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CONTENTS

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NEAR EAST

REGIONAL AFFAIRS

- Interview on Arab Place in New World Order [Doha AL-SHARQ 23 Oct] 1

PALESTINIAN AFFAIRS

- 'Abd-al-Shafi on Autonomy, Negotiations [Doha AL-SHARQ 26 Oct] 3
'Abd-al-Shafi, Advisers on Peace Conference [Jerusalem AL-BAYADIR AL-SIYASI 26 Oct] 4
Report Justifies Palestinian Attendance at Conference
[Jerusalem AL-BAYADIR AL-SIYASI 12 Oct] 7
Study on Interdependence of Israel's, Territories' Economies
[London AL-SHARQ AL-AWSAT 31 Oct] 10
Fatah Member Proposes Palestinian Development Bank
[Nicosia FILASTIN AL-THAWRAH 20 Oct] 14
Palestinians To Submit Memo on Rights to Lebanese [London AL-SHARQ AL-AWSAT 22 Sep] . 17
Report Describes PLO-Hamas Discussions on PNC
[Jerusalem AL-BAYADIR AL-SIYASI 26 Oct] 20
Palestine National Fund Budget [Nicosia FILASTIN AL-THAWRAH 13 Oct] 22
Drug-Related Gang Violence Reportedly on Rise [Jerusalem AL-BAYADIR AL-SIYASI 19 Oct] ... 27

EGYPT

- Madrid Conference Delegates Comment on Peace Process
[London AL-SHARQ AL-AWSAT 29 Oct] 28
Opposition Leaders Support Peace Process [London AL-SHARQ AL-AWSAT 29 Oct] 30
Opposition Cries Foul in Labor Elections 31
Candidates Hindered [AL-AHALI 9 Oct] 31
Tricks Employed at Al-Mahallah [AL-SHA'B 17 Sep] 32
Plots at Bani Suwayf, Al-Minya [AL-SHA'B 17 Sep] 33
Tricks To Disqualify Candidates [AL-SHA'B 17 Sep] 34
Brazilian Minister's Visit Has Political Focus [Sao Paulo GAZETA MERCANTIL 9-11 Nov] 35
Trade Balance With USSR Upset by Soviet Problems [AL-AHRAM AL-IQTISADI 16 Sep] 36
Sectarian Violence in Imbahah Investigated 37
Press Searches for Motives [AL-AHALI 12 Oct] 37
Defense Attorneys Kept in Dark [AL-HAQIQAH 12 Oct] 38
Spending Patterns Threaten Economic Reforms [London AL-SHARQ AL-AWSAT 31 Oct] 38

IRAQ

- Governor on Iran Preventing Return of Citizens [INA] 39

ISRAEL

- Sharon's Actions To Head Likud [YEDI'OT AHARONOT 1 Nov] 39
Description of PLO's Force 14, Aerial Operations [BAMAHANE 9 Oct] 41
Outline of RAFAEL's Losses, Strategic Planning [YEDI'OT AHARONOT 13 Sep] 42
West Bankers Prepare for Autonomy [YEDI'OT AHARONOT 8 Nov] 43
Restrictions Lifted on Investing Abroad [YEDI'OT AHARONOT 8 Nov] 45
Editorial Analyzes Jewish Presence in Jerusalem [HATZOFE 11 Oct] 47

KUWAIT

Parliament Member on Role of Democracy, Diwaniyas [London SAWT AL-KUWAIT AL-DUWALI 30 Oct, 3 Nov]	49
'Kuwaitization' Emphasized in Economic Rebuilding [London SAWT AL-KUWAYT AL-DUWALI 27 OCT]	52
Professors, Businessman Discuss State of Economy [London SAWT AL-KUWAYT AL-DUWALI Oct]	53
Oil Exports to Brazil To Resume in Dec 92 [Sao Paulo O ESTADO DE SAO PAULO 8 Nov]	63

MOROCCO

Three Parties Form Territorial Commission [AL BAYANE 23 Oct]	64
United Receives Visiting Chinese Delegation [AL BAYANE 29 Oct]	64
Loan From Kuwait To Finance Road Construction [LE MATIN DU SAHARA 31 Oct]	65
Daily Comments on University Student Clashes	65
Conditions Deplored [AL BAYANE 27-28 Oct]	65
Planning of Attacks Noted [AL BAYANE 29 Oct]	65
Both Sides Condemned [AL BAYANE 30 Oct]	66
Islamists Hold 'Court' [AL BAYANE 31 Oct]	66
Official Unemployment Statistics Challenged [L'OPINION 29 Oct]	67
Alleviation of Country's Foreign Debt Welcomed [AL BAYANE 26 Oct]	68
Finance Draft Bill for 1992 Evaluated [L'OPINION 5 Nov]	69
Daily Notes Progress in Human Rights [AL BAYANE 23 Oct]	70

QATAR

GDP Reaches 27 Billion Riyals for 1990 [AL-SHARQ 24 Oct]	70
Ministry Plans for Port, Airport [London AL-SHARQ AL-AWSAT 31 Oct]	71
Law on Formation of Communications Ministry [AL-SHARQ 15 Oct]	72

SAUDI ARABIA

Citizenship Allegedly Not Discriminatory [London AL-MAJALLAH 20 Oct]	75
Editorial Says Wealth, Production Go Hand in Hand [Riyadh AL-RIYAD 20 Oct]	75
Agricultural Projects Established in 4 Districts [AL-RIYAD 20 Oct]	76
Port Volumes for 1990 Rise [London AL-MAJALLAH 25 Sept]	77
Harad Water Wells Produce 2,500 Gallons Per Minute [AL-RIYAD 5 Sep]	77

SUDAN

Land Confiscated, Redistributed for Farming [SUNA 31 Oct]	77
Free Speech Guaranteed at Conference [SUNA 27 Oct]	77
Report of Slave Trade Denied [SUNA 29 Oct]	78
New Regulations on Liquidity, Loans [London AL-SHARQ AL-AWSAT 4 Nov]	78
Civil Service Managers Slated for PDF Training [SUNA 2 Nov]	79
Agricultural Produce on Free Market [London AL-SHARQ AL-AWSAT 29 Oct]	79
Hashish Fields Destroyed in Southern Darfur [AL-SUDAN AL-HADITH 2 Nov]	79

TUNISIA

Ambassador to Saudi Arabia Discusses Assignment [London AL-MAJALLAH 1 Oct]	80
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WESTERN SAHARA

Former Polisario Members on Green March [Rabat L'OPINION 10 Nov]	81
Saharan Tribes' Loyalty to Morocco Noted [Rabat L'OPINION 12 Nov]	82
Delegation of Istiqlal Women Visits South	83
Meets Sahrawi Women [Rabat L'OPINION 12 Oct]	83
Head of Delegation Speaks [Rabat L'OPINION 13 Oct]	84
Istiqlal Women Appeal on Behalf of Detainees [Rabat L'OPINION 24 Oct]	85

SOUTH ASIA

AFGHANISTAN

Afghan Democracy Movement in Disarray [<i>Tehran KAYHAN INTERNATIONAL 9 Nov</i>]	86
Peace Settlement, Mojaddedi Isolation Viewed [<i>Karachi DAWN 1 Nov</i>]	86

REGIONAL AFFAIRS

Interview on Arab Place in New World Order

92AE0064B Doha AL-SHARQ in Arabic 23 Oct 91 p 7

[Interview with 'Abd-al-Majid Farid, president of Arab Studies Center, by Dr. al-Sayyid Gharib in London, date not given]

[Text] I met with Mr. 'Abd-al-Majid Farid, President of the Arab Studies Center, one of the most important research centers in London. He has had wide political and diplomatic experience since serving as Secretary General of the Presidency of the Republic in Cairo and as Minister of Presidential Affairs. He was very close to many developmental experiments in the Arab world, and has good ties to international research and studies centers. His visits to many countries have given him the chance to watch and learn, and the ability to assess the phase through which the international order is passing.

In an attempt to survey current Arab conditions, and looking to future phases of international political activity, we had to listen and take it in. This was our discussion.

[Gharib] How do the international changes affect the Arab region? How can these effects be countered?

[Farid] As a regional system, there are three [as published] factors affecting us: what happened in the Soviet Union and the Eastern Bloc, the Gulf war, the control of one superpower at the present time, and the end of the cold war. These are the factors that must affect any regional system, including the Arab bloc. If we look at these factors, we find that they are interrelated. One factor affects the other. What happened in the Eastern Bloc is what made the other power take control and affected the Gulf war—meaning that the factors affect one another.

The international effects, until other powers rise up who we hope will act on a global level, meaning Europe—Germany, we stress, and single it out—and Japan ... They are rising economically, but until they rise politically and develop the will—founded on motives—and the ability to participate politically, the influence of the United States will remain conspicuous.

Regionally, the countries of the Third World used to rely to a great extent on the rivalry between the superpowers and the context of the cold war. They obtained aid from here and there, not only from the Soviet Union. Some Third World countries got aid from America, which was given generously so that they might not align themselves with the Eastern Bloc, and vice versa. The disappearance of the cold war, and the disappearance of the two poles, had a great effect on the Third World from the point of view of technical, developmental, and economic aid, and participation in development, etc. Thus, we come back to the issue I raised at the start: insofar as we are unable to boost bilateral commercial contacts and commercial

exchange within our own bloc, we will not rise to compensate for the aid we used to receive in the past as a result of the cold war.

At the Arab level, of course, we are part of the Third World. But we are distinct in two things: we have a strategic commodity, which is oil; and we have the Arab-Israeli conflict that threatens the stability of the region.

These factors always increase the fragility of the region, along with the actions of the U.S.A.—as we follow the news at present—regarding this conflict.

To the extent that we are able to agree—I don't say unite, merely agree—on the strategic commodity we possess, which is oil, and to the extent that we can agree upon a well-ordered viewpoint on the Arab-Israeli conflict, we will be able to lessen the effect of the superpower on the regional Arab system.

Strategically speaking, to confront the Israeli plan, Arab security must think in terms of confronting foreign designs on the Arabs' strategic resources.

[Gharib] How do you see the possible outcome of the Middle East peace conference?

[Farid] With regard to the holding of the Middle East peace conference, the general international trend is with the necessity of holding a peace conference despite the United States' bias in favor of Israel, the power of the Jewish bloc in America, and its influence over decision-makers. But the inclination is there to hold the conference, while Israel's non-acceptance to hold the peace conference is difficult. But what comes out of the peace conference, that is something else. Israel must respond, having prevailed in the issues. But the outcome is something else, because overlooking the stage-setting and the presence of the United Nations as an observer, and the Soviet Union, there are two basic sides. The Israeli side and the Arab side. Each side has its cards. What are the cards that we Arabs hold? We are scattered, we do not have one viewpoint. We have only 10 percent of our economic dealings among one another. We have differing opinions and directions. We are afraid of one another, and fight one another. Israel is a single, undivided power, though inside it are Jews from Europe, Arab Jews, Ethiopian Jews, and Soviet Jews, but they are all of a single opinion, a single thought and shared goals in the light of Herzl's conference and the designs of Zionism. This is why I am pessimistic about the outcome of the conference.

The cards are in their hands. After the conclusion of the stage-setting and the departure of the observer members, in the end, what does each side have? It is easy, of course, to find out, it's not a problem. Look at Taba—amending four hundred meters took years, despite our clear rights in the history and geography books. And the conference—when the Arab side came in, after the postponement, with the cards of speaking in one voice, agreement

on a unified plan and setting an Arab security plan, the picture changed completely.

[Gharib] The water problem was one of the direct causes of the 1967 War, as it was in some of the problems between many of the countries in the region in past years, thanks to Israeli plans to occupy southern Lebanon. Water is considered to be among the problems that the coming international conference aims to discuss. Will water remain a problem between neighboring Arab countries, or is it finished as a cause of conflict in the coming era?

[Farid] We—us, here—were the first research commission in 1984, through a conference on “Israel and Arab Water,” to say that we were on the brink of a water war, because this is a vital topic to people. Everyone uses commissions and institutions to study the subject, and we have asked since 1985 for the founding of a commission at the Arab level solely for the study of water issues: its distribution and the use of the water we have. I read recently in the newspapers that the new secretary general of the Arab League is interested in forming an Arab water commission. I hope it happens, because it will be a very important step.

With regard to Lebanon, I have a comment about the south, which is that the Litani River runs through southern Lebanon and we discussed it, in the water conference I referred to in 1984, attended by experts from many countries, and the United Nations sought the help of the conference papers, and indeed, we sent them.

Figuring the water in Israel brings up the needs of the population and agricultural land, and the settlements' water needs—the available water, whether groundwater or tributaries of rivers, gives a certain number. There is a discrepancy in water requirements as long as it is needed. How to get it? As to desalinization projects, American investment doesn't welcome water desalinization projects because they don't pay, and Israel does not have sufficient funds to work purification projects on a large scale. The other solution is to encroach upon Arab water. There is no third solution to supply sufficient water for new settlements, new agriculture, and new cities, particularly after the increase in Soviet immigration. The Litani River runs through southern Lebanon, and Israel cannot do without the waters of the Litani River, and must inevitably exist in this region. It even looks to sources and tributaries of other Arab waters, such as the Yarmuk.

With regard to Israeli expansion, there are three factors: people, land, and water. The matter of people was solved with the Soviet and Ethiopian immigration, still in progress. Land—there is a great deal of uninhabited land inside present-day Israel, such as the Negev, despite their insistence that they will not leave the West Bank and what we hear of the expulsion of Arab residents and the establishment of new settlements in Arab villages. The last problem is water. As we said, the solution is water purification or the taking of Arab water. They must be

thinking of taking water. This raises the issue exposed by Mr. Mahmud Riyadh in several of his statements about water projects in Turkey, which are called peace pipelines, as there are several currently-unused rivers flowing through Turkey and flowing into the Mediterranean. Turkey proposes water pipelines, which instead of going to the sea, would go through pipes to the Arab region through Syria and Jordan, and from that point into two branches—one to Kuwait, Qatar, and the Gulf countries, and a second to Saudi Arabia. This project requires \$21 billion, according to a memorandum given to us in the Euphrates Conference by the Turkish deputy foreign minister who was taking part in the conference. Where would this amount come from? He said that the water would come to the Arab countries, so we would certainly get funding from the Arab countries. But why? The project will go through Syria and Jordan, and the distance between the pipelines and Israel is five kilometers. This is the basis of the junction between Israeli water and Arab capital—Arab investment. Turkey, of course, is a member of NATO, not far from American planning, which is driven by domestic Jewish powers. With an Arab water commission, it would be easy to coordinate and reach agreement on joint ventures in order to safeguard and maintain Arab waters and direct them soundly and with an eye towards investment.

[Gharib] What are the possibilities of a future Arab role vis-a-vis a united Europe and the possibilities of the return of Arab workers there? Can the present development program absorb them?

[Farid] First of all, regarding a united Europe, the Arab countries must use their contacts with the large and rising entities and enhance their ties with them. As these ties are enhanced, our standing, even with the sole superpower, will be enhanced.

As to the workers, I think that the population increase is a factor, even if it is not possible to plan for this increase. The workers returning from Europe are untrained and unskilled workers; they are a burden to us in our countries. Thus, they will be a burden to them there. We must raise the level of worker training so that they will be sought-after workers, let alone the fact that highly-trained workers will be one of the domestic developmental factors in our countries as long as they need them.

[Gharib] After the collapse of the Soviet Union, the southern Islamic republics are coming into prominence. What is the likelihood of an international role for them, and of the Arab region's responsibilities towards them?

[Farid] I listened to a talk by one of the ambassadors in Japan in the 1980s; he was talking to Henry Kissinger, and said, “At the end of this century, there will be great powers that the world, that the east and west, will have to take into consideration—they are the Muslims of the southern Soviet Union, who number nearly 110 million.” They are ready and able to play an influential role, and now, after the breakup of the Soviet Union, and now

that these republics have declared their independence, they are beginning to move towards the points near them, for example, the western republics such as the Ukraine began to move towards the countries of the former Eastern Bloc and Germany. And the Baltic republics have begun contacts with the countries of the West, and northern Europe. The southern republics began [as] the five republics, in addition to Azerbaijan, whose populations were reaching nearly 70 million and looming over the Arab region. As I said, as our contacts with the world grow, our standing grows with the superpower. These are the republics that have a very strong desire for economic and political contact with the Arab and Islamic countries. There is no longer any allergy to Islam. The number of mosques has grown from 180 to 5,000 this year.

In addition to the Arab region, Iran and Turkey are close to those republics, and they have begun to take action and exchange visits in the communications, economic, gas, and cultural sectors. As the Turkish foreign minister says, they are relatives; they will have standing in the Middle East and the southern Soviet Union. I believe that they crave a better standing so that they may join the European Community.

PALESTINIAN AFFAIRS

'Abd-al-Shafi on Autonomy, Negotiations

92AE0055A Doha AL-SHARQ in Arabic 26 Oct 91 p 7

[Interview with Haydar 'Abd-al-Shafi, head of the Palestinian delegation to Madrid peace conference, by Katiya Thabit in Gaza, date not given: "Democracy and Human Rights a Lie; New Order on Trial To Solve Palestinian Issue; first three paragraphs are AL-SHARQ's introduction]

[Text] The use of Palestinian reality through the acceptance of coexistence with the state of Israel has attracted big headlines for the Palestinian delegation's mission to the peace conference, but Israel—by planting these settlements—does not provide any evidence that it wants this coexistence. This is the opinion of the chief of the Palestinian delegation to Madrid, and he challenges the international community to prove differently.

Haydar 'Abd-al-Shafi, age 72, chief of the Red Crescent in the Gaza Strip, will lead the Palestinian delegation to the peace conference that begins on 30 October 1991. In an interview that we conducted with him some weeks ago, he declared that he does not deserve this honor, but he told Agence France Presse that in the event he was chosen to head the Palestinian delegation, he would assume the responsibility.

Haydar 'Abd-al-Shafi, a tall, soft-spoken, and very elegant man, lives with his family in the city of Gaza in a two-story villa surrounded by gardens that are shaded by some very old trees.

[Thabit] You have met several times with James Baker in the context of preparing for the peace conference. You are among those nominated to represent the Palestinians at this conference. This is the first time in which the Palestinians have had the opportunity to make their voices heard in the framework of an international conference. How do you evaluate this situation?

['Abd-al-Shafi] This situation is not an easy one, and it is not new, because the suffering of the Palestinian people goes back to the stage that the English began by supporting the Zionist agenda, and bringing the Jews into Palestine. One cannot say that, at that stage, the Palestinians were not represented. There were political parties: the Arab Party and the Independence Party. There were respected leaders, such as Musa Hazim Pasha al-Husayni and, later, al-Hajj Amin al-Husayni. The al-Husayni family has represented the will of the Palestinian people for a long time. The coming of huge numbers of Jews was imposed on Palestine in an attempt to alter the population ratio, so that it would become one-to-two. The declaration of the state of Israel in the form that was achieved was the goal of both from the beginning, in order to prevent the Palestinians from making a free decision within the framework of self-determination. Today, utilizing the principle of reality, and in view of the current situation, we accept the existence of a Jewish state. No one can deny its existence. The basic confession that we offer is our initiative for peace and the acceptance of the principle of coexistence between the two communities on the basis of negotiation, in order to reach a just and peaceful settlement.

[Thabit] Why not accept autonomy as a start, and then demand other gains?

['Abd-al-Shafi] Because Israel has repeatedly and publicly declared that the occupied territories are Israeli territory and that we have no right to anything in them. These are not mere slogans; these statements are interpreted by the intense settlement actions that follow. This policy is not new; it has existed since Sadat was negotiating at Camp David, and it still continues. Its intensity has increased since that time. This is the evidence that Israel has not deviated one centimeter from the plan that it is carrying out. They propose three years of autonomy for us, after which a final situation can be reached. This is nothing but words, because the final situation is being crystallized as I speak to you, through the continual planting of new settlements in the occupied territories.

Yes, in all truth, we have made many errors along the way, but this doesn't mean that our current positions are wrong. I recognize that Palestinian leaders have sometimes lost political touch, but today, despite that, there are some frightening developments. For example, why does Israel object to including the European Community in the peace conference? Why do they oppose the UN's active attendance? We demand the appointment of an

arbitrator to recognize our rights, as was done to recognize Egypt's rights vis-a-vis Taba. We want an international group to tell the Israeli Government firmly and resolutely that peace cannot proceed on an equal footing with the policy it is pursuing. We want Egypt and the other Arab states to apply pressure on the United States to stop the policy of Israeli settlements.

[Thabit] In the Camp David era, President Sadat asked you to join in the talks, but you refused. Do you think that you missed an historic opportunity, losing years and years, and that today you again encounter the position of the late Egyptian president?

[Abd-al-Shafi] In the Camp David era, Palestinian public opinion was not ready to accept Sadat's initiative. Today, the situation is different; it can only lead to two solutions: either peace, or at least steps toward peace; or regression to violence and its consequences. We face two options. Despite the fact that I did not support the Gulf war, I recognize that it contributed to restoring legitimacy after the violation of several international principles. We do not want to return to violence, but we want Israel's decades-long abuse of international law condemned and stopped. Israel has colonized more than one-third of the territory in Gaza, which still embraces its people. What are the real consequences of this policy? It deprives a fundamentally poor people of their land; it deprives them of their living space, which enables them to exist naturally. Don't forget that Gaza is one of the most overcrowded areas of the world. Israel is preparing to establish settlements here, on the pretext that it is exploiting "governmental" land. This simply means that Israel wants to present the world with a fait accompli. We told Baker: "The Israelis are freely disposing of the land, as if the situation had finally stabilized into a fait accompli. For example, in Galilee, the rate of Israeli investments in the occupied territories clearly proves that the intent is to stay.

[Thabit] Let us be optimistic. With the possibility of establishing a Palestinian state, what solution do you expect with regard to the geographic problem represented in the area dividing the West Bank and Gaza Strip?

[Abd-al-Shafi] Despite the fact that your question is extremely theoretical in the present circumstances, I don't think that the geographic arrangement of territory constitutes a difficulty. When a true will to achieve peace emerges, nothing will be able to block this process, and everything can be resolved. I can assure you that the majority of our people desire peace; Israel must rest assured of that. All the world must be convinced that we sincerely have the will for peace. The Palestinian peace initiative is very serious.

The majority of our foreign visitors show their disquiet concerning the importance that the Hamas Movement has acquired among Palestinians. I respond to them that "if Hamas is a source of concern for you, you should understand that the only way to stop its growth is to

bring about peace. A process like that is in the hands of Europe and the United States." In other words, we are going to the negotiating table on bases that the Israelis want to impose. The land that we are negotiating for is under their control. They have also imposed several other pre-conditions.

[Thabit] Do you have a final word, 'Abd-al-Shafi?

[Abd-al-Shafi] They talk about democracy and about human rights. I say, lies. The world today announces a new order, and imposes democracy on totalitarian regimes. All of this is only a lie. The true evidence that reflects what I say is in this frightful ordeal. Here you have an issue which, by resolving it, the international community could prove its good intentions.

'Abd-al-Shafi, Advisers on Peace Conference

92AE0055B Jerusalem AL-BAYADIR AL-SIYASI
in Arabic 26 Oct 91 pp 2-4

[Interview with Dr. Haydar 'Abd-al-Shafi, head of the Palestinian delegation to the Madrid Conference; Dr. Ahmad al-Yaziji, a candidate for delegation membership; and Palestinian leader Faysal al-Husayni; date and place not given: "Delegation's Mission Is To Confirm Palestinian Right to Self-Determination, Return, Establishment of the State;" first two paragraphs are AL-BAYADIR AL-SIYASI's introduction]

[Text] On 30 October 1991, the Spanish capital will be the center of world attention when the peace conference opens under the auspices of the United States and the Soviet Union, attended by the parties to the dispute and other delegations. For the first time, a joint Palestinian-Jordanian delegation is being formed to attend this conference and, for the first time as well, members of the Palestinian negotiating delegation will be from within the Arab occupied territories, after consultation and coordination with the PLO.

We conducted this interview with the head of the Palestinian delegation, Dr. Haydar 'Abd-al-Shafi; and with Dr. Ahmad al-Yaziji, one of the nominated members of the delegation.

[AL-BAYADIR AL-SIYASI] Shortly before the peace conference is convened, what is your message to the Palestinian people in general?

[Abd-al-Shafi] The Palestinian delegation, which will go to this conference within the framework of a joint Jordanian-Palestinian delegation, will have the basic task of confirming the Palestinian right to self-determination, with the establishment of the Palestinian state, and the right of refugees to return. This is a natural right, as it is for other peoples. There are numerous UN resolutions supporting this right, passed by both the Security Council and the General Assembly.

Circumstances are propitious to raise the Palestinian issue in the wake of events in the Gulf. Because it is clear

and confirmed that the main roadblock to achieving a just peace is Israel, with its intransigent position denying these Palestinian rights, this should make the nations of the Western world—and especially the United States—shoulder their responsibility with regard to their claims to support human rights and the establishment of a new order, upholding the principles of international law and human rights.

Despite the differing Palestinian viewpoints concerning the importance of attending this conference or not, which is a matter that is not unusual, our national duty requires that these differences remain limited. They must not prevent the Palestinians from showing a unified position vis-a-vis Israel.

[al-Yaziji] We speak to the Palestinian people. Misfortunes and ordeals have taught us that our solidarity and cohesiveness are on the rise, along with our national unity. If the delegation increases in strength, steadfastness, and solidity, that will be derived from you. Give more mass support to your delegation, so that we can alleviate the pain of our great people who have suffered so long. Have more patience, so that we can achieve the Palestinian national dream and realize our Palestinian reward. Let us differ, debate, and agree, but let us not leave room for that to turn into something we hate or that angers our masses, which yearn for complete unity.

Let every sincere, free Palestinian light a candle to change into daylight the pitch-black darkness that has hovered over us since the beginning of the occupation and change it into freedom and independence, God willing.

Peace and Settlements

[AL-BAYADIR AL-SIYASI] American Secretary of State Baker has not succeeded in persuading Israel to freeze or stop settlement operations, either before or during the peace conference. Peace and settlements do not go together. What is your view on that?

[Abd-al-Shafi] Peace and settlements never go together; they are mutually exclusive. Therefore, the question is: Why attend this conference? The fact is that we are attending this conference because of existing realities, despite the clarity of this picture. They are: Israel's insistence on settlement and the radical incompatibility of that with peace. However, the climate that prevails, both internationally and on the Arab level, insists that we enter into this experiment—the proposed experiment—the regional conference on behalf of peace in the Middle East, so that the Palestinians do not appear to be blocking or thwarting the peace process by refusing to attend the conference and, thereby, exposing themselves to the danger of the waning of world interest in the Palestinian issue, as well as perhaps the Arab world's. Moreover, Palestinians are attending the conference so that they can avert from themselves the process of neglecting peace. In any event, this will not prevent them from preparing for whatever is required to help to obtain their rights.

[al-Yaziji] I am convinced that Baker's basic mission was to attempt to bring all parties to the negotiating table. As for myself, personally, I think that with regard to all our brothers in the negotiating delegation, the questions of settlements, Jerusalem, and the right to self-determination are our main concerns and the primary demands and resolves, and they are inflexible.

Delegation and PLO

[AL-BAYADIR AL-SIYASI] Do you think that in the next stage of negotiations, "if they continue," there will be PLO members among the negotiators?

[Abd-al-Shafi] It is difficult, first of all, to judge if there will be future stages, and difficult as well to predict how positions will develop, especially Israeli positions.

[al-Yaziji] The Palestinian people in the diaspora and the PLO are present, a presence that is not absent for a moment from the minds of the delegation members. Their presence achieves the integration of the Palestinian equation in the negotiations. Through conviction, and by establishing our rights, we can convince all parties of whatever we want, so long as we are legally right.

Failure and Solution

[AL-BAYADIR AL-SIYASI] In the event the peace conference fails, what is the solution?

[Abd-al-Shafi] The conference's failure will only be due to Israel's intransigent position and the lack of response by the United States and European nations to intervene in support of the right. In this case, the Palestinians can only reorganize themselves, organize their self-capability, and use it in the service of the Palestinian issue.

[al-Yaziji] If the conference fails, the Palestinian people have, since time immemorial, changed from one combative position to another. Madrid is only one battle station on the Palestinian people's route to freedom and independence.

[AL-BAYADIR AL-SIYASI] At the end of the interview, we asked Dr. Ahmad al-Yaziji about what he would tell the Arab people.

[al-Yaziji] We would tell our great Arab people that they have been absent from the arena of support for the Palestinian people. It is time that we Arabs returned to our Arabism, our heritage, and our honor, so that we can join together as one in facing the danger that is aimed at all our heads.

[AL-BAYADIR AL-SIYASI] We thank Dr. Haydar Abd-al-Shafi and Dr. Ahmad al-Yaziji, one of the candidates for delegation membership. We hope for them, and for the other members of our Palestinian delegation and the other Arab delegations, every success with regard to holding this trust, performing this duty, and achieving a just and comprehensive peace.

Faysal al-Husayni

At his home in Jerusalem, we interviewed Faysal al-Husayni regarding events in the last few days before the conference is convened.

[AL-BAYADI AL-SIYASI] Many have said that America has asked prominent Palestinians to make statements about stopping the intifadah in exchange for stopping the settlements. What do you say in this regard?

[al-Husayni] The truth is that there was no official request for that but, during the meetings, our demand that the settlements be stopped prompted Baker to tell us that requesting Israel to stop settlements before the conference would cause the Israelis to demand that the intifadah be stopped in exchange.

We made our position clear in that regard, on the basis that the intifadah's purpose is to end the occupation and is not aimed solely at stopping the settlements. Moreover, while settlement is an illegal act and a violation of international law, the intifadah is a legitimate action internationally.

[AL-BAYADIR AL-SIYASI] What is the American interpretation of Resolutions 242 and 338, as you perceive it?

[al-Husayni] According to the American interpretation, those two resolutions mean an end to the occupation, and the principle of land for peace on all fronts. The resolutions' words are clear that, basically, Israel must withdraw on all fronts.

[AL-BAYADIR AL-SIYASI] Is the list of delegation names that you recently handed over final, or is there a possibility the names could be changed shortly before the conference is held?

[al-Husayni] There is no such thing in the world as a final name. There are members who could be changed or who could resign. This list contains possible names. This doesn't prevent changes being made if that is necessary.

[AL-BAYADIR AL-SIYASI] What is the number of members that you expect for the Palestinian team in Madrid?

[al-Husayni] Including negotiators, advisors, and media personnel, the number may reach 30 to 40 persons.

[AL-BAYADIR AL-SIYASI] During your meetings with Baker, did you perceive American earnestness regarding the question of a confederation with Jordan, and about the possibility of giving the Palestinians a demilitarized state as a part of general arrangements?

[al-Husayni] It is clear that the Americans do not support the establishment of a Palestinian state. However they, in exchange, refuse to be committed to Israel in opposition to the establishment of this state. Moreover, America thinks that the confederation solution is not impossible.

[AL-BAYADIR AL-SIYASI] Do the Americans believe in the Palestinians' right to a state within the confederation, and are there conditions such as being a demilitarized state, in light of the reality of the region?

[al-Husayni] Everything is now being submitted for negotiations. The question of demilitarization in general, by all nations of the region and not just the Palestinians, will be raised among the various parties.

[AL-BAYADIR AL-SIYASI] If we assume that settlement will continue, what is the position of the Arab and Palestinian negotiators?

[al-Husayni] If the conference gets underway, and Israel continues its settlement policy, the Palestinians and Arabs will be unable to continue negotiations. Therefore, Israel will have blocked the course of peace, and cannot escape without penalty.

[AL-BAYADIR AL-SIYASI] Are you going to the conference optimistic or pessimistic?

[al-Husayni] Let us say that I am neither optimistic nor pessimistic. We are walking a fine line, and we must know where to put our feet. If we put our foot in the wrong place, we will fall into the abyss. Perhaps we will have passed through a difficult stage, but the difficult situation will still exist. While we are pleased to be going to the conference, we will enter weighted down with many matters and conditions.

Optimism or pessimism does not determine the solution; that is a result of hard, realistic confrontation. The conference will either lead to peace or no peace.

[AL-BAYADIR AL-SIYASI] Do you agree with the view of some analysts that the participation of a delegation from the occupied territories means the disappearance of the PLO, or that it will no longer be preeminent?

[al-Husayni] We began our initiative in a difficult position for the PLO and the Palestinian people. Most of the Arab capitals were closed to them. Now, those capitals are opening their doors. The PLO has broken through the barrier that enclosed it. The initiatives that were taken inside the occupied territories, in mutual coordination, helped the PLO to do that and—soon—the doors of European capitals will open for the PLO.

[AL-BAYADIR AL-SIYASI] Do you agree with the statement that the domestic front is different than that abroad, and that there are two leaderships?

[al-Husayni] The domestic front and those abroad are one people and one leadership. The difference between home and abroad is that here you have a field command, bound to the legitimate leadership of the people, as are other field commands in Palestinian groupings.

[AL-BAYADIR AL-SIYASI] Did American messages of assurance encourage the Palestinian side to participate in the conference?

[al-Husayni] American assurances were not a reason for the decision to participate. Although they demonstrated constraint in the matter, we ultimately considered them an American commitment and a clarification of the American position. However, we are not completely relying on that, but on the conference being subject to UN resolutions.

[AL-BAYADIR AL-SIYASI] Are there new factors in the American position that are different from those prior to the Gulf war?

[al-Husayni] For the first time, America is using its financial support for Israel as political pressure.

[AL-BAYADIR AL-SIYASI] Are there guarantees for the safety and freedom of individuals of the Palestinian team under the occupation?

[al-Husayni] We have asked a group of questions that do not pertain only to the negotiating team. We are also seeking to stop harassment against citizens, lift restrictions on travel, end the state of emergency and illegal detentions, and allow lawyers to meet with detainees. Moreover, we have assurances that the team will obtain its freedom without obstructions.

The two superpowers will support these freedoms in all nations including Spain, and tacit guarantees for freedom of movement and work have been given to members of the team, as a fundamental and necessary safeguard appropriate to the duties facing the delegation at the conference.

[AL-BAYADIR AL-SIYASI] Will the guarantees for the team's protection continue after the conference?

[al-Husayni] If the conference fails, this means that Israel will do what it can to impose its occupation policies, with whatever ramifications that entails.

[boxed item 1] Dr. Ahmad Tawfiq al-Yaziji

- Born in Gaza in 1947, received his primary, preparatory, and secondary education in Gaza.
- Entered College of Medicine, al-Azhar University in 1966, graduating in 1974, and went to work as a doctor in al-Shifa' Hospital in Gaza.
- Obtained a masters degree in general surgery from Alexandria University in 1969.
- Continued his work until the Israeli authorities dismissed him in 1989.
- Worked in the Arab al-Ahli Hospital since June 1990.
- Was under administrative detention for eight months, beginning 13 November 1990, accused of leading the Fatah Movement in the Gaza Strip.
- Returned to his job at al-Ahli Hospital as a surgeon.
- Member of Board of Directors of the Arab Medical Association from 1981 to present. Chairman of the Association's Cultural Committee.
- Has good relations with the Israeli peace movement.

- Participated in several conferences and forums at home and abroad pertaining to the Palestinian issue. Has also met with a number of foreign delegations visiting the Gaza Strip.
- Banned from traveling since 1989.
- Married, with a son and three daughters.

[boxed item 2] Dr. Haydar 'Abd-al-Shafi

- Dr. Haydar Muhi-al-Din 'Abd-al-Shafi was born in Gaza in 1919, and received his primary and secondary education in Gaza and Jerusalem.
- Matriculated at the American University in Beirut and graduated as a doctor in June 1943.
- Went to America to specialize in surgery from 1950-54.
- Occupied the post of director of public health in the Gaza Strip, 1957-60.
- Chairman of the Legislative Council in Gaza in the early sixties.
- Member of the Gaza Strip delegation to the Palestinian conference held in Jerusalem in 1964.
- Member of the first PLO Executive Committee in 1964-65.
- Exiled by the Israeli authorities to Sinai in 1967 for three months with others.
- Currently head of the Palestinian Red Crescent Society in the Gaza Strip.
- Participated in numerous conferences and forums at home and abroad pertaining to the Palestinian issue. Has met with several official and unofficial foreign delegations that have visited the Arab occupied territories.
- With other Palestinian dignitaries, he met with American secretary of State James Baker.
- He is married, with a daughter and three sons.

Report Justifies Palestinian Attendance at Conference

92AE0054A Jerusalem AL-BAYADIR AL-SIYASI in Arabic 12 Oct 91 pp 11-12

[Article: "Madrid Conference: Six Reasons Behind Palestinian Agreement To Participate"]

[Text] After a period of travail lasting eight months, a decision was made to hold a conference under the slogan, "Bringing Peace to the Middle East," in the Spanish capital, Madrid, in the wake of conflicting news reports over the period when American President George Bush and Soviet President Gorbachev decided to hold a conference to bring peace to the region. In this preliminary analysis of the conference and the background leading to it, we will deal with several points in detail. Is it an international conference or not? Is it based on international legitimacy or not? Who made concessions, the Arabs or Israel? Is the American position neutral or biased? This is in addition to other points raised throughout this period, including the reasons why the PLO decided to take part in the conference, why the EC was excluded, and where the other international organizations are.

American, Not International, Conference

Some like to call the Madrid Conference "an international Middle East peace conference" instead of "a regional conference" without giving an accurate definition of its nature and substance—Is it international or not?—or without giving an objective answer to this question. However, the full agreement to hold the conference in Madrid in a few days calls for a totally objective definition of the conference as a first step.

During the seventies and eighties, the international position on solving the conflict in the region revolved around the Arab-espoused Soviet call to hold a fully-empowered international conference under UN supervision, and around the American call that rejected the international conference format and proposed the idea of direct dialogue or direct negotiations between Israel and the Arab countries.

The EC was split in its position, with one side supporting the Soviet stance, like France, and the other side supporting the American stance, like Britain. Ever since 1980, however, the EC has followed an independent course, adopting a position on the settlement of the conflict somewhere between the Soviet stance and the American stance, thus bolstering its influence in the Arab region.

The American position produced the 1979 Camp David Accords between Egypt and Israel, which represented the first practical embodiment of American policy in the region. The Soviet position, supported on the Arab and international levels by the Non-aligned Movement, the Islamic Conference Organization, and other organizations, did not change vis-a-vis the American rejection.

This struggle between the two positions persisted until an international detente was forged, when it gradually started to wane in favor of the American position. The Gulf war, with its reality and consequences, brought about a regional and international transformation in favor of the American position and the American political vision of the Middle East, including the settlement of the historic conflict in the region. Accordingly, using the term "detente" to describe the relationship between America and the Soviet Union is a mistake, for the proper term is Soviet "cave-in" to American policy.

However, some people like to call the American political process leading to the Madrid conference an international conference. This is an inaccurate, and indeed, incorrect appellation for the following reasons:

- First, the prelates leading to convening a conference in a few days in Madrid were not international, but rather exclusively American, although they were supported by the four superpowers that are Security Council members, as well as by non-members such as Japan and Germany. The superpowers did not take part in the political process that set the date for the international conference and played no role in it.

- Second, neither the UN nor the Security Council played any part in setting the conference's time and format. Rather, they were excluded right from the start, exactly as the EC and Japan were excluded, giving America the opportunity to monopolize the whole political process. The only role the Soviet Union, which will take part in the conference, played was to assist in implementing American policy.
- Third, the UN, right from the start, was excluded from any role in the conference or in the ensuing negotiations, and was assigned only a marginal role, thereby excluding international resolutions as well, even though the American administration used Security Council Resolutions 242 and 338 as a basis for the conference.
- Fourth, whereas an international conference is fully empowered to impose a solution on the parties to the conflict or on the non-consenting party, on the premise of UN resolutions and international legitimacy, the proposed conference does not have any international powers and has rendered legitimacy negotiable.
- Fifth, an international conference is held with the participation of the five UN Security Council members and the parties to the conflict, and with regard to the region, with the participation of the PLO. The proposed conference will not include the five Security Council members and excludes the PLO as a principal party to the conflict.
- Sixth, an international conference does not interfere in the process of selecting representatives of any of the parties to the conflict. Conversely, the proposed Madrid Conference interfered in the selection of the Palestinian people's representatives.

Therefore, it is wrong to call the Madrid Conference an "international conference." In accordance with the above explanations, it is an American conference held by American design under American sponsorship for the purpose of holding direct negotiations rather than imposing international legitimacy on the party refusing to implement it.

In light of that, whereas the Gulf war represented the onset of an international and regional cave-in to American interests, the Madrid Conference represents the embodiment of American policy in the region without a regional or international deterrent.

It may be said that Soviet participation is enough to render the meeting an international conference. From a theoretical point of view, there may be some truth to this view. But, from a practical point of view, and in light of the Soviet Union's submission to domestic, and hence American foreign policy, this view does not hold true, unless the idea is to "fool people."

American Mainstays Tied to International Legitimacy

This view, however, if put in the context of a universal vision of the international order that is fast taking shape under American leadership, is prejudicial to the facts that international legitimacy is determined by the

world's superpower. At this stage, the superpower is the United States, who meddles in every detail of the international agency's [as published] policy, at the UN Security Council level in particular, as manifested during the Gulf crisis and war.

In the wake of the Soviet Union's downfall, international legitimacy has become a pawn to American policy, for no other international power is able to influence American policy and, hence, international legitimacy. In light of that, America will have the final word on whether the conference is held under American or UN sponsorship.

This brings us to a basic observation: the international legitimacy concept is already undergoing some fundamental changes, particularly from the standpoint of its failure to reflect the might or the concept of the UN Security Council superpowers, even though it reflects the American concept, which is being bolstered by its exclusive control of international policy.

It is this concept that defines the mainstays of conferences tied to international legitimacy and not the overall mainstays of international legitimacy because:

- First, at a time when the American administration stated that the conference would be held on the basis of Resolutions 242 and 338, it did not go into the implementation of these two resolutions, rendering them subject to negotiation among the conferees.
- Second, the implementation of international legitimacy calls for UN participation in and sponsorship of the conference. This is not the case with the Madrid Conference, which relies only on the participation of the Soviet Union in addition to America. Accordingly, America's understanding of the conference is not the implementation of international legitimacy, but rather the attainment of an agreement based on it.
- Third, the conference excludes the PLO as a political power recognized by an overwhelming majority of the international community, whose key role in the peace process is recognized by the UN and its Security Council, and by all the countries of the world.
- Fourth, the American concept of the Madrid Conference is that of a political ceremony to pave the way for direct negotiations. This is incompatible with international legitimacy and with the world's understanding of conferences and solutions.

In light of that, it is wrong to say that international legitimacy is the mainstay of the conference even though America is using Resolutions 242 and 338 as its basis. Rather, it is the mainstay of the American concept of the historic conflict in the Middle East. This brings us to a quick reading of the Arab and Israeli positions with a view to highlighting the Arab retreat before the Israeli position.

Concessions Offered by Arabs Only

This regional and international reality imposed on the Arabs a political solution in the hope that they might retract many of the fundamental points in their policy

vis-a-vis the settlement of the conflict. This is evident in the comparison between the former and current Arab positions that underscore the following:

- Whereas the Arab position used to be based on the idea that a political solution to the conflict must be attained via a fully-empowered international conference attended by all UN Security Council members, the current Arab position has abandoned this idea in favor of the Madrid Conference which does not, in any way, rise to the level of an international conference.
- Whereas the Arab position used to oppose America's exclusive efforts to solve the conflict, insisting on the participation of all countries, the current position is totally based on America's exclusive control.
- Whereas the Arab countries used to reject direct negotiations with Israel, the current position is based on direct negotiations, both in form and substance.
- Whereas the Arab position used to be based on PLO participation in any political settlement on an equal footing, the Arab countries have abandoned this stance, leaving the PLO to deal with the American political process alone.
- Whereas the Arab position used to advocate participation in the political process as a united front, the current position advocates one-on-one negotiations and individual participation in the Madrid Conference.
- Whereas the Arab depth—all the Arab countries—used to have a unified position vis-a-vis any political settlement, the current position leaves it up to the belt countries [i.e., states bordering Israel] to adopt individual and separate positions.

Opposite this Arab position, there has been no retreat on the part of Israel. Indeed, the Arab retraction has bolstered the Israeli position through the "rejection of the international conference," the "rejection of UN participation," the "rejection of PLO participation," the "rejection of the unified Arab position," and the "acceptance of direct negotiations with Arab countries and the Palestinians without official PLO presence."

The question is: Why did the Arabs make all these concessions?

The answer to this question places some responsibility for the Arabs' retreat, in view of their pro-American stance, on the war against Iraq and the destruction of the Iraqi force that seriously upset the balance of power with Israel and other non-Arab countries, such as Turkey and Iran. The Soviet downfall in favor of America and its Middle East and global policies, and the absence of a counteracting world power, have placed before the Arabs an international reality that compelled them to comply with the American political process and participate in the conference, rendering them incapable of adopting any other position besides "participating" in the Madrid Conference.

America Biased Toward Its Interests

At first glance, it seems that the Arabs' willingness to make concessions reflects America's total bias toward Israel, especially in view of its compliance with the Israeli position in many important and fundamental aspects. In this respect, with the exception of its position opposing the establishment of a Palestinian state, America's position is tilted toward Israel. This is in view of the fact that:

America's Middle East policy is based on its exclusive control over the region, to the exclusion of all major and advanced countries without exception. In light of that, America's opposition to the international conference is based on:

First, its opposition to participation of major powers with a view to bolstering their influence in the region through this conference or their participation in a political solution to the Middle East conflict. In this connection, American and Israeli interests come together, albeit with different objectives. For, whereas the American objective is American interests, the Israeli objective is to exclude any kind of international pressure it may have to face during the conference.

Second, American opposition to active participation in the Madrid Conference by the EC or any other European country such as France, Britain, Germany, etc. is based on the premise that the EC has a clear interest in bolstering its influence in the Middle East region, an aim opposed by the American administration and inconsistent with American interests. Whereas this is the American objective, the Israeli objective is to exclude any European pressure, especially since the EC has been adopting advanced positions in favor of the Arabs and the Palestinian cause.

Third, in return for the exclusion of the major powers and the EC, America has agreed to allow the Soviet Union to co-sponsor the Madrid Conference only because the Soviet Union has lost its leverage in global policy and, therefore, does not pose any danger to America's exclusive influence. Rather, it bolsters it, especially since the Soviet Union has become a "pawn" to American economic aid.

In light of that, the Madrid Conference is meant to round off the Gulf war to bolster exclusive American influence in the Middle East, the Arab region in particular. To be sure, this will arouse the ire of the EC, which had been America's partner for four decades, but is being suddenly pushed aside by America, particularly in view of the fact that the Arab region is of strategic importance to the EC.

It has been noted that Europe's exasperation with America's exclusive power in the region matches that of the Arabs, and of the Palestinians in particular, but it is unable to translate this ire into a working mechanism save for its "cautious endorsement" of the Madrid Conference which robs it of the influence it sought to enhance during the American-Soviet cold war era.

Palestinian Participation in the Conference

Perhaps the question posed by this participation is: Why did the PLO agree to participate in the Madrid Conference?

The answer, in some aspects, may seem like a recapitulation of the results and facts brought to light in this analysis because:

First, the PLO's opposition to the conference and the subsequent Palestinian refusal to participate in it will shut the Palestinians out of world developments and, therefore, will be politically suicidal to the Palestinian people in the shadow of full Arab and international approval of the conference and the American political process.

Second, not only does Palestinian opposition shut the Palestinian people, and consequently the PLO, out of such developments, it also thrusts them into a confrontation with the Arab countries that have agreed to or supported the Madrid Conference, and most, if not all, of them have done so. This will be a losing confrontation, especially since the Arab countries will have the support of an internationally-backed American position.

Third, Arab and international opposition to the PLO and the Palestinian people will provide the proper background for exclusive and speedy Israeli implementation of the settlement policy, for the displacement of the Palestinian people, and for the undeterred harassment of the Palestinian people in the occupied territories.

Fourth, in light of the pro-American regional and international position that supports the Madrid Conference, the Palestinian refusal aimed at foiling the conference will be completely ineffective and, therefore, it will be out of the question for the PLO to thwart this conference.

Fifth, rejection of the conference and adherence to the Palestinian struggle, in all its forms under current international circumstances, would be suicidal because the Palestinian people will find themselves alone in their confrontation, not only with Israel, but with the entire world as well.

Sixth, conversely, Palestinian agreement to participate in the Madrid Conference will enable it to embark on a political negotiating campaign based on international legitimacy and UN resolutions with a view to realizing the national rights of the Palestinian people as the only option dictated by new regional and international conditions.

Study on Interdependence of Israel's, Territories' Economies

92AE0047A *London AL-SHARQ AL-AWSAT in Arabic*
31 Oct 91 p 19

[Study by Dr. Nabil Kawkali: "Effects of Economic Separation Between Occupied Areas and Israel"]

[Text] For the first time since the establishment of the State of Israel, representatives of Israel met with representatives of the Arab states and Palestinians in Madrid on 30 October 1991, in an initial attempt to hold comprehensive peace negotiations. It is expected that the negotiations will continue for a long time and that they will be exposed to obstacles, setbacks, and perhaps crises and even interruptions. However, it would nevertheless be difficult to ignore the historic importance of this event and its anticipated consequences.

In an attempt to explore the possible horizons of the peace process and its anticipated consequences on the economic level, AL-SHARQ AL-AWSAT is publishing a two-part study prepared by our colleague, Dr. Nabil Kawkali, our special correspondent in occupied Jerusalem and a researcher in the Scientific Research Center of Hebron University.

In part one, the study deals with the anticipated ramifications of any Arab-Israeli peace treaty on the Israeli economy, especially in light of a scenario of an Israeli exodus from the West Bank and Gaza Strip, and a transfer of control over the resources and destiny of these areas to the Palestinian people. The third [as published]

part will follow, dealing with the rebirth and growth of the future Palestinian economy in light of an Arab-Israeli peace.

The Israeli occupation of Palestinian territories is distinguished by being a profitable occupation, in that the occupied territories form a primary market for Israeli exports, particularly consumer goods. This market is close to production sites, which contributes to lowering transportation costs, considered to be an important factor in trade relations among nations. Moreover, there is the volume of revenue collected by the military government authorities in the form of various taxes on production and income, and fees levied on the population in exchange for exit permits, licenses to pursue various professions, etc. An expert on Israeli economic affairs, Simha Bahiri, in discussing the hegemony of the Israeli economy over the economy of the occupied territories, says: "Israel deals with the occupied territories in the same old colonial way that was used to exploit production resources and to open markets for goods that the colonial power produced in the colonies, in addition to confiscating land, exploiting water resources, and building settlements." This policy has bound the economy of the occupied territories to the Israeli economy, as shown in Table 1.

Table No. 1

Percentage of West Bank and Gaza Strip Contribution to Components of Israeli Economy on Eve of Intifadah

	Percentage of Total		
	West Bank	Gaza	West Bank and Gaza
General Local Production	6.6	8.2	9.4
Per Capita Consumption	6.4	2.7	9.1
General Consumption Without Security Revenue:			
Direct	1.4	0.6	2.0
Exports	2.3	1.4	3.7
Investment	6.6	2.0	8.6
Civilian Revenues	5.0	3.5	8.5
Raw Capital Reserves:			
In Economic Facilities	1.5	0.5	2.0
Population	19.5	12.7	32.2
Labor	11.8	6.5	18.3

Table No. 2

Indicators of Amalgamation Between Palestinian and Israeli Economies

West Bank and Gaza Strip	Percentage		
	West Bank	Gaza	Regions
Percentage of Total Workers in Israel	31	46	37
Percentage of Return from Labor in Israel from Local Palestinian Production	18	54	27
Percentage of Goods and Services Exported to Israel from Local Production	15	41	21
Percentage of Imported Goods and Services to Israel from Local Production	50	126	68

Table No. 2 (Continued)

Indicators of Amalgamation Between Palestinian and Israeli Economies

West Bank and Gaza Strip	Percentage		
	West Bank	Gaza	Regions
Israel			
Percentage of West Bank and Gaza Strip Workers	3.8	3.4	7.2
Percentage of West Bank Workers of Total Construction Workers	—	—	40
Percentage of West Bank Workers of Total Agricultural Workers	—	—	18
Percentage of West Bank Workers of Total Industrial Workers	—	—	5.5
Percentage of Exports to West Bank and Gaza Strip	8.0	5.0	13.0
Percentage of Imports to West Bank and Gaza Strip	1.6	1.4	3.0

Table No. 1 makes clear the small size of the occupied territories' economy when compared with the Israeli economy, particularly in areas of general consumption and raw capital reserves invested in the economy. In contrast, the population of the occupied territories constitutes more than 35 percent of the population of "greater" Israel, i.e., by taking into account the areas occupied in 1967.

Table No. 2 shows the extent of the amalgamation between the two economies in 1987, and the extent of the connection of the occupied territories' economy with trade with Israel, as well as with incomes from working in Israel.

In Israel, the connection is weaker, even though this connection is significant in certain sectors of construction and agriculture. There is a clear connection in textiles and services and, as a market for goods, the West Bank absorbs a very large share—compared with Gaza—of the total exports to the occupied territories.

Effects of Separating Israeli, Palestinian Economies

For Israel, the separation between the two economies assumes a group of actions:

1. Removing the Settlements

The Jewish settlements in the occupied territories number 160 agricultural settlements in the West Bank and Gaza Strip, in which nearly 115,000 settlers live, who comprise some 30,000 families. The cost of evacuating the settlers and resettling them inside the boundaries of the state of Israel as stipulated in accordance with the 1948 partition decision, would total somewhere between \$4 billion and \$6 billion, with an average of \$160,000 to \$210,000 per family. It is expected—theoretically—that the Israeli economy will bear this burden at the expense of foreign investment or by withdrawal from reserves of productive capital.

2. Removal of Military Installations

The removal of military and civilian installations and the establishment of an early-warning system on the new border will cost between \$3.5 billion and \$5.5 billion, distributed over a period of two to three years.

3. Decline of Exports

The Israeli occupation authorities consider the occupied territories to be a captive market for Israeli products and commodities. It is the third market in terms of importance to the Israeli economy, after American and West European markets. Shmu'el Goren, former spokesman for territorial affairs in the Israeli Ministry of Defense, defined the economic importance of the occupied territories by saying: "Israel sells an estimated \$1.5 billion annually to these areas."

In all probability, breaking the economic connection would result in losing a part of this important consumer market for Israeli exports. Breaking the connection would also result in a decrease in cash flow from the occupied territories (including foreign currencies).

Income generated from Arab labor in Israel, and a part of the remittances from abroad that come through Jordan (which represent 40 percent of available income in the territories) might be returned to Israel to finance the occupied territories' consumption of Israeli goods and services. Moreover, Jordanian government assistance, joint Jordanian-Palestinian Committee aid, UN assistance, and American voluntary organizations' assistance would be transferred indirectly to Israel through the importing of its goods and services.

4. Palestinian Labor

According to official Israeli statistics, the number of Palestinian workers from the occupied territories working in Israel is 110,000. The biggest percentage of them (40 percent) are absorbed in the construction and building sector, while the remainder are distributed

throughout the agricultural, industrial, and services sectors. These workers form 36 percent of Palestinian labor available inside the occupied territories.

The Palestinian worker requires a salary of only one-third that of the Israeli worker doing the same job, having the same qualifications, and subjected to the same taxes. However, the Palestinian receives no benefits; he has no retirement, social security, or health insurance. In addition, the Arab worker works in the "black labor market," which Israelis avoid. Therefore, the Israeli worker has the possibility of getting a job in advanced economic sectors.

Accordingly, breaking the connection would cause great harm to the construction sector in Israel and, to a certain extent, to the agricultural sector, inasmuch as it would—at first—result in prolonging the present construction period and decrease the construction starts required to absorb the new immigrants. Over the short term, alternatives to labor from the occupied territories could be found in Israeli workers and perhaps in foreign labor. That would lead to a direct increase in production costs, amounting to 2.2 million Israeli shekels (\$300 million to \$400 million) annually. This is because of the pay and benefits differential between the Israeli and Palestinian workers. Over the long term, the construction sector would be forced to turn to methods involving greater use of machinery, while economizing on the use of manpower. It is clear that prices will rise in the adjustment process, and a similar process will occur in the agricultural sector, where an increase in prices can also be expected.

5. Tourism Sector

The Israeli occupation of the West Bank and Gaza Strip gave Israel control over the holy places that are of primary importance to the three religions—Christianity, Judaism, and Islam—and over the priceless relics of antiquity. In addition, the country enjoys an excellent climate. All of this has given a big boost to the tourism sector in Israel and has helped to develop all related economic processes, facilities, and services.

The number of tourists increased from 296,000 in 1965, i.e., before Israel's occupation of the West Bank and Gaza Strip, to 1,376,000 in 1987. Tourism earnings in 1987 totaled approximately \$1.5 billion, increasing in 1989 to \$2 billion.

Accordingly, the increase in numbers of tourists throughout the years was due to Israel's occupation of the occupied territories. It is therefore logical to say that Israel's income from tourism, according to the most conservative estimates, has increased to \$750 million annually, so that tourism activity in Israel will be negatively affected as a consequence of severing the connection.

6. Decreased Taxes

After the occupation of the West Bank and Gaza Strip, Israel became aware of the heavy financial burden that would be placed on its deteriorating budget as a result of its administration of the occupied territories. In order to remove the territories from their financial burdens, the occupation authorities—by means of military orders—amended the existing tax structure. New tax laws were imposed in order to obtain the largest possible financial share. The most important of these laws were: a law taxing production; an added value tax; a law amending the income tax; a customs fee law; a property tax law; and a real estate tax; in addition to various forms and other designations for taxes. As a consequence of that, the Israeli occupation authorities were able to extract millions of dollars from the occupied territories throughout the years of occupation. The total tax that Israel obtains from the occupied territories surpasses Israel's general expenditures in the occupied areas. According to the estimates of one specialist in occupied territory affairs, the net profit to Israel from these areas, throughout the occupation years, totals about \$250 million from income tax and approximately \$800 million from the remaining taxes. Accordingly, the Israeli treasury does not view the occupied territories as a burden, but rather, as a source of additional income. Breaking the connection would, as a consequence, result in a net loss of revenues from the Arab state.

7. Water

The problem of water will play an increasingly prominent role in directing Israeli policies in the near future, particularly in light of the current severe water crisis, which will worsen with the coming of a million new immigrants whom the occupation authorities are planning to bring in from the Soviet Union and Eastern Europe. One Israeli official emphasized that with the coming of those immigrants, there will not be sufficient water to satisfy needs.

That is the case, despite the widespread Israeli pilfering operations against water resources in the West Bank and Gaza Strip. Israel has been able to seize 73 percent of renewed water annually in the West Bank and Gaza Strip, estimated at 564 million cubic meters per year.

If we take into account the fact that the Gaza Strip is currently suffering from a water shortage of about 40 million cubic meters because of Israel's intensive pumping operations in the southern area, the percentage of stolen Palestinian water increases to nearly 85 percent. Palestinian water presently being stolen from the occupied territories constitutes one-third of the water consumed by Israel annually.

This water reaches Israel through direct pumping from deep artesian wells dug on the West Bank, or by the movement of underground water in the northern and western basins, which feed the water basins inside Israel. The underground water is extracted from those basins. For this reason, the occupied territories, or to be more

precise, the West Bank, are an abundant source of stolen water for Israel. Therefore, Israel is trying, through various claims and means, to ensure the continuance of its occupation in order to benefit from this readily available source.

It has been stressed by officials in the Israeli Ministry of Agriculture that Israel must maintain control over the water resources located in the West Bank and Gaza Strip, including continuing to control the infrastructure, which includes the water supplies and the highway network needed to operate, maintain, and reach them. Officials emphasize that "water is an extremely scarce resource in Israel. Israel needs to increase the amount of water it has, and considers control over water resources a vitally important matter, in that it cannot leave them in Palestinian hands."

Israeli data indicates that Israel needs an average of approximately 1.8 billion cubic meters of purified water each year, of which 1.2 billion cubic meters are used for agricultural purposes, 450 million cubic meters for local use, and 150 million cubic meters for industry. Simha Hetzroni, spokesman for the High Commissioner for Water Affairs, says: "In the past few years, the average annual rainfall was insufficient to meet annual water requirements. The shortfall was covered by pumping from reserves. This has led to a situation which could be likened to a person overdrawing his bank account."

According to experts, Israel's water resources have been depleted by 1.2 to 2 billion cubic meters, or the equivalent of a full year's consumption. Israel will need five years of abundant rain to compensate for that amount. Therefore, it could be said that breaking the economic connection would increase the water crisis in Israel, increase expected water prices, and make the existing agricultural system unprofitable. If the profits that Israel gets from the West Bank and Gaza Strip, and the exploitation of land it has confiscated, are added to the profit that it accrues from the commercial and tourism sectors, then the total loss stemming from cutting the ties would increase to \$3 billion a year.

The damage to Israel's national product [GNP], resulting from civilian and military evacuation and from breaking the connection, will amount to between \$9 billion and \$11 billion over two or three years. Without greatly increasing foreign aid to Israel, the Israeli economy might suffer prodigious harm and, perhaps, the GNP would decline by 3.5 to 4.5 percent in the first year. Moreover, average per capita consumption would decrease 4.5 percent the first year and return to its previous level only after at least four years. Foreign debt would increase by 3 to 4 percent a year over the first several years, and this increase would continue into the next decade. It should be fully understood that increasing American aid would reduce this damage to the Israeli economy. The presence of additional civilian [unofficial] assistance, amounting to \$6.5 billion each year, beginning with the first year of the evacuation,

would nullify the damage resulting from the evacuation and from breaking the economic connection.

On the other hand, a great improvement could occur over the course of several years in Israel's trade relations with the world in general, and with Arab nations in particular. Perhaps the tourism sector will develop, which could be very rapidly influenced by political events in light of the ensuing political tranquillity, as well as because of the possibility of incorporating several regional countries into one tourist package. As a result of a decrease in political dangers, a sudden rise in foreign investment in Israel would be possible. Furthermore, after reaching a suitable political settlement to the Palestinian-Arab-Israeli conflict, the area, as a whole, would need regional water projects in which all area countries could cooperate to provide new water resources to satisfy their needs over the medium and long term. At that time, the thinking in that regard could be for joint projects to desalinate sea water, purify waste water, and to purchase water and ship it from nearby sources. All of this could lead the Israeli economy along the path of rapid growth after a very difficult transitional period.

Fatah Member Proposes Palestinian Development Bank

92AE0041A Nicosia FILASTIN AL-THAWRAH in Arabic 20 Oct 91 pp 18, 19

[Report by Ahmad Qari: "National Council Minutes: Recommended Adoption of Proposal To Create Palestinian Development Bank; Fiscal and Economic Committee Resolutions"]

[Text] (This report was prepared by brother Ahmad Qari' (Abu-'Ala'), member of Fatah Central Committee and head of the PLO Economic Department delegation to the 20th session of the Palestine National Council [PNC], held from 23 to 28 September 1991.

The Fiscal and Economic Committee of the Palestine National Council's 20th session (The Jerusalem and Martyrs Session) convened on Wednesday, 25 September 1991. All members were present. Brother Ahmad Qari' (Abu-'Ala') was elected chairman.

The committee, having thoroughly discussed reports of the Palestine National Fund and the Department of Planning and Economic Affairs, makes the following recommendations:

1. The PNC affirms the fiscal resolutions of its previous sessions, especially the 17th and 18th sessions, in the following areas:
 - a. The committee discussed steps taken by the Palestine National Fund to adjust salaries of employees in Lebanon and Syria. The committee is of the opinion that those adjustments are not sufficient and recommends that they be reviewed by the Executive Committee, and reconsidered in light of the rate of inflation, high prices, and the depressed value of local currency.

In the same context, the committee also recommends review, whenever possible and as finances permit, of the salaries of families of martyrs and freedom-fighters, in view of the high cost of living in the occupied motherland and elsewhere. Allotments to families of martyrs should be adjusted without delay.

- b. Follow up on Economic Activities Conference resolutions as published in the report of the Department of Planning and Economic Affairs.
- c. The Palestine National Council affirms its resolutions from previous sessions on the need for he unified monetary system and taxation, as agreed upon, to support national unity under the PLO.
- d. The Palestine National Council affirms its resolutions from previous sessions on the need to create a Central Authority for Inspection and Control with the authority to perform its function to preserve and maximize PLO funds. The Board of Directors of the Palestine National Fund is directed is to create that authority at its initial meeting, and to draw up its internal structure and modus operandi. The Authority shall report regularly to the Board and Executive Committee of the Fund, and to the Central Council.
- e. The Palestine National Council affirms its previous resolutions, especially those of its 18th session, regarding two bank guarantees for a total of \$8 million in support of two loans to help market Gaza citrus fruits. It affirms the necessity of continuous effort by all means possible to recover that amount as quickly as possible.

The Palestine National Council, as it emphasizes this matter, directs the Board of Directors of the Palestine National Fund and its Executive Committee to resolve this issue and bring it to a conclusion.

- f. The Palestine National Council affirms previous resolutions urging the management of the Palestine National Fund to submit, at future sessions, a budget estimate of revenues and expenses for the years to come for the council's consideration, in light of plans and work schedules laid out for PLO organizations, agencies, and bureaus on the basis of actual need vis-a-vis anticipated revenues.
- g. The Palestine National Council, in underscoring previous resolutions,, and having been apprised of the creation of a Resource Development Department, emphasizes the need to energize and support this department and give it the necessary capabilities so that it may provide essential support to developing its own resources on sound and calculated bases.
- h. The Palestine National Council recommends ratifying the 1989-1990 budget, amounting to \$199 million, as a basis for the 1990-1991

budget. The council, under today's financial restrictions, further directs strict adherence to the belt-tightening budget approved in the amount of \$120 million.

The Palestine National Council vests the Executive Committee with authority to make the various allocations in accordance with the plans and programs of various departments, agencies, organizations, and bureaus while heeding the Executive Committee's belt-tightening policy.

- i. The Palestine National Council regrets that year-end statements have not been completed and submitted to the Council for verification and auditing in accordance with established procedures. The year-end statements in question are for the years 1981-1982, 1982-1983, 1983-1984, 1984-1985, 1985-1986, 1986-1987, 1987-1988, 1988-1989, 1989-1990, and 1990-1991.

Notwithstanding conditions that have so far impeded their submission, the Council affirms that those statements must be completed and submitted at a future session of the Council.

2. The PNC, cognizant of the fiscal squeeze affecting the Palestine Liberation Organization:
 - a. Appeals to sister Arab nations at this crucial stage to rise above the wounds, turn the pages of the past, and fulfill their commitments to the PLO and to our long-suffering people, which is steadfast towards its country and national institutions, as it endures the policies of Zionist oppression and of siege and starvation. The Palestine National Council directs the Executive Committee to give priority to this matter.

The National Council also salutes the Libyan Jamahiriyyah and expresses thanks and appreciation for its continued support of our people's blessed intifadah and for its institutions in the occupied motherland.

- b. The Palestine National Council appeals to Arab nations that are yet to legislate a liberation tax to promptly do so, covering all Palestinians working in both the public and private sectors.
3. The Palestine National Council salutes the initiative to create a National Organization for Civilian Affairs and to issue Palestinian revenue stamps. It applauds the underlying fund-raising and political reasons and implores our Palestinian communities all over the diaspora to obtain these important documents from State of Palestine embassies. It calls upon ambassadors of the State of Palestine, members of the Palestine National Council, and the PLO rank and file to do everything in their power to publicize, spread, and propagate these identity cards, resolve whatever difficulties are encountered, and facilitate their acquisition by all segments of our people.

The Fiscal and Economic Committee commends the efforts of the Chairman, Directors, and staff of the Palestine National Fund despite difficult conditions.

II. Economic Recommendations:

The Fiscal and Economic Committee has heard the report of the Department of Planning and Economic Affairs on its activities and operations in the period between the Council's 18th and 20th sessions, guided by resolutions of the Council's 18th session. The committee, having discussed this report, makes the following recommendations:

1. Programs for Development and for the Support Steadfastness and the Intifadah.

The Palestine National Council has been apprised of the department's programs:

- An outline of an economic program for development, steadfastness, and self-sufficiency in the occupied motherland.
- A program to support the intifadah in the agricultural, industrial, and commercial sectors.
- A program to support the intifadah in the affordable housing sector.
- A five-year plan for a comprehensive affordable housing program.

The Palestine National Council, as it affirms the value of strategies and plans in support of development, of steadfastness, and of the blessed intifadah in the occupied motherland, calls upon the department to step up, in coordination with other departments, planning for other economic and social sectors. It also calls upon the Executive Committee to use all self-sufficient means at its disposal to implement those programs and publicize them in friendly and sister countries.

2. Studying the economic components of an independent Palestinian State

The Palestine National Council was apprised of the Department's momentous study of the "Economic Components of an Independent Palestinian State" and of steps taken towards a plan for the construction and development of all state agencies and facilities, as well as of economic and social sectors in the first five years of the State's inception. Sixty-seven researchers from the occupied motherland and 20 researchers from the diaspora helped prepare those programs.

The Palestine National Council commends those efforts and calls upon the Department of Planning and Economic Affairs to publish its study of the "Economic Components of an Independent Palestinian State" for dissemination to the Palestinian leaders.

The Palestine National Council was also apprised of an important UNCTAD (United Nations Conference on Trade and Development) study of the "Strategies and Priorities of Alternate Development" in the occupied Palestinian motherland.

3. Conference on Palestinian Economic Capabilities

The PNC was apprised of Economic Department efforts in connection with Conference on Economic and Intellectual Capabilities held in Tunis 12-14 April 1990. The conference made the following resolutions:

- a. Create a Palestinian Development Bank capitalized at \$100 million.
- b. Establish a Palestinian Vocational Development Fund with a capital of \$10 million.
- c. Help market the produce of occupied Palestinian land.
- d. Help with training and the transfer of technology to the occupied motherland.
- e. Help support the Intifadah Fund

The PNC, as it affirms the significance of those decisions and the need for major contributions by our people's economic and intellectual capabilities, wherever they may be, directs the Department of Planning and Economic Affairs to ensure that those resolutions are implemented as soon as possible.

The Palestine National Council calls upon all our people's talents anywhere in the diaspora to contribute capital and technical expertise to that effort, in support of the steadfastness of our people and its glorious intifadah in initiating production and economic projects.

4. Prepare and evaluate economic and technical feasibility studies for investment projects and opportunities in the occupied motherland.

The Palestine National Council was apprised of efforts to conceive 400 projects for development and steadfastness in the occupied motherland and of plans to publicize them in friendly and sister countries.

The Palestine National Council calls for added diligence in publicizing these projects in our communities, in friendly and sister countries, and to non-governmental organizations; and in coordinating and consulting with those concerned in the occupied Palestinian motherland in order to support their steadfastness and their intrepid intifadah, and to create opportunities for employment.

5. Support and assistance for the occupied motherland.

The Palestine National Council was apprised of assistance and support extended by friendly countries, non-governmental organizations, the Islamic Bank for Development, and Arab development funds. It expresses thanks and appreciation to all Arab, Islamic, and international entities that extend their support and assistance to our people in the face of Israeli strategies of oppression, siege, and starvation. It offers special thanks to: countries of the European Community, Japan, Sweden, Canada, the People's Republic of China, and Malaysia. It also offers thanks to the Islamic Bank for Development for its responsiveness and support of social and economic projects in the occupied motherland.

It directs the Executive Committee and the Department of Economic Affairs to escalate their efforts to raise more aid for our people and its patriotic organizations.

The Palestine National Council furthermore calls upon sister Arab countries, Islamic countries, and major industrial powers to augment their assistance to our people to help it face the [difficult] economic and living conditions generated by oppressive Israeli tactics and practices.

6. In order to avoid duplication and disparity, the committee recommends that the Department of Economic Affairs, which has competence in the matter, be the sole authority with competence to evaluate, implement, oversee the progress of and audit economic projects.
7. The committee recommends that the necessary attention be given the services sectors, especially communications, transportation, and tourism. Those sectors should be given all possible support after they are evaluated and their needs established.
8. The Palestine National Council directs the Department of Planning and Economic Affairs to expose Israeli policies for theft of water in the Palestinian motherland, and to cooperate with specialized international, Arab, and Palestinian organizations in solving the water problem, especially in the Gaza Strip.
9. The Palestine National Council directs the Department of Planning and Economic Affairs to cooperate with specialized international, Arab, and Palestinian organizations in marketing national products from the occupied motherland and displaying them at all international and Arab expositions in which the State of Palestine participates.

The Fiscal and Economic Committee commends past and present distinguished efforts by the Economic Department, such as its international and Arab contacts, various activities, and important strategies and studies of the present and future Palestinian economy in the occupied motherland, including important studies dealing with the economy of the State of Palestine.

The Committee further commends the Economic Department for persisting in such efforts to serve the present and future interests of the Palestinian people.

Palestinians To Submit Memo on Rights to Lebanese

92AE0084A London AL-SHARQ AL-AWSAT in Arabic
22 Sep 91 p 3

[Article by Tariq Tarshishi: "Dialogue on Civil and Social, Not Political, Rights; Unified Palestinian Memo Will Be Delivered to Lebanese Authorities; Demand for Unionist and Political Action and for Creating Municipalities"]

[Text] Beirut, AL-SHARQ AL-AWSAT—After an interruption lasting more than six weeks, the legitimate Lebanese Government has resumed its dialogue with the Palestinians through the committee which is assigned to

conduct this dialogue with the Palestinian factions, both those supporting and those opposing the PLO leadership, and which includes cabinet ministers 'Abdallah al-Amin and Shawqi Fakhuri.

The objective of this Lebanese-Palestinian dialogue is, as defined by the Lebanese Council of Ministers, to develop a Lebanese-Palestinian understanding on what civil and social rights Palestinians living in Lebanon are entitled to, but far from any political rights because Lebanon, which has initiated the peace and concord process, can no longer withstand any Palestinian political or military entity on its territory because such an entity counters this process and poses a threat to it.

Recently, the Council of Ministers made a decision with which it paved the way for this dialogue. This decision lifts the ban on nearly 70 professions prohibited to Palestinians during former President Amin al-Jumayyil's administration. The council is waiting for the Palestinian side to submit to it a unified memo on what civil and social rights it deems appropriate, considering that the pro-'Arafat factions had submitted one memo and the anti-'Arafat factions another. Consequently, the Lebanese side demanded a unified memorandum.

AL-SHARQ AL-AWSAT has acquired the text of the unified memo, which reads as follows:

Palestinian-Lebanese Relationship

Since the 1948 calamity, endeavors and dialogues have sought to stabilize this relationship and to establish it on clear bases of rights and duties that assure Palestinians in Lebanon of their national, social, and civil rights under the canopy of Lebanese sovereignty and law. Despite the numerous resolutions which successive Arab League sessions have issued and which emphasize that it is prohibited to resettle Palestinians and that it is essential to secure their political, social, and civil rights in the various refugee-hosting countries, these resolutions have not been reflected in Lebanon with the consecration of these rights on clear and explicit bases.

In wake of the Lebanese Government's positive stance of abolishing the decree which was issued by the administration of ex-President Amin al-Jumayyil and which prohibits our people from engaging in numerous professions, creating the ministerial committee to study the Palestinians' rights reflects awareness of the need to develop a clear legal formula and to preclude dealing on the basis of administrative or security [directives] which led in the past to measures that harassed the Palestinian people, thus harming the fraternal relations between the two peoples.

Legal Entry and Basis

Therefore, and in observance of the official statements which Lebanese officials have made and which have emphasized that Palestinians living in Lebanon will be accorded the same rights and duties as those given to the Lebanese, excluding citizenship so as to prevent their

resettlement, the entry to discussing the rights lies in having the Lebanese authorities define the legal meaning of the principle of treating the Palestinians the same as the Lebanese in a law provision that acts as a basis for deciding any issues in any areas where no clear provision is available.

On the basis of the experiment applied in Syria (provision attached), we propose that this experiment be adopted as a model that can be emulated by having the Lebanese Chamber of Deputies adopt and promulgate for the authorities concerned a law that views Palestinians living in the territories of the Republic of Lebanon the same as Lebanese citizens in all matters stipulated by the valid laws and regulations concerning the rights to work, trade activity, residence, free movement, education, unionist activity, democratic liberties, social and cultural activity, and so forth.

First, Residence

Out of our Palestinian peoples' adherence to their national identity, their right to repatriation and to establishing their independent state, and their rejection of resettlement and annexation schemes, we consider our residence in Lebanon a temporary residence until we return to Palestine. Treating Palestinians as foreigners of a special kind in accordance with decree No. 319, dated 2 August 1962, and giving Palestinians verification papers that enable them to get residence on the basis of an identity card issued by the General Directorate of Palestinian Refugee Affairs have excluded the Palestinian from application of the general provisions on residence of foreigners.

Practical administrative application has divided the residence of Palestinians into three categories:

A. First category: There is no disagreement over the legality of this category's residence. A census was conducted for this category in the early 1950s by the International Red Cross Commission and the UNRWA [UN Relief and Works Agency for Palestine Refugees in the Near East], and those who fall within this category are registered in the records of the public security and the Palestinian Refugee Affairs Directorate.

This category is granted "travel papers" that enable it to move, travel, and return to Lebanon.

B. Second category: It includes Palestinians not covered by the census which was conducted on those in the first category, even though these Palestinians were present in Lebanon. Their status was settled on interior minister decree No 136 of 1969, in addition to the family reunification right which the Refugee Affairs Directorate has exercised in accordance with its powers.

Palestinians in this category get "passage documents" that allow them to return to Lebanon. They have records at the public security and the Palestinian Refugee Affairs Directorate. But the UNRWA does not recognize their right to benefit from its services. This is why settling

their status by equating them with the first category will lead to solutions that facilitate their travel and movement and enable them to benefit from the UNRWA services.

C. Third category: It encompasses a small number of Palestinians who were compelled to live in Lebanon in wake of the June 1967 defeat or who have been deported from the occupied territories or released from the Zionist enemy's jails. They have merged in Lebanon's social structure. The Zionist enemy prohibits their repatriation.

This category has no identification papers and no freedom of movement or travel. Moreover, it is not included in UNRWA's records in Lebanon.

Observance of the humanitarian and social aspects dictates that the Palestinian, who came to Lebanon involuntarily or as a struggler, be treated in a manner that ensures his dignity and freedom, especially since the Palestinian law existing prior to the 1948 calamity made no distinction between subjects who had previously been under Ottoman control but stipulated that they be treated the same as Palestinian citizens. Therefore, it is necessary to deal with the problems pertaining to the residence of Palestinians and to organize this residence in accordance with Lebanese laws and in a manner that ensures the freedom of movement, travel, and return and the acquisition of identification papers and travel documents according to a single and clear law for all these categories.

Second, Right of Movement

A. Because Palestinians outside the refugee camps can change their place of residence with utter freedom, those living in the camps must be exempted from applying for a permit to move—which is required by decree No 927 of 1959—so that they can move and travel within Lebanon freely and without restrictions.

B. While emphasizing the Lebanese Government's right to implement the measures it establishes for travelers into and out of Lebanon, facilitating the procedures to acquire travel documents from the authorities concerned and to have them renewed by these authorities and by the Lebanese diplomatic missions abroad will make it easier for Palestinians to reside where they work and to move and travel. This can be done by adopting the records of the Palestinian Refugee Affairs Directorate as a final reference and by not requiring possession of the UNRWA identity card because this card is a proof of services and not a statistical record for the Palestinian people in Lebanon.

Right to Work

Because the Palestinian people's stay in Lebanon is an extraordinary and temporary stay until they are repatriated and to implement the Lebanese Government's commitment to equate Palestinians with their Lebanese brothers in civil rights, the labor laws applied to the

Lebanese must also be applied to the Palestinians, especially since the Palestinian law existing prior to the 1948 calamity made absolutely no distinction in treatment between Palestinian worker and Lebanese worker and only viewed European, American, and Japanese subjects as foreigners. Therefore, we demand that Palestinians be given facilities in the area of work, that employment opportunities be opened to them, and that they be treated on an equal footing with Lebanese workers in the areas of wages, vacation, social and health insurance, end-of-service compensation, retirement right, and so forth. Subsequently, the requirement of acquiring a work permit which is imposed on Palestinians must be abolished. The requirement of reciprocal treatment must also be abolished and the Palestinian must be given the right to work in all areas, including free professions, such as medicine, engineering, law, journalism, and so forth.

Fourth, Vocational Education and Training

In view of the deteriorating economic and social conditions and the lack of education and training opportunities for Palestinian youth, especially university, vocational, and secondary education, the need arises to open the doors of the official and private Lebanese institutions to Palestinian students as they are opened to Lebanese students.

Fifth, Institutions

In view of the development in our people's circumstances and of their growing needs, numerous institutions have been created to make up for the shortfall not covered by the UNRWA because of its policy of gradual reduction of its services that have covered the various aspects of life. Social associations, cultural and athletic clubs, schools, kindergartens, medical centers, clinics, and hospitals, in addition to a number of charitable and economic projects, such as workshops and cooperatives, have been created.

The need to strengthen and continue these institutions, to develop them, and to expand the sphere of their activity dictates:

Promulgating a general law that permits establishing Palestinian cultural, educational, athletic, economic, cooperative, medical, and charitable associations and other associations along the lines of similar Lebanese associations.

Promulgating a law that permits Palestinians in every camp to establish a municipality, the same as Lebanese towns and villages, to organize their daily life and living affairs in the camps.

Sixth, Right to Unionist Action

Various sectors of our Palestinian people have engaged in unionist action, including students, workers, women, professionals, and others, and this action has been used as a means to defend the interests of the sectors it represents and has acted as a framework for practicing

an organized democratic life. Therefore, entrenching this right dictates promulgating a law that gives Palestinians in Lebanon the right to belong to Lebanese professional unions and that amends the unions' constitutions accordingly.

Seventh, Reconstruction of Camps

In recent years, several camps have been completely or partially destroyed, with their inhabitants thus forced to move and live elsewhere. To deal with this condition, we propose:

- Rebuilding the camps that have been destroyed completely, namely: al-Nabatiyah, Tall al-Za'tar, and Jisr al-Basha;
- Completing the reconstruction and restoration of al-Rashidiyah, Burj al-Barajinah, Shatila, and Dubayyah camps;
- Enlarging the area of the camps in view of the normal demographic development and population growth.

To secure this, we propose:

- Facilitating the task of rebuilding and restoring the camps with money from the National Palestinian Fund and with donations collected from governments, official and private institutions, associations and individuals inside and outside Lebanon and giving these donations the necessary legal exemptions;
- Having the Lebanese Government contribute to the reconstruction;
- Requiring the UNRWA to shoulder its duty in the reconstruction and restoration process.

Eighth, Evacuees

The problem of evacuees in Lebanon, including Palestinian evacuees, is a complex problem that requires that major and consolidated efforts be made to find a solution for it. This is why we find that the Palestinian evacuee should be treated the same as Lebanese evacuees until:

- Palestinian evacuees are enabled to return to their original places of residence.
- Their return to their totally or partially-destroyed camps is secured after these camps are rebuilt and restored.

Ninth, Democratic Liberties

Relying on the Lebanese law which secures public liberties for individuals and groups, the Palestinians, out of concern for their national cause and in defense of their just struggle to regain their legitimate rights within the context of respect for the Lebanese law, demand to exercise the following democratic liberties in the same manner as their Lebanese brothers:

A. The right to free expression by legislating legally for the freedom of Palestinians to engage in intellectual, cultural, and propaganda activity that serves their

national cause and their living affairs, and legislating as well for their right to establish institutions and to use modern scientific means and discoveries, including newspapers, magazines, audio-visual means, and other means.

B. Right to political action by promulgating a law that legislates the right of Palestinians to political and struggle action, the same as their Lebanese brothers, their right to belong politically to Palestinian and pan-Arab parties and organizations, and their right to create such parties and organizations and to establish the institutions and activities connected with them.

C. General amnesty: The general amnesty issued by the Lebanese Government should include Palestinians, exactly as it includes the Lebanese.

D. The right to enjoy the protection of the general law:

- While we support the Lebanese Government's right to take steps to pursue those charged with felonies or misdemeanors within the context of the judiciary and legal principles, it is the Palestinian's right to enjoy the protection of the general law, the same as the Lebanese. Arbitrary arrest and detention measures must be stopped and provisions stipulated by the law must be implemented fully.
- As for Palestinians who acquire another citizenship from countries to which they have been evicted, it is required that they be treated equally as the Lebanese, that their records be kept at the Refugee Affairs Directorate, and that omitted names be re-inserted.
- We demand efforts be made to release all Palestinians kidnapped as of 1975.

Tenth, Ownership Right

Legislating the right of Palestinians to own and manage their own property and to be taxed equally as their Lebanese brothers.

Report Describes PLO-Hamas Discussions on PNC

92AE0054B Jerusalem AL-BAYADIR AL-SIYASI
in Arabic 26 Oct 91 pp 17-20

[Article: "The PLO and Islamic Movements; Islamic Jihad Part of PLO"]

[Text] For a few months before the 20th session of the Palestinian National Council [PNC] that convened last month, a dialogue occurred among the PLO and the Islamic movements, Hamas in particular, in an effort to bring Hamas into the PNC. The dialogue reached an impasse, however, which precluded participation in the PNC, with the exception of the Islamic Jihad-Jerusalem movement and some pro-Islamic movement PNC members. Although the dialogue has been stopped, the question of Islamic movements joining the PLO has not. The 20th session is not a final break in the dialogue between the two parties aimed at finding a common ground.

Throughout the many rounds of dialogue that occurred between the two sides, it was clear that the Palestinian leadership expressed a great desire to bridge the "gap" between the two parties and realize a comprehensive unity. In return, the experiences Hamas has had with the Palestinian leadership and its commencement of a dialogue demonstrate its desire to achieve unity and transcend the difference between them. So, where does the dialogue stand? What are its horizons?

PLO: Everyone's Entity

The Palestinian leadership based its dialogue with Hamas on the self-evident truth that any Palestinian faction or movement has the right to join and participate in the PNC, a right guaranteed by the laws governing the PLO in its capacity as a "political entity" for the Palestinian people with all their various factions and ideological and political orientations.

Islamic and non-Islamic movements have the right to participate in the PNC and all the various PLO institutions. The Palestinian leadership bases its dialogue on this "right" in an effort to preserve the PLO, the "political entity" of the Palestinian people, as a unified being able to assimilate all the various contradictions and differences of opinion and to resolve all conflicts in a proper democratic manner away from disagreements, bigotry, and any imbalance or incivility that can be exploited by "those who bear malice" against our people and their democratic experiment.

Ever since the emergence of Hamas, Abu-'Ammar, in his capacity as PLO chairman, has rejected all spasmodic or bigoted positions toward and disagreements with it. Conversely, he has manifested a desire to bring Hamas and all other Islamic movements into the PLO and its various institutions, and to contain any differences of opinion within the institutions.

Many Arab and foreign circles have tried to nurture the disagreement between the PLO factions and Hamas, resorting to various means that have not gone unnoticed by our people. These attempts, however, have been unsuccessful, and have failed to achieve the aim of igniting a near, if not a full, civil war. In its desire to ward off any kind of exploitation of the attendant "disagreement" by any side, the Palestinian leadership made serious efforts via an open dialogue with the Islamic movement to bring them under the banner of the PLO, the political entity of the Palestinian people, with all their forces and factions.

This dialogue was discontinued, however, before the elimination of all differences between the two sides. Hamas did not participate in the 20th PNC session, and neither did the [Palestine] Salvation Front, even though the Popular Struggle Front has rejoined the PLO and is participating in all its various institutions.

The discontinuation of the dialogue did not constitute a break between two phases, as some parties are trying to allege for their own benefit. The Palestinian position that

the PLO is the political entity of all the Palestinian people and their forces of all political stances and ideological and doctrinal persuasions is unchangeable.

Information made available to AL-BAYADIR AL-SIYASI indicates that an agreement has been reached to continue the dialogue between the two sides within a democratic framework and a mindful and responsible discourse, for it is not in the Palestinian people's interest to allow the disagreement to reach the breaking point that is being nurtured in favor of the Palestinian people's enemies, and there are many of them at this stage.

Significance of Islamic Jihad Participation

It is terribly wrong to say that the Islamic movements boycotted the 20th PNC session. In principle, these movements did not refuse to participate in the PLO and its institutions, even though there were two schools of thought: one fully opposing participation and demanding the introduction of changes to the PLO as a condition, and the other agreeing in principle. The Islamic movements' agreement to hold a dialogue on joining the PLO may suggest that there is no opposition in principle, even though the disagreement converges on several issues.

Nevertheless, and even though the dialogue was discontinued at a point that precluded the participation of Hamas, the Islamic Jihad-Jerusalem, which is guided by Shaykh As'ad Bayyud al-Tamimi, took part in the PNC's 20th session with its own course, principles, and political stances. This shows that:

- First, the doors of the PNC are open to all Palestinian religious and non-religious forces and movements, and every Palestinian faction or movement has the right to join it.
- Second, Islamic movements hold disparate views on participation in the PLO and its institutions.
- Third, Participation is a personal matter to be decided by each movement separately and is not subject to any veto.
- Fourth, there is a view within the Islamic movements that endorses participation in the PLO and its institutions.

The Islamic Jihad's ideology and patent jihad-and-struggle tactics did not keep it from participating in the PNC and the debate that took place within it on all the various issues. It was a brotherly debate, as demonstrated by the discussion between Abu-'Ammar and Shaykh al-Tamimi, which reflected our people's civility and the high level of Palestinian democracy and its ability to assimilate all disagreements and political differences in the Palestinian arena.

Besides the Islamic Jihad, the PNC was attended by pro-Islamic movement members who took part in the debate and put forth their opinions and positions on various issues, a fact that did not go unnoticed by observers.

Outside the PNC and the PLO, the Palestinian arena witnessed some indications of coordination between Palestinian factions that come under the PLO banner and the Islamic movements. At the base level, several areas witnessed cooperation between PLO factions and the Islamic movements on several occasions. This shows that:

- Divergent political and ideological positions do not impede achieving a comprehensive unity.
- There is a common tendency among the Palestinian people to surmount differences and flock under one banner.
- Political, doctrinal, and ideological barriers do not block accord and unity on a common background.
- Unity among the various Palestinian forces and factions is essential at any stage.

The upshot of this is that it is a general and, at the same time, essential requirement that all Islamic movements come together under the PLO banner to block all endeavors to exploit the existing situation against the Palestinian people.

Dialogue With Hamas

In principle, Hamas, as evidenced by the dialogue held in the past few months, is not against joining the PLO and participating in its institutions. Nevertheless, in the interest of objectivity and truth, it must be pointed out that there is some opposition to this issue. The fact that the dialogue failed to lead to Hamas's participation in the 20th session does not mean that it is over.

Observers get the sense that several foreign circles are trying to suggest that the dialogue is over, and that an encounter is out of the question, basing their conclusions on the fact that this could lead to some kind of a civil war in the Palestinian arena. This conclusion sheds light on the aim several foreign circles are trying to achieve in the Palestinian arena.

There is an agreement between the two sides to resume the dialogue to arrive at common points. There is a tacit agreement to reject any disagreement that might have a bearing on the Palestinian arena and deal with it promptly to prevent it from growing. But the question remains: Where does the dialogue stand?

Palestinian sources maintain that the dialogue has made headway in surmounting many of the obstacles that were impeding it, but the main obstacle is the number of PNC seats Hamas is demanding. It does not look like this matter will be settled, even though an agreement is bound to be reached through future dialogue.

Dialogue's Horizons

In light of much available information, the 20th session of the PNC did not bring to an end the dialogue between Hamas and the PLO leadership, and it is expected to start any moment. However, the tacit agreement reached calls for keeping open the line of communication

between the two sides and for dealing promptly with any disagreement that may arise.

It is essential to arrive at a common base to confront the challenges facing the Palestinian people, particularly at this stage, which calls for a universal unity among all the various Palestinian forces and factions.

Palestine National Fund Budget

92AE0043A Nicosia *FILASTIN AL-THAWRAH*
in Arabic 13 Oct 91 pp 17-20

["Text of report by Jawid al-Ghusayn, chairman of the Palestine National Fund [PNF] and PLO Central Committee member, submitted to the Palestine National Council [PNC] 20th conference held in Algiers 23-28 September 1991"]

[Text]

Previous PNF Budgets

Fiscal Period	Budget in \$	Expenditures	Increase
1/2/84-30/6/85	123,468,764	768,915	26,699,846*
1/7/85-30/6/86	190,000,000	179,702,058	10,297,942
1/7/86-30/6/87	198,937,434	196,622,728	2,314,706
1/7/87-30/6/88	199,000,000	213,533,555	(14,533,555)
1/7/88-30/6/89	199,000,000	277,577,113	(78,577,113)
1/7/89-30/6/90	199,000,000	307,724,689	(108,724,689)
Total years from 1/7/85	985,937,434	1,175,160,143	(189,222,709)

*[figures as published]

Mr. Chairman, brother members:

The Palestine National Fund hereby submits its financial report to your esteemed council, comprising the following chapters:

- Progress of work in the Fund
- Follow-up of implementation of financial decisions issued by your esteemed council at its previous session
- The budget
- Financial recommendations.

First: Progress of work in the Fund

1. Conditions Involving the Fund: The progress of work in the PNF has been affected by the conditions involving the PLO in the past years. These conditions have compelled the PNF to change its headquarters twice and forced it to close down the Fund's headquarters during the period July 1986 to December 1989 for reasons beyond its control.

These factors have lead to hampering the implementation of the work plan approved by the board of directors, particularly with regard to accounting records.

After the Fund was allowed to resume its activities in Amman, a new accounting system compatible with the introduction of computers was set up. The Executive Committee issued a decision calling for re-auditing all the PNF's accounts since it moved its headquarters from Amman on 1 July 1985 and up to this date, including all expenses whether by cash, check, or bank transfer. The Fund's accounting documents have been reorganized in accordance with the new system and have been entered in the computer system.

A work team from outside the Fund was set up in order to help the PNF in this major work. We hope that before December 1991, all entries will be completed as they stood on 30 June 1991, so that we will have final statements of accounts based on generally accepted accounting principles for the years 1985-1986, 1986-1987, 1987-1988, 1988-1989, 1989-1990, and 1990-1991. This, however, does not mean that accounts of the years in question were not based on generally accepted accounting principles. Rather they were kept in accordance with the generally accepted accounting principles that were forced on us by the conditions involving the closing of the PNF and were audited under the supervision of auditors appointed from outside for this purpose.

2. Introducing Computers: As we have already said, computerization has been introduced in the PNF so that all accounting processes are done by computer (cash payments, issuing of checks—since special checks for the PNF carrying its name have been issued—the issuing of bank checks, and financial and accounting records). Work has been progressing correctly, as we have been receiving daily reports on the financial and banking figures, as well as the monthly figures according to their fixed schedule.

3. Internal Auditing: A department for supervision and internal auditing has been established to undertake auditing of all the Fund's financial and accounting transactions prior to payment, in respect of cash expenses, checks, or bank transfers that take place in Jordan. The department also undertakes auditing all the accounts of all administrations, embassies, and offices before they are entered in the records by computer.

4. Outside Auditing: The auditors appointed by the PNF board of directors carry out accurate and comprehensive

auditing of accounts and submit their reports and results of their work to the chairman and members of the board either periodically or annually.

5. Controlling and auditing of the financial administration of the Palestine Liberation Army [PLA]:

A. The Internal Oversight Office audits the accounts one at a time.

B. Another office also audits the Army accounts in Amman.

6. Controlling and Auditing the Families of Martyrs Institution: The PNF delegate to the Institution audits its accounts and submits periodic and annual reports on the outcome of his work, the most recent of which was submitted for the financial year ending 31 December 1990.

7. Appointment of PNF Delegates to Embassies and Executive Offices: Some PNF headquarters employees have been appointed to act as its delegates to embassies abroad in order to supervise financial and accounting affairs and to administer the Fund in accordance with the new financial and accounting system. This step has led to positive results in organizing work between embassies and offices and the PNF administration.

8. Periodic Inspection of Accounts of Departments and Institutions: The Internal Oversight Office, in cooperation with PNF employees, periodically visits the departments, institutions, and embassies in order to audit their accounts on site and to get acquainted with work in them, in cooperation with officials of those bodies. These visits have led to positive and constructive results in dealing with numerous matters.

9. The PNF Branch in Tunisia: A PNF branch has been established in Tunisia that will supervise and implement all financial transactions taking place in Tunisia in accordance with the regulations in force.

10. Centrality of Salary Payments: After all the employees' files were entered into the computer, programs have been devised to prepare employees' payrolls centrally in Amman, then transfer these payments to the employees' work locations. The plan proved successful and effective in controlling salary payments from the center directly to the employees' personal bank accounts on time.

Second: Following Up Decisions at PNC's 18th Session (20-25 April 1987)

Financial Recommendations:

Article A of Decision 1: Review of salaries of those employed in Syria and Lebanon:

In implementation of the decisions of your esteemed council regarding reviewing salaries of those employed in Syria and Lebanon, the cost of living rate has been amended to become 125 percent instead of 75 percent.

As for Lebanon, the rate has been increased from 100 percent to 200 percent. The Syrian pound rate of exchange has been increased to 28 pounds to the Jordanian dinar instead of 18. With regard to Lebanon, the rate of exchange has been increased from 45 Lebanese pounds to the dinar to 250 pounds.

Article B of Decision 1: Endorsement of health care insurance regulations for employees:

In implementation of your esteemed council's decision, regulations providing for health insurance for all those employed in the PLO's departments, institutions, and offices and their families have been endorsed and the necessary executive decisions have been issued.

Article C of Decision 1: The conference of economists:

The conference of economists was held 12-14 April 1990 and was attended by many Palestinian and Arab economists from all the Arab countries. Discussions dealt with a number of economic matters with the aim of supporting our people's steadfastness in the occupied homeland and devising ways and working out the necessary plans to implement productive projects. The economic department has dealt with the most important results and the conference resolutions in its report to your esteemed council.

Article D of Decision 1: Development of the PLO's own sources:

The circumstances that the situation forced upon the PLO, whether with regard to the scarcity of Arab aid or its discontinuation since June 1990, have affected the plan to develop the PLO's resources as approved by the Executive Committee. This has led to redirecting the development efforts toward supporting our people in the occupied homeland. The necessary decisions were taken to support and develop domestic economy and small industrial and agricultural projects, as well as cattle and poultry breeding. The necessary funds have also allocated to these projects, many of which have been implemented under the supervision of local experts.

The PLO's Department of Economic Affairs and Planning is persistently exerting efforts with the EEC and international bodies in order to obtain support for the economic projects in the occupied homeland. This is in addition to the many meetings the Department held with officials in some West European countries for this purpose. This will be dealt with by the economic department in its detailed report to your esteemed council.

Article E of Decision 1: Establishment of the financial unit for levying and spending:

We emphasize the need to exert intensive efforts in order to implement this political decision.

Article F of Decision 1: Establishment of a central organ for financial control and inspection:

As we have already pointed out, an internal control and auditing department has been established and has been provided with the necessary expertise. It carries out auditing prior to payment. Also, all financial control units that are empowered to audit accounts of other institutions are carrying out their work in accordance with the programs laid out for this purpose. The question of the establishment of a central control and inspection organ will be given due consideration.

Article O of Decision 1: The two bank guarantees for the two citrus marketing loans:

The board of directors has followed up this question in order to settle it in accordance with regulations, and will ensure implementation of the decision.

Article P of Decision 1: Revising and reevaluating the volume of employment in the PLO.

In implementation of the decision, the Executive Committee has revised and reappraised the volume of employment in the PLO departments, offices, and institutions on the basis of actual need. In the light of this, the Executive Committee took the necessary administrative, financial, and legal measures to close down the following offices and embassies:

- Copenhagen office, for which Sweden office will be responsible
- Oslo office, for which the Netherlands office will be responsible
- Dublin office, for which London office will become responsible
- The Embassy in Gambia
- The Embassy in Mogadishu
- The Embassy in Maldives
- The Embassy in Mongolia
- The Embassy in Karachi
- The Embassy in Bolivia

Article Q of Decision 1: Preparation of a budget estimate.

In implementation of Decision 2 issued by your esteemed council at its 18th session endorsing the 1986-1987 budget totalling \$199 million as a basis for 1987-1988, and stipulating that this ceiling should be maintained until the next session is held, this recommendation has been applied to the years 1978-1988 and the subsequent years. The Executive Committee and the PNC Chairmanship allocated the budget to its various chapters in implementation of the recommendation.

With regard to the PLO's budget and in the light of the financial situation we are now facing following the discontinuation of Arab aid since May 1990, the Executive Committee carried out extensive studies of the PLO's needs and took speedy measures to cut expenditures in a manner that would not affect the function of the various departments, giving priority to supporting

our people's glorious intifadah in the occupied homeland. Thus, expenditures have been reduced from \$16.5 million monthly to \$10 million monthly beginning October 1990. We will strive to cut expenditures even more, should the state of financial blockade the PLO is now experiencing call for it.

The measures of austerity the Executive Committee adopted in order to cut expenditures include the following as an example:

1. a. Suspension of medical treatment, except for the [PLO] employees and their families and people wounded in the intifadah, and laying certain standards for medical treatment for our people in the occupied homeland for whom no treatment is available there.

b. Suspension of medical treatment abroad.

2. Establishment of guest houses in Tunisia instead of using hotels.

3. Freezing leaves for employees except in emergency cases.

4. Freezing of employee transfers from one location to another in order to save the cost of moving them with their families.

5. Freezing new appointments in all the departments, institutions, and offices.

6. Reducing the number of PLO delegates to international conferences to a minimum and restricting representation to the office-head level as much as possible.

7. Banning first class travel except for the Executive Committee members, and travel of employees in official missions except in extreme necessity.

8. Reducing payment of fuel for official cars and their maintenance within specific limits.

9. Concluding an agreement with national airlines in order to obtain air tickets at reduced fares to save travel expenses.

10. Reducing the expenses of the Palestine Liberation Army, whether in terms of preparations or of general expenses.

11. Abolition of anniversary festivals and celebrations and restricting such celebrations marking the anniversary of launching the glorious intifadah and the Declaration of Independence Day within the narrowest limits.

12. Freezing expenditures that have no effect on the progress of work in the departments, institutions, and offices.

These are some of the measures adopted in order to reduce expenditure following the stoppage of Arab aid and the suspension of tax levying in Kuwait following the Gulf war, and the substantial drop in the amount of levied money we used to receive from the UAE [United

Arab Emirates] and Qatar. This drop followed the departure of a large number of the sons of the [Palestinian] community from those countries because of the conditions of which you are aware.

Attention must be drawn here to the new financial burdens which the PLO has begun shouldering because of the mass exodus of the sons of the community in Kuwait, whether the burden of treating them in hospitals or giving financial aid to the needy or to their children, who are studying abroad after having lost their means of subsistence.

Article R of Decision 1: Accounts of the Family of Martyrs Institution and the Red Crescent:

As we have mentioned earlier, the PNF has a resident delegate at the Families of Martyrs Institution who audits its account in accordance with regulations and submits annual reports on this matter.

With regard to the Palestine Red Crescent, an outsider accounts controller has been appointed to oversee the accounts of the Red Crescent and all its branches, and to submit reports on the results of his work.

Third: Budget and Final Accounts

A. The budget:

(1) At its 17th session your esteemed council adopted the following decision: Despite the fact that the PNF management did not submit this budget estimate, the PNC has decided to adopt the 1981-1982 budget as a basis for covering expenses of the remaining months of the FY 1984-1985, with the same measure to be adopted with regard to FY 1985-1986, bearing in mind that the ceiling of 1981-1982 budget reached 77,126,881 dinars, that is, \$233 million.

(2) With regard to FY 1985-1986 and 1986-1987, they were prepared and approved at a joint meeting of the Executive Committee and the PNC Chairmanship on the basis of adopting the total of 1981-1982 budget as the budget ceiling, making certain amendments and conveying between the budget clauses in a manner suitable to the actual needs in light of reality and developments, bearing in mind that the total of the 1985-1986 budget reached \$190 million. As for 1986-1987 budget, it reached \$199 million.

(3) The following is a statement of the budgets and expenses for the fiscal period 1 December 1984 to 30 June 1990.

General observations on expenditures:

A. The visible excess in expenditures of the fiscal year ending 30 June 1985, which is 26,699,846 [presumably dollars—FBIS], should not be assumed as an excess in expenditures, because most of this year's accounts will be locked into the PNF account in Damascus. As for visible expenditures, they represent what was spent in Amman

during the period in question. For the purpose of comparing the expenditures with the budget, we will begin with FY 1985-1986, that is, beginning 1 July 1985, the year in which the PNF headquarters started operating in Amman.

B. The results show that we have exceeded the allocations by \$189,222,709. The fact is that this excess includes \$81,680,200 that the PNF, up to 30 June 1990, spent on the various aspects of the glorious intifadah, both in direct or indirect aid to our people inside and outside the occupied homeland. This is in addition to the direct and indirect aid provided through the other PLO institutions.

Annual aid to the Families of Martyrs Institution totaled \$39 million, 95 percent of which, or the equivalent of \$37 million, were spent as allocations for the martyrs, the families, the detained, the missing, and those who suffered damages and who belong to all the PLO factions. This would contribute to supporting the intifadah and to our people's steadfastness at home. It must also be pointed out that Fatah supports the Institution with sums totalling about \$2 million monthly, which are spent on supporting and aiding the intifadah's martyrs and wounded.

Also, no less than 70 percent of the Red Crescent allocations, which total \$7.8 million, are spent on supporting the intifadah in one way or another. The Red Crescent spends \$5.5 million annually from its allocations for this purpose, in addition to what the financial department spends.

In other words, what the PNF and the other PLO institutions spent in support of the glorious intifadah up to 30 June 1990 exceeded \$300 million of its general expenses, which totalled \$692 million over 30 months, from 8 December 1987 to 30 June 1990. This is in addition to what the Intifadah Fund spends in direct aid to our people in the occupied homeland.

Attention must be drawn here to an important article of direct revenues which are directly sent to our institutions in the occupied homeland on the basis of prior studies and coordination with the PLO, its institutions, and its concerned departments. This aid involves the following parties:

- The Libyan Jamahiriyyah
- UNRWA [UN Relief and Works Agency for Palestine Refugees in the Near East]
- The EEC, the industrial countries, and nongovernmental bodies
- The Islamic Bank for Development, and small amounts from other funds
- UN organizations

1. The Libyan Jamahiriyyah: The sisterly Libyan Jamahiriyyah has pledged to contribute \$3 million monthly. Payments from 1 January to 9 July 1990 totalled \$47

million, which is directly paid to our institutions at home. The Jamahiriyah continues to pay, and we thank it for that.

2. UNRWA has become one of the channels of aid and assistance to our people, particularly since the outbreak of the glorious intifadah. UNRWA has been giving assistance to our people's needy, and not just to the refugees, particularly in Gaza Strip, where it is difficult to distinguish between refugees and citizens because of the Zionist policy of repression and siege. The funds allocated as emergency funds in the UNRWA 1990-1991 budget totalled \$93 million. The PLO and its affiliate movements have exerted great efforts with the industrial and friendly states in order to secure this amount of aid through UNRWA, which has become one of the dependable channels of helping our people.

3. The EEC, the industrial countries, and nongovernmental bodies: There has been growing awareness of our Palestinian people's suffering and of its cause in the EEC, Japan, and some Scandinavian countries, especially because of the damages that our people have suffered as a result of the Gulf crisis and the Israeli policies and actions against our people and its institutions. A number of important decisions were adopted in the EC. In addition to giving commercial preference to Palestinian goods in the Common Market, they increased the aid budget to \$15 million annually. It was also decided to give emergency aid to the occupied Palestinian territories to the tune of \$34 million through UNRWA in the form of food and medicine shipments and 60 million ECU (European Community Units, a western currency calculation unit equivalent to \$80 million) as development aid. The following is a list of the sums which the European countries and some industrial countries have decided to give as aid for development of Palestinian lands during 1990-1991:

Donor	Millions of Dollars
EEC	105
Spain	1.5
Britain	2.75
France	1.45
Italy	46.864
Netherlands	1.844
Germany	23.97
Canada	1.861
Sweden	4.622
Total	189.861

Some of the projects have been completed while some others are being implemented. This is in addition to the Islamic Bank projects that it approved, implemented, or is implementing. The total value of these projects is \$42 million.

The PLO's Department of Economic Affairs and Planning preserves all documents of power of attorney,

studies, programs, and the necessary plans for steadfastness and development in the occupied homeland.

4. **Revenues:** Actual revenues during the period 1 July 1985 to 30 June 1990 totalled \$853 million, while expenditures during the same period were \$1,175,160,143; a deficit of about \$322 million, which is almost equal to the amount spent on the intifadah, as we pointed out.

The two main sources of income for the PNF are the Liberation and Aid Tax from the Arab countries, to which we have previously referred in this report, and which has been discontinued since May 1990.

With regard to the Liberation and Aid Tax, despite the efforts the Executive Committee and the Board of Directors exerted to develop this source, full collection of taxes has met with obstacles that were far greater than the efforts. What made things worse was the final discontinuation of aid from Kuwait after the Gulf war in August 1990, and the severe drop from the rest of the countries.

5. **Final Accounts:** With regard to the budgets of 1981, 1982, 1983, 1984, and 1985, your esteemed council requested that they should, after auditing by a chartered auditor, be submitted to the Executive Committee at the earliest possible time in order to be put before the PNC at its next session. We have been informed by the auditor that all accounting statements and schedules for FY 1981-1982 have been prepared and audited and a certificate issued to this effect, which he sent to the PNF in Damascus. As for the rest of the years, the auditor informed us that he has audited accounts of FY 1982-1983, but was unable to prepare the statements, the account schedules, and his certificate because he has not yet seen some of the statements of expenses. He has also informed us that he has begun auditing the final statement of account for FY 1983-1984. He hopes to be able to issue their respective statements of account after adding their initial registers, which depend on completion of the final statement of account for 1982-1983.

With regard to subsequent final statements of account, we would like to submit the following to your esteemed council:

Regarding FY 1984-1985, in view of the circumstances the PNF has experienced and of our inability to obtain accounting data for the period that preceded the transfer of the PNF headquarters to Amman, we have been unable to prepare the final accounts in accordance with accounting regulations. Work and contacts are being carried out with the former PNF administration and the external auditor in order to provide us with the audited final accounts for the preceding years in order to be able to prepare the final statements of account for this year and subsequent years.

As we have already mentioned, and in accordance with the Executive Committee decision, the PNF accounts were revised beginning 1 July 1985, after auditing. Work is now underway to prepare the final statements of

account for the years ending 30 January 1986, 30 January 1987, 30 January 1988, 30 January 1989, 30 January 1990, and 30 January 1991 in accordance with the new accounting system. These will be endorsed by external auditors in order to be put before your esteemed council for endorsement in accordance with provisions of the statute. We have also referred to the conditions that have led to closing down the PNF headquarters for about three years, which has affected the conditions referred to.

Establishment of the National Institution for Civil Register: The brother head of state and chairman of the Executive Council issued a decision, dated 15 November 1989, calling for the establishment of an independent national institution for civil register which administratively comes under the Office of the Head of State and financially under the PNF. The institution will begin issuing identity cards for Palestinians over 15 years of age and family documents for Palestinians in accordance with the regulations set for this purpose. Fees will be charged, for which payment will be made by revenue stamps in the amount of 40 Palestinian pounds for an identity card, 10 pounds for a family document, and one Palestinian pound as the cost of an application form. The pound has been calculated at \$2.5 per pound, or the equivalent in other currencies.

Application forms, revenue stamps, identification cards, and family documents, together with a special seal, have been dispatched to the embassies and offices in order to issue such documents to Palestinian individuals in accordance with regulations. Revenues from this process will be deposited in bank accounts in the name of the PNF. Such accounts will be jointly signed by the PNF director general and director of the respective office. Under no circumstance can withdrawal be made from such account or from its cash returns for any reason and regardless of the source of instructions.

In the general circular that was distributed, everyone was asked to announce this decision during the glorious intifadah anniversary on 8 January 1990 at public rallies, press conferences, and through advertisements in the local papers and all the media.

The decision began to be implemented among the Palestinian communities, particularly in the Arab Gulf region, where a large Palestinian population existed until the outbreak of the Gulf war in early August 1990, which has adversely affected the issuing of identification and family cards and, consequently, the proceeds from this operation.

It must also be pointed out that the Executive Committee has sent a large delegation, headed by one of its members, to visit the Palestinian community in Latin America to discuss means of supporting the PLO. The delegation seized this opportunity to issue identification cards and family documents to the community members

and to urge them to obtain these documents in order to boost PLO resources. We hope that good results will be achieved.

Fourth: Financial Recommendations

The difficult conditions to which we have often referred have prevented the submission of a draft budget for 1991-1992. And since your esteemed council has already adopted the 1986-1987 fiscal budget of \$199 million as a ceiling for the 1987-1988 budget, this ceiling has continued to be adhered to in subsequent years.

In light of PLO conditions after the suspension of Arab aid, the Executive Committee adopted a decision reducing the annual budget to \$120 million beginning October 1990, as we have already mentioned. This ceiling has been adopted as a maximum to which we should adhere in meeting requirements, with the exception of the deficit in covering the army needs, which previously were covered from the military pension fund.

Taking all these factors into consideration, it was quite difficult to prepare a budget for 1991-1992. We hope that your esteemed council will adopt the ceiling in question and give the Executive Committee members the freedom to act within this ceiling during the year in question.

We hope that we all will cooperate to find the means to develop resources in the various fields. We hope that all your colleagues in your esteemed council and in the PLO institutions will cooperate with us in developing ideas, views, or suggestions that would achieve the results that we all desire for our people.

Drug-Related Gang Violence Reportedly on Rise

*92WD0111Z Jerusalem AL-BAYADIR AL-SIYASI
in Arabic 19 Oct 91 p 22*

[Text] The counternarcotics groups, represented by their agencies, experts, and researchers, still vent their anger through lectures, which are held from time to time to educate and guide those youth whose passions have driven them to be swept into vice and the taking of drugs of various kinds, including hashish, cocaine, injections, and others.

We see these lectures and admonishments every day, and they fill the pages of the daily papers and the weekly magazines to educate and guide people, especially the youth.

Taking drugs of all kinds and forms is a very serious phenomenon. It needs to be scrutinized closely, and great effort must be made to examine its various aspects and to take a stand against its consequences and dimensions. Researchers and specialists in the counternarcotics groups must do everything they can to put an end to this cancerous epidemic, which has recently begun to spread among our students in the schools through a base,

deviant group that pushes these poisonous wares among our children, making them a target for ruin, sickness, and indifference.

We hear much about students who were the epitome of high morals and good examples in their schools and society, but were swept up by the current of evil to take the road of error and destruction because they were drawn to an errant group of our youth who take drugs. Overnight, they became an ostracized and errant group in their society. Subsequently, they became sellers and pushers of these poisonous goods, thus losing their schooling and becoming a burden on society.

How many studies, lectures, and reports has AL-BAYADIR AL-SIYASI dealt with in its previous issues to educate and guide people to stay away from drug sales and the evils of taking drugs of all kinds and forms?

Through this article of ours, we would like to bring out some of the phenomena and incidents which have recently begun to worsen and spread among our youth, especially in the old city of Jerusalem, and to discuss the battles and riots associated with them, from which nobody gains anything except suffering, disgrace, and usually painful injury.

The First Incident

At the end of June 1991, one of the dark streets in the old city of Jerusalem witnessed a large riot that began between a small number of youths, but quickly spread to include men and women who used every instrument of destruction and killing that could be carried, such as knives, sticks, and iron chains. As a result, many youths and men were wounded and taken to the hospital for medical treatment; peaceful residents in their homes were alarmed, and many women and children living in the area of the incident were disturbed.

The Second Incident

In the middle of last August, another "rumble" took place in one of the neighborhoods of the old city in Jerusalem between a group of youths from two different neighborhoods for trivial reasons. It led to a battle with hands, sticks, and sharp objects, alarming the women and children of the neighborhood, in addition to causing some injuries from sharp objects. Peace-makers rushed and put an end to this conflict, which benefitted no one, and they reconciled the two conflicting parties, bringing understanding and harmony between them, and stressing to the youths that they should act as one under the difficult circumstances through which our dear nation is passing.

The Third Incident

On 24 September 1991, some youths from a well-known neighborhood in the old city, carrying knives, clubs, and other items, clashed with another group of youths in order to take revenge for an attack against a relative of theirs that had occurred a few days earlier.

Had not some sensible and peaceful people intervened, a huge rumble would have occurred, of which God only knows what the result would have been.

The rumbles and battles we have mentioned that took place in the old city of Jerusalem are but a very few of the total that take place almost daily and weekly between various groups of youth.

We wonder what good these battles do for anyone, especially those between brothers, neighbors, and friends, and under these critical circumstances that we are going through in this dear country?

For whose good do brothers fight in this holy city, which the holy books call the city of peace?

These phenomena, which are strange to our noble Arab society, are alien and should be repudiated and rejected. A strong and determined stand must be taken to put an end to them, now that they have recently begun to spread among certain groups of our Palestinian society.

We direct a special appeal to the sons of our dear country, including men, youth, and children, to love one another and be as one, wrapped in love and unity and understanding, to live as one loving family so that we might attain a brotherly, solid society bound by bonds of unity, belief, and religion.

Take the word of the Almighty, "All of you cling to the rope of God and do not become divided," as a rule and a guide to the path of truth, harmony, and well-being.

EGYPT

Madrid Conference Delegates Comment on Peace Process

92AF0104C London AL-SHARQ AL-AWSAT in Arabic
29 Oct 91 p 2

[Article: "Mubarak, Egyptian Delegation Members Seek Negotiating Strategy; Israel Calls for Diplomat From Cairo To Participate in Conference"]

[Text] On 28 October 1991, Egyptian President Husni Mubarak reviewed with members of the Egyptian delegation to the peace conference in Madrid the general guidelines for an Egyptian negotiating strategy during the various stages of negotiations.

Members of the delegation held two meetings—shortly before meeting with President Mubarak—to get their ducks in a row with regard to the method of participating in the negotiations.

The Egyptian political leadership, in choosing the delegation members, was careful that they represented various specializations, such as public and international law, specialized psychology of the Israeli personality, international politics, and military studies.

The choice was also for new personalities, instead of names submitted before, such as Dr. Mufid Shihab, chairman of the Arab Affairs Committee of the Egyptian Consultative [Shura] Council; Dr. Usamah al-Baz, first deputy foreign minister and director of the President's Political Affairs Office; and Dr. Nabil al-'Arabi, Egypt's permanent UN delegate. All of these Egyptian dignitaries participated in the Camp David and Taba negotiations.

The political leadership preferred that these [prominent] names take part in negotiations at a later stage, during the multilateral negotiations.

Persons with strong Arab ties were chosen, such as Ambassador Mahmud Abu-al-Nasr, or with knowledge of the Israeli character, such as Dr. Qadri Hafni, professor of psychology at 'Ayn Shams University.

Former Egyptian Prime Minister Dr. Mustafa Khalil will also participate in the negotiations, but in a capacity as advisor to the delegation, and not within the official delegation. Certain persons who are well known for their strong Palestinian ties were also chosen, such as Lutfi al-Khuli, the political writer, and Dr. 'Ali-al-Din, professor of political science in Cairo University.

The members of the Egyptian delegation participating in the peace conference were sent to Madrid after Egyptian President Husni Mubarak issued his decree on 27 October forming the delegation under the chairmanship of Egyptian Foreign Minister 'Amr Musa.

The delegation's membership occasioned several surprises, because it did not include certain dignitaries that had been expected, such as Dr. Mustafa Khalil, the former prime minister of Egypt, and currently the National Democratic Party's deputy chairman for foreign affairs, whereas the delegation does include political academicians and lawyers, in addition to military experts in geography and international boundaries.

Before the Egyptian delegation departed, AL-SHARQ AL-AWSAT met with some of its members, who differed in their evaluations of several matters, even though they were unanimously optimistic, emphasizing that the mission was a long one, but that it begins with a single step.

Dr. Qadri Hafni, professor of psychology at 'Ayn Shams University, holder of a doctorate in the study of the Israeli persona, as well as Arab-Israeli relations, and author of the book *Tajsid al-Wahm* [Personification of Delusion], which deals with the Arab-Israeli conflict, stressed that the negotiator must possess stamina and a capability for argument and cunning, but must remain completely calm, without excitability. That is diplomacy. He added that this emphasizes that the negotiations will be difficult, or rather, very difficult. The events preceding the conference reflected this. All expectations agree that the Israeli negotiator, by virtue of his nature and the composition of his personality, will begin at high

intensity. This must be met by calmness. Clearly that will be the first maneuver to which the Israeli negotiator will resort.

Dr. Qadri also cautioned against excessive optimism or expectation of rapid results. The sole guarantee for success, and whatever successes might be achieved, is primarily good intentions. He also pointed out that all sides must take into consideration the thrust of the other side, that he will be strident in his positions and adhere to every pretext and support, even if false. However, a desire to overcome the element of intimidation and to calm the persona will be the gauge by which the extent of the conference's success can be measured.

Dr. Qasri stated that this conference's difficulty stems from its being multilateral. Therefore, it differs totally and partially from the nature of Camp David and its negotiations.

Cautious Optimism

Dr. Ramzi al-Sha'ir, president of al-Zaqaziq University and professor of public law, began by saying: "I am an optimist by nature." He expressed the hope that he would be one of the soldiers who will participate in building the bridges of peace in the region. He stated that he believed that no matter what degree of dispute was reached inside the conference, all parties would ultimately come together, given the nature of negotiations in general, to accept concessions by all sides, but without violating the principles and constants of the negotiators' regimen. Israel has called for the need to refrain from a policy of public argument, maneuvering, and complicating the negotiations, but it is the participation of Israeli Prime Minister Yitzhak Shamir, as head of its delegation, that is being used to inflate Israeli positions or portray them in a false light. The facts here are clear, clear as the sun, incontestable, and the guarantees that are concluded will be raised to the level of a full commitment.

al-Sha'ir said that it is not impossible that the hope that the world has been waiting for throughout the long years of this conflict will be realized through this conference. That hope is for a just, comprehensive peace, provided that there are good intentions.

Dr. Yunan Labib, professor of international law at Cairo University and a participant in the Taba negotiations, stated: "By virtue of my past experience with the Israeli negotiator, I can almost say that I am confident of the possibility of achieving peace, despite what is known about the Israeli negotiator in terms of intensity and extremism of viewpoints. Holding the conference under the umbrella of international legitimacy is a guarantee of its success and of respect for whatever agreements might result.

"By virtue of my national duty, with which I have been tasked by my Arab nation [ummah], my mission will be no less than my mission when Egypt regained Taba

within Egypt's international boundaries. I will exert the utmost efforts on behalf of reaching this great goal."

Dr. Salah 'Amir, professor of international law, who was also on the Egyptian delegation to the Taba negotiations, stated: "To the same extent that I am pleased to help in this mission, so am I sensitive to the enormity of this responsibility, particularly because of the different nature of negotiations in this assembly through multilateral participation. However, I will say that despite all this, we must be optimistic for success and for achieving the goal for which all of us are meeting."

Dr. 'Amir expressed his hope that the negotiations will remain free of excitability, agitation, and anger. "Negotiations are complex and not easy. We must not rush results or change positions. However, we must all adhere to the pressure of the heart. We have experience in negotiations concerning Taba and, before that, Camp David, an example that must be kept in our minds."

Dr. 'Ali-al-Din Hilal, director of the Political Studies Center of Cairo University, stated that the "mere presence of all parties at one table was a guarantee for the negotiations' success and for breaking the impasse to direct meetings and dialogue. We must not rush the results."

Hilal expressed the belief that the "mere presence of all parties could achieve a formula that would satisfy all parties, especially since I am sure that Israel will be the first to become convinced that peace is in its best interests, just as it is in all the Arabs' interests, or rather, in the best interests of the entire world."

He stressed that establishing the principle of land for peace at the outset of the conference would be most important in eliminating the causes of tension among the parties, while moving on to subsequent stages of negotiations would be more critical and difficult. "However, let us all be certain that peace is the new world order through which we must deal without wavering. We must all take advantage of this first golden opportunity of its kind in history."

Lutfi al-Khuli stated that the importance of the opening session lies in behind-the-scenes meetings and chats, since that is the real way to take the pulse of participating delegations. In addition, the speeches of both American President Bush and Soviet President Gorbachev afford the possibility of deducing common ground that would give the negotiators in the conference a strong indication of the two super powers' role and the degree of the conference's negative and positive goals in general.

Because of the nature of the Egyptian delegation's role, Lutfi stressed that it would negotiate on behalf of reaching a settlement of the Arab-Israeli dispute with regard to its Palestinian dimension, by virtue of the fact that it is the basis, as well as the UN's point of departure, which has piled up resolutions, particularly the group of resolutions that the Security Council has issued, led by Resolutions 181, 242, and 338.

With regard to what distinguishes the participating Egyptian delegation, he explained that it was a non-traditional delegation that combined experts in diplomacy and political action with thinkers who have political insight and, consequently, it is like a woven fabric that combines all parties, taking a national and popular form, not just a governmental form. This is evident from the participation of the Egyptian viewpoint as a whole in a positive position vis-a-vis holding the conference.

Lutfi al-Khuli added that the conflict does not have an arena, nor just one side. The peace conference is an extension of the conflict by other means in new international circumstances. Despite all rumors on the surface, Israel is strong militarily and economically.

Al-Khuli made it clear that Israel cannot intimidate the Arabs at the negotiating table with its weapon, because this weapon is not now internationally permissible.

Opposition Leaders Support Peace Process

*92AF0104B London AL-SHARQ AL-AWSAT in Arabic
29 Oct 91 p 6*

[Article: "Egyptian Opposition Supports Arab Efforts To Hold Madrid Conference"]

[Text] Leaders of Egyptian opposition political parties have confirmed their support for Egyptian diplomacy and for Arab and international efforts on behalf of convening a peace conference in Madrid.

The leaders—in a unique national position—expressed the hope that all parties participating in the peace conference would succeed in breaking the impasse that has afflicted the Arab-Israeli conflict.

Yasin Sarraj-al-Din, one of the leaders of the New Wafd Party, stated that parties to the Arab-Israeli dispute will gather together around a single negotiating table in the Spanish capital for the first time in history. He said that this should be considered a great success in and of itself, especially since it might break down the bridges of suspicion and lack of trust among the parties concerned. Complete success is dependent, in the first instance, on good intentions and a definite desire by everyone—including Israel—to end this dispute and live within secure, stable, and guaranteed boundaries, applying the principle of good neighborliness among all nations in the region.

Sarraj-al-Din referred to Egyptian diplomacy, led by Egyptian President Husni Mubarak, [as being] in complete cooperation with the other participating Arab parties concerned, particularly Syria, Saudi Arabia, and the Gulf Cooperation [Council] nations, which were especially behind these important steps and changes that have occurred in the Arab region.

Murad [al-Sabatasi], secretary general of the opposition Liberals Party, stated that he was completely convinced that a true beginning must be achieved with real results.

"We believe that the sincere efforts by the United States, and their balanced policy, were the main reasons for Israel's decision to attend the peace conference, albeit grudgingly, even though I think that Israel is concealing its satisfaction, because it would be the primary beneficiary of peace. However, as usual, Israel is still insisting on acting rashly and arrogantly, for the sole purpose of saving face."

He referred to the solidarity of the Arab parties, and said that with this clear coordination and through measured, balanced steps, they have arrived at the Madrid negotiating table with the mind and heart of one Arab. They have put the ball in the Israeli court, tightening the noose to make the peace option acceptable. However, this success achieved by Arab diplomacy will only be completed by the full acceptance of legitimate Arab rights and demands, which can only be ignored by one who is ignorant of international charters and practices.

Diya'-al-Din Da'ud, a prominent independent deputy in the Egyptian People's Assembly, stressed that Egypt and the Arab nations have made every sincere, honest effort and have advanced with coordinated steps. However, Da'ud raised a question: "Will racist Israel, even if for the first time, put aside its illegal desires and aspirations for which it has strived over the years? Here we must be watchful with regard to events in the Madrid Conference; that will be the decisive fact and the real proof."

Ahmad al-Sabahi, leader of the Ummah Party, remarked that "although I sent a special greeting to the Egyptian political leadership over the efforts it has made and will make, I have rejected the policy of shuffling cards between its relations with certain Arab countries, and its adherence to its national commitments, represented by the rights of the Palestinian people. Moreover, we must send a special message to the Arab nations that have supported Egyptian diplomacy, and support them. Consequently, this means to speak with one Arab voice, which will reinforce the position of the Arab negotiator."

Al-Sabahi expressed the hope that the Arab and international parties would be successful in getting Israel to renounce its policies and accept what all the world accepts. This is the peace process. Otherwise, Israel will pay the price of its extreme intransigence.

Opposition Cries Foul in Labor Elections

Candidates Hindered

92AF0097A Cairo AL-AHALI in Arabic 9 Oct 91 pp 1, 6

[Article by Hasan al-Badawi: "Administrative, Police Interference Against Workers' Candidates in Six Governorates"]

[Text] Offices of the Ministry of Manpower, company administrations, and the police have intervened repeatedly in the election campaign at 13 work sites in six

governorates. At some of the sites, this has led to worker rallies; at other sites, the conflict has moved into the courts.

The most serious intervention occurred at the National Spinning and Weaving Company in Alexandria. The company chairman decided to fire Abu-al-'Izz al-Hariri, a labor union and board of directors' candidate, without investigation or charge and without referring him to the three-party committee. Workers consequently rallied at noon last Saturday in front of the company's plants in [Karmuz] and Muharram Bey. Management completely shut down work at the company last Sunday.

Al-Hariri turned to the courts to overturn the arbitrary dismissal as violating Section 45 of Law 35 of 1976, which forbids penalizing any candidate or transferring or seconding him for more than two weeks without a ruling from the appropriate court. Candidates are considered as enjoying the rights of union council members during their period of candidacy.

Workers rallied because of continued intervention all last month by management against opposing candidates, even those from the National [Democratic] Party and because workers supporting these candidates were punished. The chairman of the company had suspended Ibrahim Ahmad Hasan, an elected member of the managing board of directors and of the NDP's Alexandria Political Bureau and a candidate for the union and managing board. He was prevented from attending a managing board meeting on 22 September because he had submitted an interpellation about financial violations by management.

The chairman of the company transferred Muhammad Hasan al-Sayyid, a member of the union council, and Jamal Salim 'Ali, who are running for the coming term, from the Karmuz plant to Muharram Bey. He transferred Subhi Hasan Ibrahim, a union candidate, from his job as maintenance technician to the job of loader. The worker 'Id Jad was transferred from Alexandria to the company's office in al-Darrasah (Cairo) for 20 days, until the elections are over. The female worker Raydah Muhammad Shawqi was transferred from the Muharram Bey cutting department to the Karmuz spinning plant and was forbidden to use company cars. The worker Muhammad al-Fakahani was transferred from al-Milahah to Muharram Bey. The workers Mahmud al-Balashi and 'Abd-al-Mun'im Qutb were forbidden to work overtime and on Fridays.

The head of the company resorted to firing al-Hariri after the court rejected challenges to his nomination submitted by the general union, the union committee, and the office of the Ministry of Manpower. Tomorrow and this Saturday, the Alexandria Court of First Instance will hear the contentions and challenges that have been exchanged in the case. Last Saturday, the court rejected the company lawyer's request to drop the proceedings on the ground that al-Hariri had been dismissed from the company.

Also in Alexandria, the office of the Ministry of Manpower rejected a challenge to the nomination of Ibrahim Mustafa Ibrahim, director general of the al-Muntazah district of the Sewer Authority and a member of the governorate's Local Popular Council in spite of his being a director general with the authority to impose penalties. He has previously imposed penalties on workers, thereby rendering his nomination a violation of the law.

At the Oil Pipe Company, police tore up the posters and signs of Isma'il 'Ali Hasan, a candidate for the union, prevented him from meeting with workers, and threatened workers with arrest if they read his statements.

At Suez this Saturday, the Court of Summary Justice will hear proceedings brought by Hasan Ahmad Mustafa, head of the Construction Workers' Union Committee, demanding that the Ministry of Labor certify the committee's members and invalidate the labor office's decision to disqualify them.

At al-Dumyat Spinning, workers brought challenges against several candidates nominated as "workers" despite their really being neither workers nor peasants. The labor office rejected the challenges.

At East Delta Bus, the managing board issued a statement recommending the members of the current union council. The company's director general in al-Sharqiyah issued instructions forbidding Shawqi Isma'il Sabir, a candidate for the union and managing board, from entering the company's nine branches in the governorate.

In Cairo last Thursday, the 'Abdin court issued an immediately effective order overturning the supply minister's decision to transfer Su'ad 'Abd-al-Raziq, a union candidate at Green Salon, to the Romney Company.

In al-Gharbiyah, Hamdi Husayn, a candidate for the managing board of Delta Spinning and Weaving Company, and Mahir al-Najjar, a candidate for the union at al-Gharbiyah Rice-Hulling at al-Mahallah, brought legal proceedings against decisions changing their election designations from "workers" to "non-workers and non-peasants" in response to a request from the management of the two companies to reduce their chances for winning.

Tricks Employed at Al-Mahallah

92AF0097B Cairo AL-SHA'B in Arabic 17 Sep 91 p 6

[Article by Hani 'Imarah: "Circular in al-Mahallah Hinders Movements of Opposition, Women Used To Defame Honest Men"—first paragraph is AL-SHA'B introduction under rubric: "Labor Elections Heat Up in All Districts, Nationalist Candidates Encounter NDP and Management Thugs"]

[Text] The challenges against worker candidates have ended, and the elections have heated up. New faces have emerged to compete with the old leaders, many of whom

have become flabby and unable to confront recent government and management arbitrariness. The National Democratic Party [NDP] and the National Security Investigation Bureau, in coordination with company managers, have gotten ready to strike at nationalist elements. Lists of NDP loyalists have been prepared. There have been many attempts to defame dedicated men. For example, women have been used to mar the reputation of honest men. Charges have been fabricated against some candidates. Some have been reclassified as "non-workers and non-peasants" to facilitate their disqualification. Some candidates have been transferred from their work places to other sites. Many candidates have been simply disqualified. AL-SHA'B has been with workers at their workplaces to listen, see, and bring readers a picture of what is happening.

At giant companies and worker concentrations like al-Mahallah Spinning Company, managers and the police, using outrageous forms of intimidation, have begun working to limit candidates' freedom and to prevent honest unionists from contacting workers.

Using women is one of the worst ways of defaming candidates. At al-Mahallah Spinning Company a female worker of ill repute stood before a candidate as workers were leaving the company and screamed: "What do you want from me, man?" Then she heaped abuse on him. The man stopped dead in his tracks and said nothing. The woman continued: "I'm married and have children. Get away from me!" The look of astonishment on the candidate's face grew as he heard the woman continue her invective: "Don't you dare come to my house again, man!"

When we asked about the man's conduct, all the candidates, even his rivals, agreed that he was an upright man known for his decency and good reputation. They said that the administration had incited the woman worker to defame the candidate, first because he had a large following among the workers, and second to intimidate the other candidates. Love letters had even been sent to wives of candidates to stir up arguments at home.

Circular Restricting Candidates' Movement

The second way to tighten control over the election process is for management to issue a circular and force every candidate to sign it and abide by its content under pain of the law, penalties, and punishment. What does the circular say?

- Candidates are forbidden to make the rounds of the company during work hours.
- It is forbidden to leave the department without a permit from security.
- It is forbidden to distribute circulars, calling cards, or literature.
- It is forbidden to hold election conferences within the company.

There are many other prohibitions. What is the significance of the circular? It is the first time that a circular to

this effect has been issued in the company, and it shows the government's intention to play tricks with the elections from the outset.

The consensus of candidates was that these prohibitions would be strictly applied to elements disliked by management, while candidates friendly to management and the police would be overlooked. Candidate movement and communication between voters and opposition candidates would thus be made difficult.

Many candidates told us that the police were following them closely and monitoring their every breath within the company to entrap them and subject them to penalties.

To test the mood and determine what the reaction would be, management transferred the candidate Fathi Abu-al-Izz, a legal social worker, to al-Nasr Dyeing Company after the police caught him on company premises handing out a brochure exposing corruption and misbehavior by officials.

Management Pressure

The third way to tighten control is to pressure candidates to step down. Management has summoned many candidates to places off the premises and has used methods of enticement and threats on them. Some were promised promotions, incentives, and bonuses, provided they remained in the election game until the last phase and then withdrew suddenly in favor of the management candidate, thereby throwing the opposition ranks off balance. Management has threatened some workers with displacement, firing, or the stoppage of incentives and bonuses. Management has nominated its own people in every district and in every residential concentration of workers, such as the districts of al-Mahallah, Tanta, 'Ayn al-Santah, al-Mansurah, Qutur, and Samannud, in order to scatter votes among these concentrations that are linked by ties of family and friendship and so that they would not go for candidates unacceptable to management. So what is to be done, "Uncle" Salih?

Farce

"It's a farce! The solution is to stop the show." Thus answers Salih al-Fayshawi, a Labor Party member in al-Mahallah, and the workers' candidate for managing board of al-Mahallah Spinning. A former board member, he strongly opposed the American loan that began the process of drowning the company in loss and debt.

"Uncle" Salih demands a halt to the games that are killing the sense of affiliation among workers. He says that things even more outrageous are being done. For example, during elections, the central security police cordon off the building in which votes are being tabulated, all candidates are forced to leave, and only the police and executives remain. After the so-called tabulation process is finished, the result is announced only after several days and in stages. First it is announced by word of mouth, to monitor worker reactions. Then it is

adjusted, if necessary, according to security directives. Then the result is posted. The only hope is for the masses of workers to make their weight felt and move to protect their gains. That will only come about by real worker representation in the managing board and union.

Holder of Shares and the Whip

Ramadan al-Rukh, workers' secretary in the Labor Party at al-Mahallah and a member of the union committee for al-Nasr Weaving and Dyeing Company, stated that under the Workers' Sector Act, the shareholder can again come holding the whip to drive everyone, just as the feudalists used to do in days of old. He therefore asked workers to be alert and vigilant during the elections, so that they produce strong persons conscious of their future role.

Hamdi 'Abd-al-Mu'ti Hijazi, candidate for the Spinning and Weaving Union, believes that it is necessary to develop workers' skills and increase incentives, bonuses, and services to lighten the burden on them. al-Dasuqi Sulayman, a candidate for the union in the same company, agrees with him and warns of the danger that the Workers' Sector Act could be applied to expel workers and fire them arbitrarily.

Plots at Bani Suwayf, Al-Minya

92AF0097C Cairo AL-SHA'B in Arabic 17 Sep 91 p 6

[Article by 'Ala' al-Bahhar: "NDP Plots Continue at Bani Suwayf and al-Minya"]

[Text] The election campaign began heatedly in Bani Suwayf, with hundreds of workers coming forward to run. The campaign concentrated in three main areas: the Kom Abu-Radi railroad yards, the spinning and weaving mill, and the High Dam Company. The police summoned some nationalist candidates to National Security Investigation Bureau headquarters, beat them, and threatened to delete their names.

At the Kom Abu-Radi yards, where there are over 3,500 workers, 35 candidates came forward to run, representing various political forces. Foremost among them are the Labor Party candidates 'Umar Husayn 'Abd-al-Ghani, 'Abd-al-Fattah Fikri, Fahim 'Abd-al-Wanis, Muhammad Sa'd Mahmud, Majdi 'Abbud, 'Abd-al-Baqi Shakir 'Abd-al-Baqi, and Muhammad Sa'd Mahmud. They enjoy great popularity.

Plots by National Democratic Party [NDP] members backed by the National Security Investigation Bureau have been uncovered. It became clear that Ahmad Mustafa, an NDP member who formerly headed the union committee, had contacted all the security agencies to disqualify all nationalist and Islamic candidates. He told candidates that he would stand with all his strength against the Labor Party candidates. He even asked the police to prevent the entry of Jamal Shakir, a labor leader and secretary of the Labor Party organization in Bani Suwayf. The later has stated that the fight was

begun by the NDP candidates and National Security through a few hiring candidates who belong to the NDP. Former union committee head Ahmad Mustafa absconded from workers with the union seal in his possession on the third day of nominations, so that workers would be unable to stop the proceedings. However, his plot failed under pressure from the workers.

Jamal Shakir added that the National Security Investigation Bureau is summoning worker groups to intimidate them and threaten them with loss of incentive pay, in addition to there being a permanent representative of the National Security Investigation Bureau in the company.

Worker Concerns

'Abd-al-Fattah Fikri, a candidate and Labor Party member, says that the old members of the union committee are from outside Bani Suwayf and do not represent the workers.

'Umar Husayn 'Abd-al-Ghani states that Labor Party members can solve workers' inveterate problems, which the old union committee was lax in solving.

At the Bani Suwayf spinning mill, the battle intensified after 56 candidates came forward on behalf of 5,000 workers. The contest is between members of the old union committee, known for its total loyalty to management, and the Labor Party candidates led by Hasan Khalil, secretary of the party at al-Maymun. He said that the battle has been fierce and that there have been 33 challenges. The Labor Party slate also includes Muhammad Tawfiq 'Abbas, Yahya Tamman, Taha 'Abd-al-Mawjud, Sha'ban Hasan, Mu'awwad Hamid, and Jamal 'Abd-al-Badi'.

At the High Dam Company, which represents thousands of workers, competition was intense, particularly because the workers need new faces that can solve their problems, the most important of which is that no incentives have been paid to them for four years. This was stated by Hamd Jabir 'Abd-al-Jawad, a candidate in the elections. More than 20 candidates have come forward to run from the various nationalist forces.

In al-Minya

The election battle in al-Minya has been especially heated at the cement plant, the iron quarries in Bani Khalid, the electricity distribution company, the al-Nasr Drying plant at Maghaghah, and the Sand Brick Company at Samalut.

At the portland cement plant in Samalut, elections are taking place in an atmosphere of intimidation and tricks by management. Management announced that nominations would be located in Hulwan; when the candidates went to Hulwan, management officials told them that nominations would be in al-Minya. The farce was repeated several times between Hulwan and al-Minya. People were even given false nomination papers to make

them miss the deadline. Security agents urged a large number of workers to run in order to fragment the vote.

Among the election platforms proposed is the one being demanded by Muhammad al-Husayni Khalid, a nationalist candidate. He is demanding that the Mines and Quarries Act be applied to company workers, that incentive payments be adjusted, that temporary workers be made permanent, that bad conditions—there is no mosque and no cooperative association—be changed, and that there be attention to health care.

At the electricity distribution company, there are more than 82 candidates. The members of the old union have come forward to run again for the management board and union committee, although the workers have rejected them. During a tour of the company we met with 'Abd-al-Nasir Ahmad, an Islamic candidate. He called this a decisive period in the history of workers, particularly now that the Business Sector Act has come into force, giving broad powers to heads of managing boards.

Candidate Mamduh Kamil is demanding that the cultural level of workers be raised, that members be linked to the union, and that union work be enriched.

The Bani Khalid Iron and Steel Quarries are witnessing a great labor awakening that has prevented management from implementing its plots. Engineer Jamal 'Ulwan, a former member of the union, says that worker interest in these elections derives from the Business Sector Act and its shortcomings. He cites administrative procedures to dismiss a worker without submitting him to the three-party committee. At the al-Nasr Drying Plant at Maghaghah, management has declared war on the nationalist candidates who proved their ability in the previous union term. Ahmad 'Abd-al-Latif Yusuf states that he will continue to serve the workers and raise their educational level in light of the low number of educated people in the plant.

Tricks To Disqualify Candidates

92AF0097D Cairo AL-SHA'B in Arabic 17 Sep 91 p 6

[Article by Ashraf Badr: "New Tricks To Eliminate Candidates at Castings, Mines, and Heliopolis"]

[Text] At the al-Nasr Castings Plant, management invented new tricks to eliminate Islamic candidates and members of other parties—not, of course, the National Democratic Party [NDP]. For example, one could have as many candidates as possible run for union membership to reduce chances of success by Islamic candidates and party affiliates, with the candidates in question being relatives of high officials in the plant. Thus we find someone like Muhammad 'Abd-al-Mun'im al-Zamr, head of the legal affairs section, backed by his brother, People's Assembly Member Majdi al-Zamr, who threatens that anyone who stands in his way will be punished. He has also nominated all his relatives, including 'Abd-al-Hakim al-Zamr, Mahmud al-Zamr,

and 'Ali al-Zamr, as well as the chauffeur and secretary of the chairman of the managing board, and has sworn to workers that they would win despite opposition. With the agreement of company head Dr. Usamah Mahmud 'Abd-al-Wahhab and Salah 'Abd-al-Jawad 'Azzam, head of the al-Jizah factories sector, he issued an administrative order farming out the members of warehouse surveillance to other departments. (Some of them had been appointed to this job on the ground of strengthening the enterprise.) Faysal al-Mahdi, a Labor Party member and candidate for the union committee at the company, was transferred from surveillance to the purchasing department, as was Tal'at Iskandar. The third person in surveillance, Zaynab Kushk, was transferred to computers. Thus the warehouse surveillance department remained without a monitor. In addition, the powers of the secretary of the chairman of the managing board were increased.

At Misr Housing and Building Company there was intense competition between 68 candidates who entered the election campaign. Misr Company has a large number of workers—over 9,000.

Management showed its fear of this year's nationalist candidates by seconding them to other jobs and threatening to delete their names, as happened with company lawyer and labor leader Rabi' Salim Basha. The head of the managing board issued an order seconding him to a job outside the company for a year, threatened him with erasure of his name and cancellation of his promotion, and ordered the police to prevent Basha from entering the company. All of this derives from his lofty nationalist positions defending workers and his opposition to the Caliph al-Ma'mun Society, which the chairman of the managing board has founded and which has followed illegal methods leading to enormous losses in the company. Labor elections at Misr Housing and Building Company are being led by Labor Party secretary Ahmad Sulayman, supported by throngs of workers. Ahmad Sulayman states that he will restore to workers the rights of which they have been deprived and that he will restore labor unions to their active role in this critical stage in the history of Egyptian society.

Brazilian Minister's Visit Has Political Focus

*92SM0106Y Sao Paulo GAZETA MERCANTIL
in Portuguese 9-11 Nov 91 p 3*

[Article by Maria Helena Tachinardi]

[Text] Cairo—In a joint communique being signed this Saturday, Minister of Foreign Affairs Francisco Rezek and his Egyptian counterpart Amre Moussa are expected to reiterate their support for the International Peace Conference being held in Madrid with the participation of all the parties involved in the conflict: Arabs, Jews, and Palestinians. Brazil and Egypt want measures to protect the Palestinians' right to self-determination and a territory of their own, and they feel that all the

countries in the region should have the right to live within secure and internationally recognized borders.

The Brazilian Government also supports the efforts by Egyptian President Hosni Mubarak to keep the Middle East an area free of weapons of mass destruction.

In contrast to his visit to Iran early this week, during which he basically discussed economic problems in an attempt to persuade the government of that country to hire Brazilian firms to carry out major construction projects, the foreign minister's purpose in Egypt is to discuss only political matters. This is the first Arab country to welcome an official high-level Brazilian mission since President Fernando Collor took office, and the reason is that it plays a role as moderator in conflicts in the region.

Rezek's meetings this Saturday will be with Moussa, Butros Ghali (deputy prime minister and a strong candidate for UN secretary general), Mohamed Fathy Sorour, leader of the People's Assembly (Congress), and Minister of Agriculture Youssef Amin Wally. This Sunday the minister will meet with President Hosni Mubarak, who is pursuing a policy of economic liberalization with the help of the dividends he collected in exchange for his real participation in the operation against Iraq. His reward was the cancellation of \$13 billion worth of debt, including \$7 billion canceled by the United States.

Trade relations with Brazil are very unbalanced. According to data from the Brazilian Ministry of Foreign Affairs, Brazilian exports totaled \$174 million last year, while its imports from Egypt did not exceed \$930,000.

There is a great deal of ignorance in Egypt concerning what is happening in Brazil, this newspaper was told by Nilo Neme, president of the Foreign Trade Council of the Rio de Janeiro Commercial Association. Today he will sign an agreement with Said El-Tawil of the Businessmen's Association to establish the Brazil-Egypt Chamber of Commerce. The first step will be to inform businessmen about such Brazilian economic reforms as the tariff reductions, says Neme. While Egypt buys soybean oil, sugar, iron ore, and aircraft parts and components from Brazil, Egyptian exports are restricted to sewing thread and coke.

There is a serious problem in bilateral relations: a debt of \$108.3 million, of which \$50.2 million are past due, in connection with the purchase of Tucano aircraft in 1983. In negotiations with the Paris Club, Egypt obtained cancellation of 50 percent of its public foreign debt. On the basis of the most-favored nation clause, Egyptian authorities want Brazil to also forgive half of the debt owed to it. According to information from the Brazilian Ministry of Foreign Affairs, the position of the Ministry of Economy is that it will discuss the matter in technical terms, considering that the past due amounts with right of recourse are not government debt, while credits falling due are government debt and therefore fall within the scope of the Paris Club. Another of the Ministry of

Economy's objectives is to market notes which are either past due or falling due on the international market, even if it has to sell them at a discount, in order to reduce the losses due to cancellation of 50 percent of the debt.

The Egyptian project of most interest to Brazil is the 400-km Alexandria-Salum railroad on the Libyan border. That project is worth \$500 million. The Andrade Gutierrez firm is negotiating to participate in the project, but so far it has not solved the problem of financing, which cannot be based on purchases of Egyptian petroleum. The petroleum here is high in sulfur and cannot be cracked in Brazil. It is possible that the construction firm will be able to make the deal workable by exporting Egyptian petroleum on the spot market, this newspaper was told by the firm's manager, Jose Mauricio Bicalho.

Two memorandums of understanding have been signed during Rezek's visit to Cairo: one between the CPRM [Mineral Resources Prospecting Company] and the Egyptian Geological Survey for cooperation in the mineral area and the other between the National Library Foundation, headed by Affonso Romano Sant'Anna, and the Egyptian National Library, in which it is provided that Brazil will help Egypt reorganize the Alexandria library—the largest in the world in the third century of the Christian era. Initially, Brazil will donate 100 books to the new library, which is being financed by UNESCO.

Trade Balance With USSR Upset by Soviet Problems

*92AF0042A Cairo AL-AHRAM AL-IQTISADI in Arabic
16 Sep 91 pp 10-11*

[Report by Kamal Jaballah]

[Text] An important and pressing question concerning the economic and trade relations between Egypt and the USSR has come up as a result of the radical and successive changes and developments that the USSR is witnessing now. Also the present and future status of the economic cooperation between the two countries calls for concern. It is certain that during the 1960s and 1970s the Soviet Union offered Egypt financial assistance that contributed to the establishment of several large economic projects. This assistance was in the form of convenient loan terms. Egypt, in return, has assumed its obligations by making timely payments on these loans. Egypt has paid most of its debts to the Soviet Union, which amounted to about two billion Egyptian pounds. The balance will be paid off in the coming few years in installments amounting from four to five million Egyptian pounds per year. As for the military debts, Egypt and the Soviet Union, in 1987, successfully negotiated an agreement calling for the rescheduling of these debts. The agreement stipulates that the debts be paid in 25 years with a grace period of 5 years. Payments will resume in 1992 and the first installment, not exceeding 30 billion Egyptian pounds, will be in the form of Egyptian goods needed by the Soviet Union. This is the

situation with the military debts and the non-military loans. The trade exchange between the two countries has been upset. Due to the economic uncertainty in the Soviet Union since 1985 and the availability of Egyptian products needed by the Soviet market, Egypt is now exporting to the Soviet Union more than importing from it. The surplus in the balance of trade in favor of Egypt has caused a real problem in the flow of Egyptian exports into the Soviet market. For instance, the value of what each side can export, according to the 1990 protocol, was set for 350 million accounting pounds sterling and 400 million accounting pounds sterling, per the 1991 protocol. At the time when Egyptian exports were flowing satisfactorily into the Soviet market, the opposite was happening to the Soviet Union, and Soviet imports into Egypt were sharply decreasing until they did not amount to more than 20 million pounds sterling in 1991. This disruption in the balance of trade with the USSR has led to the accumulation of Egyptian debts in the payment account agreed to between the two countries. The value of Egyptian debts has recently exceeded 250 million accounting pounds sterling, or 750 million Egyptian pounds. Since the Soviet Union has been, and still is, a major market for several categories of Egyptian exports of consumer and modern industrial goods, it is essential to exert every effort to keep it as such and even strengthen it, especially at a time when Egyptian production is increasing and the climate is suitable to encourage and support exports to both the private and public sectors alike. While taking into consideration all the changing circumstances being experienced by both Egypt and the Soviet Union, the present situation should not be allowed to continue, even if the Soviet Union is not willing to continue exporting arms to Egypt without obtaining, in return, either cash or goods. One can not be indifferent for long towards a near stoppage in the flow of imports from the Soviet Union. For its part, the Egyptian Central Bank is issuing bank notes to pay Egyptian exporters who are waiting to close deals with the Soviet Union. It remains to whisper in the ears of Egyptian exporters and ask them not to freeze their activities, but to increase their efforts to market their products in the Soviet Union by concluding direct and balanced transactions with the Soviet Union as long as the local regulations are favorable. In addition, and so long as Soviet trade regulations permit such free dealing, certain Egyptian exporters should attempt to market products containing foreign [production] elements that have hard currency value. More importantly, Egyptian exporters should attempt to enter into partnerships with foreign exporters, especially from Western Europe, in order to meet the needs of the Soviet market. However, what does not need to be whispered in the ears of the Egyptian exporters is the need to not restrict their activities to Moscow, but to market in the capitals of the Soviet Republics such as Leningrad, Kiev, and Tashkent in the south. In the new trade centers it is possible to agree to balanced trade measures. It is certain that the new Republics produce goods that we need and we, in return, have goods to market there. Will we stop issuing "bank notes" that are meant to cover the value of the

imports that are not coming, and will not come, into Egypt as long as the present situation there continues? Will the private sector obtain the lion's share of hard currencies by concluding direct transactions? Will we open new markets in the important trade centers of some of the capitals of the Soviet Republics? These are new questions imposed by the successive changes in the Soviet Union and, in order not to lose any more of our economic and trade relations with the Soviet Union, we should immediately embark on finding the answers.

Sectarian Violence in Imbabah Investigated

Press Searches for Motives

92AF0079A Cairo AL-AHALI in Arabic 12 Oct 91 p 3

[Report by Husayn al-Batrawi and Muhammad al-Sadafi]

[Text] Whenever signs of ethnic strife surface, the security forces come in to put out the flames and police the blazing area.

The real reasons for this epidemic spreading through Egypt have not been studied or treated. Two AL-AHALI correspondents toured among area citizens for two straight weeks and listened to the information they recorded. Many speakers were afraid to give their names, except for one who said he belonged to the Jihad group.

'The situation in the area is still under the watch of the security forces. It quiets down only to blaze up again as long as no one knows its real causes.'

'It is unbelievable that the mere provocation of a Copt by a Muslim, or of a Muslim by a Copt, should lead to crimes of arson, destruction of property, and fits of worship, after assaults against individuals.'

'We are still awaiting the investigatory roles of Parliament, the government, and the nation's rational people.'

Security forces wandered randomly through the gardens of the houses in the Imbabah district and have launched a campaign of random arrests, resorting to old police reports of disputes between Muslims and Christians and accusing them of being behind the recent violent incidents.

One priest warned against another wave of random arrests, saying that it would only increase sectarian tension between Muslims and Copts.

At the same time, 'Ali Isma'il, a leader of the Jihad group in the Imbabah area, told AL-AHALI that the security forces still have not arrested a single member of the Jihad organization.

Some residents—and people protected their identities—spoke of several attempts by Jihad members to stir up trouble. The first of these was in 1989, when a peddler who was a Jihad member tried to prevent a bus driven by a Christian from entering the Luxor market in Imbabah,

which led to fights breaking out, and the police intervened. A member of the group was arrested and a large number of his colleagues gathered in front of the police station until he was released.

Last year, the flames of conflict nearly broke out when some members of the group attacked a Copt-owned bookstore. The owner's relatives fought back by throwing stones. The police intervened and arrested everyone and jailed them, and then released them after a few days.

The same year, an extremist stabbed a priest—a pastor at Mari Girgis church—in the neck with a pocket knife as he was leaving a wedding reception.

Other acts of aggression followed, growing more organized and widespread. Members of the Jihad group made explicit threats against all Copts in the area, warning them against hanging holy pictures, displaying the cross, broadcasting the mass, or holding religious ceremonies at Muslim prayer times. After this warning, organized attacks began. They threatened a Coptic cafe owner for playing a cassette recording of Christian sermons on Sunday. When the cafe owner, 'Adil Labib, informed the security authorities, the group asked him to close the cafe and leave the area. When he refused, they attacked the cafe and destroyed its contents, and the owner fled.

With the approach of Feast of the Virgin festivities, the Jihad group called upon a priest to meet their conditions in return for their not spoiling the peace of the Feast of the Virgin. This is a summary of the demands:

- No displaying of Christian holy pictures in homes or shops
- No masses on Friday; masses to be limited to Sunday
- No ceremonial mourning tents may be erected for Copts
- Payment of 1,000 Egyptian pounds to buy mats for mosques.

The priest agreed to end Friday mass at least one hour before Friday prayers, and to forbid the sale of Christian holy pictures in the area, but he refused to ban Copts from hanging pictures in their homes and shops. He also refused to pay the 1,000 pounds the group demanded. The group, however, insisted on the conditions, and assigned its members to monitor the Copts and force them to comply with the group's decisions. The church, for its part, was compelled to advise Copts not to display crosses in order to avoid friction with the Jihad. Jihad members considered this a major victory for them.

Faced with the sharp increase of Jihad activities and confronting the security forces, Jihad members did not center their activities around the al-Iman Mosque, which is the command center of the Jihad group. They posted themselves among the public mosques, of which there are more than 30.

For the first time, young women were made to take part in acts of violence, and were incited to throw stones at the Mar Girgis church to prepare to stir up Muslim feelings if the young women were confronted at all. The security forces were unable to counter this new Jihad tactic.

Members of the Jihad group are settled around an abandoned army camp, and use the camp's earth berm for combat training, and disappear into nearby 'Izbat al-Mufti. This is a densely but unevenly populated forest with very narrow and diverging roads difficult for security to penetrate, especially since the police station is about three kilometers away from these new extremist neighborhoods.

"Basrawi" and "Zaki Matar" streets are considered the neighborhoods foremost in sectarian conflict, because of the presence of many Coptic shops there near the gathering points of Jihad members.

Lawyer 'Ali Isma'il, one of the Jihad leaders, was asked about the cause of the many complaints that Copts brought to the police against the group, whereas there are no similar complaints from Muslims protesting Coptic attacks. Isma'il said that it was the group's method to give warning to the Copts in case of any violation on their part. If they did not respond to the warnings, "then we declare war on them and destroy their property, come what may. This is what the group did to the cafe owner whom they accused of showing indecent films in his cafe, near a mosque."

The cafe owner, though, says he used to show Christian religious tapes to the cafe's Christian customers.

The Jihad's latest fatwa[religious legal ruling] was to condemn a Muslim doctor to death for treating a Copt for a knife wound in his arm after an extremist attacked him for having a cross tattooed on his arm. Despite the violent events still clouding Imbabah and the readiness of the security forces at its entrances, security agencies received several proposals from shaykhs and priests to hold a peaceful march through the streets of Imbabah to call for peace, love, and national unity.

Defense Attorneys Kept in Dark

92AF0079B Cairo AL-HAQIQAH in Arabic 12 Oct 91
p 1

[Text] Despite the quiet situation in Imbabah, security forces continued their blockade of the area for fear of renewed clashes, and continued their raids on the homes of Islamic group members on the pretext of searching for fugitives.

AL-HAQIQAH has learned that last week security forces moved a large number of arrestees from the incident to Central Security camps on the Cairo-Alexandria desert road. Some of those freed after proving their non-involvement in the incidents said that Islamic detainees were brutally tortured by security officers, thus injuring

Khalid Hasan (law student), 'Adli 'Abd-al-Latif (accountant), Ahmad 'Abd-al-Zahir, Ashraf 'Abd-al-Latif, Hamad Abu-al-Qasim, and 'Atif al-Wardani.

The Lawyers Federation in al-Jizah has assigned several lawyers to defend the accused, headed by attorney 'Ali Isma'il. The lawyers say that the Imbabah prosecutor's office has refused to let them see the investigations or to be present at questioning sessions.

Spending Patterns Threaten Economic Reforms

92AF0104A London AL-SHARQ AL-AWSAT in Arabic
31 Oct 91 p 10

[Article by Sahar Fawzi: "Family Expenditure Rate Represents 75 Percent of Total Local Production; Increased Consumption Threatens Economic Reform Policy in Egypt"]

[Text] Despite efforts expended by the Egyptian Government to increase production, raise the percentage of exports, and lower imports, the consumption rate increases day by day, until it is expected that the amount of final general and family consumption will total 48.6 billion Egyptian pounds by the end of this year. The family consumption growth rate amounted to 4.3 percent, which represents 8.3 percent of total final consumption. The rate of general consumption totaled 4.2 percent, which amounts to 15.7 percent of total final consumption.

It should be taken into account that the rate of family consumption growth in 1991-1992 will be 4.4 percent, and general consumption 5 percent.

Dr. Midhat Hasanayn, professor of economics at the American University [in Cairo], explains that the rate of family consumer expenditure takes first place in the total local production figure, inasmuch as it totaled 41 billion pounds, a percentage that amounts to 75.1 percent of total local production at market prices for 1990-1991. Family consumption includes both consumption of foodstuffs and non-foodstuffs, and consumption of services of various kinds. Consumer expenditure for commodities was 32.2 billion pounds in 1990-1991.

Dr. Hasanayn added that the consumer spends nearly half his income on food and drink, and approximately 20 percent on services. The remaining 30 percent is spread among clothes, housing, and other services.

Past years have witnessed a dangerous development in the manner of family consumer expenditure, since it coincides with the growth of personal income. The percentage of individual expenditure for food and drink was 57 percent of income during the 1982-1987 five-year plan. The remaining income went for other services.

Fathi al-Qadi, director general of gardens in the Ministry of Agriculture, says that individuals' consumption of food has increased in recent years, inasmuch as the amount spent for green vegetables, onions, and fruit

totaled 7.2875 billion pounds; 4.1224 billion pounds for grains and starches, such as wheat, flour, yellow corn, rice, and macaroni; and 368.3 million pounds for dried legumes, such as lentils and beans. Moreover, consumer expenditure for fiber and their products totaled 2.6262 billion pounds, while consumer expenditure for meat, chicken, eggs, and fish (animal protein) increased to 4.4835 billion pounds for 1990-1991.

These numbers make clear the large degree of increase in consumer expenditures for food as a consequence of higher personal income, along with the continual increase in population, which swallows up the bulk of production and negatively affects any advance in economic and production.

Dr. Hamdi Radwan, professor of economics at 'Ayn Shams University, thinks that the rate of consumer expenditure has increased by a large percentage, which is not in proportion with production increase. Expenditures must be budgeted, so that they keep pace with the goals of the economic reform program in which Egypt is currently involved.

This increase clearly shows in consumer services spending, representing expenditures for housing, transportation, communications, educational services, health care, athletics, and cultural activities. These expenditures rose to 8.7701 billion pounds in 1990-1991.

Hamdi Radwan says that general governmental expenditure, which represents a very considerable percentage, must be budgeted. This includes wages of workers in the state's administrative system, as well as expenditures for requirements for commodities and services. The current 1991-1992 plan is aimed at reaching 7.95 billion pounds for this purpose, i.e., an increase of 4.2 percent over what is anticipated for 1990-1991. Government expenditure must not increase over this amount, so that the goal can be achieved and efforts directed to implement the economic reform package, using this money to increase production and improve product quality. This would help to increase exports, reduce imports and, consequently, achieve a balance [of payments] and put an end to inflation.

IRAQ

Governor on Iran Preventing Return of Citizens

JN2211101191 Baghdad INA in Arabic 0945 GMT
22 Nov 91

[Text] Baghdad, 22 Nov (INA)—It was revealed here today that Iranian authorities have caused 516 miscarriages to Iraqi women, forced by the elements of sabotage to flee across the Iranian border toward the end of the last winter, in attempts to prevent them from returning to their homes.

'Abdallah Talab 'Ajzan, governor of Maysan, 350 km southeast of Baghdad, yesterday told Lum Yarsac [name

as received], representative of the UN High Commissioner for Refugees, that the Iranian authorities have practiced all forms of terror and savage torture on Iraqi families to prevent them from returning to their homeland.

A correspondent for AL-THAWRAH cites 'Ajzan as saying during a meeting with Yarsac, that so far 745 families, comprising 3,753 individuals, have returned to the governorate's towns, villages, and hamlets. This figure includes 16 families of 75 people who arrived in Maysan yesterday.

Maysan governor explained that the competent state departments and agencies have provided all the requirements for the returning families, including food supplies and medical services. The state departments and agencies have also returned state employees to their jobs and allocated places for all students in local schools, he added.

ISRAEL

Sharon's Actions To Head Likud

92AE0061A Tel Aviv YEDI'OT AHARONOT in Hebrew
(Weekend Supplement) 1 Nov 91 p 13

[Article by Bina Barzel: "Waiting for Shamir Around the Bend"]

[Text] The day before the cabinet meeting in which Israel's participation in the Madrid conference was approved, the prime minister phoned Minister Ariel Sharon, who was abroad. Do not worry, said Shamir to his minister of housing, the vote on the Americans' invitation will take place during the next session, you need not hurry. Sharon heard what he had to say, collected his suitcases, and flew to Israel.

Ultimately, Shamir decided to hold the vote immediately. Sharon was the only one among the Likud ministers to object.

At the airport, next to the airplane departing for Madrid, almost all of the cabinet ministers parted from Shamir. Yuval Ne'eman and Rafal arrived at Ben Gurion Airport half an hour before the ceremony. David Levi arrived last. And who did not come? Ariel.

Sharon believes that he is one of the very few in the country who is capable of conducting negotiations properly with the Arabs. Shamir, in his opinion, is not one of them. That is the reason for the harsh criticism that he has been directing toward him for months. The prime minister's line, he says, has brought about an erosion in all of the Israeli positions.

Those close to him quote him as speaking of "beginners' mistakes" in the conduct of negotiations with the Americans toward the conference, and about "amateur draws." Cynically referring to the first frog that Shamir swallowed in Madrid—the 45 minutes allocated to the

Palestinians' speech—Sharon said: "They forget to ask how much time would be granted to the Palestinians."

Sharon's argument is that it is possible to achieve peace, but by a different political line. That is his motto in the race that he initiated this month for the leadership of the party and the government, as an alternative to Shamir. But, in the interim, until the ceremonial clouds dissolve in Madrid, even the radical camp within the Likud has not gathered around him.

In the past, in an interview to the press, Sharon defined Shamir as cruel and dangerous. On another opportunity, he ridiculed his nonchalance: "When there is noise beyond the door," he says, "everyone goes to see what is going on there. Shamir is locking it." The prime minister, on the other hand, does not bear any personal hostility toward him, like some of those close to him. If not for a few of the heads of his faction in the Likud, it is likely that he would even entrust the defense portfolio to him. He simply compartmentalizes him, like most of his ministers.

Shamir, it is said in his office, is very pleased with Sharon's performance as minister of construction and housing. Once every two or three weeks, the two of them meet for a conversation. Nonetheless, Sharon was kept out of the kitchen in which the Madrid deal was conducted.

Political commentators suggested to Shamir that he involve Sharon in the move, imposing tasks on him, and thus rendering him an enthusiastic partner. The prime minister, however, has been occupied for the past two weeks with the conflict with his foreign minister. He did not have the patience to get involved in creating a new relationship with Minister Sharon. Moreover, Sharon attacked him and called for his replacement.

"We know Sharon, this is nothing new," those close to Shamir then said, leaving Sharon alone in the field—making his way through Israel by night, appearing in the branches, getting ready for the contest, and repeatedly pointing out the errors of Shamir and the cabinet.

This week, Sharon was again heard saying that "each of the heads of the intifadah sitting in Madrid know more than the Israeli Government ministers about what is going on." After an appearance in Acre, he said to an acquaintance: "Shamir led the negotiations in the worst, worst, worst manner. Anyone capable of looking ahead could understand that this would happen. He was warned and did not even listen."

In the cabinet meeting that approved Israel's participation in the Madrid conference, he said that even prior to the commencement of the conference, all of Israel's starting positions had collapsed. According to Sharon, Israel did not establish the signing of peace treaties as the objective of the conference, did not promise that Jerusalem would never come up for discussion, did not insist that the American letter of guarantee promise that a Palestinian state not be established west of the Jordan,

and did not see to the renewal of all of the historical guarantees by the United States.

The timing of Sharon's announcement of his intention to contend for the leadership of the Likud—two weeks prior to the conference—was not coincidental. His faction is now preparing for the contest, and his supporters say that the preparation is "paramilitary." Sharon's close associate, Amidar chairman Uri Sheni, was put in charge of the headquarters. He is the person who organized the operations of the "wheelstoppers."

Even if the elections for the Knesset take place on time, the internal contest within the Likud will take place within the next six months. Sharon's supporters are convinced that this time, any result below 51 percent will not meet expectations. In the meantime, he meets often with groups of central committee members, appears at conferences, and frequently meets with central figures in the movement in groups of two or three.

Sharon would like to gather the Likud hawks around him—the proponents of the Land of Israel front—but their personal loyalty to Yitzhaq Shamir stands in his way. His chance to gather them around him is contingent upon Shamir's actions at the conference. According to the chairman of the Land of Israel front in the Knesset, MK Michael Eytan: "A wheelstopping move depends upon the developments in Madrid. If they start to talk about fictitious autonomy, there will not be any problem."

When Eytan was asked this week at a party conference whether he was still loyal to Shamir, he replied: "I will quote a veteran Mapai member, Ziama Eran, who once said, 'I follow Ben Gurion with my eyes closed, but every so often I look to make sure that Ben Gurion is not walking with his eyes closed.' The problem is, what will happen if it becomes apparent that Shamir is walking with his eyes closed?"

Sharon maintains good relations with part of the extreme right in the Likud, and outside of it, as well. He has warm feelings toward Ge'ula Cohen, for example. Nonetheless, even if Shamir crosses "red lines" as perceived by the hawks, it is entirely unclear whether they will fall like ripe fruit at Sharon's feet: Benny Begin also declared his candidacy for the position of prime minister. A Likud figure said this week that it is a shame that the two cannot cooperate with one another, due to the personal tension between them.

Notwithstanding, cooperation between Sharon and "other elements" in the party, upon the splitting of the factions toward the contest, is not ruled out in the Likud. One speculation speaks of the possibility that, if an understanding is not reached between Benny Begin and Arens, the latter is likely to join up with Sharon. Another speculation speaks of cooperation between Sharon and Levi. Initial feelers on the matter were put out this week in both the Levi and Sharon camps. While it now appears that each one of them is acting toward the achievement of the grand prize; what will happen, for

example, if they understand that the conflict between them will secure the victory for Shamir or Benny Begin?

At this stage, Sharon will undoubtedly and aggressively reject concession of first place. A veteran Sharonologue, however, claimed this week that a situation is likely in which the two will act in accordance with "the prescription of the Center for Local Government. This refers to a compromise formulated by Maxim Levi (the minister's brother) and Eli Landau (among Sharon's oldest proponents) in their fight over the leadership of the Center for Local Government. Since they could not defeat each other, they agreed to divide: Maxim received the leadership of the center, while Landau was made director general.

In such a case, Sharon would be likely to concede the prime ministership in exchange for the promise of the position of acting prime minister and minister of defense—a move that will finally erase the shame of the Kahan Commission on Sabra and Shatilla.

Description of PLO's Force 14, Aerial Operations

*92AE0061B Tel Aviv BAMAHA
in Hebrew 9 Oct 91 p 9*

[Article by Uri Keshti: "The Fear: Aerial Penetration"]

[Text] On 22 July, the Egyptian newspaper AL-NAHAR wrote that Israeli fighter planes had dropped light bombs in Lebanon. The suspicion was: a hot air balloon on the way to Israel. Fatah, Jibril, and Abu-al-'Abbas continue to try to penetrate Israel via the air. What they have, where they train, who their pilots are.

The aerial activity of the terrorist organizations is divided, somewhat crudely, into two realms of development. Fatah, headed by Yasir 'Arafat, represents one side, and the organizations of Ahmad Jibril and Abu-al-'Abbas [represent] the other side.

Fatah: Relates to its aerial force as the core of the air force of the Palestinian state. "Force 14" engages in the training of pilots in various countries in diverse fields characteristic of any other air force. The pilots of the force undergo study periods in the Arab and non-Arab air forces that host them.

"Force 14" was established in the late 1960's. In addition to its official role as the core of the future air force, the unit assists in the transport of Fatah members among the various bases. The aerial force, whose headquarters is located in North Yemen, suffers from a poor infrastructure, according to foreign reports. The remainder of activists serve in a variety of positions in the host air forces. The force is directly subordinate to Yasir 'Arafat, and only Palestinians serve in it.

Over the years, Fatah trained fighter pilots, who train mainly on relatively old Soviet fighter planes, such as the Mig 21 and Mig 23. Moreover, there are currently

combat helicopter (for example, the Soviet M-8 helicopter) and transport (Antonov 24 and Paker 27) pilots as well.

In aerial professions, Fatah trains controllers, meteorologists, and more. The initial study period was usually in Eastern European states, such as the Soviet Union, in Cuba, and in Nicaragua. The long-term training courses were in countries like Libya, Yemen, and other North African countries. For Fatah, this is a tremendous financial savings: it need not purchase aircraft.

It is widely estimated that "Force 14" has existing aerial units in other terrorist organizations, as well, such as the Popular Front for the Liberation of Palestine—General Headquarters, headed by Ahmad Jibril, and the Front for the Liberation of Palestine, headed by Abu-al-'Abas. Actually, these units are even more dangerous than the transport planes of "Force 14." In the late 1970's, the method of aerial penetration via small and easily operated aircraft began to take root among the terrorist organizations. The terrorists hoped that by means of wind gliders they would be able to get over the border fence above the IDF [Israel Defense Forces] security forces, arriving straight at the location of the attack.

Gliders are quite simple to operate. For example, the Firebird type glider in use by the terrorists can spend three hours in the air and reach a speed of 80 km per hour. The takeoff area is no greater than 20-30 meters, and with the three-wheeled body, only several meters are required for landing. The glider weighs a mere 100 kilograms, and can be transported, when disassembled, on the roof rack of a car. Only 25 minutes are needed to reassemble it.

The Front for the Liberation of Palestine was the first to establish an aerial attack unit, in 1978. Several tens of terrorists then trained on gliders and hot air balloons. The training took place in a small base near Syria. In 1981, Jibril and Abu-al-'Abas purchased the first 12 motorized gliders, through Syria.

With regard to attempts at aerial attacks, Abu-al-'Abas, the leader of the Front for the Liberation of Palestine, was the first among the terrorist organizations to conceive of and implement the aerial attack plans. On 7 March 1981, two terrorists from this organization attempted to penetrate Israel by means of motorized wind gliders. The two were caught within Israel. It later became apparent that they intended to throw bombs above the Haifa oil refineries.

Ahmad Jibril achieved significant military success in the aerial realm on 25 November 1987, within the framework of "the night of the gliders." The activity of Jibril and Abu-al-'Abas focuses upon various types of gliders. In the mid-1980's, Jibril's organization started to attempt to upgrade the relatively simple gliders in its possession. Jane's Defence Weekly reported that experts, brought especially from Europe, installed strong and quiet motors and new navigation and guidance tools on

the gliders. The terrorists employed such a glider approximately four years ago in the "night of the gliders." Subsequent to the upgrading, the gliders can reach higher ranges and speeds, and is capable of bearing greater weight.

The newspaper claims that in 1989 the terrorist organizations reached the threshold of operational fitness. Experts, mainly from Eastern Europe and Latin America, were brought over in order to train the Palestinians in Libya, Syria, and Lebanon. The East Germans, on the other hand, were for the most part engineers who worked on upgrading the gliders.

During the course of 1987, Fatah also started examining the possibility of purchasing hot air balloons, gliders, and ultra-light planes. The process was accelerated after the success of "the night of the gliders" in late 1987. It became known in 1989 that Jibril's organization ordered 10 new motorized gliders from two factories in Germany.

"Their purchasing activities continue all the time. The declared objective of these units was and still is the implementation of aerial attacks within our borders."

Outline of RAFAEL's Losses, Strategic Planning
91AE0015A Tel Aviv YEDI'OT AHARONOT in Hebrew
(Financial Supplement) 13 Sep 91 p 3

[Article by 'Arye 'Egozi: "RAFAEL (the state armament development authority) Employs a Thousand People Who Have Nothing To Do"]

[Text] For about five years now Moshe (Musa) Feld has been sitting on a time bomb, watching the hands of the clock advance inexorably toward the unavoidable moment. His bomb is called RAFAEL. In his five years as RAFAEL's General Director, Feld has tried to bring order, to threaten, to submit a number of recovery programs, and to explain that there is no running away from the painful step, and yet, apparently, the really painful step is still to come.

When Musa Feld sat down in his chair, which had been occupied previously mainly by scientists, he discovered, to his astonishment, that with all that mighty brain trust, RAFAEL is out of touch with reality. As if there were no one in the final analysis that had to pay for the development and manufacture of weaponry. Feld: "Immediately upon my arrival, I asked to see profit and loss statements. I was amazed. RAFAEL did not have anything even remotely similar. The RAFAEL people absorbed themselves in development and simply abandoned finances." RAFAEL finished 1990 with a loss of about 80 million shekels; it will end 1991 with a loss of 90 million shekels.

[YEDI'OT AHARONOT] In the 80's RAFAEL also suffered losses and no one made a big thing of it.

[Feld] Then no one knew about it. Today the rules of the game have changed, and if we do not adjust ourselves to the new rules, RAFAEL will simply not exist. Today a thousand of the 5,940 employees of RAFAEL have no real jobs. Salaries bite off two-thirds of the cost of products, while they are only one-third in private companies like "Elbit" and "Tadiran." If we do not tighten our belts, if we do not make cuts and become more efficient, this marvelous body will simply cease to exist.

The phrase "become more efficient" is a delicate matter in relation to the rights established for workers in the years when no one wrote up the bill. A RAFAEL worker in the research echelon, for example, is entitled to a sabbatical year abroad every six years. During that year his salary is raised to the scale of the host country, generally the United States. Many use that sabbatical to work for foreign firms in exchange for a nice salary. Even in companies with a strong financial picture, no one dreams of conditions like that, but the RAFAEL workers want to keep sending about 300 people every year for a sabbatical abroad, while there is less and less money in the kitty.

[Feld] The salary breakdown in RAFAEL is different than in other defense industries. With us the starting salary of workers in simple jobs is high, up to twice what the marketplace commands, and therefore I have no way of rewarding outstanding performance. It makes no sense that the head of an excellent project is not entitled to any kind of bonus. This distortion has to be corrected.

[YEDI'OT AHARONOT] You discovered these weaknesses back when you came on the job five years ago. Why is it only now that something is being done about it?

[Feld] That is mistaken. In 1987 RAFAEL had 850 more employees than it has today, and annual sales back then totalled 225 million dollars. Last year we had sales of 420 million dollars. Fewer workers and more sales. Also the number of orders for export rose from 27 million dollars five years ago to 600 million dollars today. The process of recovery has begun, but it is too slow. We have to act fast now in order to survive.

[YEDI'OT AHARONOT] Is there any need at all for a central body to develop weapons systems? Would it not be enough for all the defense industries, government or private, to develop and manufacture their products?

[Feld] Of course there is a need for a central research group. RAFAEL is a hothouse of excellent ideas. Even the experts agree that RAFAEL is at least five years ahead of her competitors worldwide. The number of ideas we have today is greater than in the past, but ideas require conditions of competition, not subsidy. We must be competitive in order to get the maximum from this body.

The military industries have already become a government corporation, but RAFAEL is still a support unit of the Ministry of Defense. This arrangement, which was OK when RAFAEL was a national laboratory for the

development of weapons systems, stopped being OK all the way back in the 60's when the French embargo turned it into a manufacturing enterprise as well. RAFAEL was originally not set up to deal with profit and loss but rather to develop weapons systems for other manufacturers. But reality took the scientists from the laboratory to the negotiating tables. One story, which has already become folklore, tells of a RAFAEL scientist who tried to market a system that had been developed for a general from a foreign army. "But you know that we are already working on a new model," he told the general with pride. "When the new model is ready, get back to me," said the general.

Within the Defense Ministry the proposal has already been firmed up to turn RAFAEL into a government corporation, in a process similar to what took place with the defense industries.

The constant Defense Ministry budget cuts have forced RAFAEL into a Catch 22 situation: on the one hand the IDF [Israel Defense Forces] is postponing equipment projects, and, on the other, potential foreign customers are waiting for purchases by the IDF in order to learn from its decisions.

[Feld] It is very hard to sell to a foreign customer if the IDF has not purchased the system first, and the IDF today is a customer without money who would unsentimentally go with a foreign manufacturer if the price were right.

In that kind of situation it is hard for RAFAEL to increase her sales to the desired objective—half a billion dollars within the next two years. Sales per worker are stuck at \$73,000 per year. We have to get to at least \$100,000 in sales per worker, or things will not be well.

Over the last few years, there were those who decided that even now things are not well with RAFAEL and left, and we are not talking about the cleaning people. Therefore, Feld's program includes not just firings but also the hiring of new scientists.

[Feld] Over the last three years we have brought in only about 100 people. That is too few. We have to take in another 200 scientists in order not to disintegrate. RAFAEL is based on minds, and we have to protect that.

The Future Belongs to Smart Weapons: Musa Feld on the Future of the Market for Defense Products

[Feld] The Gulf War proved the superiority of smart weapons. Fifteen percent of the weapons that took part in that war were "smart," and they did 85 percent of the work.... Even though I am an armor man, who spent years in tanks, I say: The time has come to recognize that some of the traditional weapons systems, among them the tank, have lost their importance vis-a-vis missiles and smart bombs.

From foreign publications, it is known that at least two of RAFAEL's systems were in the Gulf: night vision systems, which were used mainly by the marines, and a

"Popeye" air-surface missile. The missile was brought to the Gulf, but the Americans chose not to use it for political reasons. To see the enemy at night through an Israeli system is OK, but to eliminate vital Iraqi installations with the aid of an Israeli missile is already another story.

By the way, we have thus far exported 150 million dollars' worth of Popeye missiles, and that is just the beginning. This is another example of RAFAEL's economic potential.

The Gulf War has had a further effect: The success of the American weapons gives the American industries an advantage and makes it harder for us. The customers will come to us only if the systems are good and the price is competitive. Otherwise they will prefer the Americans, whose weapons have proved themselves in battle.

West Bankers Prepare for Autonomy

91AE0069A Tel Aviv YEDI'OT AHARONOT (Weekend Supplement) in Hebrew 8 Nov 91 pp 1-2

[Article by Roni Shaqed: "They Are Building the Country-To-Be"]

[Text] On the eve of her trip to the Madrid conference, Muli Williamson, the American consul, appealed to the Defense Ministry, on behalf of the Palestinian delegation, for information on the workings of the various departments of the civil administration in the territories. In parallel with her request, the civil administration received several unofficial requests from Palestinians interested in the possibility of joining the administration's departments to learn how they work.

"We need basic information from the civil administration in order to prepare himself [sic] for the autonomy discussions and to prepare ourselves for the transference of rule to us," says Samir Halila, an economist from Ramallah. Halila is part of the team of Palestinian experts set up this week in the territories to look into the various aspects of autonomy. The team, that will serve as an advisory body to the Palestinian delegation to the bilateral talks with Israel, was asked to prepare a program for the transference of rule in the territories to the Palestinians.

"At the beginning of the week it was reported to us that the civil administration accepts the request in principle, but has not yet gotten a green light from the political echelon," says Halila. "They did not tell us No, and that is in itself a good sign." Within the defense establishment they say that the Palestinians have not yet been given a response, positive or negative. They believe that it is still too early to talk about transferring self-rule to the Palestinians and that a lot of obstacles must still be cleared before the start of autonomy.

One way or the other, the autonomy files in the offices of the Coordinator of Activities for the Territories are already prepared. "We will help them, to the extent that

the time comes to do so," they say in the defense establishment. "If they want it, there will be no problem from our side in transferring the institutions of government. If problems arise, it will be with them."

By the same token, the Palestinians turned to the consulates of the United States and Britain and to the Canadian embassy to find out if they would be able to help out with experts from their respective countries to advance the cause of Palestinian self-rule in the territories, which would come about after reaching agreement with Israel. From that quarter they received, almost immediately, a positive response.

The Madrid conference moved the Palestinians along. Today more than ever they understand that it is in their interest to get to some kind of starting line, even if it is autonomy, which in the past they loathed. Secretary Baker promised them self-rule, "which will be more than autonomy and less than a state," and today they tend to believe the Americans more, even though they know that the way to autonomy is a minefield.

"Israel is entering negotiations on autonomy with the intent of preserving a continuation of rule over the territories. We are going to negotiations with the intent of autonomy being a transition stage toward the end of the conquest," says Dr. Sari Nusayba. 'Adnan Damiri, one of the outstanding young leaders in the territories, quickly backs him up: "This self-rule is the new stage of our national struggle, a transition stage toward independence."

This week, no small thanks to the American consulate in Jerusalem, they began talking not just about autonomy but also thinking practically about how to transfer rule in the territories to them. Up until today, in all the discussions with the Americans, they talked politics. They barely touched on issues of substance. The Madrid conference has brought about the change.

In coordination with the PLO-Tunis, think-tanks of academics and experts have arisen in the territories to deal with autonomy issues. In meetings held by members of those teams in East Jerusalem, it has already been decided to set up subcommittees according to the division of the topics under discussion. In those meetings, which lasted into the wee hours of the morning, the Palestinian experts also began to get down to brass tacks and even to issues that would appear to be peripheral. In the area of archeology, for example, they decided to ask Israel to return all finds taken from sites excavated in the territories since 1967.

"Israel carried out archeological excavations to expose levels from the periods of ancient Israel with the aim of proving her historical connection to the territories. On the way to those levels, the levels of ancient Islamic periods were destroyed, and those are important to us. Israel will have to give us all those finds," said Samir Halila.

In those sessions there was also talk of setting up radio and TV stations, of a census, of the need for aerial photography of the West Bank and Gaza to plan the cities and towns. They spoke about oil and gas exploration, about the use of the Qalendia airfield as the autonomous Palestinian airport, about planning a railroad line between Gaza, the West Bank, and Jordan. A list of new departments was put together, to be set up under self-rule, that do not exist in the civil administration—such as a department of art and cultural affairs or a department of forestry and environmental quality.

The discussions by the Palestinian team of experts were held in the shadow of the euphoria that has swept the territories since the speech by Dr. Haydar 'Abd al Shafi at the Madrid conference. On the Palestinian streets the conference was understood to be the beginning of the Israeli retreat. In the streets of Shekhem and Hebron they are talking of an independent Palestinian state. They forget that the talks are about autonomy, the substance of which is still unclear.

Even some of the members of the team of experts were infected with this elation. When they talk about transferring power, they do so without separating themselves from the euphoria of the street—they are swept along and jump higher than reality.

"Their ability to accept rule over their daily lives in the territories is almost complete. The technical side of the transference of power is a matter of just a few months," says Shmu'el Goren, the former Coordinator of Activities in the territories. Before the intifadah Goren tried to transfer power over the administration of daily life in the territories to the Palestinians. "At the time, they totally boycotted the process," he says. Even then Goren thought that they could administer their own affairs. All the more so today.

"You have to take into consideration the fact that the establishment of autonomy will be influenced by the Jewish settlement, by political and security motives and by power struggles between the Palestinians and ourselves. But if we remove these influences and make it easy for them, they can, in my opinion, do it easily," says Goren.

"Since the start of the 80's the Palestinians in the territories have been trying, with the assistance and encouragement of the PLO, to lay the foundation for a governmental alternative to Israel. With the aid of the large amounts of money funnelled by the PLO they have built universities, hospitals, infirmaries, and research institutions. Economic bodies and industrial cooperatives have come about. Many media and press offices have bloomed. Soccer leagues have been formed, and even a Palestinian national theater, Al Haqwati, has been established."

At the start of the intifadah, Arafat threw out the idea of a government in exile. Two and a half years ago, Dr. Sari Nusayba suggested setting up a shadow government or a government of experts to administer day-to-day

affairs in the territories. Those ideas were pushed aside in the fervor of the start of the intifadah. "Had we begun the preparations two years ago, it would be a lot easier to transfer rule to us now," notes Nusayba.

The intifadah forced the Palestinians in the territories to organize for self-rule. Various popular committees were set up that pretended to serve as an alternative to the civil administration. Attempts were made, with partial success, to lay the foundation for overall Palestinian institutions.

In December 1988 the Supreme Council of Women was established. In May 1989 the Supreme Council of Students was set up. In July 1988 the Supreme Council for Coordination and Planning was established. In 1989 the Union of Palestinian Chambers of Commerce was established, which was accepted as a member of the League of Arab Chambers of Commerce and joined the international system with adjunct status. The Council for Higher Education began to operate even before the uprising. Starting from the second year of the intifadah, the Palestinians tried to operate those groups and others as a superstructure, a kind of ministry of the state-to-come.

Dr. Yifrah Zilberman of the Truman Institute of the Hebrew University in Jerusalem, who researches Palestinian society, says: "With the desire to establish a state-to-come, an attempt was made, over the last two years, to translate the foundations of the Palestinian national institutions into instruments of government that would operate as a shadow government. This foundation, which failed in its attempt to serve as an alternative to the civil administration, still exists today, but it is quiescent.

"If Israel permits the Palestinians to implement self-rule and when the Israeli administration retreats from functions such as education, health, law, or municipal areas, this system will come to life and those bodies will start to operate.

"Palestinian autonomy will have at its disposal, as well, the large work pool of the civil administration, which, by secret decisions of the PLO, were accepted as 'kosher' and will be instructed to remain at their jobs. In my estimation, within the framework of autonomy—not within the framework of an independent state—the Palestinians are ready and able to take upon themselves the administration of their daily lives."

Within the civil administration there is a tendency to minimize the strength of the Palestinian national institutions that operate in the territories. "They have a lot of academic experience in many areas, they have a lot of working papers. But they have very little of substance. They have no administrative apparatus in the field. In medicine, for example, they have five alternative institutions to the civil administration—of the PLO, of the Popular Front, of the Democratic Front, and even of the Communists—but they are all uncoordinated. So imagine what will happen when they are left to their own

devices—the war between Qupat Holim Macabi and National Qupat Holim will seem insignificant by comparison."

Within the administration, they do not put down the ability and talents of the Palestinians. "They have a large pool of professional people. Their problem is at the practical level."

In fact, the civil administration, with a tradition of 24 years of rule, with professional departments, a bureaucratic system and a computer system, could serve all aspects of autonomy. Within the civil administration on the West Bank, there are 14,000 employees who are residents of the territories and another 400 Israeli citizens; in Gaza the numbers are smaller.

Shmu'el Goren: "From the technical point of view, their capability is nearly complete. There is no area in which they could not make do. There is today no country in Europe that does not have Palestinian students; they have no problem preparing people; the problem is putting them into a framework. I know their colleagues from the Arab countries. The Palestinians are a lot better than they are."

Dr. Sari Nusayba is sure of the Palestinians' ability to accept administration of the territories "even if this transition comes with problems," and the lawyer Zi'ad abu Zi'ad does not understand why the Israelis are concerned about what would happen under an autonomous administration or a Palestinian state: "Get out of the territory, we can already get along by ourselves. We will not have problems. We will administer everything ourselves, including defense and foreign affairs, even our own prisons. We certainly have the administrative ability, and we are already organized in all the areas to accept power. Do not worry. We will get along without you."

Restrictions Lifted on Investing Abroad

91AE0069A Tel Aviv YEDI'OT AHARONOT in Hebrew
8 Nov 91 p 2

[Article by Nehama Doaq: "Foreign Currency Accounts for Every Citizen"]

[Text] The next stage of the foreign currency liberalization program, intended to make Israel a part of the developed business community, started yesterday.

The Bank of Israel and the Treasury announced a series of steps intended to open Israeli markets to the world and bring investment here by removing some of the administrative restrictions that were applicable up until today. Some of the steps affect all of us, not just businesses.

—Foreign Currency Account: Israeli citizens, who until now had to return leftover dollars after trips abroad—or hide them under the tiles—can now open a foreign currency account.

Into this account they will be able to deposit monies acquired legally abroad, leftover dollars from a trip abroad, and any other foreign currency that they hold legally. The account will bear interest, in accordance with interbank competition. Tax will be paid on that interest at the time of withdrawal.

The depositor will not be able to withdraw dollars from this account at any time, but only for a trip abroad or for foreign investment. There will be no limitation on the amount of money that can be deposited in the account, though it is reasonable to suppose that if the sum is more than a few thousand dollars, the depositor may be asked to explain the source.

In practice, this deposit assures the depositor a certain interest and protects him from devaluation. At the same time, there will still be those, possibly many, who will prefer to continue to hold onto their money under the tile just in case the government should decide to change the rules of the game and get its hands on the money. Furthermore, that same depositor will not be able to withdraw the foreign dollars except for two well-defined purposes: travel abroad or transferring the money abroad.

—Stock purchases abroad: Until now Israeli citizens were permitted to deal on world markets only in stocks of Israeli firms that were traded on them. According to the new agreement, every citizen, but not business firms, will be able to trade in foreign securities, i.e., to buy and sell stocks of IBM or General Motors or debentures abroad.

All this on condition that it be done through an Israeli bank or licensed broker, that they not purchase more than 5 percent of the stock capital of the company and that the price be paid in Israel in shekels. The profit, not including the difference in exchange rate, will be subject to tax. The tax, at a rate of 35 percent, will be deducted at the source so as to save employees from having to fill out reports for income tax, from which they are today exempt.

—The business sector: Business firms will not be able to trade on world markets like other citizens. But they will be able to increase their investments abroad, from 20 percent of their independent capital today, to a level of 40 percent. They will be able to invest in real property, including real estate. The authorizations for investment will be given by the Bank of Israel, on the basis of personal permits.

—Foreign citizens: They will be able to open shekel accounts in Israel and purchase government debentures. If they wish, they can sell and transfer the fee they get in dollars, abroad. The tax on the profits will be paid in Israel.

Several senior people in the Treasury have come out against this paragraph, claiming that it amounts to an opening through which foreign currency can escape the country. As they see it, just at the time of depression in

foreign currency due to the great needs resulting from the large immigration, they should not be allowing such an opening for foreign currency, which could affect our reserves.

Furthermore, foreign citizens will be able to get credit from the Bank of Israel if they back it with foreign currency securities. Today foreign citizens are not allowed to deal in these areas, in order to prevent local money from escaping abroad.

—The deposit requirement: Today the banks must deposit half of the monies from savings programs in the Treasury and in government debentures, and the debt on reparation accounts from Germany is now 90 percent. According to the proposed reform, the account debt will gradually be decreased and eliminated in the case of savings programs—up to the customary level of liquidity on other foreign currency accounts, in everything having to do with reparations foreign currency accounts. This will result in an increase in the amounts of money in the hands of the banks.

—Indexed accounts: The banks today are allowed to sell accounts tied to the index for a minimum period of one year. They will now be able to offer these accounts for half a year. For accounts indexed to foreign currency the restriction will be shortened to three months instead of six months. The banks will be able to offer the public credit tied to the index for a period of half a year instead of a year as now.

—Taxation: Income from interest and dividends received from investments in financial property in foreign currency will be subject to a 35 percent tax. The tax will be paid on the amount left after subtracting the rate differential. That means that if there was a change in the rate of exchange of the dollar, the tax would only be paid after subtracting the rate differential.

In accordance with the reform, commercial shekel and nonindexed securities issued by banks and companies will be exempt from tax. That will allow banks to raise credit via the public and not only through the Bank of Israel. It will give the public another tool for short-term savings.

Citizens, but not companies, who enjoy profits from future deals will be exempt from tax on the profits in everything having to do with the exchange rate, the consumer price index, or the interest.

That is the essence of the reform. All these steps require certification by the Ministerial Committee on Economic Affairs or the Finance Committee. It will be at least a week before all the formal certifications are gathered, and only then will the reform come into force. The taxation matter requires Knesset legislation. Only the issue of the banks' liquidity requirement does not require certification.

In any event, the timing of the implementation of the reform is not accidental—Israel is trying to signal the world that she is open, like every other country, and that she belongs to the international business community, especially when the question of guarantees is outstanding. It must be remembered that the Common Market countries have decided on total liberalization of their capital markets—a reform that is almost entirely in place.

In Israel, so the Director of the Bank of Israel assured yesterday, several steps have been taken, but there is still a long way to go to total reform.

The Business Sector Is Waiting: The Interest

The business community is waiting for the Bank of Israel's next steps.

Yesterday, again, no great supplies of foreign currency were registered. The business community prefers to stay indexed to the dollars it purchased last month. The supply surplus was 3.730 million dollars, and the Bank of Israel allowed the business sector to purchase it via a slight devaluation of the shekel vis-a-vis the dollar.

The representative rate of the dollar was fixed at 2.370 shekels to the dollar, a devaluation of 0.13 percent. The representative rate of the overall currency unit remained unchanged—2.5935 shekels per currency unit.

Nevertheless, the Bank of Israel yesterday raised the interest within the framework of its daily bid to the banks. The interest went up by about 2 percent, to an average annual rate of 23 percent. Demand stood at 9.318 billion shekels, and the Bank of Israel set the scope of the bid at 2 billion shekels.

The opinion expressed to the Bank of Israel is that the present interest rate, about 2 percent per month, will not induce the business sector to return foreign currency since the prospect of devaluation and a large profit of up to 10 percent is more attractive.

The Bank of Israel felt that, to the extent that interest will become more expensive, it would be more worthwhile for the business sector to sell the dollars it purchased than to continue to pay interest on shekel credit used to purchase the foreign currency.

Now it turns out that the business sector would rather pay a low monthly interest and wait for steps by the Bank of Israel. The feeling in the business sector is that the Central Bank and the Treasury will have no choice but to change the median rate, i.e., to devalue, soon. That explains why the business sector purchased more than a billion dollars and returned only about 160 million dollars.

Editorial Analyzes Jewish Presence in Jerusalem

92AE0051AB Tel Aviv HATZOFE in Hebrew 11 Oct 91 pp 1,5

[Article by Yaffa Goldstein]

[Text] The root of the Arabic name of K'far Hashiloah, "Silwan"—means "shalva" (tranquillity), but what happened there this week during the settlement attempt in the City of David—was not exactly tranquil. The waters of the Shiloah do move slowly, but the course of the actual events burst out in a storm and sounded the alarm to the entire world media.

The El'ad association (El Ir David—To the City of David), which has invested enormous sums in redeeming lands from Arab hands, hit precisely on the anniversary of the Temple Mount events to start their settlement. Nobody took into account the fact that, in addition to the tension surrounding the date of the anniversary of the Temple Mount events, the police would also be busy with incidents on the "highway of contention" and with the Sabbath wars. And the City of David affair would not be something it would be happy to have to deal with....

Two hundred and fifty young men, who are both Yeshiva students and army veterans, most of them veterans of select units, received the order last Tuesday afternoon to leave their houses during the night of the second day of the new moon of Heshvan, and come to the Shiloah spring.

These young men were the vanguard that would target the houses that had been bought legally or already belonged to Jews. Six out of the seven houses chosen as the target of the settlement were the property of the Amidar company, under its care and meant for rental. We heard similar things day before yesterday on the television, from Arik Sharon, Minister of Housing.

The settlers claim that at least half of the lands in Shiloah village belong legally to Jews, some also to the Keren Kayemet, with certificates of registration of immovables and legal papers.

At a later stage—an early morning hour on Wednesday—the families that intended actually to settle in the houses were due to arrive. The group did not foresee that the police would be waiting for them. But the news had spread, and had leaked to the police, and just when they were going down to Shiloah—a police force surprised the settlers and kept them from going down.

A disturbing question: if the police knew from the first, why did they not stop the effort in the bud?

They slipped in secretly, "slipping in one by one." They arrived from Bet El, Samaria, Hebron, and the Golan Heights. Yig'al Avrekh from Bet El told me, "We set out at about 0300, and separated into five focal points. At sunrise, when we entered the village, a detachment of border police appeared and tried to make us leave. We

knew that the law was on our side. They, on their part, insisted that we leave. We left the building, went down to the entrance of the tunnel, which led directly under the room that we had been staying in—and prayed the morning prayers and the new moon prayers. Of course, this was a festive prayer. We sang—and the soldiers stood around us and watched. The Arabs too. And then a short volley of stones fell down on us. This did not last very long. Near the end of the prayers, Knesset member Ge'ula Cohen arrived and gained entrance through the authority of her position, and she enabled us to enter and take in supplies. We entered the building and raised the flag.”

In the afternoon of the day before yesterday, Yig'al and Moshe Harari and Moshe Shomron were still standing, together with their comrades from the vanguard, on the balcony of the house at the entrance of the Shiloah tunnel, the “House of the Spring,” behind a locked door, protected by a wall going around the courtyard on the side of the steep slope. They exchanged looks and opinions with the crowd of journalists, photographers, and members of the border guard and police, who congregated around them aiming the long mouths of television cameras at them nonstop. There was much preparation, a feeling of disquiet and apprehension about what was to come.

I saw settlers coming in and going out, bringing in and taking out supplies. The Israeli flag waved in the wind. From all the Arab houses on the beautiful picturesque slope—future “neighbors” of the settlers could be seen—residents of the village, and in their eyes—a look that was not friendly. First rays of a setting sun already began to paint the slope with the well-known golden color of Jerusalem, which gave everything a legendary dimension.

Evening comes. Rabbis Zukerman, Oded and Lanski, and Rabbi Tau arrive and speak to us about the importance of the place: the City of David, King David's city, the foundation of the Kingdom of Israel in the past and in time to come. Not all the settlers around me are able to concentrate. Somebody holds out his hand to somebody else, and together they start a traditional circle dance, singing “David the King, King of Israel”—lives forever.

At the same time, on the radio, Knesset member Hanan Porat says that he is sorry that the settlement has been carried out in secrecy and in stealth, for this was worthy of being celebrated as a national festival.

Some settlers arrive after losing their way and entering the wrong houses, where they startled the Arab inhabitants out of their sleep. These people, who have never sold any land to Jews, are ready to swear by the beard of the Prophet, before the eyes of the cameras, that their houses are being stolen. Why all of a sudden “stealing”—when the piece of land belongs to Jews anyway? Only after the mistake is cleared up do the settlers leave the wrong houses and arrive at the Meyuhas house.

The Meyuhas house is apparently the house that most clearly belongs to Jews. It was bought by a Jew named Meyuhas, member of a family of synagogue treasurers who served in that function by the Western Wall for more than two hundred years. Avraham Maliah, today a retiree living in the Romema neighborhood in Jerusalem, remembers the Meyuhas house. Maliah was one of the inhabitants of Shiloah village, which was populated by Yemenite immigrants at the beginning of the 20th century. I met Maliah day before yesterday, and he remembered the Meyuhas house well, a big house across the Kidron wadi, opposite the home of his Yemenite parents, who arrived in Shiloah village in 1882. The year 5742, the year of “I will climb the date palm.” (Translator's note: The numerical value of “date palm” is the same as 5742.)

Until the Six Day War, King Husayn did not allow Arab refugees to settle on the ruins of the village. The place was recognized as Jewish property! Precisely under Jewish rule, an invasion of Arabs from the Hebron mountain area into the village began. The invaders repaired the ruins of the houses and settled in them, with the synagogue buildings being handed over for the use of the inhabitants of the village. Maliah, who spent all of his childhood, until his marriage, in Shiloah village, remembers how he came back to visit the place after the Six Day War. In the Meyuhas house lived the family of Jozlan, head of the mukhtars of Silwan, a man who defended the Jews during the riots. Jozlan and his wife are no longer living. The former Jewish inhabitants of the village believe that the house stood empty until day before yesterday, for the rest of the Jozlan family has scattered and some of them live in Jebel Mukh'abar (in Armon Hanatziv), that is to say the house waited for the Jews.

The Knesset members, who support the settlement effort, reiterated again and again, in interviews they gave all day Wednesday, that all the contracts are valid and made legally, but in spite of this—there are complaints that the operation's timing is likely to interfere with the progress toward peace talks. When Rabbi Yo'el ben Nun from Ofra was asked, “Why precisely now?”—he answered, “I am amazed that this has not happened before today. I expected this to happen a year or two ago, and even before that.”

By the way, the police complaint does not touch on the question of the ownership of the houses, but rather on the timing, and the question of sensitive security. Knesset member Raful claims, as we know, that a police force that cannot protect its citizens on their lands—should resign. The police, in their turn, claim that in order to protect the settlers, they would need a force the size of a company, something beyond its powers at this time of riots on the “highway of contention,” and of the intifadah. Knesset member Hanan Porat believes that Jews in Shiloah will make the area bloom and return tourists to it.

At approximately 1400 Wednesday afternoon, a rain of stones falls near the crowd of reporters and security

forces. The police arrive at an agreement with the settlers' representatives, that the eviction will be peaceful. "I ask those who have trespassed to leave"—I hear the commander of the Jerusalem region, Police Commander Hayim Albaldas, say. Knesset member Ge'ula Cohen, who is standing next to him, does not let this go by quietly: "Trespassed? Why do you say trespassed?" The others around join her: "Who trespassed? We entered houses we were the legal owners of." Albaldas takes back the expression that is causing the agitation. That is all he needs here. All the police want is quiet. All that Captain Tarnar, the Chief of Police, asks is to clear the area. Knesset members Cohen, Ha'atzani, Eytan, and Shafat refuse to go. The settlers leave most of the other houses. Only three or four dozen remain in the Meyuhas house and in the "House of the Fountain." Chief Tarnar says that he is not standing with a stop-watch in his hand, and promises that there will be no need for expulsion by force, but when the expulsion is held up, the policemen begin to be annoyed.

Four in the afternoon. The supplies already have been put on the settlers' trucks. The crowd of journalists is very tired. The arguments with Ha'atzani and Ge'ula Cohen are carried out in quieter tones, too. "We will not leave until the police promise to guard the Jewish houses," say Yig'al, Moshe, and the rest of the comrades, most wearing large knitted yarmulkes. They roll the large reels of barbed wire, the generator, and the rest of the supplies they had already removed, back up the steep slope. Until the question of legal ownership is investigated—four guards sent by Amidar are to replace them. But the police do not accept the replacement. No citizen may remain in the area.

And again the settlers come down the dirt road to the highway that leads to the tunnel. A festive moment. One of the settlers says, "We are leaving here, but we are also happy that today we lit the spark of the Kingdom of David." They all stand at attention by the truck, and sing "Hatikva" (Israeli national anthem).

The soldiers do not join in the singing. Nor do the three ultra-Orthodox young men, wearing silk kapotas (long coats), who got around the police barrier. I saw them running down the steep slope of the mountain on an almost invisible dirt path, and thought that they were going down to immerse themselves in the mikva (ritual bath). It turns out that is not why they came down.

"What are you doing here?" I ask them.

"We came here to show support." A burly policeman who notices them smiles: "You have a Sabbath to throw stones. So go, go away from here to your own time and place."

Another teasing policeman takes over from him with a broad smile: "What are you doing here? It is forbidden to mix the holy with the profane!"

The settlers go up the hill, and the truck does not have room for all of them, and they go up the entire series of

steps that passes by Warren's Shaft, part of the network of water pipes to the City of David. Moshe Harari bends over in order to see if the Israeli flag that they raised in the morning is still flying. He breathes freely. The flag is still there. So are all the Arab neighbors: "They know that this is ours. They know and understand this very well," says Harari.

We climb upward, panting but circling back—to drink in one more look. The [Jews] used to go down to the Gihon spring, the most important source of water for the City of David, in order to anoint kings and purify high priests. According to legend, Adam immersed himself in its water for seven weeks, in order to atone for his sins. King Solomon was anointed beside it, and the High Priest used to go down to immerse himself in it before he entered the Holy of Holies. King Hezekiah diverted the spring with a tunnel cut through stone, and legends continued to be weaved about these waters through the generations. In one of them, Jeremiah the Prophet came before the exiles in Babylonia, and said sadly to them: "If you had been worthy, you would have sat in Jerusalem and drunk from the waters of the Shiloah, whose waters are pure and sweet. But since you have not been worthy—you are exiled to Babylon." (Lamentations Raba)

KUWAIT

Parliament Member on Role of Democracy, Diwanias

92AE0058A London SAWT AL-KUWAIT AL-DUWALI in Arabic 30 Oct, 3 Nov 91

[Article in two installments by Kuwaiti National Assembly member Ahmad Isma'il Bahbahani: "Democracy of Diwanias"; italicized words as published]

[30 Oct p 13]

[Text] Yes, divulging what takes place at [royal] audiences is a question of discretion. It is up to those who attend them to broadcast what was said in them or to keep it to themselves. But public matters are brought up at these meetings, particularly in Kuwaiti *diwanayahs*, [public meetings with the ruler]. We believe it is the people's right to know about them, especially since they concern large and various sectors of our society, which is being rebuilt at this critical stage of our history.

Proceeding from this premise and on the basis of it, may His Highness Crown Prince and Prime Minister Shaykh Sa'd al-'Abdallah al-Salim al-Sabah allow me to write about some of what his highness talked about at " 'Abd-al-Rahman al-Ghunaym's *diwanayah*" last Wednesday night. I happened to be there. I believe it is necessary to inform the rest of members of our big family about the important points their brothers brought up before the number-one man in the government, and his highness's answers and views regarding these points.

First of all, the entire scene was a real embodiment of genuine democracy; it was really an impromptu democratic council in its simple, unsophisticated form, which is almost nonexistent in today's societies. At this council, the ruler sits with his people with no barriers separating them. He listens to them without condescension, gets acquainted with their problems, discusses their views, and explains what's not clear to them. He benefits from all this in making his government's decisions and in administering his policies. Thus, participation in rule becomes actual, with the people participating in the government. This practice, however, is conducted through a channel that is different from the traditional channels that are predetermined by novel frameworks and methods. Our democratic channel is an ancient characteristic of our society and one of our established, genuine traditions.

His highness the crown prince and prime minister discussed the question of rumors that flood our society with falsehoods, fabricated stories, and intrigues. We all have realized that behind these cheap rumors that hide ulterior motives lie some weak-spirited people who do not fear God, do not care for their country's interest, who like bats operate in darkness, and like snakes spread their venom in order to poison our society. Their aim is to undermine our national unity, which was at its peak strength during the occupation crisis, and to destroy our cohesion, which was our sharpest weapon in the face of the usurping invader.

By propagating the poison of hatred and distributing misleading leaflets by which they slander some people and malign others, these people are giving free rein to their demonic desires and implementing their suspect plans with the aim of undermining our society and destroying our pillars of strength and solidarity. Therefore, striking at these people severely and mercilessly, and treating them firmly is the decisive and resolute answer to this misguided faction.

This view, which all those present agreed upon, was also shared by his highness the crown prince and prime minister, who time and time again stressed that the government cannot undertake all these tasks alone. Rather, it is the duty of every citizen to be a watchman and to assume his responsibilities in the full sense of the word, including fighting against these rumors and their originators, and preventing their spread. It is the duty of every citizen to expose those people and refute their lies and help the government to arrest them so that we will clean our society of the stains that are trying to tarnish it. We should all remain united and in solidarity as we have always been and, God willing, shall always be.

This question—the question of rumors—is linked to the question of security; it is extremely important and multifaceted. Discussing it involves many risks. We all know the difficult roads that anyone who wants to delve into this problem will have to take. But from a comprehensive standpoint, it must be reiterated that security is, in fact, the responsibility of every citizen. This, however,

does not absolve the police officers, the watchful security eyes, and its defenders of their responsibility. An onerous burden, an important duty, and a great responsibility falls upon their shoulders. When they carry out this duty, they should abide by the security laws and apply them to the honorable citizens firmly but not harshly. They must exert maximum effort to clean the country of the fifth columnists, to pursue those individuals inside whatever dens they may be hiding, and to demolish their dens in order to relieve the citizens of their existence and to expurgate the country of their filth.

Those present at the meeting comprised a group of Kuwaitis known for their perception, experience, and knowledge of all current affairs. They brought up the question of the Kuwaiti economy under the present circumstances. Many spoke about this issue, and dealt in particular with the question of the difficult debts. The debate was heated. Some of debaters expressed apprehension regarding the company that is going to be established in order to deal with those debts, especially since its capital, as has been announced, is \$5 billion Kuwaiti dinars, which is greater than the state's \$3 billion-dinar budget.

Commenting on this, some of those present said that this company, with its enormous budget and great responsibilities, needs a government of its own that would administer its affairs and manage its business, similar to the management of the state ministries that shoulder the burden of implementing the general budget. On the basis of this view, those attending the *diwaniyah* demanded that the company for handling difficult debts should be divided into several companies, each of which will manage part of the \$5 billion dinars, according to the section's specialization and the targets to which they will be directed in order to achieve the desired results.

After his highness the crown prince and prime minister listened at length to the various views that were put forward with total freedom and frankness, he said the government could not find a better formula than the one proposed, and that the government's plan to tackle the difficult debts did not come from out of nowhere. Rather, it has come after studies, analyses, and exchange of ideas with experts in our economy—from among our people—who are thoroughly familiar with the matter.

Nevertheless, Shaykh Sa'd al-'Abdallah said humbly and sincerely, and in the manner of the ruler who cares for his people's interest and his country's economy that "whoever has a better alternative let him submit it to us and we will adopt it immediately if it proves that it is more effective in dealing with debts. We will find no harm in substituting the proposed plan with the plan we have put forward. We have no sensitivities or objections when the matter concerns the interest of our country and building its future on a sound foundation." Frankly and sincerely we [the writer] say that we have no doubts about our confidence in our government. We are certain that its concern for public funds is unquestionable. We agree with his highness the crown prince and prime

minister in linking the success of liquidating our debts to improving our economic situation and restoring it to its previous strength. Our confidence in the success of this project stems from our optimism that we will soon be able to bring the oil wells under control, and that our oil production and marketing will be restored to its previous high level prior to the crime of the Iraqi invasion of our country.

In connection with this economic problem, His Highness Crown Prince and Prime Minister Shaykh Sa'd al-'Abdallah al-Sabah discussed the importance of transferring some of the state institutions and government companies to the private sector in order to administer these bodies, with their commercial and competitive style, so that it will improve their performance and achieve gains and profits that might not be possible otherwise. I agree with brother Khalid al-'Issa that there are some people who now benefit from the situation in these government institutions and their continuous losses, which year after year exhaust the state budget. Those benefitting from this situation will be very disappointed to see these institutions and companies taken away from them, since they have been regarding them as a private inheritance.

We must say—as those present in the al-Ghunaym *diwaniyah* said—that is highness the crown prince's initiative is very good. It is the ideal way of contemporary management on the developed world level. Governments now dedicate themselves to managing major services projects that yield no profits or gains and, as such, capital shuns them. On the other hand, the management of projects that provide services for the citizens—for which they pay and therefore are profitable—is left to the private sector to handle them in its commercial and competitive style.

There is need in Kuwait to rapidly adopt this method, to make a firm decision on this matter, and to actually transfer these companies to the private sector. We should not leave this matter outstanding until the voices calling for its realization will tire and enthusiasm for its implementation will wane, in which case, those benefitting from this situation will continue to do so, and from their station they will stick out their tongues at those who care for the interest of the nation and for future generations.

Indeed, we need a strong Kuwaiti "perestroika" that would rebuild our government institutions and put them on the right track of sound economy.

There remains a final point which I would like to mention, although I do not wish to dwell on it, since it has so often been dealt with by writers and discussed at *diwaniyahs*.

This point was brought up at the al-Ghunaym *diwaniyah* on the occasion of Minister of Information Dr. Jasim al-Ya'qub's visit to Saudi Arabia at the head of a cultural delegation that met with Saudi Crown Prince and First Deputy Prime Minister Prince 'Abdallah Bin-'Abd-al-'Aziz Al Sa'ud.

Talks dealt with the need for Gulf cooperation and coordination between the GCC [Gulf Cooperation Council] states in view of the imminent GCC summit scheduled for next December, so that we will all work with vigor and harmony in all political, security, economic, social, and other fields.

We should not be content with what has been done during the crisis. In fact, it should be considered the beginning, although the beginning was somewhat belated. Nevertheless, as we all know, a thousand miles journey begins with one step. As we have already seen, our journey, despite its difficulties, bumpiness, and the risks involved, needs to be changed. [as published] We should therefore set off on this journey together, and in solidarity as Gulf countries in order to avoid evils and dangers.

The discussion of the *diwaniyah* is a long one. It is to be continued.

[3 Nov 91 p 13]

[Text] In the previous article, I requested permission of his highness the crown prince and prime minister, and those who attended the al-Ghunaym *diwaniyah* to publish what took place in it. We dealt with certain local issues, which we discussed in a democratic and free manner at this *diwaniyah*.

Today we find ourselves compelled to bring up a painful subject that was brought up during discussions at the *diwaniyah* that night. It is my duty to refer to it since I have already talked about the topics which His Highness the crown prince discussed.

Shaykh Sa'd al-'Abdallah al-Sabah spoke about the talks that took place in Jiddah on the eve of the invasion, that is, 1 August 1990, at which he headed the Saudi side and 'Izzat Ibrahim headed the Iraqi side.

His highness the crown prince and prime minister spoke bitterly, painfully, and with the signs of deep sorrow showing on his face, as he explained how he went to the meeting with an open heart and mind and with the idea of bringing the situation under control before things developed into a catastrophe, the extent of which only God knows. Our goal, Shaykh Sa'd al-'Abdallah said, was to contain the dispute and to expose the Iraqi allegations and lies that filled the Iraqi statement that was distributed to the Arab foreign ministers at a meeting in which the issue was not on its agenda in the first place. "But we were confident in God and in ourselves because we operate in daylight and have nothing to hide.

"We," Shaykh Sa'd continued, "went to the meeting with this attitude, while the Iraqis went with cunning and with the idea of cheating and prevaricating. It was clear that 'Izzat Ibrahim was helpless; it was quite evident that this was a devised plan and that this meeting was nothing more than an act in a play prepared by Saddam Husyan."

His highness the crown prince and prime minister then moved on to another act of the tragedy that caused a dreadful fracture in the Arab body, namely the Arab summit meeting in Cairo on 10 August that was headed by the brave Egyptian President Husni Mubarak. With growing acute pain and bitterness, and with a trembling voice, he said that the last thing he expected or imagined was that some of the Arab regimes would adopt such a stand, which amounts to a betrayal of all principles and a renunciation of all slogans, a stand in which the friend dug his fingernails into the neck of his friend—indeed, his brother—who often helped him and stood by his side in times of difficulty and calamity. “Our brothers have bitten the hand that time after time was extended to them, giving them help and succor.”

Heavy moments that seemed like ages went by before his highness the crown prince and prime minister resumed his talk, saying: “These regimes and states, which Kuwaiti supported during their most difficult crises and stood with them in times of great adversities, have turned their back on Kuwait, called for supporting aggression, and encouraged maintaining the usurper in our land...”

Shaykh Sa’d al-’Abdallah said that when these regimes and states needed Kuwait during their difficult times, Kuwait responded with a speed faster than the speed of their cry for help. Kuwait stood with them politically, economically, materially, and morally. It never wavered. But when Kuwait needed these countries and their support, their real face was exposed and all the masks fell. Their phony brotherhood was exposed and the falsehood of their slogans was unveiled. It became clear that they do not adhere to principles nor do they honor a pledge, and that the ideals and ethics which they often talked about were deceitful and hypocritical.

Continuing to address those attending the *diwaniya*, high highness the crown prince and prime minister said: “Because Kuwait is always a benevolent and generous country and, by the grace of God, its hand is always extended to help its brothers and the world peoples that need its assistance, God Almighty has compensated us for the feebleness and calumny of those people and their unjustified attack against us by the entire world community standing on our side. It unanimously decided that aggression must be defeated and the forces of aggression crushed, that Kuwait should be liberated, and legitimacy restored. All this has been achieved, thanks to God and to the solidarity of the honorable brothers and the rest of the world countries.”

Although many of those attending the *diwaniyah* said that everybody, without exception, was deceived by the hypocritical regimes, yet “we believe that it is not a question of deceit and hypocrisy. We must realize that certain regimes in the Arab world and in the Third World countries never behave according to international political standards. We cannot hold them to our own principles or standards. The policies of these regimes fall

outside the international standards and traditional principles. These regimes have their own standards, which change according to the rulers’s self-interests and whims.” In the meantime, Kuwait’s foreign policy does not fall within this category because it is a conscious, firm, and sincere policy that over the years has proved its truthfulness. And so the civilized world respects it and it became known for the sincerity of its principles, adherence to covenants and international legality, honoring agreements, cooperating with international organizations, and extending its hand to whichever world country in the east or west is in need for help. These are our country’s firm principles for which Kuwait has become known over the ages. Therefore, it is not surprising that all the world should stand with the country that is truthful and committed to the principles of legality and international law against a deceitful country that respects no agreements, honors no pledges, and has no regard for neighborliness.

Finally, we went back to what Prince ’Abdallah Bin-’Abd-al-’Aziz Al Saud told the Kuwaiti information delegation during its visit to sisterly Saudi Arabia last week, which we touched upon in the previous article. Those present in the *diwaniyah* brought up an extremely important question, that is, the need to benefit from the outcome of the severe trials and the difficulties that we experienced during the months we were under occupation. The adversities of those days have tested the mettle of the Gulf people, who demonstrated their strength and superior quality, showed their excellence, and highlighted the solidarity of the Arab Gulf.

We all stood shoulder to shoulder socially, politically, economically, and in the security field like we never did before. Therefore, we must benefit from the crisis and exploit its results. As we have already said, this must be the first step that should be followed by further confident, rapid, and serious steps on the path to total unity, which would enable us to face international blocs, common markets, and unified continents. We must continue the march and fulfill what has been launched. Our journey must achieve its end. How wonderful it would be if what we Gulf people aspire for would be proclaimed here in Kuwait, the land that suffered the adversity, and with whom its brother stood. The idea of establishing the GCC emerged from Kuwait in the beginning, and in Kuwait the GCC leaders’ meeting will be held in December.

‘Kuwaitization’ Emphasized in Economic Rebuilding

92AE0056A London SAWT AL-KUWAYT
AL-DUWALI in Arabic 27 Oct 91 p 1

[Editorial by Salah al-’Abd al-Jadir, President of the Union of Members of the Faculty of Applied Education]

[Text] Rarely does any nation get the chance to rebuild itself beginning from near-zero, especially if the building

comes after the near total destruction of that country's infrastructure. Though the rebuilding may be wearisome and difficult, requiring immense and sustained efforts, it is considered a valuable opportunity to both strategic and executive decision-makers with which to avoid all the past human mistakes put into practice in past decades. The brutal Iraqi invasion of the State of Kuwait created pain, destruction, and tragedy on a scale only God knows, though at the same time, it revealed the true nature and the hidden strengths of Kuwait's citizens, who were exemplary in their efforts, their giving, and their tireless labor in every task, both exalted and humble. This was under the eyes and ears of the occupying invader, who lost his mind confronting this people's disdain and its insistence on a free and honorable life. The catastrophe revealed to us that Kuwaitis are no less hard-working or self-sacrificing than their peers of other nationalities; indeed, they surpass others in their love of country, a love which opened their horizons and increased their devotion. They became a bright beacon and a symbol to be emulated by all the aggrieved in God's wide world.

Decision-makers now have an historic opportunity to rebuild this country, but this time with skilled Kuwaiti hands. Changing the composition of the population is something we might not have had to do these days. We could substitute for it actions closer to the new reality that showed that we were swimming in the sands in the past, when three-quarters of the residents of Kuwait were non-Kuwaiti; while nearly 60 percent of government sector workers, considered the foremost administrative service sector, were also non-Kuwaitis. Amazingly, 98.6 percent of private sector workers were non-Kuwaiti. There is nothing wrong with seeking help from Arab and foreign expertise, as long as we keep track of who really benefits from that expertise. These experts must come only for limited times, to offer their expertise to citizens following the principle of a Kuwaiti patronage group to employ that expert for a limited period, or periods, according to contractual conditions. We thereby guarantee that the national group should gain the expertise, to give it a local nature for genuine local needs, far from utopias and the cover of fine words. And as for drawing up strategic policies—this is not a proper role for foreign experts, because a country's policies should be set by its skilled and experienced citizens. This call of ours is not a call for regionalism or isolationism, for the world today cannot tolerate that way of thinking, but a call for things to get back to normal. It is illogical for citizens to be a minority in their own country, for it is they who gave, and will continue to give, their blood to preserve this country. The first thing is for them to have the whole opportunity to turn their patriotism into effort and giving in their work; work without fear of losing their livelihood, roadblocks to advancement, or the loss of the opportunity for employee training and development. The citizens of the country will have opened to them fields of commendable competition and progress, and after that it will remain only for the Kuwaiti employee to get down to work to prove to the decision-makers that

their trust in him was well-placed; that he is the son of the ship's captain, the merchant, the pearl diver and the ship caulker, just as he is the twin of the generation of challenge and perseverance that opposed the most terrible invasion in history, stood steadfast, and fought. So it is not so hard for him to rebuild his country with all of his energy and effort, if he has the opportunity, the confidence, and the minimum of tools and facilities to assist in sufficient production.

Decision-makers and policymakers in Kuwait have a chance that we would not exaggerate in calling the chance of a lifetime. Rethinking the population composition policy, the mode of building Kuwaitis and Kuwaitizing jobs, has become attainable—though it was once an ambition we could not realize—given the new reality made clear by the crisis. For a Kuwaiti will not now look down on any job, no matter how trivial, if he works like a person worthy of trust, esteem, and respect. Who among us cared about fire-fighting, or firemen, for example? But experience has proven, and not only in their case, that those fire fighters were to a great extent feeling responsible for having extinguished dozens of burning wells, just as dozens of the largest specialized international companies did, if not even better. There are many Kuwaiti citizens ready to work in all areas, if given the chance. Although the number of workers in the public sector has sunk by half, the work proceeds well enough, which indisputably proves the ability of this country's citizens to give continuously, to open new horizons, and to instill confidence. Here, then, we affirm the importance of giving the highest thanks and gratitude to all the nations that supported us in our ordeal, both the brotherly and the friendly nations, and there is no reason not to give some share to the needy of those countries, though that does not justify aid, on our part, to the citizens of those countries in every little thing, so that our own citizens would again be denied the chance to rebuild their country. "The people of Mecca know their paths best." The day his highness the emir ordered that its rebuilding could be done best by Kuwaitis infused with the historic importance of the day, and with that clear signal from the decision-maker, the mark of the new Kuwait was respect for professional work and appreciation for the worker in his field. The new Kuwait will give priority to practical and technical ways of teaching and vocational training, in the hope that graduates of this type of education will set out as soon as possible to take part in their field, without hesitation or shame. Things are not as they were, and all Kuwaitis must do is trust in their Lord, then rely on their own efforts and their own strength. The friendship of other nations is subject to upset and change with political trends and international changes. There is a historic opportunity; will Kuwaiti planners and decision-makers seize this precious opportunity to make Kuwaitization a reality?

Professors, Businessman Discuss State of Economy

*92AE0030A London SAWT AL-KUWAYT
AL-DUWALI in Arabic 9, 10 Oct 91*

[Article by 'Abdallah 'Utaybi: "SAWT AL-KUWAYT Symposium: Kuwait Economy: Horizons, Potentials;

Government Has Made Short-Term Yield Economic Decisions To Boost Popularity”]

[9 Oct 91 p 10]

[Text] The Kuwaiti economy is attracting the attention of experts and researchers throughout the world, especially following the economic disaster caused by the Iraqi invasion of Kuwait, including the destruction of facilities and igniting oil wells. This is in addition to the attendant economic, political, and social ramifications and their impact on the economy at the local, regional, Arab, and international levels.

Now that God has blessed us with liberation and Kuwait has regained its sovereignty and legitimacy, we should put the cards on the table and discuss Kuwait's woes and concerns in a candid, scientific manner. Certainly, the horizons and potentials of the Kuwaiti economy's developments merit elaborate discussion and analysis in the hope that this may contribute to the emergence of an economic structure better than the one existing prior to 2 August 1990, and in an effort to grapple with the negative effects afflicting us now and in the past.

Following is the first section of the symposium's minutes:

Dr. 'Ayid al-Mana' opened the session by welcoming the guests of SAWT AL-KUWAYT's symposium on the Kuwaiti economy. They are: Executive vice-president of the Kuwait Investment Corporation, Mr. 'Amir al-Tamimi; University of Kuwait economics professor Dr. Muhammad al-Sabah; University of Kuwait economics professor Dr. Yusuf al-Ibrahim.

[SAWT AL-KUWAYT] We believe that you share our view that, in order to discuss the Kuwaiti economy's horizons and potentials, we must begin with an appraisal of its pre-invasion performance.

[Amir al-Tamimi] Of course, if we want to look at the Kuwaiti economy before the invasion, we were, and still are, living through the Manakh stock market disaster, when the debt problem was intractable amid the general economic recession. Furthermore, oil revenues were not sufficient to cover current capital spending, hence the chronic budget deficit we were experiencing. If we consider the budget as it used to be calculated—on the basis that it represented oil revenues and some local fees, minus the annual current capital spending that was not calculated as part of the government's domestic and foreign investment revenues—we find that the government was compelled to borrow from the local money market. So it issued treasury bonds and notes that brought the public debt up to 2.4 billion dinars as of February 1990. This means that the public debt has been accruing, making it difficult to control public spending, which has reached such a level because of 40-year-old policies dominated by a welfare policy in which the government assumed the full burden of basic services such as health, education, water, and other services in an effort to look after the people's welfare. Meanwhile,

there were no tax revenues coming in from private establishments or the populace, and therefore, public spending used to depend on direct government resources from oil revenues and modest fees for other government services. It can be said that public spending in Kuwait was the Kuwaiti economy's prime mover, especially in view of the firms' dependence on government projects and purchases. That is why, when oil revenues declined and attempts were made to cut public spending, the private sector complained that revenues had dropped, bringing down with them private establishments' revenues and incomes. It can be said that the only way in which that crisis could have been surmounted was to reexamine the Kuwaiti economy's structure. An attempt was made to formulate a long-term strategy for this purpose, and I remember that Dr. Muhammad al-Sabah and Dr. Yusuf al-Ibrahim were contributing to this strategy in cooperation with MIT and the Kuwait Scientific Research Institute. Moreover, the aftereffects of the Iraqi occupation and the destruction of Kuwait's economic structure call for a reexamination of these strategies and plans, because the situation is different in terms of demography, economic resources, and government financial capabilities. Our current economic and financial situation is weaker than it was before the occupation, even though the pre-occupation situation was afflicted with structural problems. In the past, we used to talk about the debt problem associated with the Manakh crisis. Today, the debt issue encompasses all the various economic sectors, be it real estate, business, or the industrial sector, all of which are totally insolvent, hence the recent plan to buy the debt to give these firms a chance to face their responsibilities and better plan for their future. This plan will cost the budget about 5 billion dinars, no small sum, considering that the government's financial resources are limited at a time when it is required to meet several obligations. This leads to more government spending with insufficient funds to cover it. Accordingly, the deficit in the coming years will be huge, making it necessary to borrow from local and foreign markets, thus accruing a huge debt that will eventually require a provision in the budget to service it.

Precrisis Economy

[SAWT AL-KUWAYT] In light of what you said, can we give a passing grade to the pre-crisis economy?

[Amir al-Tamimi] I suppose, as I have already said, most of the economic sectors used to depend basically on public spending. Ever since we discovered oil and began to produce and export it in commercial quantities, thus giving the government spending resources, the private sector became dependent mainly on the public sector, without shouldering any responsibilities, such as taxes. Indeed, it enjoyed all the spending advantages to improve its revenues and income. This presents a problem because of the global trend toward privatization. It is unrealistic to raise this subject in circumstances similar to what Kuwait was experiencing. If we want to transfer many government-owned establishments to the private sector, I do not think the private

sector wants to assume such a responsibility, hence the public spending problem. I believe this problem is the reason why the performance of various private establishments falls short. The private sector does not have other income-generating activities to be able to put out enough products to be independent without relying on public spending. This is a shortcoming in the experiment because it consecrated reliance on public spending in a big way, be it at the individual level or at the level of establishments in all the various sectors.

[Dr. Yusuf al-Ibrahim] I should like to sum up the Kuwaiti economy's performance before 2 August 1990 by using figures and standards used in economics. It can be said that the Kuwaiti economy was plagued by several gaps, three of which can be discussed here.

The first gap is the financial gap stemming from a drop in revenues that used to rely on one resource, oil. One can say that these are fluctuating or unstable revenues while spending is on the rise. Some attempts have been made to cut spending, but certain budget categories used to represent an element of pressure in view of their rising or steady growth rates that exceed the revenue level. Attempts were made to close this gap that had a bearing on the speedy depletion of the money reserve.

The second gap in the Kuwaiti economy is demography because there was a great and fast-rising imbalance in the size of the population, which is composed of Kuwaitis and expatriates due to a growing demand for labor and the unavailability of Kuwaiti labor.

The third gap is foreign trade where our exports are on the decline compared to our growing imports. A look at the exports' composition shows that our exports rely on one chief resource, namely oil, which represents over 90 percent of Kuwaiti exports value while our imports did not go beyond consumer goods and services. We do not have up-to-date figures, but these elements indicate that a continuation of the previous situation, coupled with post-liberation developments, could widen the gaps.

Kuwait Gained Men

[SAWT AL-KUWAYT] Did the crisis management during the occupation have an impact on financial capabilities?

[Dr. Muhammad al-Sabah] The question that must be raised here is what kind of problems did the Kuwaiti economy face after the crisis, and what capabilities have been opened to it as a result of the invasion? There is no doubt that Kuwait has gone through a difficult trial of major consequences, but it has emerged from this test with flying colors. Kuwait is facing a problem that cannot be solved through government spending alone. In the past, economic problems used to be solved by pumping money into the market for a certain period time as a temporary solution. Such problems recur, and we would once again cover them with government

spending. It has been proven, however, that this method is difficult to follow presently, and calls for a structural change.

There is no doubt that during, and as a result of, the invasion, Kuwait lost money, but gained men who are now helping to put the fire out in the oil wells. We see them in internal security and foreign defense, able to stand up to Iraqi attempts to cross the borders and other places. Kuwaitis at the Ministry of Education drew up a curriculum for themselves that they have implemented with determination and challenge. The same goes for the university in all the various sectors. Moreover, the Kuwaitis are now sort of "coming to the rescue" in the true sense of the word because they are all determined to do their share.

This is a true state of affairs Kuwait had not experienced during the discovery and production of oil because we are facing a problem that requires the release of all energies for reconstruction. We had drawn up a strategy for the economic problems Kuwait was facing before the invasion, which we were trying to solve through government spending, based on the concept of building the Kuwaiti human being. The Kuwaiti is now complete, and has proven his special qualities. This is the true societal revolution, but we are still facing the "monetary outflow" that is causing us many problems which can be likened to a harsh weight-reduction diet. For the economy to recover, it has to slim down, which is usually hard to do, especially for people accustomed to a certain lifestyle that is hard to change. The same thing goes for the economy.

During this period, the Kuwaitis have proven their ability to run the country under the harshest circumstances. The Kuwaiti remains the true renewed resource we can use to rebuild the country. From a financial point of view, Kuwait is still a rich country, and we do not know what kind of impact the oil-well fires will have on the oil reserve and what the production costs will be. It is difficult to assess the damage done to the oil reservoirs, but we expect production costs to rise and oil revenues to drop. However, if we maintain the same consumption level as before, we will have a problem. I believe that the matter is in our hands because Kuwait's tragic situation is not due to a shortage of capabilities. The capabilities are there and the difficulty is in certain decisions that require extra efforts. I am certain that the spell the Kuwaitis have had to endure will help them deal with this problem.

[SAWT AL-KUWAYT] Were the measures taken to deal with the oil crisis less than expected? Could they have been better?

[Amir al-Tamimi] I believe that the measures taken at the outset to put out the fires were inadequate because they were slow, and there was a shortage of equipment and machinery. Moreover, the pre-liberation measures were inadequate because the officials did not expect fires of this magnitude. Over 700 wells were set afire and

destroyed. This is unprecedented anywhere in the world because these fires have a sweeping effect, not only on Kuwait, but also on the region, the Arab nation, and on the world in general due to their environmental aftereffects. Recently-published figures, however, on the fire-fighting effort indicate that great progress has been made by many fire-fighting teams who have accomplished much. This is cause for optimism because the fires could be put out before the end of this year despite Ministry of Oil projections that expect this to happen next March.

[Dr. Muhammad al-Sabah] It costs 100,000 dinars to put a Kuwaiti through high school, but you cannot find a single Kuwaiti citizen who works all the way to retirement. The strange thing, however, is that University of Kuwait graduates are looking for work, but cannot find it. For example, you see want-ads in the newspapers looking for accountants, and there are many University of Kuwait accounting graduates looking for a job commensurate with their qualifications. That is why, when we open the doors for a certain kind of labor force, we must make sure that it will not cause unemployment among the Kuwaitis. I share brother al-Tamimi's view, which he expressed in writing a few days ago, that we ought to take a stand and close this door, except in cases of dire need.

[SAWT AL-KUWAYT] We know that oil constitutes over 50 percent of the GNP and 90 percent of budget revenues. How do you assess oil and the financial reserve?

[Dr. Yusuf al-Ibrahim] New givens have emerged in the wake of the invasion, some of which I will deal with here.

First, we now have a new demographic composition in terms of number, quality, and efficiency. According to the social security card, we had 260,000 non-Kuwaiti residents compared to 573,000 Kuwaiti nationals. I believe that the stand of brother 'Amir and Dr. Muhammad is necessary, and should be considered from a new perspective. In the past, we had Kuwaiti labor in higher management and Arab labor in mid-management. What has happened now is that the Arab workforce has left the country, leaving a gap in the administrative system in Kuwait that calls for a reorganization, in which Kuwaiti graduates would replace the mid-management staff, and a reexamination of the existing low level.

The second given is the sharp drop in money assets, for the minister of finance says that commitments to liberate Kuwait and extinguish the fires now total \$26 billion, a sum that represents one-fifth of the money reserve (assuming that the reserve amounts to \$100 billion). Whatever the ratio, these assets, which we consider an economic safety net for crisis management, have dropped. Other givens have to do with the sharp drop in oil assets, not only in the asset itself, but also in the cost of converting it into a monetary asset. By that, I mean production costs. As for the fourth given, it is the obvious shortage of liquidity that has led to more domestic and foreign borrowing and efforts to find

alternate sources of revenue. Likewise, every expenditure we make right now will be a long-term commitment. For example, current housing costs are not a one-time or one-year expenditure, but rather an ongoing and growing expense as long as we have an annual or natural population growth rate. We must know the total cost of this commitment for the coming year. On the other hand, we must take a look at the sources of revenue, their accrual, and their future stability. I believe that financial resources have nothing to do with economic activity in Kuwait. For the oil revenue, the main source of government spending, is not affected by domestic economic activity, and we ought to be seriously thinking about sources of revenue linked to domestic economic activity. We must also reexamine many of our concepts, including the notion that domestic activity should be self-financing. Most of the proposals that have been put forward so far have recommended that the government do everything. The government defines the workforce; the government employs Kuwaiti university graduates. I believe it is not the government's job to graduate a specific person to work at a specific place in a specific establishment. Rather, the student must have a measure of awareness of the market's supply and demand. For example, I believe that the decision to shut down certain university departments is ill-advised. Why close the political science department to new students, for example. Students must bear the responsibility for their choice. They have a right to education, but the government is not obligated to find them a job commensurate with the field they chose voluntarily. The market must determine its own needs. We must ask ourselves why foreign labor is cheap. Because it is subsidized. It costs ten dinars to bring in a worker and an additional five dinars for the health card, and there is also the civilian card, and so on. Why not have them live on their actual expenses to see how the private sector and the family would react to dealing with them without outside intervention so as not to drag the government into every single thing because it will not be able to do anything. A simple expression used in planning says that "the more goals one has, the less effective tools are available, which means that none of them will be realized."

Subsidy and Taxes

[Amir al-Tamimi] With regard to public spending for the current and upcoming stages, certain matters should be considered, such as government monetary subsidies. Matters such as subsidies to establishments experiencing structural problems must be stopped, and it must be left up to the market's laws and mechanics to determine the establishment's ability to stay in business. Free economy laws have something called "liquidation or bankruptcy." Any establishment unable to grow and prosper on its own must be liquidated because reliance on government subsidies adds to its poor performance and makes it unable to compete.

Likewise, real estate acquisition must be stopped because we cannot spend huge amounts of money to acquire land we really do not need amid declining

revenues. We must also consider levying an income tax, under these circumstances in particular, so that everyone may become aware of his or her civic responsibility to society and fulfill his or her obligation toward the national economy.

[Dr. Muhammad al-Sabah] Subsidy is a fundamental issue in the Kuwaiti economy, and Dr. Yusuf has touched on some of its aspects. Many economic activities are subsidized to the country's detriment. Subsidies to the foreign workforce cost more than its economic output, thus putting the national economy in the red. Prof. 'Amir also touched subsidies offered to financial establishments in the past, and this is what I mentioned at the beginning of my talk. The option we have now is that we cannot cover the structural problems in the economy by pumping money. Subsidies that were in effect before the invasion will not stop, from a political standpoint, but our will makes it necessary to discontinue them. The discontinuation of subsidies must be coupled with a structural change whereby the administrative system is changed. If the economic makeup is to be changed, a modern management, able to bring about and keep pace with such a change, must be set up.

I am going to assume a viewpoint contrary to the one put forward by Prof. 'Amir al-Tamimi with regard to the income tax. We agree in principle, but let us consider the cost of setting up a tax system and whether it is possible and economically feasible in Kuwait. When we institute a new bureaucratic apparatus to collect income taxes every year from the citizens, financial establishments, and others, such a system will certainly have to have employees and other provisional burdens. The question here is will this system yield enough to cover its costs, and will it achieve what we are striving for? I doubt that it will, especially in the Kuwaiti economic system that may be likened to an economy that operates on the classical concept in which every person works and reaps the fruits of his toil. I think this will be a big jump that will generate major reactions. As Dr. Yusuf reminded us, Kuwait does levy taxes, but they are negative and collected through service fees.

We can cut the cost of instituting an integral tax system through these service fees and lower subsidies, even if we have to use a medium-term and more efficient time plan.

[SAWT AL-KUWAYT] What will our output capacity be in the next few years, and what impact does the disaster have on our oil reserves and production costs?

[Dr. Muhammad al-Sabah] By the end of the year, 26 new wells will have been drilled, and oil sector official projections affirm that oil production, as of the end of this year, will reach a level of 250,000 barrels per day [bpd]. By the end of this year, output is expected to be 400,000 bpd, but the Burqan Field, the largest in the world, in terms of reserves, is still on fire and has not been brought under control.

[Amir al-Tamimi] With regard to our capability and the time needed to put out the fires, if we are able to put out

the fires, we can then determine the real damage done to the oil reservoirs and the direct impact on the reserve, thereupon pinpointing the number of productive and new wells. If things go well and we are able, by next spring at the latest, to put out the fires, I imagine that, within two years, we will be able to return to the same previous plan of 1.5 million bpd. If we can control our spending, we will not need to produce 1.5 million bpd, and I think the installations will be completed within a reasonable period of time. Furthermore, export harbors will need non-essential repairs, for we can pump oil without the industrial island. This is why, I believe, that it will not be beneficial to repair some of the destroyed installations at present. This is up to the technicians to decide.

[Dr. Yusuf al-Ibrahim] I would like to add something concerning the cost and restoration of oil wells and the construction of oil installations. I believe that repair costs ought to be controlled because figures cited so far are astronomical, and this calls for a competent reliable Kuwaiti technical team to assess such costs, especially in view of reported financial excesses in the oil sector. Therefore, we must be diligent in using public money to rebuild this vital sector.

Borrowing From Abroad

[SAWT AL-KUWAYT] What is the size of our monetary reserves, and how much did the liberation cost?

It is believed that this is the reason the Ministry of Finance representative failed to attend [the symposium]! (Everyone laughs)

[Dr. Yusuf al-Ibrahim] No one has the correct figure. I would like to note one thing here, namely, the dearth of information that causes us to waste time on postulations, interpretations, and analyses in the absence of information that can shed light on economic and financial matters in Kuwait.

[Amir al-Tamimi] I recently broached this subject because I believe that if we want to create policies and draw up future strategies, we must have adequate information. If we want to know what our financial capabilities are, we must be aware of our resources and expenditures. So far, there are no clear possibilities.

About the cost of liberation, as the conferees have already said, based on the published information, it is estimated at about \$26 billion.

[SAWT AL-KUWAYT] The borrowing policy, when will it be discontinued and when will it be expanded?

[Dr. Muhammad al-Sabah] We now have urgent financial needs, and the only option we have is to liquidize foreign assets. Money markets, however, do not foster such a move, and, therefore, we are now obliged to seek low-interest loans contingent on the terms we can obtain. We used to dread borrowing from abroad for several

years, but we are now able to build our financial establishments, and to enjoy high-standard domestic economic expertise that qualifies us to manage foreign debts.

[SAWT AL-KUWAYT] Do you think we can expand or stop it?

Borrowing is very costly, and we cannot expand it. Furthermore, given the special economic accounts that determine the amount, the terms, the method of payment, and the scheduling of loans, borrowing must be equal to the needs and commensurate with foreign investment return projections. These are important technical matters.

But the most important decision is whether to borrow or not to borrow.

[Dr. Yusur al-Ibrahim] Borrowing must not be used only as an instrument to cover the deficit because it is not only a financial conduit or channel, but also an economic instrument that has a bearing on other economic sectors and an impact on economic activity. It calls for a sophisticated money market and special management, and that is why we ought to give it serious thought.

Above all, there must be clear loan objectives to know why we are borrowing. Is it to finance current spending, or to offer aid or compensations? Foreign borrowing can also be used as an economic instrument to stimulate economic activities and sectors, and to generate alternate resources. We must look at such a management from a full rather than a short-term partial perspective.

[SAWT AL-KUWAYT] Is there an alternative to borrowing?

[Dr. Yusuf al-Ibrahim] Of course there are alternatives to borrowing, but these alternatives are determined by social, political, and economic circumstances. It was difficult for decision-makers to reduce subsidies and withhold compensations because this not a purely economic decision, but one that is governed by political and social circumstances. The problem is not the existence or non-existence of other instruments, but there are instruments which complement it. What I mean is that if we reexamine the spending policy and find alternate sources of revenues, we can reduce the size of the borrowing instruments.

[Amir al-Tamimi] The debt must not be used to finance current spending. It must be used for capital spending, and primarily for repairing oil installations and restoring the oil sector's output capacity. This way we would have used the debt in a productive sector able to service it, thus overstepping the problems of using the debt for current and consumer spending suffered by debtor countries.

[10 Oct 91 p 10]

[Text] In the second part of SAWT AL-KUWAYT's symposium, "Kuwaiti Economy: Horizons and Potentials," the participants touched on several issues associated with the economic activity and how to deal with problems stemming from this association. Regarding the Central Bank's proposal concerning the establishment of companies to buy hard debts with a view to freeing economic establishments from the debt burden to make it easy for them to revitalize their production and marketing tools, Dr. Muhammad al-Sabah said that it will have a great and positive impact on the Kuwaiti monetary sector in general if it is coupled with the consolidation plan proposed by the Central Bank. Amir al-Tamimi said that buying the debt will be a burden on the public treasury, not to mention the fact that there are no details about the nature of these debts. Dr. Yusuf al-Ibrahim said that looking at each sector separately will not lead to a complete solution to this problem. The solution lies in dealing with the series of phenomena arising from the Manakh crisis.

The participants also touched on the matter of making available information to decision-makers so they may adopt proper decisions based on factual and correct information. Dr. Yusuf al-Ibrahim proposed the establishment of an advisory council made up of carefully-selected expert economists, unaffected by domestic policy, to counsel the government.

Amir al-Tamimi proposed that, in order to adjust the demographic composition in light of data generated by the invasion of Kuwait, female participation in the production process must be enhanced, and a tax must be levied on those who bring in domestic help over a set ceiling, thereby curtailing the current policy of opulence. Furthermore, there has to be a birth control policy to limit the non-working population, on the premise that time will bring about the desired balance in the demographic composition.

Dr. Muhammad al-Sabah said that this is an opportunity to adjust the demographic composition, and transform society into a productive urban one. He also said that an adjusted economic structure will reduce the demand for marginal labor and increase it for skilled technical labor. He also emphasized that Kuwait will continue to be an oil-producing country because its oil reserves amount to 92 billion barrels. However, the current Iraqi regime's survival has a destabilizing effect because, even if it were to collapse, it has already created a mechanism that will ensure the region's instability. He added that, our losses notwithstanding, we have gained much from this crisis.

The participants also dealt with real estate, domestic trade activity, and investment issues. Following is the second part of the symposium.

[SAWT AL-KUWAYT] What do you think of the government's tentative approval of the Central Bank's proposal concerning establishing a company to buy the debt?

[Dr. Muhammad al-Sabah] There are two sides to the decision. The first one is the establishment of a company to manage hard debts, and the second is to free operating banks from these debts. The government-approved strategy pursued prior to the Iraqi invasion called for the creation of a financial center in Kuwait and the region as a whole. Kuwait's backbone would be the banking sector, the investment companies, and the monetary sector in general. The monetary sector is overburdened with debts, and continually complains of its inability to act freely because of these hard debts. These debts must be transferred to a central agency to manage them and unburden these monetary establishments. At the same time, however, this decision is coupled with another decision, namely, the consolidation of banking establishments for fear that consolidation may not be beneficial. In order to create operational banking establishments, the monetary sector is subject to what is called "macro-economics," where banking establishments compete for a limited number of saving deposits and available financial surpluses. This is an unprofitable process insofar as the local market is concerned because the cost of managing such deposits will be high, and, therefore, these establishments will not realize the desired profits. Consolidating them into economic units will give them a greater share of the local market, and this will have a positive impact on their operating budget. Then, there is the second part, namely, the management and terms of these hard debts. These matters are important to debtors, and this brings up a sub-part totally different from the first one, namely, the real objective for placing the burden on another person and transferring the responsibility from the banking community to other establishments. This will undoubtedly have a major positive impact on the Kuwaiti monetary sector in general, if coupled with the consolidation process proposed by the Central Bank.

The Debt

[Amir al-Tamimi] Buying the debt will be a burden on the public treasury, and, so far we do not know the nature of this debt because we do not have any details on this subject. All we have is the grand total of the debt. Are these debts covered by banking establishment's assets that can be liquidated to recover part of their value for the public treasury later on? Are these yielding or non-yielding assets? We need some details, and what we are talking about now is the overall debt and not the one stemming from the Manakh stock market crisis. It includes the debts of various sectors harmed by the Iraqi occupation. We have to know the nature of these assets and how they will deal with the new establishment that will manage the debt. I expect that if such an establishment is created, it must be managed from an economic standpoint because the proposed term of a 3-year grace period and 17 years to repay the debt is a very long time, and will cost the government dearly because the government has alternate chances to invest the money. Instead of buying these debts, it can use the money to buy debentures in world money markets or to own shares in

successful institutions, thus realizing a profit. Assuming that we approve this solution for the sake of freeing the banking system from a heavy burden so that it may embark on new business activities, we must know the bottom-line returns of such an operation and whether we will recover this money or have to consider it fully dedicated by the government because this amount is not allocated. Ultimately, we want to know how it will be utilized and what role will the individual or the establishment play in the Kuwaiti economy and in general economic activity. There is a large group that plays no part in Kuwait's economic development, but in order to free the banking system, we have got to have general political and economic standards. At the same time, we ask ourselves the following question: When we free the banking system from this heavy burden, will it be able to stimulate the Kuwaiti economy? This is an important question that must be considered. Moreover, the consolidation of economic establishments must be done in accordance with stringent economic standards. The majority of banking establishments in the world, even in big-business economies such as the United States and Japan, are beginning to consolidate. Therefore, we must come up with a vision for the consolidation process and for the kind of functions these establishments will be asked to perform inside and outside Kuwait.

[Dr. Yusuf al-Ibrahim] With regard to the agreed decision, which will be issued, we are supposed to look at it from a full perspective. The banking sector does not operate in isolation from the other sectors. Just as we want to create an advanced monetary sector and problem-free and debt-free large establishments, we must also consider the sectors that will be depositing their money with them, while, at the same time, borrowing from them and participating in profitable projects with other economic sectors. The monetary sector is nothing but a complimentary sector that participates in profitable projects with other economic sectors. What are the theses on this topic and these sectors? There is no clear vision as yet. The fear is to consider each sector separately because this will not lead to a full solution to this problem. Furthermore, costs will rise if the problem is broken down in this fashion. I go back to the sub-part of this problem. I believe this solution is a remedy for one of a series of phenomena growing out of the real crisis, namely, the Manakh crisis whose costs have been successively borne by government or public money over the years. The solutions that have been undertaken did not treat the problem, but rather dealt with one of its phenomena, using a major portion of public money. After awhile, another phenomenon, that of bank debts, emerged, and there were attempts to deal with it through a plan to settle hard debts, whereby a huge subsidy, in the amount of two billion dinars, was offered to the banking sector to deal with this phenomenon which existed prior to the invasion, and was exacerbated as a result of it. But this proposed solution was put off and the problem has not been solved. We may be forced in five years to use public money as well to solve it. Some of the debtors are individuals and companies, whose exact number I do not

know, who used to be productive, but came into this crisis as a result of the invasion. Now, these capabilities have to be put back to work. But, if their debts are turned over to a company to manage, this would be a self-perpetuating situation in which they are taxed at a 100 percent rate, and they will be unable to have a capital flow because 80 percent of their assets would be used to settle their debts, and the remaining 20 percent to provide a decent life for the debtors. I believe the settlement of debts is an issue caused by economic, political, and social pressures. The establishment of an economic alternative will set off another economic crisis in the future. This leads us to an important point, namely, this is a political situation, and the crisis in this country is political caused by the demand to restore democracy, and the disagreement over the date of the upcoming elections and the return of the people's assembly. The situation has had an impact on the economic situation, on economic policy, and on economic activity. This has given rise to short-term-yield economic decisions aimed at boosting the government's popularity, on the one hand, and bringing a certain group in accord with the government politically, into the decision-making process, on the other hand. This does not solve the economic problem. Economic policy must be dealt with in isolation of the domestic political situation. This is not easy, but there are some things that must be managed differently, not only in economics, but in education as well, which is another fundamental issue. The fear is that if the decision regarding the debt is brought up for discussion anew, the political decision may have a greater impact on it than the economic dimension.

Budget and Information

[SAWT AL-KUWAYT] How do you view the financial situation, and are changes likely to be made in the budget or in the surplus or deficit situation? In your opinion, what is the overall amount of public spending?

[Amir al-Tamimi] To answer this question, one must have much information because it is difficult to answer such a pivotal question without adequate data. With regard to the way forfeitures and our assessment of revenues are done in the next few years, this will surely have a negative impact on the public treasury. I expect the deficit to be large and the public debt to go up, especially in view of the current debate about borrowing that is natural as far as current financial capabilities are concerned. How can we surmount this problem to turn Kuwait back into a surplus country after awhile? This depends on our ability to repair the damage and control spending as well as our ability to manage prudently foreign assets and realize the best returns from them. If we are able to do that, we can surmount this adversity. However, if we are unable to do it, Kuwait will become a deficit country for a long time, and this will be a dilemma for us.

[Dr. Muhammad al-Sabah] Many changes have occurred, and projections are usually made on the basis

of events spread over a certain period of time. In the current situation, however, many relationships have changed, such as the demography's composition, nature, and contributions to the workforce. Therefore, we cannot project what situation we will be facing in the near future. There are, however, some invariables, namely, that Kuwait is an oil-producing country, and also [there are] its relations with the GCC. During the ordeal, we sensed that the people of the region became fully convinced of the need to join together so we can develop the GCC into a regional organization similar to Europe that will be economically united in 1992. The troubling situation in Iraq, the havoc the regime there is wreaking on the Iraqi economic structure, the economic, population, and security flare-ups there, and, finally, the money counterfeiting policy the Iraqi regime is following, which will have a great long-term impact on the Iraqi economy, [all this] will bring pressure to bear on the people there which, in turn, will bring about the problem of exodus that will present a problem for Kuwait in its effort to deter it. Iraq is an erupting volcano, and the worse is yet to come. In the wake of Kuwait's liberation, the situation in Iraq is still unclear, and we do not know where the expected flare-up will occur and how it will affect us economically. It is certain that the region will not settle down so long as the present regime in Baghdad is in power. Indeed, this regime has set up a mechanism which will ensure the region's instability, even if it is removed from power.

But, with regard to Kuwait's financial capabilities, Kuwait will remain an oil-producing country with large oil reserves amounting to about 92 billion barrels, some of which we may have lost, but in exchange we have gained much. As an Arab poet put it: "Good things come out of adversity. We know who our enemies are and who our friends are."

[Yusuf al-Ibrahim] I believe we are approaching a period of political stability, not only in the Gulf region but also throughout the Arab nation. The new world order will settle some of the pending issues. To be in a better economic situation, I propose the establishment of a general framework in the coming stage, composed of three mainstays:

- Mainstay No. 1: A political will to realize the social and economic objectives mentioned in the 5-year plan and in government programs. What is important is not the enactment of laws and measures, but rather their enforcement because these objectives will not succeed in the absence of laws and their enforcement.
- Mainstay No. 2: A new economic management system in Kuwait. Economic management in Kuwait is composed of a number of separate and unrelated authorities. We have the Ministry of Finance, the Ministry of Planning, the Ministry of Commerce, the Central Bank, and other authorities. However, the Ministry of Finance, for example, is responsible for the management of public spending and is the prime mover in the local economic process. It looks at

spending and revenues from a purely book-keeping point of view, for it is more of a government book-keeping ministry than a ministry of finance. It must play a greater role in the economic decision-making process. Moreover, budget items are always determined outside the Ministry of Finance. For example, the personnel department plays a major role in determining the first item. The Ministry of Planning plays a key role in determining the fourth item, namely construction and acquisition. As for the fifth item, there is a government-adopted political decision pertaining to domestic and foreign subsidies and remittances. Furthermore, the Ministry of Planning provides some studies and some statistics, but has nothing to do with economic decision-making. The same goes for the Ministry of Commerce that operates within a limited scope. Therefore, there is no interrelation between these three authorities. We find the Central Bank, particularly in the wake of the bank debt crisis, beginning to take control, not only of the monetary policy, but also of the financial one. In economic activity, in general, the Central Bank has become a part of the government and of government management while it is supposed to make independent decisions concerning monetary policy and its tools, as is the case in other countries. What is needed now is a new framework for coordinating these authorities and redefining their jurisdictions. I propose the creation of an economic advisory council, like the one established in the United States, comprised of apolitical economic advisors and a group of statisticians to provide important data and offer economic counsel to the government. More important than that, they must not have any personal axes to grind—this is a basic factor—and must be appointed to a limited term so as to have the benefit of new ideas and new blood.

- Mainstay No. 3: providing information, not only to the outside, but also to the decision-makers. A database must be created to provide important information, and it would not hurt us to spend a lot of money on it and make great efforts to establish and develop it because such a base will make it easy on the decision-makers to save time and effort spent on assumptions and a variety of opinions and debates by providing clear data to help them make quick and effective decisions.

Call for Birth Control

[SAWT AL-KUWAYT] What kind of demographic composition can serve the national economy?

[Amir al-Tamimi] Figures that were supposed to be employed in the pre-invasion demographic composition, based on Civil Information Agency data, indicated that Kuwaitis represent 27 percent of the population and non-Kuwaitis, 73 percent. I made a study of the pre-invasion demographic composition and found that it suffers a great imbalance between Kuwaitis and non-Kuwaitis. There is an imbalance with regard to Kuwaiti

participation in the workforce and the nature of non-Kuwaitis in terms of qualifications and practical capabilities because many of them are illiterate. Thus, we had a large marginal labor force and a large number of non-Kuwaitis outside the workforce with a 1:1 support ratio. There is also a deficiency in female participation in the workforce that creates a great imbalance among the Kuwaiti population. We have about 49 percent of the Kuwaiti population under the age of 15, which is outside the workforce. Population growth among Kuwaitis is high, amounting to between 1.5 and 4 percent, which is high by world standards. This means we have a young population, a great percentage of which is outside the workforce. Consequently, we will need employees to serve these people in the various economic sectors, and herein lies the defect. One school of thought says the problem lies in an inadequate population growth rate to improve the demographic composition in favor of Kuwait. This does not hold true as long as we have a steady birth rate and a natural population growth rate. The problem, however, is the large number of people outside the workforce, and the solution lies in birth control. Many people may disagree with me on that. Meanwhile, greater female participation in the workforce and the production process will be needed, and this in itself will, in time, automatically lead to birth control. Furthermore, we must put a limit on the policy of opulence by putting a cap on domestic help and levying a tax on the number of servants over a certain ceiling brought into the country to work, thereby curtailing this marginal labor force. Having 180,000 to 200,000 domestic servants is a large number representing 10 percent of the total population. We now have a chance to bring the percentage of Kuwaitis to 50 percent, with greater participation in the workforce, thus becoming a productive urban society that will be self-sufficient within a reasonable period of time.

[SAWT AL-KUWAYT] But birth control will reduce the natural growth of the Kuwaiti population?

[Amir al-Tamimi] I look at the population in terms of quality, not quantity.

[SAWT AL-KUWAYT] If we want to have greater female participation, as you have said, is there an alternative to domestic help?

[Amir al-Tamimi] We can reexamine the housing policy to provide suitable housing which can be managed without domestic help. If we want to become an urban society, we have to consider these standards. I believe that birth control is not achieved by fiat, but rather by transforming our society into an urban one and by breaking with old traditions. This is what happened in the advanced countries whose transformation was automatic and not as a result of laws or measures. When a society turns from agricultural to industrial, birth control naturally follows due to the economic situation and female participation in the workforce. If we do the same thing, a qualitative step would be achieved in terms of

Kuwaiti participation in the workforce. Such a step will bring about major societal changes.

[Muhammad al-Sabah] I would like to comment on the dearth of information. There comes to mind a study on domestic help conducted by the Ministry of Planning a few months before the invasion. It showed that women who stay home do not do without domestic help and may even have more servants than working women, and working women may not have excessive help at home.

[Dr. Yusuf al-Ibrahim] I would like to add something to the birth control issue. An experiment was tried in Singapore whereby the prime minister issued a decision banning a family from having more than one child, and if it did, the government would not be responsible for providing free services such as health, social, and educational care. After a period of time, it was discovered that the educated class, which is capable of producing educated children, was not getting married or producing one child per family, while the uneducated class was producing more, and nothing had changed, thus prompting a change of policy.

Changing Social Pattern

[SAWT AL-KUWAYT] Did the economic situation improve?

[Dr. Yusuf al-Ibrahim] It was actually acerbated because living conditions, the prevailing mentality, and educational background prompted people to have more than one child. This is the way it is in Kuwait. I do not have specific figures, but a plain look at my colleagues, and compared to other generations, we find that the man works and the woman works, hence the idea of limiting, not curbing, the number of children. Why have five or six children? One theory, which is substantiated by statistical proof, says that there is an inverse proportion between the number of children and the educational and economic level. Once again, I say we should not involve the government in all our business and in every future population policy. Rather, we must take into consideration how the Kuwaiti growth rate is measured because looking at the demographic situation as fixed and invariable is risky because it is not fixed, it is variable. Those who will be going to school will have to enter the job market some years later, and will have an impact on economic activity. Hence, we are living in a tube with a moving current and no stopping point. At some point in France, for example, the government went so far as to ask the citizens to have more children because the natural growth rate had dropped to zero. We should also give up the Kuwaitization slogans (with apologies to Dr. 'Ayid al-Mana' for intruding on his field of specialization), and we should actually have a good and penetrating look at the nature of the Kuwaiti labor force, for this is a golden opportunity. During the occupation and after the occupation, the Kuwaitis have proved that the Kuwaiti human being can work in any field of his or her choosing. We must adopt applicable standards and policies because they could actually change the nature of the

Kuwaiti labor force. We should also change our usual social and consumption patterns because the government is not required to do that for us. What it is required to do is to turn off some of the "spigots" that used to dispense free money in order to effect a radical change in the way this society conducts its business, and to link economic and social standards to demographic policy decisions and not only our obsession with security.

[Dr. Muhammad al-Sabah] The demographic composition is a variable, subject to the economic composition. Any time this economic structure undergoes a change, so does the demographic composition that serves this new structure because the pre-invasion economic structure was suited for a country like India or Egypt where there is a population surplus for whom employment must be provided. This pattern was founded on the premise that Kuwait is a Third World country, one characteristic of which is a population surplus. The pre-2 August 1991 study or strategy was designed mainly to change the economic structure to serve the envisaged demographic composition.

Real Estate

[SAWT AL-KUWAYT] How do you perceive the real estate situation, and what kind of future will it have?

[Dr. Muhammad al-Sabah] There is no doubt that there has been a change in the quality of the foreign labor force in Kuwait and of those with certain consumption patterns different from that of the labor force that used to be. If we are able to transform and revitalize the Kuwaiti economy, I expect a greater demand for skilled and educated labor with a different consumption pattern that will live in luxury apartments, and this will have a positive impact on landlords. What I see now is a solid real estate situation, but this is a temporary phenomenon. With regard to private housing, the rates are good.

[Amir al-Tamimi] To be sure, real estate took a beating after the crisis, especially with regard to investment housing and commercial real estate that has a very low occupancy rate. With regard to private housing in areas inhabited by Kuwaitis, the demand has risen because many Kuwaitis who used to live in investment areas are beginning to return to residential areas, hence the great demand. Furthermore, investment housing areas are tough areas to live in for security and social reasons. There is certainly a high vacancy rate in investment housing of over 50 percent. The real estate sector has suffered a setback, and real estate investors are in debt to the banks and finding it hard to generate enough income to meet their obligations. Furthermore, the purchasing power of the commercial sector in Kuwait has dropped due to a drop in population, especially since it had reached the saturation point and a supply higher than demand. Right now, the commercial sector is facing many problems because it has been hit hard by the occupation. Its installations have been destroyed and its stocks have been depleted. It has suffered compounded damages that will stay with it a long time. It is true that

it has started to absorb these damages and that the goods and services situation is better now than it was in the early days of liberation. I do think, however, that the prevailing prices are unnatural and may be temporary, but they have to come down after a while when the supply rises.

[Dr. Yusuf al-Ibrahim] What happened is actually a disaster and a total government breakdown that completely disrupted the country's economic life. But, such disasters afflicting societies effect changes in the economic pattern and economic activity and sectors, and any other adopted policies will have an impact on them. The new demographic composition will have a direct impact on the real estate sector. By and large, demand for high-priced luxury apartments will rise, but this will be temporary. I believe that the cancellation of consumer loans was one reason, for the solid demand for private housing that gave the citizenry a sense of increased wealth which allows them to improve their lot. The other thing is that many former Kuwaiti apartment-dwellers now feel insecure in their residences, in addition to the reorganization taking place in some areas where the price of an apartment has dropped 30 percent. The market will take the necessary time to reach a balance in which we will be able to come up with a correct assessment of the tangible negative effects on the real estate market. We must not be hasty in making decisions pertaining to the real estate market, but rather must take our time until the market settles down. With regard to the commercial sector, it has sustained great damage and, as you know, this is an important sector that employs many Kuwaitis. Right now, the government has the opportunity to empower the Kuwaitis by setting up a banking system to offer them credit facilities; by speeding up the development of a communications system; and by opening the ports because the chance to resume export activity, to the Iranian market in particular, is there. The Iranian market is a large market, and as long as a great deal of Iranian goods are coming into the Kuwaiti market, the Kuwaitis can likewise flood the Iranian market with Kuwaiti exports. Another point is that we should be thinking, through the GCC, about coordinating trade policies in view of the inequitable competition between the Kuwaiti and the other GCC commercial sectors. I believe that the situation will improve with time.

[SAWT AL-KUWAYT] What is the status of companies registered in the stock market?

[Amir al-Tamimi] The stock market has not yet opened to determine its status, but the situation has definitely changed. Many manufacturing, trade, and real estate companies have been harmed, and so have banks registered in the stock market. I imagine that, should the market be opened now, it would be a buyer's market, and, therefore, would be to the advantage of investors should they have the sense that their investment would be successful in the long run. Furthermore, stock prices will fall when the market is opened, unless a miracle

happens to improve corporate performance, which is not likely. Companies from all sectors have been hurt by the invasion.

[SAWT AL-KUWAYT] Will foreign investment rise when things settle down, and will there be more chances to increase investment in the local Kuwaiti market?

[Amir al-Tamimi] Foreign investments will continue to dominate because, before the invasion, Kuwait had reached an economic saturation point in all the various sectors. The commercial sector had a surplus, the real estate sector had a surplus, even prior to the invasion, and the industrial sector had some backlogs. I imagine the investors will find better deals abroad.

[Dr. Muhammad al-Sabah] Kuwait may have some investment opportunities, but it also has some restrictive laws within the local market. The removal of such restrictions will open local investment opportunities. I expect that banking units will consolidate, and foreign money will come in the form of contributions to stock issues issued by these new banking establishments, but they will be in small demand.

[SAWT AL-KUWAYT] Do you think you are ready to adopt a new strategy to be used in the economic development process.

[Dr. Yusuf al-Ibrahim] The study was completed in the summer of 1988 (the economic course study) which is a launching pad for a new strategy. For the raw material, namely the human resource, is available and eager to go, but we need a political decision. Decisions in any sector will be painful, and will call for sacrifice because such a policy will be harmful to some sectors, but we have to make decisions and start working. We must also try to be fair in allotting benefits and damages to the general benefit of our society, a long-term rather than a short-term benefit. These are the broad lines of any new strategy.

Oil Exports to Brazil To Resume in Dec 92

92SM0106Z Sao Paulo O ESTADO DE SAO PAULO
(Economic Section) in Portuguese 8 Nov 91 p 11

[Text] Brasilia—Kuwait will resume its exports of 1.5 million barrels of petroleum per day in December of next year. The resumption of full production was announced by the Kuwaiti ambassador to Brazil, Faisal Rashed Al-Ghais, as he reported that Brazil would again receive its quota of 40,000 barrels per day—the same quantity that was being sold before the Gulf War. At present, Kuwait is already producing 465,000 barrels per day. Of that total, the Kuwaitis consume 140,000 barrels and export the rest, most of it to Japan.

This has been a special week for the Kuwaitis. For the past two days the country has been holding national celebrations to mark the end of the fires in its oil wells. Amir Jabir al-Ahmad al-Sabah extinguished the last of those fires by remote control the day before yesterday.

"That was our second-biggest victory over the Iraqi regime," the ambassador in Brasilia said happily.

Data provided by Al-Ghais show that of the 940 wells existing in his country, 640 were damaged, with 92 of those being completely destroyed. Of the Total number of wells, 732 were set ablaze during the retreat by Iraqi troops in the course of so-called Operation "Desert Storm." Now the Government of Kuwait wants indemnification totaling \$200 billion from Iraq.

The Kuwaiti Government estimates that \$75 billion worth of damage was done to its oil wells alone during the war. "We have spent \$1.5 billion to put out the fires," said Al-Ghais. He added that to put out those fires, it was necessary to build 400 km of aqueduct from the Persian Gulf as well as 280 km of asphalted road, transport 1.8 million cubic meters of sand, and create 361 artificial lakes.

MOROCCO

Three Parties Form Territorial Commission

*92AF0106A Casablanca AL BAYANE in French
23 Oct 91 pp 1-2*

[Text] The Socialist Union of Popular Forces (USFP), the Istiqlal Party (PI), and the Organization for Democratic and Popular Action (OADP) announced in a press release that they have decided to "create a permanent committee to monitor the progress of action for territorial integrity and democracy."

After reviewing their common positions and the most recent developments that have affected our national cause, the three political groups expressed their "profound conviction that the determination of the Moroccan people to further their achievements in the area of territorial unity will thwart any plots against it and will be sure to make the plans for secession and hegemony fail."

In addition, they repeated "the need to respect the Moroccan identity of all our Saharan brothers, and especially those who have been forced to migrate to the North to flee the colonial terror."

In this connection, the three parties asked the Moroccan Government to "refuse to consider the 1974 survey as the sole reference used by the United Nations" to identify the people who should participate in the referendum on self-determination in the Moroccan Sahara.

They also praised the courage of our Saharan brothers who have managed to escape from the Tindouf camps, and said that the authorities should provide them "the means of action needed so that they can reveal the plots against our country, the repressive measures, the torture, the offenses to their dignity, and human rights violations of which our brothers in the Tindouf camps have been the victims."

Moreover, after indicating that our people are waiting for the return of our brothers who are being held by force, the three signatory parties said that all Saharan Moroccans, the ones living in the provinces we have recovered, those who have been "taken by force to Tindouf," and those who fled colonial repression will have to make further contributions "in a joint effort," toward strengthening the integration of our southern provinces.

As for the United Nations, the three parties called on that organization to put an end to the "acts of infiltration by separatists in the territories located between the international borders and the walls of security, taking advantage of the cease-fire."

Requesting the United Nations to prevent this "clear and evident violation of the cease-fire," they condemned the recruitment by the Polisario [Front for the Liberation of Saguia el Hamra and Rio de Oro] "persons of Mauritanian and Algerian origin" to try to inflate artificially the lists.

In addition, the USFP, the PI and the OADP used this communique to launch an appeal to all Maghreb political groups to express their full solidarity with "the Moroccan people in their actions to defend their territorial integrity,"... with a view to "safeguarding the achievements" resulting from the creation of the UMA [Arab Magreb Union], as well.

Finally, the three parties decided to mobilize all their human and material resources to "promote a far-reaching program for political action and global mobilization."

Union Receives Visiting Chinese Delegation

*92AF0118D Casablanca AL BAYANE in French
29 Oct 91 p 4*

[Text] An example of the ties of friendship and brotherhood between the Moroccan Labor Federation (UMT) and its counterparts, a high-level delegation from the All China Federation of Trade Unions (ACFTU) is visiting Morocco between 26 October and 3 November 1991.

The members of the ACFTU delegation are:

- Mr. Yu Hongen, general secretary and vice president of the federation and formerly China's minister of mining;
- Mr. Xu Xiaoquan, head of the international division and responsible for Arab and African affairs;
- Mr. Bai Zhenjun, head of the general administration division.

The delegation will meet with Mahjoub Ben Seddik, UMT's general secretary, and with the UMT's National Office to discuss the international labor union movement and initiatives for greater solidarity between the labor union movements of Morocco and China. The

delegation will also meet union officials from UMT's Regional Federations in Rabat, Casablanca, and Marrakech.

Loan From Kuwait To Finance Road Construction
92AF0118C Casablanca LE MATIN DU SAHARA
in French 31 Oct 91 p 1

[Text] The Kuwaiti Fund for Arab Economic Development has decided to lend Morocco 15 million Kuwaiti dinars (about 450 million dirhams), which will supply a portion of the financing needed for the project to build the highway between Rabat and Larache. The loan carries an interest rate of 4 percent and a 15-year grace period.

Daily Comments on University Student Clashes

Conditions Deplored

92AF0116A Casablanca AL BAYANE in French
27-28 Oct 91 pp 1-2

[Commentary by Mimoun Habriche: "Threats to Democracy and Tolerance"]

[Text] Last week, the university at Oujda was the scene of clashes between fundamentalist students and leftist (Quaidiye) students. The police were sent in and 13 students were brought before the court of first instance in Oujda.

On Thursday at the law school in Casablanca, a group of students publicly condemned the assault on one of their fellow students by a fundamentalist student. The incident may seem less serious in and of itself, but it takes on another dimension when viewed in the context of the events at Oujda and, last Friday, at Fes.

- Thursday, in front of the Oujda courthouse, an altercation involving stone throwing occurred between fundamentalist and leftist students attending the proceedings against the 13 students who had been charged.
- Friday, on the Mohamed Ben Abdellah campus in Fes, violent incidents broke out between two bands of extremist students, leaving 11 seriously wounded. The police intervened to restore order, made arrests and seized gasoline-filled bottles, clubs spiked with nails, metal chains, and knives that the opposing groups used as weapons.

The spread of such incidents reveals the seriousness of the situation inside the university system and the dangers that hang over the campuses and society as a whole.

The Moroccan university system has always been known for the plurality of views expressed through student activism. The student milieu has long played an important role in the education of individuals holding positions of responsibility, making them aware of their rights and duties with respect to their country and their people.

This would not be the case were it not for the responsible guidance given to students in the UNEM [National Union of Moroccan] and a commitment among students to tolerance and respect for others.

Although the array of student views and movements may be considered a factor that divides students and scatters their efforts, it is an indication of our young people's vitality and a sign of hope for our society. While at the university, in fact, those who will hold responsible positions in the future undergo an apprenticeship of democracy and learn that they must give of their efforts and abilities in order to improve living conditions in our country in an appreciable way.

But pluralism requires open-mindedness and a high level of commitment to tolerance and democratic principles. It is surely not by repressive means that one movement or another will be able to impose its views, whatever they may be. Nor can one group prove to others that its views are right by calling in outside henchmen with no connection to the university or by resorting to methods condemned by university ethics, such as the use of knives or other weapons.

It is neither understandable nor acceptable that the Moroccan university should experience a blatant setback to freedom of opinion and expression at a time when society is seeing progress in human rights. It is very disturbing that responsibility for the reversal rests with movements that claim to be fighting for democracy.

But these negative developments in the situation on campus were able to take place and spread only because they had been given fertile ground.

There is no need to review the conditions that led to the current state of affairs at the university. A wall of silence, it will be noted, surrounds the deteriorating climate on campus.

Indeed, it is unacceptable that certain spheres have said nothing about the introduction of reprehensible methods into a setting that was once known for its tolerance and commitment to democracy. By feeding an atmosphere of conflict and even hatred, certain movements are undermining the very foundations of the society we aspire to achieve. Such an atmosphere is a direct threat to the values that justify the existence of the university.

The stakes are such that narrow political calculations have no place here. Let everyone express his opinion and air his views. For our part, we can never let up in our condemnation of recourse to violence and fascist-inspired methods within the walls of the university— whoever the perpetrators may be!

Planning of Attacks Noted

92AF0116B Casablanca AL BAYANE in French
29 Oct 91 p 1

[Text] In Morocco, political violence has always been a relatively rare phenomenon of limited scope, thank God.

The use of force has never been an acceptable means of winning one's case or gaining political advantage. Respect for others—their physical inviolability, first of all—generally prevails among the different political forces and ideological movements.

It is true that heated controversies and impassioned sparring matches do occur, and may include recourse to the media. But, as a sign of tolerance and good upbringing, we in Morocco refrain from attacking the private lives of our opponents or using violence against them.

Could things be changing, regrettably? Many now fear that they are with the emergence of fundamentalism which, at the university, does not hesitate to do physical battle with the other movements, particularly the Far Left. As related elsewhere in this edition in a report from Fes, iron bars, maces, bicycle chains, and various types of knives are now being used to “debate” ideas.

Will society accept such a change—one that will have our young students learning to kill each other rather than assimilate the rules and virtues of peaceful dialogue and debate?

There is no question of accusing a particular movement or holding the Islamists solely responsible for the violent clashes recurring in Oujda and Fes, and even elsewhere. But is it acceptable that some in Morocco should advocate “Jihad” [holy war] against other students?

Is it acceptable that a minority should seek out another minority with the aid of apprentice butchers and other merchants' helpers carrying hatchets in their hands and hatred in their hearts?

Is it acceptable that there should be a general mobilization in which supporters are brought in from the north and south by train, bus, and convoys of private cars to attack and lay siege to a university campus, a mobilization that is indicative of a high degree of discipline and a well-organized network of considerable means?

Given the extent to which the police have infiltrated all student circles, is it acceptable that the different sides should be able to travel and prepare for such punitive raids with impunity?

Is it acceptable that other political circles should engage in demagoguery and falsely portray these events, making the attackers out to be innocent victims—clearly an inaccurate description? Will a student have to die with his throat slit before they react?

All points of view have the right to be heard. For our part, we are campaigning to ensure that all political movements in the country, the Islamists included, enjoy the right to express themselves and organize. But everyone must abide by Islam's golden rule, which is to respect life.

Both Sides Condemned

92AF0116C Casablanca AL BAYANE in French
30 Oct 91 pp 1, 3

[Text] Passions continue to explode and peace of mind has yet to be restored both on and off campus following the tragic events that took place at the University of Sidi Mohamed Ben Abdallah in Fes last Friday.

At about 1800 on Sunday, fundamentalist students resumed their hunt for students affiliated with the Far Left and, more inexplicably, for foreign students, the Senegalese in particular. It happened in the neighborhood known as the “ERAC” [Regional Establishment for Planning and Construction] area. The police did not arrest the attackers; nor did they protect the hounded students.

The repercussions of this stance were felt at the university the following day, Monday, when clashes again broke out between students from the two movements, leaving an undetermined number of them wounded. According to reliable sources, six fundamentalist students are in serious condition.

In light of that information, this would appear to have been a reprisal by the “Basists” for the odious aggression they suffered last Friday.

It is true that violence begets violence, as the saying goes. But it is extremely regrettable that the university—by definition a place of learning and knowledge born of perseverance and tolerance—has become the site of attempts to excommunicate others. That goes for both sides in the conflict. Theirs is an irresponsible attitude that rejects democratic debate in favor of armed clashes.

The outcome of such obdurate and puerile behavior is known to everyone: several dozens wounded, some of them seriously wounded; arrests of students, some of whom had nothing to do with the violence and were merely picked up when police intervened Friday and Monday morning after further clashes; and the suspension of classes at the university for an indefinite period of time.

It is time that all students, more particularly those involved in the latest rounds of butchery, realize the absurdity of such inhuman and medieval acts.

Islamists Hold ‘Court’

92AF0116D Casablanca AL BAYANE in French
31 Oct 91 pp 1-2

[Text] In Oujda, the obscurantist circles appear to be engaging in activities, some of them criminal, with complete impunity and with the authorities' full knowledge.

They are arresting students and forcing them to appear before ad hoc tribunals. They are imposing their own laws.

The personal account we publish below reveals a great deal about the anarchist practices the fundamentalists engage in to punish those who do not share their views.

The victim is a comrade of ours, Kajji Ahmed, who was kidnapped in broad daylight in Oujda and subjected to the cruelty of the fundamentalist "dispensers of justice" who live by their own laws.

Let the readers judge for themselves on the basis of the devastating testimony that follows.

"As I was returning in the company of two friends to my home in the Al Qods neighborhood of Oujda, a group of four 'bearded men' approached me. It was close to noontime. One of them—a student from Tahla where I also come from—called me by my name: 'Kajji Ahmed, I want to talk to you.'"

"What is this about, Zekkaki?" I asked.

"Let's go, or we will cut your throat."

"Go where?"

"To the house. You will be investigated. Afterward, you will be released."

"By that time, the other three had overpowered me, holding a dagger at my back. Frightened by their insistence, I went along with them.

"After a ride of a few minutes in a car driven by someone who is not a student and with guards on board, we arrived at the house of the fundamentalist group, which is known to everyone including the authorities.

"As soon as the door opened, I was shoved inside. There, everywhere I looked, I saw clubs, metal chains and bars, knives and daggers, and numerous piles of stones!

"They made me sit on a wooden chair in the middle of the room. A list of names was quickly read out. Instantly, many bearded men appeared. There were about forty of them, all carrying knives, clubs, or some kind of weapon.

"The oldest one came forward and asked: Do you know this 'atheist,' this comrade?"

"In unison, a majority of the voices answered, 'Yes, he is a comrade of the PPS [Party of Progress and Socialism].'"

"He then asked that I be subjected to a careful search after which, they asked me for my PPS card. I replied that I did not have it on me. They immediately blindfolded me and began an interrogation in which they asked me scores of questions:

'Did you participate in the recent clashes?'

'What is your party's stand on Islam?'

'What office do you hold in the PPS?'

'How many times a week do you hold student meetings?'

'Who is responsible for them?'

'How many of you are there at the university?'

"And on and on. The interrogation lasted from 1230 to 1700, only to be continued by someone else until 1900.

"The latter part of the interrogation was conducted by another leader who said: 'You were on the list of prisoners to be expelled from the region and those sentenced to death, but taking a few considerations into account, we are going to lighten your sentence. We will consider it enough to break one of your hands and one of your legs.' And so I chose my left hand and leg...."

"Following that, I was taken to a distant place in the same car, an R-4. There, I was severely beaten. The blows came from all sides, one after the other. Prior to the beating, they had ordered me to say nothing about this whole affair or else I would die.

"The beating lasted a fair amount of time, until I lost consciousness. When I came to, I crawled back to the city...."

Official Unemployment Statistics Challenged

92AF0099E Rabat L'OPINION in French
29 Oct 91 pp 1, 3

[Commentary by Mostafa Nassiri: "Unemployment Rate and Volume; The Trees and the Forest"]

[Text] In our opinion, the Directorate of Statistics' "methodological correction" of our article (see L'OPINION of 23 October 1990 [sic]) exceeds in some respects the objective standards of the methodology it purports to explain to achieve "greater clarity in the debate."

Aiming also to remove "certain ambiguities," it nevertheless allows several such ambiguities to subsist concerning a very serious phenomenon, unemployment, which is becoming an acute problem and that the terms of the methodological correction attempt to tone down: Concerning the volume and rate of unemployment, the Directorate of Statistics notes: "Despite an increase in the volume of unemployment (+49.8 percent in 11 years), the employment rate (on the other hand) decreased by nearly 19 percent from 1971 to 1982." "The employment situation, therefore, appears to have relatively improved." And, further on: "As for the unemployment rate among the working population with a secondary education, to which the author refers, it actually increased (respectively) from 22.2 percent to 23.9 percent, i.e., by only 7.7 percent."

Put forward by a department that is supposed to be strictly objective, these statements, we believe, introduce elements of subjectivity, represent a biased interpretation, and formulate a value judgment that tends to downplay the intensity of the worsening unemployment phenomenon. It is in this respect that the methodological correction turns into a point of view—and one that is not very convincing at that—and exceeds its objective limits

to fall into the truncated framework of biased information. In addition, the figures supplied in said correction, mentioning a 19-percent decrease in the unemployment rate, were taken from the population and housing census, whereas indicators, in particular the unemployment rate mentioned in the article, refer to the unemployment survey. In this respect, we should point out to the very recommendation of the Directorate of Statistics: "... we should warn users that any comparison of the results of this survey with those of a population census or any other statistical source should be made with caution. In fact, results from various statistical operations are not comparable unless they were observed, measured, and recorded in an identical manner."

Still concerning the unemployment rate—which "reflects certain facets of reality that are not obvious from the unemployment volume, namely the burden that the unemployed represent for society," as the correction explains—should we conclude in such a clear-cut manner, based on a negative rate of 19 percent, that society had to support fewer unemployed from 1971 to 1982? Besides, here is the variation of unemployment rates expressed through the survey of the working urban population: 1986: 15.6 percent; 1987: 14.7 percent; 1988: 13.9 percent; 1989: 16.3 percent; and 1990: 15.8 percent. As if by a remarkable coincidence, we have the same rate of unemployment in 1990 as in 1971: 15.8 percent. Reasoning along the same lines as the "methodological correction," we can state that the unemployment rate increased by 19 percent from 1982 to 1991, that the burden that the unemployed represent for society became heavier, and that the employment situation deteriorated. Such, therefore, are the facts that these rates reflect so well, together with facts that reveal an 86-percent rise in the volume of unemployment from 1982 to 1990.

In addition, concerning the recommendations of the International Labor Bureau (BIT) mentioned in the preamble of the correction and that deal with employment statistics, a mission report from that very BIT (Information on employment in Morocco: Assessment and prospects for improvement—September 1988) estimates that these statistics do not give a true picture of the actual nature of the jobs held and of the corresponding skill levels.

It is within this broad but necessary context of information quality that the surveys made may prove useful to the decision maker. He must know how the job market works and what its limitations are. The Directorate of Statistics' surveys lack exhaustivity as far as information quality is concerned.

This is precisely the case for the informal sector, for which we would have liked to know the definition adopted by the Directorate of Statistics.

The latter puts forward the rate of 40 percent at most [for] the salaried workers employed in this sector, as a proportion of the total salaried population. The informal

sector, the correction observes quite tersely, consists of "households and private firms with fewer than 10 employees." This is, to say the least, an irrelevant definition, which covers only part of a vast sector of activities that should be apprehended by means of criteria reflecting the specific structure and reality of the Moroccan economy and society.

The informal sector must be considered as a whole, as it covers nonsalaried workers, income from self-employment, moonlighting and work bordering on illegality. It accounts for the most diverse production and service activities. According to some estimates, this sector employs over 75 percent of the working population as a whole, taking into account the share of the traditional sector as distinguished from the so-called "modern" sector. Considering the place it occupies in Moroccan economy, the informal sector should be redefined to reflect reality. We would have liked the Directorate of Statistics' methodological correction to contribute to this. It would thus have provided greater "clarity in the debate" and it would certainly have enriched the context.

Alleviation of Country's Foreign Debt Welcomed

*92AF0118A Casablanca AL BAYANE in French
26 Oct 91 pp 1,3*

[Commentary by Mimoun Habriche: "Further Debt Relief for Morocco"]

[Text] According to certain sources, Saudi Arabia has cancelled 2.8 billion dollars in debt owed by Morocco. This reduction in Morocco's foreign debt is to be welcomed not only for its immediate effects on our country's external finances but also for the far-reaching implications it may have.

Indeed, the Third World's debt problem has been somewhat overshadowed lately by the major political upheavals that have swept Europe and the Near East. The problem nonetheless remains to be dealt with in a manner that takes the debtor countries' financing needs into account.

It is true that Morocco, for its part, is on excellent terms with its creditors in both the Paris Club and the London Club. At the same time, Saudi Arabia's gesture in Morocco's behalf is one that may influence Morocco's other creditors to orient their positions in the same direction.

Another consequence of the measure is that it demonstrates that Arab solidarity is not any empty promise; that, on the contrary, Arab solidarity translates into concrete deeds, and their symbolic import may be even greater in value than their material content.

But, while Morocco must rely upon the understanding of its partners, particularly its Arab brothers, it has no

choice but to mobilize financial means of its own to the extent possible if it hopes to break out of the vicious circle of indebtedness.

True, the rescheduling of external debt offers a respite by easing the pressures on external payments. But it also represents a wager on future prosperity and causes the debt service to rise.

The paths by which future debt obligations can be met are well-marked. They require a more rapid pace of economic development which, in turn, is dependent upon the financing that can be mobilized for productive investment. In that area, Morocco could obtain appreciable results by taking action on two concomitant fronts.

First, it has been observed that an excessive amount of domestic capital is devoted to speculative activities or left idle. The proportion is especially excessive for an indebted economy experiencing financing problems. With a certain dose of political will, Morocco could discourage such harmful practices and simultaneously encourage Moroccans possessing capital to shoulder their responsibilities toward their own society.

Second, a full-fledged campaign to acquaint foreign investors with Morocco's potential remains to be undertaken. A promotional effort like this would have to be accompanied by domestic reforms aimed at making it easier to open the door to foreign investors.

From the outset, indebtedness never appeared to be a fate that had to be accepted with resignation. Rather, the inadequacies and deficiencies of economic policy and attempts to mobilize savings have presented it in that light. The step taken by Saudi Arabia should be perceived not as an encouragement to appeal to the good will of our partners, but as an invitation to pursue a policy of gradual debt reduction.

Finance Draft Bill for 1992 Evaluated

*92AF0118B Rabat L'OPINION in French
5 Nov 91 pp 1,4*

[Commentary by Mustafa Nassiri: "Growth Has Been Sacrificed"]

[Text] The 1992 finance bill drafted by the government was recently submitted to the House of Representatives, which is to study the bill's provisions for the various sectors of the economy before voting on it.

In the budget it proposes, the bill reflects the existing policy of correction. The bill introduces revisions in tax regulations and seeks to reach the goal held by the public authorities for several years now, i.e., to reduce the Treasury deficit.

Despite the increases it proposes in both government revenues and expenditures, the finance bill cannot exceed the bounds dictated by the Treasury's financial constraints and the debt burden. It should be noted that

the grace period for repayment of external debt under previously negotiated agreements expired in 1990.

Economic policy falls well short of the goals of expansion, higher company profits, and resource redistribution because of several factors: an economic environment of very moderate growth, the rate of inflation, the unemployment rate (averaging 15 percent), attempts by the public authorities to reign in overall demand, and economic uncertainties over the medium-term. Capital expenditure and job creation are handicapped as a result.

Tax reform has certainly helped to improve budgetary resources but its capacity to reduce the Treasury deficit has been limited solely to discretionary measures (lump-sum tax payment and estimated tax payment), which would be carried over into 1992 among the regulatory measures and adjustments contained in the finance bill.

For 1992, the bill limits expenditures to 86.44 billion dirhams (+5.5 percent in relation to 1991). Of that total, 73.31 billion is designated for the general budget (+3.81 percent) and 12.09 billion for special treasury accounts. Operating expenditures total 37.29 billion dirhams (+12.59 percent) and payment appropriations 13.59 billion, as compared with 12.90 million—an increase of only 0.5 percent.

Principal, interest, and commissions to be paid on the external and domestic public debt amount to 22.48 billion dirhams (-5.8 percent in relation to 1991).

Of that total, the external debt burden comes to 17.85 billion dirhams as compared with 15.54 billion (-12.93 percent). [As published the following would indicate that the two figures are reversed.] The amount of principal to be repaid is 26.8 percent lower than in 1991 (6.7 billion as compared with 9.18 billion), while interest and commission charges are up by 1.77 percent (8.82 billion). Domestic debt charges would increase from 6.75 billion to 6.89 billion (+2.1 percent).

The finance bill establishes the total of all resources combined (general budget, ancillary budget, and special treasury accounts) at 85 billion dirhams, as compared with 80.28 billion in 1991 (+5.85 percent). Budgetary resources are set at 73.43 billion dirhams as compared with 70.1 billion in 1991 (+4.74 percent).

Direct taxes and related revenues would rise by 23.82 percent (16 billion dirhams as compared with 13 billion in 1991). The I.S. [corporate tax] would generate 6.6 billion dirhams in 1992, as compared with 5.42 billion in 1991 (+21.9 percent) and the I.G.R. [general income tax] would generate 7.23 billion as compared with 6.11 billion (+18.28 percent). According to the ministry of finance, the increase in corporate tax revenues is explained by the continuation of the rate of increase "established at a prior date" and the removal of the cap on minimum payments, while the increase in general income tax revenues is explained by new minimum payment measures applicable to professional income.

The tax on real estate profits would rise from 120 million dirhams to 265 million. The 120.8-percent increase is attributable to the introduction of a minimum tax equal to 2 percent of a transaction's value.

Customs duties would generate 14.52 billion dirhams in 1992 as compared with 11.68 in 1991 (+24.32 percent). Import duties would rise from 5.4 billion to 6.44 billion (+19.46 percent).

Revenues from indirect taxes are estimated at 18.83 billion dirhams as compared with 16.33 billion in 1991 (+15.29 percent).

The state's share of proceeds from the valued added tax would rise from 9.68 billion dirhams to 10.26 (+5.92 percent). Revenues from domestic consumption taxes would increase by 28.95 percent from 6.65 billion to 8.57 billion.

It should be noted, by contrast, that the bill anticipates lower revenues and proceeds from state property (-23.95 percent) and a decline in exceptional revenues and loan proceeds from 22.89 billion in 1991 to 15.7 billion in 1992 (-28.28 percent).

Indeed, despite an overall increase in budgetary resources expected in 1992, rising expenditures (operating expenditures, primarily) combined with the debt burden will require financing as usual by means of an already onerous treasury deficit.

This will consist—at least in part—of recourse to monetary resources that will have an inhibiting effect on the distribution of bank credit and on investment. Investment, like demand, will continue to be contained, resulting in only limited growth. Despite rising expenditures and rates of taxation, the multiplier effects of budgetary outlays and the spending of tax revenues will have no impact on growth, particularly in an economic environment characterized by inflation and unemployment.

Daily Notes Progress in Human Rights

[Editorial Report]

92AF0106C Casablanca AL BAYANE in French
23 Oct 91 p 1

[Excerpt] It was yesterday that the Human Rights Commission of the United Nations headquartered in Geneva was to resume its examination of the report presented by the Moroccan authorities on how our country has been enforcing and respecting the rights guaranteed by the International Convention on Civil and Political Rights (a convention that Morocco has signed).

Postponed last July, when the Moroccan delegation refused to be a party to the masquerade mounted by the French television networks, consideration of this report is expected to take place today in a much calmer atmosphere.

Of course even in Morocco, humanitarian circles, including the OMDH [Moroccan Human Rights Organization] have criticized the report written by the Moroccan Government. The OMDH, in particular, has made a point of stating that in the area of human rights, it is practice above all that counts, more than the laws themselves (that can remain a dead letter or that on occasion are flouted).

But in the end, even as far as the specific conditions for exercising public and democratic freedoms are concerned, progress has been made, even though unacceptable "mistakes" have been made (as in the case of our lamented party activist El Hachmi Lemseguem).

The progress that must be acknowledged is what has been achieved in the context of the political prisoners. After the pardons in August, the release of Abraham Serfaty, and the disappearance of the Tazmamart prison, even people abroad had to acknowledge the fact that the situation in Morocco had improved. In the United States, Amnesty International acknowledged this in the press. And in Paris, the "Action Committee for the Release of Political Prisoners in Morocco" decided that it was time to dissolve....

Moreover, we have been led to believe that there may be more releases and pardons granted in the near future.

However, there are the cases that are not mentioned and yet that are there. For instance, all the young people, sometimes convicted to heavy sentences (10 and 20 years), who have been in prison since the various riots that took place in the country in 1981, 1984, and 1990. These prisoners also deserve to be freed, because even if they did commit acts of violence, they were primarily victims of poverty. [passage omitted]

QATAR

GDP Reaches 27 Billion Riyals for 1990

92AE0068A Doha AL-SHARQ in Arabic 24 Oct 91 p 9

[Article by Muhsin Hasanayn: "GDP Rises to 27 Billion Riyals for Last Year"]

[Text] The latest figures released by the Central Bureau of Statistics show that last year's estimated gross domestic product (GDP) reached 26.865 billion riyals at current prices, a large increase of 3.249 billion Qatari riyals over 1989.

The figures show that mines and quarries contributed about 9 billion riyals to the GDP. Processing industries contributed 3 billion riyals. The finance, insurance, and real estate sector contributed 2.5 billion riyals.

This was mentioned in the annual statistical compilation that the bureau recently issued. It is considered to be a compendium encompassing all statistical reports covering economic, social, and cultural activities of all kinds in the country. The report covers natural and climatic

conditions; population; labor force; vital statistics; statistics on education, health services, media, culture, and tourism; agricultural statistics; statistics on oil, manufacturing, electricity, water, building, and construction; statistics on domestic and foreign commerce; statistics on prices and [high and low] records; and statistics on transportation, communications, banks, insurance, national income, and government expenditures.

The statistical compilation was presented by Mr. Muhammad Ma'yuf al-Nu'aymi, head of the Central Bureau of Statistics. He expressed his thanks to all the government agencies, individuals, and bureau members for their productive and effective cooperation that helped produce the compilation in a way that will benefit researchers and economists.

Large Increase in GDP

The figures that the Central Bureau of Statistics published anticipate that the GDP, at current prices, will reach 26.865 billion riyals in 1990 [when final figures have been tallied], compared with 23.616 billion riyals in 1989, 21.979 billion riyals in 1988, 19.825 billion riyals in 1987, and 18.393 billion riyals in 1986.

The mines and quarries sector led in terms of GDP contribution, with 9.20 billion riyals, compared with 7.103 billion riyals in 1989, 5.591 billion riyals in 1988, 5.869 billion riyals in 1987, and 5.395 billion riyals in 1986.

The processing industries sector came second in size of contribution, with 3.780 billion riyals, compared with 3.333 billion riyals in 1989, 3.138 billion riyals in 1988, 2.100 billion riyals in 1987, and 1.777 billion riyals in 1986.

The finance, insurance, real estate, and business services sector contributed 2.548 billion riyals to the GDP, compared with 2.455 billion riyals in 1989, 2.236 billion riyals in 1988, 1.988 billion riyals in 1987, and 1.972 billion riyals in 1986.

The Central Bureau of Statistics estimated the contribution of real estate activity to the GDP last year at about 1.564 billion riyals. Banks contributed 798 million riyals, business services 125 million riyals, insurance 33 million riyals, and money changers 28 million riyals.

The bureau estimated the contribution of the commerce, restaurants, and hotels sector to the GDP last year at about 1.697 billion riyals. The commerce component in this figure was 1.550 billion riyals, the restaurant component was 77 million riyals, and the hotel component was only 70 million riyals.

The contribution of the transportation and communications sector to the GDP, according to the estimates of the Central Bureau of Statistics, was 679 million riyals, compared with 669 million riyals in 1989, 659 million riyals in 1988, 508 million riyals in 1987, and 410 million riyals in 1986.

Communications contributed 350 million riyals to the GDP last year. Land transportation contributed 210 million riyals, air transportation contributed 77 million riyals, and sea transportation contributed 42 million riyals.

Financial accounting services contributed about 630 million riyals to the national product. Social services contributed about 233 million riyals. Agriculture, forests, and fishing contributed about 225 million riyals.

Government services, according to the estimate of the Central Bureau of Statistics, contributed about 7.450 billion riyals, compared with 6.848 billion riyals in 1989, 7.321 billion riyals in 1988, 6.425 billion riyals in 1987, and 6.47 billion riyals in 1986.

Domestic services contributed about 286 million riyals, and import duties contributed about 150 million riyals.

Estimate of GDP at Fixed Prices

The figures that the Central Bureau of Statistics published included an estimate of the GDP at fixed prices based on those of the year 1988. On this basis, the GDP in 1989 was about 23.134 billion riyals, compared with 21.979 billion riyals in 1988, 20.996 billion riyals in 1987, 20.808 billion riyals in 1986, and 20.74 billion riyals in 1985.

GDP According to Expenditures

The figures also included an estimate of the GDP according to expenditures at current prices. On this basis, our exports of goods and services in 1990 were estimated at about 12.350 billion riyals, compared with 9.986 billion riyals in 1989, 8.239 billion riyals in 1988, 8.188 billion riyals in 1987, and 7.330 billion riyals in 1986.

The government's expenditures as an end consumer were estimated at about 10.25 billion riyals, compared with 9.165 billion riyals in 1989, about 9.983 billion riyals in 1988, 8.776 billion riyals in 1987, and 8.384 billion riyals in 1986.

End consumer expenditures by families were estimated at about 7.990 billion riyals, compared with 7.597 billion riyals in 1989, 6.428 billion riyals in 1988, 6.362 billion riyals in 1987, and 5.437 billion riyals in 1986.

Ministry Plans for Port, Airport

92AE0068B London AL-SHARQ AL-AWSAT in Arabic
31 Oct 91 p 9

[Article: "Qatar To Invite Bids for Container Port in 1992, Implementation of New Airport To Begin in 1994"]

[Text] The Ministry of Municipal Affairs in Qatar is overseeing studies for two projects—one to construct a 2-million-passenger-per-year international airport, and one for a new container port in Doha.

A source at the ministry said that the project would be implemented in several phases, beginning with the preliminary studies phase, which was entrusted late last year to the Paris Airport Commission. The study includes the preparation of an outline for all phases of implementation, with the ability to absorb expansions and future developments in the year 2020. It also includes a study of the suitability of the proposed site for the new airport and its ability to absorb future development for a period of 30 years. The site lies 5 km east of the current airport and borders on the waters of the Gulf. In addition, there is to be a structural plan for the airport's components—landing and take-off runways, standing areas, and buildings with halls for arriving and departing passengers.

The same source said that the second phase will include architectural drawings, detailed plans, and conditions for bidding, and will last through 1992 and 1993. He stated that implementation of the new airport will begin in 1994 and will take three years.

The source added that the project includes building a 5-km-long runway on the sea, 500 meters from shore. The project will incorporate buildings designed according to the most modern system for international airports—halls for arriving and departing passengers, transit halls, and other wings. A network of external roads will connect the airport with other roads in the city of Doha.

Concerning the container port, the source said that studies are currently underway on linking the new port, which will be built to a high level of specifications, with the current port. He indicated that detailed architectural designs, conditions for bidding, and bids will be completed in the middle of 1992. The port will be provided with the most modern machines and equipment, such as cranes and advanced machinery. In addition, there will be a moving platform to facilitate unloading and loading cargo ships.

The source indicated that the new port will include the buildings needed to cover all services and will be able to receive two Type-2 ships at the same time. It is to begin operation in mid-1994.

Law on Formation of Communications Ministry

92AE0067A Doha AL-SHARQ in Arabic 15 Oct 91 p 3

[Law 15/1991, regulating Communications and Transportation Ministry, Detailing Powers]

[Text] The following is the text of Law 15/1991 promulgated by his highness the emir to regulate the Ministry of Communications and Transportation and define its powers.

I, Khalifah bin Hamad al-Thani, Emir of the State of Kuwait, pursuant to the provisional constitution as amended, especially Sections 23, 31, 34, and 51; Statute 29/1966 regulating Qatar's seaports, as amended by

Statute 13/1982; Statute 4/1968 regulating Doha Airport; Law 5/1970 and its amending law defining the powers of ministers and the prerogatives of ministries and other government agencies; Law 7/1982 regulating travel and tourism bureaus; Law 14/1990 regulating the mails; royal decree 14/1987 creating the rank and fixing the salary of a deputy minister; Royal Decree 8/1979 creating the system of deputy ministers; Royal Decree 4/1989 creating the Supreme Planning Council; Council of Ministers' Resolution 12/1972 reorganizing the administrative apparatus of the ministries; Council of Ministers' Resolution 16/1973 creating the Civil Aviation Ministry and regulating its powers; Council of Ministers' Resolution 7/1982 creating the Administration of Weather Observation within the Communications and Transportation Ministry and regulating its powers; and the draft law proposed by the Council of Ministers; and having sought the opinion of the Consultative Council, hereby decree the following law.

Section 1

The Ministry of Communications and Transportation shall be organized and its powers defined as stated in this law.

Section 2

In addition to the general powers specified in Law 5/1970 aforementioned, the Ministry of Communications and Transportation shall be entrusted with the following responsibilities:

- originating overall policy for the communications and transportation services sector and monitoring the implementation of policy
- developing and improving communications and transportation services
- studying communications and transportation projects, supervising them, and monitoring their implementation
- regulating traffic at airports and marine terminals and working to develop it in accordance with the requirements of international regulations
- organizing and developing the activity of the postal service
- organizing weather observation activity
- organizing civil aviation activity in accordance with the requirements of international regulations
- establishing rules for ship registration and overseeing safety conditions on ships
- issuing naval licenses and granting certificates of navigational competence
- proposing draft laws and ordinances relating to the ministry's responsibilities.

Section 3

In keeping with the minister's general authority under the provisions of Law 5/1970 aforementioned, the minister shall be entrusted with the following responsibilities:

- General supervision of the management of ministry business and the ways in which the ministry exercises its responsibilities
- issuing resolutions necessary to organize work in the ministry
- representing the country in regional and international conferences, agencies, and organizations in the field of the ministry's activity.

Section 4

The minister shall have an office director directly subordinate to him entrusted with the following responsibilities:

- organizing files, correspondence, and papers in the minister's office
- receiving incoming correspondence for the minister and preparing it for submission to him
- distributing the aforementioned correspondence to the appropriate persons or agencies for study in accordance with the minister's instructions
- preparing memoranda and correspondence that the minister assigns to him
- contacting various persons or agencies to submit required papers and information
- informing concerned persons or agencies of the minister's instructions and directives and informing him of what has happened regarding these
- attending meetings and discussions that the minister allows him to attend and recording what the minister directs him to record.

Section 5

A planning and follow-up unit shall be created within the ministry, with a decree for its formation to be issued by the minister. It shall be entrusted with the responsibilities specified in Royal Decree 4/1989 creating the Supreme Planning Council.

Section 6

In keeping with the deputy minister's general responsibility under the provisions of Law 5/1970 and Royal Decree 8/1979 aforementioned, the deputy minister shall be entrusted with the following responsibilities:

- proposing draft regulations and resolutions regulating work in the ministry or carrying out its responsibilities
- authorizing disbursement orders and vouchers in accordance with financial rules and ordinances
- proposing changes in the organization of the ministry's component administrations, as well as defining and changing their responsibilities.

The deputy minister may delegate some of his responsibilities to the directors of the ministry's administrative units.

Section 7

The Ministry of Communications and Transportation shall be composed of the following administrations:

- the Ports, Maritime Affairs, and Land Transportation Administration
- the Post Office Administration
- the Civil Aviation Administration
- the Weather Observation Administration
- the Administrative and Financial Affairs Administration.

Section 8

Each of the ministry's administrations shall be headed by a director directly responsible to the deputy minister. He shall be entrusted with the following responsibilities:

- managing the affairs of the administration, monitoring the course of its work, and coordinating between the administration's departments and offices
- proposing decisions needed to develop the administration's activity
- preparing the administration's proposed budget
- making decisions and signing the various transactions that come under his authority.

Section 9

The Administration of Ports, Maritime Affairs, and Land Transportation shall have the following responsibilities:

- administering harbors, ports, docks, and civilian points of access to the sea
- taking responsibility for pilot, tug, and docking operations
- regulating the movement of ships of all kinds and sizes and the loading, unloading, and storage of goods
- designating areas of water for harbors and ports and maintaining equipment, structures, and navigational aids in them
- supervising navigation safety in all sea lanes and at docks belonging to harbors and ports
- protecting harbors and ports from environmental pollution in coordination with relevant agencies
- providing all navigational facilities
- registering ships and vessels, such as merchant ships, fishing boats, pleasure craft, yachts, and sea platforms; inspecting them; issuing licenses and certificates of seaworthiness and safety for them and for the equipment on them; and issuing maritime permits
- monitoring the building of ships, platforms, and maritime structures in accordance with the rules and specifications applied by international maritime classification agencies
- investigating in coordination with relevant agencies maritime accidents involving civilian and merchant vessels in internal waters, the regional sea, and the free economic zone or involving Qatari ships overseas
- supervising wreckage in internal waters, the regional sea, and the free economic zone

- ascertaining that ships' cargoes correspond to the information given in bills of lading and other papers and vouchers
- proposing prices and tariffs for sea and land transport and freightage and collecting fees and charges due for all services provided by the administration
- monitoring national companies operating in the areas of navigation and maritime transport and monitoring maritime transport and service agencies
- setting rules and conditions to regulate obtaining maritime certificates for ships and certificates of navigation competence for captains, navigation officers, and engineering officers; and monitoring their application.

Section 10

The Post Office Administration shall have the following responsibilities:

- receiving, gathering, distributing, and transporting all kinds of postal correspondence to all destinations by various appropriate means and methods
- printing, issuing, and selling postage stamps and international reply coupons
- issuing and paying postal money orders
- holding postal savings accounts
- opening and closing post offices throughout the country
- installing and removing mail boxes
- proposing the imposition or alteration of fees and charges for various postal services, and receiving fees and charges imposed in one of the legally approved ways
- establishing plans and programs to improve and develop postal services and monitoring the implementation of such plans.

Section 11

The Civil Aviation Administration shall have the following responsibilities:

- supervising civil aviation and regulating its affairs in accordance with the requirements of the law and the rules of the International Civil Aviation Organization
- supervising, maintaining, and developing civil airports in accordance with local and international rules and procedures
- granting licenses to open, manage, or profit from travel bureaus, or advising that these legally granted licenses be cancelled
- supervising procedures related to creating national air transport organizations and companies
- registering all kinds of civil aircraft and setting the term of their serviceability and conditions for their operation
- setting operating procedures for the commercial air routes of foreign airline companies and granting them passage and landing permits; supervising these routes, and guaranteeing that they observe national and international laws

- issuing and renewing aviation certificates and licenses in accordance with the rules in force internationally
- proposing fees and taxes relating to aircraft landing, hangaring, transit, and departure, and collecting these fees and taxes after their determination
- approving the tariff on all air routes between the domestic zone and foreign countries
- investigating air accidents and establishing the necessary rules for this
- issuing and renewing entry permits for civil airports and their facilities in coordination with the relevant security agencies.

Section 12

The Weather Observation Administration shall have the following responsibilities:

- managing, maintaining, and developing a network of meteorological observation stations with their associated land and sea platforms, seismological stations, etc.
- organizing and carrying out operations to observe weather conditions; gathering, exchanging, and publishing the results
- analyzing weather information and preparing and issuing weather forecasts and warnings
- providing weather monitoring services to agencies responsible for aviation traffic and for the country's seaports, to other interested government agencies, to organizations, companies, and public service facilities including those involved in environmental protection, and on request to private institutions and projects in various areas of the national economy and natural resource exploitation whose activity is affected by weather factors; and helping such organizations benefit from these services
- coordinating and cooperating with government bodies and agencies and with public organizations and establishments whose activity is related to the work of the administration.
- 5.
- Developing ways and means of gathering and analyzing meteorological information so as to improve weather forecasts
- preparing and publishing supplements and reports on weather and climate information
- creating a meteorological information bank to include all available publications relating to weather and climatic observation and any periodically issued publications, bulletins, or information on this subject concerning Qatar and its neighboring countries.

Section 13

The Administration of Administrative and Financial Affairs shall have the following responsibilities:

- applying all administrative and financial rules and regulations
- implementing measures relating to employee affairs

- determining the ministry's needs for positions and workers in coordination with other administrations of the ministry
- estimating the training needs of ministry employees in coordination with other ministry administrations
- supplying the requisites and necessary equipment that the ministry and its various administrative units need to perform their functions
- preparing the ministry's budget proposal and monitoring implementation of the budget
- establishing and administering information rules
- managing public relations for the ministry.

Section 14

The organization of the ministry's administrations may be changed by resolution of the Council of Ministers at the minister's suggestion. Administrations may be added, suppressed, or amalgamated, and their responsibilities may be defined and changed.

Section 15

Departments within ministry administrations may be created by decision of the minister as required by the public interest. He may also suppress or amalgamate departments and define or change their responsibilities.

Section 16

The minister shall issue the regulations and decisions needed to implement this law.

Section 17

Ministerial Council Resolutions 16/1973 and 7/1982 aforementioned are hereby repealed, and any provision in conflict with the provisions of this law is also repealed.

Section 18

All relevant agencies, each in accordance with its authority, shall implement this law and operate in accordance with it from its date of publication in the official journal.

[signed] Khalifah bin Hamad al-Thani, Emir of the State
of Qatar

Issued at the chancery of the emir on 6 Rabi' al-Thani
1412 (14 October 1981).

SAUDI ARABIA

Citizenship Allegedly Not Discriminatory
92AE0060C London AL-MAJALLAH in Arabic
11 Sep 91 p 25

[Text] The system for granting citizenship in the Kingdom of Saudi Arabia does not discriminate between citizens, nor does it contain any classes of citizenship among them. These are the terms of Article 8 of the

Procedure for Obtaining Saudi Citizenship, with the consent of the relevant quarters:

- that [the applicant] be born in Saudi Arabia to a foreign father and a Saudi mother
- that he be continuously and permanently resident in Saudi Arabia
- that he be honest and upright, with no prior criminal conviction in any case for more than six months' imprisonment
- that he be fluent in Arabic
- that his application be within one year of his attaining the age of reason
- that he be mentally, bodily and hygienically sound.

With regard to applicants for Saudi citizenship not of Saudi birth:

- that he have resided in Saudi Arabia for a period exceeding five years and have attained the age of reason
- that he be neither simpleminded nor insane
- that he have acquired ordinary permanent resident status for a period of at least five continuous years
- that he be honest and upright
- that no judicial prison sentence have been issued against him for any crime of morals for a period exceeding six months
- that he prove that he earns his living legally.

Editorial Says Wealth, Production Go Hand in Hand

92AE0060B Riyadh AL-RIYAD in Arabic 20 Oct 91 p 2

[Report by 'Ali Bu-Khamsin]

[Text] Some political groups in the Arab world still cling to the calls of the Iraqi regime to "distribute the wealth." This worn-out claim is, ultimately, merely an expression of impotence and a desire to take what belongs to others; an attempt to flatter the primitive emotions of the masses, to ride the waves of the outburst it has whipped up. Besides that, it confirms the current conviction that some political sectors in the Arab world are still experiencing a state of total alienation from the ways of international thinking and the essence of humane practices, and refrain—by virtue of their creation—from benefitting from them, even though they interact with them.

This is because there is a complete reexamination of many concepts that have prevailed in modern human thinking with regard to "distributing the wealth" at the national and international levels, and, given the frequent idealism—bordering on naivete—of this thinking, this rigorous reexamination has not been positive in its conclusions.

Did the aid that flowed to Third World countries from the governments and institutions of the rich world always carry with it decisive solutions to aid the peoples

of this world and their needs in developing their standards of living and satisfying their basic needs? In many cases it helped to deepen the social and economic problems that hampered their development and led to the destruction of the inherited means of raising themselves up, adding new implications to the aid.

But we in the Arab world sent expressions over our borders that lost their captivating fire, and their echo has died away with the eruption of human feeling and the disappearance of the enemies created by our fears and misgivings. Now we must look for new enemies and create new forms for expressions to jabber about, and satisfy our needs to the daze of talk and the sickness of sounds.

We have not gone far, our vision has not strayed over the distance in search of "imperialists" and "spies"; we have found our decrease in our midst without suffering the discomfort of travel or hardship of the road!

The Kuwait tragedy is still with us in human and economic loss, and through the hyperbole of the Arab present in conditions of impotence and fragmentation, through barbaric, repressive practices and the mass murder practiced by the Iraqi Government against the courageous Iraqi people. This tragedy comes to condemn these poisoned tendencies as blind and too scandalously cowardly to face the truth, and as cheap trafficking in the feelings of conquered people.

That matter of "distributing the wealth" has failed as the sole focus of peoples' concerns, because diverting their attention to this matter, though it is a matter divorced from production, signifies only the inability to confront basic responsibilities and flee from the difficulty and complications of the problem. "Distributing" would, in the end, be a spreading of poverty and want, as a result of the resulting void which can be spread. This was clearly reflected in the socio-economic results in some countries that meant to placate their peoples and dull their suffering by spreading false prosperity—false because it was based on the exorbitantly costly premise. It actually is a form of bribery which leads, in the end, to robbing these peoples of their powers of initiative and independent thinking, and thus to the aggravation of their poverty and additional need to mortgage their countries and generations to be devoured by foreign debts.

The one-directional method has played—in thinking and in the vision ruled by past generalizations resulting from a limited understanding of the issue of the country's available resources—a destructive role at the level of our peoples' concepts of production, work ethic, and the rights of others to make use of their own resources. This vision has been confined to one aspect of wealth: natural resources that may be exported abroad in exchange for the import of manufactured consumer products. It has neglected production and the human factor organically related to it. The human resource—which includes the level of knowledge in society, domestic abilities attained

by individuals, and the level of organization to use them in productive labor—comprises the basis of prosperity in modern economies and a solid production base which cannot be stolen. The affluence of the Swiss and Japanese is living proof of that.

The Arab world has fallen victim to capitulationist thinking and submission to intellectual trends formed under various conditions, whose uselessness has been proved as they are trampled beneath the feet of the march of progress based on productive labor, originality, and ethics, not the asylums of indifference, stupidity, and malicious stares at what others have.

The march of progress stops and lowers its banners when rash policies require the annihilation of a whole group in the social structure, totally cancelling it, seizing its people and human honor, and demolishing its achievements in the name of achieving social justice and spreading wealth. This was only a spreading of misery, poverty and destitution—a total demolition of the brave and promising beginnings, whose foundations this leadership class of Arab "organizers" had begun to build.

At a time when the business field is winning the loyalty of people in the countries of the world and enjoys the total support of modern societies, labor and production are exposed to contempt in our Arab world, and considered depraved. Those who support them are sentenced to isolation as if they were contaminated with leprosy or smallpox. And when misery, poverty, and want spread and these trashy rulers go bankrupt and are unable to face reality, they will resort to calling for the cancellation and annulment of whole peoples and countries, laying the blame on them, and seizing and destroying them.

Agricultural Projects Established in 4 Districts

92AE0060D Riyadh AL-RIYAD in Arabic 20 Oct 91 p 3

[Report from Saudi Press Agency]

[Text] The Ministry of Agriculture and Water has issued licenses for thirteen agricultural projects at a total cost of 48,639,002 Saudi riyals, to be established in al-Jawf (al-Busaytah), Tabuk, Ha'il, al-Washm, al-Quway'iyah, al-Dawadimi, and al-Qasim, after the completion of technical and economic feasibility studies.

The first five projects, for such purposes as raising sheep and producing barley and fodder, will be established in the region of al-Jawf (al-Busaytah) at a total cost of 22,153,060 riyals, with a productive capacity of 11,435 heads annually, 1,270 tons of barley, and 12,700 tons of fodder.

The sixth and seventh projects will produce vegetables in greenhouses in al-Qasim at a total cost of 6,840,570 riyals, with a productive capacity 40,472 tons of cucumbers and 39,490 tons of tomatoes.

The six other projects will produce barley, fodder, and fruit in Tabuk, Ha'il, al-Washm, al-Quway'iyah, and

al-Dawadmi at a total cost of 19,645,372 riyals, with a productive capacity of 19,398 tons of barley, 5,696 tons of fodder, 6,198 tons of fruit and 279 tons of dates.

Licensing to implement the projects comes with the support of the government and the agricultural sector in order to encourage it to attain self-sufficiency and comprehensiveness of production.

Port Volumes for 1990 Rise

92AE0060A *London AL-MAJALLAH in Arabic*
25 Sep 91 p 54

[Article by Khalid Ba-Faqih]

[Text] Jiddah—The movement of exported goods through Saudi ports rose sharply in 1990, amounting to about 72 percent over total goods exported from all Saudi ports, which reached 44,596,341 metric tons, the most important of which were refined petroleum products, petrochemical products, and wheat. This is according to the 1990 annual report of the Saudi General Ports Authority. The report attributed the rise in exports to several factors, such as:

- continued work on the decision to reduce port service fees for exports from national industries by 50%,
- granting the same reduction to some exports of agricultural products,
- and increasing periods for free warehousing allowed for these exports in Saudi ports from two days to ten days.

On the other hand, the report said that there is a 28 percent decrease in imports through Saudi seaports from previous years, attributable to the completion of several projects, diversification of the production base and the restriction of imports to certain categories of goods and commodities which have no comparable Saudi product. According to the report, the Saudi General Ports Authority continued its support for the Saudi private sector through investing in the operation various port facilities, so that the rate of private sector offering of goods in 1990 was about 88 percent of total quantity of goods in Saudi ports.

According to the report, the Islamic Port of Jiddah still occupies the number-one ranking for receiving goods imported to Saudi Arabia through Saudi commercial ports.

King 'Abd-al-'Aziz Port in al-Jizan came in at number two. Quantities of imported goods passing through Saudi commercial ports in 1990 amounted to 4,003,596 metric tons, or more than 26 percent of total goods imported through the commercial ports. The remainder were brought through the Commercial Port of al-Jubayl, the Commercial Port of Yanbu', and Jizan.

King Fahd Industrial Port at Yanbu' was first among industrial ports, with 22,482,684 metric tons in 1990, representing 53 percent of total goods handled by industrial ports.

Harad Water Wells Produce 2,500 Gallons Per Minute

92AE0094A *Riyadh AL-RIYAD in Arabic* 5 Sep 91 p 5

[Text] Six artesian wells have been completed in the Faysal's model project to settle the Harad desert. Water has been found in abundance between 380 and 550 meters deep, and it is both potable and suitable for agriculture. One well that takes only a week to dig, yields 2,500 gallons per minute. These wells are supplying the project with 18,600,000 gallons of water daily. Forty-four other wells are currently being dug in Harad.

This project will cost 8,700,000 rials and is expected to be completed within the next few months.

SUDAN

Land Confiscated, Redistributed for Farming

92AF0137B *Khartoum SUNA in English* 31 Oct 91 p 12

[Text] An area of 30,414 feddans were so far expropriated in the state of Khartoum, announced the Agriculture Minister at the State adding that confiscations are still going on for the project which its deadline for investment were expired despite the facilities and guarantees awarded by the Ministry. [sentence as published]

These lands were redistributed to help the wheel of food security, he added.

Free Speech Guaranteed at Conference

92AF01437D *Khartoum SUNA in English* 27 Oct 91
pp 11, 12

[Text] Khartoum, Oct. 27, (SUNA)—The Sudan News Agency (SUNA) Sunday interviewed a number of participants in the Overall National Strategy Conference which is currently in session at the Friendship Hall here.

The Director of Information Centre of the University of Khartoum, Dr. Al Radeya Adam Mohamed, spoke on the role of information in mapping out strategic plans. Information, she said, is the basic foundation for laying any strategy to attain the aspirations of any nation.

"What has caused the under-development of the Third World countries—Sudan is not an exception—is the lack of information," Dr. Al Radia [as published] stressed, noting that accurate information rationalize policies and bring about optimum utilization of the resources.

She called on the conference to recommend the establishment of a central organ for information.

Eng. Mohamed Abdel Aziz Ahmed told SUNA that the Government, by seeking strategic planning, has overstepped emergency rescue planning, noting that the realization of the aspirations of the country necessitate dealing with other states of common interests who do not harbour colonialist intentions against the Sudan.

He said the recent decision by the International Monetary Fund (IMF) not to close its office in Khartoum is considered as a success for the National Salvation Revolution's programme and a step towards a serious and rational dealing with the external world to realize the interests of the country.

He affirmed that the freedom of expression is guaranteed at the conference, saying the freedom is not confined to the liberal system alone.

Report of Slave Trade Denied

92AF0137C Khartoum SUNA in English 29 Oct 91
pp 7, 8

[Text] Nairobi, Oct 29, (SUNA)—The Kenyan press and media Sunday quoted the State Minister for Refugees Affairs, Brig. (retired) Abdul-Rahman Sir Al-Khatim, as denying categorically allegations on existence of slave trade in the Sudan.

In a news conference he held at Nairobi airport en route to Khartoum from New Delhi, India, Brig. (retired) Sir Al-Khatim stressed that Sudan government is too ready to offer facilities and guarantees for any who want to check credibility or falsehood of these allegations.

He noted that these allegations came with the intention to divert the international community from denouncing the apparent atrocities being committed by the rebellion movement against the innocent youngsters and children in southern Sudan.

It is to be recalled that the Kenyan daily THE NATION Sunday published an article including a number of fabricated lies on what it named "slave trade in the Sudan." The essay was written by an unknown journalist.

Absence of any document or reliable source to show authenticity of the information included in the article was regarded as an evidence to the fact that publication of such lies was taken in the context of a deliberate anti-Sudan media campaign.

New Regulations on Liquidity, Loans

92AF0105B London AL-SHARQ AL-AWSAT in Arabic
4 Nov 91 p 10

[Text] The Central Bank of Sudan issued new regulations on liquidity, in accordance with which it set the legal reserve rate that commercial banks have to keep with the Central Bank at 20 percent of total deposits, as well as maintain a liquid fund at the determined rate.

Also included in these regulations: all sums due foreign suppliers will continue to be kept in a frozen account in the Bank of Sudan, from which they will be withdrawn only to remit payments to those foreign suppliers; deposits and borrowing between the banks will be overseen after getting the approval of the Central Bank; the opening of current accounts and savings and investment accounts in foreign currency will be prohibited. Workers from registered importers and exporters, and production companies and establishments implementing development projects will be excepted from this prohibition. Banks, along with expatriates, are providing the necessary financing for these. They will work to open accounts in the local currency and supply them from the patron's foreign currency account, and it will be possible to submit applications for loans from the Bank of Sudan when necessary.

The new credit policy, which the Bank of Sudan announced during a news conference held by bank governor Shaykh Sayyid Ahmad, included the application of a credit ceiling, so that the volume of financing granted to priority sectors would not fall below the 80 percent set for each bank. In case of a bank failing to adhere to the minimum, total incentives granted for other purposes must not exceed 20 percent of the ceiling. Thus, the share of agricultural financing would not be less than 40 percent of the credit ceiling, and the rest will be allocated to other sectors, namely the industrial, export, transport and storage, craftsmen's, mining, small producers, professional, and public and civil servant housing sectors.

The new policy also allows the buying and storing of agricultural crops by all the sectors to be financed, except that it prohibits the financing of some activities and sectors, including not granting any financing to workers to buy foreign currencies and financing personal goals, or the establishment or purchase of real estate or land except for those that are financed within the public and civil servant housing sector.

The new credit policy aims to develop the priority economic sectors and to work towards achieving fairness in distributing income and wealth geographically and among the sectors, and to develop and mobilize resources and guide their use, whereby bank employees would use part of their own resources to finance the various economic activities.

The new credit policy demands that commercial banks, when they finance priority sectors, make allowances for covering the needs for operating capital in the form of short-term financing, and for fixed capital (in the form of medium- or long-term financing) and to have a share in the capital of companies and establishments which limit activity to the priority sectors and limit financing in the housing sector to those of limited income.

According to the new credit policy, no less than 1 percent of the total credit ceiling of all the banks and financial institutions, estimated at about 700 million Sudanese

pounds, will be reserved for the craftsmen and small producers sector, and those of limited income. It will work towards:

- increasing the period of calling in the financing from three months to four months,
- lifting the ban on financing 24 necessary commodities, the purchases of professionals, craftsmen, and small industries, and allowing the purchase of commercial investment goods to be financed,
- allowing joint financing by way of the financing fund,
- and allowing banks to finance one another within the set credit ceilings.

It will open the way for banks to get financing from the Central Bank above the ceiling set for them, so as to avert the negative effects of the policy of credit ceilings and to guide that financing with the goal of obtaining its financing from the Bank of Sudan.

The policy ordered several regulations on financing, restricting it to production activities from the agricultural and industrial sectors. It is to follow formulas for resale, shareholding, and speculation when financing exports. It also set several regulations for financing the transport and import sector.

Civil Service Managers Slated for PDF Training

92AF0137A Khartoum SUNA in English 2 Nov 91 p 13

[Text] Khartoum, Nov 2, (SUNA)—Cabinet Affairs Minister Dr. Awad Ahmed Al Jaz has announced that all public service executives will undergo training at the People Defence Forces [PDF] in the appropriate time.

The Minister made the affirmation at a meeting he held with representatives for the civil servants who had already undergone People Defence training.

The meeting reviewed the idea of training the leadership of the civil service in People Defence and its role in reforming the civil service in the country.

Agricultural Produce on Free Market

92AF0105A London AL-SHARQ AL-AWSAT in Arabic 29 Oct 91 p 11

[Text] The Sudanese Government has announced that it is fully committed to the policy of agricultural produce prices that it announced recently, and that it is working to leave the market [open] to free competition.

The minister of finance and economic planning, 'Abd-al-Rahman Hamdi, said that the government will set minimum prices for crops for this season if prices drop to a level that could have a negative impact on the producer.

The minister was speaking in a meeting with the commercial banks that deal with private financing of the agricultural establishments. He said that work is now going on to establish a new fund to finance purchases of

corn reserves, in which the commercial banks and the Agricultural Bank would participate.

The minister mentioned that the meeting had discussed the performance progress in the portfolio of buying wheat. Its financing is now up to 900 million pounds. He said that the operations pertaining to financing purchase deals are now proceeding satisfactorily. Agreement was also made on setting the selling price of the wheat crop on the basis of 610 Sudanese pounds per sack of wheat from the farmer to the fund, received at the mills.

It should be mentioned that agreement was made between the commercial banks for financing agricultural establishments, the Union of Farmers in the al-Jazirah project, and the project administration, to finance agricultural projects to plant 350,000 feddans in the al-Jazirah project. This is estimated at about a billion Sudanese pounds. There are contacts between other agricultural establishments and the commercial banks on concluding agreements with them on financing the agricultural activities of the establishments.

On a related subject, tomorrow the technical delegation of the International Monetary Fund arrives in Khartoum to review financial and economic performance under the three-part [national] program of economic salvation. It will begin immediately to review performance and discuss fiscal policies. The delegation will be joined by representatives of the African Development Bank, who arrived in Khartoum last Saturday. The review will last four days.

Hashish Fields Destroyed in Southern Darfur

92P40070A Khartoum AL-SUDAN AL-HADITH in Arabic 2 Nov 91 p 1

[Text] Forces of the "Stoning the Devil" campaign were able to destroy a field of hashish the day before yesterday in Southern Darfur. Twenty-five feddans of cannabis were destroyed in the region of Umm Derota, approximately 25 km from Daffaq. The destroyed cannabis weighed 17.5 tons.

The forces set out from Nyala at daybreak on Wednesday, 16 October, and began to comb a number of areas in Southern Darfur that were known for the cultivation of hashish. The narcotics police destroyed another 40 feddans of hashish in the region of Umm Sufa, located along the border with the Central African Republic, and estimated the weight of the destroyed hashish to be 30 tons. The narcotics police proceeded by foot from the Daffah region, about 650 km from the city of Nyala, toward the region of Umm Sufa, where they encountered harsh natural conditions.

Maj. Isma'il 'Abdallah, commander of the "Stoning the Devil" campaign, told a representative of AL-SUDAN AL-HADITH, who is observing the campaign, that the campaign is proceeding in accordance with the strategy undertaken and that [he] will execute it in every detail. To date, it has achieved outstanding results.

TUNISIA

Ambassador to Saudi Arabia Discusses Assignment

92AF0055A London AL-MAJALLAH in Arabic
1 Oct 91 pp 23-24

[Interview with Kasem Bousnina, Tunisian ambassador to Saudi Arabia, by 'Abd-al-Latif al-Furati in Tunis; date not given]

[Text] Kasem Bousnina, the new-old Tunisian Ambassador to Saudi Arabia, is, contrary to diplomatic practice, the returning ambassador to a capitol in which he served as an ambassador and dean of the diplomatic corps for over eleven years. His return is subject to many interpretations and brings to light the desire of both Tunisia and the Kingdom of Saudi Arabia to rise above the recent events. In the flurry of travel preparation, coordination is under way with Ibrahim Al-Sa'd Al-Ibrahim, Saudi Ambassador to Tunisia. Also, contacts are being made with various ministries to revive the various cooperation projects between the two countries. Al-Majallah had an interview with Ambassador Bousnina. Details of this interview follow.

[al-Furati] What are the reasons for your return as an ambassador to the Kingdom? And what role are you expected to play this time?

[Bousnina] I am very proud to have the opportunity to return to the Kingdom of Saudi Arabia to represent my first country before my second country and to take part in strengthening Tunisian-Saudi relations. I am also honored to have received President Ben Ali's confidence and to be selected to return to a country that I very much respect and toward whose leaders I have but love, goodwill, and a willingness to work with. I am confident that God will help me to achieve this mission faithfully. That is also the wish of every loyal and patriotic citizen. The Kingdom of Saudi Arabia enjoys a prestigious place in our Islamic world and plays a distinguished role in that world, a fact that will facilitate my role. I have, in many instances, noticed and felt the depth of the relationship which binds the heads of the two countries. I believe that the fact that President Ben Ali selected me to represent him before the Custodian of the Two Holy Places confirms his desire to strengthen the relations between the two countries by drawing upon the modest experience I gained while residing in or visiting the Kingdom. President Ben Ali wishes to see the next phase as being an extension of the past, during which great achievements were made through cooperation.

Cool Stage

[al-Furati] During the Gulf crisis and war, the relations between the two countries experienced coolness. Could you point out the reasons for this coolness and how it can be overcome?

[Bousnina] The Gulf crisis was the result of a violation of well-established international agreements and principles upon which relationships between the Arabic countries are built. The Gulf crisis caused cracking and splitting among the Arab family, peoples, and a number of Arab leaders. To put it clearly, the reason for the Gulf crisis is the occupation by the Iraqi region of a brotherly country that enjoyed complete sovereignty and international prestige. The Iraqi transgression caused separation and mistrust among the Arabic countries, from which the Arab world is still suffering. There is no need to discuss this subject in depth, because it is obvious that disregarding well-established international agreements and principles drew our countries to a bad and an unenviable situation. Also, the situation we are in calls us to face the challenges together. Because we share the same destiny, we should build bridges between us. I am not implying that we should turn the page, but rather examine objectively our issues in a manner that will give new life to the spirit of cooperation between brothers and will strengthen our regional, North African, and Gulf institutions. Once this spirit of cooperation is regained, we should meet at the Arab League, which is in dire need of our support and our new coordinated and well-planned efforts.

The Role of the Press

[al-Furati] Don't you think that some Tunisian newspapers played a negative role in raising the tensions during the Gulf crisis? [Bousnina] President Ben Ali addressed the press on more than one occasion and asked that the press coverage should be reliable and should avoid improvisation. Because we, in Tunisia, believe in democracy, freedom of expression, and the multi-party system, we feel that attacking other systems or interfering in their affairs interferes with our guarantee of freedom. Tunisian foreign diplomacy has been established on clear rules, such as refraining from attacking other countries or interfering in their internal affairs. Some newspapers exceeded their limits and were immediately denounced. We were against what they wrote and we expressed our opinions in a clear manner. The Tunisian Government disapproved of what took place, and on several occasions it confiscated some newspapers or stopped them from being published, although this is not part of our traditions. However, we should not generalize, because some of the Tunisian newspapers were very responsible in their coverage and published only truthful news and opposed the aggression that sister Kuwait was subject to. This was the position of the Tunisian Government which, from the first day, was against the Iraqi invasion of Kuwait. During my stay in the Kingdom of Saudi Arabia and through my modest contacts, I received a great deal of cooperation from the press and found a clear sympathy toward Tunisia. I hope the cooperation and relations with the press will continue and intensify. The two countries will be increasing their cooperation, and the press in both countries, I believe, can play a role in defining the cooperation, the joint projects, and the great achievements that are taking

place in both the Kingdom and Tunisia. I will be submitting a proposal to the Kingdom to designate the days during which Tunisian investment laws can be discussed along with the guarantees and features that Tunisia can offer within the framework of this joint media cooperation that I am attempting to establish and widen. Because of their position, distribution, credibility, and influence in the Arabic world, the "Saudi Research and Marketing Company," and especially the "AL-SHARQ AL-AWSAT" newspaper and "AL-MAJALLAH" magazine may contribute to this joint cooperation.

Preparations for Appointment

[al-Furati] Before your appointment as an ambassador, you made several unofficial visits to the Kingdom of Saudi Arabia. Were those visits used to prepare for the appointment?

[Bousnina] No, not at all. Toward the end of Ramadan, I intended to visit Mecca, for I longed to visit the holy places. During my stay in the Kingdom, a number of friends whom I met during my long service as an ambassador came to see me. Some of the people I visited with were government officials. My visit was private and subject to great hospitality. The contacts I made during my visits were beneficial and an opportunity to reminisce about the time I spent in the Kingdom. I also discussed during these contacts the relations between our two countries, as well as the marvelous expansion in Mecca and Medina by King Fahd to provide comfort to the visiting pilgrims. The brothers I met with expressed their hope that Tunisian-Saudi relations would remain friendly because of the qualities that have always characterized Tunisian policy, such as calmness, moderation, and continuous agreement with the Kingdom; this hope is shared by many Tunisian circles. I listened to the official point of view and to new and valuable ideas. I returned to the Kingdom at the invitation of the Minister of the Hajj to fulfill my pilgrimage duty and that was another opportunity to meet with friends and senior officials.

[al-Furati] Did you expect to be re-nominated to the ambassadorship?

[Bousnina] My visits were personal and private. However, after my return from the hajj ceremonies, the subject of my nomination was circulated.

[al-Furati] According to rumors, you were nominated to that position before the 'Id al-Adha holiday.

[Bousnina] Indeed, since my return from the hajj, rumors were circulated that I was nominated to the position. Those who knew of my visit to the Kingdom and the talk that ensued circulated the rumors.

[al-Furati] What is your position as a member of Parliament today?

[Bousnina] The day I was nominated, I resigned from the Parliament because it was impossible to assume both positions. I took my work at the parliament seriously and worked hard at it. However, I consider myself enlisted in the service of my country and, for this reason, I will do my best to improve Tunisian-Saudi relations.

WESTERN SAHARA

Former Polisario Members on Green March

92AF0129A Rabat L'OPINION in French
10 Nov 91 pp 1,3

[Article by Fatima Belarbi, correspondent in El Aaiun; first paragraph is L'OPINION introduction]

[Text] Attending a commemoration of the Green March for the first time, former members of the Polisario [Popular Front for the Liberation of Saguia el Hamra and Rio de Oro] told L'OPINION: "The Green March is a historic achievement and we regret not having been among the original marchers."

El Aaiun, DNES [expansion not given]—The 16th anniversary of the Green March was fervently celebrated in every city in the kingdom. It is a date of profound significance as it marks the liberation of our Saharan provinces and their inhabitants from the colonial yoke and the reunification of a people that colonialism had tried to separate. It is also an illustration of the will and determination of an entire people from the country's north to its south to oppose the plots and schemes aimed at preventing them from regaining their full territory.

On the anniversary, former members of the Polisario—prominent ones, at that—agreed to share their impressions with us. It was the first time they had ever attended a commemoration of the Green March. For some, it was also the first time they had returned to El Aaiun since 1974. That is the case of Khalifa, who was once the personal interpreter of Mohamed Abdelaziz, the Polisario's top official. The two others who were interviewed are Moulay Abbas, at one time a colonel in the Polisario's army, and Mustapha Barazani, formerly a member of the separatist movement's political bureau and director of its radio station. Here is what they had to say:

[Khalifa] My first and lasting impression is that the spirit of the commemoration of the Green March from Tangier to Lagouira reflects the fact that this epic event immediately became part of the traditions and character of the Moroccan people because it is an event celebrated with sincerity and enthusiasm by all Moroccans without exception.

By virtue of the Green March, the Moroccan people have entered history under the guidance of His Majesty the King. Already a country with an ancient civilization and a rich history, Morocco has made a place for itself among the great nations as a result of this epic.

[Abbas] The Green March was a miracle, the miracle of the century. Its primary objective was to drive out the Spanish colonizer. It achieved that goal, and today in El Aaiun, we celebrate its anniversary discovering that great accomplishments have been made in the Saharan provinces.

The referendum is now approaching. His Majesty the King has announced that it will take place, and for the King, the outcome of the vote is not in doubt. The referendum will provide confirmation and will close what is known as the "Sahara" problem once and for all. The objectives of the Green March will thus be achieved, leading to the construction of the new Morocco.

[Barazani] My feelings are feelings of joy on seeing what has been achieved over the last 16 years in the Saharan provinces. When the Green March was announced, as fate would have it, I was in Tindouf and was therefore unable to observe that event that has shaped history and civilization. But since our return to the motherland eight months ago, we have been able to appreciate the true meaning of the Green March, which is a historic achievement that has changed the course of history and become a model for the settlement of international problems.

A people armed with the Koran and their faith succeeded in forcing the Spanish colonizer to leave a part of their land that had been occupied by force of arms.

That is a new element in international relations, introduced by the Green March and thanks to the genius of His Majesty King Hassan II.

The Green March is an event that enabled the Moroccan people to express their attachment to their Saharan land, their territorial integrity, and the defense of their national territory.

We have experienced the 16th anniversary of the Green March and we sincerely regret not having been among the original marchers in November 1975.

Today, we have the achievements of the Green March and all that it created and made possible.

The Moroccan people is now reunited; all that remains is for our brothers in Tindouf to return home. I hope that the day is near when we shall all finally come together and be united.

I can tell my friends held against their will in Tindouf that the Saharan provinces of El Aaiun, Es Samara, Boujdour, and Dakhla have seen major accomplishments and experienced a great deal of growth in all fields—economic, social, housing, and others. The Saharan provinces have made giant strides on the path to economic development. The return of our brothers will make it possible for them to join in this task and prepare for a better future.

Saharan Tribes' Loyalty to Morocco Noted

92AF0129B Rabat L'OPINION in French
12 Nov 91 pp 1,3

[Article Fatima Belarbi: "Does the Obvious Need To Be Proved?"; alternate spellings of tribes enclosed in brackets]

[Text] El Aaiun, DNES [expansion not given]—The "unity camps" in El Aaiun are inhabited by Saharawis who moved there from Guelmim and Tan-Tan. Gathered in the camps are thousands of persons belonging to the various tribes of the Moroccan Sahara. They are there because they, like the other inhabitants of the Sahara, have a right to vote in the referendum.

We were able to see the tribes gathered in El Aaiun: the Izerguinyne [Izarguinen], the Ait Baamrane, the Cheikh Maa El Anine, [Ahel Cheikh Ma el-Ainin], the Terkez, the Yaggout [Yagout], the Ait Oussa, the Rguibat [Reguibat], the Ait Lahcen [Ait Lahsen], the Ouled Bensbaa, [Oulad Bou Sbaa], the Laroussiyyine, the Filali [Filala], the Toubalt [Taoubalt], the Chnagla [Chenagla], the Ouled Tidrarine [Oulad Tidrarin], the Zekri, the Ait Moussa Ou Ali, and the Azouafit, to name only a few of them.

Without exception, all the tribes can name members who were heroes in the resistance against the Franco-Spanish occupation and they proudly tell the history of their role in the fight for freedom. They are Moroccans to the core and they shall remain Moroccans, against all the obstacles. The story of the struggle against the occupation is still fresh in their memories, and one cannot help but marvel as men of 80 or more years of age tell their stories in remarkable detail. They are able to cite the dates, place names, casualty figures, and the names of the occupying forces, as if it all happened only yesterday.

Ahmed Mahmoud Ould Allal, one of the oldest members of the Azouafit tribe and a former corps commander in the Army of Liberation, recounted the first incursion at Markala in 1957 where the Army of Liberation lost several men as did the enemy army. After Markala, he would go on to take part in other battles: El Aaiun, Ain Ben Tili, Righoua. "In Amgala, we were bombed by the French Air Force, and again in Tinghinit. But still, we were able to shoot down one plane," he said with pride. The struggle against the Franco-Spanish occupation would take him to other regions of the Sahara: Liglati, Oued Medrief, Argoub, Deida, Ould Ghillou, and Aoucert which was liberated from the Spanish and occupied by Morocco's Army of Liberation.

"In 1958," he continued, "I settled in Guelmim, but I frequently returned to the land of my ancestors and now I have come back once again." He is asked, "Was it just to vote in the referendum?" With an incensed expression, he retorts, "We do not need a referendum—we are Moroccans. That is obvious. Does the obvious need to be proved?"

Several others echoed his words with an irritated tone as if someone were trying to deprive them of part of their history, their memory.

The Azouafit tribe has had historic ties with the Alawite dynasty since Moulay Ali Cherif. The tribe's role was to ensure the safety of caravans that, in those days, started out from Oued Noun (Goulmine) and traveled as far as the Adrar in Mauritania, as we were told by Naimi Abdelaziz, an instructor at the teacher training center in El Aaiun. "That role," he continued, "was entrusted to us by order of the Alawite sultans. In addition, our tribe played an economic and agricultural role along the Oued Noun in Tighmat. By virtue of our double role, the Azouafit tribe can be found from Guelmim to the farthest reaches of Moroccan Sahara."

Delegation of Istiqlal Women Visits South

Meets Sahrawi Women

92AF0068A Rabat L'OPINION in French
12 Oct 91 pp 1, 3

[Article by Nabil Arabi: "Visit by a Delegation of the Istiqlal Women's Organization to Saguia El Hamra and Oued Eddahab"; first paragraph is L'OPINION introduction; quotation marks as published]

[Text] Laayoune—As part of the people's mobilization for the defense of Morocco's territorial integrity, a delegation from the Istiqlal Women's Organization [OFI] visited Saguia El Hamra and Oued Eddahab, where it was able to verify first hand the determination of Sahrawi women to accept the challenge of the projected referendum and to repudiate the efforts to cast doubt on their Moroccanism.

The delegation consisted of Oum Keltoum El Khatib, Samira Ghiziana, Rabia Bel Baraka, Rahma Cadi, and Mahjouba Zouhri of the organization's headquarters and was headed by Latifa Bennani Smires, secretary general of the OFI and member of the Executive Committee of the Istiqlal Party. It visited the Unity camps at Dakhla, where it met with the Sahrawi families who had fled the Spanish repression—especially after "Operation Ecouvillon" [Mop-Up]—and settled in the northern provinces. These families consider themselves to be at home; all of them are enthusiastically coming forward to do their duty and are proud to be Moroccans.

The delegation encountered the same sentiments during a mass meeting held at the Dakhla community hall. The audience declared itself totally mobilized to foil all the plots hatched by the enemies of our territorial integrity and to denounce the "Polisario" [Popular Front for the Liberation of Saguia el Hamra and Rio de Oro] imposture. Several women spoke to reaffirm their indestructible attachment to Morocco and to declare themselves ready for sacrifices in defense of the land upon which the blood of their parents had been shed. They likewise expressed their gratitude for the nationalist efforts, and

in particular for Istiqlal's efforts to complete the restoration of the country's territorial integrity.

In a speech delivered on this occasion, Sister Latifa Bennani Smires recalled the historic ties that have always existed between Northern and Southern Morocco—ties that are reinforced by blood relationships. Many families in which either the mother or father is a native of the Sahara are currently residing in Khenifra, Midelt, Marrakech, Casablanca, Rabat, Meknes, or other localities. After Morocco attained its independence and was awaiting the liberation of the southern provinces, there was a massive exodus of the Sahrawi population. It goes without saying that this population had always regarded itself as Moroccan: it joined with the Army of Liberation that controlled a large part of Saguia El Hamra and was in the process of liberating the Moroccan Sahara, which was ruled by the French-Spanish coalition. Then came Operation Ecouvillon and the unprecedented wave of repression that swept over the region, and as a result hundreds of thousands of Sahrawis were driven from their land.

Turning again to the current situation, Latifa Bennani Smires emphasized that the position of the Istiqlal Party is clear. The referendum has been rendered obsolete by the changes that have taken place in the world and in the region and also by the continuing defections that are occurring in the ranks of the misguided, especially among the cadres of the self-styled "Polisario."

If this referendum is to take place, she said, its only purpose would be to reconfirm the Moroccan character of the Sahara.

Latifa Bennani Smires added, however, that if the right of free speech and the right to self-determination are cited as reasons for holding the referendum, the first step must be to give the natives of Saguia El Hamra and Oued El Dahab [as published] the right to express themselves. It is also necessary, she said, to restore the rights of those who have been interned in the Hamada region and in Tindouf and accord them freedom of movement so that they can return to their homeland and their families. In this connection, she added, an appeal has been made to the humanitarian and human rights organizations to obtain the freedom of all the hostages taken by the Polisario mercenaries. As for the Sahara region, she said that the colonial powers who had occupied it and carved up our country always regarded the region as fundamentally Moroccan, and in this connection she noted that the territory was definitively recovered in 1975. In conclusion, she declared that the Istiqlal Party is now striving to complete the restoration of Morocco's territorial integrity, with priority attention directed to the recovery of Sebta [Ceuta] and Melilla.

During its stay in Laayoune, the delegation from the Istiqlal Women's Organization met with the OFI members from Saguia El Hamra at the office of the Istiqlal Party Inspectorate. Speaking for the local section of the organization, Sister Alamine Mimouna delivered a brief

address in which she reaffirmed the mobilization of the Sahrawi women in defense of the fatherland. She recalled the role that Sahrawi women have played alongside the men in all difficult circumstances, particularly during the struggle waged by the Army of Liberation against the Spanish presence. Even if the women were unable to bear arms, she said, their role was not inconsiderable, because it was they who obtained food for the combatants and concealed their weapons. Sahrawi women have not remained apart from the struggles waged to recover Morocco's sovereignty, and in the current phase they are fully mobilized to defend their Moroccan heritage and to denounce the blackmail and internment practiced by the Polisario mercenaries.

The delegation held meetings in 10 different homes in Hay Al Hajari and in Laayoune, where it was able—as it toured the area—to appreciate what has been accomplished in behalf of women in the capital of Saguia El Hamra. At the conclusion of its stay in Laayoune the delegation visited the Unity camps at Hay Moulay Rachid, where it found the same enthusiasm and the same determination on the part of the Sahrawi women, who are proud of their Moroccan heritage.

Head of Delegation Speaks

92AF0068B Rabat L'OPINION in French
13 Oct 91 pp 1,3

[Article by Med Salem Chafiai; first paragraph is L'OPINION introduction]

[Text] As we announced in yesterday's edition of our newspaper, a delegation from the headquarters of the Istiqlal Women's Organization [OFI]—headed by Sister Latifa Smires Bennani [as published], member of the Executive Committee of the Istiqlal Party and secretary general of the OFI—recently visited our Saharan provinces and held important meetings there with the Sahrawi women, who demonstrated their attachment to their Moroccan heritage and their determination to defend it by every means. In Dakhla, Mme. Latifa Smires Bennani presided over an important meeting during which she delivered an address (of which we present herewith some excerpts) recalling the Istiqlal Party's position and its unflagging action to complete the recovery of Morocco's territorial integrity.

As part of the Istiqlal Party's campaign in defense of Moroccan sovereignty over the Sahara region, Mme. Latifa Smires Bennani, member of the Executive Committee of the Istiqlal Party, presided over a meeting in Dakhla, capital of Oued Eddahab Province.

Present at the meeting were the party's provincial cadres; the deputy chairman of the Dakhla Municipal Council, Ahel Ahmed Med El Mami; and a large audience.

[Following are excerpts from Mme Smires' address]:

"We are here among you today not only to confirm that this region is Moroccan but above all to continue the economic and social struggle."

"Since the recovery of our beloved provinces of the South, no Moroccan has found it necessary to recall, or demonstrate, the historic ties—family and social relationships as well as administrative ties—that bind the citizens of these regions to the rest of our country, Morocco."

"In Morocco We Found a State and a Civilization"

"This statement by French Resident General Lyautey upon his arrival in Morocco demonstrates (if such were necessary) the fact that the Moroccan state and Moroccan civilization do not date back merely to the arrival of French and Spanish colonialism—far from it."

"Our country was the victim of a double colonialism, which gave rise to a fierce determination on the part of the citizens of this noble fatherland."

"The Army of Liberation, by its exemplary resistance to the separatist aims of French and Spanish colonialism, showed the whole world that Moroccans wanted to remain united in one country, and that country is Morocco."

"Operation Ecouvillon," which was carried out by Spain and France acting in collusion, did not affect the determination of the southern Moroccans to persist in their struggle to integrate the Moroccan heritage of the regions of the South."

"The attitude of the Spanish colonial authorities toward the people of these regions who fled colonialism was not lenient—far from it—and none of the refugees and resistance fighters who are natives of these regions were able to return to the territory occupied by Spain."

"These people were being automatically turned back as soon as they appeared at the fictitious frontiers imposed by that colonialism. The few natives of these regions who were able to cross these imaginary frontiers were systematically expelled."

"Hence we can see that the policy followed by Franco's Spain was a policy working toward separatism, because the census taken in 1974 by the colonial authorities excluded all the natives of these regions who were members of the Army of Liberation or who had fled Spanish colonialism to take refuge in the regions that had been liberated."

"The Istiqlal Party is accordingly asking the appropriate international organizations to give consideration to the requests to participate in the referendum that have been made by those who are native to these regions."

"We have no need to recall once again the historic ties that have always existed between Northern and Southern Morocco."

"The official documents, the appointments of bosses and judges, and so forth, serve to confirm the Moroccan character of these provinces of the South."

Mme. Smires then turned to the important role that the Sahrawi women are playing in the social and economic progress of the region.

"The Sahrawi woman," she said, "has always been at the side of the Sahrawi man, her brother, in all operations designed to liberate these beloved regions. She has always had the will—and the courage—to voice her opinion, and the perseverance to continue fighting Spanish colonialism. This is proved by the fact that she has preserved all her traditions—and her identity—despite the long period of colonialism and also despite the culture that had been imposed."

Mme. Smires Bennani concluded her address amid applause, as she declared emphatically:

"We have resisted, and shall resist, all the separatist designs—all of them simultaneously—in order to have one Morocco, united forever from Tangier to Lagouira."

Istiqlal Women Appeal on Behalf of Detainees

*92AF0103B Rabat L'OPINION in French
24 Oct 91 pp 1, 3*

[Appeal from Executive Bureau of Istiqlal Women's Organization, signed by general secretary Latifa Bennani Smires]

[Text] Considering the great respect which the Istiqlal Women's Organization has for your fight to establish human rights in all places;

Considering the high esteem which we have for your feeling of responsibility for protecting these rights from anyone attempting to violate them;

We ask you, in our own behalf and in behalf of all Saharan women residing in Segouia El Hamra and Oued Eddahab Provinces, to take action to:

Condemn the infernal situation of Moroccans confined to the Lahmada and Tindouf camps, where the most basic human needs are not met and where citizens are being held prisoner against their will;

Condemn the pressures and all manner of exactions to which they are subjected, particularly their loss of the freedom to circulate and express their opinions and the ban on returning to their native country, as their brothers, whose circumstances have allowed them to do so, have done;

Lift the blockade imposed, particularly on women, who suffer the most in the camps, enabling them to be reunited with members of their families who have managed to return home;

Help Moroccans still confined in the camps by force, drawing the attention of world public opinion to their deplorable situation and appealing to the greater international family to guarantee their security and freedom to circulate, freely express their opinions, and make their own decisions.

Signed: The Executive Bureau of the Organization, General Secretary Latifa Bennani Smires

AFGHANISTAN

Afghan Democracy Movement in Disarray

92AS0249A *Tehran KAYHAN INTERNATIONAL*
in English 9 Nov 91 pp 10, 14

[Text] He is probably unaware of it, but Afghanistan's former king Muhammad Zaher Shah, living in exile in Rome, is at the center of a row in his war-torn country's first democracy movement.

Five of the original founders of the Movement for Unity, Freedom and Democracy in Afghanistan (MUFDA) have quit the organization founded less than four weeks ago, charging that it was promoting a royalist return.

Poets Mohammad Shah Wasef-Bakhtari, Ahmad Zia Rafat and Nasrullah Partap-Naderi, essayist Abdul Ghafur Poya-Faryabi and psychiatrist Mohammad Burna-Asefi were signatories to the movement's original declaration which called for a transitional government to steer Afghanistan out of the war.

"The leadership of such a traditional government is to be undertaken by a trustworthy pivotal personality who enjoys national and international prestige and who will be sanctioned by the majority of the Afghan people," the declaration had proclaimed.

No names were mentioned in the document to suggest prospective candidates for the daunting task, but in subsequent press interviews some prominent founders came up with Zaher Shah's name, sparking off the row.

Zaher Shah, who turns 77 on 15 October, has lived in Rome since his reign was ended by a 1973 republican coup led by his cousin Mohammad Daoud.

The five MUFDA dissidents, in a statement delivered to AFP, described the movement—including themselves in a wry touch of self deprecation—as a "bunch of intellectuals out of touch with the masses."

Dedicated to Peace

"We demand to know when and by whom were we endowed with the right to associate phrases and appellations such as 'trustworthy pivotal personality...' to one particular element.

"Aren't our assertions in this regard nothing but a manifestation of predilection, of intellectual exhibitionism and a symptom of ill-will towards the objectives set forth in the MUFDA declaration," they added.

MUFDA had claimed at its founding news conference that it was wedded to no political figure or ideology, but dedicated to the search for peace and committed to the ideal of democracy.

It claimed to represent the "silent majority" of Afghanistan squeezed between warring sides.

By openly proposing Zaher Shah's candidacy to head a prospective interim government, pro-king elements had displayed hypocrisy, the MUFDA defectors said.

"Had we had more courage, or if we had a sound and forthright conception as to the general content and strategy of MUFDA, we should have put forward the name of the particular element we had in mind... in the declaration," the group of five said.

"But conversely, we not only lacked the courage to reveal our inner intentions and objectives, but also unrealistically assumed Jihad positions and standpoints," they said.

The Jihad (holy war) reference appeared to be to the declaration's description of the resistance fight against the Kabul government as a "great opposition movement" which had gone stray because of a lack of unity.

The group of five said they were disassociating themselves from the movement but had no inclination to form another organization.

Rahnaward Zaryab, the British-educated president of the Afghan Writers' Association who helped found MUFDA, said he did not find "any concrete reason for them leaving the movement."

Zaryab, 47 and a prominent figure in Kabul's intellectual circles, unabashedly champions the ex-kings return as the one sure way of bringing peace to Afghanistan.

But he said no one wanted a return to the monarchy.

"We mentioned the king's name because we believed we should not be ambiguous about what we want," said the writer who likens MUFDA to Lech Walesa's Solidarity movement in Poland.

"It is not our goal that Zaher Shah should again be king," he said. "Let him come, let peace come, then the people will decide in elections who will govern them."

MUFDA has not registered itself as a society and has no membership roster, and Zaryab said the five leaving was no setback.

But the fact that 14 people could not stay together on the same platform for even a month has done no good here for the image of the group which came into existence for the avowed purpose of working for national unity in a war-divided country.

Peace Settlement, Mojaddedi Isolation Viewed

92AS0240A *Karachi DAWN* in English 1 Nov 91 p 14

[Article by Ahmed Hasan: "Is Mujaddedi Being Isolated?"]

[Text] Peshawar—In the rapidly changing scenario, the Afghan issue and the diplomatic efforts are being undertaken under the aegis of the United States seem to be

turning against their original design. The reason is simple. Almost all the resistance parties, which really matter in the war activity, have joined hands against those who want to encash their influence through the good offices of the United States and of course, the United Nations.

Prof. Sebghatullah Mujaddedi, President of the so-called Afghan interim government, is in the forefront of those elements who have been successful in convincing the international powers his moderate person in the whole phenomena. [sentence as published] But the irony is that Mujaddedi is getting isolated even from his original trio of Pir Syed Ahmed Gilani and Maulavi Mohammad Nabi Mohammadi.

Pir Syed Ahmed Gilani, a close relative of former Kabul monarch, Zahir Shah, has remained in low key all along. Although, by virtue of his moderate stand he got the office of chief justice in the interim government, he still lacks the charisma of a front line leadership. He, therefore, is supporting Zahir Shah's return and takeover of power by him in Kabul, whereas Prof. Mujaddedi has the opportunity in the shape of a vague offer by the Soviets to replace Dr. Najibullah.

The postponement of Moscow sojourn by the proposed resistance delegation under the head of Acting Foreign Minister of the AIG [Afghan Interim Government] could easily be seen in the light of these signs. First of all, Prof. Rabbani, the proposed leader of the Moscow-bound delegation, expressed his wish that all the major resistance parties must agree on sending such a delegation to Moscow. Then came the joint rejection by all the major Peshawar based resistance groups. More interestingly, these parties had earlier agreed on sending their representatives provided the delegation was led by Prof. Burhanuddin Rabbani and not by Prof. Sebghatullah Mujaddedi. When this condition was met and Rabbani agreed to lead the delegation, the reservations of these parties took new shape and they outrightly declined from joining the delegation to Moscow.

One reason for the insistence on Hezbe Islami (Hekmatyar), to be part of the proposed delegation for Moscow by the Soviets, is said to be the fact that this party holds the most Soviet POWs and the Soviet Union desires to settle this issue together with other matters at the same time. Hekmatyar's group also seems to be more strong in terms of bargaining because of its more effective warring ability inside Afghanistan.

On the other hand, Prof. Sebghatullah Mujaddedi has developed a sort of personal enmity with Hekmatyar over the period due to latter's rigid and tough stance on a number of issues. For instance, it was Eng. Hekmatyar who first challenged the very validity of the Afghan Interim Government after it, according to him, failed to accomplish the assignment for which it had been formed. He pulled himself out immediately after the completion of first year which was the mandate that Islamabad Loya Jirga (grand assembly of elders) had given to it. Ever since Hekmatyar has been stressing the need of holding free and fair elections in the liberated areas of the country and in the Afghan refugees camps in Pakistan to determine the fate of the leadership who should form an interim government. This, however, was declared impractical by a number of Mujahideen leaders and therefore it was shelved. Other front-line leaders of the resistance like Prof. Abdur Rab Rasool Sayyaf, the premier of the AIG Prof. Rabbani and Maulvi Younas Khalis also differ with Sebghatullah Mujaddedi over his style of politicking for future of Afghanistan.

These leaders disapproved the utterances of Mujaddedi during the latter's stay in Washington and New York and they opposed any move to replace Najib with Mujaddedi. This forced Mujaddedi to deny having any such agreement but at the same time he started criticising the government of Pakistan for her interference in the Afghan problem. His criticism went to the extent that he joined Kabul regime in alleging that ISI [Inter Services Intelligence—Pakistan] was planning to destroy three major dams inside Afghanistan.

This has made Mujaddedi a side-hero of present Kabul regime. His pictures are shown on Kabul television frequently ever since his return from the United States and his name is taken with full protocol on Kabul electronic media by calling him *Hazrat sahib*—a surname given to spiritual-cum-religious leaders in Afghanistan.

Some Afghan resistance sources claim that the tirade of criticism burnt open by Mujaddedi, was indicator of his height of disgust and disappointment on the hands of the Pakistani high officials who, according to them, have been giving more importance to those leaders who are not acceptable to Mr. Mujaddedi. Mujaddedi, therefore, is making ground for himself to become a favourite of the Kabul regime and when he goes to the negotiating table with Kabul and Moscow, he gets the lion's share.

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