volume increased by 11.76 percent annually, which is below the level recorded in 1988. This also includes all the paper currency and semi-cash assets which increased by 1.65 percent and 12.79 percent respectively.

The prices that have maintained a moderate level since 1987 this year tended toward increasing. The cost of living index that increased by 2.8 percent and 2.3 percent during 1987 and 1988 has increased by 3.1 percent. This increase is not peculiar to Morocco since all countries have experienced a rise in the rate of inflation. Several factors were behind this phenomenon. If we look at the OECD countries we find that the specific monetary policies adopted by these countries has been unable to contain financial inflation. The rise in oil prices in the world markets has led to price increases in Morocco. Price indexes have changed at different rates, and so the wholesale price index went up from 256.2 points during 1988 to 265.9 in 1989, that is an increase of 3.8 percent. With regard to the industrial output index, it recorded 309.4 points versus 291.1 points a year ago, that is an increase of 6.3 percent.

This evaluation of the economic situation is very cautious since some of the factors whose development is difficult to assess could go in a direction quite contrary to our expectations. If some of the economic sectors develop faster than estimated on the basis of available data, then growth could be faster than expected and 1990 could be the year of take off.

## INDIA

**Minister on Troubles With Oil Supply, Imports From USSR**

90AS0382A Bombay THE TIMES OF INDIA  
in English 5 Aug 90 p 1

[Article by R. Sasankan]

[Text] New Delhi, 4 August—The Soviet Union has discreetly probed whether India will agree to postpone or stagger crude oil imports from that country. The reason cited is the acute foreign exchange shortage facing the Soviet Union.

The sounding would not have come at a more inopportune moment for India which is passing through an unprecedented foreign exchange crisis, forcing it to prune oil imports from hard currency areas. Fortunately for India, the Soviet Union has not pursued the proposal and has agreed to honour the commitments made under the trade protocol.

This was disclosed here today by Mr M.S. Gurupadaswamy, minister for petroleum and chemicals, in an exclusive interview. He ruled out the possibility of increased oil supplies from the Soviet Union to tide over the crisis. The government, he said was finding it difficult to meet the petroleum import demand for the year in view of the serious foreign exchange shortage.

The Soviet Union supplies 4.5 million tonnes of crude and about 3 million tonnes of petroleum products annually under the rupee trade agreement. While the crude is diverted from Iraq, petroleum products come directly from the Soviet Union. (Iraq pays the Soviet Union in crude for the goods and services it receives a part of a barter deal).

During the current year, there has been a shortfall in product supplies from the Soviet Union to the extent of 113,000 tonnes of kerosene and 293,000 tonnes of diesel. To compensate for this, it has supplied 0.5 million tonnes of additional crude.

The Soviet Union has also asked India to lift fao blend, a heavy crude from Iraq. India is reluctant to buy this crude, as it is high in sulphur content and the product's yield will not be up to India's requirement. However, the government has undertaken a techno-economic analysis of this crude.

Mr Gurupadaswamy conceded that the foreign exchange allocation of Rs 6,440 crores [rupees] made by the finance ministry was totally inadequate to meet the petroleum energy demand for the year. The ministry's projection, based on demands, would require Rs 8,600 crores. The recent hike in international oil to the tune of \$3 a barrel has further complicated the import budget. The attempt was to allow the wheels of industry and trade to move without affecting the growth rate projected in the eighth plan, he said.

But he would not disclose how he was going to make it. He is not confident that the necessary foreign exchange allocation would be forthcoming. He conceded that the petrol conservation measures announced a few weeks ago would not have any appreciable impact except creating an awareness among the people. As part of the government, he has to work within the foreign exchange constraints.

He said the government would be taking certain measures in the medium-term for supplying alternative fuels. The ministry has finalised a plan to reduce gas flaring in the Bombay high to zero level in 4 years.

**Reportage on India's Relations With European Community****Sengupta to Brussels**

90AS0387A New Delhi PATRIOT in English  
31 Jul 90 p 10

[Text] Washington, 30 July (PTI)—Dr Arjun Sengupta, special adviser to the International Monetary Fund (IMF) Managing Director and Indian Ambassador Designate to European Community (EC) before his departure for Brussels on Sunday said he was going with high hopes of strengthening India's relations with the EC, which will soon not only be economically integrated but will have a political dimension as well.

Dr Sengupta is leaving his IMF post ahead of time in order to assume his new post as India's representative in Brussels.

Before he joined IMF, he was Executive Director at the IMF, where he came after serving in India as Principal Secretary to Prime Minister Indira Gandhi, who had persuaded him to join the government when he was at Oxford.

Dr Sengupta's work at the IMF was to deal with the difficult problem of arrears of some of the developing countries which, under the then prevailing IMF rules, barred further aid to countries in default.

These included Peru, Zambia, Guyana and Honduras. When the IMF did not give aid, the commercial banks did not either.

Sengupta's formula, devised after lengthy talks with the leaders of these countries, donors and commercial bankers, accepted by the Managing Director and the Interim Committee and which is now official policy, was to persuade the countries in arrears to embark on new policies which promised to take them out of the rut.

Of the other side, he persuaded the donor governments and commercial bankers to help the country which followed acceptable policies. The IMF itself began helping them again once the new policies were in place. Even before joining the IMF, he had been very active on behalf of the developing countries devising various

plans, one of which became well known as the Sengupta Plan and received much international attention.

Two countries which have already benefited by the change in IMF policy recently are Guyana and Zambia.

At a farewell reception given by Sengupta and attended by key officials of both the World Bank and IMF, the Deputy Managing Director, Mr Richard Fer, former executive director from the United States, praised Sengupta's "major role" in dealing with the problem of arrears and enabling the countries concerned to come back into the mainstream on terms acceptable to all.

On his new assignment, Sengupta said he had planned a three-pronged approach. The first was to explain to the EC why India should be regarded by them as a country with which they ought to have special relations. Secondly, he would explain to India the major changes now going on [in] Europe. Thirdly, he would try to persuade the EC to rethink their policies towards the Third World.

Until now they had basically considered only what are called the lome countries, i.e., several African and some Caribbean countries. With Europe becoming a major power centre, it must, said Sengupta, forge a new relationship with the Third World, and among the Third World countries. India was one of the most important, with great potential economically, commercially and politically.

#### Textile Imports to EEC

90AS0387B *Bombay THE TIMES OF INDIA*  
in English 8 Aug 90 p 15

[Article by O.P. Awasthi]

[Text] New Delhi, 7 August—The Union government is formulating a plan to boost textile exports further. It is generally felt that this is the need of the hour in view of the fast deteriorating balance of payments position. The government is working out possibilities of providing facilities like duty free import of textile machinery, diversification of the fabric base and a thrust on the non-quota markets.

According to reliable sources, the Union Commerce and Textile Ministries are giving top priority to eliminate irritants and procedural problems. The two ministries are taking the matter to the cabinet committee on trade and investment.

There is a boom in cotton textiles exports to the EEC, which have jumped to Rs 255.40 crore [rupees] during the first 5 months (January-May) of the current year from Rs 134.6 crore in the corresponding period of last year. Exports of cotton fabrics have gone up by 65 percent from Rs 123.72 crore, those of cotton yarn and sewing thread have shot up by 185 percent from Rs 23.97 crore to Rs 88.38 crore and made-ups by 68 percent from Rs 37.55 crore to Rs 63.32 crore.

#### Member Countries

Among the member countries, U.K. tops the list with exports to that country touching Rs 73.86 crore during the first 5 months of the current year against Rs 42.70 crore of the last year. Exports to West Germany have risen to Rs 61.61 crore from Rs 30.96 crore, Italy Rs 46.69 crore from Rs 25.88 crore, France Rs 33.12 crore from Rs 17.84 crore and Belgium Rs 15.28 crore from Rs 5.63 crore.

The USSR has become the second largest market with exports going up by 92 percent from Rs 53.22 crore to Rs 102.62 crore, and its market share from 11.20 percent to 14.01 percent. Exports of fabrics to the Soviet Union have gone up from Rs 47.76 crore to Rs 65.98 crore and made-ups from Rs 5.45 crore to Rs 35.86 crore. A small beginning in yarn exports was made totalling to Rs 77.5 lakhs. Bangladesh followed with exports going up by 39 percent from Rs 65.59 crore to Rs 87.09 crore to that country. Exports of fabric have gone up from Rs 40.57 crore to Rs 55.02 crore and yarn export from Rs 24.59 crore to Rs 31.79 crore, while exports of made-ups were slightly lower at Rs 27.4 lakh against Rs 42 lakh.

#### Cotton Textiles

Cotton textile exports to the United States have gone up by 39 percent from Rs 42.40 crore to Rs 58.86 crore. Fabric exports have risen to from Rs 28.64 crore to Rs 40.24 crore, made-ups from Rs 13.40 to Rs 17.13 crore and yarn from Rs 36 lakh to Rs 1.49 crore. Exports to Austria have gone up from Rs 6.27 crore to Rs 22.16 crore, Dubai from Rs 19.95 crore to Rs 29.03 crore, Hong Kong from Rs 9.74 crore to Rs 29.03 crore, Mauritius from Rs 7.41 crore to Rs 10.83 crore and Singapore from Rs 5.74 crore to Rs 9.40 crore.

The Union Ministry of Textiles, on the recommendation of the Cotton Textile Export Promotion Council, has decided to extend the validity of the past performance and contract reservation export entitlement for shipment of yarn, fabrics and made-ups to quota countries by a month up to 31 July. This is to facilitate fulfillment of obligations in terms of the quota policy since the exporters holding such export entitlements were unable to do so because of extensive damage and dislocation caused by heavy rains and floods in different parts of the country.

#### Papers Report Developments in Relations With Nepal

##### Gujral in Kathmandu

90AS0390A *Bombay THE TIMES OF INDIA*  
in English 8 Aug 90 p 13

[Article by V. M. Badola: "No Chinese Arms for Nepal: Gujral"]

[Text] Kathmandu, 7 August—The external affairs minister, Mr K.I. Gujral, has said contrary to rumours, no Chinese arms are coming into Nepal.

Mr Gujral when asked by pressmen at the end of his 3-day visit to comment on the reported arrival of Chinese arms in Nepal, he said since he did not believe in these rumours, "there is no need for me to react to them." He declared that the 1950 treaty of peace and friendship between India and Nepal "is the basis of our relationship and the treaty is still valid and we have achieved a great deal of understanding and cooperation."

He said on behalf of the president, Mr R. Venkataraman, he had invited King Birendra and Queen Aishwarya to visit India and the king had accepted the invitation. The date of the visit would be announced later. He also hinted that the prime minister, Mr V.P. Singh, and Nepalese counterpart, Mr K.P. Bhattarai, would be meeting in Varanasi soon.

He said he had held "fruitful" talks with Mr Bhattarai and "we have tied one more knot in our relationship." The quality of the Indo-Nepalese relationship, he said, was unique, what with open borders and free exchange of currencies.

On whether he had experienced any difference of perception in implementing the June accord, Mr Gujral said India had implemented it in full. Nepal had implemented "almost the whole of it and we are satisfied that they are working towards its implementation in full." The minister rejected the suggestion that there was a difference of perception between the two countries on Nepal's "open door" policy on foreign investment.

"We do not want to tell Nepal what to do for its industrial development." It is their policy whether they want investment from India or from other countries," he said.

Mr Gujral said any joint venture with India would pave way to work according to Nepal's law and "the government of India does not come into it." It is, however, understood that Mr Gujral assured his hosts here that any assistance to Nepal by India would be given on Nepal's terms and with full respect for its sovereignty.

Mr Gujral said yesterday it was for the Nepalese people to decide what kind of a government or political system they would like to have and India would never try to influence that decision.

Addressing the Nepal Council of World Affairs and, later, answering questions from the audience, Mr Gujral said in the changed global context, it was no more relevant to talk in terms of military might.

This was Mr Gujral's first political speech during his visit here and he used the opportunity not only to explain India's philosophy with its neighbours but also to allay the fears of the Nepalese regarding India's intentions.

He said the Indo-Nepal relationship were not merely historic, but it was unique the two countries had more in common that even perhaps they realised. It was in this

perspective that "nothing could have been more unnatural, more against the dictates of geography and tides of history and more against the will of our peoples, than the aberration in the Indo-Nepal relations that prevailed until 2 months ago."

Expressing satisfaction that relations between the two countries had once again become close, Mr Gujral however, cautioned against taking each other for granted.

He said recent international developments had exposed the grave limitations of the pursuit of security through military means. Another threat the world was facing was that of growing fundamentalism and terrorism.

Given all these circumstances India and Nepal could no longer afford to live in the past, he said.

Mr Gujral said India must commit itself to Nepal's industrialisation and to its building a self-reliant economy and "we would like to establish a comprehensive framework of economic relations with Nepal as soon as possible and that could serve as a model for wider cooperation in the entire south Asian region."

#### Constitutional Experts

90AS0390B *Bombay THE TIMES OF INDIA*  
in English 8 Aug 90 p 18

[Article by V. M. Badola: "India To Help Nepal Draft Constitution"]

[Text] Kathmandu, 7 August—India has agreed to Nepal's request to send constitutional experts to help draft its constitution which the government here is committed to give to the people by the beginning of next month.

An official spokesman for the Indian side told newsmen that the request was made by the Nepalese Prime Minister, Mr K. P. Bhattarai, to the external affairs minister, Mr K.I. Gujral, during their meeting.

Consequently, Indian constitutional experts, Mr L.M. Singhvi and Mr A.G. Noorani, will arrive here shortly to help the Constitutional Recommendation Commission fulfil its task within the stipulated time. Nepalese Government sources here said the country would be given a constitution which would retain the dignity of the crown within the framework of a multiparty democracy. Sources said it would be after the British model, the sovereignty lying with the people.

Mr Gujral, who met several Nepalese leaders, assured the government of India's willingness to help the country develop its economy.

Mr Gujral declared that his visit had sorted out "everything that was outstanding between Kathmandu and New Delhi."

The king, whom the external affairs minister called on last evening, expressed satisfaction at the restoration of the traditional friendship with India and showed a keen desire to "share and draw upon" the Indian experience in drafting a democratic and secular constitution for Nepal.

The minister spoke to the Indian embassy staff and their family members this morning and later visited the gurdwara at Balaju. At both places, he did some plainspeaking, advising Indians in Nepal not to suffer from a "big brother" complex.

### Papers Interview Singh

90AS0390C Calcutta *THE STATESMAN* in English  
17 Jul 90 p 12

[Text] Kathmandu, 16 July—The prime minister, Mr V.P. Singh, has affirmed that India favours greater economic cooperation with Nepal and is ready to participate in the industrial development of the Himalayan kingdom, reports PTI [Press Trust of India].

In an exclusive interview with the government-owned English daily, *THE RISING NEPAL*, Mr Singh was quoted as having said that "we want Nepal to develop her industries and India has a market just across the border. This will go a long way in developing Nepal and we are ready to participate where we can."

The interview, given to the Delhi-based correspondent of the newspaper, was published today simultaneously in the Nepali daily *GOKHAPATRA* also.

Mr Singh said the people-to-people relationship between Nepal and India was "unique" and to preserve "this valuable asset," he looked forward to actively participating in Nepal's development within the parameters and priorities which Nepal thought proper for herself. "So within the parameters of respect for each other's sovereignty, we want to explore all possibilities of cooperation," he said.

Nepal, Mr Singh said, was a model of what could be best. "I want Nepal to be a model of what a good relationship can be between two countries. That is the sort of relationship for all our neighbours."

"Why not?" he asked, adding that the world was moving so far from rigid stands of confrontation and conflict, of suspicion to the world of communication, of understanding and of building bridges of trust.

"Why should we not start it in our region, itself?" the Indian prime minister asked.

Mr Singh was also quoted as having said that he was not averse to the idea of developing waterways for the benefit of Nepal to reduce the transit cost for a landlocked country.

During the 30-minute interview, Mr Singh said that during the recent visit to India of the Nepalese prime

minister, Mr Krishna Prasad Bhattarai, "a very short period of bad relations" was put to an end.

Mr Singh said he had "very good rapport" with Mr Bhattarai and was, himself, looking forward to visiting Nepal.

He is expected to visit Kathmandu some time in October.

On the proposed railway links with Kathmandu, the Indian prime minister said a technical feasibility team would visit Nepal soon to assess the feasibility of connecting Raxaul, the Indian border town in the eastern State of Bihar, with Kathmandu.

### Papers Report Reaction to Situation in Gulf

#### Government Statement

90AS0384A Madras *THE HINDU* in English  
4 Aug 90 p 1

[Text] New Delhi, 3 August—India today called for the withdrawal of Iraqi troops from Kuwait, saying it was opposed to the use of force in any form in relations between states.

"We sincerely hope that Iraq would soon withdraw its troops and have noted the Iraqi statement in this regard," an External Affairs Ministry spokesman said in a statement, the first official reaction on the developments in the Gulf.

The statement regretted that the governments of Iraq and Kuwait had not been able to settle their differences in a peaceful manner.

"It is well known that the government of India is opposed to the use of force in any form in relations between states," it said.

The spokesman said India hoped that various consultations that were going on in international fora, including the movement of the non-aligned countries, would facilitate the peace process.

Islamabad implicitly condemned Iraq's invasion saying the use of force was unacceptable, but avoided outright denunciation of Baghdad with which it has friendly relations.

#### Stakes in Kuwait Reviewed

90AS0384B Bombay *THE TIMES OF INDIA*  
in English 3 Aug 90 p 7

[Article by Dara Kadva: "India's Stakes in Kuwait High"]

[Text] India's social and economic stakes in Kuwait are enormous and have considerable potential for growth.

The social stake is the presence of about one lakh NRIs [nonresident Indians?], including families, and the economic stake is tied to our exports worth about \$250

million annually. The trade balance, however, has always remained in Kuwait's favour because of India's imports of crude oil and petroleum products from the Sheikdom.

But India is not dependent on Kuwaiti oil which has a high sulphur content and is not suitable for most of our refineries. At no time in the past has India imported more than a million tonnes of crude oil from Kuwait in a single year.

When the world oil price boom began to taper off by the late 1970s, ushering in an era of reduced prices and production, it led to an economic recession in the Gulf states, which were forced to cut their development plans.

Indian manpower was thus on the decline in Kuwait from the mid-'70s peak of 150,000 to about 70,000 in the early '80s. It has picked up again since the end of the Iran-Iraq war and Indian estimates put the figure at about 100,000 presently.

But the expected "reconstruction boom" after the end of the Gulf war has not come about, primarily because Iraq and Iran have not reached a settlement yet, and only a cease-fire now prevails between them.

The growth in the number of NRIs in Kuwait in the last 3 years is viewed as a restoration of the earlier departures rather than arrivals responding to a new boom. India's exports to Kuwait, too, have remained stagnant for past decade, fluctuating between \$200 to \$250 million annually.

Kuwait, situated at the upper end of the Gulf, does not figure in the smuggling activities to India, which are mainly from the United Arab Emirates (UAE). Kuwait also does not figure much in the hawala and hundi transactions because more than 50 percent of the NRIs in Kuwait are Malayalees, who prefer legal channels for transferring money. They shun the hawala operators, whose activities are confined to Bombay city and north India.

A study by the NRI Investors Forum of Kuwait recently said of approximately Rs 28,000 [rupees] crores held by Gulf NRIs in NRE/FCNR [expansion unknown] deposits in Indian banks, about Rs 6,000 crores were held by the NRIs in Kuwait, whereas they form only about one-tenth of the total number of NRIs in the Gulf States—100,000 out of a total of 1.2 million.

One area where India has suffered in Kuwait since the '70s is turnkey projects. There is no Indian turnkey project in Kuwait now although the economic revival after the end of the Gulf war is supposed to have begun 2 years ago.

Presently, Indian companies—both in the private and public sectors—have only a few middle-level maintenance and services contracts in the electronics and telecommunications fields, with the amount of their contracts ranging between \$5 and \$10 million. The projects sector is a casualty of a massive but reckless and

ill-planned housing project of the late '70s, which a public sector company had bungled badly in Kuwait.

The after-effects of that fiasco are still fresh in the minds of Kuwaiti leaders who, even a decade late, think that India is not yet ready for another major project in Kuwait.

Indians and Indian culture, however, form an integral part of Kuwaiti society. Kuwait's biggest stores, restaurants and private schools are all India. Four out of the country's eight cinema houses show only Indian films—not just Hindi movies, but also Malayalam, Tamil and Kannada feature films. KUWAIT TIMES has two pages of Malayalam news daily, making it the only paper in the Gulf to have vernacular journalism.

Many Kuwaitis today are westernised and not inclined to retain links with neighbouring regions. Few Kuwaitis now come on tourist visits to India, preferring to go to the West instead. The India Tourist office opened one of its first offices abroad in Kuwait in 1968, but the lack of traffic forced it to close down in 1982 and move on to Dubai.

Kuwait is also a major aid-giver channelling its aid through the Kuwait Fund for Arab Economic Development, but its aid has largely been confined to Arab and Islamic countries. During the last 2 decades, India has received \$50 million in aid from Kuwait, a majority of which was for the Kali Nadi irrigation project in Karnataka.

### Danger to Oil Supply

90AS0384C Bombay THE TIMES OF INDIA  
in English 4 Aug 90 p 1

[Article by Sasankan: "India's Oil Supply May Be Hit"]

[Excerpt] New Delhi, 3 August—The crisis in the Gulf, triggered by the takeover of Kuwait by the Iraqi army, if not resolved immediately, can have disastrous consequences for India's petroleum sector.

Iraq and Kuwait are major suppliers of crude oil and products to India.

Although official circles rule out any imminent disruption in the supply of petroleum products in view of the comfortable stock position, the crisis can play havoc if it lasts for more than a month.

In the event of a naval blockade by the United States to force Iraq to pull out of Kuwait, major sources of oil supplies from the Gulf will be disrupted. India is not in a position to [increase] domestic production to make up for likely disruption in overseas supplies.

India, under a term contract with Kuwait, buys 100,000 tonnes of kerosene, 25,000 tonnes of HSD and 86,000 tonnes of crude every month from Kuwait. The shipping schedules are on a monthly basis and supplies for August have not yet landed.

Iraq is friendly to India and it is not likely to create problems for this country. But the resumption of oil supplies will not be its priority even if it is allowed to stay in Kuwait. India will have to look for alternative sources of supply for the quantity it buys from Kuwait.

If the United States intervenes to force Iraq out of Kuwait, India may face problems in getting supplies from Iraq as well. Iraq is the largest source of crude oil supply. Under a term contract, India buys 2.5 million tonnes of crude from that country every year.

In addition to this, the Soviet Union diverts 4.5 million tonnes of crude oil annually from Iraq to India under its trade agreement with this country. Under a barter deal, [word indistinct] pays the Soviet Union for [word indistinct] and services in crude oil, a part of which is diverted to India.

India can avert a crisis in supplies by increasing its purchases from the spot market. But this can prove costly with oil prices firming up. OPEC's decision to increase the price of crude by \$3 a barrel can push India's oil import bill on a conservative estimate by Rs 1,500 crores per annum.

There is no immediate possibility of the price touching \$21 a barrel, the price fixed by OPEC. But oil industry circles say prices may stabilise around \$20 a barrel by the end of the year if member countries do not overproduce.

India's oil import bill for 1990-91 on the basis of demand projected the planning commission, was put at Rs 8,600 crores. This estimate was made on the basis of \$18 a barrel. The Finance Ministry was willing to give only Rs 6,400 crores for oil import this year in view of the foreign exchange crisis. [passage illegible]

### Walkout in Lok Sabha

90AS0384D Bombay THE TIMES OF INDIA  
in English 10 Aug 90 p 7

[Text] New Delhi, 9 August—Members of the Congress and the Muslim League walked out of the Lok Sabha today in protest against what they described as the government's total failure to take steps to evacuate about 200,000 Indians in Kuwait.

The walk-out came at the end of an unscheduled 100-minute discussion, which was marked by noisy scenes.

The opposition members expressed dissatisfaction with a statement by the minister for external affairs, Mr I.K. Gujral, in which he stated that the government fully shared the concern expressed by many members about the safety of Indians in Kuwait and was doing whatever was humanly possible to safeguard them.

Congress members were particularly angered by his rejection of a suggestion that either the prime minister, Mr V.P. Singh, or he himself should contact the Iraqi

president, Mr Saddam Hussein, on the telephone and seek his help in safeguarding the interests of the Indian citizens.

Mr Gujral said such a step might not be advisable, especially with the evacuation of Indians from Kuwait not being a matter of priority for the Iraqis at this juncture. Secondly, if a telephone call was made to Mr Hussein, the first thing he might want to know would be India's stand on the situation created by the invasion of Kuwait.

He pointed out that the situation had become increasingly complex (following the landing of U.S. troops in Saudi Arabia) and called for a detailed assessment. An off-the-cuff reaction was neither possible nor desirable at this stage. He drew attention to the fact that the sanctions called for [?by] the U.N. Security Council could affect India also, as it depended on Iraq for a major part of its oil supply.

Mr Gujral said a war-like situation prevailed in Kuwait, and the normal communication channels had been snapped. Airports and ports were also closed. However, through indirect means, the government had been trying to secure information about the well-being of Indians. Indian embassies had been asked to get whatever information they could through the good offices of the host countries.

He said the government had also been in touch with the Iraqi authorities. This morning, the envoy in Nicosia had informed New Delhi, on the basis of information collected through contact with the Indian embassy in Kuwait over amateur radio, that all Indians were safe.

Iraq, he added, had given an assurance that it would ask its military forces to ensure the safety of Indian nationals.

About the possibility of evacuation of Indians, he said this could perhaps be done through Oman, but it would depend on Iraqi willingness to open the border. Evacuation to India or the Gulf countries could also be done through airports or ports, but again this would depend on when they were reopened.

As for the suggestion that Indians be shifted to some specified places, he said it would amount to setting up refugee camps. Failure to provide them adequate facilities could lead to a serious situation. In any case, the International Red Cross has promised to render all possible assistance.

Congress members rose from their seats, shouting and gesticulating as Mr Gujral finished his statement. "So what you are saying is that you are helpless," remarked Mr V.P. Sathe (Cong.). They took objection to a remark by Mr Gujral, who was interrupted frequently, that "you are welcome to damn me, but don't damn the country."

The issue was raised during zero hour by Mr Vakkom Purushothaman (Congress) who said countless people in Kerala and elsewhere were anxious about the well-being



of their relatives in Kuwait. He deplored the failure of the government to provide any detailed information, though it had set up a cell.

Several other members also stood up and complained of the government's inaction. Prof K.V. Thomas (Cong.) said according to information received through the United States, Indians were facing much hardship, especially with no electricity and water supply. They demanded that Mr Gujral be asked to come to the house and make a statement.

Mr L.K. Advani (BJP) [Bharatiya Janata Party] and Mr Somnath Chatterji (CPM) [Marxist Communist Party] also said the house should be taken into confidence on the matter.

There were noisy scenes for about 15 minutes, with many members speaking simultaneously. They demanded that immediate and effective steps should be taken to evacuate the Indians.

After about 15 minutes, Mr Gujral entered the house and made the statement.

#### **Namboodiripad: CPI-M Support to Delhi Continues**

90AS0383A Bombay THE TIMES OF INDIA  
in English 4 Aug 90 p 7

[Quotation marks as published]

[Text] New Delhi, 3 August (PTI)—The CPM [Marxist Communist Party] general secretary, Mr E.M.S. Namboodiripad, today said there was no question of reviewing the party's support to the National Front Government as it was the "best government in the current circumstances."

In spite of its weaknesses and deficiencies, the Janata Dal-led government was the best alternative to the authoritarian Rajiv Gandhi-led Congress," he told a crowded press conference here.

Mr Namboodiripad carefully skirted expressing direct approval or disapproval of the dismissal of Mr Devi Lal from the cabinet at the press conference dominated by questions on the crises caused by the controversial former deputy prime minister.

He said the CPM felt that the recurring crises involving Mr Devi Lal were a "purely internal affair" of the Janata Dal and that it was up to the prime minister to take "any appropriate action."

"We were not consulted about the removal of Mr Devi Lal. We had told them (Janata Dal leadership) it was up to them. There is no question of approval or disapproval since it is their internal affair," Mr Namboodiripad said.

He also briefed the press about the proceedings of the party's 3-day politburo meet that ended on 2 August and, apart from the crisis in the Janata Dal, considered the

problems in Punjab, Jammu and Kashmir, Assam, the Ram Janambhoomi-Babri Masjid dispute and the economic situation.

The politburo's review of the current political situation in the country was critical of the central government and urged it to take administrative and political steps to deal with the "challenge posed by terrorist and separatist forces" as well as the serious economic situation.

The politburo said the decision of the Vishwa Hindu Parishad [VHP] to go ahead with the construction of the temple in Ayokhya from 30 October "contributed a dangerous dimension to this sensitive problem."

Describing the decision as embarking "upon a path that seeks to drive a wedge between the majority and minority communities," the politburo said, "In the context of the serious situation facing the country in Kashmir and Punjab, this is an utterly irresponsible stand."

Mr Namboodiripad also hoped that the BJP [Bharatiya Janata Party] president, Mr L.K. Advani, would "as a law-abiding citizen impress upon the VHP the need to maintain the rule of law"—a reference to the left position that if an amicable solution to the dispute could not be found, then the verdict of the court should be accepted.

On the economic front, Mr Namboodiripad said talks were going on with the government about the criticisms the CPM had made of the new industrial policy, the new steel policy and pronouncements about some other sectors.

The politburo also expressed serious concern over the "continuous price rise which is causing great hardship to the people."

#### **Reportage on Meeting of All-India Congress Committee**

##### **Constitution Amendments Discussed**

90AS0380A Bombay THE TIMES OF INDIA  
in English 23 Jul 90 pp 1, 3

[Text] New Delhi, 22 July—The All-India Congress Committee (AICC) today unanimously approved, the amendment of the party constitution to prevent bogus membership after a firm assurance from the party president, Mr Rajiv Gandhi, that organisational elections would not be delayed any longer. The poll process will begin tomorrow with launching of a membership drive.

Speaking at the opening session of the 3-day AICC meeting that began here today, Mr Gandhi turned down the demand made by the Congress Forum for Action, a ginger group in the party, for holding interim elections. Without naming the forum, Mr Gandhi said those who talked of interim elections were trying to either delay or sabotage the poll process.

Today's session was devoted entirely to discussing the constitutional amendments to facilitate holding of organisational elections which were last held about 18 years ago. The main presidential address will be delivered by Mr Gandhi tomorrow. The resolution on political, economic and international situations will also be discussed tomorrow and day after.

The AICC session was preceded by the meeting of the Congress Working Committee (CWC) in which the resolutions on the country's political situation and international affairs were given a final shape. The CWC would meet again to finalise the economic resolution.

The CWC meeting, attended by 18 members, decided to appeal to partymen to give greater representation to weaker sections, including the scheduled castes and tribes, in the forthcoming elections.

Among the amendments made to the party's constitution, the most significant one relates to the mode of becoming an active member. The [word indistinct] provision enabled a person to become an active member by enrolling 25 primary members or merely by paying Rs 25 [rupees]. Since this provision has been abused in the past, it has now been changed, making it necessary for a person to enrol 25 primary members to acquire the status of being an active member and get the voting rights.

Another amendment provides for the constitution of Block Congress Committees (BCCs) mandatory. Hereafter, there shall be a BCC for each panchayat samiti area. In the urban areas, the BCC shall be constituted for suitable territorial units with the previous approval of the working committee. A BCC shall be above the primary committees and shall be subordinate to the BCC.

A provision has also been made for the constitution of other subordinate committees such as village committee, area committee or neighbourhood committee wherever it is felt necessary. The presidents of the primary committees and one delegate elected by each primary committee will constitute the BCC.

Provisions for the election of members of Pradesh Committees (PCCs) have also been altered. To provide a link between the PCC and the BCC, it has been provided that the BCC should elect one member of the PCC. Thus, there will be as many members of the PCC as there are Block Congress Committees.

Mr Rajiv Gandhi told the AICC delegates that many suggestions for amendments were received, some of which were fundamental in nature. The Working Committee, at its last "extended session" had considered the subject and had taken the view that the current AICC should not effect fundamental changes in the party constitution as it was an 18-year-old body. This task should be left to the new AICC.

He explained to the delegates the three major amendments and about half a dozen other minor amendments which were "consequential in nature" such as Union territory units becoming Pradesh Committees.

Mr Gandhi said two viewpoints had been expressed in the last extended session of the CWC on holding the organisational polls. One was that such a move would strengthen the party and the other was that it would create more problems. However, it had been decided not to delay the elections further.

He also paid tributes to the Congressmen who had died recently. Singling out Mr Darbara Singh, a CWC member, he said he was a patriot of rare quality.

The AICC session started with the hoisting of the Congress flag by Mr Gandhi and recital of "bande matram..." The Delhi PCC chief, Mr Prem Singh, recalled that it was being held in Mavlankar hall, the venue where Mrs Indira Gandhi had given a call in 1978 to oust the then Janata Party government.

Though the hall was overcrowded right from the beginning, the session went off smoothly but for a mild furor when slogans were raised against the Congress Forum for Action. The occasion was provided by Mr Yashpal Kapoor, a member of the forum, who favoured interim elections to "bring about inner-party democracy."

The question of the existence of fora and manches within the party was also raised earlier by the Maharashtra PCC president, Mr Sushilkumar Shinde, who had pleaded for a ban on such ginger groups. He got instantaneous vocal support from a large number of delegates.

Participating in the discussion on the proposed amendments to the party constitution, the delegates generally welcomed the party leadership's resolve to hold organisational elections. This, they felt, was a must to democratise the party set-up and eliminate the use of money power for rising in the party hierarchy. Instead of working at the grassroots, people used to make rounds of Delhi to become PCC members and office-bearers, they pointed out.

Mr Balram Jakhar, an AICC general secretary, pointed out that direct elections to the PCC would help ensure that only those having genuine grassroots support were able to rise in the party. The members would also be given identity cards.

Mr H.K.L. Bhagat, another general secretary, said the amendments were kept to the minimum to facilitate early party elections. The Congress was the only party which had an all-India existence.

Mr Shafi Ahmed Qureshi (Jammu and Kashmir) conceded that though he was a PCC chief, he lacked the moral authority as he was not elected by his party. Mr Chandrajit Yadav felt that the principle of one-man-one-post should not be made applicable to Mr Rajiv Gandhi, who must continue as the party president as well as the leader of the opposition in Parliament.

Mr Rajendra Kumari Bajpai felt the Congress would now become an active organisation. Mr P.Chidambaram, a member of the AICC's drafting committee, said in the past 18 years the demand for holding organisational elections had come from one section of the AICC which the other had been resisting. Mr Beant Singh, Punjab PCC chief, invited Mr Gandhi to visit his state in a train to see how much support the party enjoyed there.

### Party Election Schedule

90AS0380B New Delhi PATRIOT in English  
23 Jul 90 p 3

[Quotation marks as published]

[Text] The Congress on Sunday 'upstaged' the ruling Janata Dal by announcing the schedule of its organisational elections, reports UNI [United News of India].

The Janata Dal had, a few months ago, announced that it would complete the party elections by October this year.

Recently, however, it postponed these elections by a few months apparently in view of the inordinate delay in appointing the party's interim office bearers.

It remains to be seen if the Congress which has not held organisational elections for 18 years, would stick to the schedule, unlike Janata Dal.

According to the new schedule, the membership drive will start on Monday and end on 31 October 1990.

The elections of office-bearers of primary unit and delegates to Bloc Congress Committees will be held on 14 February 1991.

Other dates are—election of four DCC [District Congress Committee] members and one PCC member and election of bloc level office bearers on 24 February 1991.

Elections of DCC office-bearers and executive committees will be held on 3 March 1991 followed by election of PCC office-bearers and AICC members on 17 March 1991. The elections schedule of the Congress president will be announced on 20 March 1991.

Following is the schedule in detail:

23.7.90: Enrollment of membership starts.

31.10.90: Enrollment of membership ends.

15.11.90: Last date for submission of membership forms and lists to DCCs.

25.11.90: Publication of draft roll of primary and active members.

10.12.90: Last date for filing objections before district scrutiny committee.

17.12.90: Last date for disposal of objections by district scrutiny committee.

31.12.90: Last date for appeals to pradesh scrutiny committee.

10.01.91: Last date for disposal of appeals by pradesh scrutiny committee.

19.01.91: Appointment of AICC appeals committee.

21.01.91: Last date for filing appeals to AICC.

28.01.91: Last date for disposal of appeals by AICC.

07.02.91: A—Publication of final rolls.

B—Appointment of DROs/spl [expansion unknown] officers by PROs [expansion unknown].

14.02.90: A—Election of office bearers of primary unit and delegate to BCC by each primary unit.

18.02.91: B—Declaration of results.

C—Issue of identity cards to president delegate.

24.02.91: A—Election of four DCC members and one PCC member.

B—Issue of identity cards to DCC and PCC members.

C—Election of BCC office bearers.

03.03.91: Election of DCC office-bearers and executive committee.

17.03.91: A—Election of PCC office-bearers. Executive committee and AICC members.

B—Issue of identity cards to AICC members.

20.03.91: Appointment of RO [Returning Officer] for election of CP [Communist Party] and announcement of election schedule.

### Gandhi's Presidential Address

90AS0380C Madras THE HINDU in English  
24 Jul 90 p 7

[Quotation marks as published]

[Text] The Congress(I) president, Mr Rajiv Gandhi today launched a major offensive against the ruling National Front [NF] accusing it of leading the nation on the path of disaster and urged his party workers to reach the people with party ideology and take upon the responsibility of rebuilding the nation.

His 110-minute presidential address on the second day of the All India Congress Committee(I) [AICC-I] session here covered the performance of the previous and the present governments, reasons for the debacle of Congress(I) in the last Lok Sabha elections and tasks before the party. The speech, heard with rapt attention, was greeted with thunderous applause by the packed audience at the Mavlankar hall.

The aggressive mood of Mr Gandhi was evident the minute he took the mike. He ordered the party general secretaries to stir out of the dais and ensure seating arrangements to senior leaders who were waiting outside, as 'some workers who had no business to be inside' had barged into the hall. "Aap idherse chaleye and kuch kaam kariyel. Ab aise nahi chalege (You please move from here and do some work. Henceforth this will not do)," he told the general secretaries. Then it was the turn of photo-journalists who were vying for vantage positions near the dais. "You please take pictures one by one. Let me at least see who I am addressing."

Once settled, several facets of Mr Gandhi came to the fore. Nostalgia over 5 years of his regime, anger and disgust over the policies pursued by the National Front, introspection on the strengths and weaknesses of the party and finally a bit of philosophy on the future. Not once did Mr Gandhi lose his nerve or mince words. Reiterating that Congress(I) will continue to follow the path of Mahatma Gandhi, Jawaharlal Nehru and Indira Gandhi, the party president called for a debate on the application of their ideology in the modern context.

#### Reasons for poll debacle

Mr Gandhi identified one to one fight, voting on caste and communal lines, the Ram Janmabhoomi-Babri Masjid issue, weak organisational structure and factionalism in the Congress as the main reasons for the debacle of the party in the northern belt during the last Lok Sabha and Assembly elections. "To set all these things right we must strengthen our organisation. I have no doubt that after the constitutional amendments approved by you yesterday the party will be strengthened."

The house had clearly misread an observation of Mr Gandhi that every one has pointed an accusing finger at the AICC(I) leaders on the dais for the organisational weaknesses. As the delegates began to applaud the comment the president told them "I want to know what you have done in the last 6 months. When communal frenzy overtook Agra town recently we had to send a delegation from Delhi. Is it not shameful that people from Lucknow could not come? Please introspect."

#### Very few options

He began the address with an outline of the performance of his government between 1984 and 1989. In a staunch defence of the policies and programmes of his government. Mr Gandhi said "We might have made mistakes but there were very few options. The bulk of the policies (of his government) are the only policies viable to India. In fact the Front which harped on the theme of wrong policies is coming back to the same policies."

Mr Gandhi said threat to the unity and integrity was the biggest challenge facing the nation in November 1984 when he took the reins. The government managed to put out the fires in Punjab, Assam, Tripura, Mizoram and solve the issue of Lankan Tamils. Economy registered an

unprecedented 5.5 percent growth rate. Industrial development registered 9 percent growth and food-grains production jumped from 150 to 180 million tonnes. The percentage of the people below the poverty line came down to 25 from 37.

National Front inherited a peaceful and prosperous nation. Within 6 months of the Front rule of the country was reeling under the pressure of communalism, casteism, regional chauvinism and sub-regional groups. The government has surrendered to foreign powers inimical to the unity and integrity of the country. "By compromising with all sorts of forces they are breaking the country."

#### Promotion of casteist policy

The root cause of the present situation lay in the National Front's path to power before and after the general elections. Promotion of casteist policy was represented by the alignment of Ahir, Jat, Gujar and Rajput (ALGAR) communities and alliance with regional chauvinistic parties like the Asom Gana Parishad, Telugu Desam and DMK [Dravida Munnetra Kazhagam] besides pandering to sub-regional groups like the Jharkhand and Uttarakhand.

In Kashmir the Front had aligned with the secessionists and terrorists by boycotting the elections with Jammu Kashmir Liberation Front [JKLF]. In Punjab they got support from terrorists during the elections. In Assam they are associated with the United Liberation Front of Assam [UNLA]. The Front is bereft of ideology. It was a value-based government for first the 5 months and now an issue-based government. "The only issue they are tackling is internal conflicts. That too we do not know."

"This is manifestly clear in the manifesto of the National Front. It did not even make a mention of the word terrorism. The National Front has used the Hindu, Sikh and Muslim fundamentalism as its basis to victory and power," he thundered.

#### 'Unwritten alliance'

He strongly countered the argument that the problem of Jammu and Kashmir was inherited by the Front from the Congress(I) and said it was created by design to overthrow the National Conference-Congress(I) Government and install the Jammu Kashmir Liberation Front at the behest of the prime minister. There is an unwritten alliance between the JKLF and the National Front. "I am making these serious charges with full authority and responsibility.

J&K was never an issue during the Lok Sabha polls and there was no migration during the Congress(I) regime. Thanks to the policies of the Front in Kashmir today the country was very weak, more than ever before since independence. Mr Gandhi said the Bharatiya Janata Party has played a key role in precipitating the situation in the valley and for the first time in the 300 year history

communal venom has been injected. "Now they are running after Farooq Abdullah for help. So much for their policies."

As a result of the policies followed by the National Front the morale of administration, police and citizens in Punjab has plummeted. There were more murders in the State in the first 4 months of the National Front Government than in the last 4 years. The Front prevented the then governor from taking action against the secessionists and terrorists. "We were told of the new approach to the Punjab problem. The beginning and end of the new policy was a 300 metre open jeep ride to the Golden Temple."

#### Run-away inflation

Prices was a major election issue. Conceding that his government had slipped a little on the price front just before Deepavali Mr Gandhi said after the National Front took over there was a run-away inflation. There was total chaos on the economic front on account of the budgetary policies and surrender of N.F. to the United States. The prices have skyrocketed and doors have been flung open to the multinationals. "The real danger is that a government which surrenders to the United States on Super 301 can sell away the country."

#### Ram Janmabhoomi issue

Mr Gandhi said the Front had no policy on the Ram Janmabhoomi-Babri Masjid row. The irony of the situation was that the National Front was today earning plaudits for something that the Congress(I) had maintained all along. Like the Congress(I) it was now calling for acceptance of the court verdict in the absence of a mutually agreed settlement.

The Vishwa Hindu Parishad and the BJP [Bharatiya Janata Party] were using religion for personal and political ends. Mr Gandhi said the BJP raked up religious issues before every election only to forget conveniently about it all. In 1967 it was cow slaughter. Ganga Jal and Rath Yatras in 1984 and the Temple in the last elections.

Referring to a reported statement of the BJP that the party would launch a massive agitation for construction of the Temple, Mr Gandhi said it was part of BJP's preparation for mid-term poll. "What sort of people are these? This is making a mockery of the religion. Let us resolve today that if the BJP is going to launch the biggest movement in violation of the Court verdict, we will raise even bigger movement to counter it. The Congress has raised movements and sent the British home."

#### No desire to destabilise government

The Congress(I) president said his party had no desire to destabilise the present government. During the recent crisis which rocked the Front he continued with his tour programme in Gujarat and Andhra Pradesh.

#### More on Gandhi Speech

90AS0380D Madras THE HINDU in English 24 Jul 90  
p 7

[Quotation marks as published]

[Text] New Delhi, 23 July—The Congress(I) president, Mr Rajiv Gandhi, today accused the DMK [Dravida Munnetra Kazhagam] of trying to establish a separate state for Tamils in Sri Lanka in League with the Liberation Tigers of Tamil Eelam (LTTE) and charged the National Front with compounding the situation by being a silent spectator to the 'game plan.'

In his presidential address to the delegates at the All India Congress Committee(I) on the second day here, Mr Gandhi said he has learnt from authoritative sources that after the debacle of the party (DMK) in the Lok Sabha elections it joined hands with the LTTE in setting up a separate state for Tamils in Sri Lanka.

"They are doing everything towards his objective. The DMK feels threatened after the last Parliament elections in which they did not win a single seat in the State and is working towards a separate Tamil state. If the LTTE is successful in its endeavour, the DMK will not hesitate to start secessionist movement in Tamil Nadu," he said.

#### Arms supply to Punjab terrorists

Mr Gandhi claimed that the LTTE and the DMK were together involved in supply of arms to terrorists in Punjab. The Union Government had got wind of one such attempt and laid a trap. But it did not materialise as the information got leaked to the DMK. "An IB [Federal Intelligence Bureau] report to this effect has gone to the prime minister. I want to know what action the National Front Government has initiated in the matter. After all the DMK is a partner in the National Front."

The Congress(I) president said the nexus between DMK and LTTE was now very clear and the LTTE had gained strength in Tamil Nadu because of the encouragement given by the DMK Government to the secessionist organisation.

Observations of Mr Gandhi on DMK and LTTE were part of his presidential theme speech to the effect that the present problems being witnessed in different parts of the country were not inherited from the Congress(I) but were caused by the path to power adopted by the National Front such as pandering to the communal and casteist forces, regional chauvinism and sub-regional groups.

For instance, he said, the crisis in Jammu and Kashmir was by design to replace the National Conference-Congress(I) Government with the Jammu and Kashmir Liberation Front. "I am convinced that it was the prime minister's line of action and not that of the then governor."

### Report on Political Resolution

90AS0380E Madras THE HINDU in English  
24 Jul 90 p 6

[Quotation marks as published]

[Text] New Delhi, 23 July—The AICC(I) [All India Congress Committee-I] today asked all congressmen and women to give a “dynamic and positive but nonviolent and peaceful lead to the people to halt the dangerous drift to national disaster” under the rule of the National Front. At the same time, it said the Congress(I) should recapture the people’s imagination not on a negative slogan but on the basis of its own positive achievements and programmes.

In a 7,000 word resolution on the political situation, running into 23 cyclostyled pages, which in parts read like an election manifesto, the High Command characterised the 8-month old National Front Government as a ‘national disaster,’ and asked all workers to determine what the party could do to ensure the country’s unit and integrity, independence and sovereignty.

The resolution mirrored the thrust in the 2-hour long presidential address of Mr Rajiv Gandhi. He not only dwelt on the failures of the Front but minced no words in underpinning the Congress(I)’s own shortcomings. No useful purpose would be served by harping on the inadequacies of the Front; the Congress(I) needed to adopt policies and programmes matching the requirements of the times.

#### New approach to socialism

Mr Gandhi came out with a new approach towards the Congress(I)’s commitment to socialism, the public sector, foreign investment and the unemployment problem. Recent developments in socialist countries showed that the old concept had lost its relevance. Socialism rooted in democracy, as defined by Nehru, had come to stay. It could no longer be defined only in terms of the primacy of the public sector.

The party remains committed to the industrial policy framed during the Nehru era but it was the Congress(I) Government which had initiated the liberalisation of foreign investment rulers. Foreign investments must be directed towards areas where India lacks technology.

#### Buckling under U.S. pressure

The National Front Government was buckling under pressure from the U.S. Government, not only in the area of foreign investment but even in regard to India’s relations with Pakistan. The recent meeting of the Foreign Secretaries of India and Pakistan in Islamabad was the result of U.S. pressure, Mr Gandhi suggested.

The resolution talked of the National Front belying its own promises. As a result, the parties supporting it—the BJP [Bharatiya Janata Party] and the Left Front—were trying to distance themselves. It viewed as profoundly

disturbing ‘the gross violation of the nation’s cherished democratic norms and practices by the National Front.’

It acknowledged that the Congress(I) lost the general election not only because of the “frenzied communalisation of our polity” but also because the people “perceived some inadequacies and shortcomings in the performance of the party.” Hence they did not lend their full support to it.

It conceded that in the “long and arduous task” of building the nation after independence, the Congress(I) had made mistakes, which it had never hesitated to acknowledge. In all humility the congress(I) would treat the people’s verdict with the greatest respect.

#### Corrective steps

“The leadership has made an in-depth assessment of all the relevant factors and applied appropriate correctives,” added the resolution. “We have now to act unitedly to enable the congress(I) to continue playing its historic role so that our motherland achieves its manifest destiny.”

It, however, did not spell out the steps the high command had taken to set the party back on course. Instead it went hammer and tongs against the National Front Government accusing it of lacking in ideology, principles, and a long term perspective, bringing into focus its hastily contrived responses which had destroyed India’s image as a strong and stable nation.

The AICC(I) accused the Centre of injecting communalism into the Kashmir Valley, and of deliberately engineering the Kashmir problem as “a part of its larger strategy of resorting to any means, however foul and damaging to the national interest, to subvert, suborn or dismiss all State governments run by or linked to the Congress(I).” The need of the hour in Kashmir is revival of the political process “with courage, tenacity and vision.”

The AICC(I) charged the government with lacking in any plan of action on Punjab and lampooned what it called the appeasement of terrorists. The lack of decisiveness had caused incalculable harm to Punjab, it said, but did not spell out any line of action. Not very different was its observations on Assam where, in its opinion, the ruling Asom Gana Parishad “has acquiesced to and even encouraged the cult of violence which has overtaken the State.”

#### Charge against DMK

The AICC(I) accused the Dravida Munnetra Kazhagam [DMK] in Tamil Nadu of betraying the national interest by allowing foreign terrorists to establish themselves in the State and infesting “our democratic polity with violence and muscle power.” The collapse of the government’s Sri Lanka policy has resulted not only in the massacre of innocent Tamils in Sri Lanka but also in the influx of thousands of refugees into Tamil Nadu and the

virtual handing over of the Thanjavur-Ramanathapuram coast to non-Indian terrorists."

It recalled the accusation of genocide levelled against the Indian Peace Keeping Force in Sri Lanka by the Tamil Nadu Chief Minister, Mr M. Karunanidhi, and described the government's failure to pull him up for his "disgraceful and utterly unwarranted" remark "a matter of national shame."

In the AICC(I)'s perception, the government's "impotence" in Tamil Nadu and Assam "only reflects the total failure of the Front to define its policies in terms of national interests rather than merely through the accommodation of the narrow interests of its component regional parties." The Front "has allowed itself to be held hostage by the regional parties it has banded together."

#### Crisis in JD

In a reference to the crisis which recently gripped the Janata Dal and the National Front, the AICC(I) said: "The Prime Minister does not lead, does not act, does not have a policy on any vital national issue. He only watches, manipulates, deliberately promotes confusion and resorts to the politics of managing contradictions."

Alluding to the Ram Janmabhoomi/Babri Masjid issue, the AICC(I) found fault with the National Front for lacking in any clear convergence of policy between the governments at the Centre and in Uttar Pradesh, and gave call to the nation to defeat the forces of communalism and secession. "India can survive as a nation only on the foundation of secularism and tolerance," it said.

"The only ray of hope in this grim and dismal political situation is the principles and ideology of the century old Indian National Congress." The AICC(I) renewed the party's commitment to its basic ideology and resolved, "with faith in our leader and confidence in ourselves," to make India a modern, dynamic and progressive nation.

#### Economic Policy Discussed

90AS0380F Madras THE HINDU in English  
25 Jul 90 p 7

[Text] New Delhi, 24 July—The Congress(I) today criticised the management of the economy by the National Front Government and said lofty claims on paper cannot satisfy the people. A government supported by ideologically opposite parties like BJP [Bharatiya Janata Party] and the CPI(M) [Communist Party of India-Marxist] cannot be expected to frame a sound policy.

In a sharp analysis of the economic policy of the government, AICC(I) [All India Congress Committee] delegates attending its special session said the major achievements of the country following the sound policy of the previous government has been put in jeopardy by the confusion, contradictions and inconsistencies that had overtaken policy planning.

The primary source of the danger to the economic policy of the National Front government was the same as for political policy guided by contradictory pulls and pressures to which the minority government at the Centre was being subjected to, both from within its ranks and from the mutually irreconcilable approaches of its supporters, a resolution said.

Moving the resolution, Mr K. Karunakaran, former Kerala chief minister, said that the government had diluted the concept of planning. The Janata Party regime in 1977 had declared a plan holiday and although a similar declaration has not been made by the present government, the intra-party wranglings and the recent political crisis caused by a spate of resignations of the prime minister, Mr V.P. Singh and his Cabinet colleagues, had in effect given a holiday to the Eighth Plan, awaiting final approval.

The government has also failed to keep its promise of checking prices and providing employment.

Mr Pranab Mukerjee, said failure to evolve a clear, consistent, rational and realistic approach to economy was reflected in the budget, the approach paper to the Eighth Plan, industrial policy and export and import policy.

#### Deficit

The budget merely gave rise to inflationary pressures while retarding growth. The deficit, which was sought to be reduced by the government, would go up by Rs 15,000 [rupees] to Rs 20,000 crores against Rs 7,500 crores estimated in the budget. He objected to Mr V.P. Singh's oft-repeated observation that his government had inherited looted coffers and demanded that he should tell the people who robbed the coffers and what was the government going to do about it.

In an apparent rejoinder to the criticism trained against the previous government's liberalisation policy, he said the Congress(I) policy was always based on a pragmatic and realistic approach and said it had opened the doors for foreign investment to make use of the modern technology for widening the production base.

He however accused the government of opening the doors to multinationals knuckling under the pressure of U.S. law Super 301. "Planning cannot be done by preparing a catalogue of good intentions." The other speakers said that the industrial policy would only harm the objective of self-reliance.

Mr Janardhana Poojary, former Union minister of state for finance, said the proposed 10 percent cut in governmental expenditure would take the country backwards since plan outlays of various States would be reduced under this pretext.

Mr Sukh Ram, former food and civil supplies minister, said the upward revision of support prices of foodgrains

would only benefit the rich farmers and the poor people would be hit hard because of increase in the prices of essential commodities.

Mr Madhavsinh Solanki, former planning minister, dwelt on the resurgence of people's faith in Congress(I). He wondered whether the government could fulfill its promise of providing jobs to every unemployed youth under the programme of right to work. It would cost the government an estimated Rs 69,000 crores and how the government proposed to find the money, he asked.

#### PTI reports

The resolution on economy said the foreign exchange reserves had dwindled to less than 6 weeks' import requirements and added that the liberalised import policy and the liberal import of capital goods would soon drain foreign reserves without benefiting the economy. "The government would be well advised to heed the warning administered by its own economic Advisory Council," it suggested.

#### Gandhi Closing Address

90AS0380G Madras THE HINDU in English  
25 Jul 90 p 9

[Quotation marks as published]

[Text] New Delhi, 24 July—The Congress(I) president, Mr Rajiv Gandhi, today declared that his party would not do anything to topple the National Front Government but has asked his partymen to be prepared for an eventuality in view of the uncertainty over the survival of the government.

In a brief valedictory address at the end of the 3-day special session of the All India Congress Committee(I) [AICC], Mr Gandhi said the ruling front came to power with two crutches, that of the Bharatiya Janata Party and the Communist Party of India (Marxist)[CPI-M]. But after the recent inner party crisis of the Janata Dal, one of the crutches, the BJP [Bharatiya Janata Party], had started slipping.

Referring to the BJP's declaration at its national executive meeting in Madras that the party should be prepared for a mid-term poll, it was a serious matter. Coming from one of the important supporters, it must have shaken the Front Government's confidence, he said.

Mr Gandhi sought to impress upon the people and the party workers that the session had been called with the objective of analysing the party's weaknesses and strength after the setback in the Lok Sabha and Assembly elections and not for planning any strategy to disturb Mr V.P. Singh's government.

The session helped the party in realising its failures and the need to adopt steps and strategies to put the Congress(I) back into reckoning among the masses, he said adding that 'we should ensure that we do not repeat the

same mistakes we made and also take the warning from the National Front Government's mistakes.'

Mr Gandhi said some of the faults for its rejection by the people should be rectified by strengthening the leadership at the grassroots level.

Disapproving the Congressmen's practice of looking to the high command for solving every problem of the party, Mr Gandhi asked them to develop leadership qualities to function freely with full confidence. However, he warned that freedom should be combined with discipline and responsibility lest it should weaken the party. He also said the leadership should not hesitate to persuade the people if something went wrong in the polity.

He said the Congress(I) had to continue its role of catalyst for socio-economic reforms and strengthening the nation whether in power or outside. He asked them to carry the resolutions reflecting the party's analysis of the country's situation and its policies and programmes among the masses to reestablish their confidence to serve the nation with sincerity.

#### Protest against Amnesty team visit

The Congress(I) will be forced to do a 'Simon go back' act again if the Amnesty International sends its team to India, the All India Congress Committee(I) general secretary, Mr V.N. Gadgil said here today.

Commending the international affairs resolution for consideration of the AICC(I) here, Mr Gadgil accused the National Front of succumbing to international pressures on Amnesty International and said that under no circumstances would his party allow the proposed visit of the Amnesty team.

However, the former External Affairs Minister, Mr Swaran Singh who seconded the resolution compared Amnesty International to a 'juan' (lice) and said to elevate Amnesty to the level of Simon Commission was to compare an 'elephant' with a 'lice.'

Almost all the speakers accused the National Front of having brought down the country's prestige in the international arena due to its 'erroneous' foreign policies and felt that permission to the Amnesty to visit India was under pressure from Western powers.

Mr Gadgil said the policies of the Front, both domestic and international, had reduced India to the level of a fractious nation. India not only had a weak government but worse still it is perceived as a weak government in the world.

Mr Swaran Singh said dignitaries of the National Front made statements without perhaps not even understanding geography or the ground realities. The demand for sealing of the Indo-Pak border was a case in point. He was critical of the statement of external affairs minister, Mr I.K. Gujral that henceforth India would not send



abroad its troops in the background of the glorious role played by them in Bangladesh, Sri Lanka, the Maldives and elsewhere.

### More on Resolutions

90AS0380H Madras *THE HINDU* in English  
25 Jul 90 p 7

[Text] New Delhi, 24 July—The 3-day special session of the All-India Congress(I) Committee [AICC] ended here tonight in a buoyant mood, reviving hope and expectation in all those who came to participate in it from different parts of the country that Mr Rajiv Gandhi would before long lead the party back to power.

Mr Rajiv Gandhi blended his stirring call to party workers in the concluding moments of the deliberations to rededicate themselves to the organisation. He suggested that they should keep themselves prepared for any eventuality. The National Front Government [NF] was far from being stable; and a snap poll any moment was a distinct possibility.

Mr Gandhi's plea that Congress(I) workers should be in a state of preparedness sparked speculation that the end of the tunnel was not far away. The ongoing confusion and bickering in the ruling National Front also came as a tonic for them.

### New sense of confidence

The session not only gave party workers a new sense of confidence in themselves and their party but at the same time revealed before them a new facet of Mr Gandhi's personality. The tour de horizon Mr Gandhi made in analysing the political and economic scene unfolded qualities of leadership few had noticed in him before.

None of those who heard him in rapt attention for 2 hours failed to notice that here was a leader who was mature in his thought and clear about his perspective, and was fully equipped to lead the party back to its goal. No wonder there were demands that the full text of his speech be printed and circulated for the benefit of party workers at the grassroots.

Mr Rajiv Gandhi himself as well as a number of others who got the opportunity to speak at the session underlined the point that capturing power was not the be all and end all for the Congress(I). Its mission is to serve the people on the basis of well defined principles, policies and programmes.

Curiously, however, some of those who have hardly any differences with the fundamental objectives of the party but only have doubts about the high command's style of operation were given no chance to place their views before the AICC(I). Quite a few of them, now identified with the Congress Forum for Action, were present at the session and some had sought permission to speak but were not called to the dais.

### Picks holes in NF Government

More than identifying the weaknesses of the party and explaining how to overcome them, many of the speakers concentrated on picking holes in the policies and actions of the National Front Government, especially the prime minister, Mr V.P. Singh. Mr V.N. Gadgil, who moved the resolution on the international situation, spoke of the need for India to keep in step with the stupendous changes sweeping the world, especially the interaction between the two Super Powers.

As in the case of the political resolution, economy of words was not a strong point of the resolution on the economic situation. It ran into nearly 17 pages. The resolution on the international situation was relatively brief, stretching to no more than seven cyclostyled sheets.

The dismantling of old barriers between the United States and the USSR, said the resolution on the international scene, vindicated "the vision of Jawaharlal Nehru, the farsight of Indira Gandhi and the untiring efforts of Mr Rajiv Gandhi." It welcomed recent developments in the relations among the major powers but emphasised that, despite detente, nonalignment remains relevant.

In the AICC(I) opinion the effective role that India played at international forums all the way from January 1980 till november 1989 was now on the wane. "India is listened to little and followed even less. Instead various errors committed by the National Front on the domestic and international scene have resulted in India being looked upon as a fractious nation."

### Dismal foreign policy

Dealing with issues closer home, it spoke of the area from the Pamirs to the Mekong Delta being of great importance to India. Palestinians were still suffering the consequences of Israeli occupation. The Geneva accords on Afghanistan remained to be fully implemented. Cambodia was an unresolved issue. "Yet we are playing no role in West Asia, Afghanistan or Cambodia."

India's relations with Pakistan had suffered "a precipitous erosion," and inconsistency had become the hallmark of India's Pakistan policy. All the gains of the India-Sri Lanka Accord of July 1987 had been frivolously frittered away. The Indian Peace Keeping Force had been withdrawn without even so much as a firm assurance that its key provisions—safety and security of Tamils and devolution of true powers to the provincial councils—would be implemented.

The AICC(I) congratulated Madam Aung Suu Kyi on her magnificent election victory in Myanmar (Burma) and expressed the hope that she would be allowed to assume her new responsibilities immediately. "The people of India stand with the people of Myanmar at this historic moment when they are on the verge of securing once again their inalienable democratic rights."

It extended its heartiest congratulations to the people of Nepal and the Nepali Congress on their historic progress towards full democracy.

#### Mission to China

In a reference to Sino-Indian relations, the AICC(I) recalled Mr Rajiv Gandhi's visit to China in December 1988 and asked the Union Government to carry forward with determination and persistence the great initiatives put in train by that visit. As a token of the importance it attaches to relations with China, the Congress(I) would send a high power mission there on 26 August for a 10-day visit.

The resolution devoted attention to developments in Africa and noted that Mr Rajiv Gandhi had been specially invited to Namibia's independence celebrations in recognition of his personal role in ushering Namibia to freedom. Leaders of southern Africa have acknowledged with gratitude the role of the Congress(I) in humbling the last bastion of colonialism.

The resolution on the economic situation catalogued the various achievements of the Congress(I) while in power and noted that nowhere was the Congress(I) commitment to socialism more evident than in poverty alleviation programmes. The poverty ratio fell below 30 per cent under the Rajiv Government. But now the poor of India were faced with the tragic danger of the poverty ratio rising rather than declining.

But the AICC(I) paid a left handed compliment to the National Front for the emphasis in the approach paper to the Eighth Plan on employment, earmarking larger resources for the rural sector and on democratic decentralisation. But what the approach paper failed to mention was that all these three matters constituted the major priorities in the outline of the Eighth Plan prepared by the previous Congress(I) Government, it added.

It picked holes in the industrial policy and the export-import policy of the government. They lacked an ideological anchor and carried within them the danger of incalculable harm to self-reliance and short and long term interests of the nation.

#### Assam Group Starts Move for Constitution Change 90AS0389A Calcutta THE TELEGRAPH in English 19 Jul 90 p 5

[Article by Wasbir Hussain]

[Text] Guwahati, 18 July—Subnationalistic fervour appears to have reached its peak in Assam. This time, it is the Sanmilita Yuba Morcha (SYM) which is making its demands.

The outfit was formed way back in September 1978 but has only now decided to intensify its demand for

“restructuring of the Indian political system on the basis of a real federation,” where the “right to secede” shall be a fundamental right.

The SYM, which does not consider itself a secessionist outfit, vows to fight for the right of self-determination of the “Assamese nationality” while seeking radical changes in the Indian political system by drafting a “truly new federal constitution.”

On 12 July, the SYM submitted a lengthy memorandum to the prime minister, Mr V.P. Singh, in support of its demands. It also met the chief minister, Mr Prafulla Kumar Mahanta. The outfit is currently gearing up for a statewide publicity campaign and is examining the possibility of launching a broad-based agitation together with those tribal organisations and other forces which are concerned about the need for the right of self-determination of the Assamese nationality.

The SYM president, Mr Sankar Saikia, and the general secretary, Mr Anup Phukan, said the right to secede should be a must for any nationality which comes to enjoy the total right of self-determination. Asked whether the SYM would fight for a sovereign Assam like the United Liberation Front of Assam (ULFA), the leaders said: “It is not necessary to bring in the question of whether the Assamese nationality would live separately or live with the rest of India at this initial stage. But what is important right now is the fact that the Assamese nationality is not being recognised in India as such.”

The leaders acknowledged that their aim was identical to ULFA's. “But our approach is different.”

The SYM feels that even after achieving sovereignty, the Assamese nationality can live together with other nationalities in India through “mutual coexistence.” The leaders would not specify if the organisation would take up arms to achieve their objective saying, “We believe in people's power and it is up to the people to decide whether we should launch an armed struggle.”

In the memorandum to the prime minister, the SYM maintained that “On the 15th of August, 1947, Assam was incorporated in India through ulterior motive and as a result of that, she became a part of India.” Like the ULFA, the SYM also considers that Assam and the northeastern states were never a part of India before 1826, the year when the Treaty of Yandaboo was concluded.

The memorandum noted: “Every nationality in India has its supremacy over its own territory and the same must be recognised. This supremacy includes the right to secession which should not be denied with the help of the military or police powers.”

The SYM has also demanded the formation of a new constituent Assembly, set up on the basis of equal representation from all nationalities inhabiting particular territories and possessing separate economic and

cultural identities "so that a truly new federal constitution is drafted and made operative."

### Government Opposes Bhopal Disaster Settlement

90AS0388A New Delhi *PATRIOT* in English  
18 Jul 90 p 6

[Quotation marks as published]

[Text] The Union Government on Tuesday opposed before the Supreme Court the 470 million U.S. dollars Bhopal gas disaster settlement changing the stand taken by the Rajiv Gandhi Government on this issue, reports PTI.

The compromise between the then Union Government and the U.S. multinational, Union Carbide Corporation, entered on 14-15 February 1989 suffered from 'legal infirmities,' Attorney General Soli Sorabjee told the court.

The settlement was 'unacceptable' Mr Sorabjee told the five judge Constitution bench headed by Chief Justice Sabyasachi Mukharji.

He said it granted 'blanket immunity' for all times to come in respect of criminal acts of whatever nature arising out or in relation to the world's biggest industrial disaster.

Mr Sorabjee submitted that the 14-15 February 1989 apex court order of the settlement granting criminal immunity to the U.S. multinational was 'without authority of law' as such immunity was essentially a legislative function.

Mr Sorabjee said the effect of the settlement orders was also tantamount to compounding of criminal offences.

Two of these offences under section 304 and 326 of the Indian penal code were non-compoundable under any circumstances.

The other judges on the bench are Justice M.N. Ranganatha Ishra, Justice K.N. Singh and Justice N.N. Ojha.

The Attorney General told the Court that criminal prosecution in the Bhopal case was of a 'grave public concern' and in which the community at large had a vital stake.

Therefore, the blanket immunity granted to the Union Carbide 'was contrary to public policy and wholly void notwithstanding the fact that it was sanctioned by a court.'

Mr Sorabjee said the settlement order had kept in abeyance an inquiry by Indian investigators on whether safety factors in the Bhopal plant were comparable to those in main plant in West Virginia in the United States.

"This inquiry was of vital significance because the allegation has been that safety standards had been compromised within the Bhopal plant besides the design being faulty," he said.

Making it clear that the Indian Government was not after 'anyone's blood,' Mr Sorabjee said such a vital investigation if allowed to proceed would have led to the truth regarding the disaster.

He said if tomorrow the government came across evidence to show that there had been sabotage no action could be taken in view of the settlement order.

Mr Sorabjee said it was because of all these factors that the government had thought it necessary to oppose the settlement by supporting the review petition.

Citing several Supreme Court and the U.S. court cases, Mr Sorabjee said compromise or settlement on criminal proceedings as proposed to public policy was 'illegal' and therefore void.

The attorney general said the government was of the honest opinion that various clauses of the settlement which provides for extinguishment of all criminal liability present and future 'ran counter to the principles of the rule of law.'

'Immunity from criminal proceedings always has an element of discrimination and it is for this reason that the Union of India cannot accept the settlement,' Mr Sorabjee told the bench.

Further he said the Bhopal Act under which the settlement was arrived at did not deal with any aspect of criminal liability.

### Government Job Quota for Backward Classes Announced

90AS0381A Bombay *THE TIMES OF INDIA*  
in English 8 Aug 90 p 1

[Text] New Delhi, 7 August—The prime minister, Mr V.P. Singh, announced in both houses of parliament today the decision to reserve 27 percent jobs for the socially and educationally backward classes (SEBCs) in services under the Central government and public undertakings.

This decision was taken on the basis of the Mandal Commission report, he said amidst the thumping of desks.

The reservation would be applicable, in the first phase, to castes which were common on the lists prepared by the Mandal commission and several states. This was being done to avail of the benefit of the long experience to these states in preparing the lists of SEBCs and to ensure harmonious and quick implementation of the decision, he said.

The prime minister's statement on this issue was delayed in the Rajya Sabha by about 25 minutes because of the

objections raised by Congress members. The leader of the opposition, Mr P. Shiv Shankar, said his party members were "emotionally agitated" and were not willing to sit beyond the scheduled closing hour of 5 p.m. The procedural wrangle that ensued was ultimately resolved after a compromise that the statement would be made today and that the clarifications would be sought by members tomorrow.

The second backward classes commission, under the chairmanship of the late Mr B.P. Mandal, was appointed on 1 January 1979. Mr V.P. Singh also referred to his announcement of 4 April, designating the Ambedkar centenary year as the year of social justice and said the government had since taken several measures for the benefit of the scheduled castes, scheduled tribes and other weaker sections.

The parliamentary wing of the Bharatiya Janata Party (BJP) will meet tomorrow to discuss the Mandal Commission report.

This was decided earlier at the meeting presided over by the leader of the BJP parliamentary party, Mr Atal Behari Vajpayee.

#### **Bangladeshis Lured Into India by 'Unscrupulous' Agents**

90AS0386A Calcutta *THE STATESMAN in English*  
30 Jul 90 p 7

[Text] KHEM KARAN (Amritsar), 29 July—A large number of Bangladeshis, whose houses were destroyed by floods, cross over into India annually, reports UNI [United News of India].

Lured by unscrupulous agents, who promise them a better life in Pakistan, a number of these Bangladeshis make their way all the way from Calcutta and other towns of West Bengal to Amritsar. From Amritsar, these poor and illiterate people are shown the way to Pakistan and then abandoned by the agents and left to cross the border at their own risk. At times these Bangladesh nationals, manage to sneak into Pakistan. But on most occasions many of them are killed by the BSF [Border Security Force] jawans and even if they get across they are apprehended by the Pakistani Rangers, who push them back minus their womenfolk.

Till about a year ago, out of the 1,929 prisoners in the Amritsar central jail, 438 were Bangladeshis serving terms to 1 to 3 years.

The number of those trying to cross over to Pakistan has increased ever since word has gone around that the Indian Government had stopped putting them behind bars. They are formally taken into custody by the BSF and dropped around Amritsar. Thus they try again and again.

Those who succeed in reaching Pakistan, are used as bait by the Pakistani Rangers. They are sent ahead of a terrorist group. If they are spotted and killed by the

Indian security forces at night, the bandwagon stays behind. If the Bangladeshis have a safe passage, it means a green signal for the terrorist gangs to follow with arms and ammunition.

Recently, the security forces detained a group of people, including four women, in Faridpur district in Bangladesh, trying to cross from near mastgarh, about 5 km from here. Two of the women were pregnant and the third one had a 7-month-old child.

Hazrat Ali, a member of the group, told the Amritsar range BSF DIG [Deputy Inspector General], Mr Balgar Singh, that their agent, Saleem, had charged between Rs 800 to 1200 [rupees] for each member of the group with assurance of leaving them at Kasur in Pakistan. Ali had sold his property before setting out with his wife and child from Damoda village on the banks of the Padma in Bangladesh last month. It took them almost a week to cross over to India and board a train from Calcutta with Saleem's help.

After paying their fare from Calcutta to Amritsar, they were practically left with nothing. The group of 10 stayed for 2 nights at Old Delhi railway station before beginning the onward journey to Amritsar on 20 July. Ali told the DIG that they had had some food at a Sikh gurdwara near Old Delhi before boarding the train and then ate at the Golden Temple the next afternoon. The next 2 nights they went without food.

Hazrat's compatriots, Aziz Sarkar, Jan Sharif and Fazuiddin had suffered heavy losses in last year's floods in Faridpur. "For months together there was no food," said Aziz, adding "We were asked by the agents to migrate to Pakistan."

The DIG, Mr Balkar Singh, says the Bangladeshis are abandoned in this border town and other places like Chowgawan and Lopke where crossing the border at night has become difficult due to the imposition of a night curfew.

Mr Singh said 8,714 Bangladeshis were held in 1988, against 6,770 a year before. This year more than 1,500 have already been checked while quite a few have been gunned down.

The biggest group to be intercepted this year comprised 106 people, including 13 women and 17 children. They were pushed back near Mianwali Uttar border outpost (BOP), about 1 and 1/2 km from here. Another group of 32, which could not make payments to the agent, was made to work at a farm for 7 days and only when the latter could recover Rs 4500 from them were they set free.

**Papers Continue To Report on Kashmir Developments****Amnesty Offer**

90AS0385A Madras *THE HINDU* in English  
4 Aug 90 p 1

[Text] Jammu, 3 August—The State government today offered general amnesty for militants who laid down their weapons and accepted India as their country. "We are ready to welcome back to our fold all those militants and misguided youths who lay down their arms and join the mainstream and shall not treat them harshly," the governor, Mr Girish Chandar Saxena told a meeting of senior government officials in Jammu.

Mr Saxena, who arrived here today for a security review meeting with senior officials said: "Some militants have now second thoughts on continuing with their misadventure and some even have surrendered and did farewell to arms in Kashmir Valley." He, however, did not specify the number of such militants. Even in the volatile Poonch district of Jammu bordering Pakistan occupied Kashmir militants had surrendered their weapons. "All these are encouraging signs," he said.

**Protest against "excesses"**

The governor's claim came even as 15 persons were injured, some seriously, in armed skirmishes between insurgents and security forces across the Valley.

Seven persons including five militants and two civilians and five CRPF [Central Reserve Police Force] jawans were injured in exchange of fire between militants and security forces personnel in Srinagar city and the border areas of Kupwara and Uri in Kashmir.

Vehicles went off the roads all over the valley today in response to a 3-day bandh call given by the All-Private Transport Associations. Shops, business establishments, hotels and restaurants, commercial and industrial establishments remained closed and there was thin attendance in State and Central Government offices also.

A spokesman for the All-Kashmir Private Transport Associations said the "pahiya" (jamming of wheels) was to protest against what he called excesses by paramilitary and security forces on not only people during their house-to-house searches but also drivers and conductors when they searched buses, trucks and other vehicles.

The spokesman said during these search operations on Wednesday in Pattan town, 35 km from Srinagar on the Srinagar Uri National Highway, a clash took place between drivers and security forces who opened fire killing people including some drivers and conductors. But the official spokesman confirmed only seven deaths.

The official spokesman said while five militants were gunned down by army personnel when they were trying to enter Indian territory from Pakistan occupied areas, two civilians were gunned down by militants.

**Fast by police officials—PTI [Press Trust of India] reports**

About 400 police and fire services officials who have migrated from the valley organised a relay hunger strike in front of the Divisional Commissioner's office here today. They were protesting against the non-implementation of the High Court order for releasing their salaries from February 1990.

A spokesman of the striking officials said that they were forced to take this step in view of repeated representations to the government to implement the court order.

The Jammu and Kashmir High Court in its order of 19 July had directed the State Government that petitioners be paid their salaries from February and in future also till normality was restored in the valley.

About 365 police officials in a service writ petition had pleaded to the court that they be paid salaries in accordance to the guideline laid down in the government order of 14 March 1990 for migrant government employees.

**Interview With Farooq**

90AS0385B Bombay *THE TIMES OF INDIA*  
in English 5 Aug 90 p 7

[Article by M. D. Nalapat: "Mistrust Behind J&K Terrorism: Farooq"]

[Text] Bangalore, 4 August—The Institute of Naturopathy and Yogic Science on the outskirts of Bangalore exercises a strange fascination for politicians, who probably find its rigid dietary rules and relative prohibition of visitors a welcome relief from the free-styled 'akhara' that Indian politics has become.

The latest to immerse himself within its walls for a fortnight's stay is the former chief minister of Jammu and Kashmir, Dr Farooq Abdullah. Although initially reluctant to publicly air any views about his troubled state, he finally relented to go on the record in an exclusive 80-minute interview to THE TIMES OF INDIA News Service.

[THE TIMES OF INDIA] Why has terrorism taken such deep root in Kashmir?

[Farooq] For three reasons. The first cause is the mistrust that Delhi has for the people of Kashmir, even though these very people freely acceded to India in 1947. This mistrust resulted in a series of rigged elections in the state. Do you know that there was, for instance, a divisional commissioner named Kalik, who rigged elections so effectively that many legislators were called "Khaliq MLAs [Member of Legislative Assembly]? Are you aware that in many elections candidates who secured a lower number of votes than others were nevertheless declared elected by officials acting at the behest of Delhi? That in so many elections, because of illegal voiding of

nominations, dozens of candidates were declared elected "unopposed" in election after election?

[THE TIMES OF INDIA] But you have been accused of rigging elections, in 1986 for instance.

[Farooq] I can only laugh when those people who rigged elections for years some of whom are in power even now accuse me of rigging. I once asked (home minister) Mufti how many seats we were supposed to have rigged. Five? Ten? Even if they were taken away, we should still have had a two-third majority, and yet the assembly was dissolved behind the back of the prime minister, Mr V.P. Singh.

Why is it that when Kashmiris demand the same rights, the same freedoms, that are enjoyed by other Indian states, they are condemned as "anti-national" and their elected government toppled, as happened in 1983?

[THE TIMES OF INDIA] What happened in 1983?

[Farooq] My MLAs were purchased, some for Rs 5 lacs [rupees], some for Rs 10 lacs, and I lost the majority. This toppling operation was openly done by individuals who are today waxing eloquent on morals and values.

Unless the people of Kashmir are allowed to exercise their democratic right to elect a government of their choice, there will always be resentment, there will always be a feeling that we are treated differently from other Indians.

[THE TIMES OF INDIA] What is the second reason you adduce for terrorism in Kashmir?

[Farooq] Economic stagnation, the economic of my state depends heavily on tourism, an industry that functions only for 4 months in a year. In these 4 months our people have to make enough to carry them through the 8 lean months. And if tourism is affected—as it is now—because of geopolitical reasons, then heaven help us.

[THE TIMES OF INDIA] But what about the massive Central investment in Kashmir?

[Farooq] Massive! Do you know how backward our infrastructure is when compared with other states? Despite so many rivers, our power generation is below 250 MW. There is virtually no industry. There is no railway line for the valley, why, even so important a link as the bridge over the Tawi at Jammu was a mere single-lane bridge till it got doubled in the 1970s.

Tell me, how many Kashmiris have jobs outside the state? How many have been selected for the IAS [Indian Administrative Service] and the IPS [Indian Police Service]? No, forget that how many have been selected as clerks in the Central secretariat? Almost nobody. That is how backward we are 43 years after freedom.

[THE TIMES OF INDIA] But what about Central grants?

[Farooq] Do you know that Kashmir is one of the nine poorest states in India and that while for the other eight states, 90 percent of the money came as a grant and only 10 percent as a loan, for Kashmir only 30 percent of the money was a grant? We have to pay heavy interest on the remaining 70 percent that is given, with the result that almost nothing is left over for development. And this is despite the fact that the topography of the state makes it much more costly to develop infrastructure.

If laying a kilometer of roads costs Rs 100,000 in Karnataka, it costs Rs 5 lakhs and more to construct in my state.

In Kashmir we made education free in both the schools as well as the colleges and universities. But because of the lack of employment opportunities, every year tens of thousands of unemployed graduates are coming out. Many of them are turning to terrorism out of frustration.

[THE TIMES OF INDIA] And the third reason for terrorism in the state?

[Farooq] Pakistan. It is no secret that our boys go across the border even up to Afghanistan, get trained in handling bombs and weapons, then infiltrate back.

We in India have a fine army. But despite this we have not been able to seal the border with Pakistan. Unless this is done, that country's assistance to terrorists will continue.

[THE TIMES OF INDIA] There were reports that George Fernandes, when he was minister for Kashmir Affairs, was negotiating with some terrorist groups.

[Farooq] Yes he was. And good for him. We must start negotiations with some of the terrorist groups, because not all of them are pro-Pakistan. Many people have turned to terrorism because they feel wronged by the government.

[THE TIMES OF INDIA] Even your government?

[Farooq] Yes, even my government too went wrong in certain ways.

[THE TIMES OF INDIA] One of them was surely the release of five terrorists in exchange for Rubaiya Sayeed?

[Farooq] That was not my doing. The abduction of Rubaiya was such an anti-Islamic act that even the Muslim countries condemned it. In fact, we had definite information that the kidnappers were ready to release her unconditionally.

[THE TIMES OF INDIA] Then why were the terrorists released?

[Farooq] It was one of the biggest mistakes ever made in Kashmir, and the instructions came straight from the Central government. It was not on my initiative at all, and there is recorded evidence to prove this.

[THE TIMES OF INDIA] What about Jagmohan?

[Farooq] It was because he was again appointed that I quit. A known anti-Muslim was appointed the governor of a Muslim-majority state. What better example of Central insensitivity to Kashmiri proclivities do you need?

[THE TIMES OF INDIA] But there are those who say that he was effective in checking terrorism?

[Farooq] Look, so long as you don't realize that there can never be a substitute for the vote, the Kashmir problem will continue. Jagmohan introduced, I am sorry to say, a reign of terror in the valley. Innocent people were shot dead, women were molested. It is because of him that the Kashmiri youth are at present so alienated from the rest of India.

[THE TIMES OF INDIA] Why did you have an alliance with Congress in 1986?

[Farooq] Because I felt that as we are a small state, we have no future unless we have the support of the party that rules at the Centre. That unless I was friendly to that party, we would not be given the means we needed for development.

And I must admit that though there were individuals who did not abide by the spirit of the Congress and National Conference alliance—I will not name them as some are in power even today—and tried to sabotage it, the Congress president, Mr Rajiv Gandhi, always played

a constructive role. Even today he is ready to help in any step that can bring back peace in the state.

I would like to emphasize here that events in the rest of India have their impact on Kashmir. For example I had a lot of problems controlling passions when there were anti-Muslim riots in Morodabad.

I am, therefore, very worried about the effect of Ram Janmabhoomi-Babri masjid controversy. It should not be allowed to affect Hindu-Muslim unity.

[THE TIMES OF INDIA] How can this be done?

[Farooq] By both sides agreeing to abide by the verdict of the court. This is the only sensible solution. Look, Kashmiris are not a communal people. During the Pakistani invasions, Hindu deities were removed from temples and kept in the homes of Muslims for protection. We have a long tradition of tolerance. It is not impossible to restore peace in our state.

[THE TIMES OF INDIA] What are you doing towards this goal?

[Farooq] I am in touch with the prime minister, who I know is very keen on a settlement. It would be premature to disclose the details. But I can say that there is reason for hope.

Inshallah!

22161

42

NTIS  
ATTN: PROCESS 103  
5285 FORT ROYAL RD  
SPRINGFIELD, VA

22161

This is a U.S. Government publication. Its contents in no way represent the policies, views, or attitudes of the U.S. Government. Users of this publication may cite FBIS or JPRS provided they do so in a manner clearly identifying them as the secondary source.

Foreign Broadcast Information Service (FBIS) and Joint Publications Research Service (JPRS) publications contain political, military, economic, environmental, and sociological news, commentary, and other information, as well as scientific and technical data and reports. All information has been obtained from foreign radio and television broadcasts, news agency transmissions, newspapers, books, and periodicals. Items generally are processed from the first or best available sources. It should not be inferred that they have been disseminated only in the medium, in the language, or to the area indicated. Items from foreign language sources are translated; those from English-language sources are transcribed. Except for excluding certain diacritics, FBIS renders personal and place-names in accordance with the romanization systems approved for U.S. Government publications by the U.S. Board of Geographic Names.

Headlines, editorial reports, and material enclosed in brackets [ ] are supplied by FBIS/JPRS. Processing indicators such as [Text] or [Excerpts] in the first line of each item indicate how the information was processed from the original. Unfamiliar names rendered phonetically are enclosed in parentheses. Words or names preceded by a question mark and enclosed in parentheses were not clear from the original source but have been supplied as appropriate to the context. Other unattributed parenthetical notes within the body of an item originate with the source. Times within items are as given by the source. Passages in boldface or italics are as published.

#### SUBSCRIPTION/PROCUREMENT INFORMATION

The FBIS DAILY REPORT contains current news and information and is published Monday through Friday in eight volumes: China, East Europe, Soviet Union, East Asia, Near East & South Asia, Sub-Saharan Africa, Latin America, and West Europe. Supplements to the DAILY REPORTs may also be available periodically and will be distributed to regular DAILY REPORT subscribers. JPRS publications, which include approximately 50 regional, worldwide, and topical reports, generally contain less time-sensitive information and are published periodically.

Current DAILY REPORTs and JPRS publications are listed in *Government Reports Announcements* issued semimonthly by the National Technical Information Service (NTIS), 5285 Port Royal Road, Springfield, Virginia 22161 and the *Monthly Catalog of U.S. Government Publications* issued by the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402.

The public may subscribe to either hardcover or microfiche versions of the DAILY REPORTs and JPRS publications through NTIS at the above address or by calling (703) 487-4630. Subscription rates will be

provided by NTIS upon request. Subscriptions are available outside the United States from NTIS or appointed foreign dealers. New subscribers should expect a 30-day delay in receipt of the first issue.

U.S. Government offices may obtain subscriptions to the DAILY REPORTs or JPRS publications (hardcover or microfiche) at no charge through their sponsoring organizations. For additional information or assistance, call FBIS, (202) 338-6735, or write to P.O. Box 2604, Washington, D.C. 20013. Department of Defense consumers are required to submit requests through appropriate command validation channels to DIA, RTS-2C, Washington, D.C. 20301. (Telephone: (202) 373-3771, Autovon: 243-3771.)

Back issues or single copies of the DAILY REPORTs and JPRS publications are not available. Both the DAILY REPORTs and the JPRS publications are on file for public reference at the Library of Congress and at many Federal Depository Libraries. Reference copies may also be seen at many public and university libraries throughout the United States.