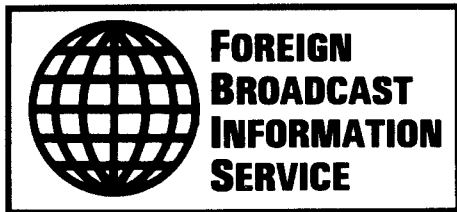


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REGIONAL

Satellite Pictures Facilitate Discovery of Water Reserves

44040085 Amman AL-DUSTUR in Arabic
12 Jan 88 p 4

[Text] Dr Faruq al-Baz, the renowned Arab space scientist, has said that Jordan and Egypt have begun to utilize space pictures to discover the sites of underground water and that drilling is currently underway in three Jordanian areas. The first area is located east of Irbid where, it has become evident, there are some geological fissures considered to be water traps. The second area is in the south and the third is east of al-Zarqa'.

In an exclusive interview with AL-DUSTUR, Dr al-Baz has said that efforts are currently focussed on formulating a complete plan to study Jordan geologically and to discover the water reserves in deep fissures, valleys and basins, pointing out that these reserves, located in very deep underground layers, are totally free of pollution and salinity even though they are costly to utilize.

Three Areas

Dr al-Baz has added that the Arab Republic of Egypt has implemented two phases of artesian-well drilling, relying on space pictures of three areas where drilling activity is carried out, namely al-Qa' Plain, Southwest Sinai and east of al-Uwaynat in the southern part of the Western Desert where 250,000 feddans of cultivable land are available. It has become evident that the water reserves discovered as a result of the 11 drilled wells are enough to irrigate 200,000 feddans for a period of 100 years.

Dr al-Baz noted that space pictures have helped Egyptian authorities discover extensions of the crude phosphate deposits in Abu Tartur area in the Western Desert. It has become evident that the deposits area stretches over 350 kilometers, thus making the project more economically feasible.

Dr al-Baz sees geological similarities between Sinai, where coal, copper, sulfur and manganese deposits are found, and Southern Jordan. He said that the rock formations on the Egyptian side are the same as those found on the Jordanian side because the Red Sea and the Gulf of 'Aqabah are tantamount to the same area, except for the fact that water has filled the depression in the area.

Jordanian-Egyptian Cooperation

Dr al-Baz also said that there is large-scale Jordanian-Egyptian cooperation in using space pictures to study natural resources, especially in Sinai and southern Jordan. He made a field trip to the south in the past two days to select the sites that will be studied in detail.

He added that space pictures are not used extensively in the Arab homeland even though these pictures can be used for numerous purposes, such as drawing and improving topographic maps and discovering mineral deposits through studying soil maps which the Arab world also needs to develop and expand its cultivable acreage.

Dr al-Baz noted that space pictures, the cost of each of which may amount to \$5,000, provide us with indicators of the areas in which cultivable soil may be available and of how to obtain underground water needed for irrigation, considering that the pictures enable us to employ our expertise and science to find water resources, to understand the water situation in any given area and to determine valley formation and distribution, water accumulation and the fissure and rock formations into which rainwater seeps.

Three Sources of Pictures

He said that we obtained the pictures from NASA, when NASA was in charge of selling space pictures, at a cost of \$200 per film. But the price rose to \$2,300 per film when the U.S. administration took charge of selling them. This is in addition to the cost of modifying, correcting and editing the films, amounting to \$1,100 per film.

Dr al-Baz added that the pictures are available and that the door is open to whoever wants them, especially in the wake of the readiness of the French and the Soviets to supply us with the pictures we need. He has pointed out that such pictures have covered Jordan in particular and that the pictures are being magnified to be applied in the field.

Dr al-Baz further pointed out that even though the cost is high, the pictures are considered inexpensive when we learn that the cost of a topographic map for any area ranges from \$30,000 to \$40,000.

He noted that aerial photographs of the city of Amman would, for example, cost nearly \$100,000 whereas space pictures of the same area cost no more than \$10,000.

Continuous Participation

Answering a question, Dr al-Baz said that there are no plans for Arab astronauts to take part in U.S. space voyages. However, he believes that the participation will continue because we have entered the space age and because we are considering Arab satellites to take such pictures.

He added that a debate is currently underway to launch an Arab scientific satellite. However, there is no national plan for the purpose. Rather, there are plans to form a future Arab nucleus.

Dr al-Baz added that it is extremely important for the Arabs to engage in future scientific space activity because the Arab desert is vast. Geologically, this desert is still virgin and it needs to be studied in order that we may discover its resources and its water reserve.

He noted that the only solution is to study this desert from space because we do not have the large numbers of scientists needed to achieve rapid development.

Selecting Development Sites

He said that the scientific applications of space satellites will make it easier for us to select the sites for development in its various forms, regardless of the technical difficulties of analyzing the space pictures made available to us by the United States because the camera used for these pictures is designed to cover vast areas whereas our Arab region is small.

Space, Our Only Option

He added that the Natural Resources Authority has a center equipped with a computer and is capable of analyzing the statistical data supplied by space pictures. A number of Jordanians are currently undergoing training in the United States to run this center. Concluding, Dr al-Baz said: We have no option but to move to space through an Arab satellite because we need cameras and film suitable for the Arab region to acquire the needed data, to use this data the way I want and to give it to whomever I wish.

08494

Industrial Export Agreements Concluded With Morocco, Tunisia

45000014 Cairo *THE EGYPTIAN GAZETTE* in English 4 Jan 88 p 2

[Text] About 30,000 tons of coke worth 3 million dollars will be exported to Morocco according to an agreement reached with a number of Moroccan steel plants, said Chairman of el-Nasr Company for Coke and Basic Chemicals, Mr. Adel el-Mouzi.

The Chairman of the company, which is an affiliate of the Ministry of Industry, also said that another agreement was reached with Tunisia, according to which Egypt will export 10,000 tons of aluminium worth 4 million dollars. The exported aluminium will be used for reconstruction purposes in Tunisia.

He indicated that an Egyptian industrial delegation is to leave for Morocco and Tunisia during the coming week to sign the agreements so as to start exporting these products as of next month. He added that a Soviet industrial delegation is due to arrive here in the first week of February to discuss with officials from the

Metallurgical Industries Authority the final report on the establishment of the fourth unit at the coke plant, in an attempt to increase its productive capacity of coke.

/09599

PALESTINIAN AFFAIRS

PLO Affirms CW Intentions

44000038 Amman *JORDAN TIMES* in English 13 Jan 88 p 2

[Text] Nicosia, Cyprus (AP)—Palestinian commandos have chemical weapons and will not hesitate to use them against Israel in future wars, a commando leader says.

"Our interest in chemical weapons is old... It is not something new," Col Mahmoud Natour, code-named Abu Tayeb, said in an interview in the latest issues of the Arabic monthly magazine *Al Nasr*, or victory, which was published in Cyprus on Monday.

Col Natour is the commander of Palestine Liberation Organisation (PLO) chief Yasser Arafat's crack "Forces 17" in charge of special operations.

He is a member of PLO's Military Council and was commander of Palestinian forces in mainly Muslim west Beirut during the 1982 Israeli invasion of Lebanon.

He contended that Israel was also developing a chemical weapons arsenal as a "strategic first-strike deterrent" to be used as an alternative to its nuclear weapons.

Col Natour said Israel is believed to have up to 50 nuclear warheads but would only use them as a last resort.

/9274

Economic Effects of Bank Reform Appraised

45190011 Algiers *EL MOUDHAJID (SUPPLEMENT ECONOMIE)* in French 22 Dec 87 pp VI-VII

[Text] The change in the legal status of banks, that will result in national company banks becoming public company banks, in the form of joint stock companies, will have a certain number of consequences.

It will involve a whole series of implications, particularly as far as planning is concerned:

1. Their organization, method of work and procedures.
2. Their business strategy.
3. Both human and material resources that they will have to utilize and to optimize in order to successfully shoulder the effects of economic reform.

I. Implications of the Organizational Plan

Legally speaking, banks will assume the form of joint stock companies.

In order to accomplish this a bank's capital will have to be altogether freed and it will be represented by a certain number of nominal shares and of equal sum that will be the property of the state in its capacity as sole shareholder.

These shares will be managed in the name of the state and for its account by new bodies that will be established once the public companies become independent and will be designated under the name "Funds Accounts."

The latter will, in turn, designate representatives to the general assembly and the administrative board of our bank.

Banks will, therefore, be governed and administered by these two bodies that will entrust their management to a general directorate.

A. The General Assembly

This sovereign body will bring together representatives of the Funds Accounts, holders of shares issued by the establishment.

(1) The general assembly, in regular session, will have as a prerogative to make decisions that do not change the statutes, and primarily:

(a) to determine the use of profits and to set the dividends within statutory limits;

(b) to appoint the accounting administrator and to set his pay; and

(c) to adopt the enterprise's medium-term draft plan.

(2) The special general assembly is the one which can primarily:

(a) increase or reduce the company's capital under legal conditions;

(b) take shares in other public enterprises;

(c) extend the life of the enterprise or decide on its dissolution; and

(d) transfer its company headquarters.

Generally speaking, the special general assembly alone is empowered to change the statutes in all respects.

In this regard, it should be pointed out that the banks' legal change will bring about a change in their statutes which, as a result of their becoming a business enterprise, will no longer be statutory but will be genuinely established through notarized act.

B. Administrative Board

This body will be composed of between nine and 14 members two of whom are elected representatives of workers and, if the case arises, two representatives designated by the state.

The other members will be designated on their capacity as representatives of the Funds Accounts on the basis of their share portfolio.

These administrators are held to the same obligations and they assume the same civil and penal responsibilities as do regular administrators.

The administrative board is chaired by the chairman designated by the administrators.

The administrative board's prerogatives primarily involve the examination and adoption of the following:

(1) the bank's organizational structure;

(2) the status of its personnel;

(3) its medium-term plan;

(4) provisional budget and accounts;

(5) statement of accounts and nominal accounts as well as the annual activities report;

(6) investment program; and

(7) company projects budget.

C. Management Body

The bank's management can be assumed by a general director president who is the chairman of the administrative board or by a general director. Moreover, the president or the general director will represent the establishment vis-a-vis third parties.

Here, then, is the broad outline of the bank's future legal status in its form as a joint stock company.

2. Implications on Operations, Work Methods and Procedures

The implications of the economic reforms on banks, as far as their operations, their work procedures and working methods are concerned, will be significant. The process may be rapid as far as all three issues are

concerned so as to succeed in having their structure and management and data systems becoming really commensurate with the effects of economic reforms.

A. Implications on Operations

Within the context of becoming independent, banks will continue being organized into three echelons or levels: the central echelon (central headquarters), regional echelons (branches) and local level (units). Nevertheless, management and the commissions assigned to the various echelons must be organized in such a way as to make banks live up to their real commercial vocation and have them succeed in attaining the benefits of the reforms.

Thus, a unit must become independent so as to become a veritable commercial center. In order to achieve this, both material and human resources, adequate enough to have the unit live up to its real mission and its real nature as a business, will be allocated to it.

The unit must consent to making greater efforts in the "public sector" portfolio that it will have to manage in such a way as to consolidate it and develop it.

Management of the "private sector" portfolio will not, at the same time, be given less priority since endeavors to procure stable and permanent resources from this economic element, particularly households, will be part of the essential aspects of the new commercial strategy.

Nevertheless, one must keep in mind that beginning 1 January 1988, public enterprises will have the option of choosing their own bank. Relations between a bank and another public enterprise will be contractual in nature and freely negotiated.

Also, on the bank unit level, compartmentalization between public and private clientele must disappear. Each officer will be in charge of a client's portfolio complying with the same business rules, namely: procedures, negotiated credits, quality of service, speed in processing of work and responsibility of the manager in case his portfolio should be reduced.

The branch's management must play an essential role in the development of the bank's network. There must be some readjustment so as to have the branches become closer to the units in order to primarily take charge of personnel management, training and accounting and to make more efficient its operations in procedure checks and controls and the processing of operations initiated by the bank units.

As for the distribution of credits to public enterprises, a system of delegating power setting the thresholds for units and branches will be set up.

Central headquarters will, henceforth, play its true role in planning, advising, assistance, financial operations and controls and will provide studies and evaluations on

the current and future situation. It is to be reinforced by highly qualified personnel and it will relieve itself of management personnel that will be utilized primarily on the local level.

B. Implications on Working Procedures and Methods

With the onset of management independence, the entire legislative and statutory picture will be upset. Among the repeals announced we must point out those concerning those texts that up to now have strongly influenced banking working procedures and methods.

(1) The currency budget will gradually be substituted for all prevailing procedures and instruments dealing with foreign trade (AGI, withdrawals).

(2) The urgent domiciliation of national enterprises, as dictated by the 1970 finance law, will disappear in favor of a form of domiciliation freely chosen by public enterprises.

(3) Controls over public markets will no longer apply to public enterprises, including banks.

(4) The financing of public enterprise investments will no longer be governed by circulars but will be the subject of negotiation between the bank and its client for all projects calling for the intervention of central headquarters.

(5) Banks will no longer maintain the function of controls over the account of administrative institutions that are foreign to them.

(6) Controls will be exercised a posteriori by other state bodies and not by banks any longer. This expected change in legislation and regulations will involve a deep recasting of all our working procedures and methods in view of adapting them to the nature of independent enterprises that our banks will assume.

This adaptation is to affect overall thinking also. In fact, the banker will no longer be an agent responsible for working in accordance with directives or instructions of various state entities considered as operational or administrative guardians that issue legal and regulatory standards to be implemented without free will by the banks.

Henceforth, banks will have relations with third parties based on business dealings and contracts without any bureaucratic or regulatory restraints but, nevertheless, with greater responsibility on the part of its officers as a corollary.

It is, therefore, necessary that a spirit of initiative, imagination and freedom in making decisions become the reference points for guiding banking operations.

More specifically as regards our working methods, mechanization and, above all, data processing must increase on all levels.

Moreover, we must quickly set up a professional data information system stemming from the new functions involved in the management structure. In this way the data information and management will expand together with a much greater decentralization to permit the bank unit primarily becoming a veritable center of independent choice and decision.

The implications of independence on organization, work procedures and methods, thus broadly outlined, will result in the drawing up, establishment and implementation of a business strategy that will assure success of the economic reforms.

Independence of management will have very important implications on business relations with third parties.

Banks will assume their responsibilities vis-a-vis their market that will obey the rules of competition.

Risks will be taken by banks and, in this connection, they must assume them by taking all measures and initiatives necessary by way of a business strategy perfectly adapted to the new factors introduced by economic reform.

II. Implications on the Business Strategy Level

One of the major consequences of independence of banking management will be to permit public enterprises to domicile their accounts in the bank (or banks) of their own choice. The enterprise will be free to domicile in a bank or banks that it judges to better correspond to its interests and also to change banks when it feels that these interests are no longer being guaranteed. Consequently, the bank which itself will be independent will no longer maintain the function of public power and control for the state but will be engaged together with client public enterprises in contractual relations governed by standards and rules stemming from the business world, namely quality of services, negotiated credits and financing within the context of partnerships.

The bank will, as an independent enterprise, show more concern for profits and consequently its management will be positively approved or negatively sanctioned. In the latter case, the supreme sanction may be legal liquidation and the bringing of responsibility on the shoulders of its administrators and managers.

It is, therefore, important that the bank strictly device its business strategy.

In fact, free domiciliation of the public clientele with a corollary being freedom to finance implies that the strategy to be developed should be permanently concerned with systematic and constant research of an optimum balance between its resources and its uses.

It is, therefore, imperative for the bank:

- (1) to consolidate and restructure its portfolio;
- (2) to diversify its portfolio by developing a whole series of services and attractive new products; and
- (3) to win over, above all, households and the private individual market.

This winning over should take place on the basis of improving welcoming services and the general quality of services, as well as launching new imaginative products.

- (4) To decisively penetrate other resource gathering fields, such as foreign financing, would necessitate a presence [as published].

Promote advice and multifaceted assistance to clients [as published].

In order for the bank to attain its objectives, as an independent public enterprise, it must mobilize adequate means, both human and material.

III. Implications on the Mobilization of Human and Material Resources

A. Human Resources

As far as human resources are concerned, they will be of prime importance in the success or failure in the battle in which the bank will be engaged in an environment subject to the rules of competition and business.

As a result of this new situation it becomes necessary that a whole series of measures be drawn up and implemented quickly.

As far as personnel is concerned, recruitment policy must be thought through in relation to the requirements of economic reform, namely by favoring the recruitment of qualified personnel. Management functions and administrative functions must be separated. Management must be effectively decentralized.

Training must be a means for promoting, expanding, developing and acquiring real know-how capable of assuring the implementation of its objectives.

Instruments for enhanced training must be set up to meet the requirements of economic reform.

Social policy must also be promoted, conceived of as a very important element in the mobilization of human resources, permitting each worker to feel himself a part of a family and to grow in his vocational activity.

Moreover, the effort expended and the accomplishment of tasks incumbent on each employee should have an effect on his pay. In fact, the pay system will no longer be

rigid but will be flexible enough to permit the enterprise to manage and subsequently distribute its salaries with concern to profitability and efficiency.

B. Material Resources

Within the context of independence, the bank may take all necessary measures to optimize its material resources which will be its property and patrimony.

Also, the banking network must undergo expansion, something that will permit the establishment being present where possibilities for procuring resources will be deemed interesting for its profitability. Regional banking administrations must, in this connection, play an important role in increasing the bank's real estate holdings and its presence on the business scene.

Moreover, in order to attain earmarked business objectives, working conditions must be improved by taking steps to improve accommodations and equipment.

Finally, working places and equipment must be better assembled and profitably used.

Particular attention must be reserved for data processing equipment as a means for permitting the bank to make a decisive step forward in the quality and diversity of its services offered.

5671/08309

EGYPT

Al-Baz Interview on Egypt's Place in Arab Fold 45000012 Cairo MENA in Arabic 1630 GMT 3 Jan 88

[Text] Cairo, 3 Jan (MENA)—Dr Usamah al-Baz, first undersecretary at the Foreign Ministry and presidential adviser for political affairs [title as received], said that Egypt's national security is an integral part of Arab national security. Egypt has a certain responsibility by virtue of its being the largest Arab nation and the country with the strongest and oldest army, he said. Al-Baz called on the Arabs to reach some understanding on cooperation in the field of defense, pointing out that there is much to be achieved in this area once this understanding is established.

Commenting on the outcome of the recent Arab summit meeting, al-Baz said that its resolutions complement those made at the Fez summit and constitute a major achievement which lifted the Arab work to a higher plane. The Amman summit resolutions, he said, would have a very positive impact if used as a reference point for action.

Al-Baz, who made these remarks in an interview with the Kuwaiti paper AL-SIYASAH, which it will publish in installments, said that the restoration of ties between Egypt and several Arab countries was a remarkable step

toward reestablishing Egypt's proper position within the Arab family. The full restoration of ties, al-Baz said, was much needed and will have a great impact. It is only a matter of time before Egypt is readmitted into the Arab League, he added.

Al-Baz said that the restoration of diplomatic ties between Egypt and Arab countries lends legitimacy to Egypt's contacts with these countries and doubles Egypt's ability to discharge its pan-Arab tasks.

As for the Arab countries which did not restore ties with Egypt following the Amman summit, al-Baz said that Egypt does not consider the restoration of ties a gift from any country. Those countries which restore ties with Egypt, he pointed out, are making gains and adding to their weight and potential.

Commenting on reports of Egyptian-Syrian contacts, al-Baz denied the existence of such contacts, saying that the lack of such exchanges is due to the way the Syrian Government conducts its affairs with Egypt. The Syrians, he said, want Egypt to contact them on their terms.

Asked about reports of political and military tension between Egypt and Libya, al-Baz said that military tension with any Arab country is impossible. This, he said, applied to Libya as well, because it is an Arab country. The political friction is more often than not a reflection of Libya's escalation of its propaganda campaigns, he added.

When asked if Egypt would fight side by side with any Arab country that comes under threat, in keeping with the joint defense treaty, al-Baz said that Egypt would stand beside any country and use all means, including military force, to show its support. There is absolutely nothing that would hinder Egypt from undertaking this task. Neither the peace treaty with Israel, nor any other agreement constitutes a hindrance to Egypt in this respect. There are only two considerations which govern Egypt's conduct in such a situation, he said. The first is of a general political nature; namely, that Egypt is a part of the Arab nation. The second is legal; namely, that Egypt has entered into a binding agreement, the joint defense pact, with other Arab countries.

Al-Baz told AL-SIYASAH that Egypt would have to offer support to its Arab sisters in the Gulf in case of any aggression against them. This is Egypt's principled position, he said, adding that Egypt regards the security of these countries as intertwined with Egypt's own. In case of Iranian aggression on the Gulf countries, he said, the backing with Egypt would provide must not be seen as a gratuity, but as a proper stand of solidarity. Egypt would offer this backing as if it were defending Egyptian territories and interests, al-Baz stated.

As for the Egyptian POW's in Iran, he said that they consist of two groups. The first are unarmed civilians who lived in areas which were taken by Iran. Iran

captured them and considered them POW's. The second are Egyptians who volunteered or were drafted into the Iraqi forces and who fought the war in defense of Iraqi territories. There is not one Egyptian there fighting for money, al-Baz said. Egypt, he added, has held indirect contacts with Iran through the Red Cross and other third parties. Iran has been notified that Egypt views with utmost concern the issue of the Egyptian POW's.

Concerning the Middle East issue and the international peace conference, al-Baz said that the currently adamant Israeli position toward the conference is not immutable, particularly since many Israelis have begun to sense the need for a change. The Israeli people face a challenge in the next elections, the challenge of war or peace, al-Baz said.

Speaking of the best framework within which to bring about peace between Israel and the Palestinians, al-Baz said that Israel should withdraw from the West Bank and Gaza and that a Palestinian entity should be established in confederation with Jordan. The Palestinian people, he said, should also be allowed to exercise their right for self-determination and for a state of their own.

Answering a question about the possibility of a Palestinian government in exile being established and whether this would provide a solution to the problem, Dr al-Baz said that a government in exile was an Egyptian proposal. He explained that a "government" would have a greater and better ability than the organization to act on the foreign level.

Dr al-Baz described the uprising in the occupied Arab territories as stemming from the conscience of the Palestinian people. It is an internal matter, he said, and was not instigated or organized from outside. It was a natural reaction to the Israeli policy, which is based on disregarding the rights of the Arabs.

He added that no one can deny the Palestinian people's right to resist. He said that Egypt rejects the Israeli behavior and has strongly challenged it through contacts with the Israeli Government, the United Nations, and the United States.

Regarding the Tabah dispute, Dr al-Baz stated that Israel is aware that its position on the issue is weak. He noted that four distinguished Israeli lawyers had turned down the Israeli Government's request for them to take up the case because they realized the weakness of the Israeli position, whereas distinguished Egyptian lawyers have rushed to take up the Egyptian case. This proves Egypt's right to Tabah, he added, reiterating that Egypt accepts arbitration in the case.

Regarding President Mubarak's forthcoming Gulf tour, Dr al-Baz said that every Arab state is considered a member in the one Arab body. He pointed out that during his talks with the leaders of the Gulf states, President Mubarak will discuss the situation in each

country and in the Gulf region in general, will try to explore their appreciation of the situation and the way the war could develop, and will also explore the possible success of the peace efforts, particularly those exerted by the United Nations.

Dr al-Baz added that President Mubarak will also acquaint himself with the views of the brother leaders on the Middle East issues, particularly the Palestinian issue. He called in this regard for the need of a unified Arab position on the means for action and for exploiting the existing contacts between the two superpowers.

At the conclusion of the first installment in his interview, Dr al-Baz noted that it was natural for Mubarak's tour to come in the wake of the emergency Amman summit conference and after relations had assumed a sound and correct form. It was also natural, he said, for meetings to take place on the highest level and within a sound framework in order to discuss ways to implement the summit resolutions.

/9274

Relationship between Cases, Political Climate in Nation Reviewed

*45040042a Paris AL-MUSTAQBAL
26 Dec 87 pp 26, 27*

[Article by Yusuf al-Qa'id: " 'Abd-al-Nasir, Al-Sadat and Al-Banna in the role of Defendants!"]

[Text] How great the difference is among the followers of 'Abd-al-Nasir, Anwar al-Sadat and Hasan al-Banna! The proponents of the last consider that the first tendency is their number one enemy. He has unquestionably been their most powerful adversary in the modern history of Egypt. The second rose up against the first and became hostile toward him, not in the context of policies and public action but on the purely personal level. They are three tendencies which bring together the Nasserists and the fundamentalist religious tendencies.

In spite of that, supporters of the three tendencies are now in the role of defendants in Egypt in connection with five cases. Two of them concern the sons of 'Abd-al-Nasir, two concern the fundamentalists and one concerns one of al-Sadat's men.

What is the story, exactly? Why are the three tendencies being hit simultaneously now? Let us cast a glance at the facts first of all, then let the analyses stand after that.

Let us begin with the Nasserist tendency in Egypt, which has not recovered from the acts of persecution of al-Sadat's time, when the Nasserists suffered from a personal stand on al-Sadat's part for 11 years. When al-Sadat disappeared from the Egyptian political scene and Mubarak came, the Nasserists felt that the new stage could be given three labels, none of which contradicted the others. They said that it was the stage of "catching

one's breath," they said "the combatant's rest," and they said "the bandaging of the Nasserist wounds which al-Sadat had inflicted on the Egyptian and Arab Nasirist body."

However, it appears that this interval itself has now become at risk, since there are at present two groups behind bars who the Egyptian official papers say are Nasirist forces.

The first group has been indicted in the case of the Revolution of Egypt, the organization which is critical of the American and Israeli presence in Egypt, has carried out a number of successful operations and has not left any traces behind it in any incident. The number of defendants in this case is greater than 40.

The second group consists of 13 persons accused of exchanging intelligence with the Libyan Jamahiriyah in order to create disruptions in important, sensitive places in Egypt, especially in the area of the economy and the banks.

It is forbidden to publish anything about the two cases, owing to a public prosecutor's decree prohibiting publication on investigations which the office of the stage security prosecutor is carrying out on the two of them now, especially since the indictment in the two cases has not yet been published.

Although all the information bearing on the two cases is well known and circulating within the framework of circles of political and journalistic activity, we will withhold talking about their provocative details until the indictment is declared. However, the two cases have entered the arena of Egyptian political activity through the medium of their tremendous influence on Egyptian political reality at present.

With respect to the first case, the case of the Revolution of Egypt, the article by Makram Muhammad Ahmad, the editor in chief of AL-MUSAWWAR, has evolved into something akin to fire poured on oil, inflaming the situation. Under the title "Nasserism and Violence," Makram Muhammad Ahmad wrote an article in AL-MUSAWWAR which met with a storm of Nasserist onslaughts on Makram on the one hand and a sort of attempt to understand and read what is behind the article on the part of the other Egyptian political forces.

Although the public prosecutor's decree had not been announced when Makram Muhammad Ahmad's article was published, the article was based on fundamental matters, one charge, of violence, directed against the Nasirists and another charge against Dr Khalid 'Abd-al-Nasir of having known and been aware of much about the Revolution of Egypt organization and the appeal of the family, the 'Abd-al-Nasir family, for his return, that is Khalid's return, to appear before the equitable Egyptian judiciary — although Khalid 'Abd-al-Nasir has not yet been summoned in an official manner and is not

considered a fugitive from justice. The only ones who have been summoned for testimony are 'Abd-al-Hamid and 'Abd-al-Hakim Jamal 'Abd-al-Nasir. Khalid was in London when rumors about his role in the Revolution of Egypt organization and what has been attributed to him leaked out. He then left London for Yugoslavia, where he is present now. Makram Muhammad Ahmad's article talks about other things, the crisis of Nasserist thought, what remains of 'Abd-al-Nasir's thought, what should be changed in this thinking and the relationship of the sons to the leader. In it there is an attempt to play on some contradictions between the Egyptian Marxist current and the Nasirist current, which are the two currents of the Egyptian left now.

The onslaught of Nasserist replies to the AL-MUSAWWAR article was great, but the parties which took part in this dialogue fell prey to many errors, for the following reasons:

1. There has been no declared indictment specifying the dimensions of the case and the positions of the accused in it, and whether or not they actually were from the Nasserist current.

2. With respect to Khalid Jamal 'Abd-al-Nasir, there has been no summons and he is not considered a fugitive from the legal standpoint at all.

3. The violence directed against the Israelis and Americans in Egypt is not a Nasserist issue at all. As the Egyptian writer and journalist Muna Salim said in the newspaper AL-AHALI, "The violence is directed against Zionism, its institutions and its country, and the people who are standing behind them; it is a violence which cannot be condemned since it is a spontaneous, random expression of the national identity and is an attempt to implant that in the face of those who would try to obliterate it by stripping the Arab nation's central struggle of its main substance, that is, diverting it from the confrontation with Zionism and calling for peace with it. On top of that, this violence has not existed against any Egyptians. Rather, it has been addressed totally to the main enemy and aimed toward him."

However, the problem of Makram Muhammad Ahmad's article is that it seemed like a trial balloon to learn the extent of the reactions on the political stage in the Egyptian and Arab contexts, before the declaration of the indictment occurred in this case. That is what a large number of Nasserist leaders in Egypt told me. It also appeared as if Makram Muhammad Ahmad was trying to wash his hands, for the last time, of the period in his life when he stood in the Nasserist station, under 'Abd-al-Nasir's platform. More than one Nasserist commentator on the article articulated this notion in the opposition press. In addition, everyone reads Makram's articles as if he were now speaking for the regime and the president, and consequently his articles involve a number of interpretations.

It is certain that this case has created for the Egyptian government a dilemma in which it does not want to find itself someday. Getting out of this dilemma requires a miracle at a time which is no longer familiar with miracles. No one wants so many Egyptians to stand in the defendants' dock when the charge is hunting down Mossad and CIA personnel in Egypt. This is because the voices of Sulayman Khatir are not far from people's minds. Any pursuit of Israelis and Americans in Egypt will meet with a sort of mass admiration, and the people making these attempts rise to the levels of heroes in the view of the masses.

All parties want to get out of this real dilemma, although at the least possible loss. This is because Egypt has no choice but to press this case, although no one wants the losses to expand and threaten the state of relative stability which the country is experiencing now.

As for the other espionage case, the investigation into that is still going on.

However, the important thing is that some Nasserist writers have expressed their concerns over Khalid 'Abd-al-Nasir vis-a-vis the Israeli Mossad and American intelligence. That was perhaps the reason he left London and went to Yugoslavia.

There is no limit to the anomalies in Egypt.

While the fundamentalists are striking and actually killing in broad daylight, as at night, their leaders are not declaring their responsibility for these incidents. Indeed, some of them, out of added political shrewdness, are declaring their condemnation of such incidents after they take place, in spite of these tendencies' practice of striking and killing.

However, some of the people who write in the name of the Nasserist current which the indictment in the case has not yet mentioned, and in its papers, have ventured to state, in these words, "Yes, we will strike and kill and all the Arab people are standing behind us in this." Indeed, there are people who have written that Khalid 'Abd-al-Nasir has the right to have a political role, as if they are thus giving justification to people directing accusations at Khalid 'Abd-al-Nasir.

The anomalies are many.

While the members of the People Saved from the Fire are standing in the defendants' dock on the charge of trying to assassinate Hasan Abu Basha, the former Egyptian minister of the interior, Makram Muhammad Ahmad and Maj Gen Nabawi Isma'il, Egypt's former deputy premier and minister of the interior, the Revolution of Egypt organization has been carrying out a number of assassinations that have actually been successful. They were against the administrative attache in the Israeli embassy in Cairo, who was actually killed, and against the Israeli minister of tourism. That missed him

but hit his private guard, Hani Lord. Some attempts involved American intelligence operatives in Egypt. The most recent successful attempt was against the person in charge of American Central Intelligence in the Middle East, who lives in Cairo. His apartment was bombed just half an hour before he got to it, coming from America.

Meanwhile, the People Saved from the Fire organization is directing its blows against Egyptians, while the Revolution of Egypt organization has declared that it will not aim any of its bullets at the heart of any Egyptian, indeed that when Makram Muhammad Ahmad was saved from the attempt to assassinate him, the Revolution of Egypt organization sent him a bouquet of flowers by way of congratulations at being spared, and said in a letter along with the bouquet of flowers that its guns and cannons would not ever be aimed at the heart of any Egyptian, no matter what the circumstances.

The People Saved from the Fire are involved in two cases. The first is the three assassination attempts and the second is one of membership in the organization, although some organization personnel have not yet been arrested, and some of these personnel are important and play a vital, basic role in the organization.

The People Saved from the Fire is a new name on an old face. It is one of the branches from a single tree, the tree of the fundamentalists in Egypt. What happened is that the al-Jihad organization in Egypt, after it had succeeded in assassinating Anwar al-Sadat, and following the famous, well-known al-Jihad organization case, decided to be transformed into a number of small organizations, each one working in a direction different from the other organizations.

The People Saved from the Fire is one of these organizations. Indeed, it is the most recent of the organizations the government has managed to crack down on. This organization's ideology does not differ much from those of the other organizations which branched off from al-Jihad, starting with the notion of renouncing the existing society and calling for flight from it or struggle against it. Although what the People Saved from the Fire did more resembles the notion of getting revenge against two former ministers and a current editor in chief, and the prosecutor's office has called for the execution of some people who had specific roles in the three assassination attempts and called for prison for the others, the indictment with respect to affiliation with the organization has not been declared, since some individuals in the organization have not yet been seized.

People's position regarding the two terrorism cases appears different from that regarding the Revolution of Egypt organization. There is a sort of sympathy with it in its pursuit of the Israelis and Americans in Egypt and its individuals, who are not yet known, are of the level of heroes, especially since they know their way well and realize exactly what is required of them. There is an inclination in Egypt to call what the Revolution of Egypt

does "justified violence" and not to apply the word terrorism to it. People realize that this violence is more a reaction than an action, basically. It is a reaction to what the Israeli enemy is doing in occupied Palestine and Lebanon, and the attempts at cultural invasion it is making in Egypt.

However, the terrorism of the fundamentalist groups, most recent of which is the People Saved from the Fire organization, does not enjoy any mass sympathy, because ultimately it is a type of vindictiveness, no more and no less.

There remain al-Sadat's supporters. The case is focussed on a person whose name is Taha Zaki, a police officer transferred to retirement at the rank of major general some time ago. We might remind those who do not remember Taha Zaki that he was the police officer who spied on 'Abd-al-Nasir's men for al-Sadat's sake, recorded telephone conversations of theirs then brought the tapes on which there were recordings to Anwar al-Sadat. These tapes were the basic preliminary to what he called the 15 May conspiracy, after which 'Abd-al-Nasir's men went to prison, at the beginning of the campaign of slander against 'Abd-al-Nasir. The people forgot Taha Zaki and his story. It is well known that a large number of al-Sadat's supporters gained flagrant wealth in his time. What caused people to remember Taha Zaki is that the judiciary investigation committees in the Department of Illicit Gain summoned him recently for investigation with respect to the charge of exploiting his proximity to al-Sadat in accumulating great wealth in the form of liquid capital, real estate, cars and land. Taha Zaki is 47. He was transferred to retirement 6 years ago. He held the rank of major in 1971 and al-Sadat promoted him to the rank of major general at one stroke that year. This means that he bypassed the ranks of lieutenant colonel, colonel and brigadier general and bypassed long lines of his fellow officers at that time. He came to have a strong, influential say when al-Sadat transferred him to work in his own secretariat. After the incident of the reviewing stand, he was transferred to a job away from the presidency, and in al-Mubarak's era Taha Zaki had to submit financial integrity statements every year. Who prompted the Department of Illicit Gain, which is the new development of the "where did you get that from" agency the 23 July 1952 revolution brought to Egypt, to investigate his wealth and properties, which are greatly in excess of his limited income as a police officer — income which one receives from the government and it is easy to learn accurately?

It became clear from the investigation into him that his properties consist of 50 feddans in Bani Suwayf Governorate, poultry farms covering an area of 6 feddans, an area of 32 feddans planted with fruit (the value of a feddan ranges from 20,000 to 30,000 Egyptian pounds), about 100,000 Egyptian pounds in investment banks, four deluxe cars and a rabbit farm in Turbat al-Mansuriyah near Cairo covering an area of 6 feddans. Taha Zaki has an immense building in the al-Duqi section, a

luxury villa in Alexandria and a luxury villa in the al-Muhandisin section of Cairo. In an inventory of the contents of the villa in which he lives, many valuable artifacts were found. His wealth so far has been estimated at about 20 million Egyptian pounds.

In January 1988 Maj Gen Taha Zaki, the man of the tapes, will be transferred to the Egyptian criminal court so that another of the spectacles of the "thieves of Egypt" who stole everything in Egypt in al-Sadat's time may begin.

The question remains: Is it a coincidence that brought these five cases together at one time, or is it a case of striking out in all directions at present?

Many people in Egypt believe that the desire for balance in political activity is the reason why the objects of the five cases are in the role of defendants at the same time.

11887

Fighting Role In Gulf War Defended

*45040044a Cairo AL-AHRAM AL-DUWALI in Arabic
9 Jan 88 p 6*

[Editorial: "We are not Mercenaries"]

[Text] President Husni Mubarak has left no room for doubt and has silenced all speculations and rumors seeking to harm Egypt's dignity or to detract from its armed forces' capability when he emphatically declared that we are not mercenaries and we do not accept sending our sons, soldiers, and officers to any state in return for all the world's billions, even after completing their military service.

It was necessary to kill all these speculations and rumors regarding an alleged agreement to send 10,000 officers and soldiers from the Egyptian armed forces after they are demobilized to serve in the GCC countries in return for payment by these countries of \$5 billion in order to repay Egypt's military debts. It was necessary to make it very clear that this is a fabricated story and that this is nonsense.

It is true that we are bound to our brethren in the Arab countries by ties of kinsfolk and common destiny and that we will not hesitate and never hesitated at any time to go to the rescue of the Arab brothers and extend to them a helping hand in times of crises. But it is also true that we do not accept it when one says that our soldiers are mercenaries and that there is a price for Egyptian blood regardless of the billions of dollars.

All the battles that our armed forces fought in their recent or distant history were battles for the sake of honor and dignity. We defend our dignity with blood and souls which we will not squander for any price.

Egyptians in all the nations of the world work with pride and dignity, contribute to building the edifices of knowledge and culture, erect bastions of science and civilization, and receive the appreciation and praise they deserve.

We repay our debts with our sweat and toil so that we stand tall and so that our heads can remain raised among the nations.

13305

Armaments Industry Assessed

45040052 Paris AL-MUSTAQBAL in Arabic
9 Jan 88 pp 38-39

[Article: "Middle East Manufactures Weapons for Itself and for Others"]

[Excerpt] The Egyptian armaments industry continues to grow. This was evidenced at the Egyptian armaments fair which was held in Cairo sometime ago and at the Egyptian armaments fair inaugurated in Kuwait nearly two weeks ago. Egypt currently manufactures light and medium guns, small missiles, anti-aircraft missiles and their systems, weapons systems and some parts of military aircraft. Egypt is also busy building a plant to produce the U.S. patented M-1 tank, as well as a variety of munitions. This is in addition to the modifications Egypt has introduced to the old Soviet-made weapons—modifications inspired by the combat experience the Egyptian army has gained in several wars. These modifications are no less significant than manufacturing weapons.

It seems that Egypt has embarked on a policy of establishing an armament industry based on the strategy of copying the variety of weapons existing in the arena or manufacturing weapons on a special license. However, this has not stopped Dr Jamal al-Sayyid, the minister of war production and a former officer, from saying that such industries need successive leaders to take them by the hand and lead them to the top. What is meant by this statement is that this industry requires constant development, generation after generation. There is no doubt that this phrase reflects the concern that a generation of leaders might come and freeze the industry and stop developing it, thus dooming it. This has happened in a number of industrial countries, led by Britain which lives in a state of regret because it neglected to develop the armament industries throughout a period of 6 years in the early 1960's. Consequently, Britain currently lags behind the Soviet Union and the United States, and even France. Neglecting the armaments industry for just 6 years has caused this industry to lag far behind. One wonders what such neglect would cause in countries that produce weapons—often old types of weapons—with a license! Furthermore, what would the situation be in countries that do not produce any weapons?

The old and repeated Egyptian experience has proven that it is impossible to embark on the economic development process before ensuring national security. Without a munitions industry, it is impossible to insure the minimum level of national security. Without an armaments industry, national security continues to be shaky, weak and mortgaged. What is more important is that without munitions and armaments industries, national security continues to be an unbearable burden to the economy. In the presence of these two industries, thousands of work opportunities can be made available, a surplus can be produced for export and the cost of producing munitions and of a variety of weapons decreases sharply. For example, the number of French citizens employed in the armaments industry exceeds 200,000 people and this sector's exports amount to nearly 40 billion francs annually. France is one of a few countries who cover their national security costs by exporting weapons.

There are no statistics on the Egyptian armament industry or on the number of people employed in this industry. However, this industry is a nucleus capable of development. It is also an industry subject to the whims of a future ruler who may eliminate it with the stroke of a pen, as Khedive Sa'id eliminated the armaments industry founded by Muhammad 'Ali and as the armaments industry founded by Jamal 'Abd-al-Nasir in the 1960's was eliminated as a result of the pressures of the increasing production costs and of the inability to develop. (There are those who say that the Soviets were the party who pressured for its elimination). However, the Egyptian theory says that Egyptians no longer think of retreating from a serious strategic economic sector, not now and not in 100 years.

In 1985, it was said that Egypt exported weapons and munitions, especially to Iraq, valued at \$1 billion, i.e. the equivalent of Israeli exports of weapons. However, it seems that this figure is not firm and that it was not repeated the following year. Moreover, the figure has no economic significance unless coupled with a figure on the net added value, which may be large.

08494

Government System of Education, Employment Discussed

45040057 Cairo UKTUBAR in Arabic
10 Jan 88 pp 19-23

[Article by Ahmad 'Uthman: "Will 1987 Problem Become 1988 Issue; Unemployed Graduates: Limited Job Opportunities and Lost Hopes"]

[Excerpts] Because frankness, regardless of how annoying, is comforting, you are asked not to get annoyed when reading these words, considering that they pertain to an issue that concerns you, those around you and the entire country.

If you are one of those aspiring for a job far from the civil service and close to field work beneficial to you and to those around you; if you are an educated person who does not grumble about manual or vocational work of any kind as long as such work is needed and honorable; if you are one of these people, then you are in the same position as the 500,000 graduates who have emerged from the study halls to the Egyptian street or who are waiting in the street for a job in an uncooperative system in which they have to face numerous threats, obstacles and difficulties.

Hundreds of thousands of people dreaming of a lost work opportunity converge in this system. At the same time, reality is marred with banners and headlines such as surplus labor, unemployment and lack of proper work opportunities.

The real situation speaks the most eloquent language, the language of statistics, saying: The current unemployment rate in Egypt is 8.4 percent; 400,000 people enter the labor market annually and a single work opportunity costs 15,000-20,000 pounds. What this means is that if the government continues to appoint graduates to civil service jobs, it will need 6-8 billion pounds annually.

To put it more frankly in an endeavor to reflect a true image of the real situation and to explore future dimensions, we say that the problem of surplus labor surfaced in the early 1980's, that it was moved to the top of the list of issues facing us in the new year which began only a few days ago and that the future prognosis is that this issue will swing between lack of a solution and being a crisis.

In this report, UKTUBAR will try to present a true picture of one of our immediate and urgent issues.

Because the issue requires an urgent solution now that the number of students enrolled in the various educational stages has reached 10 million students, more than one solution has to be sought. The latest and most prominent such solutions and proposals were projected in the conference organized by the Egyptian Communication Association for Development and the German Friedrich Ebert Institution. The ministers of manpower, scientific research, information and emigration and 100 experts and university professors took part in the conference.

Unconventional Dialogue

In the conference, Dr 'Abd-al-Mun'im Radi, dean of the 'Ayn Shams School of Commerce, and Dr Khalid al-Sharif, director of the Administrative Leaders Center, engaged in an unconventional dialogue. The first said that everybody views the people concerned as the people victimized whereas the truth is that the manpower law has taught people to become "idle spongers" and to wait for the appointment letter, regardless of whether they are needed or not. What is worse, these people demand that they be appointed to the jobs they want! I don't know

what prevents a person from working as a plumber and becoming a plumbing contractor in a couple of years or from working as a waiter and becoming a general manager! The manpower law is the worst law known to a nation in modern history. Everybody is appointed so why should we study?

Dr Khalid al-Sharif submitted a study on the factors influencing the Egyptian manager. He cited as an example the Egyptian Dairy Company where losses amounted to 42 million pounds in 2 years. He said that we must acknowledge this painful reality and must take the necessary steps to stop the public sector from collapsing.

Between Education and Work

The conference discussed the topic of education and work opportunities extensively. Dr Isma'il 'Araman, the adviser on human resources planning and development in the Ministry of Manpower, stressed that no matter how idle a person is, he has to look for a work opportunity at one time or another. The problem is that we are in one valley and work opportunities are in another.

On the other hand, Dr 'Abd-al-Latif al-Hunaydi, the general director of the Central Mobilization and Statistics Agency, said that education is not supposed to be tied to work opportunities.

Dr 'Abd-al-Fattah Manja, chairman of the Public Industrialization Authority, responded that we have not yet attained the level of prosperity existing in Sweden, for example, where the principle of "learning for education's sake" prevails.

Dr Muhammad 'Ulaywah from the Ministry of Manpower sees that it is a surprising coincidence that education, not illiteracy, is what is pulling us backward! The danger comes from the surplus graduates, not from the illiterates.

The strangest fact on which the conference shed light is the fact that vocational training, which had been viewed as the life buoy, has also been afflicted with the general education's malady. Muhammad 'Abd-al-Salam from the Ministry of Manpower stressed that the proposal to expand vocational training needs to be reexamined, considering that the number of workers graduating from carpentry schools has amounted to 25,000. Sayyid 'Abd-al-Mu'ti, the Cooperative Production Union's deputy chairman, stressed the same point, saying that vocational education students spend no more than 10 percent of their time in workshops and that, as a result, they graduate without knowing anything about their trade and that most of the graduates apply for work as salesmen.

Dr Jamal Nuwwar from al-Zaqaziq Engineering School warned that the strong enrollment in training centers does not mean that work opportunities are available. It was unanimously agreed that attention must be devoted

to developing work opportunities in the industrial sector and to placing the emphasis on cooperatives and small industries and that the Industrial Development Bank must support the youth's efforts by providing loans in this area. Ahmad al-Sinnari, the Industrial Development Bank's deputy chairman, reaffirmed this point, expressing his readiness to exert all possible efforts in this regard.

Emigration: Pros and Cons

The question of whether emigration is one of the solutions to the unemployment problem was the subject of debate and the conferees split into those supporting emigration and those opposing it. Dr Hibah Nassar, an instructor at the Economics and Political Sciences College, said that emigration which increased in the 1970's did not solve the problem and that the government resorted to that kind of emigration just to "export the problem." The consequence has been a weakened labor market. We don't know if this labor is a production element that must be developed or an export commodity.

Information Has Its Role

The conference's final session dealt with the information media's role in developing work opportunities. Dr Ibrahim Muharram from the 'Ayn Shams School of Agriculture said the media have the responsibility of highlighting successful business models in unconventional areas. He added that the small screen at times paints things in black and white whereas the reality might be somewhat grey. 'Abd-al-'Alim Mustafa, the Ministry of Education's undersecretary for vocational education, wondered why not as much attention is given to the top graduates of vocational education as to the top senior high school graduates? Dr Mahmud Zayid from the Industrial Development Center was surprised by the fact that the small screen continues to reinforce the value of the [high school] diploma in the minds of people while slighting the value of independent tradesmen.

Twenty Two Recommendations

At the conclusion of its meetings, the conference issued 22 recommendations, the most significant of which are the following:

Coordinate between the statistics agencies to provide precise statistics on whatever pertains to the scientific planning of manpower.

Encourage the largest percentage of the manpower available to turn to productive businesses so as to reduce the number of people employed in the government apparatus and in the administrative offices.

Call for the creation of an agency capable of predicting future manpower needs.

Modify the educational structure and expand vocational training.

Devote attention to modernizing management by virtue of the fact that it is the fundamental mainstay of technological modernization.

Have the information media and the press establishments appeal to society to change its customs and behavior and urge people to enter unconventional production areas, such as land reclamation and vocational and trade projects.

Ask the media to encourage the private sector to invest more so as to create more work opportunities and to put the emphasis on small industries by virtue of the fact that they represent a basic mainstay for the large industries.

Mahmud al-Kurdi from the Cairo School of Arts believes that the next step must be the formulation of a clear educational strategy that links education to work so that we would not continue to graduate batches of people and then wonder how to find jobs for them.

Ministers' Views

The ministers expressed varied views at the conference.

Dr 'Adil 'Izz-al-Din, the minister of state for scientific research, has said that every youth is entitled to choose the type of education he wants and the type of work compatible with his inclinations. We must not impose him on society as a civil servant. The student must be somewhat responsible for himself and "I, as a minister, am prepared to offer full assistance and good advice to any youth of this kind. But I don't believe that the conventional thinking befits our society today."

Dr Fu'ad Iskandar, the minister of emigration, believes that emigration could provide a solution to an ever-increasing number of Egyptian youths throughout a period of 2 centuries. It suffices to take into our account Africa as a virgin continent with boundless development potential. A study is being currently conducted on labor in the Arab world and Africa and on future emigration to the present immigration areas and to new areas, if they materialize.

What drew the attention of Dr 'Asim 'Abd-al-Haqq, the minister of manpower and training, was the conference's explanation of the efforts made by various countries to develop their work opportunities. This is our main preoccupation in Egypt. A total of 400,000 people enter the labor market annually, including 100,000 university graduates, 200,000 graduates of middle-level education and 100,000 trained and skilled workers. Therefore, we are moving in more than one direction: The new cities,

the government's commitment to reclaim 150,000 feddans of land annually and the efforts exerted to create numerous work opportunities in the small industries field.

If You Missed Government Employment

Safwat al-Sharif, the minister of information, spoke of the dimensions of the issue of surplus labor in Egypt and of the media's role, defining this role in three points:

Adopting the cause of social transformation and of changing the values that impede society's movement and progress. The principle of "university or aimlessness" is a principle that must disappear from Egyptian society.

Encouraging the youth to enter into new fields of work so that the process of developing new work opportunities may not turn into just a process of creating hidden unemployment and of increasing Egypt's burdens.

Small industries are important and the media must encourage them, regardless of whether they are established by individuals or institutions. What is important is that we must wipe out the concept of "if you have missed government employment, then walk for a year."

Solution

So that the search for employment may not turn into hopeless aimlessness, UKTUBAR has had to ask the specific question: What is the solution?

Dr Mahmud Najib Husni, the new president of Cairo University, proposes rationalizing enrollment in higher education and confining this enrollment to students who are fit for it, as well as determining the government's need for various specializations. He also says that the government must renounce its commitment to employ all graduates, must encourage the small or medium projects that can be founded by graduates and must form work groups in the major public projects.

Open-Door Policy and Byzantine Debates

Dr Hamid al-Sayih, an ex-minister of economy and chairman of the Hong Kong Bank, believes that the solution lies in increased investment. The public sector cannot undertake investment activity independently. We must encourage the private sector with all our capacity so that it may produce and may provide more employment opportunities.

Mahmud 'Uthman, head of the Commodity Complex of Air Egypt and member of the National Party's Economic Committee, believes that the fundamental solution is in focusing on the vocational training which we and the Arab countries need.

New Communities and Private Sector

The only outlet, as Dr' Abd-al-Mun'im Mahir, a professor at Asyut School of Agriculture and chairman of the Arab Cleaning Works Company, sees it, is in the new communities, even though the current circumstances obstruct this outlet. It suffices to know that a graduate is given land only to be surprised by the unavailability of water. Therefore, these joint projects must be given a boost. Moreover, the private sector is a very important factor in providing work opportunities. Despite this fact, the current laws drain this sector in an unimaginable way. "As a company president, I cannot keep up with the taxes that tumble on me from every side. All these taxes from a company whose sole activity is to clean places of worship, particularly mosques. So how can the private sector play its role under such circumstances?"

Graduates: Cancer

Dr 'Abd-al-Mun'im Hasaballah, a professor of internal medicine at the Cairo School of Medicine, offers an opinion formulated in a medical manner. He believes that we are kidding ourselves and that we do not call a spade a spade. The graduates do not produce and do not start families. So where is this alleged appointment? The graduate is like "cancer" in the government body. He requires a skillfull surgeon to eliminate the cancer while preserving the patient's life. The government is required to be honest and to wash its hands of appointing graduates and of everything else. For example, how can the government auction desert lands in search of the highest price? If the government does this, then what will the exploitative capitalist do?

A Village Should Have its Share

Counselor Muhammad 'Isa, a first deputy attorney general at the Administrative Prosecution, has his opinion on the issue. He believes the government must assist the graduates' individual or collective projects by providing them with loans or with land free of charge, contributing to their production, and by assisting them in any other form that is agreed upon. Besides, why shouldn't the graduates be used in their villages and why shouldn't the mature and creative intellectuals lead 4,000 Egyptian villages?

The Government is the Exception

Dr Shafiqah Nasir, a professor of social medicine at Qasr al-'Ayni School of Medicine and a member of the Shura Council, has also expressed her opinion on the issue, saying: Any society is supposed to be founded on three firm elements, namely agriculture, industry and services. We in Egypt have directed the youth toward one path, namely education through general high school, then university and then appointment [to a government job]. Consequently, all the youth are in the service sector. "I am not saying that it is not an important sector but it must not dominate the labor market." The problem can

be solved only by creating new work opportunities in various spheres—be they land reclamation, tourism projects or anything else—excluding the government sphere.

It Is not Asylum

In the opinion of Engineer Muhammad Hasan Durrah, the Labor Party deputy chairman, the solution lies in reconsidering the current education system which, if it continues, will bring catastrophe to Egypt. "I don't understand how a student pays thousands of pounds annually to study in a foreign school and then drives his sleek car to the university to study there free of charge and to repeat his classes for one year or for as long as he wishes! Free education must be reconsidered so that it may apply up to the intermediate phase only. Let high school education be provided at half the cost. But as for the university, the costs should be paid in full. Only exceptional students should be exempted from the costs. The university is not an "asylum" in order that it may enroll free of charge students who earn a 50 percent grade in a country whose debts amount to \$52 billions. The government must also issue a decree declaring that it is in no way obliged to appoint graduates and must abolish the manpower law within a set period of time.

Idlers

It is the view of Dr 'Abd-al-Mun'im Abu-al-Futuh, the Doctors Union assistant secretary general, that it is not right to stack government agencies with employees, assigning dozens of workers to a single office where all they do is get in each other's way. But what can be done when the entire job structure is built on idleness? The government teaches people how to become idle. It educates them free of charge and appoints them to jobs upon graduation. So how can one tell the graduate now: You act on your own. Even if the graduate wants to act on his own, where can he do it? In the private sector which faces numerous obstacles? Even voluntary charitable work does not escape bureaucracy and the suspicions cast on those who engage in it. Until this strange pattern of government-citizen relationship changes, this appointment of graduates has to continue. This is our union's position insofar as doctors are concerned. We support their appointment. However, we reject an increase in the number of students enrolled in schools of medicine, not because society does not need them but because any increase must be coupled with an increase in hospitals and in health services generally.

More Than One Solution

Dr Faraj Fudah, an economic expert, offers more than one solution, including the solution of encouraging small projects and curtailing the obstacles facing the private sector. At the end of the 1970's and the beginning of the 1980's, the demand for manpower did not exceed 23 percent. If we succeed in creating the climate that permits increased investment and production growth,

then this percentage can be restored and we will discover that the unemployment problem is extremely exaggerated. Moreover, free education must be confined to the needed specializations and the number of vocational training centers must be increased so that they may turn out plumbers and machinists for whom the demand is currently increasing. As for graduates who look down on such jobs, the only thing for them is to stay home!

Private Sector's Supremacy

Dr Rif'at al-Sa'id, the Grouping Party's organization secretary, believes the solution is in increased work opportunities. Free education was tied to an endeavor to industrialize, to develop a strong public sector, to build large numbers of factories and, consequently, to create thousands of work opportunities when no education plan linked to the production plan existed. A central plan to absorb graduates is supposed to exist before college seats are allocated for students. This is also happening under the supremacy of the private sector which usually engages in open-door economic activities that are not concerned with increasing production and whose sole objective is to make the biggest profit possible by way of parasitic activities, such as speculation. It is well known that such activities are not labor intensive.

Ridiculous Reasons

Mahir Riyad, an adviser for philosophical disciplines at the Ministry of Education, believes that a fundamental solution is in reducing college enrollment to one-fifth the current enrollment because we do not need more than this rate. The other students should be diverted to technical education. I asked numerous students: Why this eager pursuit of university education even though the graduate's income is small? They answered: For two reasons, namely conscription and a bride. The conscription period is shorter and the chances of marriage are greater. These are ridiculous reasons. Here is where the media should play a role in eliminating this faulty concept from people's minds.

Rewarding the Inept

Dr Muhammad Shawkat, the Petroleum Authority deputy chairman, believes that the commitment to employ graduates and free education are the causes of the labor problem. The commitment to free education should apply to the studious and the poor in particular. As for the inept, who said that we are bound to guarantee them free education and then a job? With this approach, the government reinforces laziness and unemployment.

Journalist Ni'am al-Baz believes that the solution is in a national illiteracy eradication campaign in which a multitude of graduates would participate, each graduate in his province. This is similar to what was done at the time of the prophet, may God's peace and prayers be upon him, when a prisoner taught 10 individuals reading and writing and was then freed. By analogy, we can reward

the graduate who succeeds with certain wages. Free education may not be touched, considering that it is one of the revolution's gains. However, it can be rationalized.

We may have run out of room for our discussion by virtue of space limitations, but as the new year begins there are ample opportunities for translating any discussion into solutions to the biggest problem facing us.

[Box, p 20]

Sad Figures

Sa'd Hajras, the Agricultural Engineers Union chairman says:

The agricultural graduates' problem is that they come from two sources, not one. You find a law graduate or a medical school graduate but you do not find a graduate of a mid-level law or medical school. Agricultural colleges and institutes graduate nearly 10,000 students annually whereas the agricultural high schools graduate 22,000 students annually. This means that there are nearly 30,000 graduates who add annual pressure to the labor market and who greatly exceed the market demand. This situation leads to conspicuous unemployment. Therefore, what is needed is to reduce enrollment in agricultural education by one half or more.

As for the problem of dealing with the vast number of students who have already graduated, it requires a short-term policy based on 3 points:

Distribute reclaimed lands—not barren land that causes misery—to graduates and supply these lands with all the needed utilities.

Increase financing of agricultural investment projects, such as poultry and fish farms.

A plan for the emigration of agriculturalists to Africa. Such a project is urgently needed. With the spread of Indians, Chinese and Pakistanis in South Africa, the emigration of Egyptians becomes important, considering that the Egyptians are more entitled to such emigration than others.

It suffices to note that the number of graduates working in the Ministry of Agriculture and its various divisions has exceeded 100,000 whereas the number of graduates working in villages is nearly 8,000. This means that we have more than 200,000 agricultural engineers who have graduated from universities and mid-level institutes. This is an extremely large number.

[Box, p 22]

Definite Expectations of Increased Unemployment

Dr Isma'il 'Araman, the adviser on human resources planning and development at the Ministry of Manpower, has stated that the conference's real value lies in its stressing that small industries are the starting point and its observation that unemployment has reached 8.4 percent and that it will soon amount to 11 percent.

The government can provide only three percent. The only solution is in the small industries, which not only produce but are also labor intensive. These industries will transform the vast numbers sitting idly behind their office desks into a busy beehive serving society. The conference has also shed light on the gap existing between the technicians in this area and the media people.

08494

Commentator Discusses Unrest In Occupied Land
45040044c Cairo AL-AHRAM AL-DUWALI in Arabic
12 Jan 88 p 12

[Ahmad Baha'-al-Din "Diary"]

[Text] After following the uprising in Gaza Sector and the West Bank all this time, carefully reading the foreign and Israeli papers and in particular Israeli studies, and meeting with some of the personalities that have witnessed those events, both Arabs and foreigners, particularly foreigners who by virtue of their work with international relief bodies and other organizations have lived for years among the Palestinians, one gleans important information leading to understanding exactly what happened and why it happened. One also learns what is new about this uprising which, though less violent and on a smaller scale than earlier ones, has disturbed Israel more than ever before. To understand this is important for us Arabs in general abroad and the Palestinians in particular. True understanding is the key to sound action, and misunderstanding leads to wrong and harmful reactions.

The truth is that the immediate cause for the disturbances that have led to the explosion was not exactly the incident of the Israeli truck driver who killed four Arabs by deliberately running them over. Nor was it exactly because of the Israeli soldiers who deliberately urinated in Arab water wells. Rather it was because of the Arab summit that was held in Amman. It must be frankly said that it was the first Arab summit—an extraordinary summit though it was—to be held in Amman in particular and within a hearing and seeing distance from the inhabitants of the occupied territories who could see it on television and hear it on the radio, and yet make no mention whatsoever of the Palestine problem.

The message that the inhabitants of the occupied territories got was: You deal with your own affairs. You must face your conditions and the occupation on your own.

The fact is that the desperation the "Arabs on the inside" felt toward the "Arabs on the outside" was building up, regardless of whether or not those Arabs were sincere or capable. What mattered was that there was nothing that could come to their rescue from outside. Therefore, a spontaneous slow change toward the inevitability of self-reliance began. This was neither a theory nor an advocacy, but rather a general feeling that was creeping into their hearts and minds and creating new reactions and trends that needed no theory or organization. When the extraordinary summit conference was held, it touched off this spontaneous and instinctive explosion. It created a firm and final belief that the Arabs on the outside are up to their ears in other problems and issues, and therefore we should expect nothing from them. And thus the explosion occurred. 13304

IRAQ

Arab Energy Conference Planned

44000041 Baghdad THE BAGHDAD OBSERVER in English 27 Dec 87 p 2

[Article by Sabah J. Abdul Ahad]

[Text] Baghdad, December 26—The 4th Arab Energy Conference, to be held in Baghdad on March 19, 1988, is to examine the energy situation in the Arab world, the possibility of developing and conserving the present energy resources, and the energy industries, particularly those related to oil and gas.

The 4-day Conference will be sponsored by the Ministry of Oil in cooperation with the Organisation of Arab Petroleum Exporting Countries (OAPEC), the Arab Fund for Economic and Social Development, the Secretariat General of the Arab League, the Arab Industrial Development Organisation and the Arab Mineral Resources Organisation. Many lecturers and energy experts from Arab countries are to attend the conference.

The conference is aimed at establishing an Arab institutional framework for energy issues in order to develop resources in the Arab countries and to coordinate efforts to develop these resources and to evaluate the impact of international energy policies in the Arab world.

The conference is also hoped to strengthen ties between Arab institutions involved in energy issues, to coordinate energy policies with development planning, and to investigate present and future Arab energy requirements and means of meeting them.

The energy conference will discuss a number of research papers on potential Arab oil resources in offshore areas, the new technologies and their impact on oil exploration

and production, the use of computers in the oil industry, solid energy resources in the Arab world, potential use of nuclear energy to generate electricity, in addition to other topics.

The OAPEC Ministers of Oil decided in 1977 to hold regular conferences to coordinate Arab energy policies and strategies and review present and future Arab needs in this regard.

During the first conference held in the United Arab Emirates in March 1977, four main topics were discussed: international energy policies and their impact on the Arab countries, energy situation in the Arab world, technological alternatives for energy in the Arab countries and production and pricing policies.

The second conference held in Qatar in 1982 discussed energy resources, energy demand and oil industries in the Arab world. The conference called for enhancing oil prospecting efforts, encouraging the use of solar energy and strengthening cooperation in the field of nuclear and solid energy sources.

The third conference was held in Algiers in 1985. The conference discussed the situation of energy resources, production, consumption, and conservation in Arab countries. It also studied the oil industry, future energy consumption, and means for cooperation between the Arab countries.

/9274

ISRAEL

Kfir Sales to Columbia Approved

44000040 Haifa INNOVATION in English Dec 87 p 8

[Text] Lod—Twelve Kfir combat planes, developed and built by Israel Aircraft Industries (IAI) here, are to be sold to Colombia. The transaction, now said to be in an advanced negotiating stage, became possible when Secretary of State George Shultz recently expressed the U.S. government's approval.

Press reports indicate that the planes now under discussion are some of the 80 units—out of more than 200 built by IAI—which were mothballed because the Israel Airforce does not have the money to operate and maintain them. About 25 Kfir aircraft were leased to the U.S. armed forces, where they used to simulate MIGs in pilot training programs; more than a hundred are on active service in Israel.

American approval of the proposed sale is needed because the Kfir is powered by a U.S. built engine, the General Electric J79. On earlier occasions, it has been said, Washington blocked talks with other potential buyers in Latin America.

Colombia's decision to buy planes from Israel—if and when it is finalized—will not be its first connection with IAI. On several previous occasions Colombian military craft were overhauled and upgraded in Lod, and two Israel built Aravah planes provide service in parts of that country, where commercial carriers have refused to operate.

/9274

JORDAN

Loan from Britain Finances Developmental Projects

44000030 Amman JORDAN TIMES in English
7-8 Jan 87 p 3

[Text] Amman (J.T.)—Jordan and Britain Wednesday signed and exchanged memoranda under which Britain will provide L5 million loan to help finance a number of projects within the Jordan's 5-year national development plan.

Minister of Planning Taher Kanaan and British Ambassador to Jordan John Coles signed the memoranda, which provide for spending the loan on schemes still to be agreed upon by both sides.

The loan will be in addition to a L10 million British loan to help finance the 5-year plan, which was agreed upon early in November during a visit to Jordan by British Foreign Secretary Geoffrey Howe.

Upon announcing the first loan, Mr Howe said that it was needed to help Jordan carry out its major development programme. He said also that the British government would continue to give all possible assistance within the framework of an overall aid allocation to Jordan.

Already, about \$500,000—half of Britain's technical cooperation assistance programme—is devoted to scholarships and training, according to Mr Howe.

He added that this amount would be increased during 1988, and that there would be a 40 percent increase in the number of Jordanians studying in the United Kingdom at British government's expense.

/12232

Official Describes Efforts to Improve Living Conditions

44040083a Amman AL-RA'Y in Arabic 5 Jan 88 p 2

[Report by Jum'ah al-Shawabikah]

[Text] Madaba — Petra — Minister of Labor and Social Development engineer Khalid al-Haj Hasan met here yesterday with a number of official and public prominent personalities in Madaba province and the district of Dhiban. He discussed with them the situation in the labor and social development sector in the area and ideal ways to develop this sector.

During the meeting the minister stressed the Ministry of Labor and Social Development's desire, through its plans that stem from the government's fundamental principles laid by His Majesty King Husayn, to establish and consolidate strong basis of voluntary social work and to create suitable work opportunities in various areas.

During the visit the minister announced the opening of an office for social development in Dhiban so that through it the ministry would provide its services to the public in accordance with the government's guidelines to offer services for rural inhabitants in order to alleviate their burden. The ministry is also to expand its services in order to be more comprehensive by establishing a national aid fund. These two offices are to be temporarily located in the local social development center.

The minister pointed out that it is continuously striving to develop the local communities, to solve all the social problems, to help low-income people, and to increase participation by women and youths in the Jordanian comprehensive development process. He stressed the need to develop the concept of joint responsibility within the framework of social work and collective efforts by the local institutions, both public and private, to develop and serve society.

The minister began his tour by visiting Madaba governorate's office where he met with Ratib al-Majali, the province governor, who briefed him on the province's needs in the fields of work and social development, particularly with regard to opening a social development office in Dhiban district.

During the meeting the Minister of Labor and Social Development reviewed the fundamental principles governing the ministry's work in implementing the volunteer social work program and providing opportunities for those who look for such work.

He then visited the directorate of social development in Madaba province, inspected its various sections, and got acquainted with the services it offers to the citizens in cooperation with the social charitable societies.

The minister sponsored graduation ceremonies of several classes in the fields of printing, embroidering, telex and computer operation, home economics, and domestic science. The ceremonies were held at the social development center in Dhiban district and in the YWCA.

Engineer Khalid al-Haj Hasan said in a statement to the Jordanian news agency Petra said that the purpose of this visit and forthcoming visits to various parts of the kingdom is to look closely at the conditions of social services and ways to provide citizens with suitable work opportunities. He said that the ministry, through its social services departments, has provided 135,270 dinars in monthly payments to poor families in various parts of Madaba province and 1,095 dinars in emergency

assistance to 14 families that suffered disasters. This is in addition to settling 58 families in projects costing 37,370 dinars and settling 48 families in cooperation with the FAO in various projects costing 15,000 dinars.

He said that the ministry, in cooperation with UNICEF, has provided 100 projects to 100 producing families, including 25 projects for breeding improved rabbit species, 25 poultry projects, 25 home gardens, and 25 health units at a total cost of 8,000 dinars.

The minister added that the ministry, through its technical and social departments, has conducted behavioral studies on 143 persons in the province of those who committed various felonies with a view to improving their conditions and guiding them to the path of an honest life.

He said: In the employment field, the ministry last year provided 151 work opportunities out of 347 to the province inhabitants and granted 2,569 work permits to foreign workers.

In his tour the minister was accompanied by Dr Muhammad al-Suqur, secretary general of the Ministry of Labor and Social Development, and a number of social workers officials.

13305

Staggering Deficit To Be Reduced by 5-Year Plan
44000035 Paris MEMO in English Jan 88 p 15

[Article by Dr Fahd al-Fanek]

[Text] If foreign trade does not exceed 16% of GNP in a country like the United States, it attains more than 125% of GNP in Jordan.

And while a trade deficit equalling 4% of GNP provoked controversies in the U.S., including calls for protective measures on the part of industrialists, Jordan's trade deficit—33% of GNP—should focus the attention on the means to improve the trade balance and narrow the deficit gap.

In normal circumstances any country to attain a relative equilibrium between imports and exports of commodities and services. [sentence as published] In the case of Jordan, the deficit started and increased through the foreign aid, which was used to finance the imports surplus. Yet foreign aid is decreasing, both relatively and in absolute figures, forcing the country to accelerate the opposite process of increasing exports and decreasing imports.

Available statistics indicate that the increase in the volume of imports was faster than both the progress of local production, and the population figures.

In the meanwhile, commodities exports went up from 233,000 dinars (Palestinian Pound) in 1936, to 311 million dinars in 1985 (decreasing after 1985). The ratio of imports, attaining 3.5 times, did not change. This ratio is too high, and it cannot be sustained in the long run. Yet, it is to be noted that the trend has changed in the last four years, with imports slowing down, then starting to decrease. Estimates put imports in 1986 at 20% less than in 1985.

If exports of commodities slowed down in turn, their decrease was less important, thus improving the trade balance for the third consecutive year—as unusual phenomenon in Jordan, where trade deficits were constantly aggravated throughout the last 20 years.

The commercial sector views this phenomenon as a recession attaining the volume of both activities and profits. Yet, the change is salutary from the point of view of national economy, especially if local production increased to fill the imports gap.

Imported factors represent 47-50% of total expenditures for consumption, investments and exports. The high rate limits the economy's responsiveness to new financial resources, half of which finance new imports instead of flowing in the local economy.

One should not forget, however, that while developing the dependence of the country and eroding its currency reserves, imports provide the requirements of development. Machines and transport equipment, so indispensable for development, represented 31% of total imports during the latest plan period.

Progress of Capital Imports

Jordan's imports are divided into three equal components: consumption commodities, capital goods and intermediate goods. The development of imports was mostly positive during the last 20 years, capital and intermediate goods imports increasing at the expense of consumption commodities. This is only to be expected, with the development of industrialization in the country.

In a Master theses on the relation between imports and economic variables during 1960-1985, a scholar, Mr Yassir Mukbil, points out that the income multiplier in Jordan does not exceed 1-1-3%, a very low rate due to the outflow of incomes through imports: a 100 dinars increase in incomes increased imports by 54,3 dinars, divided between consumption (33%), intermediate (36%) and capital goods (31%).

In 1985, Jordan imported 30% of its needs from EEC countries, against 4,5% of its total exports. Another 12% came from the U.S., while Jordan's exports to this country were negligible. Japan represented 6,3% of Jordan's imports, and 2,3% of exports. However, exchanges are more balanced with Arab countries—25% of imports against half of Jordanian exports—, and the Eastern Bloc

which represented 7% of imports against 8,4% of exports. This last figure is satisfactory, although the value of the Eastern Bloc's exports exceeds by far the value of its imports from Jordan.

The New Five-Year Plan: Priority for the Development of Exports

Jordanian authorities are paying a special attention to the foreign trade sector. The new five-year plan aims at developing exports by 7,1% per year. Thus, exports should attain 436,8 million dinars (in real prices) in 1990. This should be achieved through the exports of phosphate, fertilizers, potash, vegetables, drugs, cement and citrus fruits.

The plan envisaged a 2,8% per year increase in imports, including 6,8% increase in imports of capital goods, and 1,4% for the rest (2,2% increase in oil imports).

On the level of fiscal policies, the government intends to increase customs dues, distinguishing between necessities and luxury items, and excepting raw materials not competing with local products. Other measures include increasing the costs of documentary credits, protective barriers in favor of local industry, export incentives, and local alternatives for an imported goods.

/9274

Symposiums Highlight Opportunities for Arab-European Cooperation

44000036 Paris MEMO in English Jan 88 p 13

[Text] European and Arab decision-makers and intellectuals animated three separate colloques on various aspects of Arab-European relations in Amman, during November.

A colloque on "Economic Integration and Co-operation between Jordan and the EEC" was held on 28-29 November at the invitation of the Jordanian University of Amman and the Yarmouk University of Irbid. Its dominant aspect was commercial.

The second colloque of the "Third Arab-European Dialogue" (29-30 November) was held at the invitation of the Arab Culture Club headed by His Royal Highness Prince Hassan bin Talal.

The colloque on "Oil and the Future of Arab Development" was co-organized on 1-2 December by the Ministry of Energy and Natural Resources, the Arab Culture Club, the (Kuwait) Arab Fund for Economic and Social Development OAPEC and the Swedish Academy of Science.

The colloque was the occasion for an exchange of views between Arabs and Scandinavians on co-operation in the fields of Oil, Environment and Development.

To be noted that the common denominator between the three colloques was the dissatisfaction of Arabs with the magnitude and nature of the European role—whether economic, commercial, developmental or political. It, thus, was the occasion for a mutual understanding of the partner's sentiments and positions.

Commercial relations between Jordan and the EEC were criticized as unilateral and unbalanced, EEC exports equalling 40 times its imports from Jordan. EEC experts, however, pointed out that preferential agreements would not generate the desired exchanges if Jordan did not effectively produce commodities adequate for a fiercely competitive European market.

Jordanian economists and businessmen criticized the administrative and technical procedures imposed on Jordanian exporters, including exaggerated hygienic conditions, imposing quotas for certain products, limiting the imports of vegetables and fruits to certain periods, in addition to the minimum value added for products to be considered as of Jordanian origin.

Prince Hassan's opening speech of the Arab-European Dialogue dealt with the Gulf War and the Palestinian Cause, insisting on the excellent results of the Amman Summit, described as a resurrection of the Arab system.

The first day was consecrated to the Gulf War, discussed through studies prepared by Research and Strategic institutes. The second was the occasion to discuss bilateral and multilateral relations, in their commercial, political, developmental and cultural aspects.

One could not but notice how much the Arab side was forthcoming with its many suggestions and ideas, while Europeans were rather reserved, having little to offer.

Mr Claude Cheysson, Commissioner for North-South relations, addressed the partners in the dialogue, but declined Prince Hassan's proposal to comment the discussions.

Prince Hassan addressed the third colloque insisting on the complementarity of Arab and European resources, and the different possible forms of co-operation and interdependence. He called for the elaboration of a common formula to avoid oil crisis and stabilize supplies and prices. His Highness pointed to possibilities of co-operation for food security, and in different fields of modern technology.

Discussion in this colloque, attended by a number of Arabs and Scandinavian oil ministers, turned around four main themes:

- Production/consumption technologies from an environmental point of view;
- Demand and supply, especially in the oil market;

- The repercussions of the oil market on Arab investments and development plans;
- And, inter-Arab and Arab-European integration and co-operation in the fields of production, consumption, development, and commercial and cultural exchanges.

/9274

Editorial Calls For 'United Arab Front' To Support West Bank

44040082 Amman AL-DUSTUR in Arabic
1 Jan 88 pp 1, 20

[Editorial: "Toward Arab Solidarity with Our People in Occupied Territories"]

[Text] The Zionist occupation forces persist in their policy of oppression, suppression and terror against our steadfast people in the occupied territories who are escalating daily their uprising against the usurping enemy and who reject Israel's attempts to contain their revolution, to subjugate them and to impose the hateful occupation reality on them.

By arresting and incarcerating hundreds of Arab youths from the various West Bank and Gaza towns and villages in jails and detention camps which are as cruel as the Nazi detention camps, Israel imagined that it would extinguish the flame of the sweeping popular uprising which has spread from the northernmost to the southernmost part of the occupied homeland. But Israel has been recently surprised by the fact that this uprising has continued with such fervor. Thus, the Zionist occupation forces have been victimized by their short-sighted delusions which have made them imagine that this uprising is led by a small number of youths. These forces have forgotten that all ranks and factions of our proud Arab people in the occupied territories stand united in expressing their objection to and rejection of the continued occupation and of its oppressive and inhuman acts in the occupied Arab territories.

Israel continues to wave another futile weapon in the face of our steadfast people in the occupied territories, namely the weapon of deportation which some leaders of the Israeli military establishment continue to wave and which, they insist, is one of the available means. There is no doubt that this jagged weapon serves the Zionist objectives which have long called for vacating the land of its real owners and for turning it into an easy prey for the Jewish immigrants coming to the occupied territories from all parts of the world.

Jordan has been the first to understand the real significance of the Zionist deportation scheme aimed at our steadfast people and to immediately declare its refusal to receive those deported from the occupied homeland.

Jordan is thus foiling the enemy's historic opportunity to achieve its premeditated aggressive objectives against the occupied Arab territories and against their legitimate owners.

The fact that this popular Arab uprising has continued throughout this period puts the Arab and international family face to face with its historical responsibility. It is no secret that the weakness of the Arab and international family is one of the reasons that have encouraged Israel to increase its oppression and to redouble the number of the oppressive forces it deploys in the Arab towns and villages. Israel realizes that the U.S. administration, for example, has uttered just one word to characterize the Zionist deportation policy—a word expressed by the U.S. consul in the occupied Jerusalem who has described this policy as "wrong." We say that Israel realizes that this administration will maintain its silence and will continue to be the ally on which Israel can rely despite all the hollow censure and reproach words this administration voices.

Therefore, a position of true Arab solidarity is the only way to support our people in the occupied territories, to block the path of Israel which is taking advantage of this international procrastination and to force Israel to submit to the international treaties and to the principles that provide for protecting our unarmed people who are straining under the yoke of the occupation and who are suffering from this occupation's oppressive actions and its terroristic and aggressive measures.

08494

Editorial Describes U.S. Peace Efforts as 'Lies'

44040083b Amman AL-RAY in Arabic 5 Jan 88 p 26

[Political Editor "Spotlight" Column: "Limits and Facts of U.S. Commitment"]

[Text] When the U.S. President is committed to "guaranteeing Israel's security" he certainly cannot be committed to "continuing peace efforts in the Middle East".

When the U.S. President is committed to "strategic alliance with Israel" he certainly cannot be committed to "the stability and security of the Middle East".

To which "Israel" and to what boundaries is the U.S. President committed? If it is "Israel" which the Israeli Prime Minister calls "the land of Israel", then what kind of peace is the U.S. President committing himself to in the Middle East?

If the U.S. President is committed to strategic alliance with "Israel" and this "Israel" is refusing to have boundaries for itself like the rest of the world countries, then how can the U.S. President commit himself to the stability and security of the region?

Throughout the past 20 years the U.S. policy has been dealing with the Arabs through falsehoods. The United States has not dealt with the question of the Israeli occupation of Palestine and the Golan as being an occupation of this area. The evidence is that it finances the establishment of settlements on this land, subsidizes the occupation costs, arms the occupation army so that it will remain superior to all the armies in the area, and bears on behalf of the Israelis the moral guilt of the occupation in every international forum that condemns the Zionist aggressive behavior.

On every occasion the United States calls on each Arab country to directly negotiate with "Israel", but every time it refuses to commit itself to declared boundaries of the occupied territory over which it is asking us or asking others to negotiate.

The United States recognizes Syria and has diplomatic relations with it. So why does it accept the occupation of Syrian land and the annexation of such land to "Israel"? If it does not accept that, why then does it finance the building of Israeli settlements on it? Why does it ally itself with "Israel" in its occupation?

There is both an American summer and an American winter. The U.S. policy is either to deal with the Israeli summer through lies or to deal with the Arab winter through lies. The fact that every blind person in this world can see is that Washington is not dealing with the Israeli summer through lies at a time when it is depriving the poor, the old, and the students of the United States of livelihood and of schools in order to grant Israel arms and funds. The Israeli citizen receives from the U.S. treasury more than what the American student, old person, or poor receive.

It is no longer possible for the U.S. Administration spokesmen or officials to convince a single Palestinian or Arab child that they care for stability or peace in the region or for the right of the people to self-determination. The Arab policy seems to be the only one convinced. 13305

KUWAIT

Monetary Policy Boost for Economy
44000031 Kuwait ARAB TIMES in English
6 Jan 88 p 10

[Text] The well-known Kuwaiti financial expert Khalid Abulsaud said here yesterday that the linkage between the Kuwaiti dinar and a basket of major international currencies has led to the stability of the dinar within reasonable limits.

Abulsaud, in an interview with Kuwait News Agency, also said that Kuwait's monetary and economic plans brought success to the Kuwaiti economy, internally and externally.

Abulsaud is a famous personality whose statements are seriously taken among international financial experts.

Success

Kuwait's external investments, the expert told Kuna, achieved continued success because of Kuwaiti policies that kept investments from weakening because of current market crises.

"Under current unstable markets, the best financial policy should be based on a basket of major currencies," Abulsaud stressed.

Asked to speculate on the current condition of the US dollar, he said the deteriorating value of the dollar will most likely continue for several weeks unless the seven industrial countries meet to forge a new policy that puts an end to the situation.

Meanwhile, Abulsaud predicted that there will probably be an agreement of an exchange rate of the dollar ranging between 1.6 to 1.7 of the German mark and 125 to 140 of the Japanese yen.

At closing in New York yesterday, the dollar stood at 1.59 of the mark and at 123 for the yen.

"Since the cancellation of Briton Woods agreement of 1971, the world has been operating without a stable monetary order for exchange rates," said the expert in what appeared to be a complaint against current trends of the market.

Plunged

"The possibility of further deterioration is very likely unless the seven industrial nations agree on certain limits for exchange rates similar to the Louvre agreement of February 1986," he added.

Since that agreement, the dollar plunged about 42 percent against the yen and 40 against the mark.

Abulsaud said he believed the dollar was undervalued and expected the Group of Seven to agree to make it fluctuate between 125-140 yen and 1.60-1.70 Deutsche mark, which translates into the Kuwaiti currency at a range between 270-280 fils.

Accord

But he said that any accord between G-7 would not necessarily be better than previous such agreements because it would be tailored to the interests of the seven industrial nations only.

He noted that a further slip of the dollar or even if the US currency maintained its current level would hurt the economies of the other industrial nations which would find it harder to export and therefore start to have trade balance problems.

Raw materials would be another casualty because they are priced in dollars, he said.

/9274

LEBANON

Reporter Traces Extent of Iranian Involvement in Lebanon

4400029 Beirut MONDAY MORNING in English
28 Dec 87-3 Jan 88 pp 6-7

[Article by Reuter's Samia Nakhoul]

[Text] Iran is using hard-pressed resources to spread its influence to the Mediterranean shores, pouring in money to establish a power base among Lebanon's Shiite Moslem community.

The march of posters of Iranian leader Ayatollah Ruhollah Khomeini and the Iranian-backed Hezbollah (Party of God) along south Beirut streets pinpoint where Teheran is gaining ground.

The backing for Lebanon's Shiites, despite a draining seven-year-long war with Iraq, constitutes mainly-Shiite Iran's biggest aid program since the 1979 Islamic Revolution, political experts say.

A Shiite official, speaking on condition of anonymity, said Teheran wanted a power base in Lebanon for its revolutionary message even if it should lose its foothold in East Lebanon's Bekaa Valley, base since 1982 for some 500 Revolutionary Guards.

This year Teheran started assisting thousands of Shiite families in Beirut, after previously only aiding Hezbollah, anti-Israeli guerrillas and relatives of "martyrs" killed in action.

The official told Reuters Iran was now spending about five million dollars a month for its aid projects in Lebanon.

He said Iran's hand was significantly strengthened in comparison with other foreign powers in Lebanon as it had built a network of institutions that literally, brought home its involvement.

"Even if circumstances in Lebanon turned against their military presence, there is no force that can uproot the Iranian ideological beliefs here and infrastructure," he said.

The Teheran-based Martyrs Foundation and such organizations as the Islamic Health Committee, the Organization of the Oppressed and the Iman Khomeini Office are filling a need for free medical, educational and social services for the Lebanese.

Lebanese government support disappeared in 12 years of civil war, while Israel's 1982 invasion drove thousands of Shiites from the South to Beirut's suburbs where packed apartment blocks line narrow streets.

Iran finances the year-old Al-Hawra Maternity Hospital in the suburbs, as it does the Iman Khomeini Hospital in the East Lebanese town of Baalbek—a hotbed of pro-Iranian militants.

Some 40,000 schoolchildren have been awarded scholarships by Iran, which provides its donations through Hezbollah offices in Eastern Lebanon and the poverty-stricken Beirut suburbs, an Iranian official said. "Iran also offered partial assistance with fees for some 78,000 students, including 25,000 enrolled at universities, to ease the burden of the economic crisis in Lebanon," a Hezbollah official said.

The lowest-paid have suffered most from Lebanon's economic collapse, which has thrust inflation to an estimated 550 per cent since January and forced people to queue daily for bread and fuel.

"Through education, Iran will be able to manipulate the new generation by gaining sympathy and support among youngsters, a South Beirut resident commented.

"They are not penetrating through any political door but through an organized educational and relief system," he said.

Children say they like their Iranian-supplied books and stationery, decorated with pictures of Khomeini.

The suburbs, a 41-sq-km semi-autonomous region closed to government authority, bustle with women in Iranian-style chadors—black robes head to toe—while prayers recorded in Iran wail from loudspeakers.

The area, home for an estimated 800,000 Shiites, is rapidly turning into a mini-state like many other parts of Lebanon.

Some pharmacies, cooperatives and shops in south Beirut are run according to Islamic Sharia law—in addition to a branch of Bank Saderat Iran, the largest state bank based in Teheran.

Iran's Ambassador to Lebanon Ahmad Dastmalchian told Reuters Lebanon's economic crisis and the resulting hardship among the already-impooverished was what prompted Iran to help.

"We felt we should help our sisters and brothers so they can keep up their resistance against Israel," he said. "It was our humanitarian and legitimate duty to relieve the people here."

Political observers said Iranian-style fundamentalism was flourishing among the country's estimated 1.3 million Shiites—the largest single religious sect in a population of some four million.

The Shiite community was at the bottom of the Lebanese social scale when Khomeini's revolution showed what his believers could do on their own to overturn the status quo.

"It [as printed] natural people here feel sympathetic to the Iranian revolution, especially after they received no help or response from any country other than Iran," Dastmalchian said. He said Iran's goodwill gesture was welcomed because it at last provided what the Lebanese were longing for.

"The Islamic movement has been our only social security in the absence of functioning (Lebanese) government institutions" agreed Hussein Mortada, a grocer in the southern suburbs.

"There are emotional and religious ties with Iran," he said "We have an allegiance to Iran. We don't look at the Iranian aid as a bribe and neither do they."

Iran stepped up its intervention in Lebanon in 1982 in competition with Israel, the United States, France and Syria. Teheran targeted the Shiites, abandoned by other foreign patrons.

Israel's three-year occupation bred fierce resistance from the community, which had originally welcomed the invasion to end Palestinian control of the Shiite heartland of South Lebanon.

Iran steadily consolidated its influence while Western powers had to pay a heavy price for their presence in Beirut.

Moslem fundamentalist suicide bombers killed more than 300 U.S. and French servicemen in October 1983 at the U.S. Marine and French headquarters of the Multi-national Peacekeeping Force in the capital.

Pro-Iranian militias are held responsible for the abduction of many of the 24 foreigners still missing, believed kidnapped, in Lebanon. Hezbollah has denied any links with the bombings or hostage-taking.

Most of the kidnapped foreigners are believed to be held in the southern suburbs.

"There was religious and political sympathy for Iran but now relations have gone further," said Abu Ali, a carpenter. "We are committed to help the Islamic republic as its survival is ours."

A Shiite politician in Beirut said that in five years Hezbollah had built a force of 5,000 fighters administered by a 12-man council that reports to Iran's ambassador in Damascus, Mohammed Akhtari.

Syria, which sent an estimated 7,000 troops to West Beirut last February to end three years of militia anarchy, has stayed out of the southern suburbs, saying the area was already peaceful.

"We want justice and if justice is granted by Iran we will follow it," said Um Ayad, a 52-year-old woman shopping for her family. "Iran has always stood by the side of the oppressed."

"Americans and others give us food but kill us, while the Iranians feed us to save us. Iran is our refuge and guarantee."

08309

Future Business Prospects of Beirut Evaluated *44000034b Paris MEMO in English Jan 88 pp 24-26*

[Article by Dr T. Yafi, chairman, The National Bank for Industrial & Touristic Development]

[Text] Thirteen years of war (1975-87) have made the international community forget the importance of Beirut as a "Port of Call" for foreign businessmen, and as a center of commerce, finance, and tourism, unique of its kind in the Middle East. A foreign businessman or a Lebanese expatriate—who had lived in Lebanon prior to 1975—now revisiting Beirut would be shocked at the magnitude of change that has taken place. This is evident not only from the physical destruction and deterioration of the city, but very obvious from the impoverishment of the Lebanese. In a short span of time, the visitor would note, with sadness, many hard and negative facts about the future of Lebanon and Beirut in particular. These facts are:

—The magnitude of the replacement costs for the physical destruction and deterioration is estimated by some economists to be around U.S.\$15-20 billion. The loss of income—during the last 13 years could be well above twice the amount of direct physical losses.

—The almost total disappearance of the overall services sector, which prior to the war accounted for around 60% of Lebanon's national income, is presently, around 7% only. This dramatic decrease in the productive and foreign exchange earnings capacity of Lebanon has accounted for the general impoverishment of the economy. Some experts estimate that the national income for

1986/87 is perhaps around 40% of its prewar level. Whereas per capita income in 1974/5 was around U.S.\$1400, today it is around U.S.\$250, the lowest in the middle east area.

Furthermore, the net rate of annual development growth preceding the war was around 6%, but since 1976, it has been continuously negative. All the aforementioned facts together with the inability of the state to impose its authority in all the regions of Lebanon has made it almost impossible for the state to provide adequately the basic services required by its nationals. In any case, the state has been financing its expenditures almost exclusively by resorting to internal debt financing i.e. through loans from Bank of Lebanon, issuance of Treasury bills and loans from the commercial banking system. On the other hand, taxes and customs dues are not collected by the state, but rather in various forms, by the warring factions and the illegal para-military parties.

—Consequently and as a composite result of all the aforementioned factors the Lebanese pound is today on the verge of total collapse. Whereas in pre-war period the Lebanese pound was one of the strongest convertible currencies in the world, today it is fighting hard for survival. In 1974/5 the value of the Dollar was around .225, today it is on the verge of .500. The rate of monetary depreciation has been particularly swift in the last 12 months marking a loss of an average of around 1% per day.

—Containing monetary inflation is today the prime occupation of the monetary and legal authorities. Prior to 1975, the internal debt was almost non-existent. At the end of 1986, the internal debt was around .90 billion or around U.S.\$900 million. At the end of 1987, the internal debt is expected to reach .200 billion and at today's exchange rate (.500 per U.S.\$) it will be around U.S.\$400 million. The reduction in the real value of the internal debt in one year shows the hardships the Lebanese people are facing from monetary erosion.

All the negative factors mentioned above together with the general feeling of morosity and uncertainty about the future, gives a very discouraging outlook for a quick turnaround situation to the good old times i.e. 1955-1975.

Gloomy Expectations

Following are some further reasons for not expecting a quick turnaround to the better.

Prior to 1975, the Lebanese economy was predominantly service oriented and this sector alone, contributed about two-thirds of our national income. The devastation that has taken place has since then whittled the services sector and damaged also the productive capacity of the economy, namely the agricultural and industrial sectors.

Given peace and political stability, however, these sectors can be reconstituted and modernized to become perhaps much more important than they were in the prewar period.

The same, unfortunately, cannot be said for the overall services sector of the economy. Therefore, it is not difficult to visualize that services will no longer play the same dominant role because conditions in both Lebanon and elsewhere in the region have changed dramatically. Consequently, readjustment to new realities must be considered very seriously both by the authorities and by the private sector.

On the local scene, what do we see? Beirut—the pearl of the Mediterranean—is in shambles. The commercial, touristic and residential quarters which housed the international community are in a state of total physical degradation. In general, an atmosphere of political insecurity and uncertainty reigns over the country in spite of the fact that hostilities between the warring factions have almost totally subsided.

In short, Beirut is not today, nor will it be in the future, in a position to encourage the once-large international business and banking communities to return or even to use Beirut as a regular port of call for business stopovers. Hundreds of international businesses and banks which left Beirut have now reestablished themselves in adjacent markets such as Cairo, Athens, Nicosia, Amman, Bahrain, Dubai and Jeddah. Under present circumstances, it is far-fetched to believe that these organizations would move back again to Beirut.

The Golden Years

It should be noted that the years between 1955 and 1975 were years of political stability with the exception of 1958. During this so-called golden period, the Lebanese pound, a convertible and floating currency, became one of the strongest currencies in the world. The phenomenal development of the oil industry in nearby states and the impact of this wealth on regional and international trade, permitted the Lebanese business and financial community to develop and provide a very wide range of lucrative services. These in turn enhanced the growth of domestic banking and attracted foreign business and foreign bankers to Beirut, rendering it a regional financial center.

All this, plus the presence of a large and thriving Lebanese business community in the Gulf states, Saudi Arabia and Africa as well as the touristic attractions of Beirut and Lebanon, permitted Lebanon to enjoy continuous surpluses in its balance of payments with the outside world. Growing wealth, together with Lebanon's many attractions and liberal business and banking laws, brought about a phenomenal growth of both domestic and foreign banking in Lebanon.

Beirut became famous for being the most "banking" center per-capita in the world. The lack of discrimination in the banking laws and the relative ease of obtaining licenses to operate and establish offices in Beirut encouraged foreign banks and banks controlled by foreigners to take over about two thirds of all of Lebanon's banking activities.

Furthermore, the presence of over 60 regional offices of major international firms gave Beirut the aura of being an international financial center.

In reality, foreign banks in their various forms were in Beirut, essentially, in order to be close to the source of the oil wealth of the Gulf states and Saudi Arabia.

It should be noted that while Beirut was the money market par excellence in the Middle East, it never was truly an international money market in the real sense. In no way could Beirut be compared to the developed markets of London, Zurich or New York.

Beirut, likewise, enjoyed a developed commercial banking system, but it had neither the experience nor the tradition of dealing in more sophisticated instruments of credit and transformation provided by the more diversified financial institutions of major money centers. Nevertheless, the growth of Beirut during this period led many observers to believe that eventually the city would become aware of its many handicaps and develop more specialized finance houses which would provide a wider range of financial services to the region and international business community.

Shattered Dreams

Alas, events have retarded and shattered the potentials of such growth in this region. Today, Bahrain, Cairo, Kuwait and even Jeddah have created impressive money markets with free banking zones and are now providing a very wide range of banking and financial services which were not provided by the Lebanese money market, nor can be in the near future. The development of these centers and the creation, liberalization, and highly imaginative banking measures and strategy of the monetary and banking authorities in these centers and the creation of specialized investment banking institutions to recruit international expertise, helped to develop their money and capital markets to a remarkable degree during the last decade.

Beirut will, therefore, find it extremely difficult in the future to catch up or compete with this new regional reality. It has to develop then in a different way, readjusting to the above situation.

Future Prospects After Peace

The objective analyst is bound to note that all the negative factors have been to a minor extent due to internal political differences compounded by regional

conflicts on Lebanese territory. But assuming there is an end to the Lebanese war-through national reconciliation and a general detente in the region—and a return to political stability, what then?

It is the opinion of the writer that Beirut would emerge once again as an important regional business center but not as a financial reasons like the prewar period for the following reasons:

—The unique location of Beirut on the Mediterranean and its proximity to a very rich middle eastern hinterland.

—The remarkable capacity and ingenuity of the Lebanese to re-adjust their skills to new situations and lucrative activities, i.e. export oriented small industries, and capital intensive agriculture, etc....

—The return of the large rich Lebanese business and entrepreneurial community, now living abroad, back to their homeland. The liquid assets of this community is estimated at anywhere between U.S.\$6-12 billion. Part of such holdings are bound to be repatriated and invested in Lebanon.

—The flow of massive Arab aid and foreign aid to Lebanon. A figure of U.S.\$2 billion, has been already committed, but much more may be expected for national reconstruction. Such aid, together with expatriate investments, should permit a huge private and public reconstruction program enabling the economy to reach the prewar income levels in a period of 3-5 years. It is our belief that the annual rate of growth in the first five years of reconstruction should be in the vicinity of not less than 12% annually.

It should be noted that during the war, the industrial sector, which has rarely been protected, has made impressive developments, and this productive sector is bound to grow at a rate of over 25% annually. With some encouragement, the agricultural sector with intensive and modern methods, for which the Lebanese are also noted for their expertise in, is likewise bound to grow annually at an impressive rate.

—With the reconstruction of the major hotels and touristic sites, the touristic sector, would be re-activated essentially for the Lebanese expatriates and visitors from the Arab hinterland.

Lastly, and fortunately for Lebanon, the country is not plagued by heavy external debt. The external debt of Lebanon, in spite of the war, does not exceed U.S.\$600 million. Furthermore the official gold and foreign exchange holdings are today estimated at U.S.\$4.8 billion.

All the aforementioned positive factors are bound to turn the trend of the dirty war and to bring about a situation leading, once again, to prosperity and socio-economic and political stability.

Such being the outlook, the foreign or Lebanese expatriate revisiting Beirut, cannot understand—and regardless of the reasons—why no real effort is being made by the Lebanese, noted for their pragmatic intelligence and imagination at pulling themselves out of this quagmire through national reconciliation. One evident conclusion one has before leaving Beirut—a city which has such lovely memories and impressions—is that the country lacks real and dedicated leadership.... If the foreign visitor is asked to give his objective view about the future prospects of Beirut and Lebanon, he would perhaps only hope for a miracle because achieving miracles is a trait for which Lebanese are famous. I, for one, believe it is by no means farfetched and within the realm of reality.

/9274

MOROCCO

Istiqlal Party Secretary General Interviewed on Political Issues

45040043 *London AL-MAJALLAH in Arabic*
6-12 Jan 88 p 18

[Interview with Mohamed Boucetta, Istiqlal Party Secretary General, by Talhah Jibril in Rabat; Date not Given]

[Text] At the end of 1987, Morocco experienced an interesting phenomenon embodied in the crisis which erupted between the government and the pro-government parliamentary majority on the one hand and between the opposition and the government on the other. It has been noticed that the opposition parties represented in the government, namely the Istiqlal Party, the Socialist Union of the People's Forces, the Progress and Socialism Party and the Popular Democratic Action Organization, have acted in full coordination for the first time to submit bills and proposals to the parliament. Such coordination was not prevalent earlier. AL-MAJALLAH has interviewed Mohamed Boucetta, the Istiqlal Party secretary general, on his party's affairs and on some issues which have attracted the political interest of the Moroccan man on the street.

[Question] It is reiterated in political circles that the Istiqlal Party has been contacted to enter the government. How true is this?

[Answer] I can say that our party has not been contacted to enter the government. We are acting in a normal manner with regard to this issue because we abandoned the government and joined the opposition for obvious reasons. We abandoned the government to protest the rigged elections and the administration's intervention to

create a climate incapable of providing objective and practical criteria to measure the strength of the political parties. Those actions caused the country, and especially our party, great harm. We also departed because of the economic options the government was planning to embrace. There were other reasons, such as the Ministry of Education's policy at the time. However, even though we are not in the government, we do not act differently toward certain issues, especially the issue of uniting the country's territories. Regardless of whether we are in or out of the government, our position on this issue does not change. Besides, we in the opposition do not confine ourselves to criticism but also offer alternatives. Examples of such alternatives were evident in the discussions on the 5-year plan and on the annual budget.

[Question] In the House of Representatives' debates on the 5-year plan and on the annual budget, it was noted that the opposition parties submitted joint proposals for the first time ever. What is the political significance of these proposals and can it be said that they herald the formation of a unified opposition front?

[Answer] I believe that the most important aspect experienced by the current parliament since it was founded is the submission of joint proposals by the opposition parties represented in parliament. This aspect confirms the presence of a united will on common political objectives. This is very important. We in the Istiqlal Party previously submitted specific proposals on significant issues. But when proposals were submitted jointly with the other opposition parties, those proposals gained major importance in the eyes of public opinion. This step will have significant political ramifications.

[Question] But the government considers the opposition's joint proposals an act of political oneupmanship?

[Answer] If we were in the government's place, we would embrace and cling to these proposals. I don't believe that the proposals on developing the border provinces is an act of political oneupmanship and I don't know why it has been rejected. Is every proposal made by the opposition rejected because it is made by the opposition?

[Question] Then why have the proposals been characterized as an act of political oneupmanship?

[Answer] This characterization is absolutely untrue. We have submitted practical and serious proposals and we have not engaged in political oneupmanship.

[Question] It is noted that the opposition parties disagree with the government on fundamental issues, whether regarding the budget or in connection with the economic development plan. How do you see the future in light of this disagreement?

[Answer] We in the opposition could table a motion for a vote of no confidence in the government. But the issue may require further study. But regardless of whatever

materializes in connection with such a motion, I believe that the opposition's presentation of joint proposals is a significant step. Matters may develop in the direction of tabling a motion for a vote of no confidence.

[Question] Have you set a time for such a motion?

[Answer] The move may be made shortly, perhaps in the next parliamentary session.

[Question] When a party tables a motion for a vote of no confidence in the government, this means that this party is offering itself as an alternative. What are your conditions for returning to the government in such a case?

[Answer] We have no firm and set conditions for entering or departing from the government.

It is well known that in accordance with the constitution, the king forms the cabinet and is empowered to select its members from within the parliament or the parties or from outside. We must understand this situation. Insofar as we are concerned, when we are asked to enter the cabinet, when certain conditions are met and when the reasons for our departure from the cabinet disappear, then we will have no objection to participating. But we must know the bases according to which we will enter the government and the program in whose light we will enter it. We must know with whom the cabinet will be formed, if impartial elections will be held and what the guarantees are. When answers are given to these questions and we are asked to enter the cabinet, then we will discuss the matter because we are not against participation per se.

[Question] The idea of forming a joint Moroccan-Algerian-Tunisian consultative council was raised sometime ago and concerted contacts were held recently between the three countries. How strongly can it be said that this climate may lead to the formation of the consultative council?

[Answer] We hope that this will be done as soon as possible. Contacts have been made between the region's countries. In the wake of the Arab Maghreb parties' meeting which was held in Algiers, we proposed the formation of such a consultative council to the Moroccan monarch. He was enthusiastic about the idea but the climate was not right. The circumstances have now changed. This is why we believe that it is necessary to form the consultative council as soon as possible.

[Question] Will you be moving matters in this direction?

[Answer] Yes, we will be moving matters in the next few weeks in coordination with the Socialist Union of the People's Forces.

[Question] What is your analysis of Moroccan-Algerian relations in light of the latest developments?

[Answer] I believe that the manner in which events are unfolding can be characterized as pragmatic. I also believe that it is necessary to put the Sahara issue aside because our position on this issue is clear and well known. I do not believe that there has been a fundamental change among our Algerian brothers even though I think that Algerian officials are more strongly convinced that Morocco is not prepared to relinquish a single inch of the Sahara. This is how complex things are. What is important is that if we are laying bricks to build the Arab Maghreb, then I believe that the current approach is very beneficial. What I mean is that it is very beneficial to revive bilateral cooperation and our countries' moves in the direction of comprehensive unity is very good.

[Question] But how can normal relations be established between Morocco and Algeria when tension still exists between the two countries as a result of the Sahara conflict?

[Answer] This is one of the special characteristics of the Arab Maghreb region where efforts can be made to solve the problems without dwelling on these problems themselves. I believe that the people in the region want unity. I don't think that the Arab Maghreb officials are unaware of this earnest desire, especially since developments are constantly proving that the Arab Maghreb's unity is necessary. Our security, economic and cultural problems show us that it is necessary to achieve this unity, but not mechanically or immediately, of course. However, if there are possibilities to lay bricks in this direction, then I believe that this will serve the area greatly.

[Question] Within the same context, if Moroccan-Algerian relations improve, then this improvement will be inevitably reflected in the Sahara issue. Do you think that the two countries are currently working based on this approach?

[Answer] This is what I noticed in what the two governments are doing, meaning that they are trying to go beyond the Sahara problem, even though it is not an issue that can be settled with the stroke of a pen. It is my opinion that there is a struggle in this region and that the Sahara problem is the embodiment of this struggle. The reason for the real problem is the rivalry for the region's leadership. When officials become convinced that their closeness and unity and the unity of the region generate greater power, the Sahara problem will turn into a very marginal problem. I don't think that Algerian officials are convinced of the idea of creating in the Sahara a mini-state which has no foundations and no institutions and which will weaken the region.

[Question] It is noted that the Istiqlal Party's relations with the PLO leadership are somewhat lukewarm, despite your party's long and fruitful history with the PLO, particularly with Fatah. What are the reasons for this?

[Answer] It is true that relations are lukewarm. But this situation does not extend to the Palestinian cause because it is our duty to defend and support this cause. We believe that the Palestinian leadership's conduct on the Sahara issue during the Palestine National Council's meetings in Algiers was not sound conduct. However, this conduct does not at all mean any change in our position toward the PLO as the sole legitimate representative of the Palestinian people. Relations are lukewarm but I hope that this will be eliminated and that normal relations will be restored.

[Question] Are there contacts in this regard?

[Answer] There have been no contacts with the leadership but we do have contacts with the PLO office in Morocco.

08494

UNITED ARAB EMIRATES

Report on Chemical Industry

44000032 *Dubayy KHALEEJ TIMES in English*
9 Jan 88 p 7

[Article by P. S. Ramanathan]

[Text] The scenario is mixed for chemicals and paints manufacturers in the UAE. Chemical manufacturers believe their offtake could go up by 10 to 15 percent on 1987, but the paint industry would be happy if it maintained its share at last year's levels.

During 1986, the chemical industry's business slumped by as much as 25 percent over the previous year. The performance was the same for paint manufacturers.

Luckily for the former, it was able to maintain its share in 1987, performing promisingly in the last quarter. But the slump seems to be continuing in the paint industry, with exports on the decline.

"There may be an improvement in quantum turnover in 1988, anything between 10 and 15 percent," says M. A. Rathod, general manager of Falcon Chemicals of Jebel Ali, the pioneers in the field.

Industry sources attribute two reasons for this optimism. They believe that the current 50:50 proportion of locally-made and imported goods in the market would tilt in their favour since the imported merchandise has become costlier, specially those from Europe and Japan, to the extent of 35 to 40 percent. The end-user would rather opt for the indigenous product than incur the currency incidence.

Price-rise Avoided

The second sustaining factor, according to chemical makers, is a general feeling in the country that the worst phase of the economic slump is over and things will look up. The slight improvement in overall activity of the construction and fabrication sectors, though small in per capita project cost but widespread and more in number, seems to stem from this positive feeling among property developers and entrepreneurs. It seems industrialists are also not adverse to taking reasonable risks, pinning their hopes on the recovery of the economy.

Among the leading manufacturers of chemicals are National Chlorine Industries of Abu Dhabi, an Adnoc company which produces chlorine, caustic soda and other chemicals, mainly for industrial use; Emirates Chemicals of Jebel Ali Free Zone; Falcon Chemicals of Jebel Ali village; Fosco Minsep of Dubai and FEB of Sharjah.

Overall, the cost of raw materials went up by nearly 15 percent in 1987 over the previous year, but keener competition among local producers made any upward revision of chemicals' prices impossible.

According to conservative estimates, producers are currently operating on a very small profit margin of between three and five percent. It is feared that they may have to settle for even lower margins, at times working at cost prices, to preserve themselves for the post-recovery days.

As though to ward off such an eventuality, a few construction chemical manufacturers have gone in for specialty adhesives and insulation materials, while others have plunged into the backup technical service area in a big way.

Back-up Service

A case in point is of Falcon Chemicals, which has evolved a technical cell to advise end-users of the adaptability of their costly plant and equipment to alternative feedstock and the corrections that could be incorporated to ward off further heavy investments.

This way, it has been possible for the manufacturers to earn the confidence of end-users who, in due course, would not mind paying slightly higher prices for the service backup that goes with the merchandise.

A minimal code of conduct among certain overseas manufacturers and retailers, the local industry feels, will be helpful in nipping the proliferation of woefully sub-standard chemicals.

Till such time as the UAE can evolve a set of international-level standards with the requisite testing labs, it is felt that corroboration from other AGCC or Arab states with standards-and-testing facilities can be insisted upon as a pre-import requisite.

Sub-standard Product

A local manufacturer, who developed a radiator coolant following research at his facility, had to withdraw from the field because a supplier-distributor combination flooded the market with what has been seen to be a sub-standard product for a very low price.

"The marketing of cheap stuff like this, without indicating the contents, concentration and shelf-life, is not possible in Saudi Arabia, where the SASO maintains a strict check on both imported and locally-produced goods," the manufacturer mentioned, adding that SASO's clearance ought to be made statutory for the UAE market.

In the paint industry, there are three major producers in the country. Each of them has the capacity to treble their production, but have been forced to clip even their 12-hour daily output to 60 percent. A lack of construction activity and dearth in export avenues are the main reasons for the under-utilisation of capacities.

The country's estimated annual requirement of decorative and protective paints is in the vicinity of 30,000 tonnes. This is what a single manufacturer is capable of producing on a three-shift basis.

Manufacturers feel it is time import of paints is banned in the UAE, or a stiff duty imposed on it to protect local industry, as has been done in certain other AGCC states.

Jotun Paints of Dubai, set up in 1975 with Norwegian collaboration, has a reasonable share of the market. Hempell's Marine and National Paints (both of Sharjah) are other prominent manufacturers.

The industry, which makes use of nearly 300 kinds of raw material and maintains 2,500 formulations in stock for nationwide distribution, felt the pinch of rising raw material prices last year.

Special Coatings

The prices of pigments, solvents, additives and similar raw materials—all imported—went up by 25 to 30 percent last year. In the face of reduced outlets, only a marginal revision of selling prices is believed to have been possible.

Trade sources indicate that in decorative paints, which account for 60 percent of the current market, and protective/marine finishes, prices rose by 10 to 15 percent depending on demand. Even so, they had to be rebated quickly, as buyers tended to shift their brand loyalty.

Jotun, with its strong research base, has been minimising the impact of the price spiral by developing special coatings. Its polyester glass-fibre-flake-filled coating has been well-received at offshore installations, in areas like pump canisters for sea-water intake.

Self-polishing anti-fouling marine paints, developed in Norway, have given Jotun an unprecedented lead in the field, technical manager Arne Skjonberg said in Dubai.

Ships, coated with them, can withstand the ravages of the sea for at least five years, when epoxy-glass-flake primer coatings are used.

Shipowners stand to derive the best advantage by employing renowned paints, since the manufacturers have a name to maintain, provide round-the-world technical backup and supplies.

INDIA

Papers Report Dispute Between Gandhi, Basu

Gandhi Farakka Speech

46001126 Calcutta *THE TELEGRAPH* in English
17 Nov 87 p 1

[Article by Pathik Guha: "Aid Linked to Performance, PM Tells WB"]

[Text] Farakka, Nov. 16: The Prime Minister, Mr Rajiv Gandhi, today said that the West Bengal government was not doing anything for the improvement of the state. Addressing a mammoth gathering here, he warned that the Centre would stop aid for flood relief if the Central team, which will shortly visit the state, was not satisfied with the work done in this respect.

Giving details of the steps taken by the Centre for West Bengal, the Prime Minister said, "While we are doing our job with great sincerity, the state government has failed in all its assignments. It has not yet submitted the accounts of the relief works against Rs70 crores that I had sanctioned after visiting the flooded areas sometime back. I am sending a Central team soon to inspect the work. I will stop aid if we are not satisfied with the work done."

The Prime Minister, who was here to inaugurate a navigation lockgate for the Farakka barrage, was accompanied by his daughter Priyanka, the Union minister of state for information and broadcasting, Mr Ajit Panja, the Union minister for textiles, Mr Ram Niwas Mirdha, and Mr A.B.A. Ghani Khan Choudhury. The crowd cheered him as he drove to the lockgate from the helped [as printed] and to the football ground where he addressed a one-lakh strong gathering.

Mr Gandhi made it clear that the Congress(I) government at the Centre would continue to work for the uplift of West Bengal despite the fact that it was under Left rule. He urged the people to keep a vigil on the performance of the state government. He cited the case of the fund for flood relief and said he had been told by men from his party that relief works had been totally inadequate.

The Prime Minister referred to the Rs1,000-crore development plan chalked out at the time of his meeting with the chief minister, Mr Jyoti Basu, in Calcutta last year. "We have started the Rs 150-crore modernisation scheme for the jute industries and Rs 100-crore special development programme for jute growers. Parliament has passed the law for increasing the use of jute goods also. Raw jute now selling at a price which is the highest during the past few years. What has the state government done? It has not slashed the sales tax for jute."

According to Mr Gandhi, the Centre had mediated and reopened three closed jute mills of West Bengal recently. "But the state government is not mediating in so many other closed mills where there are labour problems," he said, adding: "If the state does not take the problem seriously, unemployment among jute labourers will multiply by leaps and bounds. It must realise that the Centre cannot do everything for it."

The Prime Minister maintained that the Centre had kept the promises for the projects announced by him like the Digha-Tamluk, Lakshmikantapur-Namkhana railway links and tourist hostels at Gangasagar and Mayapur where work was progressing. Works were complete for 10 Central Schools, but the state has not sanctioned land for one Navodaya Vidyalaya at Manickchak in Malda. "As against this, progress of work at Santaldih and Baldel power stations has not been satisfactory," he said. "As for the southern power generating station, orders for machines have not been placed as yet. We have sanctioned Rs 43.5 crores, although the state demanded Rs 35 crores. The work here also is not satisfactory," he observed. Referring to the Salt Lake stadium, Mr Gandhi said this was the only area in which the state government had done well.

Mr Gandhi, who came here from Purnea in Bihar, was received at the helipad by the governor, Prof. Nurul Hasan, the PCC(I) president, Mr Priya Ranjan Das Munshi, and the state irrigation minister, Mr Debabrata Banerjee. Though Mr Banerjee announced that Mrs Sonia Gandhi would accompany the Prime Minister, Priyanka came instead. She outpaced her father as both of them went up the stairs to the raised platform for a close look of the lockgate. She, however, did not accompany Mr Gandhi to the rostrum at the rally. Instead, she stood close to the heavily protected car that brought him to the football ground.

Among those who were present on the rostrum were Mr Panja, Mr Das Munshi, Mr Khan Choudhury, Mr Abdus Sattar and Mr Subrata Mukherjee. Mr Somen Mitra, PCC(I) general secretary, reached here shortly before the Prime Minister's arrival.

Basu's Retaliatory Remarks

46001126 Calcutta *THE STATESMAN* in English
19 Nov 87 pp 1, 9

[Text] Mr Jyoti Basu lashed out at Mr Rajiv Gandhi on Wednesday, accusing him of repeating "old untruths" and slandering the Left Front Government. Referring to the Prime Minister's charge that the State had failed to utilize the Rs 1,000-crore Central aid package, he said only Rs 96 crores had been received till now. Later, addressing a Left trade union convention, Mr Basu declared: "We shall bring down the corrupt Rajiv Gandhi Government despite all the falsehoods directed at us."

"Strange things are now happening in India, where the Government at the Centre does not function and decisions are not taken. I have not seen such a situation even in Mrs Gandhi's time. The Prime Minister seems bent on destroying the country," Mr Basu said in reaction to Mr Rajiv Gandhi's diatribes against the West Bengal Government at Farakka on Monday.

Referring to Mr Gandhi's allegations that the State Government had failed to utilize the Central aid package he said that "the Prime Minister has not forgotten his election days in West Bengal. He repeats his slanders and continues with his old untruths." In reality, he said, the State had received only Rs 96 crores of the Central aid so far.

The Chief Minister, with a touch of sarcasm, wondered what could have prompted the Centre to suddenly look up at him with "so much of importance." He said he had received reports that intelligence agencies had been directed to inquire whether he was tied up in any case of corruption. "The Centre is out to denigrate me," he said.

Referring to Mr Gandhi's claims of giving assistance to the jute industry in West Bengal, Mr Basu said that "If a person pretends to be so ignorant, it's very difficult to communicate with him." The Prime Minister, he said, should know that it was up to the jute industrialists to claim assistance from the jute modernization fund. He said that so far 17 applications for assistance had been received of which three had been sanctioned. "What can the State Government do if the industrialists do not avail of the funds?"

Mr Basu said that "if giving up sales tax solves the jute industry's problems I am giving it up today. But why does the Centre not give up its Excise duty and ban the import of synthetic granules?" He said the State Government had always insisted on a total assessment of the situation before embarking on any modernization programme about the number of mills to be closed and the number of workers who would face threat of retrenchment and similar factors.

He wondered why Mr Gandhi was trying to take the credit for the reopening of jute mills in Howrah, when all the nine mills in that district were reopened at the initiative of the West Bengal Labour Department. "What has he got to do with it? May be the fact that the mills are in the district of a Congress(I) Union Minister had something to do with his statement in this regard," he remarked.

Mr Basu felt the Prime Minister was trying to "find any stick to beat West Bengal with. The Centre, he said, continued to make deliberate discrimination against his Government even though it appeared at one time that its attitude towards the State might change. "His tirades against us are surprising, since no elections are now being held here." When a reporter reminded Mr Basu of

the coming panchayat elections, he said: "But it is as far away as in February next year. Let Mr Gandhi reserve something for that occasion."

The Chief Minister wondered why Mr Gandhi had praised the State for its cooperation in the Salbom project when "we have not done anything in that connection and the feasibility report is yet to be prepared." Central loans amounting to about Rs 80 crores for the Second Hooghly Bridge, he said, would not be needed by the State till March next year. Mr Gandhi, he said, should also remember that the construction of the bridge had been delayed because of the failure of complete fabrication work by a Central Government undertaking on account of labour problems. "Are we responsible that the bridge may not be ready before 1990?" He said no worthwhile work had begun yet for the development of Calcutta airport with Central assistance.

Referring to Mr Gandhi's threat to stop Central assistance to West Bengal for flood relief, Mr Basu asked: "Is it his zamindari fund?"

Mr Asim Dasgupta, the State's Finance Minister, who was present at the Press conference, said the Centre had so far given Rs 11.87 crores of matching grant and another Rs 12.50 crores for flood relief and rehabilitation. The State, he said, was yet to receive another Rs 20 crores promised by the Centre for flood relief.

He said that following the State Government's repeated requests, a second flood study team would arrive in West Bengal shortly to study the extent of damage wrought by the second spell of floods in the South Bengal districts. "We have just now received the information. They will be too late to study the damage but they are still welcome," he added.

Mr Basu said the 630-MW Bakreshwar thermal power plant would be set up in West Bengal with Soviet assistance, and the details of the project would be chalked out after the visit of the Soviet Prime Minister to Delhi on Friday.

This had been decided at a meeting he had with the Union Finance Minister, Mr N.D. Tewari, in Delhi recently. The Centre had been told that the State Government was keen to bear 30% of the project costs while the Soviets would bear the rest.

Regretting the delay in the setting up of the project, which had been hanging fire for more than two years, Mr Basu said the proposed thermal plant would go a long way in meeting the State's need for more power. The total power deficit would shoot up to 800 MW by the beginning of the Eighth Plan and could even rise to 1,000 MW subsequently. In spite of the growing demand for additional power, the Centre had sanctioned no power plants for the Eighth Plan. "This made it imperative that the project be taken up without delay," he said.

"Moreover," he added, "the increasing demand for power prompted us to reject a formula proposed by the Union Energy Minister earlier that the Bakreshwar project be financed partially by the NTPC. This would have meant that the State would have been entitled to barely 40% of the total generation."

The reopening of the ACC Babcock engineering unit in Durgapur also featured in Mr Basu's discussions with Mr Tewari. The latter reportedly concurred with the State Government's view that the unit should reopen and was of the opinion that BHEL should take over the closed unit. "The situation is positive and the possibility of the unit reopening is quite bright," Mr Basu felt. The Chairman, BHEL, would be meeting him on Thursday for further discussions on the issue, he added.

The proposed Haldia petrochemical project, for which discussions were going on for the past one-and-half years, was also discussed. The project proposals had been referred to IPCL, who were expected to intimate its views to the State Government within two weeks.

The delay in sanctioning the project "was deliberate and reflected the Centre's discriminatory attitude towards the State," Mr Basu said. He had asked Mr Towari how long would it take him to come to a decision.

The Chief Minister criticized the Union Cabinet's decision to close down Bengal Potteries. He said that even Mr Vengala Rao, Union Industries Minister, had confessed "he had fought for further investments to the sick unit in order to make it viable." This went against the Centre's earlier assurance that efforts would be made to nurse the unit back to health. His talks on this score were inconclusive as "everything finally rested on the Prime Minister's decision."

Later, addressing a well-attended convention of Left trade unions and peasant, women and youth organizations at Netaji Indoor Stadium, Mr Basu said: "History has assigned us the role of its agent and we shall play this role. We shall bring down the corrupt Rajiv Gandhi Government despite all the falsehoods directed at us by its leaders."

Expressing his support for two resolutions adopted earlier by a show of hands at convention, Mr Basu said that during his recent visit to Farakka, the Prime Minister had claimed that the Centre had been responsible for the reopening of three closed jute mills in the State. But on inquiry, he had found the Centre actually had nothing to do with it. The reopening had come about through the efforts of the State Labour Minister and the trade unions.

Mr Basu said it had become difficult to "get anything done in Delhi" as "no Central Minister is willing to take any independent decision" and everyone waited for Mr Rajiv Gandhi to lay down policy."

Mr Basu said it was a matter of shame that the Prime Minister had to get a "certificate" from a foreign arms manufacturers that he and his family members had not accepted any kickbacks.

Earlier, Mr Niren Ghosh, the CITU leader, moved two resolutions. One demanded jobs, reopening or nationalization of closed industries, abolition of freight equalization policy with respect to steel and coal, rejuvenation of the steel, coal, jute and other industries and the ports of the State, and remunerative prices for agricultural products. The other resolution demanded the resignation of the Rajiv Gandhi Government and a mid-term election. Both were adopted.

08309

IRAN

Aid to Technical Schools

46000053 *Kabul BAKHTAR in English 0418 GMT*
3 Jan 88

[Text] Kabul, January 2, Bakhtar—Three thousand students are under instruction in 40 different technical fields in 15 professional technical schools, an industrial technicum and four subtechnical schools throughout the country, a concerned representative said. The Soviet Union has provided a loan of 33 million roubles and 7 million roubles of gratis aid to the schools. It is planned that before the end of the current year (ends in 20 March 1987), ten new schools of this type be opened in the capital and provinces. With the realisation of this plan around 5,000 students will come under instruction. It is also planned to establish the faculty of pedagogical engineering, with the cooperation of the Soviet Union, before the end of this year. Graduates of the technicum professional schools will be enrolled in the faculty.

/12223

NEPAL

Swiss to Provide Aid

46000071b *Kathmandu THE RISING NEPAL in*
English 5 Jan 88 p 1

[Text] Kathmandu, Jan. 4 (RSS): Swiss Confederation is to provide a grant assistance of Rs. 10.2 (ten point two) million over the next five years to His Majesty's Government of Nepal for the further development of Jiri Technical School.

To this effect an agreement was signed between His Majesty's Government of Nepal and the Government of Swiss Confederation at the Ministry of Finance Monday.

The agreement was signed by Lok Bahadur Shrestha, Secretary, Ministry of Finance and Werner Wirz, Director A. I. of Swiss Development Cooperation (SATA) to Nepal on behalf of their respective governments.

The grant assistance will be utilized to complete the establishment of Jiri Technical School which trains basic level technicians as construction sub-overseers, agriculture junior technical assistants, auxiliary nurse-midwives in line with His Majesty's Government's basic needs programme.

In particular it will help to cater to the manpower needs of the hilly districts of Sindhupalchowk, Dolakha, Ramechhap, Okhaldhunga and Solukhumbu, says a press release of Finance Ministry.

It may be recalled that Swiss Confederation has been assisting this project since 1981.

The first phase of the project has contributed for the establishment of facilities which includes class rooms, administrative building, hostels, staff accommodations, etc.

His Majesty's Government expressed its sincere appreciation to the government of Switzerland for the grant assistance.

Speaking on the occasion finance secretary Lok Bahadur Shrestha expressed the belief that the grant assistance would help the JTS produce more skilled manpower.

SDC director Werner Wirz underlined the need to adequately place the school graduates into employment channel.

/09599

Growing Nuclear Potential Criticized

46000071a Kathmandu *THE MOTHERLAND* in English 7 Jan 88 p 3

[Text] The leasing of a nuclear powered submarine by the Soviet Union to the Indian Navy ostensibly for training purposes brings another dimension to the growing pile of arms in South Asia which is in no way in keeping with the simultaneous awakening of the need for regional understanding and cooperation imbibed in SAARC. Growing nuclear potentials of at least two of seven South Asian countries continues to be a matter of debate and suspicion hereabouts and the region's increasing expenditure in defense is in glaring contrast to the need for investments in development of other much more essential items.

Unfortunate as this is, it remains a matter of concern that the regional cooperation movement has yet to take up such vital matters as regional disarmament and arms control despite the recognition that strategic perceptions continue to be diverse and thus contribute to impediments for closer cooperation. However, since a regional move in this direction falls neither in the bilateral sector which is so far taboo in SAARC nor is it beyond the realms of regional concern, there is every reason to call for serious thought in this direction. Among other things,

the fall out of such a topic if touched upon by SAARC could be yet another step towards better commonality of perceptions in strategy which, however remote, would nevertheless reduce unwarranted tension and suspicion that the near habitual increase in arms expenditure has verily brought forth.

/09599

PAKISTAN

Implications of Indo-Soviet Relations Analyzed 46000069b Karachi *DAWN* in English 6 Jan 88 p 7

[Article by M.H. Askari]

[Text] A leading Indian news journal commenting on the inauguration of the USSR Cultural Festival in New Delhi in November made the euphoric observation: "The Soviet Union's conquest of India was launched at 6 p.m. on November 21. Three hours later the victory was complete. It took just that amount of time for Moscow's cultural army to storm into the hearts and minds of millions of Indians... Moscow pulled off a spectacular and bloodless propaganda coup." The language may be a trifle too ecstatic, but the comment symbolizes the upswing in Indo-Soviet relations in the recent months.

One is reminded with a painful twinge in one's heart that the "cultural conquest" of India by the Soviet Russian happened to coincide, almost to the day, with the sixteenth anniversary of the Indian Army's intervention in the former East Pakistan. While it was the senseless adventurism of a small clique sitting at the time a thousand miles away in Rawalpindi which was largely responsible for the Dhaka tragedy, the measure of strength that India drew from its ties with the Soviet Russian made its own contribution to the outcome. The quality and dimensions of India's relations with the USSR today are about the same, even if the leadership in Moscow is now irrevocably committed to a policy of peace. Most unhappily however the quality of Pakistan's relations with the Soviets (and India) do not appear to have undergone much noticeable change.

Inevitably, the Soviet "invasion" of India has by no means been confined to the cultural field. There have been thrusts in other directions as well. On the political front particularly there have been a number of high-level exchanges, not the least significant of which was the visit of the Soviet Prime Minister, Mr Nikolai Ryzhkov, about six weeks ago. It ended with the revival of a Soviet offer of a nuclear power station and agreement on Indo-Soviet collaboration in the important sphere of space research.

Shortly afterwards, the MIG 29, described as the most formidable all-weather, multi-purpose interceptor aircraft, with nuclear capability and an advance warning and control system comparable to the American

AWACS, was ceremoniously inducted into the Indian Air Force. There were offers of other important military hardware also. Before leaving New Delhi, Mr Ryzhkov declared that India occupied a "special priority place" in Soviet foreign policy and made it clear that the Soviets would not develop their relations with China "at the expense of its friends". This was obviously meant to dispel any apprehension that possible improvement of relations between China and the Soviet Union could lead to a shift in Russian policy on Vietnam or Kampuchea or India.

The Soviet and Indian Prime Ministers signed three important agreements (and an equal number of protocols) dealing with economic, technological and educational cooperation. One of the trade protocols reportedly provides for a Rs 1000-crore step-up of trade in 1988 over the estimated turnover of Rs 4000-crore for 1987. A 25 percent increase, in trade, even if it largely involves commodity exchange, is bound to make its positive impact on India's economy.

On the political level, the Soviet leader extended full support to India's policy on Sri Lanka and described the India-Sri Lanka accord as of great importance to stability in South Asia. The view is unlikely to be shared by the policy-makers in Islamabad but it means a great deal to India at a time when its peace-keeping force has become bogged down in an unanticipated effort to put down Tamil militancy in a part of the Island republic.

While Mr Ryzhkov's visit to India preceded the approval by the U.S. Congress of the \$4.02 billion aid for Pakistan, it is not difficult to see that the upswing in Indo-Soviet relations is relevant to various developments in the region, particularly the Afghanistan problem, and to the U.S. Administration's firm stand on continued aid to Pakistan. The aid Bill was approved by the U.S. Congress in the face of India's unrelenting attempts to obstruct it.

Low Place

The development understandably drew a good deal of verbal flak from the Indian side. A leading Indian commentator on current affairs, A.S. Abraham, contended that India now occupied "a lowly place in the American scheme of things," and that the U.S. could not be expected to sacrifice its "fundamental strategic interests" in the region as long as Pakistan was willing "to play America's strategic ballgame." In Abraham's view, there would be no limit to the U.S. accommodating Pakistan's wishes as the price of earning Pakistan's cooperation. The price could even extend to "legitimizing" Pakistan's nuclear ambitions by "turning the heat on India and otherwise insisting on India-Pakistan parity." India's chagrin could not have been more explicitly expressed.

Indian commentators regard U.S. gestures such as addressing India as the most important South Asian country as so much window-dressing. Viewed against the soured mood, even the news of the U.S. decision to provide the Indian Air Force with advance electronic systems and training equipment, as reported the other day, would at best elicit a response of sullen nonexcitement in the Indian capital.

As far as U.S. assistance to Pakistan is concerned, it was under Indian pressure that the U.S. Administration decided to disregard the Senate Appropriation Committee's recommendation to put India and Pakistan at par where the hazard of nuclear proliferation was concerned. As soon as the Senate recommendation became known to New Delhi, the U.S. Ambassador in India, Mr John Gunther Dean, called on Prime Minister Rajiv Gandhi and Minister of State Natwar Singh and assured them of President Reagan's personal concern in the matter. During a debate in the Parliament, Mr Natwar Singh agreed with a member who suggested that the Senate committee's recommendation was an unfriendly act.

The ambience of Indo-U.S. relations was obviously very different until as late as November when Mr Rajiv Gandhi had made a 48-hour stopover in Washington for discussions with the American leaders. Summing up his impressions, a leading Indian editor, Aroon Purie who traveled with Mr Gandhi, had ventured to say: "Gone was the *nani yaad dila denge* phase of India-U.S. relations. Rajiv even got an unprecedented assurance from Vice-President George Bush that the CIA was not involved in any destabilising activity in India."

Aroon Purie went on to observe that there had been "a tangible air of camaraderie between the PM's party and the big-wigs of President Reagan's Administration" and that despite his being a 'green-horn' in the game of international politics, Rajiv Gandhi had obviously developed "an extremely close rapport" with both Gorbachev and Reagan. Nonetheless, Purie was realistic enough to admit that while both U.S. and Indian officials claimed tangible progress in bilateral relations, there seemed to be an acceptance of the fact that if they (India and U.S.) were to have any kind of relationship, it could only be in spite of the U.S.-Pakistan axis. This observation is even truer now with fresh assurances of strong U.S. support to Pakistan (and to Afghan Mujahideen) expressed by President Reagan himself following his meeting with Mr Mikhail Gorbachev. American diplomats in Islamabad have delivered important messages to Pakistani leaders, the full contents of which have not yet been made known. All this may have already led to evaporation of the spirit of camaraderie that Aroon Purie was talking about.

However, it is in Pakistan's own interest (as in the interest of the security of the region) that the so-called U.S.-Pakistan axis does not stand in the way of normalization with India or a more harmonious relationship

with Moscow. Once the Soviet forces vacate Afghanistan—which is now a distinct possibility—the U.S. public may not for long remain as supportive of massive military aid to Pakistan as it is today. It is even possible that the American concern over Pakistan's nuclear programme may heighten once again.

In their New Year messages, both Ronald Reagan and Mikhail Gorbachev have pledged themselves to work for peace. Gorbachev in a moving statement regretted that too many Soviet mothers had wept over the graves of their fallen sons—on an obvious reference to the Soviet deaths in Afghanistan over the past eight years. One may relevantly add that too many Pakistani mothers, sisters and daughters have also suffered similarly because of the cross-border fallout of the conflict in Afghanistan.

It is apparently in the quest for bilateral harmony that the Foreign Secretaries of Pakistan and India have agreed to resume their dialogue within the next few days. In the circumstances, it is perplexing to note that the Indian authorities should have decided to perpetuate the painful memory of the 1971 War sixteen years after the event. This is in effect what they have done by providing a place of honour in the Military Academy of Dehra Dun to the pistol surrendered by ex-Gen Niazi in Dhaka.

Is it necessary for the future generations of Indian army officers to seek inspiration in a "victory" which resulted not so much from the professional competence of the Indian forces as from the incompetence of those who were at the helm of affairs in Rawalpindi at the time and seemed anything but concerned at the prospect of a war with India in what was then East Pakistan? The masses of Indian people should know—and in all probability they do—that Pakistan lost the 1971 War before it was actually fought.

/9738

MQM Gains Majority

46000070b Karachi DAWN in English 6 Jan 88 p 1

[Text] Karachi, Jan 5: The Mohajir Qaumi Movement (MQM) captured another seven out of the 10 reserved seats on Tuesday bringing the total number of affiliated councillors in KMC Council to 45 thereby becoming the majority group in the House of 77.

There were 24 candidates for the 10 reserved seats—nine for three workers' seats, and 15 for seven women's seats. All the 67 councillors including, two minority members, exercised their right to vote. The elections were held in a peaceful manner from 11 a.m. to 1 p.m. in the KMC Committee Room (declared polling station) under the supervision of the commissioner of Karachi Mr Shahid Aziz Siddiqui who is the Returning Officer for KMC.

Only the candidates and their agents were allowed to be present in the closed room during counting and at the time of announcement of results at 2.50 p.m.

/9738

MQM Spokesman Calls Leader's Imprisonment 'Reprehensible'

46000070c Karachi DAWN in English 5 Jan 88 p 4

[Text] Karachi, Jan 4: A spokesman for Mohajir Qaumi Movement said here on Monday that the continued imprisonment of the MQM chief, Mr Altaf Husain, exposed the hollowness of the PML Government's claim of democracy and restoration of the fundamental rights.

The policy in keeping Mr Husain in bondage was all the more "reprehensible" in view of the resounding victory of "Haq Parasat" candidates at the local bodies poll, he pointed out. The electorate was under the impression that the PML leaders after their party's defeat in the LB polls in Karachi and Hyderabad would realise the "folly of their past actions" and adopt a conciliatory policy towards the MQM and its chief.

But, the spokesman said, the authorities seem to be thinking of embarking on new ventures to create yet another chain of rowdyism and vandalism to gain their petty ends.

He warned that the MQM would not tolerate any further delay in the matter of Mr Husain's release and demanded that the bureaucracy better refrain from further "provoking the people."

/9738

Ahmadi Spokesman Charges Human Right Violation

46000070d Karachi DAWN in English 5 Jan 88 p 3

[Text] January 4: The Ahmadiya Jamaat has criticised the administration for not allowing the holding of its annual conference for the fourth consecutive year in Rabwah.

A spokesman said that the Jamaat had been holding its annual conference (December 26-28) at Rabwah, where the Ahmadiis predominated, since its inception.

He said that disallowing the holding of the annual conference was a violation of basic human rights.

He urged the Government to allow the Jamaat to hold its annual conference.

/9738

Azad Kashmir Government Accused of Oppression

46000070e Karachi DAWN in English 6 Jan 88 p 9

[Text] January 5: Mr K.H. Khurshid, President of the Jammu and Kashmir Liberation League, has charged the Azad Kashmir Government with using oppressive measures to crush the Opposition movement against "large-scale rigging" in the local bodies elections.

Addressing a meeting here of the four-party Awami Ittehad, which is agitating against the Azad Kashmir Government, on Tuesday, Mr Khurshid said that over 150 leaders and workers had been arrested since the start of the movement. They included former Minister, sitting and former members of the legislative assembly, councillors, students and political workers.

The A.K. Government, he said, was using oppressive measures after the proclamation of a state of emergency.

He said that since the people of Azad Kashmir had rejected the ruling party in the recent elections, there was no justification for it to continue in power. He said that the current agitation was a manifestation of the popular opinion and that it would continue till fresh and impartial elections were held.

/9738

Afghan Refugees in Punjab Increasing

46000070f Karachi DAWN in English 6 Jan 88 p 5

[Text] January 5: The number of Afghan refugees in the Punjab has gone up to 180,000 and is mounting at the rate of one to two thousand a month, official sources told DAWN here on Tuesday.

The refugees have been lodged at two camps, Kot Chandna, Tehsil, Isakhail and Darra Tang, some 30 miles away. The former houses 165,000 refugees while the latter has 15,000. Another 20,000 refugees can be accommodated in these camps.

Sources said if the influx continues, the authorities will have to set up a new camp. If necessary, the new camp will be set up either in Attock or Dera Ghazi Khan districts, they added.

They denied that any refugee from the Punjab had gone back to Afghanistan after the amnesty granted by the Kabul government. There are about 2.2 million refugees in the NWFP and some 600,000 in Baluchistan.

After the recent instances of subversion, the government has issued a directive to all district administrations to apprehend stray refugees and take them to the camps where they have been registered. Some 250 refugees from various cities of the Punjab have been held and taken to the camps. The exercise was still going on. Sources denied any refugee was involved in subversive activities.

The government had set up six basic health units near the camps to provide medical facilities to the refugees. In addition, there was a central referral hospital which handled emergency cases.

A total of 60 percent children in these camps have been immunized so far against six fatal diseases. About 10,000 patients are provided with medical assistance every month. Most of them are suffering from infectious diseases.

According to official sources, many Afghan refugees suffer from scabies (a skin disorder) but they don't carry any disease alien to Pakistan.

/9738

NPP Leader Alleges PPP Defections Due to Wrong Policies

46000074a Karachi DAWN in English 14 Jan 88 p 6

[Text] Hyderabad, Jan 13—The Deputy Secretary General of National People's Party (Sind), Ghazi Salahuddin, has said that thousands of sincere workers of Pakistan People's Party who had suffered untold hardships for the sake of the party since 1977 under the worst Martial Law regime, had left the party because of the dictatorial and undemocratic policies of the party leaders. Commenting on the resignation of Mir Hazar Khan Bijarani, the NPP leader said that people like Mr Ghulam Mustafa Jatoi, Mr Ghulam Mustafa Khar, Mr Mumtaz Bhutto, Mr Hafiz Pirzada, Dr Mubashir Hassan, Mr Mukhtar Rana and Makhdoom Khaliqzaman were the greatest asset for PPP without whom the party stood nowhere today.

He observed that on account of the wrong policies of the leadership, PPP had been wiped out in the local bodies election in Sind and Punjab and the resignation of Mr Bijarani was the proverbial last straw on camel's back.

/9274

MQM Potential for Leadership Examined

46000074b Karachi DAWN in English 14 Jan 88 p 7

[Article by Ghazi Salahuddin]

[Text] We are familiar, as Pakistanis, with the blinding force of passion invested in a political movement. This passion may be excited by hard realities, by genuine sorrows. But the dream it inspires may remain undeciphered and elusive. In its localised context, the Mohajir Qaumi Movement has achieved a remarkable awakening of political imagination. Yet how will it ultimately come to terms with its assertion that Mohajirs are a separate nationality?

One thing is certain. The MQM is the fruit of our political wanderings in the past four decades. But this week we should look at all this only in the mirror of Karachi's municipal politics and the emotions generated by MQM's mayoral sweep on Saturday. This was also the week of an unexpected spluttering of violence in some areas, raising serious questions about the dynamics of disorder in this volatile city.

After its triumph in local polls and the demonstrations which greeted the release of Mr Altaf Hussain and other party activists last Thursday and celebrated the mayoral elections on Saturday, we should confirm the emergency of a veto group in Sind's politics. Such veto groups are generally the outcome of a sustained fragmentation of political power.

The question is: where do these stitute a "separate nationality". [as published] He long in the existing hierarchy of power in the country? [as published] Have they attained sufficient power to neutralise actions which they consider inimical to their interests?

At this stage they have only the municipal administration and it is a very restricted arena for the kind of power they possess in Karachi and Hyderabad. Still, their dominance in the KMC signifies a new beginning. Karachi remains a wounded city and the MQM itself was nurtured in the cauldron of Karachi's massive civic disorders. It has now assumed responsibility for healing these wounds. And this will be a very difficult task.

I remember calling Karachi a city without love because it seemed to belong to nobody in particular. Now the young people who were born and raised in this concrete jungle have developed a strong sense of belonging to the city. They also have a sense of pride in what they are. They have been mobilised into a strong force.

What happened on Saturday was rather unique. I drove through Nazimabad and Liaquatabad that night and saw the illuminations and popular fervour. It was a kind of communal celebration and the young people, mostly teenagers, were having a wonderful time. This became more extravagant than it should have been possibly because the young do not generally have an opportunity for recreational involvement in group activities.

Later that night, there were stray incidents which evoked some harrowing memories of the recent past's fratricidal flare-ups. There was, of course, no apparent provocation for disorder. The MQM could not have been expected to spoil its moment of victory. So how did it all happen? There were references to the hidden hand. However, the tempo of violence did not rise. The people of Karachi are obviously wary of disrupting peace and communal harmony and the leaders of various factions were prompt in their appeals for calm.

This does not, however, mean that Karachi has been rescued from its grave social, political and civic distortions and contradictions. What the MQM will be allowed to do with the KMC should also remain in doubt. What is referred to as the mafia as well as the power brokers, contractors and land-grabbers remain strong.

The new situation also calls into question the political legitimacy of all those who represent Karachi in the National and the Sind assemblies. It has been confirmed that they no longer speak for the people of Karachi. But,

we know, they will not resign—not even the ones who were defeated in the municipal polls. They may not be willing to accept the monumental change that has overwhelmed urban Sind in the wake of the non-party elections of 1985.

In many ways, the issues raised by the MQM establish Karachi's kinship with the rising discontent in rural Sind. But does that bring Karachi in to the political mainstream? In the past, Karachi had been pushed into a corner by religious parties and other reactionary elements. The MQM has done a great service by banishing those parties from the city. What it must do now is to join the political mainstream. But can this be done when its appeal is based on the concept of a "nationality"?

In his meet-the-Press programme at the Karachi Press Club on Friday, a day after his release, Mr Altaf Hussain termed the local bodies elections as a referendum and asserted that by giving a clear mandate to the MQM, the Mohajirs have demonstrated that they [portion omitted] highly motivated young people [portion omitted] argued that there was no harm in having "two nationalities" in Sind because both the Sindhis and the Mohajirs have roots in Sind and "live and work and die for Sind."

All this can create problems in future. Much will depend on the political wisdom of not only the MQM leaders but also the leaders of our national political parties. The urges which have raised the banner of MQM are quite legitimate and do not reflect any separatist tendencies. Since Karachi lacks feudal traditions, it has the capacity to lead the struggle for a meaningful social and political renewal. Yet, it may remain isolated in the national politics.

For the time being, however, the focus is on Karachi's civic problems. It has been plundered for so long by heartless soldiers of fortune. It has always been treated as a tax-yielding city, leaving its essential services in total disarray. The first task is to make Karachi a city of hope. Its new City Fathers symbolise this hope with their youth, their fervour and the popular support of those who can fight for their rights.

/9274

ANP Calls for New Constitution

46000074d Karachi DAWN in English 12 Jan 88 p 5

[Text] Rawalpindi, Jan 11—The central committee of the Awami National Party (ANP), which met here on Sunday with its chief Khan Abdul Wali Khan in the chair, called for a new constitution for the country, which it said, was the only solution to the prevailing internal chaos, economic disparity and instability.

Mr Rasool Bakhsh Balijo, Secretary-General, ANP, while briefing newsmen at a press conference here released a resolution passed unanimously. It urged that the new constitution should be reflective of people's

democratic aspirations and rights of the provinces, besides guaranteeing the non-interference of the armed forces in the affairs of the State.

Mr Palijo pointed out that in the committee's opinion the proposed constitution and a government consisting of people's representatives, elected in general elections by the masses without any restrictions, were a key to solution of all the prevailing problems and difficulties of the country.

Mr Palijo said the ANP believed that in fact the original 1973 Constitution had been put to an end through various amendments made in it during last 20 years contrary to its federal and parliamentary spirit. Now this constitution had lost its original shape and in its present form, it was unable to meet the expectations of the people of Pakistan, particularly those of the smaller provinces. There was no room left for any reform in it and the procedure for which also was impracticable, he added.

The committee observed that the civil liberties record of the present government could be judged from the fact that hundreds of political workers were languishing in jails who were convicted under Martial Law rules and regulations, while more political workers and leaders were being arrested.

Moreover, the nature of general elections if conducted by the present government in the future, could be predicted on the basis of the recently held local body polls, in which votes were purchased and the polls were rigged by the Government in order to achieve the desired results, it said.

The developmental funds, given to the MNAs and MPAs, also came under heavy criticism at the meeting and the committee observed "the bribe of millions of rupees" had resulted in high rate of inflation instead of real socio-economic progress while the price-hike had also registered tremendous increase. Consequently, unemployment particularly among the highly education people, had assumed the shape of a monster, it said.

The committee expressed concern over the deteriorating socio-economic conditions and observed that life had been made impossible for the labours and workers due to the high rate of inflation. It noted that factories were being closed down and the feudal lords, especially those in the ruling party, were free to oust the peasants without any check, or accountability.

/9274

Leader Claims Government 'Marring' Peace in Baluchistan

46000072b Islamabad *THE MUSLIM in English*
4 Jan 88 p 6

[Text] Quetta, Jan. 3: The provincial convener of Sindhi Baluch, Pashtoon Front Mir Maharullah Mahzal has alleged that the Government is deliberately marring the peaceful atmosphere of Baluchistan.

He was addressing a Press conference at Khuzdar the other day. He said the basic rights of the down-trodden masses were usurped, press was not enjoying freedom and even the government was interfering in the judicial proceeding of the honourable courts. In these circumstances the people were forced to take law in their hands he said, adding if these people resorted to protest then the government would not be able to suppress it.

Mr. Mangal described the abduction of Mr. Ahmed Rahi, a leader of SBPF and a newly elected chairman of the Municipal Committee Khuzdar, as a shameful act and charged that this act was done to force the said chairman to join OML. He said, that despite the absence of Mr. Rahi he got 19 votes out of 22 in the election of the Chairman of Khuzdar M.C.

The Provincial Front convener claimed that besides the District Council and Municipal Committee Khuzdar, the front-backed councillors got the majority seats of Union Councils.

/09599

Economic Hard Times Seen

46000069c Karachi *DAWN in English* 4 Jan 88 p 7

[Text] The year 1987 has passed into memory and with it a three-year cycle of boom seems to have started petering out. As this run of good luck lasted, the country registered a high rate of growth, although the year that has just ended showed signs of a decline. The export sector was extraordinarily buoyant and expanded at a fast rate. The new trade policy which is still in the process of implementation has started reinforcing the tri-dimension expansionary trend relating to quality, destination and product diversification. Good weather conditions for the greater part of 1986 and the first half of the last year, along with the increased availability of inputs and the Government's procurement policy, contributed to a comfortable supply position in respect of most of the agricultural commodities. The manufacturing sector also maintained a good growth momentum, although there was a marked slow-down in large-scale manufacturing which was more than compensated for by the small-scale and medium segments. More significant was the increase in domestic savings which, having remained stagnant around or below 5 percent since 1977-78, rose to 9.1 percent during 1986-87. The contribution to this growth came entirely from the private sector—public sector savings being negligible. Even otherwise the public sector is causing anxiety by acting as a drag on the productive efforts of the community. Despite claims of deregulation, the shackles of procedure and the bureaucracy's indifferent and unsympathetic attitude, specially of those engaged in public dealings, continue to dampen popular initiative.

The economic prospects for the new year do not appear to radiate the kind of optimism experienced during the last three years. The reasons for a weakening of confidence emanate from some natural factors as well as the after-effects of certain policies of the Government. This predominant natural factor is the prevailing drought. The official silence on this serious phenomenon is incomprehensible, as indeed is the absence of any indication whether any contingency plan aimed at preparing the effects of this unusual situation has been prepared or not. Lack of rains has already affected wheat sowing (which is reportedly 20 percent less than normal) both in barani and in irrigated areas—the former being very badly affected. If the drought continues for another two or three weeks, it may have a disastrous effect on the rabi crop. The major cash-cum-export crops of rice and cotton are also estimated to have suffered damage. With a shortfall of two million tons in the 1986-87 wheat crop and the prospects for 1987-88 crop being none too bright, the food situation may not remain as comfortable as it was during the preceding year. The low discharge in the rivers in coming months is bound to affect electricity generation which, in turn, may affect industrial production and tube-well operations. WAPDA has already drawn up a schedule of load-shedding.

For the last several years the Government has not been cautious enough in its spending. Revenue mobilization has fallen far short of expenditure, with the result that borrowing—both domestic and external—has crossed the safe limits. In addition, liberal resort to deficit financing over the years has built up inflationary pressure to a point where it was pronounced visible in the closing months of 1987. This pressure may get exacerbated as a result of the spreading effects of drought and increases in service charges of basic utilities under World Bank pressure. The price situation in the coming months needs to be carefully watched.

Another area of concern is the balance of payments which will experience additional pressure as a result of a sizable decline in remittances and a sharp rise in the debt repayment obligation—from 950 million dollars to 1,300 million dollars. Efforts are no doubt being made to offset these adverse consequences by increasing exports but success in this field will depend, to a large extent, on surpluses of rice and cotton available for export and the management of electricity distribution.

With that many upsets and impounderables, the advent of the new year can be said to hold more fears than hopes. It will thus require full harnessing of the energies and efforts of the entire nation and bringing into play sound management capabilities of the administration to tide over the gathering crisis. Unrestrained consumerism which has become the hallmark of our society and which has received a mighty boost from the government's continued liberal policy and baggage rules, must be curbed and saving and moderation in spending encouraged. The parallel economy having assumed a stupendous dimension has attracted the Government's

attention. Some measures have been adopted through the introduction of various types of bearer bonds to bring the black money into the mainstream of the formal economy but the reaction of the honest citizens to these measures needs to be carefully examined and correct conclusions drawn. Genuine sayers should not be placed at a disadvantage. One only hopes that right economic and fiscal policies will be formulated to obviate the threatening prospects.

/19738

Protesters Demand Syed Release

46000069d Karachi DAWN in English 3 Jan 88 p 4

[Text] Karachi, Jan 2: The Jiya Sind Movement held a peaceful rally at the Regal Chowk here on Saturday demanding the release of Mr G.M. Syed as well as those held in Thori railway crossing case.

A sizable number of participants, carrying placards and banners also raised slogans against the setting up of Panoo Aaqil Cantonment. They also protested against the proposed Kalabagh Dam.

Slogans of "Sindhi-Mohajir Bhai Bhai" were also raised, and the demand was voiced for the release of the MQM chief, Mr Altaf Hussain.

Later, a procession was taken out which, after wending its way through Frere Road, Zaibunnisa Street, etc terminated in front of the Karachi Press Club, where the leaders addressed the demonstrators.

Earlier, a partial strike was observed in at least five colleges as well as in Karachi University in support of the demand for the release of Mr Syed and other political detenus.

Our correspondents add:

Hyderabad: The Jeay Sind Movement Action Committee, Hyderabad, staged a demonstration in the compound of Sessions Court to press for the release of Mr G.M. Syed and other political prisoners here on Saturday.

Addressing the rally the leaders of JSSF and Democratic Students Federation, Messrs Asif Baladi, Shafi Mohammad Barfi, Barkat Gohro and Masood Alam Pirzado, demanded immediate release of Mr Syed and other political prisoners and arrest of the murderers of Mastana and Aijaz Kohari.

Another group of JSSF staged a similar demonstration in front of the Hyderabad Press Club.

The demonstrators also took out a procession in the city and raised slogans against the establishment of Pannu Aqil Cantonment and the Kala Bagh Dam project.

Shikarpur: On the joint appeal of Jeay Sind Movement and Mill-owners Association of Shikarpur all markets, commercial centres and trade agencies remained closed on Saturday to protest against the arrest of Mr. G.M. Syed and the kidnaping of a rice miller of Shikarpur, Chandurlal, and killing of his nephew, Ashok Kumar.

The protesters have demanded immediate release of Mr G.M. Syed and recovery of the abducted miller.

On the call of Jeay Sind Tehreek partial strike was observed in Larkana city on Saturday. A peaceful procession was also taken out on main thoroughfares to demand the release of Mr G.M. Syed and other arrested leaders and workers of the Tehreek.

Police and Magistrate remained all the way with them but no untoward incident took place.

Thatta: Black Day was observed in several towns of Thatta to protest against detention of Mr G.M. Syed.

In Thatta city a procession of JSM leaders and workers started from fish market and terminated at the bus stand.

Students boycotted all educational institutions.

A complete strike was observed in Sujawal, Mirpur Bathoro, Dharro and several other towns.

/9738

Editorial Claims Political Exiles Cannot Return
46000050a Karachi DAWN in English 22 Dec 87 p 8

[Text] Karachi, Dec 21: There is not likelihood of about 80 political exiles, convicted by Martial Law courts in four different cases, returning to Pakistan unless a proper re-trial in court is assured.

This was stated by Dr Zafar Niazi, dentist to Mr Zulfikar Ali Bhutto, while talking to Dawn here on Monday.

Of the 80 exiles, 43 are in London, and the rest in other parts in Europe, Libya and the United States.

Referring to the 1985 report of the London-based Amnesty International, 1986 report of the Lawyers Committee on Human Rights based in New York, and the Geneva-based International Jurists Commission's report of 1987, Dr Niazi did not see any point in a "judicial review" of the exile's cases.

He pointed out that the Amnesty International had already demanded retrial for those convicted under the four cases as in its view, the fundamental requirements for a judicial review did not exist in the country.

Besides, he said, those convicted in these cases were not given proper trial, the confessions obtained from those held and convicted were under duress and the defence lawyers were not provided with the necessary material as stated in the amnesty report.

He said the commission on Human Rights had sent a delegate—Mr Claude Cheyson, a former Foreign Minister of France—to Pakistan. During a meeting, Mr Cheyson was assured by Prime Minister Junejo that the cases would be reviewed but nothing had come about as yet.

The exiles, now in the Continent, Libya and the United States, were convicted in four different cases. Some, including Ghulam Murtaza Bhutto, Raja Anwar and Hamidullah, were convicted in the Peshawar case, but details of the charges were not provided to them.

Fifty-four were charged with criminal conspiracy to overthrow the government, in the Kot Lakhpat Trial, 18 were convicted of conspiracy to overthrow the Government in Rawalpindi trial and some in Karachi Bus arson case.

Replying to a question, Dr Niazi said, all the cases against him were false. "I have not violated the law of the land. I was assigned to the Prime Minister as a dentist. As far as I am concerned, the Prime Minister cannot be removed through Martial Law. It is not the law of the land. Whatever I did, I did in line of my duty."

The same was the case, Dr Niazi said, with Surgeon Naseer Shaikh, who was also assigned to Prime Minister Bhutto. He was convicted in absentia for one year.

In reply to a question, he said: "How can one permit him to return to the country unless a proper retrial is assured?"

Referring to other individuals, he said Jam Sadiq Ali's case was different, he might return.

The process of political emigration had started soon after the imposition of Martial Law and during seven years ending Dec 85 the number of exiles rose to 536 in London alone, 90 per cent of whom belonged to the PPP. Of the 536, only 67 were given refugee status under the 1951 UN Convention.

About those who were flown to Libya, he said most of them had gone for jobs while some were forced by the then Secretary-General of the PPP, Dr Ghulam Hussain, and Sardar Mazhar on the hijackers of the PIA plan.

Dr Zafar Niazi intends to leave for Islamabad in a couple of days and re-start his practice there.

/12223

Editorial Defends Need for English as Medium of Instruction

46000049c Karachi DAWN in English 18 Dec 87 p 5

[Text] An action committee of parents and educationists has expressed strong reservations about the Government's medium of instruction policy. There are two main issues on which the committee has taken a stand. First, it has demanded for the parents the right to choose the medium of education for their children. Second, the committee has deplored the dual education policy which offers the option of English as a medium to only a handful of defence establishment schools and expensive, prestigious institutions, while requiring others to use Urdu or an approved provincial language. Given the official neglect from which education has suffered, especially in respect of the standard of textbooks and teaching, the concern many parents feel at the imposition of Urdu or a provincial language in schools is quite valid. The present policy which the Federal Ministry of Education announced in October after considerable delay and prevarication is a compromise between the old and the new systems. According to it, the option of using English is to be retained only for the science subjects and mathematics. For the rest of the subjects, the students will have to answer their question papers in Urdu, Sindhi or an approved language. The merit of this decision aside, the manner in which it has been taken reflects casual approach on the part of our educational planners. With barely three months to go before the Class IX examinations are due, students are now being told about the medium they are supposed to use. Admittedly, only a small section of the students enrolled in English-medium schools will be affected—others were already studying in Urdu or a provincial language and will continue doing so. But in all fairness to those who have to change their medium, numbering perhaps thousands, the announcement should have come much earlier.

Theoretically speaking, the move to switch over to Urdu or a provincial language cannot be questioned. English cannot logically be the medium of mass education in Pakistan where the overwhelming majority of the people do not speak or understand the language. But the reason why English has continued to be in use as a medium in many schools in spite of the option of an alternative language being available is that the measures needed to ensure a high standard of education in Urdu and/or the regional languages have been wanting all these years. No efforts have been made to train highly qualified teachers conversant with the latest teaching methods and proficient in Urdu and Sindhi. Neither have good quality textbooks and other material for additional reading been published in the national and provincial languages. Teaching aids in these languages are also inadequate. As a result, educational institutions interested in maintaining high academic standards have opted for English and have been using textbooks produced by foreign publishers, at least up to Class VIII. With all these deficiencies, it is conceivable that the standards in all schools will now

be uniformly low, except, possibly, in respect of mathematics and science. Those hitherto studying the other subjects in English will have to switch over to Urdu or a provincial language and make do with books of indifferent quality now on the prescribed lists. A more methodical approach to the imperatives of a preparatory phase paving the way for a switch-over to Urdu in the English-medium schools could have made the process smooth, without the likelihood of a fall in the standard of learning and other problems which will arise inevitably.

Apart from the factors mentioned above, the resistance to the change-over to Urdu stems from two other causes. First, the transition to Urdu has been accompanied by the neglect of what are called the regional languages and by a conscious effort to deemphasise the importance of English in spite of a decision taken a long time ago that it would continue to be taught as a compulsory second language at the secondary level in schools. One upshot of it is that no serious attempt has been made to improve the teaching of this language. A report prepared by the Society of Pakistan English Language Teachers finds that every aspect of ELT—teaching methods, curricula, textbooks and examinations—need to be revamped. Only a small number of English-medium schools have managed to maintain a reasonably high standard of English language instruction. Undeniably, a certain level of working knowledge of English is essential if Pakistan is to maintain a vital link with the wider world of scholarship, science and technology and is to be in the mainstream of international communication. Some people tend to think that the change-over to Urdu will automatically mean downgrading English in our school system. This should not be allowed to happen, for teaching English as a second language is very essential and does not conflict with the adoption of Urdu or the regional languages as the medium of instruction.

The second pertinent question is that of implicitly according to the English-speaking class a higher status in national life. English continues to be the medium in professional education, the armed service academy, the superior services examination as well as in the administration. Those who are fluent in English have traditionally enjoyed a privileged position in Pakistan. This, plus the current trend of seeking higher education and employment abroad by many, explains the mushrooming of expensive English-medium schools in the country which prepare students for the Cambridge and London Boards' O-Level examinations. The Government itself recognises this. Hence the move to retain English in a few institutions for the elite and in the schools managed by the defence establishment. It is patent that the new medium policy will do little to eliminate or narrow down this artificial class distinction unless, concurrently, steps are taken to introduce the Pakistani languages in the administration and lawcourts at all levels and unless all qualifying exams for employment are also conducted through approved national languages. Without such a corresponding change-over, the class enjoying special advantages by virtue of its knowledge of English will

remain as privileged as now, thus widening the gap between the ruling elite and the masses. This distinction must end. It is important that Urdu and the provincial languages are introduced in a planned manner not only in schools but in the administration and every other sphere of national life. Additionally, the teaching of English as a second language must be upgraded, so that we can continue to communicate with the outside world on the academic, economic, diplomatic and social levels.

/12223

Editorial Calls Political Prisoners 'Burden on Conscience'

46000074e Karachi DAWN in English 13 Jan 88 p 7

[Editorial: "Tarrying With Hardship Cases"]

[Text] More than two years after the lifting of Martial Law, convicts of ML courts who had been promised relief at the time of the induction of civilian rule are still languishing in jail. During this period, repeated promises were made by the Prime Minister and other members of his Cabinet that a decision on the hardship cases should be taken "soon". First a Special Parliamentary Committee was assigned to look into this matter and it was assured that the Committee would submit its report within six months. It took a lot more time, but it did submit its recommendations to the Prime Minister more than six months ago. Yet a final decision on the hardship cases of Martial Law convicts remains pending. While this delay in providing relief to those many of whom incurred the wrath of Martial Law rule by their active opposition to it is galling, the Federal Justice Minister has now assured the Senate that the Prime Minister's decision on the Special Parliamentary Committee's report relating to hardship cases will be made known during the current session of the Parliament. This assurance came in response to an attempt by two Senators to press discussion on their privilege motion on this crucial issue. The two Senators argued that by failing to shed light on the fate of the Committee's report, the Government had acted contrary to the Prime Minister's solemn assurance on the floor of the House that the cases of some 300 persons convicted by Martial Law courts would be reviewed in the light of the Committee's report. Since the delay in resolving hardship cases has been a subject of comment on so many previous occasions, there is hardly any need to underline the legal and moral aspects of Martial Law justice. It is, indeed, sad that a matter which should have occasioned utmost concern and expeditious action has dragged on for so long. Having amended the Constitution to validate all military court decisions and by denying the convicts any recourse to judicial review, the Parliament should have felt an impulsion to provide relief in hardship cases without any hesitation or prevarication. This delay is a reflection on the wisdom of the parliament's approval of the Eighth Amendment.

Now that the decision of the Prime Minister on this matter is expected during the current session of the Parliament, we do hope that it would conform to the expectations of jurists, human rights activists and concerned citizens. A recent statement by the Federal Justice Minister that the Special Committee had not covered all convicts of Martial Law courts cannot but create some doubt about the criteria adopted to classify hardship cases. When an authoritarian regime cracks down on its adversaries, and arbitrarily puts them out of its way, it is not very easy at a later stage to decide precisely how many of them can be called political prisoners, how many are victims of trumped-up cases and how many have incurred punishment for common-law offences. What is not debatable, however, is the unconstitutionality of military courts and the summary manner of their dispensing justice. All their decisions are a negation of the standard legal procedures. Speaking on the Human Rights Day last month, a former judge of the Supreme Court stressed that all Martial Law convicts should either be given amnesty or their cases should be referred for judicial review. It is not yet known whether the Special Committee has recommended an amendment in the Constitution or relief in hardship cases is to be provided through administrative measures. One hopes that the Prime Minister's decision will not be in the nature of a humanitarian gesture but will be broader in its scope and application, taking into account all the legal and moral aspects of the issue and the different categories of the convicts deserving of relief and justice. The Martial Law convicts are a heavy burden on the nation's conscience, a burden which is as painful as it is a negation of our professed allegiance to the rule of law.

/9274

Commentary Asserts Country Passing Through Critical Phase

46000069f Karachi DAWN in English
1 Jan 88 pp 19, 23

[Article by Nisar Osmani: "Parties and Politics in 1987"]

[Text] The year 1987 has passed into history. And although events do not go by calendar dates, the year did witness some developments that are likely to have a bearing on the country's political future. Pakistan has completed forty years of its chequered history, but a consensus is yet to be reached on a number of basic issues, leaving an inescapable impression that the parties concerned continue to argue in a circle.

Like any other period in the past, the year that has just ended also had its share of events, most of them not very pleasant. The Federal Budget, with its back-breaking taxation proposals some of which had to be withdrawn in the face of wide spread protests, ethnic riots in Karachi and Hyderabad, bomb explosions, the All-Parties Conference at Lahore, the gradual withering away of the MRD,

the not-so-partyless local bodies elections, a bad law-and-order situation, and more defections from some of the political parties stand out among developments that dominated the national scene.

The process of the MRD's disintegration, which started with the hasty and haphazard launching of the 1986 movement, took a more serious turn in 1987 when petty squabbles rather than the much-needed statesmanship came to dominate its activities. In fact, some of the components appear to think that following the withdrawal of Martial Law and restoration of political activities, there is no *raison d'être* left for the Alliance. For quite some time, issues such as a permanent organizational structure for the MRD, the idea of an electoral alliance and proportional representation were sporadically mooted but shelved as there was no unanimity on these questions. Although the failure to act as a unified and effective body was mainly responsible for the crisis, acrimonious exchanges in public appear to have sealed the fate of the MRD.

The PPP's demand for a special status in the alliance, its decision not to attend various MRD meetings at the level of party heads, its disparaging remarks about some comrades in the MRD (Rao Rashid's article in DAWN and Pyarali Allana's remarks), Ms Bhutto's omission of any reference to the MRD during her tours of Punjab and Sind and the party's decision to contest local elections without taking other alliance partners into consideration—all these suggest that the party's interest in the alliance, lukewarm for some time, has gradually diminished to a point where either it would like to stay in the alliance on its own terms or quit. The party probably believes that it no longer needs the shield of the MRD and can go it alone. It remains to be seen, however, whether there would be any re-thinking in the party in the wake of the recent local election results which were anything but encouraging for it or the party continue to stick to the present symbolic relationship with the alliance.

MRD Alliance

Neither can other components of the MRD be absolved from blame. Normally, in alliances like this, partners share both rights and responsibilities on a basis of equality. But in reality the MRD happens to be an alliance of unequals. The PPP is the most potent component and should be recognized as such. In no alliance, national or international, between political parties and states, is the *de facto* position of the parties totally ignored. One, therefore, expected a more pragmatic approach on the part of the non-PPP components in assigning weight to the PPP.

If the partners in the MRD could forget their 1977 confrontation during the PNA movement against the PPP Government, they could certainly learn to live with the realities of politics today. Opposition alliances are not formed easily and often, particularly in a country like

Pakistan where politics is plagued by both intra-party and inter-party differences and disrupted now and then by martial law rule and restrictions on political activity.

As things stand, the MRD has never been more sharply divided. The crisis of confidence in its ranks is deepening and it appears that separation with the PPP has already taken place; only the divorce is to be formally pronounced. It goes without saying that in this atmosphere of mutual mistrust the opposition as a whole as also the cause of democracy are the main losers; the gainers are the ruling party and the elements who never lose an opportunity of indulging in vilification of parties, holding them responsible for all national problems.

The All-Parties Conference convened in Lahore on 16 August by the JUI, a component of the MRD, was a major turning point in the seven-year history of the alliance. It failed to lay the foundation of broad-based understanding among those parties which had been demanding fresh elections for a transfer of power to the genuinely elected representatives. In fact, the APC proved counter-productive.

Strictly speaking, the conference was a non-starter. Weeks before it could be convened, parties both inside and outside the MRD chose to express their reservations in public. Convener Maulana Fazlur Rehman had a series of meetings with some of the invitees trying to reply to the clarifications sought by them and until about a couple of days before, it appeared that the conference would be well-attended and a success. However, that was not to be, as the reservations turned into suspicions.

Tehrik-i-Istiqlal was the only party which made it public much earlier that it would stay away from the conference which, it believed, was not going to achieve the desired result but would be an exercise in futility. The JUP of Maulana Noorani decided not to attend on the ground that it was not satisfied with the clarifications given by the convener. It was of the opinion that the gathering at the conference would be too unwieldy to take substantive decisions on basic issues. The eleventh-hour refusal came as a shock to the organizers, who maintained that they had been given categorical assurances by the JUP to participate. It is generally believed that the JUP which was the original convener of the conference was cut up at being deprived of the role and the credit and thought that staying away was one way of expressing its annoyance.

The NDP also chose to boycott the proceedings on the ground that the conference would be attended by those who had contested the February 1985 elections, particularly the Parliamentary Opposition Group (POG). The clarifications by the organizers could not satisfy them either. Ironically, the POG declined the invitation as it was not in a position to accept the precondition of tendering their resignations from the membership of the legislatures before entering the conference hall—a price which they believed was too high to pay.

The biggest surprise, however, was sprung by Malik Qasim's Muslim League, the PPP and the ANP. While the former totally boycotted the moot, the latter two parties chose to attend only as observers. Malik Qasim wanted a clear-cut assurance that the APC would adopt the MRD document on provincial autonomy and also express its unequivocal opposition to the system of proportional representation. The PPP took exception to the proposal in the draft, circulated earlier by the organizers, that a care-taker government, comprising representatives of the parties that had struggled for the cause of democracy, should conduct general elections within 120 days.

Instead, it suggested that the elections should be held under the supervision of those judges who had decided not to take oath under the Provisional Constitution Order (PCO). It believed that the opposition parties should boycott the election *en bloc* if any of them was left out of the electoral arena on being denied registration. But, above all, it suspected that the conference mainly aimed at forming a new alliance parallel to the MRD. The PPP did not want to share the moot with the NPP of Mr Jatoi which, it believed wanted to use the forum to come to power through the back-door.

The Jamaat-i-Islami was the only notable party which was not invited.

The non-MRD parties which decided to take part in the APC included the NPP. However, there are those who feel that its presence at the conference proved to be a divisive factor when Mr Jatoi chose to launch almost a direct attack on the PPP in his address. The conference decided to set up a three-member coordination committee comprising Maulana Fazlur Rehman, Mr Ghaus Bux Bizenjo and Nawabzada Nasrullah Khan to contact the parties which had not participated in the conference and develop a broader consensus on the aims and objectives of the APC. Tahrik-i-Nifazi-i-Fiqh Jafaria and Muslim League (Khawaja Khaiuddin group) also took part in the deliberations.

Later developments, however, indicated that a yawning gap already existed among the components of the alliance. The spate of statements and counter-statements provided ample proof, if at all it was needed, that the differences of various issues came to the surface more openly at the conference. Those who believed that with the passage of time the dust kicked up over the APC would settle and saner counsel would prevail, were sadly mistaken.

The statements lashing out at each other continued to fill newspaper columns. Thus, the Karachi meeting of the alliance which was held full three months after the APC, failed to produce any result. In fact, seldom before had any of its meetings been more fruitless.

The year that has just ended was also a period when some of the parties suffered setbacks. Some office-bearers of the Tehrik-i-Istiqlal, both central and provincial, chose to quit—only to join the ruling party. They announced that they had taken the decision to register their disagreement with the party's posture on the Afghanistan issue but there were indications to suggest that they were rapidly losing confidence in the party's ability to come to power—a phenomenon which is almost common to the members of most parties.

The PPP also experienced some "arrivals and departures". While it attracted to its ranks some office-bearers of the Qaumi Mahaz-i-Azadi, some of the newly elected councilors, as also Maulana Ihteramul Haq Thanvi and others, chose to bid farewell to the party to get on to the bandwagon of the OML. As things stand the family charisma appears to be the main plus point of the party. On account of a lack of intra-party democracy, the leadership is not fully in touch with the thinking in the rank-and-file on national and international issues. There are also those who are not too happy with the selection of provincial office-bearers. Similarly, some of the old guard feel neglected.

Polls Setback

The Mian Channu by-election fiasco which was a sad case of mishandling by a section of the party and the unsatisfactory results of the local bodies elections in general, particularly in Punjab, have, according to observers cast doubts on the belief that PPP tickets are a sure passport to success and that the people would vote for the party's nominees 'even if they are lamp posts'.

The party is still a force to reckon with but 'would need to make some very serious efforts if it is to succeed in regaining its popular image.

The ruling Muslim League which was born in the assemblies elected on a partyless basis and under martial law, appears to have made some gains. It has succeeded in attracting some known names from other organizations but the phenomenon is not new. Ruling parties in Pakistan have often wooed and won over people with no allegiance to any particular party or creed and who find it "safer and fruitful" to be on the right side of the authority. The party's weaknesses came to surface during the recent elections to local bodies when various candidates claiming allegiance to, and support, the Muslim League were found to be pitted against one another. In some constituencies the League legislators were directly or indirectly involved in a clash against each other. The party also found it safer in some cases not to involve itself in the contests knowing that the winner will be won over rather easily.

The party's decision to undertake some projects such as seven marla scheme, regularisation of Karachi Abadis, provision of jobs for unemployed doctors and engineers and development work through local bodies aroused

some popular interest. the Muslim League appears to have learnt from the popular past of the People's Party that in the programme of a political party there is no substitute for promise of economic benefits.

The ruling party cannot claim to have an enviable record in the domain of human rights and civil liberties. Although freedom of expression and assembly are less restricted than they were under martial law, the ban on the freedom of movement of some leaders remains. For example, the ANP chief, Khan Abdul Wali Khan, was not allowed to proceed to Karachi to attend the MRD meeting and was made to leave barely a couple of days after he came to Sind capital to attend the *Valima* reception of Asif Zardari. Similarly, the Jeay Sind leader, Mr G.M. Syed, and other were arrested some time ago and have since been under detention.

Human rights activists and liberals are concerned that hundreds of martial law convicts continue to be kept in jails without being given an opportunity to file an appeal to the superior courts as promised by the Prime Minister earlier. Similarly, according to the figures released by prisoners release and relief committees, a large number of political prisoners remain behind bars although two years have elapsed since martial law was lifted.

The NPP, which emerged last year on the political scene with some heavyweights as its office-bearers, appears to have been marking time. The continued detention of the Punjab Chief Mar Ghulam Mustafa Khar, who was expected to play a major role in organising it, has been a major loss. The failure of the MRD movement in 19986 again deprived the NPP of the chance of presenting itself as an alternative force of moderates. The party which got itself registered soon after its inception and which is not against election as such close to contest only a few seats in the local elections.

the Jamaat-i-Islami elected Qazi Husain Ahmed as its new Amir to replace Mian Tufail Muhammad who decided to step down after completing three consecutive terms. The Jamaat which shared with the Pagara Muslim League the privilege and opportunity of "being allowed" to operate during Gen. Zia's martial law and was thus branded by its opponents as "the 'B' team of martial law", has lately been trying to remove this "stigma" but not with much success. Its decision to take part in the partyless general elections and in the December 1984 referendum in the hope that its student wing, the Islami Jamiat Tulaba, would be restored in educational institutions and the Shariat bill would be passed, failed to evoke a positive response from Gen. Zia. Its disenchantment with Gen. Zia's policies on these issues has been reflected in critical Press statement issued now and then. It has to be seen whether the Jamaat continues its "lone journey" or revises its policies by taking steps which could bring it closer to the mainstream of opposition politics.

The story of the year would not be complete without a reference to the marriage of Ms Benazir Bhutto to Mr Asiof Zardari in Karachi in December, which, apart from other things, was a great social event. The ceremony attracted a large number of guests, including party workers from all over the country, but the leaders of the MRD components who were not invited were conspicuous by their absence. Mr Bhutto has expressed her resolve to remain active in political life, an option which she cannot ignore in view of her all-important position in the party.

Consensus

The division of powers between the Centre and the provinces has been the subject of a perennial debate in the country. it was generally believed that with the passage of the 1973 Constitution, consensus would replace controversy and the country would start its March on the road of constitutional stability. The working of the Constitution during the first four years and the promulgation of martial law in July 1977, which remained in force for 102 long months during which drastic and numerous amendments changed the original basic law into what it has come to be known as the Constitution of 1985, however, frustrated all hopes, raising fresh demands of regional autonomy.

Sind continues to be the most sensitive province with its myriad political problems. A series of conferences at various places of the province and attended by leaders of some national and regional parties, reflect the thinking on the question of autonomy. Although there is a wide gap between the perceptions—some advocating that Sindhu Desh alone could provide a solution, others maintaining that the real answer lies in making Pakistan a confederation, while another section arguing that the Constitution in its present form has ceased to be relevant. One thing is, however, certain that insistence on retaining the existing constitutional scheme will be counter-productive. The parties which would like to practise politics within the framework of federation are already on the defensive and may either cease to be a relevant force or elect regionalism as their political creed.

With the benefit of the hindsight, it is difficult to realise that social democracy as an option is rapidly losing its appeal and relevance in some parts of the country. To treat the incidence of kidnappings and robberies in areas of Sind as no more than mere problems of law and order would amount to closing one's eyes to stark realities. In the circumstances, the report of the MRD's special committee on provincial autonomy could probably provide an answer before demands like those of framing of a new constitution become more strident.

The emergence of Mohajir Qaumi Movement (MQM) as a political force in the urban areas of Sind, particularly Karachi and Hyderabad, is yet another significant development whose impact is going to be felt increasingly in

Sind's political and civic affairs. Whether one agrees, with the perception and the programme of the MQM or not, it would be unwise to dismiss it as an odd or insignificant phenomenon. Its success at the recent local bodies elections at the expense of the Jamaat-i-Islami and the JUP and its potential to attract large crowds makes it plain that the Mohajir youth are bitterly disillusioned with the sort of leadership provided by the conventional particularly religious parties and have finally opted for a youthful and assertive organization of their own. A growing sense of deprivation in a vocal urban community comprising educated unemployed and armed with the ability to demonstrate its strength, is the last thing to be ignored or underrated. The unfortunate and avoidable ethnic riots leading to loss of innocent lives and frequent disturbance of peace and order has repeatedly paralyzed life in Karachi. While it is imperative for the Government to study the problem in its politico-economic perspective, rather than try to tackle it as a law and order problem, one also expects the MQM's leadership to be conscious of its limitations and practice moderation and reasoned restraint. There are many who believe that a community which cannot claim to be soil-rooted, will be well advised to join the mainstream of national politics before it is too late.

The frequency of bomb explosion in Pashaar and other cities of the country as also the ever-increasing incidents of kidnaping and dacoity in parts of Sind have introduced an element of insecurity in the already disturbed society. The fact that many of the culprits remain untraced and unpunished, that they commit heinous acts almost at will, that these incidents have wrought havoc at places of public transport, crowded markets and schools, that apart from Pashawar three major cities, namely Karachi, Lahore and Rawalpindi, were repeatedly selected for terrorist operations, that the cases of

robbery and kidnaping were reported from busy highways and many other are committed in broad daylight, speak eloquently of the daring and the relative impunity of their perpetrators. Life has never been insecure as in these troubled times.

The law enforcement agencies which have not been able to maintain order effectively or arrest the recurrence of ethnic and sectarian clashes, are unlikely to successfully combat these forces which are armed with latest sophisticated and deadly weapons. The malaise is too deep-rooted to be tackled in routine manner.

All said and done, Pakistan is passing through an extremely critical phase in its troubled life. Never before has this country been enmeshed in so many disquieting problems, both internal and external. With the Afghan and Gulf war in the immediate neighborhood, the increasing tension in the uneasy ties with India, which has been charging us with involvement in the Sikh situation, and a host of internal problems mentioned earlier, Pakistan finds itself deep into the quagmire of crises. With a steady rise in the rate of inflation and unemployment, the economic prospects are none too bright either. The prolonged spell of martial law has depoliticised society to a great extent and intensified a sense of deprivation and discontent in parts of the country.

The rulers are probably aware that further delay in seeking a solution to the political and regional problems would only add to their gravity. The policy of "too little too late" has never paid off and those who believe that economic development can be a substitute for self-rule and a genuine sense of participation have always proved to be wrong.

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