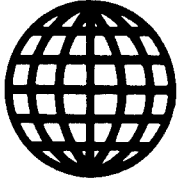


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ISRAEL

Communications Equipment, Services for Chile

44000042b Haifa ISRAEL BUSINESS in English
Jan 88, pp 6-7

[Text] Ramlah—A major order from communications authorities in Chile, for the supply of some \$15m. worth of equipment and services, was recently won by Telrad. A member firm of the Koor Industries group, Telrad is Israel's leading manufacturer of telephone equipment.

Under the terms of the contract, the Israel firm will install public telephone exchanges and transmission systems, to create a modern communications capability in the southern part of the host country. All Telrad operations are to be coordinated with the national communications system there, which will operate the equipment after its installation has been completed. The work is expected to take more than two years.

This is the second major development project to be entrusted to Telrad by overseas customers. In the past, it carried out an extensive program for the establishment of rural communication facilities in Burma. Both contracts were won by the Israel company in competition against much larger and better known firms in this sphere, from West Germany, France and Japan.

At the same time, the company is expanding its exports to North America and Western Europe. Its sales to customers in the United States and Britain amounted to some \$25m. last year, almost one-third ahead of 1986 results. A further 20% increase is projected in the current year, also thanks to the introduction of Telrad's new "Symphony" expandable telephone system for small and medium sized firms.

/9274

Trade Agreements With Iberian Countries

44000042a Haifa ISRAEL BUSINESS in English
Jan 88 p 4

[Text] The admission of Spain and Portugal to the European Common Market raised a number of questions for Israel's foreign trade. The most significant of those issues affected this country's exports of citrus fruit and other farm produce to Western European markets.

Potentially, this development could have spelled very serious damage to agricultural exporters here. Both Iberian Peninsula countries compete with Israel in the supply of fresh produce to more northerly areas, especially during the winter months, when much of France, Germany, Britain and other European countries are covered by ice and snow.

The entry of those competitors into the EEC, while Israel remains outside it, could have given them an unfair advantage in those markets. However, more or less satisfactory solutions to that problem have been worked out in strenuous negotiations with EEC representatives.

Now those arrangements have been complemented by two agreements between Israel and the Iberian countries, setting reduced customs rates for their mutual trade. Import duties on goods exported to Spain, for instance, will be reduced gradually, from a cut of 37.5% at the beginning of this year, to their complete elimination at the beginning of 1993.

Until now, the volume of Israel-Iberian trade has been quite modest. Purchases from Spain only amounted to \$120m. in 1986, with passenger cars, such as Spanish built Fiats and Opels, accounting for a large part of the total. Sales from here to that country were considerably smaller—about \$70m. in 1986—and commerce with Portugal proceeded on an even more restricted scale.

However, the steps taken at this time are expected to enhance trade across the Mediterranean, perhaps already by as much as 25% during 1988. Most observers agree that objective circumstances favor its development. An important factor is that Israel industry is able to offer technological products and knowhow eminently suitable to Spain's and Portugal's geographic and climatic conditions.

Closer relations are also being developed in other spheres of economic activity. Only last month, for instance, Spain's Tourism Minister visited Jerusalem for the signature of an agreement on joint promotional efforts by the two countries' tourist industries in the United States and other markets.

/9274

'Major Defeat' for Labor in University Elections

TA191007 Tel Aviv YEDI'OT AHARONOT in Hebrew
19 Jan 88 p 1

[Report by ITIM]

[Text] The Labor Party list has suffered a major defeat in the student elections at Tel Aviv University, winning approximately 19 seats compared with 43 last year. The right-wing "Studention" list, which includes the Likud and Tehiya, grew from 9 to 22 seats.

Some 3,300 students, approximately 15 percent of the total university enrollment, participated in the elections.

1987 Inflation Rate Said 'Lowest in 15 Years'
*TA170756 Jerusalem THE JERUSALEM POST in
English 17 Jan 88 pp 1, 2*

[Report by finance correspondent Pinhas Landau]

[Text] The Consumer Price Index [CPI] rose 1.3 percent in December, bringing the cumulative rise for 1987 to 16.1 per cent, the lowest inflation figure in 15 years, the Central Bureau of Statistics reported on Friday.

While almost every component of the CPI rose during December, the sub-indices for fruit and vegetables, health and clothing scored especially sharp rises. Fruit prices rose by an unseasonably high 10.9 per cent while vegetable prices dropped 5.5 per cent, leaving a net rise of 3.7 per cent for the two combined. Without fruit and vegetables, the general index rose only 1.1 per cent.

Nevertheless, over the year as a whole, fruit and vegetable prices actually fell by 7.4 per cent and represented one of the moderating factors on the index. Without them the overall rise in the CPI would have been 18.3 per cent.

Government charges and imposts rose 72 per cent, the steepest area of price increases in 1987. The price of many services also rose by above-average amounts.

The December rise in the index brings the cumulative rise since the last cost-of-living increase was paid to workers to over 4 per cent. However, since the CPI figures for January and February are usually low, the cumulative rise in the CPI is not expected to reach the 7 per cent mark, which would trigger the next c-o-l [cost of living—FBIS] payment, until March at the earliest. In that event, the next c-o-l adjustment would not appear in workers' paychecks until they get their April salaries.

Finance Minister Moshe Nisim welcomed the 1987 inflation figures but noted that the target of single-figure inflation would not be reached for 2-3 years. The failure to make major budget cuts in the 1988/89 budget would prevent much progress this year, Nisim said, but the Treasury is still hoping for a slight reduction in 1988's inflation rate.

The index now stands at 189.4 on a basis of average of 1985 prices; 100.

Central Bureau of Statistics figures also showed a 1.3 per cent rise in the Wholesale Price Index, which measures the cost of raw materials to industry. This index rose by 20.9 per cent over the year, substantially more than the CPI, but most of this rise took place in the first half of the year.

The CPI also showed a faster pace of increase in the first six months of the year, when it gained 8.5 per cent, than in the second half, when it rose 7 percent. The devaluation on January 13, 1987 apparently contributed to the higher inflation in the first half.

JORDAN

Grant Obtained From Japan as Cultural Aid
*4400037b Amman JORDAN TIMES in English
19 Jan 88 p 3*

[Text] Amman (J.T.)—Japan is to provide JD 105,000 worth of technical assistance to the Jordanian Department of Antiquities within the framework of a Japanese cultural grant aid.

Minister of Planning Taher Kanaan and the charge d'affaires at the Japanese embassy here, Shigeyuki Suzuki, signed and exchanged memoranda on the new grant through which the Japanese will supply equipment for the restoration of archaeological monuments in the country. The equipment includes: a wheel excavator, a wheel loader, a compressor, a vibration roller and audio-visual aids.

Japan's Cultural Grant Programme aims to assist Jordan in cultural and educational development through contributing equipment for protecting and utilising cultural properties, holding cultural exhibitions and lectures and promoting education and research.

Under this programme, Japan has so far extended to Jordan three cultural grant aid offers: the first for the Ministry of Education in 1982; the second for the University of Jordan in 1984; and the third for the Jordan Sports Federation for the Handicapped in 1986. The total of cultural grant aid, including the latest offer, amounts to approximately JD 399,000.

Japanese Economic Team Arrives

In another development, a team for the Japanese Fund for Overseas Economic Cooperation arrived here Monday for a two-week visit to Jordan.

The team will tour Jordanian water, irrigation and sewerage projects to study the prospect of contributing to them.

The Japanese visitors will also meet with officials at the ministries of planning, public works, housing, and water and irrigation to discuss these projects.

Ways Studied To Increase Scientific Cooperation With Egypt

44000037a Amman JORDAN TIMES in English
19 Jan 88 p 3

[Text] Amman (J.T.)—Prime Minister Zaid Rifai Monday conferred with Egyptian Minister of Scientific Research Adel 'Izz on ways to promote bilateral cooperation in scientific research and technology.

The meeting at the prime minister's office was attended by Minister of Energy and Mineral Resources Hisham Al Khatib and Egyptian Ambassador to Jordan Ihab Wahbeh.

'Izz, who arrived here Sunday for an official visit met earlier with Minister of Higher Education Nassereddine Al Assad to discuss bilateral cooperation in scientific research. Assad briefed the Egyptian minister on Jordan's higher education and scientific research, noting that 56,000 students are currently attending higher education institutions in the Kingdom.

In addition, he said, nearly 40,000 Jordanian students are presently acquiring higher education abroad.

For his part, 'Izz proposed periodic pan-Arab conferences on scientific research be held to promote inter-Arab cooperation in this field.

He also stressed the need for promoting the level and scientific teaching in Arab countries, which he said was essential for development and prosperity.

The Egyptian minister briefed Assad on Egypt's scientific research programmes and scopes of bilateral cooperation in conducting research.

'Izz later met with Minister of Energy and Mineral Resources Hisham Al Khatib, along with the directors of the Jordan Electricity Authority and the Natural Resources Authority. The two sides reviewed cooperation between Jordan and Egypt in energy, technology and scientific research.

Egyptian Minister Meets With Anani

Also Monday, 'Izz met with Royal Scientific Society (RSS) President Jawad al Anani for talks on implementing the protocol for scientific cooperation signed between Jordan and Egypt in 1987 and progress on a number of joint scientific projects.

Anani reviewed the society's development, research programmes, as well as its cooperation with Arab and foreign scientific institutions.

'Izz then reviewed the activities and achievements of scientific research centers in Egypt.

The Egyptian minister and Anani also discussed RSS energy research and production projects.

In addition, Secretary-General of the Higher Council of Science and Technology Adnan Badran briefed 'Izz on the council's structure and its national goals.

/9274

KUWAIT

Coast Guard Base Planned

44000043 Kuwait ARAB TIMES in English
12 Jan 88 p 4

[Text] Kuwait's Interior Ministry is planning to set up a big Coast Guard base in Fintas area, according to Lt. Col. Ghazi Al Omar, director of the Coast Guard Department.

The proposed base will have an airport and ramps for boats. They are also considering air surveillance over Kuwaiti waters and studies are being done by the coast guard and Defence Ministry, he said.

At present the Coast Guards have several floating bases, fully equipped for surveillance and rescue operations. These bases have helipads, radar equipment and weapons.

Studies

Preliminary studies to establish the Fintas base were recently done in cooperation with the Ministries of Planning and Public Works. The requirements for the base were determined in cooperation with the Kuwait Navy.

Al Omar said the ministry will spend "million of dinars" to build marinas on various islands in Kuwaiti waters. The coast guards have comprehensive control systems, well-trained personnel and other facilities for maintenance.

Protect

The number of infiltrators has reduced in recent years due to the Gulf war and the internal situation. "Close cooperation between those protecting the coasts is largely responsible for the drop in infiltration," he said.

Coast guards protect vital sea installations, curb infiltration and smuggling, carry out rescue missions and search for missing ships and boats.

Commenting on the forbidden areas, he said the borders of such areas extended from Ras Al Sabiya, to the north of Mesjan, to Ouha, near Ahmadi. People are also

banned from approaching oil installations and desalination and power plants. Al Omar said boat speeds must be limited to curb smuggling. "Smugglers are now using high-speed boats," he said.

Extensive training programmes are organised for Coast Guards. Last year 25 courses were held. About 25 trainees were sent to Egypt for navigation and marine engineering studies; 22 others did a three-year course in radar at the Applied Education Authority. Some 35 similar courses are planned this year.

/06662

LEBANON

Shams al-Din for Candidate Who Supports 'Numerical Democracy'

44000034a Beirut MONDAY MORNING in English
18-24 Jan 88 pp 14-17

[Article by Nadim Abou-Ghannam]

[Excerpts] In an interview with our magazine last week the Vice President of the Higher Shiite Council Sheikh Mohammad Mahdi Shamseddin ruled out positive developments prior to the coming presidentials.

He expressed his support for a Moslem candidate to run for the presidency provided he adopts the principle of "numerical democracy", which he said was still not widely accepted among various officials. (See accompanying box for a brief description of "numerical democracy). [quotation marks as published]

Here is the translation of the interview, which was conducted in Arabic:

[Question] How do you envisage developments evolving between now and the coming presidentials?

[Answer] The complexities and the deep rooted conflicts engulfing the Lebanese imbroglio do not allow us to consider this era which separates us from the coming presidentials as one of a final solution.

A global solution necessitates accord and harmony between all factions and factors which instigated the war, and which are regrettably unattainable today. It also requires a logical understanding of the existing conditions on both the regional and local levels, which are to a great extent linked to international moves.

We have however, constantly said that the present situation will witness security entente that would pave the way for the presidential election to take place, without of course achieving a final solution to our crisis.

What we can say at this point is that Lebanon was able to confront its ordeal, and is helplessly trying to walk out of it.

[Question] You have called for the adoption of "numerical democracy" on the principle of consultation concerning the election of a new president. Who is for and against this principle?

[Answer] This issue has been published in detail. Elaborating on it would require lengthy discussions.

As for advocates of this principle, we believe that the current political circles are against it, since most of their positions are based on political strategies, and their political actions are motivated by sectarian considerations.

We are not surprised today, nor will we be in the future by political or partisan reservations towards this issue, although we might detect unexpressed positions among them which supports this principle.

We rely in our project on the popular conviction which is currently spreading and increasing among various communities.

I believe that eventually the popular support for this project would increase by 100%. This project as I said is now in a state of development and dynamism, and will eventually spread and acquire global recognition.

We are well aware that this project has a strategic aspect, that is why we are in no hurry to implement it. We should give more time before this project succeeds as the basis for a new political rule in Lebanon.

[Question] Are you in other words counting on time or on capabilities to implement this project?

[Answer] To count on time would mean that we would be relying on predictions. At this stage it is better not to rely on time, in view of the fact that the coming presidentials would not be that of a final solution.

Definitely this project would be a turning point in the post presidential era. The errors committed by the current regime would not be easily wiped out even if a settlement was reached.

Consequently, even those who think that they have achieved political gains would eventually discover that they have actually gained nothing. In any political settlement concessions have to be made by all.

Concerning our position, we have constantly declared our objection to any settlement amidst the present formula. This does not imply that we will sabotage any settlement reached, but we will not approve a settlement amidst the current formula.

We want Lebanon to restore its stability and unity. In this respect we will support any solution in this direction, which will spare Lebanon further military strife.

[Question] Do you approve a Moslem candidate standing for the presidency?

[Answer] If he is well qualified to occupy this post, and if he advocates the principles of "numerical democracy", we will support him.

[Box, p 24]

The Proposal for "Numerical Democracy"

Sheikh Shamseddin's proposals for "numerical democracy" are set out in a pamphlet by him dated June, 1985.

The first edition of the document, entitled "General Trends of the Sectarian Regime in Lebanon", is a critique of Lebanon's sectarian system which, it says, has "proved to be disastrous for all Lebanese..and a primary source of danger to them...."

The system, it states, is based on the premise that the country's political community is composed not of individual citizens but of sects, which are the means through which a citizen exercises his rights. The Constitution, promulgated in 1926, pays lip service to the principle of equality of rights and duties among all citizens. Article 95, however, qualifies this by saying: "temporarily, and for the sake of justice and concord, all sects shall be represented in a just manner in public functions, and in the formation of the cabinet, without this harming the interest of the country".

It is this article, the pamphlet says, that entrenches the system by which political and civil service posts are allocated among Lebanon's confessional communities, with a disproportionately large number of top sensitive posts (president, army commander-in-chief, internal security force director, central bank governor, military intelligence chief, foreign minister...) reserved by tradition for Christians and particularly for Maronites. This arrangement, the pamphlet contends, has "violated the principle of equality and objective reality, (leading) to discrimination and (jeopardizing) the principle of equal rights and duties". Institutions, it suggests, are run by men who owe their position to the fact of their confessional affiliation, so that their loyalty is primarily to their sect, not to the public at large. The result, the pamphlet says, is that the confessional regime rarely allows governmental institutions to function on a national basis for all Lebanon. And since the system is operated in such a way as to favor some sects at the expense of others, many citizens of the disfavored confessions "feel inferior...and downtrodden".

Because experience has shown the impossibility of reforming the sectarian system, the pamphlet goes on, it is necessary to "eradicate" it and replace it with a new one, that of "numerical democracy based on shura", defining "shura" as "a kind of public consultation".

The proposed new arrangement is set forth in Part II of the document, entitled "Outline of the New System of Numerical Democracy based on the Shura Principle". Here it is stated that Lebanon is an independent and united country recognized by the international community. It follows, it says, that Lebanon cannot be partitioned or "politically decentralized". Its government should be that of a democratic, parliamentary republic, its constitution based on the principle of equal responsibilities and opportunities among citizens and guaranteeing the principle of balance between the legislative, executive and judicial powers.

Equality among individual citizens implies, the pamphlet says, that the political unit will cease to be the "group-sect" and will become instead the "individual/citizen", as in "all other countries", and that Lebanon will "cease to be formed of 17 sects, but (rather) of its four million people". On this assumption, "any Lebanese can become president, prime minister, speaker or (hold) any other post without consideration of his religion".

In addition to its discussion of changes in the Constitution (direct election of president, parliamentary designation of prime minister etc), the pamphlet rebuts the need to provide formal guarantees to the Christians to ensure their safety and freedom as a minority. Such guarantees it rejects as a pretext for the domination of one sect over others. Instead it suggests that the welfare of Christians in Lebanon, as of Moslems, can best be ensured by the new democratic arrangements it proposes. If guarantees are to be provided, the pamphlet says, they must take a form other than that of "political domination" (of Moslems by Christians).

/9274

Fatwa by Fadlallah Forbids Working for Israelis 44040094 Amman AL-DUSTUR in Arabic 19 Jan 88

[Text]The religious scholar Muhammad Husayn Fadlallah, known as the spiritual leader of Hizballah in Lebanon, issued a fatwa which prohibits working for the Israelis who are now endeavoring to employ Lebanese personnel within the Zionist entity.

A statement issued yesterday by Fadlallah's Information Office declared that the fatwa was issued as a result of media news claiming that Israel is now employing Lebanese workers within the occupied Palestinian territories.

Israel currently occupies a region of south Lebanon which it calls "the security belt"; in addition, Israel finances the self-proclaimed South Lebanese Army [which operates] in that region.

The statement indicated that the news media carried an item to the effect that the Israeli enemy will seek to employ 450 south Lebanese workers within the occupied

Palestinian territories in an effort to exert pressure on the Palestinian people and to thwart the noble uprising [now in progress] in that region.

The statement went on to say: "Having in the past issued a fatwa prohibiting employment with the Zionist enemy on farms, in factories, etc., we now confirm the fatwa, especially now that the employment in question has assumed a form of pressure which the Israeli occupation authorities seek to use as a means of thwarting the glorious uprising."

Every day some residents of the security belt cross over to occupied Palestine for the purpose of working in Israeli factories.

Yesterday certain news media announced that Israel has decided to give financial awards to school teachers in the border strip and in the Christian zone of Jazzin. The media announced, however, that the teachers declined those awards notwithstanding the poor economic conditions. In a statement carried by the news media, the teachers said: "This tragic crisis will not force us to accept evil help from the hostile Israeli occupier." Furthermore, some newspapers mentioned that leaflets have been posted on the walls of houses in Christian villages saying: "Zionist occupier, take your money and leave my homeland."

It was announced that Israel will charge special teams with the task of paying the awards. Obviously, this constitutes part of Israel's attempt to "normalize" the security belt region.

MOROCCO

Criticisms of New Finance Law Explained 45190015 Casablanca LAMALIF in French Dec 87 pp 13-16

[Article by Youssef Ouzaghar: "Finance Versus the Economy"]

[Text] The text of the 1988 Finance Law is labored. It reflects the atmosphere of tension which prevailed throughout the summer within the Budget Office. And with good reason! Faced with the duty of drafting the budget policy for the coming year, the departments of this office did not know which way to turn. There were at least three problems to be resolved:

1. Reconsideration of the internal and external balances in the light of the mediocre results achieved in 1987.
2. Drafting of a finance law which would not be too much at odds with the plan, since the texts will be debated concurrently in the Assembly of Representatives.

3. Finding the resources the state treasury needs in a volume at least sufficient for keeping the budget deficit at its present level.

It was a different man who submitted the draft 1988 Finance Law. The minister of finance departed from his usual imperturbability. In an address which was far from consistent with his optimism at the beginning of the summer, when he stated at the forum organized by LE MATIN DU SAHARA last June that "The prospects still remain achievable," Mr Berrada made a 1988 budget presentation which failed to conceal a certain disarray among the Moroccan decision makers. Even the most theoretical statements (on growth and transfers to the private sector) were made in a more doubtful tone.

Doubt is justifiable even if it is not solemnly stated. The 1988 budget must be built on the ruins of the 1987 economic and financial year. Yes, it is well and truly a matter of ruins, because the damage caused by the turn in the domestic and international situations is considerable. It is extensive enough that certain of the liberal dogmas recommended in connection with the structural adjustment programs are perforce being challenged, particularly in the realm of foreign trade (establishment of a fiscal tax on imports).

In good years and bad, the Moroccan economy has always found a justification for its poor performance in the development of the world situation. If the economy reveals a rate of growth of even less than 3 percent, it will probably barely exceed 2.2 percent within the EEC. International trade is also likely to show a downward trend, with an increase of only 3.5 percent as compared with 5 percent last year. Let us not even speak of the capital flow. With the winter of 1987 not yet ended, the level of transactions has dropped drastically as a result of the panic which gripped the international stock markets. In short, all of the indicators abroad point toward the red. Why would this not be the case in Morocco?

1. What about growth? There will be none this year. If indeed a negative figure is avoided, growth might well not exceed 1 percent, according to the Ministry of Finance estimates. Thus we will fall far short of the ambitious predictions made last year, when Mr Berrada, claiming moderation, announced to the Assembly that the goal for 1987 would be achievement of a rate of growth of 5 percent. (The rate of growth in 1986 was 5.8 percent, and the estimate for 1987 5 percent, although the minister says it was only 3 percent, while that achieved in 1987 was 1 percent.) What were the reasons for this failure?

—A deficit grain-production season, with a yield of less than 40 million quintals, representing a drop of 48 percent from the 1986 figure (10.4 million quintals of hard wheat, 12.3 million of soft wheat, 15.3 million of barley, and 1.8 million of corn).

—A slowdown in industrial production, in the export sectors in particular. The mediocre results achieved by the industries producing for export is attributed to the low rate of economic growth among Morocco's trade partners.

—The deficits in the state financial accounts, which had their effect on the economic dynamism of the secondary sector, all branches taken together.

2. The treasury deficit. The goal of the financial policy was to achieve what the IMF dogma calls the financial optimum, that is to say a treasury deficit not exceeding 5.5 percent of the gross domestic product. The probable result for 1987 will be at least one point better than this, or in other words 6.5 percent, the equivalent of the 1986 budget deficit.

This second failure cannot be explained by spending beyond the planned figure. It is the result of a rather substantial decline in treasury receipts. Fiscal income (indirect taxes, basically) fell below expectations.

First of all, the TVA. Apparently, internal revenue has not been able to effect tax reform. This is the last straw. Improper tax declarations, evasion of the law and delays in the payment of taxes—this is the fate of the great innovative TVA. The downward trend seen in 1986 continued in 1987. And, in a complete paradox, tax pressure (relation between fiscal income and the gross domestic product) should have declined, according to the texts, while in reality it increased. Is this due to a lack of good citizenship on the part of the TVA collectors or the inefficacy of the tax? The taxpayer alone loses out, between the two explanations.

Taxes on hydrocarbons. The 1987 budget relied on stability in the price per barrel at about \$15. Between February and October 1987, it ranged between \$18 and \$22. Oil imports were supposed to account for some 4 billion dirhams, according to the estimates (as compared to 500 million in 1986). With the upward trend in the price per barrel, it can be estimated that the sum unearned will come to at least a billion dirhams. The promise of manna from oil taxes was not fully realized, despite the fact that the fiscal pressure on hydrocarbons has tripled. The TVA and taxes on oil products were in large part responsible for a treasury deficit which put public finances back in the delicate 1985 situation.

3. The deficit in the balance of payments current account did not fail to follow suit. Although plans called for its elimination in 1987, we find it at a level slightly higher than in 1986—2 percent of the gross domestic product, according to the Ministry of Finance, but it probably will be more when the trade year has been completed. The factors affecting the current account deficit are:

—The stagnation of phosphate exports;

—The slowdown in income from tourism to -2.4 percent (the government was counting on an increase of 8 percent over the 1986 figure); and

—The stabilization of transfers from Moroccan workers abroad.

The Ministry of Finance regards the 2 percent deficit in the current account as positive. It attributes the "improvement" (sic) to the reduction in the trade balance deficit of a billion dirhams. Put in another way, without this trade "performance," the negative balance of payments (CC) figure would certainly have been still more worrisome.

4. The trade balance deficit nonetheless remains rather sizable. The goal of raising the rate of coverage to 70 percent will not have been achieved. It is believed that it will even fall below the 1986 level (66.5 percent), because of the imports of grains and the oil invoice, to be sure, but due to the timidity in exports as well. An advance of 19 percent in exports of finished products was expected, while it will probably not exceed 11 percent. Improvement is there, to be sure, because the contribution of finished products to the export total increased from 36 percent to 48 percent. But the decline in the rate of increase is equally important, particularly since it involves phosphate byproducts.

The presentation of the 1988 Finance Law was both simple and bold. It was simple because it skimmed rapidly over the fallout from the turn in the situation in 1987. While setting forth information revealing a failure, although not recognized as such, it avoids the basic problem which has plagued public finance since the beginning of the decade—the development of the resources of the state. It was bold because it moved forward into the realm of economic policy with surprising eclecticism.

An Eclectic Policy

When one analyzes the text of the 1988 Finance Law, one is struck by its economic orientation. The minister says that this is a budget for a fresh start. The actual text, for its part, is from every evidence a statement of the status quo, representing, in other words, a continuation of austerity and shrinking demand.

The administrative expenditures will increase very slightly (+6.15 percent), with a figure of 25,134,000,000 dirhams. This increase does not even cover the monetary depreciation, although the Ministry of Finance estimates the rate of inflation at only 4 percent. (Given the present level of the price of money [12 percent], this seems paradoxical.) This increase of less than one point over the 1987 figure can only mean continuity.

Personnel expenditures will be up a little over a billion dirhams, or +20.85 percent, more than half of it going to establish 22,435 jobs (13,400 for Defense, 5,200 for the

MEN and 1,535 for Interior) and for an increase in family allocations (+18 dirhams for the first three children). The most important category of administrative expenditures (it represents 52 percent of the total allocation) is practically unchanged, while it has been loudly proclaimed that the SMIG and the SMAG will be increased by 10 percent.

—Equipment expenditures will be increased by 10 percent, just enough to guarantee maintenance. The distribution of this increase is most unequal, such that certain departments, for example Justice, Labor, Administrative Affairs, etc., will suffer.

—The common charges are also down, with a little more than 2 billion dirhams, or -15 percent. Subsidies for consumption are down 47 billion centimes, with the cost being borne by the ONICE and the Compensation Fund. Subsidies for the social protection agencies (Moroccan Retirement Fund and the CNDPS) are also down.

An analysis of the main categories of administrative expenditures reveals the basically nonsocial orientation of a financial policy which has been presented as a step toward more dynamic social development and reduced inequalities. For example, the increase in the minimum wage and in family allocations and the raising of the threshold for exemption from the PTS (from 6,000 to 8,400 dirhams) on annual income are almost entirely offset by the reduction in subsidies on consumption and the limited creation of jobs. Where social equalization is concerned, the reduction in the Corporation Tax (IS, from 45 to 40 percent) is a response to the demand of the CGEM, which urged a general reduction in the tax rather than exemption provisions which benefit only new enterprises. Thus capital is being well rewarded for its sulkiness about the relaunching of investments.

Business circles have not yet been included in the "liberal" discourse of the government. Seeing the state abstain from any investment effort, they can do nothing but wait. The wait is likely to be a long one, because this year again, public investment is in the red. It is known that the investment budget is still theoretical. Despite everything, the officials take pride each year in developing it, all the while being ready to abandon their goals along the way for lack of resources. In 1988, the figure will be 16 billion dirhams, showing a decline of 19.45 percent from the 1987 figure. The importance of this decline lies not so much in the truthfulness of the figures as in their political significance. Announcing with each readjustment that the financial policy must be consistent with the demands of growth, the government balks at reducing the budget estimates for state investment. But beyond this doctrinal aspect, the reduction is above all an indication of the retreat of the state from financing economic development. In fact, the most important categories which will be affected by the reduction in the allocation are the Communal Development Fund and transfers to public enterprises (-1 billion dirhams).

Theoretically, income will total 51.147 billion dirhams. Of this, 32.877 billion will come from fiscal income and other state sources, and 18.070 billion will come from domestic loans (2 trillion dirhams) and foreign loans (rescheduling of 16.070 billion dirhams). Concretely, this means that the entire investment budget allocation depends on the rescheduling.

What About Resources?

In other words, this aspect of the state budget is not strictly symbolic, because even when rescheduling is effected, this does not mean that there will be investment. In any case, the state must reschedule, because it has no resources with which to pay the debt falling due, which is up from the 1987 figure by 570 million dirhams. This increase is the result of the conditions (very expensive) under which Morocco has contracted loans in recent years. The rescheduling headache will have to be faced beginning in the month of December.

Visibly, the government does not know where to turn to resolve the problem of state resources or to venture the first steps toward recovery. Up to the present, and since 1980, it has merely limited expenditures. This policy has resulted in the impoverishment of the public administration and has taken the vitality out of the Moroccan economy, wherein the main wellsprings have always been activated by public investment. Today, all of the indicators recommend caution. One can no longer tug at the cord without risking breakage and provoking an unprecedented economic crash.

What can be done to prevent labor productivity from being overly compromised by the freeze on wages and job creation? What attitude can be adopted to prevent the exaggerated deflationary policy pursued over a period of 5 years from weakening the productive structures, due to the drop in demand and the lethargy of investments? Where should one begin in order to block the excessively stabilizing effects of the "structural adjustment programs," which threaten to lead to a public finance situation which is correct on paper while the economy has in reality been totally stripped of vitality?

One finds no response to these questions in the 1988 budget. Some will retort that this is not what the budget is supposed to do! So be it, but even the 1988-1992 5-year plan is on hold for lack of real resources. What, then, are the prospects? Once again, financial policy will endorse the lack of an economic policy

5157

Economists To Hold Maghreb Economy Planning Seminar

45190023b Casablanca AL-BAYANE in French
5 Jan 88 p 7

[Text] The Association of Moroccan Economists is organizing a Maghreb-wide seminar in Rabat on 14-16 March 1988 to discuss "prospects for building a Maghreb economy."

The seminar has set the following objectives:

1. Contact and exchange of information with Moroccan university economists and research workers.
2. Scientific contribution to basic knowledge for the building of a Maghreb economy.

The seminar will deal less with the presentation of reports by the Maghreb countries and more with undertaking collective thinking aimed at pinpointing common problems that crop up in order to get a handle on them and overcome them by stressing their similarities and comparability more.

Although the seminar will be very open to discussion, four topics have been proposed for reflection:

1. Changes in the Maghreb economy since independence and lessons to be derived from prospects for Maghreb integration.
2. Basic common economic constraints and problems that are prevalent overall and means to overcome them.
3. Common aspects by sector.
4. Bases and fields for cooperation among research workers and among the countries.

5671/9604

Phosphate Office Director Discusses Sector
*45190010 Casablanca LE MATIN DU SAHARA in
French 27 Nov 87 pp 1, 6*

[Speech by Mohamed Karim Lamrani, general director of the Moroccan Phosphates Office (OCP), at the Second International British Sulfur Fertilizer Forum in Anvers; date not given]

[Text] Mohamed Karim Lamrani, general director of the Moroccan Phosphates Office, recently participated in the Second International British Sulfur Fertilizer Forum in Anvers. The following is the complete text of his address.

It is with the greatest pleasure that I have responded to the invitation of our friend, John Lancaster, and that pleasure is further enhanced by the fact that I have the opportunity to speak to an audience so well informed about the subject of fertilizer.

This will be a brief speech because I am most anxious to have as much time as possible to answer the questions I hope you will ask. I am convinced that the ensuing discussion will be useful and enable us to gain a better understanding of our respective views.

I, therefore, propose to begin with a brief description of our office. Since I know that most of you are already familiar with our mining, chemical, and commercial activities, I shall confine my remarks to a few general observations and updates.

Next, I shall take a brief look at the recent history of the P_2O_5 industry in the world, trying to place the evolution of our office into that general context.

I shall continue with our view of future prospects, even if it is not an easy task, for we are dealing with an area known for its fluctuations.

As you know, Morocco has three-fourths of the world's phosphate reserves. That fact, together with the country's privileged geographic position, gives it a select place to supply P_2O_5 to world markets and particularly Europe.

In addition, in order to ensure its development, Morocco is determined to make the most of that natural resource, which is also its main source of wealth. Given our limited local consumption, the OCP is forced to export P_2O_5 in its different forms.

It is, therefore, with a long-term vision that the OCP has always conceived of and fulfilled its mission and that it constantly seeks the stability of different factors that come into play for the promotion and utilization of phosphate products.

This approach has naturally led the OCP to ensure that all along the different links of the chain, our supply will meet the needs of the main final consumer, our farmer. Consequently, even in difficult times, our office has made investments in order to play the role it views as its own, that of being the main protagonist in this arena. I would emphasize here that we have confidence in the potential of the world market, which encourages us to remain consistent with our line of conduct, at the cost of great efforts whenever the situation demands it.

After these general remarks, I would like to give you a brief description of the potential I have just mentioned.

1—Raw Phosphate

Moroccan reserves total an estimated 64 billion cubic meters, almost all of which are in the central region of the country and with some 2 percent in the south, in our Saharan provinces.

Regarding mining, practical capacities already in existence total 32 million tons a year at present, divided among the mining centers of Khouribga, Youssoufia, Benguerir and Boucraa/Laayoune.

Without wishing to dwell on the particular assets which such potential represents, I would nevertheless stress: the quality of the deposits, permitting easy mining; the

diversity of the processing units, encouraging the production of a wide range of market qualities meeting practically every possible use; and finally, the existence of four major ports less than 120 km from the mining areas, ports capable of handling large ships and being supplied from the different mining areas.

Thanks to the exceptional geographic location of the production and shipping sites, the OCP has great flexibility in meeting world demand.

It goes without saying that all these mining achievements, which are the fruit of considerable effort, must naturally be exploited to the fullest through the development of raw phosphate exports.

2—Derivatives

Regarding local chemical processing, the Jorf Lasfar complex recently joined the Safi chemical complex. Our production capacity therefore includes the following: At Safi, 1.45 million tons of P_2O_5 , 500,000 tons of which are turned into TSP, MAP, NP and NPK; and at Jorf Lasfar, 1.4 million tons of P_2O_5 , 700,000 tons of which are marketed in the form of DAP and TSP.

Limited Growth

After this brief glimpse at our production potential, I would like to say a few words about the recent evolution of the world market for P_2O_5 .

For many years, particularly since the beginning of this decade, world consumption of P_2O_5 in all its forms has experienced only limited growth, as you know, growth marked by a cyclical evolution of ever shorter periods.

One must bear in mind the following factors that have given rise to this situation, to wit: the recent almost permanent world economic recession, despite short recoveries; and the international monetary fluctuations and specific difficulties of every region of the world, difficulties that have not spared the developed countries which are traditionally big consumers of P_2O_5 .

As a result, regarding international raw phosphate trading, demand has dropped substantially in recent years, despite a few feeble and ephemeral recoveries.

West Europe has a great deal to do with this decline, for the reasons with which you are well familiar (farm surpluses, environmental problems, plant closures, and so on).

OCP deliveries to that region have suffered the direct impact of such a decline.

In this connection, one must recall that in 1960, for example, our share of the market in West Europe alone was nearly 60 percent. Today, it is no more than 40 percent.

Regarding phosphoric acid, international commerce has exhibited a different trend. Between 1980 and 1986, it rose by nearly 50 percent, expressing the change which the world P_2O_5 market has experienced for several years. Actually, for reasons mainly linked to the size of the necessary investments and environmental considerations, trading for this product has enjoyed sustained development and that change is bound to continue.

Thus, it is that certain producers have, for various reasons, announced plant closures, creating new import needs. Granulating units using imported acid are now being built (the USSR, China, India, and Turkey).

Meeting Demand

We foresaw that change, which is why our office began to make phosphoric acid, so as to be able to adequately meet the demand.

With its current production potential of nearly 3 million tons of P_2O_5 acid, the OCP occupies an important place in international trading for the product.

Furthermore, inasmuch as there would not appear to be any new major projects to build phosphoric acid plants, it is totally normal for Morocco to conceive a rapid development of its production capacities.

In addition, when looking at the phosphate fertilizer market, where we previously played a modest role, one will see that there has been sustained quantitative growth in recent years.

Like other producers of raw phosphate, Morocco has designed and carried out a program of gradual development of the fertilizer manufacturing industry. Along with our presence on the TSP market, the OCP will soon introduce DAP on the international market. This is the most commonly marketed phosphate fertilizer in the world. This is a completely natural trend.

Such vertical integration now enables us to play a more complete role vis-a-vis any P_2O_5 industry, particularly in Europe.

I do not believe there is any need to recall here the commercial trade links that have always existed between Europe and Morocco. One has but to emphasize their obvious nature, which we endeavor to strengthen whenever we can. In my opinion, this natural framework can guarantee Europe a stable and permanent supply.

As far as we are concerned, we have always been receptive to suggestions from our partners. For example, whenever asked to do so, we do not hesitate to set up integrated cooperation structures with our partners, this in the properly understood interest of both sides. Our prime concern is to see the phosphate industry develop rationally and harmoniously throughout the world.

Despite its fluctuations, world consumption of P_2O_5 can only evolve in a positive direction, as professional experts agree. However, we are aware that the different forms of P_2O_5 will not evolve similarly. Regarding world trade, phosphoric acid and solid fertilizers will undoubtedly experience strong growth.

Consequently, construction of the Safi chemical complex, followed by that of Jorf Lasfar, with all the accompanying infrastructure, stems from the deep conviction that the OCP must not be content to make only raw phosphate available to users. Moreover, these complexes help meet the new needs being manifested in Europe, for maintaining the manufacture of acid in that region increasingly encounters environmental and even economic problems.

It is at the cost of very great sacrifice that Morocco is continuing its investment policy, a policy needed to furnish the products demanded.

Moroccan Phosphate Office: Production Capacity

Phosphate (millions of tons)	32
Phosphoric acid (millions of tons of P_2O_5)	2.85
Solid fertilizer (millions of tons)	—
TSP	1.1
MAP	0.4
DAP (Being completed)	1.1
NP (Being completed)	0.3
NPK	0.2

New Expansion and Operations

The decision to expand the Khouribga, Benguerir and Boucraa mines, followed by the opening of a new mine at the Meskala deposit, and the decision to double the capacity of Jorf Lasfar and expand facilities at Safi, is aimed at ensuring the availability of natural phosphate and its derivatives under normal economic conditions in medium- and long-range terms.

In conclusion, I would like to emphasize once more: the exceptional importance and viability of Moroccan deposits; the wide range of qualities they offer; the diversity of production sites and ports; and our ability to respond to demand for the main phosphate derivatives.

These factors make Morocco a reliable supplier capable of providing a diversified and regular supply from which its partners can benefit.

Our geographic position with respect to Europe, an important P_2O_5 consumer, makes these assets even more valuable. Europe and Morocco are natural partners and it is therefore only logical for the objective set by the OCP to be to see the volume of its trade with that contingent correspond to the respective potentials of Europe and Morocco regarding production and consumption of P_2O_5 .

Thank you for your kind attention.

11464/06662

New Cereal Crop Development Strategy Urged
45190023a Casablanca AL-BAYANE in French
30 Dec 87 pp 1, 3

[Article by Abou Bassam]

[Text] Cereal crops, because of the overall area they cover, the number of farms involved and persons employed, as well as the impact they exercise on economic growth overall, constitute an objective and privileged field for an examination of agricultural policy being pursued by government officials. Efforts will be made to analyze this policy, as it has been implemented since the 1970's, i.e. since the cereal deficit became a chronic phenomenon and since the government—under the pressure of facts and organizations from abroad, such as the World Bank—half opened its eyes to discover some potentiality in uncultivated lands and in primarily cereal growing regions whose production had become marginal to the benefit of export crops.

The least one can say in this connection is that officials do not have a clear strategy, unless it is the one that has been established and has never been denied, namely the maintenance of an unequal distribution of agricultural lands in the country and multifaceted support for big farm owners.

As far as cereal production is concerned, besides the ideological recovery of the slogan of self-sufficiency, intervention by the government has been limited to some trifling and scattered acts, such as the following:

1. The reorganization of cereal crop rotation to the benefit of soft wheat constituted a first reaction to the aggravation of deficits and a desire to reduce, even to eliminate, the country's dependence on this crop. This desire took shape through the drawing up of plans to substitute fodder for letting land lay fallow and to reduce lands traditionally sown with barley and hard wheat to the benefit of soft wheat.

2. A second act was more specific. It consisted in intensifying the growing of soft wheat in irrigated areas. This operation was conducted in an integrated fashion under the direction and staffing of the ORMVA [Regional Offices for Agricultural Development] in accordance with the examples provided with the growing of beets, cotton and sugar cane, for example.

3. To overcome soil and weather constraints the MARA [Ministry of Agriculture and Agrarian Reform] encouraged producers to plow their lands in the summer to take maximum advantage of the rains.

4. The crowning point of all of these acts was the goal of sowing soft wheat on 1 million hectares of land.

5. The latest act was the setting up of "pivots" primarily on collective lands.

Encouragement measures were taken to support all of these acts both as regards financing and production prices.

An overall assessment leaves no doubt about the failure of actions undertaken by the government as regards cereal production and consequently the meeting of the country's needs.

This failure hardly comes as a surprise and it will continue in this way so long as the government persists in backing the development of agricultural production forces by maintaining state land structures.

The evolution of cereal production in the country, particularly in uncultivated regions, shows less the effects of actions by the state than a combination of prevailing production structures and the risks of weather patterns.

Cereal crops, in fact, are prevalent on more than 70 percent of farm lands of less than 20 hectares; farms of less than 5 hectares make up a quarter of total lands reserved for cereal crops. The meagerness of these farms, accentuated by excessive parcelling out and by the demands of appropriate rotation of crops, constitutes a hindrance to the growth of production and to the generation of a marketable surplus.

The greater part of these farms are incapable of making use of modern production techniques, such as fertilizers and mechanized means primarily. On these farms, private consumption needs predominate while hopes for production depend totally on the hazards of the weather. In the last decade, total cereal production fluctuated greatly.

Year	Production (in millions of quintals)	Yield (quintals per hectare)
1977	28.2	6.0
1978	46.0	10.1
1979	40.0	9.4
1980	43.5	10.2
1981	20.2	4.8
1982	47.6	11.5
1983	34.5	7.6
1984	36.6	8.4
1985	52.2	11.2
1986	76.8	15.1
1987	42.1	8.5

The reorganization of cereal crop rotation has not gone beyond the phase of pious wishful thinking. Barley continues to predominate and if the land areas left to lie fallow have predominated over the last two growing seasons it has not been to the benefit of fodder crops as it had been originally hoped for.

Early summer plowing has surpassed a million hectares, or only 20 percent of the total area planted in cereals. It must, however, be noted that this work constitutes an illusion for the majority of farms that cannot give up revenues generated by their livestock whose survival in summer depends precisely on these stubble fields.

Integrated operations involving soft wheat in irrigated areas have constituted one of the rare positive acts by the MARA. These operations have yielded convincing results since the yields were greatly improved, reaching an overall average of over 4 tons a hectare. The question that must be raised is why the MARA voluntarily renounced continuing an operation that had obviously succeeded.

Great means have been mobilized to attain the goal of a million hectares of soft wheat. The goal was surpassed with 1.03 million hectares in 1986 and 1.18 million hectares in 1987. Basically, however, is it a question of an intensification operation or merely an expansion of soft wheat growing? The two processes were realized in a concomitant manner:

The intensification process was undertaken by farmers having at their disposal adequate means (lands above all) to implement all production techniques and thus being able to generate a marketable surplus at very lucrative prices.

As for the others, it was a question of a mere expansion of lands sown.

Figures at our disposal allow us to affirm, subject to inventory, that expansion was effected primarily to the detriment of fallow lands. The latter declined from 1.97 million hectares in 1985 to 1.65 million hectares in 1986. During the same period of time, lands reserved for soft wheat went from 0.78 million hectares to 1.03 million hectares. It should be noted that more than half of this expansion occurred in unfavorable uncultivated lands, i.e. on marginal lands that serve more as pasture lands than crop growing lands. This proportion will reportedly come to two-thirds if the Chaouia region were included.

Overall, this land expansion operation has caused damage to the systematic rotation of crops without, at the same time, producing any significant benefits.

The average yield of 17.7 quintals per hectare recorded for soft wheat in 1986 dropped again to 11.1 quintals per hectare in 1987, that is a level lower than that noted in 1982, a year when it was not yet a question of any intensification program or expansion of farm lands in soft wheat.

At a time when government officials are sounding the alarm over the extent of the rural exodus we see them sparing no efforts in encouraging the introduction of

"pivots" in the cereal production process. This technique which does not encourage employment will only increase the extent of emigration toward the cities.

The risky price policy concerns only a minority of cereal producers and primarily profits big farm owners who derive significant marketable quantities.

Fluctuations in cereal production cannot be explained solely by weather conditions. Of course, no one thinks of denying or minimizing their impact. The fact remains nevertheless that it is an aggravating factor of precariousness that characterizes production structures. A policy for developing this sector must be defined within the context of a strategy that must first of all and above all be based on recasting these structures and on the mobilization of all support actions, such as research, mechanization, stockpiling, processing, etc.

5671/9604

Medical Agreement Signed

*1d150318Rabat Domestic Service in Arabic
1300 GMT 14 Jan 88*

[Excerpt] Morocco and Poland today signed a cooperation agreement in the medical field. This agreement aims at strengthening cooperation between Morocco and Poland in various medical fields.

SUDAN

Border Guard Pursues Pro-Libyan Forces In Darfur

*45040046a Khartoum AL-RAYAH in Arabic
26 Dec 87 p 1*

[Article by Salih Muhammad 'Ali]

[Text] Forces of the police and border guard in Zalingei recently pursued six landrovers carrying armed groups belonging to the Libyan-supported forces of Ibn-'Umar.

The joint force exchanged fire with Ibn-'Umar's group, which resorted to flight toward the common border with the republics of Chad and Central Africa in the border area of Umm Dukhn.

Mr 'Abd-al-Jabbar Adam 'Abd-al-Karim, deputy of District 173 (Garsila), informed us that Ibn-'Umar's forces had entered the Garsila area in South Darfur, making it necessary for police and border guard forces at Zalingei to pursue them and compel them to flee.

Mr 'Abd-al-Jabbar said that the incident and the preceding seizure of two landrovers belonging to Ibn-'Umar's forces clearly indicate the size of foreign interference in the Darfur region.

Mr ['Abd-al-Jabbar] asked the government to deal with the matter, so as to protect the lives of citizens who have been terrified by the movements of armed groups in the region. He said that fear has gripped citizens in the Wadi Salih area, leading merchants to leave for the city of Nyala, and creating a severe shortage of food supplies.

12937

SYRIA

Information Minister on Arab Foreign Relations

*JN182054 Kuwait AL-SIYASAH in Arabic
17 Jan 88 pp 1, 18*

[Interview with Syrian Information Minister Muhammad Salman by correspondent As'ad Al-Samman in Damascus—date not given]

[Text] [Al-Samman] Arab relations witnessed important developments following the Amman summit. Some reconciliations took place. Media campaigns were also suspended among other countries. What role has Syria assumed during this stage?

[Salman] Since the Corrective Movement, Syria's Arab policy has been based on the factor that effective Arab solidarity among the Arab countries against the Zionist enemy and its settlement and expansionist schemes is the basic pillar of Syria's policy on the Arab level. Syria, using all means and methods, has worked with sincerity, diligence, and determination to substantiate this slogan. Syria kept away from any endeavor or effort that squanders or obstructs Arab potentialities or allows them to be used outside this framework. Syria has also risen above any attempt that gives precedence to transient regional issues over pan-Arab interests or that conflicts with these interests. Syria adopted this policy from its faith in the common Arab destiny and its realization of the nature and magnitude of the Zionist danger. Through its schemes of expansion and its Torah dreams of establishing the Zionist state from the Nile to the Euphrates, this Zionist danger not only imperils Palestine and the adjacent Arab countries but also the rest of the Arab countries.

Syria has spared no effort to mobilize all the Arab potentialities to bolster our nation's steadfastness in the face of this danger. Syria proceeds in this from an explicit policy that gives precedence to all that is basic and central over all that is marginal and accidental. Syria has positively and responsibly contributed to the enshrinement of this policy as a framework for joint Arab action. In light of this policy, one can understand the prominent role the Syrian command in the person of President al-Asad has assumed in the attainment of the positive aspects that emerged from the Amman summit and the reconciliations and the suspension of media campaigns to which you referred.

Moreover, the continuation of this uprising affirms the spirit of sacrifice and its cohesion with the spirit of martyrdom and struggle that was demonstrated by the heroic fedayeen operations carried out by some heroes of the resistance factions—factions that pursue the slogan of armed struggle by deeds and not words, particularly the recent fedayeen glider operation. These continued operations and sacrifices have confused the Zionist enemy, exposed its feeble security and political allegations and theories, and placed the enemy's security and political leaders in a large dilemma on the domestic and international levels. This may prompt the enemy to move out of its political and security dilemma by launching an aggression or a war against Syria, which has always stood and is standing now on the first and basic confrontation line against the Zionist enemy and its ambitions. Furthermore, Syria supports both the Palestinian Arab people's struggle and the armed struggle of their factions with all its capabilities and resources. Syria also considers the Palestine question its own basic and central cause.

[Al-Samman] Following the Amman summit, quiet talks have begun between Syria and Iraq. In your opinion, will these talks be lengthy, or is there a fixed period for them? Will the border between the two countries open and oil pumping resume?

[Salman] Earlier, I pointed to the principles and priorities Syria emphasizes in its Arab policy and in its pan-Arab course. The pan-Arab efforts that should be concerted and secured to confront the Zionist challenge is the foremost topic in our assessment of the political course of any Arab country. It is within this context that we assess the various steps taken between any two Arab countries. Despite the peculiarity and distinction in the Syrian-Iraqi relationship and also despite the diversity in personal judgments and analyses, we should view talk about this issue, both on the Amman summit's sidelines and following this summit, in its natural and realistic dimensions as seen through the ongoing approaches and contacts being held by some Arab leaders, whose efforts and endeavors we appreciate.

[Al-Samman] What about Syria's future role?

[Salman] Following the Camp David accords, Syria continued its pan-Arab responsibilities in confronting the Zionist enemy and sought a strategic parity with this enemy, which concentrated, at this stage, on carrying out its plans to liquidate the Palestine question by means of the climate that some international and Arab sides tried to create in favor of these accords. These sides tried to spread the spirit of defeatism, despair, and capitulation; encourage regional interests at the expense of pan-Arab interests; and create peripheral battles inside and the outside the Arab homeland as well as in some neighboring countries. Syria confronted this trend with courage and determination, raising the banner of steadfastness and resistance and concentrating on the mobilization of Arab energies against the Arab nation's enemy, the

Zionist state and its supporters. At the beginning of the Iraq-Iran war, Syria tried to stop the war and to draw attention to its present and future dangers. After failing to end the war, Syria tried to prevent it from expanding and continued its efforts in this regard. Within this framework, Syria has made its recent move, hoping that it will produce positive results, especially after the Amman summit, the GCC summit, and the positive positions of the Iranian officials.

[Al-Samman] The popular uprising in occupied Palestine is still escalating. Do you believe that by its provocations, Israel is preparing for an overall or limited war against Syria?

[Salman] Our people's uprising in the occupied homeland is continuing. Our Palestinian Arab people, who are suffering under the yoke of the Zionist occupation, are recording new chapters of heroism and sacrifices, which express our people's complete rejection of occupation and the expansionist Zionist entity; their attempt to bolster the spirit of steadfastness and resistance; and their rejection of the logic of defeatism, capitulation, and the search for partial and unilateral solutions.

[Al-Samman] How are relations developing between the United States and Syria and between Syria and the Soviet Union?

[Salman] Despite some complications and tension in Syrian-U.S. relations in recent years, especially after the Camp David accords, the Israeli invasion of Lebanon, and the interference of the U.S. and NATO fleets, these relations can be more positive if the U.S. Administration adopts the principle of dialogue instead of using force and economic pressure and if it pursues a certain policy toward the Arab nation and Syria that can serve the American taxpayer and the American people rather than Israel's interests and expansionist policy in the Arab homeland. If the U.S. Administration pursues such a policy, a positive atmosphere of cooperation will prevail in Syrian-U.S. and U.S.-Arab relations in the interests of the two sides. Regarding Syrian-Soviet relations, I can say they are good, based on close friendship and cooperation in the two countries' joint interests and in favor of our Arab nation and its major causes of freedom, development, progress, and just peace. These relations have witnessed a tangible development during the past 2 decades in all areas—especially economic, military, and cultural—as a result of the friendship treaty signed between our country and the Soviet Union. We believe that any development in these relations will serve our country and the Arab nation. We always try to promote these relations to serve our nation's goals in progress, freedom, and the confrontation of our major enemies—the Zionist enemy and the imperialist forces which support it.

TUNISIA

Parliamentary Election 'Irregularities' Noted

PM291212 Paris LE MONDE in French 27 Jan 88 p 5

[Michel Deure dispatch: "Opposition Condemns Irregularities in By-Elections"]

[Text] Tunis—The parliamentary by-elections, which were held in four constituencies on Sunday 24 January and which the Tunisian Communist Party [PCT] and several independent candidates think should be declared void because of irregularities, have not changed the Tunisian political scene at all. The house of representatives, elected in very dubious conditions in November 1986, will remain uniform.

The five Destourian Socialist Party [PSD] representatives were very comfortably elected and 66.85 percent of the votes was the lowest score—in Gafsa—whereas the independent candidate in the same city obtained 31.41 percent and the Communists 1.72 percent. In the other constituencies, the scores of the other 3 Communists and 16 independents who stood were between 1 and 13 percent whereas the PSD candidates obtained between 72 and 80 percent of the votes.

Immediately after the publication of these results, the PCT—the only opposition party to take part in these elections—announced that it had sent a telegram to President Ben Ali condemning the irregularities and asking him to declare them void. "This is a very bitter blow to democratic life in Tunisia and to the credibility of the electoral principle," PCT Secretary General Mohamed Harmel, the unsuccessful candidate in the capital, where he obtained 6.16 percent of the votes, said in a press conference on Monday.

Mr Harmel spoke of the problems which his party had encountered during the election campaign and placed particular emphasis on the fact that voter's cards were distributed "in a selective and arbitrary way" by PSD cells. With regard to the election, he said that most of the presiding officers and tellers in the polling places were Destourians and even well-known militia members.

In Tunis and Gafsa in particular, the two Communist observers were "ejected" from the polling places, in some cases violently, and the ballot boxes were openly "crammed" with PSD votes, to such an extent that in some cases they exceeded the number of registered voters. "We have names and proof," Mr Harmel said

(Footnote) (According to the PCT, a protest demonstration took place in Gafsa on Monday, and the two candidates it put forward in Monastir were questioned by the police in a Sahel village on Monday afternoon).

Two independent candidates who were present at that press conference confirmed the PCT secretary general's accusations. One of them—Chedli Zouiten—said that Tunisia is "in mourning for 7 November"—a reference to President Ben Ali's declaration on the day he took power.

Interior Minister Habib Ammar dismissed these recriminations with a wave of his hand and a smile: "There are winners and losers in every election, and the losers always find reasons for their defeat." In his view, the election took place "in full accordance with the law, and with clarity and openness," according to the head of state's instructions and in the spirit of the guidelines laid down in his 7 November statement.

The fact remains that a shadow will now hang over the legality of this election. Is this the first hitch in the democratic process started by the new leadership team? The dissatisfied Communists and independents are not directly casting doubt on the president of the republic and the central government. But so many disturbing facts have been reported that it is impossible not to question the behavior of overzealous local authorities and PSD structures, nostalgic for the recent past.

It is well-known that the reform of the PSD, which Mr Ben Ali has launched, is arousing some fears and even open opposition from those—and there are many of them—who are clinging to privileges and interests acquired during 30 years of the one-party system. In addition to the economic and social problems facing the country, it is very probably in this sphere that the head of state and his team will have to fight their first battle if they want to establish real political pluralism in the country.

New Group 77 President

*LD170217 Kuwait KUNA in English 0842 GMT
16 Jan 88*

[Text] United Nations, Jan 16 (KUNA)—Tunisia was unanimously elected Friday president of the Group of 77 for the year 1988, replacing Guatemala. The African group, whose turn is this year to preside over the Group of 77, recommended Tunisia during its meeting Wednesday. Tunisia was president of the Group of 77 for the year 1978-79. The group, originally composed of 77 members when it was created in 1964, now comprises 127 countries and deals mainly with economic issues within the third World.

AFGHANISTAN

Inconsistencies in Soviet Actions Underlined

46190003b Paris *LE QUOTIDIEN DE PARIS* in
French 29 Dec 87 p 10

[Article by Patrice Franceschi: "The Word Trap"]

[Text] Since Gorbachev came to power, bringing with him "perestroika" and "glasnost," satisfaction of the hope of seeing the Soviet troops withdraw from Afghanistan which has developed in the free world has become almost a certainty. If a substantial number of observers are to be believed, this prospect is now taking shape in the near future. The prevailing impression is that not only is the Red Army incapable of reducing the resistance which has opposed it for 8 years (an old fact), but above all, that the expansionist aim which pushed it beyond its frontiers on 27 December 1979 has now been converted into a desire for peace (a new fact).

The conjunction of these two basic factors is what underlies the optimism which seems to prevail both among the "experts" and in the thinking of the public.

But this optimism is perhaps premature.

No one, of course, will challenge the fact that the Soviet expeditionary corps in Afghanistan has suffered painful reverses. This is an obvious fact of which there is no lack of proof. But what is the reality where the Kremlin's peace overtures are concerned? To what extent are they credible?

First of all, one simple comment might be valid for all of Gorbachev's statements. When he talks to us about the USSR at present and its relations with other nations, he carefully avoids discussion of the root of the problem, that is to say the intrinsic nature of his regime and its basic goals. They have never been subject to challenge. All that Gorbachev attacks, although he does so abundantly, is the form of this regime, eroded as the years have passed by a thousand evils, and thus needing to be changed. In short, he is working to make the system, wherein the goals remain unchanged, more efficient. The danger to which we might fall prey lies here—in confusing the basis with the form.

Where Afghanistan is concerned, Gorbachev can represent himself as the unfortunate heir to a situation he did not want. He has not failed to do this. But beyond the military difficulties he is encountering in this conflict, does he really want to arrive at a political settlement? And of what kind? The essence of the question lies there. For the military difficulties remain insufficient to make a withdrawal of the expeditionary corps inevitable.

Now, if appearances are stripped away, what remains of the multiple diplomatic and political actions undertaken under Gorbachev's direction? Laid bare, do they not appear to be acts of war? A war of extreme subtlety, in

which the basic skill involves cloaking as peace overtures what are in fact designed only to overcome the Afghan resistance more easily than combating it in the field would do? And, into the bargain, to demobilize the allies of this same resistance by means of an illusory sense of victory? This is a technique as old as the world. But used in the Gorbachev fashion, isn't it likely that it will work yet once again?

We must not let ourselves be deceived. When they sponsored the rise of the Afghan PC to power in 1979, the goal of the Soviets was to "mongolize" the country without armed intervention. To occupy a territory without fighting—that was the ideal. They failed in this goal, in the style of Sun Tzu. What they have been seeking since is perhaps quite simply to return to this earlier solution, which quite obviously could not be satisfactory for the members of the resistance, but which might be accepted by the West and Pakistan.

There are two major factors which should not be forgotten either. First of all, the Soviets know that a failure on their part in this region would have an incalculable effect on their credibility in the eyes of the nations and countries they dominate, beginning with the Muslim republics in the southern part of their empire. And then, they only have some 150,000 men in Afghanistan, in other words just a few more than they have in Mongolia, for example, where they do not have to fight. In military terms, they could still multiply their pressure by three or four times. This is a scenario which Moscow might perfectly well contemplate in order to resolve the situation.

Nor should it be suddenly forgotten, either, that Afghanistan has been and still remains a priority field for disinformation.

With regard to Afghanistan, the Soviets are trying to be persuasive about their desire for peace, while at the same time continuing to wage a merciless war in the field. For as long as their actions and their statements continue to be contradictory, these statements can only be taken as one element among others in an overall strategy of an offensive nature, even when these statements tell us what we want to hear. Let us guard, then, against any demobilizing optimism.

The trap laid by words is perhaps designed to interweave our desires and our emotions into the objective analysis of the situation.

5157

Ability To Keep Gardeyz-Khowst Route Open Questioned

46190003a Paris *LE QUOTIDIEN DE PARIS* in
French 29 Dec 87 p 10

[Article by Yves Cornu: "Afghanistan: A Bloody Anniversary"]

[Text] Even if the Soviet and Afghan troops succeed in regaining control of the Gardeyz-Khowst route, they will have won only one battle, not the war. And the Soviets would then have to hold the positions won.

The situation yesterday along the Gardeyz-Khowst road, which the Soviet and Afghan troops are trying to win back from the resistance fighters, was still one of total confusion, and the various sources obviously provided totally contradictory reports. But even presuming that the Red Army can succeed in breaking through the total blockade imposed on Khowst, it would then have to maintain the positions gained, which would be much more difficult still.

Beginning on Saturday, Radio Kabul reported that this axis was entirely open to traffic again. Yesterday morning, however, the official Afghan agency, Bakhtar, had not mentioned it at all, and Tass, quoting Gen Nabi Azimi, the Afghan deputy minister of defense, reported that the regular army was 9 km from the city of Khowst. And finally, at noon yesterday, the current spokesman for the seven resistance parties, Mohammed Yunus Khalis, let it be known that the mujahedin were still blocking the armored column 4 hours out of Khowst along that road.

The scope of this offensive, without a doubt the most important one launched since the Soviet intervention began, and in full fury just as the ninth year of this war is beginning, is certainly not of a sort to bear out the things Mikhail Gorbachev has said, all of which indicate a desire for rapid withdrawal. It is this fact in particular which explains why the official Afghan and Soviet press organs have nothing to say about the role being played in this expedition, essential though it is, by the Red Army, emphasizing instead the role of the Afghan forces, which are numerically and morally entirely incapable of pursuing such an attack.

Except, you see, the Soviets really had no choice. Khowst, which has a population of about 40,000, is situated in the province of Paktia, only about 20 km from the Pakistani frontier. It is also situated in a basin, so that the several thousand Afghan soldiers and hundreds of Soviet "advisers" defending it are at a double disadvantage.

This is because this proximity to Pakistan, where the rearguard bases of the resistance fighters are located, allows them to bring up reinforcements rapidly when needed, as has indeed occurred. The mujahedin also enjoy a privileged situation, since they can easily hold their positions in the surrounding mountains.

Under siege since 1979, the Khowst garrison could have held out still longer had the resistance not succeeded this year in cutting off the famous road which links it with Gardeyz, and beyond that, Kabul, simultaneously threatening the entrenched camp. The disruption of this balance, which had existed for 8 years, can in large part be

credited to the Stinger ground-to-air missiles. These weapons, which have brought down a number of the Soviet fighter bombers and helicopters, have also cooled the ardor of the pilots who have thus far escaped being shot down. The result is the acute problem being faced today by a garrison and a city which can now only be supplied by air.

Forced into massive intervention for reasons of a purely military nature in order to prevent Khowst from falling, the Soviets were also pushed in that direction by diplomatic considerations.

From this point of view, success in their present offensive would bring the Soviet forces the greatest of benefits. Apart from the victory as such, it would make it possible to prevent Paktia as a whole, which is a strategic province in that it is a necessary transit point along the route linking the mujahedin columns in the neighboring regions and Pakistan, from falling into the hands of the resistance.

All of these reasons explain the scope of the deployment ordered by the Soviet Army, and they justify the belief that they might really be able to reopen this Gardeyz-Khowst route. But for how long? After being chased away from the areas immediately adjacent to the road, the mujahedin would very soon be harassing the Soviet convoys again from the high neighboring valleys they still hold, and from which they could not be permanently dislodged without major air support, unlikely to be provided.

5157

INDIA

Top Secret Pakistan File Reportedly Leaked to India

*46001193 Calcutta THE TELEGRAPH in English
1 Jan 88 p 1*

[Article by M.J. Akbar]

[Text] New Delhi, 31 Dec—A defence file of the highest possible confidentiality, detailing the Pakistan army's plans, was leaked to India on the eve of the clashes between the two countries in the first week of October in the disputed Siachen glacier. Pakistan took a severe beating in this brief, localised war. By India's estimates more than 250 Pakistani jawans and officers died; and Pakistan itself has admitted the loss of around 150 men. The outcome was widely accepted as a substantial defeat for the Pakistan army.

The leak emanated from the office of Pakistan's civilian Prime Minister Mr Muhammad Khan Junejo, and took place when the file had gone from GHQ to his office for approval just before the operations. Mr Junejo, who also happens to be the defence minister kept the file with him for an inordinately long time, about three weeks. There

was resentment over this within the Pakistan GHQ even at that time, for the army would have preferred Mr Junejo to come over to GHQ and sign a file of such confidential status. But Mr Rana Naeem, the minister of state for defence, insisted on taking the siachen file from GHQ to the office of the prime-cum-defence minister, Mr Junejo.

The charge that the leak took place from Mr Junejo's office was made by no less a person than the vice chief of army staff, General Mirza Aslam Beg. He first brought this to the notice of General Zia, who retains control of the armed forces through his position as chief of the army staff. General Mirza Beg wanted to resign in protest but was dissuaded by General Zia from doing so. As General Zia's number two, and the man effectively in charge of the army, General Mirza Beg's resignation would have had far-reaching repercussions. His importance in the hierarchy is underlined by the fact that he is a four-star general.

General Mirza Beg, however, has now also charged Prime Minister Junejo's office with the highest possible security lapse in secret testimony to the joint defence committee of the Pakistan National Assembly.

The fact that there are serious differences between President Zia and Prime Minister Junejo over the handling of the Siachen problem is widely known. The army's disclosure of the leak has, consequently, come as a boon for President Zia. However, the Urdu-speaking General Mirza Beg is not known to be a pro-Zia general, so it is not as if he is believed to be making this charge at the behest of his superior officer.

The Pak army also believes that Prime Minister Junejo deliberately delayed giving his approval to the siachen file. After the battles of the first week of October, in which Pakistan forces admit they suffered heavy losses particularly in men, Mr Rana Naeem took a helicopter to Siachen to provide Mr Junejo with a firsthand report of what had happened in the course of the fighting.

Diplomatic circles in Islamabad began circulating reports of General Mirza Beg's desire to resign as early as in October, but this was initially attributed to the general taking responsibility for the defeat at the hands of the Indian army. It is now known that General Beg wanted to quit in anger against Mr Junejo and Mr Rana Naeem.

There are only two possibilities. Either there is a very high-ranking mole working for India at the highest levels in Mr Junejo's set-up, or Mr Junejo himself inspired the leak to India. In either case Mr Junejo is obviously in trouble, though naturally the first is a comparatively safer exit route for him. The second of course would be tantamount to betrayal of war secrets and treason.

President Zia has opted to continue the status quo for at least two reasons. First, he cannot afford at the moment to crucify the man he himself propped up as the "civilian

Prime Minister" after the partyless elections. Revelation of the truth would automatically arouse intense public anger in Pakistan and affect public opinion even in the current establishment's stronghold, Punjab. Second, a vulnerable Junejo is less likely to create problems for him, or indeed begin believing that he really is more than a face-saving device.

For India, however, the leakage of the file was a tremendous coup which paid immediate dividends where it really matters—on the field of battle.

/9738

Space Plan To Aid Technology Transfer
46001211 Bombay THE TIMES OF INDIA in English
24 Dec 87 p 4

[txt]

An agreement was signed yesterday between the space application centre here and two private manufacturing concerns for the technology transfer on the ISRO-developed "isrovision"—a computer-aided satellite image data analysed system.

The agreement was signed by Mr Pramod Kale, director, ISRO, Mr Malhotra of Hindustan Computers, New Delhi, and Mr Chandrashekhar of M/s Speck Systems, Hyderabad. Prof U. R. Rao, secretary of the Union department of space and chairman of ISRO, was also present.

Underlining the importance of the function, Prof Rao said that all the space programmers of the country were intended for developing technology for national benefit. He said that this could be described as the outcome of the research programme that has been going on for the last two decades.

The Isrovision, he said would fulfill the need for handling the image data obtained from the operational remote sensing satellite, IRS-1 (Indian Remote-sensing Satellite), that will be launched in two first quarters of the next year.

He said both the hardware and software were developed by scientists at the ISRO. The two private sector companies will be producing the systems during the first half of the coming year.

He said the demand, at present, was expected to be around 200 systems, but it was likely to increase, looking at the scientific development in all fields.

Prof Rao said he expected export orders from the developing as well as the developed countries too, as some of the software developed here was unmatched even in the latter nations. He added that each system, estimated to cost Rs 8 lakhs was comparative cost-wise to the systems developed in other countries.

Prof Rao said the ISRO was training both the technologists and the developing systems to transfer technology to the end users: the people.

He gave a detailed account of the two decades of research. "Our space programme in the beginning was confined to developing the infrastructure, necessary skilled manpower and developing the systems for the use of the people through various fields."

For example, Prof. Rao said that Bhavnagar in Gujarat was one of the four districts selected for the project to search out a solution to the recurring drought. He said that for this all the information gathered so far, including present land use, forest cover, underground water resources, meteorological data, soil conservation through the remote sensing image data, obtained from satellite and aircraft sensors, will be integrated and a solution would be arrived at.

07310

Scientists Resent Plans to Import Earth Station
46001214 Bombay *THE TIMES OF INDIA in English*
15 Dec 87 p 7

[txt]

Indian astrophysicists are enraged over the Union government's decision to import from Japan an earth station for satellite communications, though the technology is available here.

Agitated scientists said today that the government's decision had left the country's scientific community demoralised. They accused the government of slighting Indian researcher who had won international acclaim in radio astronomy.

The government's step was particularly inexplicable as an Indian agency had offered to put up the earth station at the same cost as that quoted by the Japanese firm, the scientists attending the international conference on gravitation and cosmology here said.

The 32-metre radio antenna earth station to be put up next to the existing Arvi station, about 80 km from Pune, is to be imported at a cost of over six million dollars. While the actual cost is about three million dollars, the rest is import duty.

The decision to import the system comes at a time when pioneering work is being done by Indian astrophysicists in setting up the world's largest metre-wave radio telescope at Khodad village on the Pune-Nasik road.

The project director of the giant metre-wave radio telescope (GMRT), Dr Govind Swarup, said Indian scientists felt forced to leave the country to work elsewhere due to such decisions.

Indian scientists had proved their expertise way back in the 1960s when they set up the radio antenna system at Arvi, he said. The communications ministry had opposed employing Indians even then, but Mrs Indira Gandhi had intervened and encouraged the Indian scientists, Dr warup said.

Dr Swarup, who is a senior professor at the Tata Institute of Fundamental Research (TIFR) in Bombay, said pure research in astronomy in India had helped develop an indigenous antenna system in the country.

The giant telescope is a manifestation of Indian Research, having been designed for low-cost operations, he said. The Rs 22-crore telescope which will have 34 45-metre diameter dishes, is expected to be completed by 1992. With a range of 30 to 1,600 megahertz, the telescope hopes to detect neutral hydrogen clouds before galaxies are formed.

In a radio telescope, the reflector focusses the radio waves from distant celestial objects on to the dipole feed which collects the radio signals. These weak signals are then amplified and processed by a sophisticated electronic receiver system.

The two important features of a telescope are its high sensitivity to detect radio waves from the faintest and the most distant celestial objects and ability to distinguish features in the sky.

The existing radio telescope at Ooty, which is among the largest in the world, has also been indigenously designed and constructed.

The GMRT, however, will be the largest in the world and its range would be far greater than the present largest metre-wave telescope in Puerto Rico. Results are expected to flow in from the GMRT within a year of its commissioning.

07310

Third Force Reported Forming in Darjeeling Hills
46001194 Bombay *THE TIMES OF INDIA in English*
3 Jan 88 p 9

[Article by Sudhin Dey: "New Peace Group in Hills"]

[Text] Calcutta, 2 Jan—Frustrated by Mr Subhash Gheishing's intransigence and upset over the mindless violence of the militant section of the GNLFF, a third force is slowly emerging in the Nepali community of the strife-torn Darjeeling hill areas.

The leaders of this force are mainly intellectuals such as lawyers, teachers, former government officers and tea garden managers. This group wants the Centre to open a dialogue with it for restoring peace in the hill areas.

Informed sources say that the leaders claim to have the support of a sizable section of the Nepali community which has remained passive during the last two years when Mr Gheishing and his men rode roughshod on them. This section now wants an end to the interminable civil strife which has thrown out of gear their daily life; schools and colleges stay virtually closed round the year and their means of livelihood have been seriously affected.

Apart from the long periods of bandhs called by Mr Gheishing and his supporters, the recent spate of insurgency activities by the militant section of the GNLF has brought greater misery to this peace-loving section. As some of their relatives and friends are involved in the activities, their houses are being searched and ransacked by the police. Sometimes they are being detained on suspicion, as part of the crackdown operation by the district administration.

It is learnt that many families, fearing harassment by the police or reprisals by the GNLF militants, have left the hills and taken shelter in Siliguri or Sikkim. Some among them have gone away to Delhi, crossed over to Nepal or come down to Calcutta. Those who have taken shelter in the Gurung Bustee in Siliguri are living in fear because any violent activity by the militants in and around the town might result in reprisals on them.

Those who have no place to shift to are coming around in support of the emerging group. They are joining the citizens volunteer force to prevent further depredations like setting fire to houses and putting up road blockades by GNLF activists.

Such a force has already been formed in Kurseong and the police are providing them all assistance to confront militants. A similar force is being formed in Darjeeling and Kalimpong also. The police will give the members identity badges and, if necessary, arms.

The group's leaders are in favour of organizing common people against the insurgency activities of a handful of militants. It is felt that the militant section could be easily isolated once such a force was formed at the village level.

There is a belief among the intellectuals, who have been shunned by Mr Gheishing, that the GNLF president, who is now in Delhi, is fast losing control over the militant faction.

Mr Gheishing is not prepared to return to Darjeeling at the moment, as there is every possibility that the militants might rise against him for his attempt to sell the Darjeeling hill council proposal. This militant section is not ready to accept anything short of Mr Gheishing's promised "Gorkhaland."

The leaders feel that since Mr Gheishing is now a "fallen hero", unable to take his supporters with him, the Centre should open a dialogue with them for an implementation of the hill council proposal. Though they do not support Mr Gheishing's latest two demands for the inclusion of additional areas in Siliguri and Dooars for the hill councilor the prefix "Gorkha" for the hill council's nomenclature, they want that the Centre should have a greater say in the affairs of the proposed hill council.

These leaders also do not want any mediator between them and the Centre, unlike Mr Gheishing who has been taking the assistance of a journalist. The district authorities, it is learnt, have taken note of this significant development in the hill areas. A senior officer of the Union government is now currently in Darjeeling to make an assessment of the new developments.

/9738

IRAN

Free Oil Delivery Agreement With Syria Renewed *46400008b London KEYHAN in Persian 20 Aug 87 p 8*

[Text] The Islamic Republic and Syria renewed their economic cooperation agreement for another year. The protocol for Tehran-Damascus oil cooperation, which was signed in 1982, is valid for 10 years and must be renewed every year by the representatives of the two countries. In accordance with this agreement, the Islamic Republic has pledged to deliver 1 million tons of crude oil free of charge to Damascus for another year, and also to sell an additional 2 million tons to that country at the OPEC price.

The report concerning the signing of the renewal agreement, which is dated Ordibehesht [21 April-21 May] of this year, was placed at the disposal of the media following the meeting of Hojjat ol-Eslam Bakhtari, the ambassador of the Islamic Republic to Syria, with the petroleum minister of that country. KEYHAN (Tehran), which published the report, has not explained why news of an agreement that was to be implemented four months ago was published last week.

KEYHAN added that the issue of expanding the cooperation between the Islamic Republic and Syria was discussed in a meeting between the ambassador of the Islamic Republic and the Syrian foreign minister.

Economic observers and Middle East experts believe that the relations between Tehran and Damascus are going through critical stages and what is reflected in the Tehran newspapers and other media does not clearly reveal the facts and the vulnerability of the political relations between the two countries.

10000

NEPAL

Japan Grants 2 Billion Yen

*ow291139 Tokyo KYODO in English
0849 GMT 29 Jan 88*

[Text] YEN GRANT TO NEPAL—Katmandu, Jan.29KYODO—Japan has agreed to provide a grant of 2 billion yen to Nepal for raising food production in the mountain kingdom. Letters to this effect were signed and exchanged here Friday. The grant will be used for procurement of chemical fertilizer and its transportation cost, Nepal's Ministry of Finance said. This is the third grant provided by Japan to Nepal in the current fiscal year, following 2 grants amounting to 2.3 billion yen. Japan also provided a soft loan of 18.77 billion yen for setting up a cement factory in southeast Nepal this fiscal year.

PAKISTAN

Wali Khan Alleges U.S. Has Imperial Designs

*46000084c Islamabad THE MUSLIM in English
24 Jan 88 p 1*

[Article by Rahimullah Yusufzai]

[Text] Peshawar, January 23—The ANP President Khan Abdul Wali Khan has alleged that U.S. imperialism after utter failure in Iran and Afghanistan was now aiming to turn Pakistan into a springboard for achieving its global designs mindless of the sufferings it was inflicting on the local population.

Addressing a protest meeting at Jinnah Park Peshawar immediately after the Ghaibana Namaz-i-Janaza for those killed in yesterday's bomb blasts in Jalalabad, he claimed the imperialist forces and their local agents had suffered a setback in Afghanistan and the most obvious way to obviate this failure was to incite the locals and Afghan refugees to fight against each other.

Wali Khan pointed out that thousands of people who had accompanied Bacha Khan's funeral procession to Jalalabad had seen with their own eyes that the Afghans were living a normal life and were progressing in the wake of the Afghan Revolution. He felt the favourable impact of the journey on the minds of the Pakistanis was intolerable for the U.S. imperialists and the rulers in Islamabad and plans were devised to erase such impressions. He contended that bombs were thus exploded in Jalalabad during the funeral rites to portray Afghanistan as a lawless country.

The ANP Chief said Pakhtoons were by nature anti-imperialists but they also considered the Afghan refugees their brothers. He warned of serious consequences if acts of sabotage were not controlled. He wondered as to how the Pakistan Government could call itself an Islamic one when an un-Islamic acts like bomb blasts took place under its very nose in a funeral procession. Wali Khan

remarked that Pakhtoons knew how to avenge their martyrs. He thanked all the people who participated in his father's last rites along with the governments of Afghanistan, the Soviet Union and India for sending their representatives at his burial ceremony.

ANP leaders Rasul Bakhsh Palejo, Hakim Ali Zardari, Mir Abdur Rahman Kurd and Rao Mehroz Akhtar, the Sindh Hari Committee President Ghulam Rasul Sehto and the Jiay Sind Tehrik Central Committee member Qayyum mangi were also present during the protest meeting. The provincial leadership of ANP was also present in strength. No slogans were raised in the meeting.

Earlier Ghaibana Namazi-i-Janaza was performed for those killed in the Jalalabad blasts. The Chief Minister Mohammad Jehangir surprised Wali Khan and his party workers when he suddenly turned up at Jinnah Park to perform the Namazi-i-Janaza.

07310

Writer Sees U.S., Indian Objectives Growing Closer

*46000084e Islamabad THE MUSLIM in English
22 jan 88 Supplement pp 1, 4*

[Article by Tariq Majeed]

[Excerpt] Long-term objectives necessarily entail deceptive strategy. The American strategy to India has been so deeply and consistently deceptive that the ordinary analysts could not fathom the real game. It seemed the United States had accepted India as a permanent political ally of the Soviet Union and was content to carry favour with India for minimal gains. Impression was also created as if India was free to choose the level of its relationship with the Soviet Union and the United States, and that it had decided on a permanent preference to the former over the latter.

Now, suddenly a change is apparent. The distance between India and the United States has begun to close, however minutely. Again the impression given is as if India exerting its independence of policies has opted by itself to move closer to US. That impression would prevail. Even when India abandons its security pact with the Soviet Union in 1991, it would appear as if India itself saw that its national interest would be better served by a pro-US posture. Ideal deception after all persuades the victim to feel he is voluntarily choosing a certain course!

The American strategy to India has come to a new stage, as their objectives approach closer. At this stage the strategy seeks that India should take an even-handed approach to the United States and the Soviet Union. India has begun to respond accordingly. India gave a dramatic exposition of its changed attitude by sending the Indian Airforce chief on a 10-day tour of the United

States to coincide exactly with the visit of the Soviet Prime Minister Nikolai Ryzhkov to New Delhi in late November 1987. The Air chief was back in time to brief his defence colleagues on the military talks with American officials to prepare them for negotiations with the Soviet Army chief marshal Akhrominov in New Delhi in December. To give further credence to even-handedness the announcement that the Indo-US agreement on transfer of high technology to India, known as Science and Technology Initiative, had been extended till 1991 was made while the Soviet Army chief was having talks in New Delhi with the Indian defence minister on further military cooperation between the two countries.

India's new policy of imparting favourable bias to its relation with the US is a signal of acknowledgement that the rivalry over India between the two superpowers who are really super-imperialist powers is out in the open. The US has moved in a big way to cajole India since Rajiv Gandhi assumed the mantle of premiership. Actually even before his slain mother's ashes had been stowed away, the American press was heralding Rajiv Gandhi as bringing a new opportunity to the United States for forging warmer relations with India. The US press does not merely propose but paves the way to the desired policies. Rajiv was projected as potentially a great friend of the United States who had a genuine complaint about the US till in favour of Pakistan.

THE LOS ANGELES TIMES quoted Rajiv Gandhi in February 1985 as saying: "I think improved US-India relations very much depend on US policy. We have an open mind but there have always been problems with the arming of Pakistan." THE TIMES went on to comment that a new trust in US foreign policy seeking closer ties with India was visibly reflected in the presentation made by deputy assistant secretary of state Robert Peck to Congressman Solarz's House Foreign Policy Panel on 20 February 1985. There was fulsome praise for India's central role in the region by the deputy assistant secretary who said: "As one of the world's great democracies and an important spokesman of the needs and concerns of developing countries and as the pivotal element in determining the prospects for peace and stability in South Asia, India is an essential partner if we are to successfully pursue our goals regionally and globally." These were heady words for Rajiv Gandhi who had been in office for just four months.

The Soviet interest and involvement in India is generally well known; although the western press has never been inclined to educate the public on this issue. How much the United States has been involved with India is much less known. There is, however, no dearth of material to discover that the United States has all along kept a fondling arm around India even if engaged in mild quarrels with it on the surface. The quarrels were in fact put on acts to fortify the camouflage which the US strategy demanded at that stage. The Indians didn't understand the real game but they went along with the camouflage thinking it be in their interest.

The Americans have all along enjoyed a tight hold over the powerful inner circle of top civil servants, military brass, industrialists and politicians who rule India. They have been cultivating band after band of the influential Indians. If Nehru's influential private secretary M.O. Mithai was alleged to be an agent of America as a New Delhi weekly disclosed in February 1985, he was just one of a full bevy of well-placed Indians who were dedicated workers for the US interests. The weekly disclosed that the allegation was found to be correct by an investigation conducted by the then cabinet secretary in India. The investigation concluded that "between 1947 and 1959 the CIA had access to every paper that passed through Nehru's Secretariat."

The US ambassador in India has always been a special man of the US president. The men who held the office included, American luminaries like Chester Bowles, John Sherman Cooper, Ellsworth Bunker, John Kenneth Galbraith. Each was an intimate friend of the president in Washington, and an inveterate supporter of India. The members of the large embassy staff were also a selected lot. Its ranks always contained several CIA operatives and a few Jews who were in contact with the American-Israeli Jewry. It was not an accident that during the 1971 war the US Navy Yeoman who leaked out top secret US National Security Council information to a newspaper columnist to be used against Pakistan was a Jew and had served in the US embassy in New Delhi. The American ambassador's job was to keep the Indian leadership reassured of the American Commitment to India despite the outward show of support to India's adversaries like Pakistan. Ambassador Galbraith's Journal of his tenure in New Delhi is a revealing record of commitment.

Galbraith was a severe critic of US aid to Pakistan and a zealous supporter of US aid to India. Much of the latter was provided in secret and the secrecy was respected by Galbraith. When Ayub Khan was visiting the United States in early July 1961, Galbraith in New Delhi was ridiculing him for "making disagreeable sounds about the US aid to India." Later learning that Pakistan was going to receive some F-104 aircraft, Galbraith immediately dispatched a note of protest to the State Department warning Washington of adverse consequences. "These planes will contribute nothing to our security in the area," he said. "There will be another complication in India-Pakistan relations and another source of suspicion so far as we are concerned." Galbraith then told M.J. Desai the Indian foreign minister the exact number of planes sold to Pakistan despite the secrecy to which the US government had earlier agreed, and proudly wrote in his Journal, "Desai was appreciative, and the actual number was far fewer than the rumours had suggested. The Pakistanis will not be pleased; they had a promise we wouldn't tell the Indians." Galbraith followed it up by stating at a press conference in Madras that, "The United States would defend India were it attacked by Pakistan." Later he said, he had only repeated what Dulles had stated earlier.

France to Supply Radar System

46000084b Islamabad THE MUSLIM in English
17 Jan 88 p 1

[Text] Islamabad, January 16—Pakistan will receive most modern computerised radar system from France for its air surveillance, an informed source said.

The radars, costing some Rs200 crore, would be installed at Karachi, Lahore, Pasni, Islamabad, Rahimyar Khan and Jiwani. The air surveillance system is being acquired on special orders of Prime Minister Mohammad Khan Junejo.

These radars will detect any aircraft entering into Pakistan air space in minutes and when it comes within the hit target of Pakistan Air Force.

The report says that France has provided the first radar station of the sophisticated system to Pakistan which is currently being tested in Karachi. The second station will be installed in Islamabad or Lahore while similar stations will also become functioning in Jiwani, Rahimyar Khan and Pasni by 1990. According to Defence Ministry courses, the radars will also guide civil aircraft overflying Pakistan by 1989-90.

07310

1987 Economy: Key Indicators Summarized

46000069e Karachi DAWN (Business Supplement) in English 2 Jan 88 p V

[Text]

Pakistan economy: key indicators

	1985-86	1986-87 (Provisional)
GDP		
Growth Rate (Constant Prices)	% 7.3	7.0
Size (Current Prices)	Rs. bn. 485.2	537.3
GNP		
Growth Rate (Constant Prices)	% 7.3	6.1
Size (Current Prices)	Rs. bn. 526.6	573.1
Per capita income (Current Prices)		
	Rs. 5,391	5,692
Agriculture		
Growth Rate	% 6.5	5.9
Production: Major Crops		
Wheat	M.tonnes 13.91	12.02
Rice	M.tonnes 2.92	7.76
Sugarcane	M.tonnes 27.87	29.93
Cotton	M.bales 7.16	7.76
Manufacturing		

Pakistan economy: key indicators

	1985-86	1986-87
Growth Rate	% 7.8	7.4
Production: Selected items		
Cotton Yarn	M.kgs 482.2	586.4
Cotton Cloth	M.sq.mts. 253.5	237.9
Sugar	000 tonnes 1,116.1	1,285.9
Vegetable Ghee	000 tonnes 612.0	608.7
Fertilizer	000 tonnes 2,733.9	2,919.6
Cement	000 tonnes 4,980	5,402
Balance of Trade		
Exports (f.o.b.)	\$ Million 2,942	3,498
Import (f.o.b.)	\$ Million (-)5,984	(-)5,782
Major exports		
Rice	\$ Million 342.5	294.1
Raw cotton	\$ Million 513.7	446.8
Cotton Yarn & thread	\$ Million 283.3	510.2
Cotton Fabrics	\$ Million 314.9	345.2
Petroleum & Products	\$ Million 31.4	25.8
Carpet & Rugs	\$ Million 166.8	200.4
Leather	\$ Million 179.7	237.4
Sports Goods	\$ Million 48.7	58.2
Surgical Instruments	\$ Million 52.2	55.6
Guar & Products	\$ Million 27.5	33.9
Major imports		
Petroleum Products	\$ Million 1,039.4	813.6
Vegetable Oils	\$ Million 379.8	236.4
Iron & Steel	\$ Million 206.5	208.2
Transport Equipment	\$ Million 568.7	511.7
Machinery Non-Electrical	\$ Million 926.6	910.1
Electrical Machinery	\$ Million 193.0	181.5
Tea	\$ Million 134.8	154.2
Chemical Fertilizers	\$ Million 128.8	189.0
Rate of inflation		
GDP deflator	% 5.36	3.69
GNP deflator	% 4.91	2.73
Savings		
National Savings/GNP	% 12.1	14.2
Domestic Saving/GDP	% 5.4	9.1

Source: Annual Report 1986-87, State Bank of Pakistan.

/9738

Authorities Blamed for Harassment of Christians

46000083b Karachi DAWN in English 28 Jan 88 p 4

[Text] Catholic Body: Mr Herbert Fernandes, President of the Catholic Association of Karachi, criticised the authorities here on Wednesday for not taking proper steps to counter lawlessness, kidnapping and police "harassment" of the Christian community in Hyderabad.

In a statement he said it was shameful that young ladies were maltreated in the recent incident.

07310

Commentary Calls U.S. Aid 'Mixed Blessing'
46000083c Karachi DAWN in English 27 Jan 88 p 7

[Article by M. H. Askari]

[Text] Amidst rumours (firmly denied in Bonn and Islamabad) that some West German firms were exporting weapons grade uranium to Pakistan, President Reagan approved a 480 million dollar aid package for Pakistan, certifying that Pakistan did not possess a nuclear explosive device. To an objective observer it would seem ludicrous that while Pakistanis generally want to believe that they have succeeded in producing their own indigenous nuclear bomb in the face of heavy odds, Washington would wish its legislators (and the world community) to accept its word that Pakistan does not have access to any such weapons.

Normally, US aid is denied to any country which illegally or clandestinely obtains materials to produce nuclear weapons. The case of Arshad Pervez, a Pakistani who is stated to be a Canadian national and was recently convicted of attempting to export to Pakistan a special type of hard steel used in the production of nuclear weapons, was not mentioned in the White House announcement concerning the US President's approval of the aid package for Pakistan.

Foreign aid is not always an unmixed blessing. Pakistan's slow progress in attaining industrial self-reliance is often attributed to our overdependence upon economic assistance from various foreign countries. National interests also sometimes become a secondary consideration under pressure from aid-giving nations.

The latest White House statement on aid to Pakistan makes it obvious that continued assistance to Pakistan is in the strategic interest of the United States. At the same time Pakistan's own strategic interests may not always conform to those of the United States. Pakistan has already been drawn a little too much in the vortex of the superpower conflict in Afghanistan. The tense situation in the Gulf also tends to threaten Pakistan's sensitive, and important, relationship with a close neighbour, Iran.

When Pakistan received the F-16s and other sophisticated Military hardware following the Soviet intervention in Afghanistan, our diplomats in New Delhi made it a point to strongly refute India's contention that Pakistan was on the way to becoming a part of what was called America's strategic consensus. Today, US policymakers openly claim that despite suspicion that Pakistan possesses nuclear capability, continued cooperation with Pakistan is vital to the supply of military assistance to the Afghan mujahideen—a major US strategic objective in the region. Denial of aid is stated to be a risk to the stability of South Asia.

India must accept its own responsibility in giving the United States the opportunity to try and secure a strategic foothold in the region. It goes without saying that India's enigmatic opposition to Pakistan's repeated attempts to evolve some sort of a modus vivendi for establishing a more stable bilateral relationship is difficult to understand. There is a widely held belief in Pakistan that India wishes to impose a hegemonistic discipline upon its neighbour countries. Mr Rajiv Gandhi's inflexible attitude towards Pakistan can only lead to greater estrangement between India and Pakistan, eclipsing the imperatives of history and geostrategy which would indicate the need for the two countries to live in an atmosphere of peace and cooperation.

On a more serious level, India for the whole of last year displayed obvious reluctance to resume bilateral negotiations on a whole range of subjects including the (limited) war in Siachen Glacier area and the proposed treaty of non-aggression and friendship. The Indian Ambassador had told visiting Indian journalists that the two Foreign Secretaries would be meeting in early January. But the meeting did not materialise. On the contrary, Pakistani official spokesman, briefing newsmen on January 14, affirmed that no dates had yet been set, and a good deal of preparatory work had still to be done to ensure that the talks would be productive.

Contentious Issues

Obviously, what is holding up a high-level meeting are the contentious issues which are bound to be raised. Pakistan is unhappy about the USSR's supply of nuclear submarines and other military equipment to India. India feels outraged every time the Kashmir issue is raised by Pakistanis in international forums or otherwise. India also continues to accuse Pakistan of complicity in the Sikh terrorist activity in East Punjab. Pakistan feels greatly apprehensive about large scale military exercises close to its border.

The more grim implication of the slide-back in India-Pakistan relations is manifested in the growing tensions in respect of security and defence. Even responsible sections of people in Pakistan believe that an adversarial relationship with India is inevitable since sooner or later India would try to undo whatever is left of Pakistan. The fact is that not so long ago, an atmosphere of confidence was beginning to emerge as a result of frequent high level bilateral contacts and the setting up of the Joint Ministerial Commission. The late Mrs Gandhi had overcome her instinctive mistrust of the military establishment in Pakistan and agreed to the formation of the Commission and to the need to explore avenues of cooperation and friendship. However, the Commission and its various subcommissions now seem to be engaged in a kind of charade, going through the motions of a dialogue but not establishing any meaningful communication.

The past couple of months have seen an unusual PR campaign in India to build up the image of its armed forces. The Indian TV Doordarshan has been telecasting documentaries on various army formations and establishments. This could partly be due to India's entanglement in Sri Lanka and to what a Bangladeshi Minister has called attempts at destabilising Bangladesh. The Gorkha insurgency, the continued militancy of Sikh terrorists and the naxalite operations in South India are beginning to look more and more ugly and the Indian government may well wish to boost the morale of its forces in case they have to be increasingly called upon to deal with tricky domestic situations. Yet, quite understandably, the high-profile treatment of the Indian military has created a sense of apprehension in Pakistan.

India has also made much of what it claims to be its achievements against Pakistani forces in the Siachen area. Lt-Gen R.C. Nanda, commander of India's Northern Command, recently claimed that his formation beat back a major attack by Pakistanis earlier this month. He also told newsmen that in 1987 there had been as many as 1440 incidents of firing by Pakistani troops along the line of control.

The Indian Army's Chief of Staff, Gen Krishnawami Sunderji, on January 16 administered what the media called a stiff warning to potential aggressors. He put on display the formidable 155-mm Bofor guns recently acquired from Sweden. The audience included the foreign military attaches based in New Delhi. Gen Sunderji also warned against questioning any army operations as being motivated by partisan reasons. The Indian army, he claimed, is very much a non-political army, with a long established tradition that it should not be criticised by the press or the politicians.

These portents can not be viewed with equanimity in Pakistan.

To revert to the issue of the recently approved American aid, it is debatable whether the package of 4.05 billion dollars will actually dissuade Pakistan from acquiring nuclear weapons, as claimed in President Reagan's letter to US Congressional leaders, reported by THE WASHINGTON POST last month. However, nuclear weapons may be mainly a status symbol for governments but they can indeed make people feel less secure. A nuclear war can mean total annihilation, leaving no one victor or vanquished.

When the superpowers discard the nuclear weapons technology, which is not altogether unlikely, the Third World countries should not become its greedy customers. As the report of the Carnegie Task Force, also published in a WASHINGTON POST dispatch, said: "By failing to take up Pakistan's offer (of joint control over nuclear proliferation) New Delhi appears to be sacrificing an invaluable opportunity to enhance its own national security."

07310

Commentary Examines PPP Weaknesses

46000083d Karachi DAWN in English 27 Jan 88 p 7

[Article by Ayaz Amir]

[Text] The recent resignation of the Sind President of the PPP, Mir Hazar Khan Bijarani, reflects the wide disenchantment that has spread within the PPP, ostensibly linked with the party's poor showing in the local elections in Sind (for which Bijarani has accepted the responsibility), the true causes of the resignation lie elsewhere. They are related to the general state of affairs in the party, some aspects of which have been pinpointed in Bijarani's letter of resignation.

He has decried the absence from the party of collective decision-making. Unfortunately, this charge is only too true. None of the major decisions adopted by the party chief since her return home in April 1986 was ever discussed, let alone approved, by the Central Executive. The ill-fated flight of the 'doves of democracy' in August 1986, the decision to participate in the Mian Channu bye-election in 1987, and the decision to go the whole hog for the local elections were never brought before the Central Executive. This poor body has always dealt with accomplished facts.

The lack of collectivism in the PPP is compound by the regal, almost darbar-like atmosphere surrounding the party's youthful leader. Most of the people around her would fail a graduate course in politics. Yet they are specialists in the arts of sycophancy and make-believe. To hear them is to get the impression that the PPP is already knocking at the gates of power. Hence the suspicious attitude with which people coming to the altar are regarded. Looked upon as potential seekers of office, they are treated with the contempt reserved for this species.

Sycophancy and the art of explaining things away have been raised to rare and lofty heights in Punjab where the party is led by a bunch of inexperienced persons. Many of the errors of judgement committed by Ms Bhutto must be put to their fanciful account. These were the people behind the conviction that the welcoming masses in April were the harbingers of imminent political change. They were the ones who assured her that in case of her arrest there would be a general uprising in Punjab. Mian Channu and the local elections were two arenas where the most intrepid souls would have feared to tread. But they rushed in blindly without a care in the world for the consequences. True, the major decisions responsible for the PPP's present predicament were not exactly their handiwork. But they never chose to, or indeed were mentally incapable of, spying the warts and wrinkles for what they were.

The lid has been lifted from the rumblings of discontent by the party's disastrous showing in the local elections. The PPP went into the contest with open eyes, nay, in a magisterial mood, for boards were appointed to award tickets to potential candidates. In the event, however, identification with the PPP became a positive hazard as the Muslim League romped home to victory. But instead of accepting the defeat manfully and enquiring into its causes, the PPP is hiding behind the most puerile explanations that convinced no one. It is now being said that it, in fact, succeeded in exposing thoroughly the misdeeds and machinations of the Muslim League, a few more of these attempts at exposure and the PPP would be left with little to celebrate and the Muslim League with little to worry about.

Sycophancy at the summit of the party, coupled with organisational distress at its base, is matched by serious ideological confusion throughout about the party's goals and objectives. In the run-up to the 1970 elections, the PPP was popularly perceived as an agent of change. Setting aside the years of power, in the past-1977 period the PPP arose as the principal challenger to martial law. Romantic and idealists thought that from the ashes of its traumatic experience a bright phoenix of hope would arise; that from the crucible of defeat the steel would be tempered. How completely those hopes lie shattered. By a process of transmutation that must astonish even its authors, the PPP has become identified in the post-martial law period with the status quo. On no important issue does it differ from the policies of the regime. More than any other force, the PPP is frantically determined not to rock the boat. Its aim, of course, is to appease its traditional enemies—the forces opposed to its ever coming into power. Whether it succeeds in that or not it has surely succeeded in morally disarming its own partisans and in dousing the flame and ardour of their enthusiasm.

Bereft of ideas and plagued by organisational chaos, the PPP lives in a self-induced trance, incapable of searching for the true causes of its distress and agony. Yet it thinks itself a match for the patience and the capacity of the man who has changed the rules of the political game fundamentally. He with all the power in the world is a picture of studied modesty. With nothing going for them except their feverish dreams, his principal opponents are the exemplars of a strange misplaced arrogance. It is a mismatch from the start and, if one is honest, should leave no doubt about the outcome.

Of course, a party or a collection of individuals are entitled to their dreams and illusions. But there is a practical aspect to this exercise in self-immolation related to the nature of the political choices available in Punjab. In this, the key province of Pakistan, there are still only two alternatives—the Government (under whatever label) and the PPP. A third choice (one only has to look at the shenanigans of the Awami National Party to be convinced of this) simply does not exist. One either swims with the Government or sinks with the PPP. That is the tragedy of Punjab politics today which

makes it impossible to be indifferent to the plight of the PPP. Its failure reflects the failure of an entire generation of men and women who were baptised in the waters of political enthusiasm when General Zia, simperingly and modestly, walked on to the political stage. Each ill-conceived statement of Ms Bhutto's is a nail in the coffin of their illusions: each false step a harsh judgement on their ill-starred path. They are not to be blamed if they occasionally give way to their despair.

07310

SRI LANKA

Terrorism: Plight of a Muslim Community Reported

46000082a Colombo *THE ISLAND in English*
17 Jan 88 p 5

[Article by Jehan Haniff: "Kathankudi Muslims—Between the 'Tigers' and the Deep Blue Sea"]

[Text] The way in which Kathankudi residents braved bullets and foiled Tiger attempts to evacuate Muslims of this Eastern hamlet has put the spotlight on their courage. Inhabited by some 50,000 persons, Kathankudi which is about one square mile in extent, has a beauty of its own. This village with more than 50 mosques Lagoon and the predominantly Tamil villages of Araithampattai and Navatkuda is about five miles off Batticaloa.

More than 200 Muslims were feared killed due to fierce Tiger attacks on this village on December 30 and January 1. Moreover residents in Kathankudi are yet under siege. Ex-Chairman of this area's Town Council, the Chief Trustee of the Jamiathul Falah Arabic College, M. Ahamed Lebbe says: "From December 30, 1987 till January 8, 1988, for 10 black days, we experienced untold hardships. We were under siege. We did not experience a situation like that in our entire history. We pray to Almighty Allah that incidents like this should not be repeated in the life of any human being, in the world.

"Beneath the surface calm, there lies deep seated fear and suspicion of the intentions of the Liberation Tigers of Tamil Eelam. For although news is slow to travel along the East's atrocious roads everyone is aware of the violence in Kathankudi which has been silently escalating dramatically since January 8—the day Tigers informed the Muslims that they would stop violence.

"However, the Tigers, as reported did not keep to their word. From that day up to the time of writing (Friday) they have abducted more than 10 Kathankudi Muslims. On January 12, when I was in this village Tigers stormed the house of one Mohamed Jaleel at about 4.45 p.m. and took him away to one of their hideouts in Araithampattai. Severely beaten up, the 25-year-old watcher of the Meerah Muslim Balika Vidyalaya arrived at the Jamiathul Falah Arabic College minus two of his teeth. I was told

that he was taken into custody of the Tigers on suspicion of being an ex-Home Guard. Immediately after Jaleel's release, an announcement was made from the loud-speaker of the college that he was released and advising Muslims to remain calm.

"On the following day Tigers, through middlemen, released names of sixteen Kathankudi residents saying they wanted to question them. The news was somehow delivered to those persons. A few rushed to the college and pleaded with the authorities to help save their lives. As Jaleel was the "one and only" person saved of more than 10 Muslims, taken in by the Tigers and allegedly killed those in the alleged hit list feared that the probability of them being killed was more. Until Thursday, the day I left Kattankudy, the sixteen persons were unharmed."

For four long years the Muslims in this Eastern village underwent untold hardships. It is worth mentioning that, according to statistics, Muslims in the Batticaloa district cultivated one half of some 100,000 acres of paddy land in the area. However in the Kathankudi area, according to statistics, about 75 percent of the population are involved in business. This is a very small percentage doing agriculture. Says Mr. Lebbe: "Due to incidents between 1983 and 1987, our businesses and agriculture were lost. We did not want Eelam. We did not want a division of the country. The only thing we requested from the authorities was to recognise the legitimate rights of the Tamils. You know...we were the peace hungry people."

In fact it was a prominent Kattankudy Muslim who declared opened the Tigers' Kathankudi office immediately after the Peace Accord. [as published] This man, who was taken into custody of the Batticaloa Police for questioning last month, was however released following intervention from the "top" the residents say.

It was following this that 21-year-old Nazeer, a Tiger who had attended School up to the third standard, came into focus.

The Kathankudi incidents sparked off after Nazeer was killed on December 29 by a group of ex-Home Guards. It seems that the Muslims are attempting to cover up this fact. They say that the Tigers themselves killed Nazeer as he failed to collect money from Kathankudi residents for the movement. The Tigers who however say that Nazeer was killed by a band of ex-Home Guards led by one Badoordeen, also point out that they have the list of names of the ex-Home Guards who were involved in the killing of their comrade.

This is what Mr. Lebbe has to say about Nazeer: "The LTTE had a representative in Kathankudi, a Muslim. So...that fellow was creating a lot of problems here. But we, initially, did not bother very much about it. It was later that we realized that this fellow started conducting courts...Even Supreme Courts, on his own. He was

associated with some rouges in the area. You know...he was conducting inquiries, serving summons, arresting people and even giving judgements. He was punishing them too. So when this happened residents did not like him. Naturally, no.... Anyway it was dangerous to take any action against that fellow because the movement was there behind him. So, through middlemen, we sent messages to the local Tiger leader to instruct this fellow to stop his nonsense. So they listened to us. They then ordered that fellow not to conduct inquiries, not to conduct arrests and all that stopped. So later this fellow with some of his comrades started punishing some of his enemies. People were still not happy with that fellow. Although they objected, this fellow's actions did not stop."

Nazeer is then reported to have served notices to more than 100 Kathankudi residents demanding sums ranging from Rs. 50,000 to Rs. 200,000 for their military action. The people were not satisfied with that too. So through middlemen, once again, the Muslims requested the local Tiger leader to withdraw those notices. The request of residents of Kathankudi, the most densely populated area in Sri Lanka, was not put aside by the Tigers. Maybe because they were aware that the Muslims were very strong there.

Says Mr. Lebbe: "We told them that we can't pay any money for military actions of any group as we are neutral in the war which they are involved with the Indian Peace Keeping Forces."

Later Nazeer is reported to have collected taxes from vehicles. A lorry was charged Rs. 100 a day, a van Rs. 50 and a cart Rs. 25.

On December 29th night Muslims got together and made an appeal to the LTTE to withdraw Nazeer, send him somewhere else and leave them alone. They even assured the Tigers that they would not support the IPKF.

Is it true that the Tigers are looking for a group of ex-Home Guards led by one Badoordeen in connection with the killing of Nazeer?

"We don't want to say anything about any man of Kathankudi," says Mr. Lebbe. "According to information we understand that they are not only looking for one man but for a few people who were earlier engaged in Home Guard activities."

"The LTTE yet believes that some arms are still with them. But to tell you frankly, their arms have been all taken by the Government after Home Guards units here were disbanded," says Chairman of the Eastern Regional Transport Board, Farook Sinnalebbe.

Mr. Sinnalebbe continues "We got up at about 5.15 a.m. December 30 when we heard Azan (call for Prayer). At this time we heard some gunshots. We heard many shots being fired. In about 10 minutes we came to know that

the Tiger who had been troubling Kathankudi residents had been shot. Within minutes LTTE fellows rushed to the scene and took him to the Araimpattai Hospital. On admission he was pronounced dead. Some unidentified persons have done the killing."

Immediately after Nazeer's killing on December 30 the LTTE went on the rampage killing allegedly over 100 Muslims and injuring an equal number. More than 80 homes, including the Karbala Gramam village which was declared opened by Prime Minister R. Premaasa, fifteen business establishments, including three rice mills, at least four vehicles and two mosques, were damaged.

Says Mr. Sinnalebbe: "On the Northern boundary of Kattankudy is Navatkuda a Tamil village. On Southern boundary of Kathankudi is Araimpattai another Tamil village. On the other two sides are the Bay of Bengal and the Batticaloa lagoon. So can we fight them? The LTTE surrounded the entire village and fired with their sophisticated arms. As the LTTE was firing some miscreants from the adjoining villages stormed into Kathankudi and started looting. The situation was horrible. One can't describe what happened with words. Unless you're within that region you can never realise."

He went on to say that the firing and looting was on till 3.00 p.m. only that day.

How many Muslims died as a result? "Maybe...not less than 100", he says.

Mr. Lebbe adds that the total amount of damage to property is not less than Rs. 100 million.

"We don't blame the Tigers for looting and burning. But they were responsible for giving cover to the looters. The Araimpattai civilians, who wanted to make capital of the situation, looted and burnt property of Muslims. Our youngsters could not tolerate the situation. So they started going towards the direction of firing. They wanted to resist even with their bare hands. But unfortunately the deal toll was still more."

From December 30 the Muslims of Kathankudi were under siege by the Tiers. They were sealed in their village. The Muslims then again started negotiating with the Tigers. But attempts to bring about peace failed. "The whole night we were without sleep. Our people couldn't even cry. That atmosphere cannot be explained. We didn't have medical facilities. Even our hospital was not functioning. No proper doctors", says Mr. Lebbe.

By 2.30 p.m. on December 31 the IPKF came into Kathankudi to give the Muslims protection. They temporarily opened up a camp at the Meerah Muslim Balika Vidyalaya. The Muslims then approached the IPKF and requested offices not to conduct an offensive against the

Tiers. They did this as they feared that retaliation by Tigers may affect the Muslims. On that particular night the Tigers attacked the IPKF. The IPKF's retaliation was however restricted.

The following day the Tigers' High Command in Jaffna made an order not to allow any man to come into Kathankudi or any man to go out of Kathankudi. The High Command also made an order that no vehicle be allowed to move through Kathankudi.

Says Mr. Lebbe: "Due to unavailability of transport, we could not get any foodstuffs. On January 9 morning we did not have even a pound of flour to bake a pound of bread for us. That was our position. For 10 days some 50,000 people were kept as captives starving."

The Tigers, it seems are using predominantly Muslims areas as their military bases. What they plan to achieve by this, according to political observers, is to drive away the Muslims from these areas. The incidents at Ottamavedi and Kalmunai bear ample evidence to this. The Muslims, particularly in Kathankudi were not aware of this move of the Tigers. And they allowed them to move about freely in their respective areas.

Says Mr. Lebbe: "When the Peace Accord was signed we thought we could rebuild our destroyed economy. So we were happy and even the militants fighting for Eelam were with the general public. They came to Muslims areas, too. They had dialogues with the Muslims. The Muslims associated with them thinking they have returned to the democratic system."

Although IPKF army and police posts have been established at Kathankudi is of no significance. No cordon and search operations or at least patrols are conducted. An IPKF officer told me confidentially that these actions if conducted would lead to complicated issues:

The Kathankudi incidents clearly indicate that the Muslims are not willing to be targets of the Tigers.

"Casualties in the Kathankudi incidents have been of children of eleven months to old people of 70 years," a Muslims woman told me confidentially.

"The LTTE atrocities against the Muslims have yet not ceased. There were no Muslims without homes in Kathankudi before December 30, 1987."

Residents feel that the Government is not taking adequate action against the LTTE.

Muslims do not dare to move about freely even in the day although curfew is imposed from 6.00 p.m. to 6.00 a.m. Soon after midday the few shops which are kept open close down. The resilience of its people is wearing very thin. Only animals could be seen wandering aimlessly in the road.

Travelling by a vehicle to Kathankudi is a complicated affair. First, one has to choose the right kind of vehicle or car or a jeep is likely to be appropriated by the Tigers who are always short of transport. Then one has to choose the right road in which travelling would be safe.

Life remains particularly tense for Mr. Ahmed and Mr. Farook Sinnalebbe and several other college officials—a brave group of men who devote their time to representing the interests of those who have fallen victim to the conflict. Their is a tight-roped act as they liaise with the IPKF, the local government and the Tigers in an attempt to make all sides accountable to the ordinary citizen.

/06662

Parliament Debates IPKF Role

4600082b Colombo *THE ISLAND* in English
22 Jan 88 pp 1-2

[Article by Suresh Mohammed and M. Ismeth: "P.M., Lalith Anura Condemn IPKF; IPKF 'Prolonging Agony' To Say on—Anura"]

[Text] Leader of the Opposition, Anura Bandaranaike opening the debate on the extension of the state of emergency said the Indian Peace Keeping Forces were deliberately "prolonging the agony" to ensure their presence is forever established in the North and East. There are anything between 45,000 to 50,000 Indian troops in Sri Lanka at present. Why are they not finishing the job? Is it that they do not want to do it?

Sri Lanka is today a country under foreign occupation like South Korea and Afghanistan. The people are convinced that the IPKF is not under the government of Sri Lanka. The President has no control over the IPKF.

Mr. Bandaranaike said the country was now reaching six months since the Jayewardene-Gandhi Accord was signed. At the time it was signed the people were assured that three things would be achieved within the course of three or four months.

Number one was that the terrorists mainly the LTTE would surrender all their arms by August. General Sepala Attygalle was sent to Jaffna and there was a lot of publicity given to the token surrender of arms.

However not even 80 per cent of the arms in terrorist hands was surrendered and there are no signs that it will be fulfilled in the future. Secondly the IPKF according to what the President told the world press was expected to withdraw by the end of September or October. There were 3,000 to 4,000 Indian troops at first. Today the figure is anything between 45,000 to 50,000 and there is no sign of the IPKF withdrawing. What percentage will withdraw and when they will do it is not known.

The civil administration in the North and East has gone to Indian hands. There is evidence that houses were being leased out for five-year periods to the Indians. All this confirms that the IPKF would not withdraw from Sri Lankan soil.

Thirdly Provincial Council elections were to be held by the end of December. We were told they will be held and everything will be "tickety boo". In November the PC Bill was debated amidst the tightest security and passed with the opposition voting against it. December has come and gone but the environment necessary to hold PC elections had not been established at all. So the three cardinal promises made by the government since the signing of the Accord had not been honoured. They have been flouted and there are no signs visible that they would be fulfilled even in the future.

Thousands were killed after the "Pease Accord" was signed. Tamils were also attacked and a large number killed by the IPKF. If there is a single community that suffered the most at the hands of the IPKF I think it is the Tamils. They suffered the most. It is true that Sinhalese and Muslims were also butchered. In the East Muslims were attacked and thousands are in refugee camps. The sister and brother-in-law of the chief Justice, S. Sharvananda were also butchered by the IPKF in Jaffna. Mr. Samuel, an old teacher at Royal College who was running a tutoring in Jaffna was also butchered. What could that 85-year-old teacher have done? He was killed by the IPKF. A large number of people were butchered. That seems the only fundamental achievement of the IPKF. We were told there were only about 1,500 LTTE Fighters. Cannot 50,000 Indian troops bring 1,500 LTTE men to heel. After all India has the fourth largest army in the world!

A British newspaper had called the LTTE "the most efficient and ruthless terrorist organisation in the world". Under whose command is the IPKF? There are rather contradictory statements on this. Mr. Rajiv Gandhi told Lok Sabha that the IPKF functioned under the Indian Government. We are told the IPKF is under the Sri Lankan President. The Indians it seems are telling the truth at least for once.

People Want IPKF To Quit—Lalith

National Security Minister, Lalith Athulathmudali yesterday told Parliament that the general opinion of the people from Dondra to Point Pedro and from Colombo to Sangamanthuduwa was that the Indian Peace Keeping Forces now on our soil should leave as early as possible.

Winding up the emergency debate, the Minister said even in India it was now being asked why the IPKF should remain in Sri Lanka. Except for a few including the Prime Minister, many others did not understand the strength and capabilities of the Sri Lankan security force, when they launched the battle against the terrorists in the North. There was a political "Mahadanamutta" who

never even appreciated the tough battle our forces fought to combat terrorism. He criticized our security personnel. Vadamaratchi was captured by our forces, but even that great achievement by our brave boys from the villages failed to win the admiration and appreciation of this "Mahadanamutta" who is now "in the mud."

Mr. Athulathmudali said he was willing to accept blame, but one should never criticise the country's forces who fought a valiant battle against terrorism. They laid down their lives for the sake of their motherland.

While "Mahadanamutta" was critical of our forces, the NEW YORK TIMES in a write-up had lauded Sri Lanka's security forces for their bravery. The articles states the achievements of our forces in the North had forced the Indians to step in. "Mahadanamutta" at one stage told the President that he himself had invited the Indian troops to Sri Lanka. He tried to act above the President. Maybe he had dreams about being the President! There were a few others who were "forgetful". The village lads put up a good fight to save the country, the National Security Minister said.

Mr. Athulathmudali said all displaced persons be they Sinhalese, Tamils or Muslims should be resettled at the earliest. "We must not hide anything. A solution should be sought so that everybody could live in peace."

No political or democratic solution would be successful until we resettle all the refugees in their former places, he said. Mr. Athulathmudali added that there are 154,366 refugees in 114 institutions managed by the Ministry of Rehabilitation, of this there are 13,000 Sinhalese, 26,000 Tamils and 73,000 Muslims. In other camps there are 661,217 refugees. In all there are a total of 815,583 refugees he said. These people are in a dangerous plight. We must resettle them all soon. People in Trincomalee who were the worst affected should also be resettled.

Opposition MP: "You are going to India."

Mr. Athulathmudali: The President wanted me to look into the refugee problem. It would be better for me to have talks with India and find a solution to resettle the refugees soon. The Sinhalese, and Muslims say they won't go back as long as the IPKF was there and the view of the Tamils was not different from theirs. All what they want was a solution to the problem. There was unanimity in their thinking that the IPKF must leave as soon as possible.

When we say the IPKF should go the Indians are also wanting them to come back. Maybe they will go before we ask them to go. But why did the Indian army come here? It was because there was disunity here.

Mr. Bandaranaike said the Sri Lanka Army carried out its operations with about 10,000 to 15,000 personnel. Today there were three times that figure of Indian

troops. When our Army carried out operations against the terrorists there were a lot of accusations and allegations made by the world press which accused it of undiscipline.

The May operation of the army was very successful. They didn't rape 79-year-old women. Our Army never behaved in that manner. Today the most undisciplined behaviour is being exhibited by the IPKF. Was the IPKF able to capture a single LTTE leader, he asked.

The top LTTE men continue to issue statements. The LTTE marched into the Batticaloa prison, opened the doors and order the inmates to flee. What was the IPKF doing? The prison is located in the heart of the town. The IPKF is deliberately not doing anything to crush the terrorists.

The Sri Lankan army with the least amount of casualties made great headway. India at one time sent a flotilla of old fishing boats and the government of Sri Lanka was scared. Now the Indians are in occupation.

The Opposition leader said that there was a complete blackout of news from the North. There was a time when the Indian High Commission held regular briefings. That came to an abrupt halt. Now no one knows what is happening. Do not the people of Sri Lanka have a right to know what is happening on their own soil? There should be a joint Sri Lanka-Indian briefing on the situation. Half of what India gave out was fiction.

We have to swallow this medicine! I appeal to the Prime Minister who has spoken from his heart to ensure a joint briefing to be held in future.

I am thankful THE ISLAND and SUN for highlighting the atrocities of the IPKF.

The people should be grateful to those independent newspapers for this service.

A Buddhist priest from Polonnaruwa told a newspaper that some IPKF personnel had tea in a Sinhalese boutique and grabbed a cassette recorder that was there. They had fired some shots into the air and left.

The priest said people hid when they heard the sound of approaching Indian vehicles. The situation according to the priest was not so bad even when terrorists prowled the area.

All this shows that people have been reduced to the level of dogs. The Sinhalese now hide when they hear Indian vehicles. This is in Polonnaruwa, and not in the North or East. The Accord has reduced the country to this sad state, Mr. Bandaranaike noted.

"The IPKF does these things wherever it goes, be it in Assam or elsewhere. Who invited the IPKF? They are not citizens of our country. The government cannot

handle the situation. The former Indian Foreign Secretary too criticised the Indo-Lanka Accord. [Mr. Bandaranaike reads from THE ISLAND].

I am sorry that Mr Gamini Dissanayake attacked the former Foreign Secretary for his "considered judgement".

The Opposition leader said he and Mr. Ronnie de Mel were "old friends".

Mr. Ronald Godfrey de Mel was in the government for 10-1/2 years. He was the longest serving Finance Minister both here and in the Commonwealth.

Though I have been one of his strongest critics of his fiscal policies, I always respect his intelligence and hard work. With the present financial policies the government could not have found a better Finance Minister.

Government MP: "You are saying this now".

Mr. Bandaranaike said that back-benchers cheered and clapped during Mr. de Mel's budgets. The late John Kotalawala once said "when one is up everybody is at his feet and when he was down everybody was at his throat". (Interruptions)

"If the former Finance Minister walks in now not a single back bencher will talk to him. We saw what happened to Mr. Cyril Mathew. The new Finance Minister, Naina Marikar is a gentleman. He deserves what he got. I am sorry he will not be able to present the next budget. We will do it on his behalf! [punctuation as published]

The former Finance Minister and Mr. Gamini Dissanayake were the key architects of the Peace Accord. In fact Mr. Ronnie de Mel was the Minister-in-waiting when the Indian Prime Minister came to Sri Lanka. What made him to do a 360 degree turn and resign? He had the highest and most important portfolio. Why did he resign? That is the million-dollar question that puzzles everybody. The former Finance Minister knows where the wind was blowing. In 1976 he left the SLFP and joined the UNP because he knew that. He has realised that the UNP ship is sinking. The man who kept the ship afloat financially has resigned. He had told the BBC the government had no moral right to rule. (Interruptions)

Mr. de Mel was the most versatile and mercurial politician in Sri Lanka. His demand for a general election is something we all endorse. We invite him to join us in our call for a general election. (Interruptions)

He knows a lot of things which are happening in the UNP. If he gets on to a platform some will have to find places to hide. We hope he will come out and fight for what he believes in.

At Vivekananda Vidyalaya the Prime Minister made a fine speech at the distribution of free school books.

(Interruption by Deputy Minister of Teaching Hospitals and Women's Affairs, G.V. Punchinilame)

Mr. Bandaranaike: "Just because you cut Mallimarachchi's throat and got into the Working Committee don't think you are a big wig".

Mr Punchinalame: "You are inviting him".

Mr. Bandaranaike, "Even if I invite others I won't invite you. You are a disgrace".

The Opposition leader reads the Prime Minister's speech from the DIVAINA.

There is at least one Sinhalese in the Cabinet who understands the mood of the people. The Prime Minister has always been forthright in his views. I congratulate him for his excellent analysis. What is the penalty he has to pay for expressing his views? The District Minister of Colombo, Weerasinghe Mallimarachchi and Colombo's Mayor Sirisena Cooray were dropped from the UNP Working Committee. The Mayor is a fair person. Mr. Susil Moonasinghe a "political turn-coat" has been appointed to the Working Committee. Two of Prime Minister's key men have been removed. That is the punishment meted out for speaking the truth. There is a lot of throat cutting going on. I am sorry the Prime Minister whose views have remained unchanged has been penalised by the government. Mr. Ronnie de Mel paid with his portfolio for speaking the truth.

The only solution to save the country from its plight is to hold a general election. All those who believe in democracy and treasure the country's sovereignty endorse that view, he said.

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