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No. 2058

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INTER-ARAB AFFAIRS

GULF OIL PROFITS BECOME 'INTERNATIONALIZED'

Paris AL-NAHAR AL-'ARABI WA AL-DUWALI in Arabic 21 Oct 79 p 16

[Article: "Gulf Oil Profits: Internationalization or Voluntary Exile?"]

[Text] Almost daily since 1974, newspapers have reported the ups and downs of the U.S. dollar, comparing it with gold, the German mark and the Swiss franc. These same reports are almost always accompanied by a story about some Arab financier selling or buying gold or marks or acquiring a new hotel. The theme is always the same: money seeking refuge, away from the dollar, away from a weak Arab economy and the Arab monetary market, away from glutted Arab consumers or from an unstable political environment. The list goes on and on, but the basic fact is that money is leaving the Gulf for the security of better shelters elsewhere.

In the Arab Gulf, for example, neither the governments nor the private sectors can absorb the flood of money pouring in, particularly since oil prices have begun to rise every 6 months. Having bought everything, there is nothing left to buy. OPEC oil revenues this year alone will be \$50 billion, 82 percent of which will go to the Arab Gulf states. It is certain, however, that these revenues, as has happened automatically since 1974, will leave the area. This strange phenomenon is unprecedented and has its own, unique reasons.

The routine in which these funds are sent abroad is becoming more automatic and systematic all the time. In only 6 years, foreign banks have succeeded in recapturing and controlling the use of oil revenues. Petrodollars are used for investment in a variety of other currencies, in real estate, and to a smaller extent in industrial development.

Since 1977, this phenomenon has been accompanied by the emergence of Arab financial institutions specializing in loans which are recognized in the international financial market. These institutions, now found in Bahrain, Abu Dhabi, Saudi Arabia and, of course, Kuwait, provide capital investment funds for European industry. Kuwait was the first to establish the Foreign Trade and Investment Company and the Kuwait Investment Company. These two specialize almost exclusively in investment in Western countries. The

Kuwait Investment Company, which is 88 percent government owned, issues international bonds in local currency, and often heads a group of foreign and Arab banks specializing in foreign and Arab loans. This company also heads the list of Arab financial institutions offering European bonds in Kuwaiti dinars.

Although Kuwaiti institutions were the first to move in this direction, the other Gulf countries were soon to follow with innovations of their own. There was a rush to create local monetary markets even though the term hardly applies to the Gulf's banking system. Abu Dhabi established the Abu Dhabi Investment Company and the Gulf International Bank, partly owned by seven of the Gulf oil producing states, as well as the Abu Dhabi National Bank.

Saudi Arabia, with help from the Saudi Monetary Agency and the Saudi Central Bank, opted to reorganize the banking system. It acquired controlling shares of all foreign banks. The new banks were renamed the Saudi-French, Saudi-British, Saudi-Dutch, Saudi-American and Saudi-Arab banks.

Bahrain, on the other hand, held the door wide open to foreign banks. These now number 51 and have combined assets of \$24 billion, compared to only \$3 billion in their home countries. These banks, which specialize in foreign transactions, have acquired the bulk of their assets from the Gulf states.

The growth of a local banking system was paralleled by a corresponding growth of Arab financial institutions and branch offices in Europe and the United States. The speed with which the foreign offices sprouted was proportional to the rate at which Gulf oil revenues were growing overseas. This phenomenon, referred to technically as "internationalization," was viewed in the Arab world as maturation of the Arab economy. In France and England many social gatherings were held to acquaint the financial communities with this or that Arab banking officer. These Arab institutions and banks continue to multiply and are playing an ever larger role in European loan operations. The institutions include the Arab International Investment Bank, a joint Arab-foreign venture; the Union of Arab-French Banks; the Arab-Spanish Bank; the Kuwaiti-Libyan-Spanish Bank; the Arab-Malaysian Bank; the Arab-International Development Bank; and the Morgan-Arab Bank, a joint Arab-American enterprise. In addition, there are 34 other jointly owned institutions and banks in Western Europe, the United States and Japan.

Is it reasonable to define this phenomenon of mushrooming Arab banks in the international community as a coming of age or a maturation of the Arab economy? Can we really refer to it as a process of internationalization? It is difficult to equate this "coming of age" with independence. According to one Lebanese banking official, one must examine the history of these banks to understand what is happening. Before this stage was reached, foreign banks opened branch offices in the Gulf states with one purpose in

mind--to take advantage of rising oil prices and to facilitate the financing of growing Gulf imports. These banks acted as a middleman between the factories of the West and the Gulf states. The majority brought very small capitals with them, relative to the volume of business they were expected to do. Most of them had capitals ranging from \$1 to \$30 million. Their assets now range from \$300 to \$400 million. At times, their profits ranged from 30 to 40 percent. This stage was followed by "Arabization," when the Gulf states acquired controlling shares of these banks. Their policies, however, remained largely unchanged, the only difference was the appointment of Arab directors general. The foreign staff retained their positions. Under the new system, foreign capital remained small. As a result of Arabization, the parent institutions in Europe reaped a double benefit: their capital contributions remained small and their share of the profits soared as oil revenues increased. Meanwhile, according to Dr George Qaram, their duties were unchanged.

The new banks maintained their Western policies and modes of operation. The profitability of this system is largely responsible for the mushrooming of these joint banking enterprises in Japan, Asia and most of the European countries. Their task is to channel Gulf money from the parent institution to these countries. Their branch offices serve as bridges between the Gulf and capital hungry companies and industries in every money market, particularly in places where the parent institutions formerly lacked the necessary capital to finance their countries' exports in the face of strong competition and declining profits.

Dr George Qaram added that branch offices are most frequently opened as a result of foreign initiative. As examples, he pointed to the Arab Bank for Foreign Investment which was opened at the request of the French bank Societe Generale, and the Union of French Arab Banks which opened at the behest of Credit Lyonnais.

The parent institutions not only control and direct overseas financial operations, but also they influence local transactions. Borrowers of local currencies are most often industrial or Third World countries. Mexico this year issued \$1.2 billion worth of bonds backed by Kuwaiti dinars. All this goes to show, according to Dr Qaram, that "whenever capital is in demand, the financial institutions of the industrial world serve as the middleman in the Arab market itself." Kuwait, whose dinar is in demand internationally, and whose [financial] institutions are well known on the Eurodollar market, is the best example. Between 1974 and 1977, the Kuwaiti Investment Company helped to finance \$1,592,000,000 worth of bonds to the benefit of the European countries. The total of all such investments by Kuwaiti institutions in 1978 was \$1,724,000,000. This is in addition to the \$1.2 billion invested in the Mexican bond issue. This is clear evidence that Arab financial institutions are playing an important role in the outflow of Arab capital. The rate at which Arab capital is leaving is proportional to the financial institutions ability to upgrade their technical capability. Even though the size of these loans is small compared to the deposits in international banks--the so-called excess oil revenues total

\$180 billion--one must ask whether the Gulf's financial institutions are doing their job with respect to development. How does one justify their performance and practices in view of a lagging economic development here at home? Observers are apt to attribute the apparent contradiction to the fact that the Arab markets are saturated. But why do these institutions lack the expertise and apparatus to study the local market and seek ways to activate industrial development as their European counterparts do?

According to a French bank with branches in every Gulf state, "The strange thing is that the oil countries which own the bulk of excess oil revenues prefer to have large cash deposits on hand."

The oil countries' penchant for maintaining cash liquidity came to the surface during the most recent meeting of the World Monetary Fund in Belgrade, Yugoslavia. The oil countries opposed a proposal to establish a compensatory account for draining the excess dollars on the world market and replacing them by special drawing rights based on a basket of currencies. The proposal would have frozen a large number of dollars for use by the World Monetary Fund in granting economic development loans. The Arab oil countries' explanation for opposing the proposal was their fear that their cash liquidity would suffer. But, what precisely is cash liquidity? It is the other aspect of the phenomenon of escaping Arab capital, i.e., the constant change from dollars, to German marks, to gold. A West German official reportedly described the situation this way: "If the Arabs stopped buying gold, the price would drop to \$70 per ounce."

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INTER-ARAB AFFAIRS

FRANCE OPENS NEW TIES WITH ARAB GULF

Paris AL-MUSTAQBAL in Arabic 27 Oct 79 p 16

[Article: "Will the United States Counter French Advances in the Gulf?"]

[Text] Kuwait and the other Gulf capital cities are preparing to receive French President Giscard d'Estaing. Preparations are underway to compile a complete file on Arab-French relations in general and French-Gulf relations in particular. In Kuwait, the Foreign Ministry has recalled its ambassador in Paris, Mr 'Isa al-Hamad, to help with the preparations. Immediately upon his return, the ambassador met with Amir Jabir al-Ahmad al-Sabah and Prime Minister Sa'd al-'Abdallah al-Sabah. He also had a lengthy meeting with the Deputy Prime Minister and Foreign Minister Sabah al-Ahmad al-Sabah, Finance Minister 'Abd al-Rahman al-'Atiqi and Oil Minister 'Ali al-Khalifa al-Sabah. This flurry of meetings appear to indicate that the Kuwaiti Government is attaching special significance to the French president's visit next March.

Observers curious about the visit speculate that Kuwait has long recognized France's special standing and importance among European countries, particularly its role in the European Common Market. Kuwait, they believe, has always recognized that Arab diplomatic relations with Europe have taken a back seat compared to relations with the United States. This state of affairs, they insist, dates back to General de Gaulle's presidency and has continued unchanged through the presidencies of Pompidou and Giscard d'Estaing. Arab diplomacy, they add, has focused its attention on the United States in the belief that a peaceful solution to the Middle East crisis rests with that country. This belief was encouraged and nurtured by Egyptian President Anwar al-Sadat who, in a gesture of good will, gave up 99 percent of his political cards, putting his faith in the United States, while ignoring other political forces, especially the Soviet Union and Western Europe.

From the beginning, Kuwait has recognized that this policy was not in the Arabs' ultimate interest and that its consequences were bound to be negative in the extreme. Ignoring the other international powers, the Kuwaiti Government believed, would once again bring the region to the brink of war.

This assessment was not buried in the Foreign Ministry's files; rather, Kuwait actively set about to make its viewpoint known in other Arab capitals. The effort ultimately paid off, as these countries became convinced of the necessity of dealing with Europe, particularly France, on a level parallel to but independent basis with the United States. Kuwait believes that Arab diplomatic relations with the United States should be kept distinct from their relations with Europe, and that the situation in the Arab world calls for a new strategy, one that enables the Arabs to deal with Europe freely, openly and with greater understanding. Convinced of this viewpoint, the Arab states are turning to an Arab-European dialog and Gulf States-European dialog. Joint Kuwaiti-European and Gulf-French working committees have been formed. These committees have met and continue to meet in Paris or one of the Gulf capital cities. They have laid down a framework for political, economic and financial relations between Kuwait and France; the latter has also expanded its relations with Saudi Arabia, Iraq, the United Arab Emirates and Qatar. Official French delegations have visited several of these Arab capital cities. The result has been better political and economic relations, evidenced by a growing volume of trade. The increased trade, a good barometer of political relations, has not gone unnoticed in Washington, which is beginning to feel uneasy about the ultimate consequences of the new direction of French-Arab relations. Observers in Kuwait would not be surprised to see a American move aimed at obstructing French advances in the Arab world. Should the French thrust remain unchecked, Washington fears, the United States may lose its attraction as the vortex to which all Arab currents flow. Such a tendency, moreover, would not be easy to moderate, particularly in view of the fact that no love or mutual interest is lost between the Arabs and the United States.

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INTER-ARAB AFFAIRS

BRIEFS

SUDANESE, ALGERIAN PRESIDENTS' TALKS--Monrovia, Dec 5, (SUNA)--Chadli Bendjedid, Algerian president, called today here on Sudanese President Ja'far Numayri at his residence in the Liberian capital, announced President Numayri's press adviser Muhammad Mahjub. Mr Mahjub said the two presidents discussed the situation in the Arab world and Africa as well as bilateral relations between Sudan and Algeria. Mr Mahjub added that the two leaders' views were identical on all the issues they discussed. President Bendjedid has accepted an invitation by President Numayri to visit the Sudan. The date of the visit will be fixed later. [Text]
[JN051816 Khartoum SUNA in English 1755 GMT 5 Dec 79 JN]

CSO: 4420

NORTH AFRICAN AFFAIRS

MOROCCAN PAPER CARRIES AOSARIO 'OPEN LETTER' TO TUNIS SUMMIT

LD051409 Casablanca LE MATIN in French 22 Nov 79 p 4 LD

[MAP report providing apparent text of "open letter from the Movement of Natives of Saguia el Hambra and Rio de Oro to the Tunis summit"]

[Text] Rabat, 22 November (MAP)--The Movement of Natives of Saguia el Hambra and Rio de Oro (AOSARIO) has sent an open letter to the Arab leaders gathered in Tunis. It has asked the Arab league secretary general to insure its distribution among all members of the league.

Here is the text of this letter:

Gentlemen, in view of dangers threatening Arab unity and the split which the enemy of Islam has managed to create among the ranks of a nation dear to us all, especially by applying the carrot-and-stick method to certain people, the AOSARIO urges Arab leaders to act with greater vigilance to safeguard their independence from conflicts in which they are used to the detriment of the Arab peoples.

Speaking on behalf of the liberation movements and political fronts against the occupier which existed in Sahara before the creation of the "POLISARIO" by Algiers in 1974-1975, the AOSARIO ventures to recall in this difficult situation the mission accomplished by the Kingdom of Morocco, which has set a vivid example for all by championing a common cause--namely, the cause of Arab unity and territorial integrity--a mission which succeeded in defeating attempts by French colonialism to make the Algerian National Liberation Front support the fait accompli of an independence already enjoyed by the Touareg people in Algerian Sahara.

At that time, the French authorities based their arguments on the fact that so-called Algerian Sahara consisted of territories taken away from Morocco, Mali, Tunisia and Niger and incorporated into what was at that time "French Algeria."

Furthermore, the same arguments were used by French colonialism, which in fact aimed at breaking up Arab territories, to support the claim that the Algerian Touareg people inhabiting that region had no affinity and no connection with the Algerian people as such.

As for the Arab nation, it is by no means able to understand the reasons which have induced some of its leaders to deny this historical fact by, among other things, refusing to recognize a right in support of which the Moroccan people have fought--namely the right to their territorial integrity.

The AOSARIO deems it opportune to remind the Arab heads of state and government gathered in Tunis that they have a duty to exert pressure by using their influence with a view to stopping a fratricidal war fostered by governments which have found no use for the riches bestowed upon them by nature other than fostering warfare, instead of using them for humanitarian purposes.

Just like international opinion, the AOSARIO feels sure that history will judge all those who, by fostering this fratricidal war, must bear responsibility for the death of men, which leaves in its train widows and orphans (in Mali, Niger, Chad, Mauritania and Algeria). Furthermore, it feels certain that this responsibility will be shared by the governments of these countries which, under the pretext of finding a solution to the unemployment problem, shut their eyes to the enrollment of their citizens even though they are aware that these men face certain death in the service of a criminal cause.

Dated: 19 November; Signed by Ahmed Rachid on behalf of the secretary general.

CSO: 4400

NORTH AFRICAN AFFAIRS

BRIEFS

AOSARIO VICTORIES IN ALGERIA--A statement issued today by the AOSARIO [Association of Original Spanish Sahara Natives] announced that 40 Algerian soldiers were killed and scores of others wounded during a military operation the AOSARIO carried out in southwestern Algeria. The statement added that commandos of the AOSARIO fighters laid an ambush for an Algerian convoy on the night of Wednesday and Thursday in the area of (Zegdou) and Tinfouchy, which lie along the main road linking Bechar and Tindouf. Ten out of the 50 vehicles in the convoy were destroyed during a battle that lasted for 4 hours. Four members of the AOSARIO were martyred and five others were injured. On Thursday, two trucks of the Berliet type, which were carrying ammunition, exploded as a result of mines planted by the AOSARIO members in the area between (Boubarnus) and (Shanashin) in Algeria. The drivers of the two vehicles and two others were killed. This is the second operation to be carried out by the AOSARIO inside Algeria. The first was in the area 40 km east of Tindouf on 7 September. The target was a unit of the Algerian Army operating under the cover of the so-called POLISARIO. The operation left a number of Algerian personnel killed and scores of injured. [Text] [LD240059 Rabat Domestic Service in Arabic 2000 GMT 24 Nov 79 LD]

AOSARIO REJECTS ALGERIA'S 'REPRESENTATION'--Rabat, Nov 24, (MAP)--The association of the natives of the Sahara formerly under Spanish rule [AOSARIO] strongly rejects the resolution by which some countries, members of the United Nations, tried to impose on the populations native of the Moroccan Sahara formerly under Spanish rule a so-called will that the Algerian Government personifies on behalf of the 7,000 sequestered persons. In a communique published Friday, the AOSARIO denounces this "masquerade" and recalls that nothing the world, be it the United Nations, can weaken the determination of a people who have decided to recover their rights. The communique finally states that despite the will of some imperialist powers, who tried to manipulate to their own benefit the mercenaries, some countries, such as Zaire (Katanga), Nigeria (Biafra) and even Algeria (the Touareg Republic), managed to oppose the plots that aimed at Balkanizing their territories. [Text] [LD241506 Rabat MAP in English 1218 GMT 24 Nov 79 LD]

'BERBER LIBERATION FRONT' FOUNDED--Diplomatic sources in the French capital said that the first founding meeting of the "Berber Liberation Front" [Jabhat-al-Tahrir al-Barbariyah] was recently held near Paris. The meeting was attended by a number of intellectuals of Berber origin as well as one Arab ambassador. The meeting was aimed at establishing the front's general policies in the future, the forms of its work, its finance and the extent of linking its actions with one of the great world powers. It appears that the front will concentrate its activity during the present stage within Algeria and will try to revive the idea of an independent national home for the Berbers in the Arab Maghreb. [Text] [JN271954 Paris AL-MUSTAQBAL in Arabic 24 Nov 79 p 19 JN]

CSO: 4402

ALGERIA

PAPER SAYS U.S. THREAT NOT CONFINED TO IRAN

LD060953 Algiers AL-SHA'B in Arabic 28 Nov 79 p 1 LD

[Editorial: "Dimensions of a Revolution and the Calculations of Its Enemies"]

[Text] President Carter revealed yesterday that the present campaign in the Western world against the Iranian revolution is not aimed against what is known as the holding of the American hostages in Tehran but primarily at striking a blow at this revolution which has destroyed the imperialist powers' plans in the area and toppled one of the mainstays that protected their interests in this oil-rich part of the world. Carter asserted that he does not believe "that the freeing of the U.S. hostages will end the crisis between the United States and Iran." This is a serious, though implicit, threat that exposes the aggressive U.S. intentions toward this bastion that collapsed while those who were protecting it watched helplessly.

Washington would not allow its newborn creation to die at such an early age. The Camp David agreements, by which the Americans believed they had changed the geopolitical map of the area, went up in flames in the midst of the storm unleashed by the Iranian revolution. This happened after the Americans thought that the defunct Iranian regime was one of the basic guarantees of their implementation. Al-Sadat today is facing isolation even among his own new friends, who are apprehensive about the state of affairs in the Cairo regime. The self-rule project has been rejected by the Palestinian masses. Carter's only gain since he came to office was the Camp David card, which he is now about to lose as he approaches a difficult electioneering period.

The U.S. President's open hostility toward the Iranian revolution clearly proves to the world that it is indeed a progressive revolution and a great gain for the world liberation movement which he must strike at in order to reinstate his plan to which the shah was a party.

This makes it incumbent upon revolutionary and progressive forces, particularly in the Arab world, to coordinate their stands in order to

repel attempts to abort the Iranian people's revolution and to fortify it against the provocations of agents in the area who fear the collapse of their regimes hostile to the people; aspirations as a result of the revolutionary fever that has emanated from Iran.

The Arab peoples fully sympathize with the Iranian people's revolution and their stand will not change because of some circumstantial actions that have been exploited by the imperialist powers' media with the aim of distorting the image of the Iranian revolution--a revolution which, as soon as it triumphed, hastened to support the Arab destiny and broke all the ties that the deposed shah forged with the Zionist administration in Tel Aviv.

It is regrettable indeed that the Arab leaders should ignore the significance of the U.S. threats against the new Iran and refuse to receive the Iranian delegation that went to Tunis to explain the reality of the situation and the essence of the conflict, the nature of which Carter revealed yesterday when he said that it will not end with "the freeing of hostages."

We might have some reservations regarding certain methods of dealing with events in Iran but this does not mean that the Arab world and the world progressive forces should adopt a spectator's attitude, because we would thus be turning our back on the liberation movement for which resolutions and recommendations stipulate support.

The conflict today between Washington (in the first place) and the Iranian revolution goes beyond the limits within which imperialist propaganda is trying to confine it. We would be misleading ourselves to believe that it is aimed at Iran alone. Rather, it is part of a strategic plan for domination and imposing influence so that the Third World peoples will remain bogged down in problems which are the work of those who used freedom as a slogan to deprive their own people of it.

CSO: 4402

ALGERIA

UGTA-WFTU JOINT COMMUNIQUE

Algiers EL MOUDJAHID in French 10 Sep 79 p 3

[Text] Algiers (APS)--Following the visit of a delegation of the World Federation of Trade Unions [WFTU], led by its general secretary, Mr Enrique Pastorino, the following joint communique was published on Sunday:

"At the invitation of the General Union of Algerian Workers [UGTA], a large delegation of the World Federation of Trade Unions, led by its general secretary, Enrique Pastorino, visited Algeria from 4 to 9 September 1979.

"While visiting Algeria, the delegation was received by Brother Mohamed Salah Yahiaoui, a Political Bureau member and party coordinator of the National Liberation Front.

"The WFTU delegation held several talks with a UGTA delegation led by its general secretary, Mr Demene Debbih Abdellah. The discussions particularly concerned the various aspects of relations between the two organizations in the context of solidarity among workers worldwide and support of just causes for the national independence of peoples and peace in the world.

"The WFTU delegation visited various achievements of the Algerian Revolution in economic, industrial, agricultural and social areas.

"The delegation visited the Arzew petrochemical complex, the socialist village of 'Aures-El-Meida' and the regional trade union school at Tlemcen.

"The delegation contacted trade union officials at the wilaya [governorate] and production-unit levels.

"The WFTU delegation admired the results and achievements made by Algerian trade unions, workers and farmers in the struggle for development and production and in building a socialist Algeria.

"In the name of its 190 million member workers, the WFTU delegation again expressed its total solidarity with the Algerian people. It vigorously condemns imperialist pressures, reactionary schemes and the threats of the reactionary government of Rabat against the Algerian Revolution.

"The UGTA delegation pointed out the WFTU's actions of solidarity and support for the Algerian Revolution since the armed struggle for national liberation. It appreciates the campaigns conducted by the WFTU for consolidation of the anti-imperialist, anti-Zionist and antiapartheid world front for the liberation and equality of peoples and for peace in the world.

"During their discussions, the two delegations noted the agreement of their views, particularly on the seriousness of the situation in the Middle East and on the threats to the heroic Palestinian people following the Camp David accords and the Washington treaty between Begin and Sadat under the control of American imperialism.

"The two delegations condemn all forms of oppression and repression against southern Lebanon, aimed at the massive extermination of Lebanon's progressive, nationalist forces and Palestinian insurgents.

"The two delegations are of the opinion that there can be no lasting settlement of the situation in the Middle East without the establishment of the legitimate national rights of the Palestinian people under the leadership of their sole representative, the PLO.

"The two delegations noted with satisfaction the progress of the Saharan people's just cause, as a result of their many victories both in the armed struggle and in international diplomacy. The two delegations hail the courageous positions taken by the Mauritanian people and their leaders and those of the Spanish Government. They applaud the just conclusions of the OAU conference in Monrovia, recognizing the legitimate right of the people of Western Sahara to self-determination and independence.

"The two delegations vigorously condemn the decision of the reactionary government of Egypt to militarily support the invasion of the Saharan Democratic Arab Republic and reaffirm their full support of the Saharan people and their vanguard, the Polisario Front.

"Both delegations express support for consolidation of active solidarity with peoples struggling for their independence in Africa, particularly with the peoples in southern Africa struggling against apartheid and racial segregation. In this connection, they vigorously condemn the massive air raids conducted by the Muzorewa regime in Zimbabwe against the people of Mozambique.

"While congratulating each other on the brilliant victory of the Nicaraguan people, the two organizations again proclaim their full solidarity with people struggling against imperialism and reactionary attitudes, and against fascist regimes, particularly in Chile and Uruguay and in other Latin American countries.

"Both organizations will continue to constantly oppose multinational corporations in favor of establishing a new international economic order and to constantly lend their support to workers and trade unions in capitalist countries

in their struggle against the economic crisis imposed on them. They have agreed to step up their efforts to end the arms race and military expenditures imposed by world imperialism and to work untiringly for the general progress of all peoples.

"The two entities sharply protest the arbitrary measures taken against immigrants in France and particularly against Algerian immigration. They vigorously condemn the xenophobic and racist acts against immigrant workers.

"The two organizations note with satisfaction that their joint cooperation, in mutual respect, is helping to strengthen the world trade union movement. They have agreed to step up joint efforts in the interest of workers and, in this connection, to strengthen bilateral relations between the two organizations.

"The WFTU delegation has invited a UGTA delegation to visit it. The invitation has been accepted with pleasure.

"In concluding their discussions, the WFTU expressed its sincere thanks to the UGTA for its invitation and the warm welcome accorded it."

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CSO: 4400

ALGERIA

FOREIGN MINISTER BENYAHIA STATEMENT TO APS ON NONALINED SUMMIT

Algiers EL MOUDJAHID in French 10 Sep 79 p 4

[Text] Drawing conclusions on the sixth summit of non-aligned countries, Political Bureau member and foreign affairs minister Mohamed Benyahia, who participated in that conference's proceedings, made the following statement to the APS:

"The sixth conference of chiefs of state or governments of nonaligned nations, whose proceedings have just ended, was undeniably a great success, contrary to the false predictions made well before the summit was held in Havana, foretelling the nonaligned movement's inability to deal with both current problems and those facing the movement itself. On the contrary, the important decisions clearly apparent in the conference's final declaration demonstrate the movement's dynamism and vigor and its ability to strengthen its unity and to consolidate its ranks."

Loyalty to Ideals of Nonalignment

"The clear reaffirmation of the permanent nature of the principles which have always guided nonaligned countries, and the definition of precise goals in compliance with the aspirations of our peoples, are obvious proof of the extent of the nonaligned community's awareness and its ability to assume its role in international relations. This demonstrates not only loyalty to the basic tenets of the policy of nonalignment, but also reflects loyalty to the ideals which have made it possible to mobilize the energies of a large part of humanity.

"Far from being an incongruous assembly of a growing number of countries, in its diversity the movement derives its real strength from giving more validity to its principles. This is what must be emphasized first and foremost: the movement's basic principle is national independence in all its forms and in all its aspects. It implies total expression of the movement's support for peoples struggling for their national independence, whether in southern Africa, in Palestine, in Western Sahara or in other areas of the world.

"With regard to the Middle East problem, the most notable point is the explicit and unequivocal condemnation of the Camp David and Washington accords, which signify, according to the resolution adopted, a total abandonment of the cause of Arab countries, an act of complicity with the occupation of Arab territories and a violation of the inalienable rights of the Palestinian people.

"This condemnation, which confirms and supports the decisions made in July by African chiefs of state in Monrovia, induced the conference to request an examination, at the next ministerial meeting of nonaligned countries, of the question of suspending Egypt from the movement. Thus the conference wished to show its very clear disapproval of the Egyptian Government's policy of compromise."

Western Sahara Decolonization Process Incomplete

"With regard to the Western Sahara question, there again the chiefs of state of nonaligned countries expressed a very clear position. In examining every aspect of this question, the nonaligned countries, 94 nations from every continent, actually declared formally for the first time that the process of decolonizing this territory has not been completed. Thus they expressed support for effective application of the inalienable right of the people of Western Sahara to self-determination and independence and endorsed the recent decisions made by the Monrovia summit.

"The conference also condemned the extension of Morocco's armed occupation of the part of Western Sahara previously occupied by Mauritania. For the first time, the conference mentioned the Polisario Front as an important party in settling the conflict.

"Thus after Monrovia, this is the greatest political and diplomatic victory by the Saharan people in the international arena with such a broad consensus, since only four countries expressed reservations.

"An exceptional event in an international conference should be noted: seven countries, most of which are located thousands of kilometers from the occupied area, made a point of expressing their support for the principles of freedom of peoples and their solidarity with the national liberation movement by recognizing the SDAR [Saharan Democratic Arab Republic].

"With regard to southern Africa, besides expressing the total, solid support of nonaligned countries for the cause of liberation movements in that region, the most outstanding fact is the admission, after SWAPO, of the Patriotic Front of Zimbabwe as a totally separate member of the nonaligned movement. This represents a unanimous scathing response by the nonaligned community to all schemes of those who wish to impose false solutions intended to deny the peoples of Zimbabwe and Namibia their inalienable national rights.

"Economically, which represents the second important aspect of the agenda, the decisions made represent a significant contribution to strengthening

cooperation and solidarity among nonaligned countries as well as a definite platform for these countries' demands for the establishment of a new international economic order. This is the context of the action taken by Algeria, which actively participated in preparing every resolution and in formulating the principal ideas listed in the economic declaration. Thus of the measures taken by the conference, many were approved on the basis of the proposals submitted by the Algerian delegation."

Algeria's Contribution

"This is mainly the resolution stipulating and broadening the program of action for economic cooperation among nonaligned countries. Specific measures regarding raw materials, and including energy, were proposed.

"Another resolution also submitted by Algeria and considered by the conference proposed comprehensive negotiations between developing and developed countries within the framework of the United Nations and with the goal of restructuring international economic relations.

"The obvious success of the conference was largely due to its perfect organization. President Fidel Castro presided over the summit conference and the debates with a devotion and objectivity which won the admiration of all delegations.

"Finally, I want to take this opportunity to pay tribute to the members of the Algerian delegation, who made a great personal contribution by going without sleep during the 72 hours of the final phase in order to provide Algeria's full contribution to the unity and enrichment of the movement and to the political success of the conference."

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CSO: 4400

ALGERIA

BEN BELLA SUPPORTER CRITICIZES REGIME'S TREATMENT OF EX-PRESIDENT

Paris AL-NAHAR AL-'ARABI WA AL-DUWALI in Arabic 11 Nov 79 pp 28-29

[Interview With Member of International Committee To Defend Ben Bella by Jamal Rawi; Ben Bella Supports Political Multi-Party System; What Fate Is Awaiting Ben Bella; Will He Resume His Political Role; What Is His Opinion of System of Government in Algeria; Arab Member of Committee To Defend Ben Bella Provides Answers"]

[Text] With the publication of this edition of AL-NAHAR AL-'ARABI WA AL-DUWALI, some change is supposed to have taken place in the status of Ahmed Ben Bella, a former Algerian president, who has been under house arrest in M'Sila since the 4th of last July after having remained a prisoner in el-Douirate jail since 19 June 1965, i.e. for nearly 14 years, making him the political prisoner to spend the longest time in jail in the entire world without trial.

A few weeks ago, there were successive reports that the Algerian leader would be freed at the beginning of the current month on the 25th anniversary of the inception of the Algerian people's struggle against the French colonialism.

Without reviewing the history of Ben Bella who spent 22 years out of his life in jails, both under the French rule and the national rule, it should be pointed out that this man remained for long years the symbol of the heroism of an entire people, even the symbol of liberation of all the third world peoples.

But as of the moment of his arrest, Ben Bella has been subjected to an unprecedented blackout campaign. From 19 June 1965 until 5 July 1979, the day on which the report of his release was announced briefly in the official newscast, Ben Bella's name did not appear in any official Algerian source and it rarely surfaced officially in the world.

Despite this blackout, Ben Bella has continued to live in the memory of the Algerians. Since his transfer to M'Sila, his new prison has turned

into a pilgrimage ground visited daily by hundreds of people: workers, farmers, old friends and sons of martyrs who come from all parts of Algeria to say to him: You are our father.

What now? Will Ben Bella be completely freed? Will he be permitted to receive non-Algerians, to meet the press, to make political statements, to move freely and to leave the country if he so wishes? What is the fate awaiting him?

Freedom With Commitments

The sources close to Ben Bella find it unlikely, despite all the assertions and all the rumors about his imminent release, that his full freedom will be restored to him unless something lies behind such a decision. It is illogical that Ben Bella's position will shift overnight from one of strict surveillance to one of full freedom without commitments made by the former president--commitments dealing with the limits and forms of his future activity.

But all those who know the former president and those who have met him recently insist that he will make no concessions, will undertake no commitments of any sort and will not agree to have his freedom shackled after 15 years of arbitrary imprisonment without being accused of any charge. His departure from prison means to him, primarily, that he will be able to speak after this long wait. Otherwise, his release will have no meaning.

A period of 14.5 years in jail is enough to change this man and symbol who is also subjected currently to an image-distorting campaign by the Arab and international media that have persistently ascribed to him for years, and especially in recent weeks, positions with which he has no connection.

AL-NAHAR AL-'ARABI WA AL-DUWALI has taken a number of questions to an Arab member of the International Committee to defend Ben Bella which has its headquarters in Paris. This member, who has insisted on not divulging his name, is considered close to Ben Bella, has had constant contacts with Ben Bella's family and knows the details of what has happened and is happening to the former president since his arrest.

[Question] How did Ben Bella live in el-Douirate jail?

[Answer] Ben Bella remained a prisoner in an apartment attached to a military barracks of the First Military Province in el Douirate from 19 June 1965 to 4 July 1979 when he was transferred to Messila. Throughout his stay in el Douirate jail, he was only allowed to go to a very small yard close to the apartment surrounded by barriers that block all view.

When President Chadli ordered on 22 March 1979 that the screen obstructing the view from Ben Bella's apartment window be removed, Ben Bella stood in

front of the window for long hours while his wife was close to him, crying and overcome by emotion. That was the first time that Ben Bella had seen trees in 14 years.

[Question] Has there been a change in his situation since his transfer to Messila?

[Answer] In Messila, he has been lodged in a huge villa that used to be occupied by an Algerian bourgeois. Giving Ben Bella this huge residence is intended to distort his image among his visitors who will notice the splendor of the place in which the Algerian leader is living.

[Question] But it has been said that the villa in which he is residing is the property of his wife's family?

[Answer] This is not true. His wife's family is poor and the family head is a migrant worker who lives in a small apartment, which I believe is rented, near the Algerian capital. The family has no other property.

Yahiaoui's Reason

[Question] It has been rumored that Mohamed Saleh Yahiaoui, the ruling party leader, supports releasing Ben Bella. Is this true?

[Answer] No. Yahiaoui has always rejected Ben Bella's release for a well-known reason. In 1962, Yahiaoui was wounded in the national liberation war and asked Ben Bella to send him to Switzerland for treatment. Ben Bella turned down his request, saying: You are one of tens of thousands of wounded and we cannot send you and leave the others here. Since then, Yahiaoui has been bearing Ben Bella a grudge which persists until now.

[Question] A lot has been written about Ben Bella's reading in his jail. It is known that you are one of the people familiar with the books sent to him in jail. Can you give an idea about what he has been reading?

[Answer] Ben Bella has read a lot of books in 14 years. Before his marriage, he used to read an average of one book a day. The first two books he asked for after 9 days of his arrest were the Koran and Lenin's complete writings. They were delivered to him by Col al-Sa'id 'Ubayd who was his jailer and whom Boumediene assassinated with his own hands in December 1967.

[Question] What are the books read by Ben Bella?

[Answer] I believe that he read all the books that reached him methodically. He proceeded from subject to subject, beginning with "Revival of the Theological Sciences" by al-Ghazali and the complete works of al-Hallaj and ending with the modern and contemporary intellectual currents. He has read most of Karl Marx's and Friedrich Engels' work and the complete works

of Michel Foucault and others. He also familiarized himself with the modern schools of literary criticism, with higher mathematics and with languages.

Moreover, Ben Bella has kept in close touch with all the political and social transformations undergone by Algeria during his imprisonment. He has surprised all his interlocutors with his profound knowledge of what has happened and is happening in Africa and the Middle East and of the latest international developments.

[Question] It has been said that before his death, Boumediene had decided to release Ben Bella. Is this true?

[Answer] Throughout 14 years, Boumediene rejected absolutely any talk about releasing Ben Bella, especially from Arab and world figures. When Lt Col Abu-Bakr Yunis brought up the issue with him in 1978, Boumediene left the hall without any answer. But when he returned from Moscow on the eve of his death, Boumediene experienced a crisis of the conscience in his plane and began to weep before Bouteflika in regret for his treatment of Ben Bella.

[Question] How does Ben Bella view the current Algerian leadership? Will he return to the political arena after his release? How does he assess Boumediene's experiment?

[Answer] It is not unlikely that Ben Bella will return to the political arena. But in any case, he will not engage in his future political activity within the current leadership. He criticizes strongly the overwhelming majority of the men in power. His wife points out in a recent interview she gave the AFP that he does not approve of any aspect of the policy followed by the regime since 1965, especially in regard to the growing bureaucracy in agriculture, the haphazardly industrialization that has produced no results and administrative corruption.

He also criticizes the Algerian diplomatic movement, especially in Africa where Algeria has failed to support the countries struggling for their liberation.

As for Boumediene, Ben Bella considers him, contrary to what is ascribed to Ben Bella currently, a counterrevolutionary. He used to say that Boumediene was a "catastrophe" not only for Algeria but also for the Arab world and the third world in its entirety.

[Question] What is Ben Bella's position toward the phase during which he himself ruled in the period from 28 September 1962 to 18 June 1965?

[Answer] During his imprisonment, Ben Bella has engaged in comprehensive self-criticism. He considers, for example, banning the Algerian Communist Party a fault. He is now against the single-party principle and criticizes

both the western capitalist system and the eastern communist system. He believes that development of the Algerian revolution requires the implementation of comprehensive self-administration in all the popular circles. He also believes that political multiplicity [multi-party system] and intellectual multiplicity is a condition for the growth of democracy which is, in his opinion, a condition for the success of the revolution.

[Question]. What is Ben Bella's present position toward Islam?

[Answer] There is no doubt that Ben Bella is a religious man who prays in his prison. He was also religious before he entered the jail. But he was and continues to be against Islamic religious fanaticism. He believes in the right of all the religious and national minorities to determine their future freely. He also believes in the right to disagreement in all its forms.

Even though he admires the Iranian people's movement that toppled the shah, he condemns the fanatic ayatollahs.

Worried for His Life

[Question] Sometime ago, Ben Bella's lawyer wrote that he had been exposed to two assassination attempts in jail during the rule of Colonel Boumediene and she expressed her fear that he may be assassinated. Are there any justifications that actually call for concern for the former president's life after his release from prison?

[Answer] The fears are present and they have their justifications. Ben Bella's enemies inside and outside Algeria are numerous. The Algerian regime, like most of the Arab regimes, has become accustomed to physical liquidations. Between 1965 and 1975, more than nine political figures were assassinated, including Mohamed (Kheider), Karim Belkacem and Ahmed Medgheri.

In the fall of 1977, King Hassan II brought up with Carter the issue of the imminent death of Boumediene and the possibility of Ben Bella's return and they studied the ways to confront such a possibility.

It is certain that Kasdi Merbah, the former chief of military intelligence and the current secretary general of the Ministry of Defense (i.e. the minister of defense), is one of the fiercest opponents of Ben Bella and that he does not approve Ben Bella's release. Mirbah is the person through whom Boumediene liquidated all his opponents physically.

In any case, there is no shortage of scenarios in the mind of whoever wants to kill. Ben Bella may be assassinated and it may be said that the murderer is the agent of a foreign circle (Morocco, Israel...), it may be said that the murderer is insane or he may be killed on the spot. Naturally, a huge funeral procession may be organized and led by the ruling crew and Ben Bella may be then declared the revolution's martyr.

[Question] How does Ben Bella view the treatment he is currently given by the regime?

[Answer] Ben Bella considers his transfer from el Douirate to Messila a transfer from one prison to a less restrictive prison. In Messila, he is still surrounded by the military intelligence men who live in the first floor of the villa which is surrounded by police and security men. There is surveillance and bugging equipment in the residence. The intelligence agencies have even tried to sneak some people to spy on Ben Bella in the new prison.

Some security men are stationed at the villa's iron gate while a military roadblock set up near the villa watches the visitors, checks their identity cards and inspects them. Moreover, in all his movements inside Messila, the [former] president is always accompanied by tens of security men. He still cannot get telephone calls or cables and all his correspondence is subjected to censorship.

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CSO: 4402

ALGERIA

BEN BELLA'S LAWYER ASKS CHADLI TO GRANT HER MEETING WITH EX-PRESIDENT

Paris AL-NAHAR AL-'ARABI WA AL-DUWALI in Arabic 11 Nov 79 p 29

[Article: "Lawyer Lafue-Veron to Bendjedid: What Harm Is There in My Contacting Him"]

[Text] Mrs Lafue-Veron, the French lawyer who has been defending Ben Bella for 22 years, addressed on 12 August 1979 a message through the Algerian embassy in Paris to Algerian President Chadli Bendjedid asking that she be permitted to meet her client. She had addressed another message to the same effect to the Algerian President in April 1979 but received no answer to it.

When 10 weeks passed on the dispatch of her [second] message without receiving an answer, Mrs Lafue-Veron decided to publish the text of that message.

Following is a translation of the text which is published for the first time:

12 August 1979

Mr President,

I had asked you on 4 April 1979 to permit me to exercise my rights as a lawyer and to contact my client, ex-President Ahmed Ben Bella, whom I have not been able to contact for 14 years.

I have received no answer to this request of mine and I am today renewing my request, keeping in mind that my client requested after his transfer to M'Sila that I be permitted to meet him.

His status has undergone important developments since 4 July. He was moved out of the grave in which he had lived for 14 years and transferred from el-Douirate to Messila under good guard--six police cars were following the car that carried Ben Bella and his wife. Finally, the man intended to turn into a living dead was able to see villages and fields again.

Today, the president and his family live under house arrest. As soon as his Algerian friends heard the news of his release, they circulated this news among themselves. As soon as they learned that he was in Messila, they hastened to visit him.

Have the measures taken by your predecessor been abolished? Only a few, and very few, of them have. Military security elements guard the villa gate while others are stationed inside the refuge [villa]. Security patrols still roam around the residence and in the town. At the beginning, the visitors were asked to show their identity cards. But the president protested, demanding that these humiliating police measures be cancelled. A visit to the president is still considered an act of courage. The police has summoned a number of Messila residents and has interrogated and threatened a number of people close to Ben Bella. But despite the hardships, despite Messila's remoteness and despite the stifling heat in this area, there are still many visitors.

Motivated by the spirit of Islamic and Algerian fraternity, tens of people come to visit, bringing with them flour, vegetables, meats and sugar to share a meal with this prisoner who spent the first 3 years in a prison where his guards were ordered not to speak a single word with him. Yes, he lived for 3 years without hearing a human voice, except for the infrequent visits of his mother.

It has been quickly learned that President Ben Bella was freed on the condition that he give no press interviews and make no political statements. For further guarantees, he has been banned from contacting non-Algerians. However, one of the correspondents of Channel 2 of the French television has been able to contact Ben Bella by telephone. This contact was controlled and made on permission so that a statement may be recorded and broadcast in the president's voice--a statement in which he asserts his acceptance of the conditions stipulated in return for his release. Except for this single communication, contacting either of the villa's two telephone numbers remains impossible. I have tried several times to contact these numbers, but to no avail. One evening, I succeeded in contacting Messila after an 8-hour wait. But a voice asked the French telephone operator for the name of the person making the call and when I identified myself, the line was cut off without any explanation.

Most of the cables, such as the one I sent on 5 July 1979 expressing my joy at his release, do not reach him. His mail is censored and his letters are opened and then re-sealed in a flagrant manner and the villa is bugged.

There has been a definite improvement in President Ben Bella's condition. The villa put at his disposal is very comfortable and I believe that this new luxury, with which President Ben Bella had previously refused to surround himself, is an expression of respect for the position that he had occupied and is not intended to isolate him in a splendid villa or to show the workers who visit him how far is the standard of the life he is living

from theirs. Moreover, Ben Bella can move around only in a BMW car driven by a chauffeur, and possibly bugged, and followed by police cars. Is all this for security or for surveillance?

These measures, Mr president, diminish the value of the decision that you have finally taken to put an end to a long injustice--an injustice so unique that it has drawn the attention of the entire world to its victim.

I am only recounting these details because you are at the top of the judiciary authority and it is difficult for you to follow up the manner in which the authorities concerned implement your instructions.

Today I am renewing officially and publicly my request to be permitted to contact and meet with my client in accordance with the human rights charter that has been approved by Algeria. What is the harm that could result from my visit? If the Algerians prefer to be deliberate, then I am firmly bound to my client's interests and bound to speed up completion of the phases which my client has been promised for his full and real release. In any case, the world public opinion will from now on focus its attention on the fate of this man who has lived under a ban for a long time and there is a desire now to be convinced that he is beyond this ban.

I do not believe, Mr president, that my work or my life contain anything that could cause concern to the Algerians whose will for independence I supported, in the name of justice and history, since the beginning of the Algerian war. In 1955, I was registered in the Lawyers Union in Paris to defend the Algerians and this caused me problems with the judiciary who were affected by the colonialist era through which my country was going. Why do you deny me my right to meet a human being I have been defending for 22 years?

I hope, Mr president, that I will have the honor of receiving an answer this time. I am confident of your political feeling for justice. Please accept my deepest appreciation.

Madeleine Lafue-Veron

8494
CSO: 4802

ALGERIA

PARTY COORDINATOR YAHIAOUI DISCUSSES CLEAN-UP CAMPAIGN

Algiers EL MOUDJAHID in French 7-8 Sep 79 p 3

[Interview with FLN Coordinator Mohamed Salah Yahiaoui]

[Text] This is the complete text of the interview granted by Mr Mohamed Salah Yahiaoui, a Political Bureau member and party coordinator of the National Liberation Front, to the Algerian Press Service:

QUESTION: The Revolution has begun a vast operation aimed at protecting Algerian citizens and socialist achievements. Mr Coordinator, what is your view of this operation's prospects and what is its political context?

ANSWER: "This operation constitutes a link in a series of measures taken by the political leadership to mobilize public forces in the struggle for development and to use all potential to assure citizens' prosperity and security. Thus this is by no means an improvised, temporary operation.

"At the time of the democratic debates on the National Charter, the people showed great enthusiasm and total willingness to move forward toward broader horizons through more intense and more comprehensive action. The people also confirmed their loyalty to the Revolution's achievements and their rejection of weaknesses and inadequacies. The people also showed support for all measures which the political leadership might take to protect our people's revolutionary enthusiasm, instilled by wonderful examples during the struggle for liberation.

"Through the resolutions and recommendations adopted, the debates of the Fourth FLN Congress provided undeniable proof of the unshakable will and persistent desire of party cadres and militants to decisively and equitably end all forms of delinquency, regardless of their source and regardless of the level of their perpetrators in the hierarchy of responsibility. Algeria, which sacrificed its best sons and paid the high price for national liberty and dignity, could not stand idly by in the face of external phenomena introduced by fringe elements who have managed to take advantage of militant tolerance and modesty in order to hinder the progress of the Revolution and to tarnish its reputation."

Assure Vitality of Revolution

"The time has come to implement revolutionary texts and documents as well as their related criteria and provisions. This action will require us to have faith with every trial in performing our duty.

"Our patriotic duty must be assumed under the required conditions. We must be moved by a self-critical spirit in carrying out our mission impartially.

"It is also our duty to instill in ourselves a revolutionary spirit by taking action in accordance with the principles of order and discipline.

"In this context, Brother Chadli Bendjedid presided over a meeting during which he gave precise, detailed instructions for permanently eliminating every obstacle to the Revolution's progress, by mobilizing all structures to provide for a better implementation of the directives intended to assure the protection of the Revolution and citizens.

"Our revolutionary values and our devotion to our country require all of us, wherever we may be, in the factories, in the fields or in any productive job, to mobilize ourselves for this operation, which will require a 'lot of inspiration' and which concerns the citizen, above all and in the final analysis.

"When we establish security and clean up our human and material environment and when we consider that our responsibility as individuals and as militants, we will then have performed a national duty which is part of the heritage of our Revolution and our deep-rooted traditions.

"More than once, our people have demonstrated a high level of awareness and an amazing ability to perform their duty every time that the Revolution has called on them to mobilize and to swear allegiance to our glorious martyrs.

"The measures which the political leadership has begun to implement are aimed mainly at protecting the Revolution and citizens and severely and vigorously punishing offenders. In their political content, these measures go beyond the struggle against apparent aspects.

"These measures thus go beyond superficial characteristics, tending toward radical elimination of these phenomena, and will affect all areas of the country. The assigned goal is not simply limited to the struggle against delinquency and its eradication, but also to educating the citizen and urging him to participate fully in the struggle for development in a climate in which trust and security predominate, so that everyone will also know that the Revolution is vigilant and that it is able to make investigations, to demand explanations and to punish.

"The secret of the Revolution's vitality and the strength of its progress lie in its own ability to reinforce itself, to defend its principles, to mobilize its forces and to have a clear understanding of the people's realities, aspirations and demands."

Extend Operation to All Levels and Sectors

QUESTION: Security services are making great efforts and assuring that practical measures aimed at protecting the Revolution and citizens are carried out within an organized framework. Have directives been issued to prevent mistakes and abuses?

ANSWER: "The great efforts made by security services are primarily aimed at protecting citizens. Thus such efforts cannot result in any harm to them. And if we consider the capital as the first area of application--where the measures taken by the government are beginning to be implemented--we note that citizens unanimously agree on the need to quickly and radically put an end to the vagrancy, theft and assault prevailing in certain districts, to such an extent that the citizen no longer feels safe, neither for his person, nor his residence, nor for his family, and lives in fear of being the future victim of those living outside the law. Similarly, we also note the negligence, absence of sanitation and total deterioration of buildings and accumulation of rubbish in the streets, to such an extent that our capital, which in principle should be a bright showplace and an object of pride for our country, is in a critical situation, about which no one can be silent.

"I do not wish to analyze here the underlying causes which have led us into such a situation because, as everyone knows, the citizen and his material and social environment form a whole which reflects its own particular cultural features.

"Thus the citizen will be taught respect for order and for responsibility and personal initiative and we will instill noble aspirations in him by enabling him to perceive the limits of right and duty.

"Once all social structures have been unified, from the family to the school, the mosque, the enterprise, the party cell, to communication and information media, we will then be able to isolate fringe elements, for it is better to prevent than to cure.

"The action of security services is aimed at respect for order and moral standards in accord with the principles of our Revolution and the traditions of our society, which is known for its noble and earnest character and its support of the weak and oppressed.

"President Chadli Bendjedid has issued precise, detailed directives to the security services implementing these measures in order to avoid any excess or error.

"Thus for example, foreigners will not be affected by this operation at all, nor will they be in the event of an ordinary misdemeanor.

"And if an excess ever does occur, it will be rectified by the security services themselves. It will by no means continue, for the operation was established with the purpose of protecting the Revolution and its social, economic

and political achievements and to enable the citizen to live his life in peace and security.

"And judging from the initial responses which have reached us through party cells and information media, we note the degree of enthusiasm shown by all social classes for these measures and their desire to see them continued and extended to all levels and all sectors."

End Passivity and Negligence

QUESTION: How do you explain the satisfaction and support shown by the mass of the people for implementation of the measures to protect the Revolution and citizens?

ANSWER: "A true revolution is one which expresses the great aspirations and daily concerns of the masses and which is able to deal with problems boldly and effectively. The Revolution must not be afraid to punish those who have become accustomed to fishing in troubled waters, to "enlarging" problems and distorting their meaning, and to working to retard the progress of the Revolution.

"The course of the Revolution will force them out, as it has routed their predecessors in the past.

"President Chadli Bendjedid has expressed the Revolution's determination to assume its responsibilities, for an individual must be told: 'You have committed an offense, you must render an account and you must be punished according to the offense committed,' just as a deserving citizen must be told: 'You have done well and you must be rewarded according to the effort which you have made.'

"Responsibility requires duties to be put before rights, as stipulated by the National Charter and the recommendations of the Fourth FLN Congress. Every militant and every citizen must assume his responsibility to his country and to his Revolution. According to his level of responsibility, he will provide for his own security, his own happiness and his own prosperity, as well as that of his neighbor and of the country as a whole.

"The feeling of national pride and the development of the Revolution's achievements in production and service sectors must prevail from now on, and shirking of responsibility, negligence and passivity will no longer be tolerated. The 'beylic' mentality must be permanently abandoned.

"In reality, these principles and moral values on which the Revolution of 1 November is based are rooted in our Arab-Islamic heritage and in our social traditions.

"All Islamic precepts encourage hygiene, even acts of piety require hygiene, for the mind, the body and for the environment.

"The true Moslem is one who tries to understand the Koranic verse which states that 'God will not change the situation of a people unless they change themselves.'

"In our present-day terminology, good citizenship in society, the responsibility which each person has to his neighbor and which Islam values, is a corollary of freedom, responsibility, civic duty and limits to rights.

"We greatly need to revive the ancestral traditions of our heritage and our values so that they can be put into practice in our daily lives.

"Islam is the first religion which called for harmony between faith and action by not being limited merely to intentions," the party coordinator concluded.

11915
CSO: 4400

ALGERIA

FINANCE MINISTER SPEAKS ON TIES WITH USSR

LD031107 Algiers EL MOUDJAHID in French 12 Nov 79 p 3 LD

[APS report providing "full text" of speech by Algerian Finance Minister Mohamed Yala at 10 November opening of fifth session of Algerian-Soviet Intergovernmental Standing Commission for Economic, Scientific and Technical Cooperation: "Potential for Strengthening and Developing Relations Between the Two Countries"--passages between slantlines published in bold-face]

[Excerpt] Algeria's policy in the domestic sphere and in the international sphere constitutes an integral whole and thus it is quite natural that our country should have been prompted to establish firm relations of friendship with the states of the socialist camp and the USSR in particular, in the same way that Algeria maintains very close relations of fraternity and solidarity with the Third World countries.

This means that essentially Algeria's policy is in many respects very close to your country's in the international sphere and in particular as far as everything relating to strengthening the anti-imperialist and anticolonialist front is concerned.

Moreover, I would like to tell you that Algeria has never tried to avoid its duties of solidarity with developing countries and that, despite its difficulties and the exacting demands of socialist building, Algeria sets aside a considerable part of its GNP each year for totally disinterested aid to certain extremely underprivileged partners.

Indeed, we have always believed for our part that the idea of solidarity could not be an abstract philosophical concept or a fantastic notion, but something that gives meaning to life and the relations between peoples and makes it possible to find specific solutions for certain specific situations. Furthermore, we are deeply aware of the existence of countries that are richer than others and countries that are poorer than others, just as there are nations that are "rich as a result of our wealth" because they have for centuries indulged in frantic exploitation of the Third World.

/It is for all these reasons that we have always believed that the imperialist states could not be sincere friends of the developing world/ and that it is necessary to work ceaselessly for closer links between all peoples and all countries that cherish peace, freedom and progress. We know that those are the objectives assigned to the policy of cooperation between our two countries, which, moreover, have an obligation to collaborate increasingly closely to set others an example of solidarity that is true, healthy, fruitful and beneficial to our two peoples.

In this connection great things have been accomplished together, and Algeria can only express satisfaction at what has been done. However, we can and must do more and do better since real opportunities are available for increasingly broad, increasingly large-scale cooperation covering more and more fields.

In this connection I am happy to say that Algerian-Soviet cooperation is experiencing increased vitality because we have been able to keep our relations sheltered from the hazards of an international capitalist market whose crisis is having pernicious effects on all the operations implemented within this framework.

The eminently noble goals that we are seeking to achieve within the framework of our commission's activities--namely, the strengthening of solidarity between our two countries and understanding between our two peoples--give the two sides a special responsibility in this sphere.

/I want to reassert the Algerian Government's firm desire to spare no effort to further develop the traditional ties of profound friendship and mutually advantageous cooperation that link our countries./

It was in this spirit that the Algerian delegation at the preparatory meeting for our commission's present session, which was held 18 through 26 October 1979 in Moscow, submitted a complex of specific projects, embracing the main priority sectors of our economy, whose implementation could be insured together in a very short time. This huge program, which is also based on the Soviet side's real potential, would make it possible to create the necessary conditions for harmonious and balanced development of our relations provided that a suitable financial framework can be determined by our two governments.

Within the prospect of solidarity and complementary relations, every opportunity must be investigated and catalogued.

Our two delegations have already started objectively assessing all our relations in the economic, scientific and technical, and commercial and financial spheres.

Many agreements have already been concluded between Algeria and the Soviet Union. These form a solid foundation for relations and a secure guarantee

for their future. New agreements between our governments may be signed or elaborated during the present session. Thus an additional contribution will be made to the enduring nature of Algerian-Soviet friendship at the prompting of the leaders of our two countries, which are equally committed to promoting more equitable relations between developed and developing countries and strengthening solidarity among progressive forces in the world.

CSO: 4400

ALGERIA

BRIEFS

POSTPONEMENT OF MINISTER'S TRIP--Algiers--Algerian Foreign Minister Mr Mohamed Seddik Benyahia will not go to Paris until late January, it was announced in Algiers on 27 November. This trip, planned for early December, has been put back by common consent because of a crowded calendar, particularly for Algeria: The Monrovia meeting of the OAU ad hoc committee on the conflict in the Western Sahara, local elections on 14 December and, around 20 December, a session of the National Liberation Front Central Committee. However, it is not impossible that there are other reasons behind the postponement. The file of Algerian-French relations is particularly delicate and declarations made on this subject by President Chadli Bendjedid on the anniversary of 1 November 1954 have been assessed in various ways. Many people believe that dialog cannot really be restored until Paris adopts an attitude of "true neutrality" in the Western Sahara conflict and clarifies its intentions with respect to immigrant workers. The Algerians are certainly disposed to "write a new chapter" in bilateral relations, but opinions differ on the conditions which must be fulfilled to achieve these goals. The postponement of Mr Benyahia's trip gives extra time for thought on this point. This doubtless does not suit Paris, which wanted to see the cycle of discussion and consultation envisaged at the time of Mr Francois-Poncet's visit to Algiers last June begin before the end of the year. [Daniel Junqua] [Text] [LD050907 Paris LE MONDE in French 29 Nov 79 p 4 LD]

ECONOMIC, TRADE PROTOCOL WITH BULGARIA--Morocco and Bulgaria have signed a trade and economic cooperation agreement covering the period 1980-84. According to this agreement, Bulgaria will export to Morocco a plant for the manufacturing of mechanical equipment and electrical and chemical products. In its turn, Morocco will export phosphate, phosphoric acid, nonferrous ore, fish, citrus fruit and olives to Bulgaria. The agreement was signed by Mr Azzedine Guessous, minister of commerce and industry, and by Mr Khristo Khristov, Bulgarian minister of foreign trade. The first trade agreement between Morocco and Bulgaria was signed in 1957. In 1965, the two countries concluded an economic, scientific and technical agreement. [Text] [LD061440 Rabat MAP in Arabic 1300 GMT 6 Dec 79 LD]

FRENCH WEAPONS PURCHASE--Algeria is holding talks with France on the possible purchase of French weapons, according to a well informed source in Paris. The source indicated that Algeria is interested in buying Fouga 90 jet training aircraft, AMX-10 tanks and other armoured vehicles as well as artillery. The Fouga 90 can be adapted to serve as a ground attack aircraft. According to the source, the negotiations are due to the improvement in Franco-Algerian relations following the death of President Houari Boumedienne. The French, the source noted, were hesitant because they are among the principal suppliers of arms to Morocco, which is at war in the Western Sahara against the Algerian-backed Polisario Front. The Algerians were understood to have replied that they did not link the purchase of arms to the Saharan conflict. [Text] [Paris AN-NAHAR ARAB REPORT & MEMO in English 26 Nov 79 p 3]

CSO: 4420

IRAN

ISLAMIC LEGAL BASIS OF KHOMEYNI RULE DISCUSSED

Dakar AFRICA in French Nov 79 pp 100-101, 110

[Article by Ed. Fayolle: "The Khomeyni Program"]

[Text] Is it necessary to read Ayatollah Khomeyni? Given the level to which events have carried him -- the shaper of his own policy and the model for practices -- it is more important to see what he does rather than to know what he says in his speeches. Nevertheless, we propose the experiment of reading the few short doctrinal pages which follow, referring, when it is a question of facts, to the practices of the Islamic tribunals and other amenities of the regime. One will conclude that behind the innocent remarks of the "good news," God is very dangerous when his prophets organize the government in his name. In all good conscience, the Khomeyni who wrote "An Islamic government is not despotic.... The chief of state is not a despot," would now reject the accusation of despotism. He is just a very pious old man...but beware of hypocrits when God is in command!

The Islamic government resembles no other government now in power. It is not despotic. The chief of state is not a despot who plays with the goods and lives of people and does with them what he wants, who kills whomever he pleases and enriches or ennobles whomever he wishes, handing out the land and property of the people right and left. The prophet Ali and the caliphs never had those kinds of powers. An Islamic government is neither despotic nor absolutist; it is constitutional, not in the usual sense of the word, naturally, with laws being approved by people and a majority. Rather, it is constitutional in the sense that its leaders are bound by a set of "conditions" defined in the Koran and in the Sunna of the Prophet with respect to the chief executive and the administration. These conditions are nothing but Islamic laws, the very laws that must be observed and applied. In this way, an Islamic government is the government of Divine Law over the people.

That which constitutes the basic difference between an Islamic government and other constitutional, monarchic and republican governments, another cardinal fact, is that under these systems, the people's elected officials,

or the monarch are the legislators, while under Islam, the only legislator is God, The Holy Legislator. No one has the right to make laws and no law is applicable if it is not made by The Legislator. That is why under an Islamic government, instead of having a legislative assembly which usually represents one of the three branches of government, there is a planning assembly whose role is to organize the different ministries in keeping with Islamic laws and to determine, with the help of these plans, the way to perform public services throughout the territory.

All of the Islamic laws found in the Koran and the Sunna have been accepted by Muslims and the latter obey them. This facilitates the task of the government, which thereby becomes the coordinator of the people. However, under other constitutional systems, the majority of those who pass themselves off as the representatives of the majority of the people approve whatever they wish as laws and then impose them on all the people.

A government of Islam is a government of the Law. Under this method of government, sovereignty belongs exclusively to God and the Law constitutes God's order and decree. The Law of Islam, the Order of God, reigns in an absolute fashion over everyone and over the Islamic state. All men, from the Prophet on down to his caliphs and common mortals, are always subject to the Law, which is sent by God and explained in the Koran and by the Prophet. If the latter assumed the responsibility of the caliphate, it was upon God's order. He is God's caliph on earth and not caliph acting upon his own initiative with the intention of becoming leader of the Muslims. When risks of conflict appeared within the community, given the recent nature of conversions to Islam, God revealed himself to the Prophet and exhorted him to announce the caliphate immediately, in the middle of the desert. Muhammad then appointed Ali as caliph, obeying the Law, not because the latter was his son-in-law or because he had rendered services, but because he himself had received the divine mission to do so and because he was obeying the divine order.

Under Islam, the government means obedience to the Law and only the Law exercises its authority over society. Whenever a certain limitation was placed on the powers of the Prophet and the imams, it is the work of God. Every time the Prophet expressed something or announced a law, it was in obedience to the divine Law, the Law which everyone without exception must obey, the government as well as those governed. Obeying the Prophet is also an order of God which says: "Obey the Prophet." Submitting to the government officials or the imams is also an order of God which says: "Obey the imams who have come from you." The opinion of individuals, even of the Prophet, has no power over the divine Law. Everyone yields to the will of God.

An Islamic government is not royal, much less imperial. This means that it rejects any system tending to master the lives and property of the people or arbitrarily intervening in their affairs. Likewise, and unlike other regimes, an Islamic government has no grand palaces or grandiose constructions, no servants or stables or private court secretaries or any other

royal requirements that gobble up half of the national budget and more. You all know the life of the Prophet as head of the Islamic state. You also know that up until the pre-Omayyad period, his way of living and governing was respected. The first two persons apparently imitated the character and life of Muhammad in their private lives, even if in many other domains, they manifested their opposition, which led to the great deviation of the Ottoman period, a deviation that plunged us into all the misfortunes we are now experiencing. At the time of Ali, the system of government was correct. Although he reigned over a vast territory, of which Persia, Egypt, Hejaz and Yemen were only provinces, he lived in the greatest simplicity, like a humble student. It is reported that having bought two shirts, he gave the best one to his servant Ghanbar and then cut off the sleeves of the second, as they were too long, and wore it as it was, without even having them hemmed. And yet, he commanded a vast territory that was densely populated and very rich.

If this art of governing had been maintained, there would never have been any domination, royalty, imperialism, oppression or looting. There would never have been any stealing from the public treasury, any prostitution or other reprehensible actions. Many of these forms of corruption are rooted in the team in power and in the family of the despotic, capricious sovereign. It is the sovereigns who create the places of corruption, prostitution and drugs and devote holy goods to movie theaters!

If all of these costly receptions of the Court and this wastefulness did not exist, there would never be such a huge deficit and we would never have to bend down before America and England to beg for their aid and protection! If we have become a poor country, it is because of this waste and theft. Do we not have oil? Do we not have enough reserves and mines? We are rich, but it is all the corrupt administration that has impoverished us. If all that did not exist, he (the shah) would not have to go to America to bow before the "nice man" (the president of the United States) and ask for aid.

There is also all the superfluous administrative organization with all of its bureaucracy and red tape so completely foreign to Islam and which cost the national budget so dearly, practically the same sum as the expenditures previously mentioned.

None of this has anything to do with Islam, nor does it give the people anything but worry and a waste of time. The methods used by Islam, on the contrary, are very simple, practical and fast. Let us take the example of petitioning for rights, the solutions of conflicts and the application of punishments. When Islamic justice was followed, the judge, with his two acolytes, a pen and inkwell, put an end to enmities and sent the people back to work. Now, with the judicial organization and the resulting formalities, God only knows that they are endless and lead nowhere! All of these things make the country poor and cause nothing but problems and wasted time.

Conditions To Fulfill To Become Head of Islamic Government

The conditions necessary to the exercise of governmental authority depend directly on the nature of the Islamic government. Outside of the qualities required of everyone -- that is, reason and wisdom -- two other conditions are essential: knowledge of the Law and a sense of fairness. Even after the death of the Prophet, when differences appeared having to do with the choice of the caliph, all Muslims were unanimous in declaring that the caliph had to be erudite and virtuous. The cause of the controversy had to do with the choice of the proper person.

Since an Islamic government is the government of the Law, knowledge of laws is indispensable to the authority in charge of them. This also applies to anyone occupying any post but in varying degrees. As the ravayat affirm, it is obvious that the highest official must also have superior knowledge. Our imams have always advanced the same argument for access to the post of imam. The objections which the Shiite ulemas have formulated to others dealt precisely with the degree of knowledge. According to them, a caliph who could not respond to a question about the law did not deserve the caliphate or the office of imam. Furthermore, if he did not act in conformity with Islamic law, he was no longer worthy of the office of imam.

Therefore, a knowledge of the laws and a sense of fairness are, in the eyes of Muslims, the conditions sine qua non of exercising power. Other aspects do not count. For example, a knowledge of the nature of angels or the qualities of the world's Maker does not have anything to do with the office of imam. Even if he were the most learned man in natural sciences, even if he were the best musician on earth, a man would not thereby deserve to be caliph and would not outrank the doctors of Islamic law in competition for the post. With respect to the caliphate, of which there was a great deal of debate during the time of the Prophet and the imams, one must say that the caliph must know Islamic laws above all, be a true jurist, and second, be fair, a firm believer and have perfect morals. Reason demands this because an Islamic government is a government of the Law and not an arbitrary government under the authority of one or several persons. If the supreme magistrate of Islam does not know the laws, he does not deserve to be in government because if he copies from others, the power of the government will wither away, and if he does not copy, he will not be able to govern or apply the laws of Islam. It is obvious that: "The faqih govern over the sultans." If the sultans are Muslims, they must obey the faqih and ask them questions about the laws before carrying them out because the real rulers are the faqih themselves. Sovereignty therefore officially belongs to the faqih and not to those who, out of ignorance or a lack of knowledge of the Law, are forced to obey them.

Naturally, it is not necessary for all officials, border guards and civil servants to be faqih. It is sufficient that they know the laws relating to the office or post entrusted to them. This was so at the time of the Prophet and Ali. Only the supreme leader must be endowed with the qualities previously cited. As for the others, they must go to him with questions when they are still confused by the law.

- The head of the government must have perfect faith and morals, be just
and not be tainted by sin. The person who must apply the penal code or
manage the public treasury and who receives from God the mission of repre-
- senting Him in the administration of his followers must not be a sinner.
- God does not give such powers to an oppressor.

If the head of the government is not just, he will not be just in giving
each person his rights, in collecting taxes or using them or in imposing the
penal code. He will risk imposing his family, his relations and his friends
on society and misappropriating the public funds to satisfy his whims.

Thus, the position of Shiism toward the system of government and persons
in power since the disappearance of the Prophet and until the apparition
of the Imam of all times is clear: The imam must know the laws and remain
fair in their application.

11,464
CSO: 4900

IRAN

U.S. 'SENTIMENTALITY' IN IRANIAN ISSUE CRITICIZED

PA072230 Bogota EL SIGLO in Spanish 29 Nov 79 p 5 PA

[Editorial]

[Excerpts] No matter how the crisis between Iran and the United States is solved, there will apparently be a fundamental breakdown in international law and a reduced influence by the United States in its role as leader of the free world.

The White House's handling of the crisis has been inconsistent and indecisive, and this has revealed the lack of a guiding hand and the incapacity of the present government to hold the reins of the country and to announce policies that represent the common will. For 3 weeks President Carter has had the public opinion of the entire world, and to a lesser degree, of his own country, on his side. During this period the opportunity to make dramatic decisions was not exploited, and since then the intermittent U.S. reaction has lacked coherence, that is, "direction." It is not known just what U.S. policy pursues. The entire "negotiation" has revolved around the problem of the hostages, to the sudden detriment of the national interests of the state. It would seem that to the U.S. mind world peace may be endangered because of a threat to the lives of some U.S. officials. Although by law and by logic the United States is right, this attitude belittles the objectives of the Western alliance. The United States does not believe peace can be threatened by the political events of recent years which, in truth, do seriously endanger it, but when the matter touches its society internally, then there is a reaction out of proportion to the real dimensions of the problem. The United States supported Somoza until, in an obscure episode, a U.S. newsman was killed in Managua. Then the great power of the north reacted, changed sides in a political decision dictated by emotion and accelerated the dictator's fall. Now the U.S. attitude toward Iran is subject to the same personal minutiae to which a foresighted and serious policy should be impervious.

Now, when an apparently similar situation has occurred, the lives of U.S. citizens in the Tehran embassy have emerged as the primary consideration. We hope that in the final analysis decisions about war and peace in the world will be based on basic considerations and not, as on other occasions, on emotions and parochial sentimentality. Moreover, it would seem that the U.S. public feels defeated and is in a state of isolation and what had seemed to be an outbreak of national indignation against Iran that had the virtue of uniting the country is being rapidly diluted and now the variance of opinion makes decision-making difficult.

CSO: 3010

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IRAN

STUDENT SPLIT FROM REVOLUTION WIDENS

Tehran BAMDAD in Persian 9 Oct 79 p 2

[Text] Following an announcement by the prosecutor general of the Islamic Republic of Iran based on the fact that no one has the right to depose or install employees or to change or cancel regulations, the Society to Defend the Respect and Rights of University Staff and Scholars, in an open letter addressed to the prosecutor general, announced that the group regards itself dutybound to bring the prosecutor into the midst of the antirevolutionary activities which have been taking place throughout all the universities, and especially the University of Tehran, which was the guiding inspiration for the institutions of higher learning.

The statement said:

1. The temporarily appointed administrations of the universities, in opposition to the wishes of the Imam, instead of performing during the last 7 months, have caused so much destruction in the universities, and so destroyed their prestige, honor and reputation that it is unimaginable. Illustrative of this matter are the articles of thinkers and writers continually complaining about university staff, recent protests by His Excellency Mehdavi Kuni, president of the Central Committee, printed in Bamdad, the sharp reprimands and criticisms of Mohandis Bazargan, and everything else. Unfortunately, the administrations, with their antirevolutionary activities, are daily increasing the split between students and the revolution, and with the continuous announcements of discharges of a number of researchers, professors, and investigators, some evidently religious students have caused much negative sentiment concerning religion.

The administrations, of their own accord, established staff investigation committees or similar organizations in the universities and removed staff members against all existing laws and regulations, and announced their names publicly by means of organizational newsletters and thereby destroyed the credibility and positions of those people and gave university personnel a bad name and created in this group of researchers and scholars a pessimistic feeling and a state of depression, mortification, despair, and discomfort.

Keeping in mind what has been published everywhere, in the staff investigation committees of the universities, especially the University of Tehran there are several clergymen present who confirm to what extent pessimism concerning religion is found in the hearts of university employees.

2. For 7 months now, with complete disregard for all order, regulation and law, many professors have been dismissed behind closed doors at the hands of lay people with no information and without any right to a court trial, and their salaries were cut without any justification. "It has been revealed that in the staff investigation committee of the University of Tehran there were two Savak agents." Unfortunately there have been no investigators to vindicate these university employees, and, unsalaried and helpless, subject to persecution and oppression, some of them have become counterrevolutionaries and bullies while wearing the mask of the revolution, and for the same reason they have gathered together the oppressed members of the university community and established a 100 percent unified organization for the purpose of alerting responsible officials to the antirevolutionary and revolution-destroying activities of the ruinous and destructive administrations and to become themselves effective obstacles to activities and practices opposed to the people and their education.

3. The activities of the administrations are a kind of autonomous government within a government, because despite all protests, and especially the criticism of Mohandis Bazargan of the reprehensible and incorrect practices of the administrations, they continue to operate as before and pay not the slightest heed to the orders of the government. Among the prime minister's orders, which, according to the command of the Imam, must be obeyed, and if not it is a violation of religious law and the revolution, the prime minister, in Circular No 12/998 dated 31 July 1979, which is presented herein, detailed the unjust and immoral activities of the administrations and plainly ordered that salaries be issued to the professors. Until now, however, a month and a half since the issuance of the order, the temporary university administrations, under the instigation of the temporary administration of the University of Tehran, have not paid the slightest regard to this order and continue as before to refrain from paying salaries to the professors.

If the university employees are guilty, then prosecute them and take vengeance upon them, and if they are innocent, do not allow counterrevolutionaries posing as revolutionaries to carry on with every kind of ugly practice, to go about settling accounts and taking revenge in the name of the revolution and thereby destroy the revolution.

The Society for Defending the Respect and Rights of University Personnel and Scholars insistently demands of His Excellency that he issue an order that anyone, under any conditions, who is guilty will be punished and the events of the last 7 months will become clear. It must not be left unsaid that unfortunately with the practices of the administrations, the universities have become empty and thousands have left the country. Only patriots remain to serve the country.

The Society expects the rights of professors to be defended, and the process of disunity and the split between clergymen and faculty, which they deliberately created and continue to spread day by day, to be stopped.

IRAN

JUDICIAL SYSTEM TO BE REVAMPED, SADR SAYS

Tehran KEYHAN in Persian 10 Oct 79 p 12

[Article by Fathollah Bani Sadr, president of the Supreme Court: "The National Judicial System will be Changed"]

[Text] The President of the National Supreme Court, during a telephone interview with KEYHAN's correspondent, discussed a plan for dissolution of the provincial courts, the regional courts, the government employees courts, the provincial prosecutors' courts, and the rural courts, and provided explanations in this area. He indicated that until the publication of the complete text of the proposal in the official national newspaper is approved, the courts will continue to operate as usual, and that this dissolution would be contingent on a 15-day time lapse after such publication and the establishment of a general court system.

Fathollah Bani Sadr, president of the Supreme Court, in the matter of the proposal for dissolution of the regional and provincial courts and other judicial institutions, which after approval of the proposal, will be changed, stated: "The approved proposal related to dissolution of the provincial, municipal, and employees government courts is not yet at the stage of implementation and the courts are still being administered as before. The proposal is now in the hands of the Justice Department and the minister of justice and a study for its implementation is underway. At this time, the task of selecting judges for the general courts and method of establishment of this type of court is also under study, and when these studies come forth, the proposal must be published in the official national newspaper and 15 days must pass after this publication. After the passage of 15 days from the publication of the afore-mentioned law in the official national newspaper, and the coming of a general court system, the proposal will be implemented. On that basis all of the provincial courts, municipal courts, government employees courts, hearings courts and provincial circuit courts will be dissolved." The president of the Supreme Court then referred to the issue of the general courts, saying: "The general courts are comprised of three sections, the civil courts, the criminal courts and the general

courts, each of which deals with certain types of cases." In another portion of his discussion, Bani Sadr said, with regard to the anticipated power of the judiciary in the forthcoming constitution: "The power of the judiciary in the initial draft of the forthcoming constitution has been taken into consideration, but what will be done is still not clear, and this issue is still under study in the special committees of the Assembly of Experts. A definite opinion and discussion in this is still not out. This matter is contingent on a plan for matters related to judicial powers, and, studies of anticipated needs in this area are under way in the Constitutional Study Commission."

Bani Sadr added: "What is certain is that after confirmation of the issues and principles which have been taken into consideration concerning the judiciary, and of course, after the Imam's approval, extensive changes in the courts, the Supreme Court, and the current judicial system will be brought about."

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CSO: 4906

IRAN

COSTS OF ABOLISHING JUDICIARY CITED

Tehran BAMDAD in Persian 12 Oct 79 p 5

[Article by Azar Khadiv Pur, Justice Department lawyer: "Before Abolishing the System and Institutions of the Present Judiciary, Sufficient Attention Must be Devoted to the Motives and Apparent Nonsuccess of the Courts"]

[Text] Every protester who has raised issue against the court, against this great house of justice, which is the outcome of the efforts and struggles of past generations, especially the administrators and judges, has believed and does believe that a truly strong, independent, and effective court which is the home of justice and protects the rights of the people and the social order is not effective without fundamental and basic revisions.

The necessity for a revision of this institution, and purging and reforming it in a way that is becoming to the circumstances of our present-day and ever-changing independent Iran, with compilation and expurgation of the present laws and government regulations pertaining to it, is affirmable without any doubt or hesitation. There are people also who have spared no pains in the development and protection of this institution, but before any steps are taken to abolish this tower of judicial machinery, it must be pointed out that this is akin to playing with the tail of a lion. It is necessary, before destroying this present system of judicial apparatus which is the result of the historical experience and scholarly effort of 50 or 60 years and is the true guarantor of social order and defender of national security, that careful and sufficient attention be given to the causes and apparent nonsuccess of the courts. Thus, when those who are calling for reform of the judiciary produce more useful suggestions and express their ideas in a more sophisticated way, it will be time to put them into action. Otherwise, what a mass corruption and confusion will arise out of the void. The want of a judicial system will once again involve the suffering people in the problems experienced prior to the constitutional revolution, just as at the beginning of the constitutional revolution protest arose out of a lack of an impartial recourse for those with grievances. Why?

According to evidence found in the proud history of our constitutional revolution, in the times of the Qajars and in the times prior to them resolution of lawsuits and judiciary matters of the country were undertaken in a court known as the "Shar' Court," which, for various reasons, among them the lack of well-ordered and responsible institutions adhering to common laws, the lack of cooperation and agreement in making decisions, and the issuance of often-contradictory legal opinions of Shar' judges based on different and numerous sources and events, created cause for social unrest. Therefore, because of a failure to obtain uniform procedures for dealing with litigations and claims, the nation rose up and demanded a justice department and a judiciary system based on order and secular laws and regulations, and, as the history of the constitutional revolution shows, they realized their demands through continual demonstrations.

A point worthy of attention is that always during a crisis of the judiciary it is the common man who suffers, and basically, the imposition of tyranny on the people is not possible without resorting to undermining the judiciary and eliminating law and order. In actual practice, we saw that the agents of the deposed regime, in proportion to the weakness of the judiciary, increasingly brought forth their illegal and illegitimate recommendations and proposals, and the more the sphere of influence and power of the judiciary was restricted, the more the sphere of power of the despotic ruling group, which usurped the rights of the people, increased. Thus motivated, they restricted the vitality of the judiciary as much as they could, and day by day they weakened this institution.

In any case we now turn from the history of the judiciary in order to explain the real reasons for the apparent lack of success of the Justice Department, for the benefit of the government body which has taken on the enormous responsibility of dissolving and renewing the courts.

Initially, it should be said that despite the many criticisms that have been levied against our modern Justice Department and will be levied against it, most of them either arose out of ignorance or self-interest, because comparatively and relatively our justice system as it is currently reflected is not without positive consequence. If we dispense with inadmissible objections and criticisms and look impartially at the contributions and accomplishments of this institution, taking into consideration the restrictions of the former regime, and bearing in mind the obsolete ideas which were in opposition to the development and fruition of this institution, and review the positive and negative effects it has had in its short life of 50 or 60 years--we will acknowledge the distinguished position of this agency in the previous despotic regime. Only if we persist in our narrow and prejudiced thinking and unjust accusations can we deny the positive accomplishments of this institution.

Proof for the claim of a higher position for the power of the judiciary relative to the other political and administrative branches of the government was the instantaneous creation of special courts, among them the military courts, whose increased power we witnessed every day and every hour as we witnessed the shrinking power of the courts of the Justice Department, and the proliferation from all sides of slander and unjust accusations. If the judicial institutions of the country had been in league with the oppressive and despotic regime and its illegal activities and agents and they had endorsed the desires of those who would trespass upon the rights of the people, their power would certainly have increased and there would have been no need to establish special puppet courts.

The most frequent complaint about the judiciary has been its slowness in rendering justice, and both in appearance and in reality this is a justifiable complaint, but the reasons for the slowness that prevails in the administration of justice in the courts should be studied from two points of view. First, the nature of the judgment process, which is directly connected with the fate of one and all should be carefully, deeply, and sufficiently considered, because so many times only one mistake has resulted in the taking of an innocent human being's life, or caused someone irreparable material and intellectual loss. Therefore, judicial decisions and the issuance of just judgments are dependent on complete study, and though this causes delay, it is better than an unjust and hasty decision against a person without guilt.

Secondly, the slowness of the judicial process in the Justice Department was connected with the overall policy and nature of organization of the previous regime which absolutely stopped the process of increasing judiciary power by implementing the legal authority of the Justice Department, and of reinforcing the independence of the judiciary, and as we were obstructed we were prevented from improving and expanding judiciary and administrative staff resulting in a disproportionately small pool of legally trained and administrative manpower on the one hand, and, on the other hand, an annually increasing accumulation of backed-up cases arising out of a widening of social, political, legal and economic relations in society which slowed the judicial process. This matter will become clear if one compares the statistics of accumulated cases in the Ministry of Justice through the years with the inequitably small number of judicial personnel. As a result, the people, who are not aware of the judiciary's problems, through this process have been made pessimistic and unsupportive toward this system, because every regime that trespasses on the rights of the people and violates a nation's freedom has feared the power of the judiciary and the power of a law before which both strong and weak and rich and poor have equal responsibilities and duties and from which bodily penalties neither rich nor poor can be exempted, even by paying 5 million rials gotten by cooperating with the former regime, nor can one escape its punishment simply by changing one's colors after years of big talk, bragging and flattery, and wishing well to the oppressors, supporting the regime, backing up traitors, and bolstering the foundations of oppression and corruption.

With the hope that we will accept counsel from the experiences of several of our political ages, and that we will strive to preserve the accomplishments of our proud history.

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IRAN

NEW EMPHASIS PLACED ON DOMESTIC INDUSTRIAL DEVELOPMENT

Expansion of Domestic Production

Tehran KEYHAN in Persian 12 Nov 79 p 9

/Text/ The country's industries are under economic siege by imperialism; however, in spite of rumors, the country's domestic production has not decreased following the triumph of the revolution--rather, according to research by experts in the Ministry of Industry and Mines, the output of the nation's industries has been 83 percent above that of 1977.

Dr Ahmadzadeh Heravi, minister of industry and mines, in the course of a special interview with KEYHAN in which he discussed this matter, held that every kind of shortage in the country has been artificial and said "A number of people have engaged in hoarding the country's output in order to raise prices."

In this conversation, the minister of industry and mines considered the shortage of cement a mere rumor and declared, "The country's current cement production has increased by 3 percent relative to the six spring and summer months of 1977 in thirteen plants." The minister of industry and mines then asserted that a number of people have proceeded to hoard cement and have created artificial shortages in various fields as a result. The minister of industry and mines then warned, on describing the country's economic progress and the problems which are facing the country's industrial and productive units at the present time, "We will not allow a number of profiteers and middlemen to lay the ground for a shortage in cement or any type of requirement needed by the public through their plots." Once again, Ahmadzadeh referred to the problem of the cement shortage and pointed out, "The cement producing capacity of the country's current factories in the course of the past 6 months was 3,301,000 tons; at the present time 2,000 tons of cement are being produced and supplied on the market daily."

Ahmadzadeh then referred to the iron production and distribution system and said "In general, we have tried to sell iron products to numerous individuals and class two and three vendors to avoid the emergence of a black market in iron, so that we can also control the distribution of iron and consequently provide the iron required by people in the market by preventing the hoarding of iron."

The minister of industry and mining stressed "A number of people are trying to hoard iron in order to raise its price." In another portion of his conversation, Ahmadzadeh referred to the efforts of the country's industrial and productive units and said "In general, through the efforts of Iranian workers, the level of output has risen. For example, the production capacity of textile units in our country has increased 71 percent above the 1977 level. Of course one must not ignore the problems which foreign countries have created for us at the hands of imperialism; our industries' dependence on the foreign world is one of the big problems we have not yet been able to eliminate or bring to a reasonable limit." He expressed the hope that all such types of dependence on the industries of foreign countries would be eliminated in the future and that we would attain self-sufficiency. The minister of industry and mining added "The foreign countries, at the hands of imperialism, have placed us in an economic siege and have cut off all their credits related to our industries. However, in spite of all these problems, industries are active and possess considerable capacity; I must state that we have had an 138 percent increase in the food processing sector, and tire and household appliance manufacture also shows a 67 percent increase." Ahmadzadeh then pointed out "The foreign countries have cut off our credits because they think that the temporary government of the Islamic Republic of Iran does not have the necessary stability as they see it. However, through our efforts, we have shown that we do have the necessary stability and on the other hand we have replaced their credits with our own and have allocated the sum of 80 billion rials to this matter, so that we can purchase the primary materials for cash and import them. We have placed existing credits at the disposal of domestic industries with a maximum of economization and we have tried to have most of these credits take the form of foreign currency credits."

The minister of industry and mining then emphasized, "Another reason for our dependence on foreign industries is the shortage of specialized manpower, because foreign experts and specialists left Iran with the triumph of the revolution and in order to put pressure on us are refusing to return." The minister of industry and mining then said "One foreign company in the previous regime would receive 300 marks a day for one of its experts. After the triumph of the revolution it increased this amount to 720 marks; for us, this is unacceptable." Ahmadzadeh then announced "We have entered into discussions on a long-range plan for the Krupp company, in which Iran also has a share, so that we will be able to train the technicians the country requires." The minister of industry and mining then declared "Another reason for the recent high prices was the volume of currency in

circulation in 1978 and 1979 and prior to the revolution; all at once, this volume of printed currency doubled--that is, it increased from 40 to 92 billion tomans. This is also affecting prices."

Ahmadzadeh Heravi added, "In the three summer months of 1979, 79 construction permits were issued for capital investment, machinery imports and the erection of new factories. In this field capital investment was 1,369,300,000 rials, of which 912 million rials were allocated to the importation and purchase of machinery; 304 million rials of the total percentage of capital were allocated to construction activities, 152 million rials to the purchase of land and 500 million rials to operating capital." The minister of industry and mining added "We have talked with the Bank Melli and 5 billion tomans in loans approved by the National Economic Council have been placed at the disposal of small industries. In addition to this, Bank Sepah has also declared its readiness to pay 2 billion tomans in loans to the country's industries."

Ban on Foreign Companies

Tehran KEYHAN in Persian 12 Nov 79 p 3

[Text] Yesterday afternoon the open session of the Council for the Final Investigation into the Constitution met under the chairmanship of Ayatollah Dr Beheshti and examined and ratified three principles of the constitution. In yesterday's session the representatives presented their views and recommendations upon presentation of the principles, and they were ratified by a majority of the votes following their review. The principles which were ratified at yesterday morning's session are as follows:

"Principle 24. The official flag of Iran is green, white and red in color and bears the special insignia of the Islamic republic."

"Principle 32. The Oversight Council is in charge of supervising presidential elections and elections to the National Consultative Council and auditing the general and referendum votes."

"Principle 156.1. If material or moral damage befalls a person as a result of an error or mistake by a judge on a subject or verdict on a private matter, the person at fault, in the event of the fault, will be held responsible in accordance with Islamic criteria."

In another area, a session of the final investigation into the constitution, under the chairmanship of Ayatollah Montazari, was convened yesterday afternoon; during that, six additional principles of the draft constitution were ratified.

The text of Principle 13.1 is as follows:

"In accordance with the sacred Koranic verse 'Turn not from those who have not fought with you over religion or expelled you from your homes: be generous with them and treat them fairly,' the government of the Islamic

Republic of Iran, and Moslems, have the duty of treating non-Moslems morally and with Islamic justice and fairness and of looking after their human rights. This principle will be valid as regards persons who do not conspire or take measures against Islam and the Islamic Republic of Iran." This principle was ratified with 50 votes in favor, two votes against and one abstention.

The text of Principle 83.1 which was ratified yesterday is as follows:

"The president must be selected from among religious and political men who meet the following conditions: Iranian origin, Iranian citizenship, maturity and experience, possession of a good personal history, trust and piety, devotion, and belief in the laws of the Islamic Republic of Iran and the official religion of the country."

This principle was ratified with 52 affirmative votes, four negative votes and four abstentions.

The text of Principle 29 which was also ratified yesterday is as follows:

"The holding of meetings and unarmed demonstrations will be permitted on condition that they not be prejudicial to the principles of Islam."

This principle was ratified with 51 votes in favor, two against and seven abstentions.

The text of Principle 17.1, which was ratified, is as follows:

"On very important economic, political, social and cultural matters, the actions of the legislative power may be carried out by a referendum and direct referral to public vote. The request for a referral to a general election must be ratified by two-thirds of the total representatives of the National Consultative Assembly."

This principle was also ratified, with 54 affirmative and one negative vote and five abstentions.

The text of Principle 67.1 is as follows:

"In the public sector, the grant of concessions to foreigners by the government to form companies and organizations for commercial, industrial, agricultural or mining activities and services is absolutely forbidden." This principle was finally ratified by 19 affirmative votes after two vote tallies.

The text of Principle 54, which was ratified by the Council for the Final Investigation into the Constitution yesterday, is as follows:

"The discussions of the National Consultative Council must be open and a full report must be published by the radio and the country's official gazette for public information. In emergency conditions, in the event national security considerations so demand, an open session will be held on request of the prime minister, a minister, or 10 representatives.

"The ratified actions of the executive session will be valid in the event the session is held in the presence of the Oversight Council and the actions are approved by three quarters of the total representatives. The report and ratified actions of these sessions must be presented for public information after the emergency conditions have come to an end."

This principle was ratified with 52 affirmative votes, one negative vote and four abstentions.

In yesterday afternoon's session, Principle 132 was also presented, but it was not ratified by the majority of those present. The text of this principle is as follows: "The tax system must be in accordance with social justice and the taxpayers' ability to pay and must be in conformity with necessary general expenditures." The report by PARS News Agency parliamentary correspondents on the Council for the Final Investigation into the Constitution states that in a speech prior to the decree the Zoroastrians' representative presented a petition with the signature of 200 Zoroastrians stating that Zoroastrians have been considered second class citizens of the country and that Zoroastrians are considered fire worshippers although the object of Zoroastrians' worship is light, not fire. After this petition was read out by the Zoroastrians' representative in the Council of Experts, Ayatollah Montazari said "The rights of all minorities have been recognized and we recommend that all our brothers and sisters observe the criteria and commandments of Islam with regard to the rights of others."

Plans for Independent Industries

Tehran KEYHAN in Persian 12 Nov 79 p 1

[Text] The Conference to Guarantee the Independence of Iran's Industries was held yesterday afternoon at the permanent Iranian International Expositions site with the objective of announcing the Ministry of Industries and Mining's policies to protect local industries and replace industrial imports by local products; in attendance were the undersecretary of industry and mining, a group of Iranian economic and industrial personages and industrialists and interested persons.

Ahmad Yazdanpanah, the supervisor of the Iranian International Expositions, said, "The losses Iran has sustained from assembly industries are economic, social and political. The high cost of assembled goods for one thing is due to the fact that factories must be planned on a broader scale and have massive production--however, massive production damages imperialism's international market. As a consequence, production is below capacity and the per-unit costs of installations become high. The government's protectionist policies are making the import supply of similar goods scarce and

costly. A significant portion of spare part accessories in assembly plants are imported from abroad and the fact that there is inflation in the industrial world is causing the price of assembly goods to increase. Another matter is the presence of middlemen and the expense of transporting accessories. Another reason why low-quality goods have an expensive ultimate price is the fact that Western assembly goods are expensive, and this results from the fact that the mother country protects the export market and Iranian skilled workforces are new at the job of producing industrial goods."

The second speaker at this conference was Ardeshir Davar, industrial under-secretary of the Ministry of Industry and Mining, who said "After the coup d'etat of 1953, when their spirit was to some degree relieved as far as political dominance over Iran went, America, and the Westerners in general, as a result of the experiences they acquired in their relations with the Iranian nation and the obstinacy of the people in the face of the foreign powers--indeed, their essential perseverance against the foreigners and their refusal to accept influence on Iranian culture--hit upon the idea of not just satisfying themselves with political dominance but of also converting their dominance into the economic, cultural, and social dominance of the society in order to alleviate their anxieties over the future. Therefore, when the economic system of the Iranian countryside collapsed, they created opportunities in the cities and laid the groundwork for migration, so that they could deliver a big blow to the country's economy.

"Another matter one might discuss is that Tehran, Tabriz, Esfahan, Shiraz and other big cities expanded unreasonably and acquired immense urban problems."

He added that about 2 million people were working in the nation's industries and about 150 billion tomans' worth of manufactured materials were imported from abroad every year. He said, "About 50 to 60 billion tomans have been spent in constructing these industries. We see that the previous regime's careful plan following America's political dominance in 1953 was only to expand dependent industries.

"Unfortunately, industries are not being helped as they should and could be and we are not measuring production capacity in terms of the volume of shortages in the country. As a result, measures are not taken in a timely fashion to import /materials in/ shortage and prices are going up. Unfortunately, import and export regulations have not been reformed in the light of revolution of the Iranian nation in 1979."

The fourth speaker at this conference, Kadivar, a professor at Esfahan Industrial University, concerning means for attaining industrial independence, stated, "The Faculty of Science and Industry and the Polytechnic need two stages to attain industrial independence and eliminate dependence; the first stage is to draw technology for technical ability or scientific education and the second is to proceed along a road similar to that which Japan has

taken." He added, "Regarding economic and industrial dependency, we also need an economic and industrial revolution." He added, "It is inventions and innovations which nourish industrial output. This is the way Japan has followed and which our universities must follow also.

"My recommendation is that we need a ministry for medium and small industrial production so that industrialists themselves can assume the guidance of this ministry and substantial progress can accrue to the industrialists and the nation."

Review of Foreign Connections

Tehran KEYHAN in Persian 12 Nov 79 p 2

[Text] In their revenues for 1978-79, 50 out of 144 private sector productive units lost 8.3 billion rials in all.

Statistics show that 30 percent of economic activities in the private sector sustained losses. All privileges for foreign participation in companies in which foreigners were stockholders have been abrogated. According to a proposed plan, the purchase of primary materials from monopoly organizations will be broken up.

This matter was addressed by Mohsen Ameli, general director of the Financial Organization to Expand Ownership of Productive and Industrial Units. He added, "The government is a 20 to 49 percent shareholder in 144 productive companies. The volume of the government's participation is 20 billion rials."

Ameli then stated, "The owners of units of this type are refraining from declaring losses, in order to avoid being included under the Law to Protect and Develop Iranian Industries, in order to avoid being included in this law. In connection with this, 50 of the 144 productive units in existence in the fiscal year 1978-79 had collective losses of 8.3 billion rials."

Regarding the departure of foreign currency, he said: "Only in one case was the flight of 30 million rials in foreign currency per year in one company avoided. We are currently engaged in investigating this matter so that the company may be managed on the basis of justice and equal rights of shareholders, be they domestic or foreign. To this end, a review has been made of the bylaws of all companies which were in partnership with foreigners, and all stock privileges of foreign individuals holding shares in this kind of company have been abrogated.

"Similarly, in order to provide primary materials inside the country, through the expansion of such existing industries as petrochemicals, we will be able to eliminate the monopoly over materials of this kind by one or several foreign countries."

Ameli then referred to the matter of industrial management and said "The management in these industries is a fundamental issue. Good managers are

extremely rare. After the law nationalizing industries, an absence of coordination arose in the management of the major portion of these 414 units, with the incorporation of the related organizations; one must pay attention to the need to establish full coordination, above and beyond the question of ownership, since it must be said that these industries belong to the country and must be administered in a manner devoid of any kind of organizational or personal fanaticism under rules and regulations which will protect public rights.

"Use will even be made, in special conditions, of former managers of these units who have remained in the country, have not fled and are prepared to cooperate--of course under the surveillance of the government."

Departure of American Managers

Tehran KEYHAN in Persian 12 Nov 79 p 2

[Text] The managers of 200 American companies who resided in Tehran left Tehran after the takeover of the American embassy. After the signing of the \$40 billion agreement reached between Henry Kissinger and Hushang Ansari in the era of the deposed Shah, the Americans expanded their commercial activities in Iran and set about establishing mixed companies, although in reality all the shares in these companies were at the disposal of American managers.

After this agreement was signed, the American government established two commercial centers in Tehran, which engaged in selling international American products to Iran. The American commercial center in Tehran encouraged Iranian importers to purchase American goods by establishing an international exposition.

Commercial relations between Iran and America were always one-sided; because of this onesidedness, the American companies always won big bid competitions during the previous regime. Many examples of this agreement were to be observed in the history of Iran's commercial relations with America. One example of these agreements is as follows--the agreement to construct 200 factories for the manufacture of prefabricated parts. The billion-dollar agreement to sell communications equipment, and construction of 1,000 kilometers of roads by American companies, are other examples of these agreements.

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IRAN

BRIEFS

TEHERAN STUDENTS IDENTIFIED--Among the "students" involved in the taking of hostages at the U.S. Embassy in Teheran, [unspecified] European intelligence services say they have identified some Marxist fedayeen leaders. [Text] [Paris LE POINT in French 3 Dec 79 p 75]

CSO: 4900

IRAQ

LAND RECLAMATION PROJECT FOUND SUCCESSFUL

Manara GULF MIRROR in English 4 Nov 79 p 33

[Text] IN the Arabian Gulf where petrodollars conjure up images of Cadillacs and other cornucopias, Iraq is ploughing its oil revenues back into the earth.

This leftist state looks positively austere next to its petro-neighbours. But its government is determined to achieve a self-sufficient state by the time its oil reserves start to dwindle.

Unlike the desert oil states, where greater emphasis is put on industrialisation, Iraq has formed a long-term and comprehensive plan to develop its agriculture.

Fertility

A few weeks ago the first crop of barley was ready for harvesting on a site known unobtrusively as "K3." Things haven't been so good there for almost a thousand years.

The product of several years of labour by teams of international consultants and contractors, the barley harvest marks the return of fertility to the barren, semi-desert Lower Khalis region. And like a good omen for this massive irrigation and land reclamation project, this first crop surpassed the expectations of everyone involved, from the drawing board to the plough.

The project, one of the biggest of its kind in the world,

maintains the 5,000 year old heritage of irrigation in Iraq — said to be the oldest in the world.

In the earliest days the inhabitants of Mesopotamia relied on the natural floods of the rivers Euphrates and Tigris to water their crops. Later a complex network of canals was developed and the land flourished.

It was around 1,000 years ago that this stretch of the Fertile Crescent was rendered barren by a national process which left the soil ridden with deposits of salt.

When the Lower Khalis project is completed, it will bring high intensity irrigation and mechanised agriculture to 90,000 hectares of land between the Tigris and Diyala rivers, an economically important area immediately north of Baghdad. Some 9,000 kilometres of field drains are to be constructed in the area.

The first contract to start — "K3," in 1975 — involved the construction of 1,000 kilometres of field drains. It is now 90 per cent complete.

The net cultivable area of "K3" is 6,000 hectares. The second and third contracts (K2 of 24,900 hectares and K1 of 15,000 hectares) were both started in 1977 and are thus over 15 per cent complete. The Iraqi government has provided the £200 million necessary for the scheme.

Distribution

Britain's Sir M MacDonald and Partners, who had carried out an initial feasibility study in 1971, were appointed consultants to design and supervise the work by the newly-formed General Agricultural Establishment. Their job over a period of five years was to develop a progressive agricultural plan based on cereals, fodder crops and citrus fruits. Sub-consultants for agricultural and social aspects are Hunting Technical Services of Britain.

A major delay, and one which is becoming common to such projects the world over, is that of land distribution and administration.

Some 70 per cent of the land is still owned by 5 per cent of its people. A single person is not supposed to own more than 300 donums (roughly 1,200 hectares).

With its socialist strategy, the Baghdad government duly proposed to confiscate all the land concerned and redistribute it in packages of 300 donums to the local farmers.

That has not happened. Resistance has come from landowners, some in influential public positions. There is also the fact that the politics of land tenure are complex, although it is known that the government is ultimately keen on utilising collective and state farms. Government control will come gradually, if slowly.

IRAQ

BRIEFS

TECHNOLOGICAL AGREEMENT WITH ITALY--Nuovo Pignone, the energy engineering subsidiary of Italy's state-owned hydrocarbons group ENI, has won a \$200 million deal in Iraq which is being described as a big step forward for ENI's policy of matching guaranteed oil supplies with exports of specialised technology. Final details of the contract were being worked out as this newsletter went to press by officials in Baghdad and Nuovo Pignone's President Gianni Fogusi; first reports said however that the company would supply a virtually complete gas-processing system, including 10 gas turbines and 40 compressors, for a plant at Bassora, in the south of Iraq. Nuovo Pignone has already begun supplying compressor equipment to China under the terms of a licensing agreement concluded with the government in Peking. This and other pending agreements are part of ENI's overall strategy of concluding direct deals with governments in order to bypass the major international oil companies. ENI Chairman Giorgio Mazzanti has recently visited Iran, Mexico and Libya in pursuit of the policy. Work on the Iraqi contract is due for completion by early 1982. [Text] Paris AN-NAHAR ARAB REPORT & MEMO 19 Nov 79 pp 2, 3]

RISE IN NONOIL EXPORTS--The value of Iraq's non-oil exports in the first nine months of this year was ID 26,168,226 (about \$81 million), it was announced last week. The quarterly average is about 16 per cent higher than in the second quarter of 1978, the last period for which figures are available (An-Nahar Arab Report & Memo, November 27, 1978). The Chairman of the State Organisation for Exports, Fuad Abdul Majeed, said non-oil exports included industrial products, some chemicals and commodities; the chief export earner other than oil has in the past been dates, with cement running second. Mr Majeed said that the organisation had fulfilled targets on schedule. [Text] [Paris AN-NAHAR ARAB REPORT & MEMO 19 Nov 79 p 3]

INDUSTRIAL BANK CAPITAL DOUBLED--Iraq's ruling Revolution Command Council has decided to double the capital of the state-run Industrial Bank to ID 50 million (\$169.3 million), it was announced last week. A total of 23 industrial projects costing an estimated ID 480 million (\$1.62 billion) were launched to celebrate this year's anniversary of the July 17 revolution. (An-Nahar Arab Report & Memo, July 16). [Text] [Paris AN-NAHAR ARAB REPORT & MEMO 19 Nov 79 p 3]

REFINERY EXPANDED--The expansion project of an oil refinery in the north of Baghdad was inaugurated last week by Iraqi Oil Minister Tayeh Abdel Karim. The \$150,000 project includes the construction of a refining unit that would add to the refinery a capacity of 10,000 barrels a day, thus boosting the refinery's capacity to 21,000 b/d, satisfying Iraqi needs for oil. [Text] [Paris AN-NAHAR ARAB REPORT & MEMO 19 Nov 79 p 3]

CHINESE WORKERS FOR HIGHWAY--The Japanese construction company Fujita will employ 400 unskilled Chinese workers to work on a highway project in Iraq due to start next spring. An agreement to this effect was signed between Fujita and the China Civil Engineering Corporation in Tokyo. The Iraqi project involves construction of a highway between Baghdad and Hit, 122 kilometres north of the capital. The Japanese trading house Marubeni won the contract as main contractor. China, it appears, is beginning to follow the example of South Korea in exporting its labour to Middle Eastern construction sites. The Chinese workers are to be paid \$300-400 per month over the two-year construction period. [Text] [Paris AN-NAHAR ARAB REPORT & MEMO 19 Nov 79 p 3]

CSO: 4820

ISRAEL

COOPERATION WITH GOVERNMENT ON SETTLEMENTS POLICY URGED

Tel Aviv HAZOFEH in Hebrew 28 Oct 79 p 2

[Editorial: "Maintaining Settlement Policy"]

[Text] The Government of Israel, which approved the establishment of the Elon Moreh settlement and its location and against which the Supreme Court has issued a decision, is obligated to find a way out whereby the decision will not be undermined, inasmuch as it is the edict of a democratic authority, and whereby the Jewish settlement will remain in the region by moving its location. The Supreme Court took its stand with statistics that were not cleared beforehand so that a judicial miscarriage might be prevented. Now a multi-dimensional program must be designed in the region of Nablus and its environs, equipped with the required resources, within the framework of which a solution can be found for Elon Moreh as an urban center at that location.

Settlement policy is a foundation stone in the Government's planning with respect to Judea, Samaria and the Gaza Strip. A policy which does not lose sight of the problem of lands and of political circumstances, but whose application becomes urgent during a time of autonomy deliberations. This is concrete evidence of our position in the Territories during a transition period of autonomy and of what is to follow it.

First and foremost a proposal worthy of the name should be formulated, whose principles include avoidance of confrontation with the law, and an expanded possibility of implementing Jewish settlement in accordance with a planned map.

The people Elon Moreh, who are aware of the basic assumption that settlement worthy of its name cannot be implemented except through the resources of the government and with the help of the security forces, would do well to demonstrate understanding of rational proposals whose main purpose is a Jewish presence in the hills of Nablus through a village and urban settlement. Inhabitants of the country who support the establishment of Jewish settlements in all parts of the land of Israel, would respect constructive cooperation by the settlement pioneers with the government.

Any decision accepted in the government by the majority should be accepted also by the minority. The solution of this problem is the basis of the government's policy and is vital to its very existence. Lack of a solution, which will cause great opposition, will bring closer a government crisis to be followed by early elections. Those more interested in a government with an indivisible Land of Israel policy, and who are immune to a leadership which is more noise than action, should be the ones to support with all their strength efforts to disengage from this complexity so that a negative development may be avoided.

The people of Elon Moreh, observant pioneers who are imbued in their conceptual world with the characteristic of responsibility are obligated to lend a hand to the government in its efforts to develop a most positive program, according to which a comprehensive settlement map may be implemented in the region, including Elon Moreh, within a predetermined time frame.

8090
CSO: 4805

ISRAEL.

STRONGER MEASURES AGAINST PLO TERRORISTS DEMANDED

Tel Aviv HAZOFEH in Hebrew 28 Oct 79 p 2

[Editorial: "The PLO and Its Draggers-On"]

[Text] The two terrorists who have been sentenced to life imprisonment for the massacres which they committed in the bloody bus on the Coastal Road are typical of the PLO in its savagery. In their sentence, which points up their very serious crime, it was said among other things, "Even while the bus was burning they shot and tossed grenades into the doors of the bus in order to cause death even to those who had some prospect of escaping from the fire trap."

These bestial creatures who model their expertise to shed Jewish blood as they have been trained to do by Arafat and his cohorts, who acted boisterously even in the military courtroom, were not sentenced to death for perpetrating this massacre in consideration of their young years. Israeli justice demonstrated great restraint in regard to these abominable criminals of the Nazi type.

It should be noted that a military court in Ankara, Turkey sentenced four terrorists to death by hanging for assassinating Egyptian embassy personnel.

In the light of such Satanic murderers, PLO trainees, the talk of "moderate" PLO members is nothing but deceptive or misleading. The PLO is the enemy of Israel and its Jewish citizens and must be fought to its destruction. The PLO in effect establishes the procedures of the Palestinian activists in the Occupied Territories. They were even invited to the leftist meeting of the New Outlook in Washington, but in accordance with the instructions of the PLO, did not accept the invitation.

The Israelis who did respond to the invitation, people from the SHELI and the MAPAM parties and a number of Reform rabbis in the United States who also are participating in the meeting, must surely know that their propaganda for the establishment of a Palestinian state on the West Bank and in the Gaza Strip implies a PLO state, a state wherein murderers of the type of those who shed the blood in the vehicle on the Coastal Road will rule lawlessly.

One of the leaders of the meeting, the editor of the periodical New Outlook, announced that the purpose of the meeting was to bring to the attention of the Jews in the United States the difference of opinion in this country on the question of the Palestinians. "United States Jewry must be convinced," he said, "that it should not be a rubber stamp for the Government of Israel."

The Jew from Haifa who lost his wife and two children in the bloody bus and whose legs were cut off, and who, in a broken voice wailed: "It is a shame that my country does not kill these two murderers who have shed so much blood." The voice of this bereaved father and husband is directed to those Israelis, buddies of the Palestinians, who are in effect pals of the PLO, who advocate establishment of a PLO state in the heart of this country.

Where is the shame of those who participate in the meeting of the New Outlook in Washington; and where is the shame of the people of the Peace Now Movement, who left for Egypt to voice servility and flattery to the rulers in Cairo on their desire for a Palestinian state; where is the shame of the man from SHELI who hurried off to Vienna to accept the Kreisky prize in company with a PLO activist. Is this what it has come to?

Political sources in the Western countries who proclaim the praises of the PLO are making calculations of Arab oil, of commercial dealings with the Arabs. But Israelis who are searching with candles for allegedly moderate PLO leaders, while disregarding the slaughterous role of the organization are faced by the remnants of the bloody bus who call out: Shame, shame!

8090
CSO: 4805

ISRAEL

STRONGER GOVERNMENT ACTION, NOT CHANGE, URGED

Jerusalem HAMODI'A in Hebrew 26 Oct 79 p 3

[Article by Rabbi Yehudah Meir Abramovitz: "The Government Must Improve Its Operations"]

[Text] The Israeli nation, following during the past week the stormy events in our land, has turned its eyes to the Knesset in anticipation and in hope. It anticipates that steps will be taken to improve the situation in the country and it hopes that this will be done by the current government. There is a basic confidence in the current government and in its head, despite the fact that not all that was anticipated was realized.

Two events of the week, the resignation of the foreign minister and the decision of the Supreme Court, dovetailed into this deliberation, although they are a sort of late addendum to the basic theme of today's deliberations. We regret the departure of every capable minister from the government, but we are confident that the government will not be damaged as a result.

Elon Moreh, too, has risen to the top. The position of Agudat Yisrael on this matter is known. The Court decision once again brought to light the impression that the government does not always function on the matter of settlements through foresight as to the development of matters, but rather succumbs on occasion to pressures. At the same time it must be said that the people of the Peace Now movement and the people on the Left that are day after day inciting Arab elements against the government, are erring grievously.

As stated, these are all issues which were appended to our day's agenda, and it was impossible to ignore them. Now I shall return to the central foundation in the no-confidence proposal: the situation in the economy.

A High Standard of Living, of Waste and Luxuries

Those opposed to the coalition existing today exaggerate in order to portray a distorted picture of the condition of the economy. There are, in fact, great difficulties, there are complex problems, but it is doubtful that in all the history of the state there has existed this kind of period of high standard of living, so great an ownership of vehicles and electrical

appliances, an enormous demand for luxury items, and travel by hundreds of thousands abroad each year. Note how the world looks upon us, they are simply unable to understand us, and in truth it is difficult to understand.

The one that is truly in a difficult situation is not the individual in the country but the country itself. Its obligations are piling up into many millions of dollars. Today we are bearing the burden of the economic policies of all of the governments of the past 30 years, not just of the past 2 years. It is insane to cast all the blame for the current situation on the one who undertook a shaky economic situation of many years, and the objective reasons made it difficult for him to find a quick solution.

There exists in the country a class of citizens in the lower rung of income, whose situation is difficult, and such a class existed in the past as well, and then as well as now we demand that the greatest effort be turned to these citizens. Other citizens of the country enjoy the cost of living increment as well as the increase in real wage which more or less cover the drop in the value of the Israeli pound.

For the weak class the only help may be rehabilitation, and if they complain that not enough is being done, I accept that, because whatever is being done is insufficient.

The effects of inflation are more in the psychological area than in the practical. The individual citizen is much concerned about what tomorrow will bring, but in the meantime continues to live better than ever before. Inflation must be controlled, but who knows the secret of how to do it? Is the key in the hands of someone in the opposition? That another government would bring instant relief to the country, I doubt. Would another government have the keys to new oilwells, which is today a world problem? Would it have a magic rod to bring about a quick end to the negotiations with the Palestinians? Could it speedily reduce inflation to the European rates? All of these are pipedreams, given the situation in our economy.

The Government -- A Chorus, Not Soloists

All of us can criticize. Even I have criticism of the government and its functioning. But there is a long distance from that to presenting economic facts in a totally distorted light.

Yehezkiel Zakai: (The Editor)

What is the criticism you have?

Yehudah Meir Abramovitz:

Listen.

Y.Z.: What kind of criticism could you have? According to you, this is a Garden of Eden, this is the finest government. What are you criticizing?

Y.M.A.: We have criticism of the government.

Y.Z.: Only on the subject of abortion, but not on the subject of the economy.

Y.M.A.: We wish you to stand up and be counted in a unified manner, through cooperation and harmony, through collective responsibility; that this be a chorus and not a group of soloists, and then I am confident that with the help of God you will be able to overcome the difficult problems, the economic the political, the security, the social, etc., etc.

Education for Jewish Values Basis of Our Existence

We wish the government to invest greater effort in the area of building and solving the problems of young couples. Education for Jewish values is, in our view, the foundation stone for the existence of Israeli society. Our day of holiness is violated in the public thoroughfares, and the laws which afford relief are trampled under the feet of citizens who violate the Sabbath. To our sorrow, we have not yet achieved full equality in the status of Torah students as compared with the status of other students in the country, of the individual or the public.

We wished and aspired to improve the quality of life, but until now these matters have been pushed, to our regret, into a corner.

The slaughter on the highways is rampant and day after day there are many victims, and the actions taken against this slaughter are still insufficient. It is true that the government was preoccupied and busy over 2 years in achieving a peace with Egypt and thus was not able to give sufficient attention to other matters. And yet we still hope that in the 2 years remaining to the current administration there will be remedies for what can be remedied, and our situation in all areas will improve.

Government Led to Peace With Largest of Arab Nations

The critics lose sight of the fact that this government, headed by the prime minister Mr Begin, during the current administration is the one that brought us peace with the greatest of the Arab nations--Egypt--something which no previous government was able to accomplish. And it is this Government which is involved now in a process of negotiations whose goal is to assure, with the help of God, the coming of the day of an overall comprehensive agreement in our region.

We do not accept the demands of the opposition that now is the time to cease all of this productive effort and to plunge ourselves and the country into the turbulence of an election. A period of elections is always a period of accelerated inflation, of exhibitionism and fraternal strife, and at the end of it all the change taking place in the picture will be minuscule.

This government must continue to function, and is obligated to correct and improve the methods of administration and function. I am not ignoring what demands correction. The prime minister himself has proclaimed this quite often, and I accept his promises that he will indeed act now to reorganize, and to improve the situation. I also have confidence in the promises that the government has given to our party on religious matters, and that it will discharge all of its responsibilities in the coalitional agreement.

This government has demonstrated great understanding for the needs of the observers of Torah and tradition, and is thus under constant attack by the opposition and by the so-called refined people, who wish to acquire at very low cost the affection of a small public of enemies of religious persons.

Funds Given to Torah and Educational Institutions, Not to Agudat Yisrael

Tomorrow, for example, the Knesset will deal with a controversial proposal concerning the flow of funds, allegedly, to the Agudat Yisrael. A cock-and-bull story. Empty phrases devoid of significance. The funds were not given to Agudat Yisrael, but to educational institutions, to religious elementary schools and the holy Yeshivot [Talmudic academies]. A deprived group of Israeli children throughout all these years, citizens of the state, who have begun to be recognized for equal rights—for this all of the fury of the miserly enemies of religion has come forth.

At least 80 percent of the expenses of the universities in the country are funded by the government. Now, even after all of the government help to the Torah institutions, the funding will be minuscule, a small percentage as compared to others, and even on this "poor man's lamb" the fury is being vented.

And in concluding my remarks, Honorable Chairman, members of the Knesset, we shall in the future as well not hesitate to criticize the activities of the government constructively, nor will we refrain as well from describing with gratification and satisfaction the positive activities of the government.

If there is a need for any change at all at this time, it is not in the area of a change in administrations but rather in a strengthening and a renewal of the government from within. Thus we shall support both at the same time, improvement of the functioning of the government and continuation of its existence.

(Remarks in the Knesset)

8090
CSO: 4805

ISRAEL

NEGATIVE REACTION TO THE TEHIA PARTY REGISTERED

Jerusalem HAMODI'A in Hebrew 26 Oct 79 pp 3, 7

[Article by Eliezer Schulsinger: "The Tehia -- Disappointment of the National Religious Party"]

[Text] During the intermediate days of the holiday of Sukkot there was a charter meeting, for the first time in Israel, of a "secular-religious" party--"The Faithful of the Land of Israel" by the name of Tehia. Prior to the Sukkot holiday there was a giant advertisement in the press containing excerpts from "a call for the establishment of the movement" on which were signed "secular and religious" together. Side by side with Yuval Na'aman, Knesset Member Moshe Shamir, and MK Geulah Cohen, were members of kibutzim and yeshuvim with no contact whatever with Torah and Judaism. Comrades in this movement also include the "elite" of the public which was educated in the Leum and Dat movement of the National Religious Party, starting with kindergarten and ending with the Bnei Akiva in the secondary schools and in the Hesder, heads of the Hesder talmudic academies and their pupils; students from Merkaz Harav; the former Rabbi of Kfar Haroeh who recently competed for but failed to attain the title of Chief Rabbi of Jerusalem; the son of the founder of the Bnei Akiva talmudic academies, wearers of the knitted skullcaps of the Gush Emunim and residents of all of the religious settlements in the occupied areas. In effect, all of the "east wall" and the choicest of the Mizrachi educated.

If there still remained anyone who doubted that Zionism and Religious has failed all along the way, not only in that they did not redeem the Jewish nation physically and spiritually as they had proclaimed, but even brought it to a condition of despair and depression both among the nations of the world as well as in the economic, social, political, etc., situation of the state, this charter episode on which are signed those who aspire to "renewal of the awareness of the Zionist mission of the state and in which they inform us that since Zionism has to date totally failed and we stand "facing a collapse which is steadily increasing in economic, ethical and social policy" and "manifestations of the collapse are many"--there is but one remedy, and that is "to begin everything anew."

All that the great minds of Israel foresaw at the establishment of Zionism, and did not need three generations in order to be convinced of the sense that Zionism would lead the Jewish nation to a nadir in every respect, now those who were educated by it have come to admit it openly. The difference is only that while the great minds of Israel with their penetrating foresight saw this from the beginning, when they expressed their opinion publicly and cautioned the nation not to be misled by these failing movements, whose only goal is not a Land of Israel, but a Land of Israel and a nation with the aim of uprooting religion, they were subjected to vilification and name-calling by the very circles and groups who today stand and admit that Zionism failed, and "it is necessary to start all over again while admitting that Zionism has accomplished nothing whatever and has not brought in its wake to this very day any benefit to the Jewish people.

Secularism--With No Religious Spirit

Yet, rather than arrive at the proper conclusion and return to the source of the Jewish Nation which is our Holy Torah they are instead proposing new-old solutions which are devoid of anything but slogans that lack foundation and basis, which in their totality are nothing but fantasies and flights of fancy accompanied by exaggerated arrogance, denial of the Kingdom of Heaven, their slogans and proclamations lacking mention of the name of the Lord (not even "the Rock of Israel and its Redeemer") nor the Torah and its commandments, nor the words of our Sages, nor even a verse "for healing," but rather the entire charter document is on a pure secular basis, so that there is no place to err that we are dealing here with a party of any "religious" content or background, but rather that it is totally secular with no connection whatever to Torah and commandments, and the bitter and painful fact emerges that the "religious national" education served as a "bridge" even "to the best of them" to pass decisively to a secular party, and even to abandon the "religious-national" camp.

The charter document of the Tehia contains among other things: "To begin anew means to remove fences which have arisen between the camps called "religious" and "secular" and to lay the foundation for a single camp, with the belief that the unifying strength of the Land of Israel will enable us to reveal that the walls are external whereas the goal has only one source-- resurrection of the nation on its land." So that the question arises: A believing person who performs the commandments of the Torah because that is the will of God, is the difference between him and one who does not observe the commandments, but instead desecrates the Sabbath and violates the Covenant, only an "external" difference? Is the difference between a believer and a violator "external"? The very foundation and the source of the faith is that observance of the Torah and its commandments is for the sake of the will of God and His injunction, and not, Heaven forbid because of a pleasant custom, or because it pleases the observer, so that whoever does not observe them is not fulfilling the word of God. (Reference: Hazon Ish, Yoreh Deyah, Chap. 119, Par. 2)

How then, can the hand which puts on phylacteries sign a charter document of this nature which in effect states that the difference between a "violator" and a "believer" is merely an "external" matter? Doesn't this mean that this is clear and incisive proof of what our holy Rabbi Elhanan Wasserman defined that "national religious" is "pagan worship in partnership," is it not apparent to the senses that here a generation has grown up that seemingly observes a portion of the Torah and its commandments, and among these are "heads of talmudic academies" and "educators" who lack the foundations of religion and faith. And of this the rabbi of Brisk, of blessed memory, expressed the opinion "that even one who in error is ignorant of the 13 Articles of Faith, he too is an atheist." Aside from all of this, if the "head of the movement" Uval Neuman had come forth and proclaimed that all members of his movement would begin to observe Torah and its commandments there is a possibility of hope that the walls would be eliminated, but since he did not proclaim this, how then will these walls be eliminated? The wall between an observer of the Covenant and a desecrator of the Covenant is created automatically, for if the Jew is a Sabbath observer he is separate from one who desecrates it, and one who eats kosher may not sit at a table with one who eats non kosher food. And one who educates his son in religious education is different from one who educates his son secularly, so that a life of Torah and precepts by and of itself brings about a "difference" between a religious and a secular person. How then, will the walls be eliminated between the religious and the secular at a time that the secular have not proclaimed observance of Torah and its precepts? Shall we thus conclude that the "religious" are preparing to divest themselves of the burden of Torah and its precepts?

Fear and Worry of the National Religious Party

How, by their system, will the walls between the religious and the secular be removed? "Unifying strength of the Land of Israel will enable us to demonstrate that the walls are external." Demagoguery and a slogan devoid of reason, basis and foundation. Jerusalem, Tel Aviv, Haifa and all the cities of the country and its settlements under the aegis of the State of Israel have not succeeded in bridging and nullifying the walls between the religious and the secular, why should this take place when Hebron, Nablus and Jericho and their Arab populations will come under the rule of the state? . . .

The leaders of the NRP are very concerned by this movement and criticize its direction and its method even on matters of religion. HAZOFEH expresses the cry of crisis of the NRP: Hanan Porat, a member of Kfar Etzion, a second generation of the settlers of Gush Etzion, an alumnus of the Merkaz Harav Talmudic Academy, did he feel restricted in the Bnei Akiva movement, in the Poal Hamizrachi, to define and implement his goals, what is it that caused a man of Torah and Labor to abandon a religious pioneering movement and to wander unto those who seek the Likud, secularists, who by the terms of the partnership will be required to alter the religious status quo by a specific percentage? And, HAZOFEH continues: "Among the signers of the

proclamation of the Tehia movement there is also Rabbi Eliezer Waldman, head of the Kiryat Arba Talmudic Academy, an academy, as other academies, whose students are alumni of the educational system of the National Religious Movement, where they were trained in Torah. What need can be filled for a Torah educator by a "mixed" party with no strictly religious image? Will his students be educated by the rhetoric of Geulah Cohen?"

The surprise, of trainees of the NRP in a secular movement, is in effect the answer. Trainees of the Mizrachi have always gone over to secular parties. This process has continued for decades. Even before establishment of the State, one of the ideologists of the Mizrachi, Rabbi Amiel, the rabbi of Tel Aviv, complained in his book, "The Spiritual Problems in Zionism" among other things: "We are surprised at ourselves because is it not a fact that the schools of the Mizrachi are not nurturing Mizrachi-ites; the graduates of our schools go into all the parties but are absent from the Mizrachi."

However, until now this process was within the framework of individuals, while at this time the matter has become a movement, the Mizrachi movement has gone along all these years in the manner of an ostrich and never stopped to consider why this process was taking place.

"Religion" Subservient to "Nation"

The answer to this is simple. It enjoyed the past of "religion and nationality" all these years, for whenever religion and nationality conflicted "religion" yielded to "nation."

All of the laws against the Torah of Israel which have been accepted in the state were when the Mizrachi was the main and senior partner in the coalitions and the governments; permission to work on the Sabbath, public transport on the Sabbath, the autopsy law, the abortion law, who is a Jew, conversion, conscription of girls for national service (although the Chief Rabbinate forbade conscription of girls categorically and similarly the National Service, and despite this the NRP voted in favor of conscription of girls and initiated the National Service Law, contrary to the view of the Chief Rabbinate, and explained this by the statement that where the needs of the government are concerned it is not possible to lend an ear to the voices of the rabbis) and all of this was accepted while the NRP was in the government, and always the NRP explained that matters of state take precedence and there is no alternative but to yield, and when the NRP pursued this course of putting "religion" subservient to "nation," and trained its students that the "nation" occupies the primary position before that of the "religion," it is clear and simple that when the wearer of a "knitted skull cap" must choose a party, after he has been educated that the "nation" and "the state" take precedence, he will surely choose the "freedom" or another party in which the nationalists are more capable or more adaptable at administering the state than the members of the NRP.

At the start of the '70s when the Ben Gurion-Lavon Affair rocked the nation, in the elections that took place at that time MAPAI appeared under the leadership of Eshkol, and RAFI under the leadership of Ben Gurion, one of the members of the religious kibbutz Sa'ad, Shmuel Bart, son of Ya'akov Bart, among the ideologists of the Mizrachi, turned with a call to the leadership of the NRP not to present a list for election, and to vote for Eshkol in order to defeat Ben Gurion. There was a storm, and scores of protests reached HAZOFEH because of that proclamation: Is this to be tolerated?! At the time I inquired of one of the leaders of the NRP, why the storm? This proclamation is a natural and clear process in view of the manner in which you educated your youth, for isn't Shmuel Bart an alumnus who has passed through all of the stages of education in the Mizrachi and arrived at the goal and at the "completeness of the thought and the method" in that he was a member of the "religious kibbutz," what then motivated him to this proclamation? And the answer is clear, he was educated on the lap of the Mizrachi that the state is more important than religion, so that according to this direction the moment that he saw that the future and the existence of the state depend upon the victory of Eshkol and the defeat of Ben Gurion, certainly religion must yield and make way for the state.

Neither Religion nor Nation

The leader of the NRP, the late Haim Moshe Shapira, was much concerned that the youth were turning to other parties; but instead of solving the problem at its roots and deciding that the road is wrong and improper, he called upon a number of young people and established the Young Generation in the NRP with the hope that this group would bring youth in its wake. The NRP young people in fact chose another way, and at the moment that they faced the most recent elections to the Knesset for key positions they decided to invest the NRP with a total "nationalist" characteristic, of "pioneering" and establishing frameworks for the secular public to enter the NRP. And they failed completely to stress the "religious" side, but stressed only the "national" side, the "pioneering" and the idea of "completeness of the land, and indeed they succeeded in this way and drew upon a large segment of the public who voted for the NRP, thus this party won two additional Knesset members in the most recent elections. However, this performance did not maintain its position for a long time and a new rift was created, with establishment of Tehia, and again for the same reason.

Since the most recent elections the NRP has once again demonstrated that matters of religion do not interest it. The NRP did not even once demand preservation of any section of the Coalition Agreement pertaining to religious matters, although without the NRP there is no Coalition or government at all. All its threats and demands upon the prime minister were on matters of the state, not on matters of religion. All demands on religious matters came only from the Agudat Yisrael, and the NRP was satisfied to join the Agudat Yisrael in its votes. And if the Agudat Yisrael succeeded in passing a new law of conscription of girls, which is by any measure the most difficult section to implement, then there is no doubt at all that it would have been

possible to pass the rest of the sections and to implement them. The NRP continued in its usual way, and any matters of religion in the Agreement do not interest it, although in effect the only thing the Likud committed itself to implement in the Agreement on matters of religion were laws that all violate the religious status quo since the establishment of the State. Laws that were enacted when the NRP was a partner in the government on which there was a possibility of restoring the religious situation to what it was at least at the time of the establishment of the state. But to this day the NRP has not demanded implementation of any section of religion in the Agreement. Similarly in matters of "nationhood" when the NRP joined with the voted for the peace treaty and agreed to autonomy and to the dismantling of settlements, it thus proved to its young people by their own view that even on the matter of nationhood it yields. So there should be no wonder that the choicest of the youth and of their alumni joined the nationalist Tehia movement, for if the NRP does not possess either religion or nationality and the education and the path during the course of these many years were that the nation is more important than religion, what then is the wonder that the select join Tehia; this is an understandable and simple process.

The crocodile tears shed by the leaders of the NRP and by HAZOFEH and their allegations need not be about Hanan Porat and Rabbi Eliezer Waldman and their colleagues in the Gush Emunim; they are not the proper address therefor.

Direct Outcome of NRP Education

The NRP itself is the address for that, its past and its method that the "nation" precedes "religion," by which Hanan Porat and Eliezer Waldman and their comrades were educated. As a continuation of this education they chose Tehia; and while Mizrachi will continue on its way with a policy of ostrich head-hiding and will avoid fundamental and in-depth thinking on implementing and correcting the root of the problem, to observe correctly that the path of religion and nation has suffered total failure and has arrived at its peak at a time when its choice sons have abandoned it and established an outstanding national-secular movement, for as long as it does not mend its ways there is no doubt at all that there stand in prospect for the NRP many surprises on the same level.

The generation of the knitted skull-caps were educated on the lap of the sacred revolution on which the Mizrachi movement was founded, with a proclamation of revolt against the path of the great thinkers of Israel, heads of Talmudic academies, master Hassidic teachers and rabbis. Why, then, should they complain about their revolutionary sons?

There is a single conclusion: Religion and nation can not exist in the same basket; whoever chooses religion cannot choose nation, and whoever chooses nation does not choose religion. There is one single path, the path of Torah and tradition which has been ours generation after generation, of Moses receiving the Torah at Sinai and passing it on to Joshua, a tradition of Torah transmitted from father to son, from teacher to pupil--as it was handed down at Sinai with no changes and new paths whatever, the path of tradition which has held and sustained the nation of Israel throughout thousands of years of diaspora, the path on which we shall travel and move until the arrival of the Just Redeemer anon and in our day.

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ISRAEL

GAZA MAYOR FIELDS QUESTIONS ON CORRUPTION, ISRAEL, PLO

Tel Aviv HA'ARETZ in Hebrew 2 Nov 79 pp 22-25

[Interview with Rashad al-Shawwa: "The Controversial Gaza Mayor Is Still on Good Terms With Israeli Authorities in Spite of His Open Support of the PLO" in Mayor's office, date not given.

[Text] The mayor of Gaza uses balanced, careful and calculated tactics in all his actions and declarations. In the course of an interview with him, as in his actions, he turns out to be an astute politician, well aware of his position, the repercussions of his pronouncements and the power he can wield. He is in no hurry to respond to any question, tries to phrase his answers in a delicate, sophisticated and somewhat ambiguous manner. His caution, the contemplation before sounding any opinion, as if to feel out his listener--are a matter of rule with him. "Tell me, please, what are the questions you are going to ask me?" he asked on the telephone. When the author was sitting with him in his spacious office in the municipal building he was not happy with the general explanation he had received before--he insisted on a detailed explanation on the subjects he would be asked to address. As a veteran, experienced politician, even when asked--he says only what he wants to say, even if it does not address the question. When he is interrupted, in order to clarify the point, he listens, then nods, as if to say he understands, and resumes as before. He talks in long monologues, like a lecturer in a classroom. He talks quietly, defiantly, with authority. Even when the question is provocative and liable to get one angry. He does not raise his voice and is not likely to get angry. He makes strong, sharp statements, using correct language, in Arabic, mixed in with English and Hebrew, without getting excited.

Rashad al-Shawwa, 70, is an impressive man. The authority he generated cannot be ignored. He is confident because in his opinion he sees the situation better than anyone else. He is convinced that his is the right way, that his actions are correct, in short, that he is in the right.

It seems, though, that there is no one more controversial than him in the Gaza Strip. Just as there are those who follow him blindly, consider him a leader of rare qualities and skill, so there are those who think he is the rich man exploiting the people of Gaza, and they are convinced that he acts

for his own benefit, not for the good of the people of Gaza, as he would put it. His opponents, and there are quite a few of them, both within his clan and outside, say bluntly that his power and influence stem from his wealth, because he saw to it to establish some organizations, which are, supposedly, charitable institutions, but actually they are political entities which accord him wide support of the public and considerable political clout. As an example they cite a charitable institution that he established, which is the only agency authorized to issue exit visas for the Arab countries for the people of Gaza. Anyone wishing to go to an Arab country has to receive a visa from that institution, headed by its founder, Rashad al-Shawwa. Issuance of which, the mayor's opponents add, costs money. The exact amount--so they say--depends on al-Shawwa. Sometimes he charges ILL,000, sometimes ILL,00, and the difference is food for thought. There are those who suspect that he pockets quite a bit of this money and they add that they do not know what he did with contributions he solicited in the oil rich Arab countries. The mayor listens to all these charges, nods his head and says: "Look here, I am a public figure and I serve the public. I do not have, and I never did have any personal demands. You talk about opponents who have maligned me and I want to tell you that there is no public figure who has no opponents and enemies, and they are not very careful about their words or ways. I have opponents within and without my clan, but I do not think that they can influence my methods or actions. It seems to me that they know this too. I would like you and others to know that I am a man of action, not words. Ask all those who criticized me what they have done for the people of Gaza."

What are your sources of power? Why have you, in particular, become the leader acknowledged by the PLO, by the people of Gaza, by Jordan and by Israel?"

Emotional Wealth

It is obvious that al-Shawwa is uncomfortable with the question. He thinks for a while, as if choosing these words. "I will tell you, in all honesty, I have never used my position for my own benefit or for my material betterment. I have always carried out my public missions--including my present jobs--faithfully and honestly, without misusing public funds, without taking advantage of personal connections, without discrimination. I have never favored a relative or an acquaintance over a stranger. There has never been a case where I favored a rich person over a poor one. Everyone is equal as far as I am concerned. Additionally, I am an honest man. I speak my mind whether I talk to an Israeli, to a PLO leader or to a Gaza citizen. This character of mine has caused me damage and quite a few problems--and may even do so in the future. By nature I am ambitious, active for the good of the public. My deeds speak for themselves, much more so than I can. Another thing deserves clarification: I am a volunteer mayor. I do not draw any salary. If I were paid I should be receiving IL500,000 a year. The money I do not receive is my contribution to the city. Moreover, I gave up the official car and the chauffeur. I drive my own car. Do you realize the losses my business incurs because I am mayor? I estimate them at more than ILL.5 million. All these are known to the critics you mentioned. As to the complaints of my opponents. I contributed a lot to the citrus industry in

in the Gaza Strip. I succeeded in convincing the Jordanian government to allow transit of citrus trucks through its territory to markets in Arab countries and the Persian Gulf Emirates. Any truck going with passage papers from the charitable institution which I founded, encounters no problems. Since 1968, when I first started on this, we have reached an annual income of IL79 million. This is very important source of income for those in the business, the citrus grove owners, the fruit pickers, the workers at the packing plants and the drivers. A few words about the charitable institutions for help to Gaza Strip residents. I established this institution with money from contribution which I solicited. The large sums were put in a bank and the interest is used for various projects, such as sports clubs, hospitals, welfare, etc. This institution is the only one authorized to issue exit visas for Gaza Strip residents. Anyone wishing a visa has to pay for services rendered. It is not true that I set the price according to the ability of the person to pay. The fee is fixed. A man pays IL2,000, a woman IL1,000 and a child under 15 pays IL500. By the way, neither I, nor the institution is paid. The prospective passenger deposits the sum in the bank, to the institution's account. The bank issues a receipt, in two copies, one for the institution, one for the payer. The institution then issues a visa-recommendation, with which the person can travel to Amman. Upon returning to the Gaza Strip he presents his receipt (the copy he received from the bank upon payment), along with the visa-recommendation from the institution, and on the next day he gets a refund in the amount deposited prior to the trip. Students, for example, get a discount and only pay IL500. The institution enacted this tax for two reasons. First to get people used to the idea that they have to pay for services. Secondly, the interest that this tax earns goes to finance cultural activities for the public. We built a religious institution with a separate branch for women. We are now building a cultural center at the cost of IL60 million. I hope that now, after this detailed explanation, things look differently, i.e., in their true light."

"Did your wealth not contribute to your reaching high office?"

"I am glad you asked this question," starts Rashad al-Shawwa. "My wealth, apparently, bothers many people. The time has come to put things straight. My late father, Haj Sa'id al-Shawwa, was the largest landowner in all of Palestine. He owned about 100,000 donums in the Gaza and Be'er-Shera area. In 1948 Israel conquered Palestine and of all the land we owned our family was left with 400 donums for the whole family. My share was 132 donums, and please do not forget that I have 6 children. In addition to the land (orange groves) I own a commercial agency which I founded in 1963 (Al-Samr Trade Agency). I tried to import General Motors cars to the Strip and to Egypt, but in 1967, after the war, everything came to a halt. In 1968, together with Ibrahim al-Mu'arabi, I established an orange packing plant. For 2 years we were doing well until seven more packing plants were established in the Gaza Strip. Since then our packing plant has been going down and now operates only 1 month a year. These are all my holdings," Mr. al-Shawwa sums up and points out: "I am not wealthy, as they say. I am rich in soul,

good personality, good deeds, I sacrifice my time, money and energy for the good of the people--all these, in themselves are worth a fortune!"

His opponents see him differently. His goal is clear--so they say--he wants to present himself as a public servant, a man who considers the wellbeing of the public, the city, the Palestinians--but it is not necessarily so. He does earn money for each position, or else he would not continue. "There are no real philanthropists!" said one opponent. "But there still are those who have vested interests, and they are acting." The point is obvious.

There have not been local elections in Gaza since 1946. When the Egyptians came in 1948 they did not renew the old custom of holding elections. They appointed their people. Israel did the same--it did not hold mayoral elections. Thus the people of Gaza have not had the privilege of voting to this date. In 1967, when Israel conquered the city, Ra'ab al-'Alemi was mayor. A short time later the governor decided to fire him, claiming he did not do enough for the city. Since no one in Gaza was willing to take on this responsibility, Uri Chechik was appointed acting mayor for about 1 year. Rashad al-Shawwa claims that the city did not benefit from Chechik as acting mayor and therefore people signed a petition, 10 m long, and asked him, al-Shawwa, to accept the job. "I was in no rush to accept it, but the popular pressure increased. They submitted one copy of the petition to the military authorities and one copy to me. In a conversation with Mr Dayan, who was then defense minister, I made it clear to him that I would not accept the appointment without the PLO concurrence. Dayan said: "I did not hear what you said," meaning that the matter (the PLO concurrence) would not be official. After thinking it over and with the concurrence of the PLO I announced my willingness to accept the appointment under these conditions: That a communique be issued stating that I am accepting the job not as an Israeli appointment but by popular demand and with concurrence of the PLO; that I consider the Gaza Strip to be an integral part of the Arab world and that it be made clear that all my future efforts would be in the direction of keeping this region Arab and looking so; that I would appoint the City Council. I selected 12 councilmen and submitted their names to the governor who said: "According to procedures I should write them an official letter of appointment. These are the procedures of the military authorities." I told him: "I consider myself elected and appointed by the people, not by you. The council, too, is not appointed by you. If you, the military governor, were to appoint them, they would not accept, and I myself would not." The governor understood and this is how I became mayor of Gaza."

"Why did you resign in 1973?"

"I would like to make a point that I did not resign. I was fired. The military governor demanded that I annex the al-Shati refugee camp to the municipal jurisdiction of the city and I refused. I thought there was a political reason behind it--and I opposed it. This is why I was fired."

"If I understand you correctly, it was your opinion that Israel wanted the people of al-Shati annexed and thus to change their status from refugees to citizens."

"Precisely. It is in Israel's interest that the refugees cease to be refugees."

"As a public figure who claims that he has the good of the Gaza Strip people in mind, how could you refuse? Do you not think that by annexing the camp you would have made life easier for its refugees? Would you thus not have done a service to your refugee brethren in the camp?"

Rashad al-Shawwa: "These are Palestinian refugees that you, the Jews, drove into the Gaza Strip. They are in the camps, living in subhuman conditions, because of you. Gaza is not their place and the Strip is not their home. They want to go back to their original homes. As a mayor I cannot agree to turn Gaza into a refugee ghetto. There are 450,000 in the Gaza Strip today. About 250,000 in Gaza proper. Population density in the Gaza Strip is the highest in the world: There are 1,400 people here per square km, whereas the world average is 400. Do you really think that this area can be the solution to the painful problem of the refugees? Instead of constructing settlements for a handful of Jews from the center of the country, why does Israel not set up settlements for refugees? Why does Gaza have to absorb them? I would not be part of the Israeli conspiracy to erase the concept of refugees."

Haj Rashad al-Shawwa became mayor again in October 1975, about a year-and-a-half after being fired. In the period when he was not mayor no one could be found to fill the position. Then the military authorities asked him to accept. "I told the governor," stresses al-Shawwa, "that I did not leave, I was fired. If you want me to be mayor again--you have to rescind your demand regarding the annexation of the al-Shati refugee camp. They tried to pressure me, but I refused. I accepted only when my demand was met."

Since then 4 years have passed and the city has not changed much. Gaza's streets are filthy. Because of lack of sidewalks the corners near the houses are muddy. The city's streets are crowded and loaded with traffic. Travel in the city is a very unpleasant experience. In the central city market, a few meters away from the municipal building, it is impossible to not notice the garbage piled up in the corners, and the sewer water flowing near the improvised vendor stands. What did the city do about this? Did it use the millions of dollars contributed by the Arab countries?

The mayor makes it clear that Gaza has always been neglected city and what was done for hundreds of years cannot be changed overnight, not even in 4 years. "The people of the city, for decades and centuries, were used to receiving everything for free, without paying. Today I actually have to fight them in order to teach them that they have to pay for all services. Anyone who wants water has to pay. Anyone who wants ditches or sewer line has to pay. The mere idea of paying for services is like a revolution for these people. Don't forget that Gaza grew at a staggering rate. In 1948 it had

only 30,000 people. Today its population is 240,000-250,000. The city suffers from overcrowdedness, it has poverty problems, too many cars, an antiquated sewage system, etc. These are all serious problems that we are tackling and will continue to tackle. But we need time."

Threats of Falsehoods?

"Were contributions from the Arab countries used for that?"

The mayor ignores the question again. He continues: "There is also a problem of schools in Gaza. Just look at all these students--numerous. We have no choice. Our schools cannot accommodate all of them at the same time, so we found a solution. We divided up the school day into two sessions. One from 7:30 to 11:30, the other from 12:30 to 15:30. We are slowly solving the city's problems, but we need time."

Again the mayor does exactly what he wants to do. He responds with what he wants to say and ignores the uneasy questions. He reacts curtly to a question regarding his association with the military authorities. "This is a military, conquering regime," meaning that he does not like it. But his opponents claim that he can deal with the authorities in a very clever manner. When this author quotes those opponents al-Shawwa smiles with obvious self satisfaction and answers: "Do you know what, go and ask those extreme opponents what I did for the Jews--let us see what they have to say. This is all nonsense! I can honestly claim that I deal cleverly with Israel whereas the others go with posters, slogans and other means that are emotional, not wise. Listen, when Israel conquered the Gaza Strip the underground was active. It tossed grenades at schools until they were closed by the military authorities. Does the closing of schools serve our interests, those of the Gaza Strip people? I formed ties with the underground and asked that they not toss grenades at schools. I cannot deny that my request in this case coincided with Israel's interests. Israel also wanted grenade tossing to cease, so that schools could be reopened. But when I asked the underground to stop tossing grenades, I did no service to Israel, but to us. Once upon a time they also tossed grenades at buses carrying laborers to Israel. I am against work in Israel, but I understood that I could not prevent anyone from working for Jews if I have no job for him. Every man wants to make a living so he can eat. I went to the underground and told them: "Stop tossing grenades at buses." They said: "Are you cooperating with the Jews?" I said: "No, but it is impossible to prevent people from working if we cannot find jobs for them here. How will they make a living?" They understood me. They realized that I was not doing anything for Israel."

"Was the change in the PLO's attitude toward you just because of your persuasiveness or also because of what you did?"

Al-Shawwa looks surprised and says: "I fail to understand the question."

"For example, at one time you hid a terrorist in your home. Was the hiding of this wanted terrorist not a deed that made the PLO approve of you?"

It was obvious that this question was not pleasant for the mayor. "I don't understand the connection between the two. This happened a long time ago. I would not have mentioned it at all or thought anything of it."

"Nevertheless, could you explain why you are acceptable to the PLO?"

"I proved to them my loyalty to the Palestinian cause! I am an honest man, I talked to them openly, just as I do to Israel. I consult them on every issue that I deem important."

"You met Arafat and other PLO leaders a number of times. Were you asked to orally deliver to them messages from Israel?"

Haj al-Shawwa looks embarrassed for a moment, covers his face with his large hands, straightens his red tie and responds quietly: "I met Arafat at my own initiative. I did not relay any messages to him."

Nevertheless, people who know al-Shawwa claim that it is not unlikely that the mayor relayed to Arafat certain things that Israel wanted relayed to the PLO leader. As proof they point out that the military authorities took no disciplinary action against him when he came back. But, as mentioned above, he denies the whole thing and refuses to add anything.

Recently people close to the mayor have claimed repeatedly that various elements have threatened his life because they suspect that he cooperates with Israel. The mayor recapitulates: "Nothing is further from the truth. Any talk that I support Israel is not true. Whoever claims it, should prove it. Let him say what I did. I know that I am more innocent than anyone in the Gaza Strip. I am not the only one who knows it, either. The people who spread these vicious rumors are my staunchest opponents, George Habbash's people. They always spread false rumors. They oppose me and hurt the cause more than they help it. When the rumors that I help Israel became too much, I went to the PLO. I sat down with the leaders and said: "What am I accused of? I did it all for the good of the people. I want to continue for the sake of the Gaza Strip people." The PLO understood that I serve the people, not Israel, and that is it."

"And the recent threats on your life? Did you forget the assassination attempts? Are you not afraid, following the assassination of the Imam?"

"No, I am not scared. True, there were a few attempts on my life. In two cases the conspirators were apprehended, in the other cases, regretfully, not. As to present threats, these are but falsehoods. I am not afraid of death. It is Allah who kills, not man."

His friends agree with him that rumors about threats against his life are falsehoods, but according to them the sources for these rumors, which were

published in the Arab press, started with his very friends and were intended to strengthen his position. "He loves to be in the center." one of his opponents explained.

Rashad al-Shawwa describes himself as a Palestinian Arab who maintains his right for self determination and an independent state in his motherland. "I insist on these demands clearly and stubbornly. It makes no difference to me whether I get these rights from Israel or from the United States. The PLO is the most skilled and appropriate organization to represent me. There is no difference in demands or position between me and them and therefore, my relations with them are good. Israel does not understand that it has no right, and that no one empowered it to decide who will represent me! It is the Palestinian people who should decide that, and they chose the PLO. This organization is recognized today throughout the world, even in the UN."

Steps Toward a Solution

"How do you see the solution to the Palestinian problem?"

"Israel has to realize once and for all that its goal, as it sees it, not only will not be realized, but will even work against it in the future. You cannot close your eyes and proclaim: 'Rain, rain!' when everyone spits at you. Israel ought to do the following for the solution of the Palestinian problem, so that peace will prevail in the region. The Palestinians should have the right to decide their own destiny. An independent Palestinian state should be established forthwith in the areas to be immediately evacuated by Israel. Israel has to convince the Palestinians that it will not try to overtake their country militarily, economically, politically, legally or in any other way. Israel, especially its leaders, has to realize that if these conditions are not met, there is no way for peace or coexistence in the region. Consequently Israel will have to live with arms forever. Moreover, the American administration, including public opinion there, understands the Palestinian problem more and more. How long will the administration continue to send Israel Phantoms, F15's, F16's, F18's or radar systems? There has to be an end to it. It is possible that the present conditions will continue for a few more decades, at the worst. But in the end there will be a change. We, the Palestinians, have patience. We lost everything. We have no freedom. We live under occupation (even now, while I am talking to you two soldiers may knock on my door and ask me to accompany them to their Jeep and that is it). I stress again, that Israel is the only party to lose if the conditions that I mentioned are not met."

The mayor, who maintains unequivocally that any solution has to include all territories, without exception, says he has no ties with mayors or other prominent figures in Judea and Samaria. When he is pressed to explain this, he is evasive, claiming that "I am very busy with city business. They are busy with theirs. But in spite of this our goal and theirs are one and the same." Those who are familiar with the background say that the reason for the

absence of ties stems from the kind of relationships between the Gaza Strip people and their brethren in the West Bank. People in the West Bank consider themselves superior to the Gaza Strip people. Their level of education and development is higher, to the point that there is real alienation and even hostility between the Gaza Strip and the West Bank people, as well as between their leaders. In addition, al-Shawwa's personality is much more prominent than West Bank leaders'. Al-Shawwa is a sophisticated man, a diplomat who knows how to say the most difficult things in a clear and factual manner. In addition, he is more acceptable to the Israeli authorities than many mayors of the West Bank.

In spite of all this, the lack of ties between Gaza Strip and West Bank leaders, in al-Shawwa's opinion, the solution that is to include all territories has to proceed in three major stages. The first, an independent Palestinian state in the territories. The second phase is to establish ties between the Palestinian state and Jordan. The last step is the emergence of a "Southern Syria," a large, strong state in the area of Syria, Jordan and all of Palestine. This stage means a state with predominant Arab character, which could accommodate Jews, although as a minority.

Rashad al-Shawwa, the gentlemanly person, is pragmatic. Otherwise it is impossible to explain how he found a way with the PLO, Jordan and Israel. Although he was not elected, he believes that most of the city's people, as well as those of the Strip, are behind him and support him in all his steps and actions. His opponents, headed by Dr Kheidar Abd al-Shafi, maintain that if elections were to be held in Gaza there is no doubt that he would be defeated. Al-Shawwa is taking advantage of the fact that there have been no elections in Gaza. The authorities are behind him and not behind his opponents such as Dr Shafi, Zuhir al-Reis and others, who stand out as extremist.

Those who are close to the military authorities cannot help but wonder how long the man can sustain all this. Will he be able to keep his position for long? The prevalent opinion is that until he withstands the real test it is impossible to assess his exact strength. He is still considered pro-Jordan. This gave him the support of the Hashimite kingdom, including the exclusive right to grant transit permits in the name of the Jordanian government. He told the PLO leaders what they wanted to hear and thus he attained a position of prominence and respect among them, to the point that they do not oppose him. He also knows how to deal wisely with the military authorities so as to obtain the necessary financial aid to let life continue normally. The military authorities agree that time will tell where he really stands.

Haj Rashad al-Shawwa himself refuses to participate in the autonomy talks and does not consider himself as a potential representative of the people in the territories or even those of the Gaza Strip. All talks of autonomy of self determination for the Palestinians are not to his liking. The solution, as far as he is concerned, is an independent state, with all that this entails,

without any ties to, or intervention by another country that already exists in the region. He opposes the autonomy plan that Israel presented. He cannot see himself part of it.

"Are you not willing to state any conditions to your participation in the talks, such as the approval of the PLO?"

"No. We have a representative--the PLO. I am not empowered to represent it. Moreover, it does not seem to me that the PLO will agree to it."

This way or another, Rashad al-Shawwa continues to maneuver very skillfully, which even his opponents can see, and he maintains his precarious position very adroitly. He still succeeds, as his friends maintain, in walking between the drops and remain dry. He is careful of haphazard steps, and like an experienced chess player he considers not only the next steps, but four steps ahead. In spite of the unequivocal opinions he voices, it seems--so his closest associates claim--that he has not said the last word. Everyone is awaiting to hear that when the moment of truth comes, and he has to make a choice. Until then his ability to maneuver can only be admired.

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ISRAEL

CONTINUED CONFISCATION OF ARAB LAND CONDEMNED

Jerusalem AL-QUDS in Arabic 14 Oct 79 p 1

[Editorial: "The Tragedy of Confiscated Land"]

[Text] The expansion of seven Israeli settlements on confiscated Arab land will be the topic of discussion of today's cabinet meeting. It is expected that the cabinet will approve a decision to confiscate more Arab land despite the fact that such a step will escalate an already dangerous situation and make peace in the Middle East more difficult to attain.

It is now apparent that the Israeli cabinet routinely approves the creation of additional settlements or the confiscation of more Arab land on the eve of meetings by the three-government Autonomous Rule Committee. This committee is scheduled to meet tomorrow at Hertzelia to prepare for the next tripartite ministerial level session. It is evident that the Israeli action is calculated to show the Egyptians and Americans that Israel is determined to limit autonomy to the Arab inhabitants alone but not to their land. To begin with, the proposed autonomy, as defined by Israel, scarcely satisfies the minimal aspirations or responds to the legitimate rights of the Palestinians. Thus Israel continues to ignore the fact that Arab land is not subject to negotiations, and remains determined to subvert the essential nature of the autonomy negotiations. It simply remains blind to the fact that the Palestinian people inside and outside their occupied land has the right to determine its destiny and chart its own future. Israel obviously believes that the best defense of its indefensible position is to attack these very rights by confiscating more Arab land. These measures also strengthen the position of those who rejected the two Camp David accords.

The only alternative to the continuing tragedy of confiscated Arab land is to find a binding, internationally guaranteed, peaceful solution. Such a solution must be backed by a United Nations resolution protecting the occupied land, the future of the Palestinians, and guaranteeing their right to free self-determination, under the auspices of a neutral international committee. This, of course, will require a radical review of the makeup of the United Nations. It will require that the international body be provided with a standing, modern international military force capable of implementing UN resolutions. This is the only way to defend and safeguard the rights of oppressed nations, restore world peace, and put an end to the law of the jungle in international relations.

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ISRAEL

ISRAEL CRITICIZED FOR CONDONING ILLEGAL SEIZURE OF ARAB LAND

Jerusalem AL-QUDS in Arabic 16 Oct 79 p 1

[Editorial: "Rewarding and Encouraging Criminals"]

[Text] Yesterday morning's Gush Emunim stampede and the creation on Arab land of 45 additional settlements represents the biggest challenge to date by that group. It is, however, a natural consequence of Israel's attitude to that group in particular and to the settlement policy in general. The Israeli government decision to expand settlements on the West Bank at the expense of Arab land is but one demonstration of that government's policy to reward lawlessness and to extend legal protection to criminal acts. The fact is that all actions by the settler groups are crimes punishable by law. The forcible expropriation of land, resistance against the authorities, and violations of rules and regulations are all punishable crimes under Israel's existing criminal laws. All of the settlements recently established by religious fanatics are illegal and in defiance of government regulations, which stipulate that any settlement begun without prior government approval is illegal. The latest government decision, however, was obviously designed to nullify previous ones and to give the most recent actions an aura of legitimacy. The settlers' actions were illegal from the start, and the government's decision will only help to encourage further illegal land seizures as happened yesterday.

Whenever Israel declares that it plans new settlements on government land it deliberately avoids defining what government land is. If we accept the Israeli interpretation, all Arab lands outside the municipal borders of towns and villages are government land. This is not so in fact and under the law, which stipulates that mountains, pastures, woodlands, quarries and other unused lands are for use by the people. Israeli legal experts know these facts well.

The bewildering thing is that some Western nations have applauded the Israeli government's decision as moderate and wise, when in truth the decision is far from either. The nations which have praised the Israeli action are not stupid or ignorant of the truth; their feigned ignorance is motivated by a desire to avoid confrontation with Israel, a ploy that has long contributed to our torment.

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ISRAEL

NO CHANGE IN ISRAEL'S POLICY EXPECTED

Jerusalem AL-SHA'B in Arabic 22 Oct 79 p 1

[Editorial: "No Israeli Andrew Young in Store"]

[Text] Yesterday we mentioned that Moshe Dayan is, as ever, faithful and true to all Zionist principles and policies, notwithstanding the fact that he constantly tries to find new tactics to cast Israel's destructive policies in a more favorable light, particularly in dealing with the Western world. Our interpretation of Dayan's propaganda techniques is based on the belief that the Israeli foreign minister is more concerned with what the United States can promise than with God's promise to the Jewish people. The just resigned minister has been trying to separate himself from the mythology department [Begin's cabinet] in response to the current oil and geopolitical realities, without necessarily breaking away altogether from the foundations of Israel's policies, which we have known for many years. Dayan's resignation does not mean the end of Israeli policy. That policy is still alive and well. What the resignation means is that Israel is frantically trying to find new ways to extricate itself and cover its failure to impose its self-styled "autonomous rule" [on the West Bank]. It is simply looking for new ways to legitimize its occupation and fulfill its goals.

Aside from this, however, the resignation of the one-eyed minister indicates that he possesses greater political foresight than his colleagues. He managed to jump overboard just as the ship of state was about to go down in the face of economic, political and social storms. Furthermore, the resigning minister's failure to convince his government to tie its goals to current realities, even in form only, shows how long the road is before a real change in government can be expected.

While not denying that Moshe Dayan has resigned, let us keep things in perspective. The fact is that Israeli policy has not changed. Dayan is not our Andrew Young.

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LEBANON

JUNBLAT COMMENTS ON TUNISIAN RESOLUTIONS

Beirut MONDAY MORNING in English 3-9 Dec 79 pp 22-29

[Interview with Walid Junblat, Lebanese leftist leader, by Lydia Georgi
date and place not given]

[Text]

Walid Junblatt, a prominent Lebanese leftist leader, told *Monday Morning* last week that the November 20 Arab summit conference in Tunis had done nothing to solve the South Lebanese problem.

Junblatt, president of the Progressive Socialist Party, said the summit's "vague resolutions" would do nothing but "postpone the final outcome" of the Southern situation, that outcome being an unknown quantity so far.

Junblatt's statements were the first Lebanese leftist criticism of the Arab summit resolutions, and they underscored the chasm that has opened up in leftist ranks.

The leftist leader made no effort to conceal the rift in the country's major alliance of leftist parties, the Lebanese National Movement, of which he is a member and was once expected to become president.

"Maybe my opinion is quite different from the National Movement's," Junblatt said, "because I think that the (Arab summit) resolutions are just resolutions — as they have been before... Apart from (the resolution which offered Lebanon 400 million dollars in annual aid for five years), the situation is ambiguous. It is a *status quo* situation that will stay like this for some years.

"I don't know how the National Movement, or some parties in the National Movement, can view these resolutions as positive for Lebanon... I'll have to ask them one day."

He added: "Nowadays, it seems that there are some basic differences (within the National Movement) on so many things, so many problems. We're going to sit down again and, once and for all, try to unite ourselves. But for the time being, I'm personally not at all in a hurry to be elected president of this National Movement."

The problem of Lebanon, Junblatt declared, will not be solved unless Israel is "confronted" by a "clear-cut Arab plan — military as well as economic — combined with an international plan."

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THE PALESTINIANS may have promised not to mount any military operations across the Lebanese borders for the time being, but if Israel and the United States do not grant them their right to an independent Palestinian state, they will not freeze those operations indefinitely, Junblatt said, stressing that a permanent freeze "would be unjust and certainly not in the interest of the Palestinian cause."

Palestinian action across the Lebanese borders alone may be unjust for Lebanon, Junblatt agreed, but that was a problem that must be put to the rest of the Arabs, not the Palestinians.

To approach the South Lebanese crisis as a confrontation between the two parties, for the sake of both parties... There should be a joint committee of Lebanese and Palestinians to decide what can or cannot be applied in these particular circumstances."

An understanding between Lebanon and the PLO "shouldn't be difficult, because there are treaties between the PLO and the State — the (1969) Cairo treaty. As far as the Palestinians are concerned, their presence (in South Lebanon) is guaranteed (by those treaties). And the presence of the Lebanese Army is normal — more than normal."

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THE NATIONAL MOVEMENT militias would accept the deployment of the Lebanese Army in the South, he added, if Army presence "is not hostile to our presence" and if the State presented a plan to "eventually try to penetrate the Saad Haddad areas" — the Southern border strip under the control of Haddad's Israeli-backed militias.

This means, Junblatt said, that Army deployment in the areas under National Movement control would not entail the withdrawal of National Movement militias from those areas. "The Army is in Ashrafiyeh (East Beirut) and the (rightist) militiamen are in Ashrafiyeh too," he pointed out. "The State has accepted a kind of compromise there... When there are normal situations everywhere, we will be ready to accept a normal situation in our areas."

All of which made it abundantly clear that Junblatt, although his views and the views of his leftist allies were at odds, was by no means drawing closer to the position of the rightist Phalangist Party of Pierre Gemayel and National Liberal Party of former President Camille Chamoun.

The leftist leader, in fact, cited the rightists' position as one of the major obstacles blocking the disengagement of the Lebanese and Palestinian problems:

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THE RIGHTIST PARTIES, he said, have so far "not been free" to leave the Palestinian issue alone and deal with the Lebanese problem in purely Lebanese terms.

If they could do that, he said, "perhaps we can later work out a compromise plan — and I said *later* — to collaborate with those parties in order to reduce the impact of the Middle Eastern crisis on Lebanon. I said *reduce*, not eliminate, because as long as the Palestinian problem remains unsolved, there won't be any root solution for Lebanon."

Does that mean that Walid Junblatt would be ready to attend a round-table conference with the rightist parties, of the type suggested last week by the commander of the joint rightist militias, Beshir Gemayel?

It does not.

"I don't think Mr. Beshir Gemayel is the right interlocutor to represent the interests of the Christians — specifically, the Maronites," Junblatt said. "For the time being, I won't meet with him."

In fact, he said, none of the current rightist leaders can be considered the real representative of Lebanon's Christians, because they have all lost their free will (to Israel) and are still seeking the partition of Lebanon.

"Why should we speak to them?" he asked. "Maybe Raymond Edde would be the one — one day, maybe. I hope so... Perhaps there are other people, so far unknown and unable to express themselves, because of so many factors."

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IT IS NOT TRUE, Junblatt added, that the Lebanese leftists and Moslems have themselves lost their free will to Syria, and the comparison between Syrian and Israeli involvement in Lebanese affairs is unacceptable.

"Israel is planning to divide Lebanon, then divide Syria and other countries to create instability everywhere in the region. We cannot, for the time being, have normal relations with Israel. It is impossible. Later, maybe. If one day there is an agreement with Israel, that would be different. But we have to have normal relations with our Arab neighbors, mainly Syria — for the sake of Lebanon and for the sake of Syria."

But in answer to a question about his and other leaders' inflexibility, Junblatt said: "It must be taken into consideration that I am not always free to do what I feel like doing. Sometimes there are obstacles — both local and foreign."

Furthermore, he said, "if I am to stick to certain principles, I have to be rigid."

Junblatt listed five principles which he said must be observed in any Lebanese national accord formula:

1. *No dealings with Israel.*
2. *Recognition of Lebanon as a unified state.*
3. *Acceptance of a central authority, "although we may later accept some kind of administrative decentralization."*
4. *Development of "a new political formula that will enable all Lebanese to receive some kind of welfare."*
5. *A reduction, "if possible," of "the impact of religion on state affairs."*

The full interview, which was conducted in English, follows:

The National Movement has hailed the resolutions of the Tunis summit because they deal with the South Lebanese problem as one of Israeli aggression. As an ally of the Palestinian Resistance, what's your comment on the resolution "taking note of the fact that the PLO has stopped all military operations across the Lebanese borders" while at the same time reaffirming "the right of the Palestinian Resistance to carry on its struggle on all Arab fronts"?

The Tunis summit hasn't solved the problem. No summit will be able to solve the current problem in Lebanon as long as there is no clear-cut Arab plan — military as well as economic — combined with an international plan, to confront Israel.

Now certain vague resolutions that will postpone the final outcome have emerged from this summit. What the final outcome will be, I don't know. But it seems that everybody is waiting — the Arabs, Lebanon, and the Palestinians — for a solution to come from somewhere.

Of course, the Palestinians have improved their standing on the international scene lately, with Yaser Arafat's visits to Vienna, Lisbon and Spain. This is all quite good, but it's not enough to achieve the full recognition Arafat wants from such special parties as the United States and Israel. This will take him time.

Arafat has decided to stop military operations from South Lebanon for the time being. This is a good move, a positive move, especially for Lebanon and its Southern population.

But then what? Does this mean that the Palestinian problem is solved? Does this

And what's your view on this contradiction in the resolution which states that the summit takes note of the fact that the PLO has stopped military operations from South Lebanon and at the same time has the right to carry on its struggle on all Arab fronts? How are we to interpret this in Lebanon?

It's not a contradiction. As you said, the summit took note of the Palestinian resolution. Then it seems — I don't know, because I wasn't there — that other Arab countries agreed to open their borders for military actions against Israel, in order to help the Palestinians. Well this would be very good — if it happens. Nevertheless, it is not sufficient.

There should be a coordinated plan among the Arab countries, or what is left of the Arab countries on the eastern front, to oppose future Israeli plans, ambitions or attacks.

Do you have any definite information that other Arab states have agreed to open their fronts?

I don't know. I have no idea at all.

When you talk about a coordinated military confrontation on the eastern front, you are including Lebanon?

Lebanon is included. Actually, Lebanon is the only state taking part in this confrontation with Israel. There should be a front from Naqoura up to Aqaba, if possible. If not... well, that's something else.

Am I to understand that, in general, your opinion on the outcome of the summit is somewhat different from that

of the National Movement as a whole? The National Movement has reacted positively to the resolutions, while you say that they do not provide a solution.

Maybe my opinion is quite different from the National Movement's, because I think that the resolutions are just resolutions — as they have been before. The only positive resolution may be that which provides monetary aid to the Lebanese government. Apart from that, the situation is ambiguous. It is a *status quo* situation that will stay like that for some years.

I don't know how the National Movement, or some parties in the National Movement, can view these resolutions as positive for Lebanon. I just don't know. I'll have to ask them one day.

Do you think the Palestinians will keep their promise to stop military operations from South Lebanon?

Keep their promise? Well, yes. But you also have to consider Palestinian interests. I mean that the Palestinians up until now haven't been offered anything substantial by the powers confronting them — that is to say the United States and Israel.

If the Palestinians are offered something substantial (and by substantial I mean a state, recognition of their rights, recognition of the PLO as the sole representative of the Palestinian people), well in that case they can definitely freeze their military operations once and for all.

But if they are not given this assurance, why should we ask the Palestinians to stop their activities? That would be unjust and certainly not in the interest of the Palestinian cause.

Yes, but at the same time, it is unjust for Lebanon to be the only front, as you yourself said before.

That is something else. That's something that must be answered not by the Palestinians, but by the Arabs. After all, the Palestinian cause is an Arab cause. It is the Arab cause, the only one, I presume. At

least, I hope so. This is why the Arabs are responsible for this cause... all the Arabs together.

Since the resolutions have not provided a real solution, as you said, and since they have dealt with the problem as one of Israeli aggression, do you think the international pressure that the Arabs have promised will lead to a cessation of Israeli attacks on the South?

International pressure? What kind of international pressure?

They have promised to use their good offices with the United States, for example, so that, in turn, the U.S. will pressure Israel to stop its attacks. Do you think...

I don't think we can use the term "good offices" when discussing politics. In politics it's a question of power. Power politics is a better term.

If the Arabs, who are potentially very powerful, are ready to use this power against those who are opposing the rights of their people — well, why not?

The power I am speaking of is oil. And up till now the Arabs have not been using their oil power. There are also other ways to put pressure on the international scene, but it seems that the Arabs are either ineffective or unable or unwilling.

So if they go on not using the power they have, Israeli attacks on South Lebanon will not stop?

I don't think they will stop. We also have to be aware of and analyze the internal Israeli situation from an economic and political point of view. It is quite interesting. There could be some change from inside Israel.

There could be changes, but this won't lead, in the near future, to a basic change of policy toward the PLO and the Palestinians. I believe that the Israeli administration is up until now bargaining on what it calls "self-rule" which will one day lead to self-determination of the

Palestinians that does not necessarily include the PLO.

Do you think that the summit resolutions, by stressing the need "to regulate the Palestinians' armed presence in UNIFIL's area of operation," have definitely linked the solution of the Palestinian problem with the crisis in South Lebanon? If so, can they be disengaged?

As I said before, there is no immediate solution of the Palestinian problem, so the presence of the Palestinians inside the UNIFIL area or outside of it is a very minor problem. It's a tactical one.

It's a question of gaining time, of helping UNIFIL and the U.N. to stay in Lebanon, to continue playing their role. But it's not the main element in the problem. So why should we discuss it any longer? It is a trivial matter.

But the fact that they have said that Palestinian presence is going to be regulated means that armed Palestinians will remain in the South. So are we now definitely depending on a solution of the Middle Eastern crisis? That is, can't we hope for a solution in the South?

How can we? I don't think it is possible now to separate the Palestinian problem and the Lebanese problem, unless certain parties in Lebanon — I mean the right-wing parties, the Phalangists and the National Liberal Party — agree to dissociate themselves from this issue and deal on Lebanese terms. Up till now they have not been free to do so.

But if they do, perhaps we can later work out a compromise plan — and I said *later* — to collaborate with these parties in order to reduce the impact of the Middle Eastern crisis on Lebanon. I said *reduce*, not

eliminate, because as long as the Palestinian problem remains unsolved, there won't be any root solution for Lebanon. We are speaking about reducing the impact, reducing the losses and the damage from future Israeli attacks.

The Tunis resolutions also supported the entry of the Lebanese Army to the South. What's your exact position on this matter, and do you still adhere to the National Movement demand that Army deployment should begin in the border strip?

Of course. It's a question of principle. The Lebanese Army should go to the South, should eventually control all areas in the South: Tyre, Nabatiyeh, Marjeyoun, Naqoura, everything. And it should try one day, if possible, to subdue the renegades — like the phenomenon of Saad Haddad — put them on trial and finish with this secessionist movement. But I don't think it's going to be an easy task.

It is not Saad Haddad who is opposing the Lebanese Army; it is Israel. Is Israel now willing to accept the Lebanese Army there, at its border? I don't think so.

What about the areas under your joint control with the Palestinians? Are you ready to have the Army there?

Personally speaking, I am ready.

And the National Movement as a whole?

There are some conditions placed by the National Movement. There are some parties within the Movement that are not at all willing to accept the Army. They are willing to stay as they are. They like the void.

And of course, there are the Palestinian interests. There should be an understanding between the Palestinians and the Lebanese State. This shouldn't be difficult because there are treaties between the PLO and the State — the Cairo treaty. As far as the Palestinians are concerned, their presence is guaranteed. And the presence of the Lebanese Army is normal — more than normal.

As for the National Movement, we will accept the presence of the Lebanese Army, if, first of all, this presence is not hostile to our presence; and, second, if there is a plan by this Army or the State to eventually try to penetrate the Saad Haddad areas.

You would accept the Army in your areas, but would maintain your presence there as well?

Why not? The Army is in Ashrafiyeh and the militiamen are in Ashrafiyeh too. The State has accepted a kind of compromise there.

But it is an abnormal situation.

Well, yes. When there are normal situations everywhere, we will be ready to accept a normal situation in our areas.

Once more, the Lebanese are divided between those who reject the summit resolutions outright and those who accept them, not to mention the official "reservations" on the subject. Do you think a compromise between these contradictory positions can be worked out?

Who should compromise? And why should there be a compromise? There are some resolutions. We have to profit from these resolutions. By "we," I mean the State. That's it.

But instead of having the Lebanese divided on this issue...

Well, the Lebanese are divided on all issues. This is just one more issue.

You mean you believe that there is no possibility of agreement on this subject, even though it is vital?

Vital? No, I don't think the Tunis resolutions are vital. As I said before, it's a question of gaining time, of trying to avoid any radical confrontation between some interests in Lebanon. We'll wait; we'll see.

Do you agree with those who say that the summit resolutions were more of a victory for the Palestinians than for the Lebanese, taking into consideration the

fact that Lebanon had to drop its initial demand for a total Palestinian withdrawal from the South?

Well to begin with, there shouldn't be a contradiction between Palestinian interests and Lebanese interests. They should consider the problem a joint venture between the Palestinians and the Lebanese for the sake of Lebanon and for the sake of a future Palestine. When you just assume that there is a contradiction between the two parties, you are, in a sense, indirectly playing the game Israel wants you to play.

But there are the facts. For instance, Minister Butros and Abu Lotf clashed openly.

Well, I am sorry about that, but maybe they were both — I say maybe, because I was not there — in a very, very unusual situation. They should have worked out a joint plan before going to Tunis and publicly clashing before the Arabs there.

They went there because they were unable to reach an agreement here...

No, no. It's because there are no relations, or some timid relations, between the State here and the Palestinians. That is what led to the Tunis situation.

When you say the Lebanese and Palestinian positions should be the same, how do you propose that this ideal situation be reached? Each one must take a step. Lebanon cannot concede everything and neither can the Palestinians. Do you have an ideal solution?

There are no ideal solutions. There should be an understanding to begin with. Up until now there has been no understanding between the Palestinians and the Lebanese State. They have so far been avoiding each other. That's not a practical solution. There should be another solution. There should be further contacts, further coordination between the two parties, for the sake of both parties. If this doesn't happen, I'm afraid that the future is not going to be very bright. It will lead to a bad situation for both parties.

Do you think that the resolution stipulating the regulation of Palestinian presence can set the guideline for such an agreement between the Lebanese State and the Palestinians?

Maybe. But there should be a joint committee of Lebanese and Palestinians to decide what can or cannot be applied in these particular circumstances. The only practical and valid resolution that I see for both Palestinians and Lebanese is to achieve a kind of understanding and to lay down a long-range plan that will establish the platform for years to come so as not to have contradictions between the parties... assuming, of course, that this is possible.

In the wake of the summit, there is a general feeling of disillusionment among the Lebanese population, coupled with a conviction that Lebanese national unity is the only hope for Lebanon's salvation. What are you personally ready to do to bring about this national unity?

I can do nothing. That's it. I can do nothing. I'm sorry but it is out of my hands. It's beyond me.

Why?

Because it is beyond me. There are so many powers at play in Lebanon, so many interests and at the same time so many obstacles to the achievement of national unity.

And also, of course, there are some basic principles that we stick to, as much as we are able to stick to principles nowadays. This is why up until now I don't have any possible solution that might lead to a Lebanese reconciliation or unity or whatever you call it.

Do you mean that the Lebanese cannot sidestep those powers which are "at play in Lebanon" and unite? Is that an impossible task?

It hasn't been possible so far. For more than four years the Lebanese have been living this crisis, and it seems that it is quite difficult for them to overcome it.

Could you name the powers which you say are "at play" in Lebanon?

Well, I'll begin with our neighbors, those who are helping Major Saad Haddad. Isn't that enough?

But obviously you've got somebody on the other side as well?

I know what you mean, but I think it is possible to understand this "somebody" on the other side. I think it is necessary to coordinate with this somebody for his interest and ours. This is what I said in Paris, and this is what I mean.

Israel is something different. Israel is planning to divide Lebanon, then divide Syria and other countries to create instability everywhere in the region. We cannot, for the time being, have normal relations with Israel. It is impossible. Later, maybe. If one day there is an agreement with Israel, that would be different. But we have to have normal relations with our Arab neighbors, mainly Syria — for the sake of Lebanon and for the sake of Syria. That's a fact.

Could you clarify the comment you made in Paris, that the Lebanese Moslems are disillusioned with the role of Syria in Lebanon?

I didn't say that. I was misquoted. I said that Moslems in Lebanon were always being accused of not being Lebanese. But they proved during the events and are proving now that they are more Lebanese, more attached to Lebanon, to the unity of Lebanon, to Lebanese independence and to the State and institutions of Lebanon, than some "Christians" — put that in quotes — or some Christian leaders who just choose to create a foolish plan of secession, of separation, of partition, of federalism, etc. That's what I said in Paris.

Going back to the subject of national unity: although you said it was a remote possibility for now, Beshir Gemayel has called for a round-table conference, under the auspices of the President, in which the National Movement would participate. Would you be ready to take part in such a conference without pre-conditions?

I am not going to change certain positions or avoid certain basic principles. I don't think that Mr. Beshir Gemayel is the

right interlocutor to represent the interests of the Christians — specifically, the Maronites.

Secondly, after having viewed the past actions of Mr. Beshir Gemayel, and seeing his present position and extremism, I don't think it is necessary to meet with him. He can meet with others, but for the time being, I won't meet with him.

You said he is not the right interlocutor. Who is the right interlocutor? Pierre Gemayel has said that, for him, the interlocutor is the Islamic Grouping. Who do you feel would best represent the Christian or rightist side?

From there? No, nobody. For the time being there's nobody. It is impossible for them to have the right representative, one who can think about the future of Lebanon and about the future of the Maronites. They are still engaged in this plan of partition, of separation. They are still not free-willed. So why should we speak to them? Why should we sit with them at the same table?

Maybe Raymond Edde would be the one — one day, maybe. I hope so. I don't know. Perhaps there are other people, so far unknown and unable to express themselves, because of so many factors.

But that applies to the Moslem and/or leftist side as well. There are many people whose opinions differ from those of the current leadership.

Yes, of course. But there are various blocs here: the National Movement, the Islamic Grouping, the National Front, the Shiite group, etc. There are so many groups. So far, no one has exerted any kind of authoritarian rule on the other.

There are so many independent people here too. Of course there are varying degrees of influence. Perhaps the National Movement is more influential than the others. Maybe. But nevertheless, everybody is free, to a certain degree, to speak, to express himself.

Over there, is quite difficult. Yesterday, I believe that Mr. Edmond Rizk got a bomb under his car.

Do you link the two issues?

No, it's just that some strange incidents occur over there sometimes.

If, as you say, there's no leadership on the Christian side, we must wait for some leadership to emerge?

We'll wait. Nobody is in a hurry.

Yes, the Lebanese people are very much in a hurry.

I am in a hurry, too, in a sense. But what can I do? Tell me what I can do. I have proposed a peaceful plan. I have proposed to settle armed disputes, to have the State as an arbitrator, keeping certain basic principles essential to Lebanon in mind. But nobody has answered.

I have just said that a round-table conference, under the auspices of the President, has been suggested. But you say you are not willing to take part.

No, not with these people who are not even able to take a decision on their own. No, not at all.

Your declarations in Paris, in which you described Camille Chamoun as a "gangster," Pierre Gemayel as "senile" and Beshir Gemayel as "crazy" have puzzled the Lebanese people, who are not used to such remarks on your part. Could you clarify or qualify those statements?

These were declarations in Paris. It's enough.

Do you stand by them?

I said these were declarations in Paris. For the time being, that is enough.

Many observers think that partition is still a threat. They point to the arsenals of the different militias, the polarization of the Shiite community after the disappearance of Imam Sadr, the widely divergent positions of the Lebanese left and right, etc. What's your view on this matter? Under what conditions is the National Movement ready to relinquish its authority to the State?

Well, there are two aspects to your question. First of all, the partition plan is still being worked on. It could one day succeed, or it could fail, depending on Arab and international circumstances.

But there is a party which calls itself the Phalangist Party which celebrated its anniversary a few days ago. On this occasion they displayed some tanks — obsolete, useless tanks, it is true, but nevertheless representing a sign, a fact: that those people over there are still not willing to forget armed disputes, but plan to continue their struggle, as Mr. Beshir Gemayel said, "to liberate the Lebanese." He says they want to liberate the Lebanese from the Palestinians and the Syrians, but he means from everybody that is not willing to collaborate with them. And we are not willing to collaborate with them.

You said that partition might occur under certain international and Arab circumstances. Like what, for example?

Everything is changing. Nothing is fixed, nothing is rigid in politics. Everything is changing in the world.

But what would precipitate the partition of Lebanon? Would the lack of a solution to the Palestinian problem be a factor, for example?

Yes. And so would any move on the part of Israel in the South. I am not afraid of the Phalangist Party or the Chamoun party. We're not afraid at all. We're just afraid of Israel — afraid in the sense that there is a power relation there. Israel is the only country or power that may be able one day, if circumstances are favorable, to establish this confessional mini-state, the Maronite state. And perhaps later, this will lead to other confessional states in the Arab world.

Under what conditions is the National Movement ready to relinquish its authority to the State?

Only if it is possible to achieve a solution among the Lebanese and maintain certain basic principles — mainly the unity of Lebanon. Then, of course, it will be necessary to find a certain political program to develop the original one established in 1943. I think it's time to change.

The national pact?

Yes, don't you think so?

Do you mean a secular state?

A secular state? It's a goal. It is the goal of the Socialist Party, but I think it is too early to speak of it.

You have given me the impression that before relinquishing your authority, all these goals must be achieved. If I am not correct, when will you be willing to relinquish your authority?

Here, we must repeat ourselves. First, we do not accept to deal with Israel. Second, we insist on the recognition of Lebanon as one state, a unified state. And third, we require the acceptance of a centralized authority, although we may later accept some kind of administrative decentralization — maybe (this is a small detail). Fourth, we must develop a new political formula that will enable all Lebanese, not one class of Lebanese, to receive some kind of welfare. Up to now, only one group in Lebanon has been controlling everything — the bourgeois class. And finally, if possible, I would like to reduce the impact of religion on state affairs.

There is also a feeling among the "silent majority" that young leaders, like yourself, are no less rigid in their positions than the traditional leaders. Is this feeling justified?

What do you mean by "rigid"?

I mean that they stick to their positions. They are not ready to talk to each other unless and until so many things are done.

Well, if I am to stick to certain principles, I have to be rigid. I think that I have made it clear which basic principles I plan to adhere to. Then it must be taken into consideration that I am not always free to do what I feel like doing. Sometimes there are obstacles — both local and foreign.

When you say "leaders"... maybe we're leading only ourselves and certain groups which follow us, but I don't think the current leaders in Lebanon are leading or can lead everybody. I don't think so. We're here because we're here, because of the way things are — no more, no less.

But people are pinning their hopes on the young generation, because they have little hope in the older generation. I think I'm conveying the feeling of the majority.

Are you?

I hope so. That's my job.

There's a difference between your job and what the new generation is feeling. I don't know what the new generation is feeling, although I would like to. But I think that 60 percent of the new generation, left or right, is a little indifferent. That's my feeling.

They can't be indifferent to the salvation of their country. They look up to the young leaders. Do you think the young leaders are more capable of pioneering national reconciliation than the traditional leaders are?

It's not a question of national reconciliation. It's a question of a political solution in Lebanon — yet another political solution, yet another compromise. Lebanon is the country of compromises. So far, conditions have not been favorable for a compromise. Maybe later. I don't know. I hope so.

On "the Day of the Flag," the Lebanese people expressed their desire to have a

united Lebanon — a Lebanon which many of them accuse political leaders of blocking in order to preserve their leadership. Do you think we're very far from the day when Lebanon's various leaderships will be molded into a normal democratic, multi-party system?

Multi-party system? There is an unusual multi-party system in Lebanon now.

I'm talking about the democratic variety.

Maybe — when the guns are put away and it becomes possible to talk to people normally. But as long as we continue to use these instruments to express our political opinions; or as long as we are forced to defend ourselves with those instruments, the situation is not going to be an easy one. The majority of the people will find it difficult to elect new leaders, to be represented by new parties, etc.

You once told this magazine that the National Movement was in the process of electing you its chairman. Why hasn't it done so? Is this an indication of the looseness of the Lebanese left?

Yes, it is. It (my election) was a plan to be elaborated, and we were working on it seriously, but nowadays, it seems that there are some basic differences.

Within the National Movement?

Yes.

Relating to what, for example?

So many things, so many problems. We're going to sit down again and, once and for all, try to unite ourselves. But for the time being, I'm personally not at all in a hurry to be elected president of this National Movement. I'm not so anxious to be president. I'll wait. I've waited two, three years. I can wait... 30 more. (Laughing) It's a 30-year war.

LEBANON

JUMAYYIL ON 'NEW CLIMATE FOR PALESTINIAN STATE'

Beirut MONDAY MORNING in English 3-9 Dec 79 pp 30-34

[Interview with Amin Jumayyil of Phalangist Party's Political Bureau, by Claude Khoury date and place not given]

[Text]

Amin Gemayel, member of Parliament and of the rightist Phalangist (Kataeb) Party's Political Bureau, says that an initiative by Austrian Chancellor Bruno Kreisky toward Lebanese-Palestinian understanding and Lebanese national entente "has not been excluded."

Gemayel, talking to *Monday Morning* last week about his September talks with Kreisky in Vienna, said that "the meetings I had with him were very positive and... might lead him to take a more constructive and dynamic attitude toward the Lebanese problem."

Should Kreisky decide to launch a peace initiative in this country, Gemayel said, he would have the full support of the Phalangist Party, because "we are available to help anyone who is ready to rescue Lebanon from this chaos — specially Dr. Kreisky, for whom we have a great deal of affection and respect."

Asked whether he had specifically requested the Austrian leader's mediation between the Lebanese Maronite rightists and the Palestine Liberation Organization, Gemayel said he had told Kreisky that a dialogue which had been started between the rightist Lebanese Front and the PLO had run into difficulties.

"I did mention to Dr. Kreisky that he might possibly be able to clear the air and lead this dialogue to solutions which would on the one hand ensure real sovereignty for Lebanon and respect for its entity, and on the other hand help the Palestinians achieve their national aspirations and recover the homeland they have been dreaming of for so long," Gemayel said.

He added: "Dr. Kreisky is willing to do something. He is willing... to help find solutions to the Lebanese problem... He met with me and other Lebanese leaders to find out what the real elements of the Lebanese crisis were and what role he could play toward its solution."

Among the other leaders Kreisky has met since Gemayel's visit

to Vienna are Ibrahim Klailat, president of the Independent Nasserite Movement (Murabetoun), and Manuel Younes, former MP and former presidential candidate.

Kreisky's major concern, however, remains the Middle East crisis in general and the Palestinian-Israeli problem in particular, Gemayel said, adding:

"Concerted efforts are now being exerted by Dr. Kreisky, important officials at the U.S. State Department and the White House, in collaboration with certain Arab officials and Palestinian leaders, to promote an amendment of U.N. (Security Council) Resolution 242," which the Palestinians reject because it refers to their cause as a refugee problem and does not recognize their national rights.

The Phalangist leader said there was a new climate in the world today which favored the establishment of a Palestinian state, and he called on both the Arabs and the Palestinians to seize this opportunity.

The Phalangist Party was itself interested in helping the Palestinians realize their national aims, Gemayel said. "We cannot throw them into the sea, just as they cannot throw us into the sea. So we are working to realize the goal of the Palestinian Resistance, which is to recover the Palestinian homeland.

"The more we help achieve this aim, the closer we are to finding short-term and long-term solutions to the Lebanese problem."

In the short term, Gemayel explained, helping the Palestinian Resistance would encourage the PLO "to deal with us not as enemies, but as friends," and in the long term, it would contribute toward the establishment of a Palestinian homeland, which would in turn "accelerate the solution of the Lebanese problem."

The full interview:

What was the purpose of your visit to Chancellor Kreisky?

The Austrian ambassador to Lebanon (Herbert Amry) had visited me here in my office several times to discuss the Lebanese problem in particular and the Middle Eastern problem in general.

Needless to say, I made my position very clear to him: that I believe there can be no peace in the Middle East without peace in Lebanon.

During those meetings, we discussed the different aspects of the Lebanese crisis as

they relate to the Middle Eastern crisis as a whole, and we touched on the various draft solutions in which international and Middle Eastern public opinion seems to be engrossed.

It was the need to find a solution to those aspects of our problem that prompted my visit to Dr. Kreisky, who seems to be quite concerned about the Middle Eastern crisis and anxious to find a peaceful solution to it.

Dr. Kreisky's country is small and has many things in common with Lebanon.

Austria has suffered as much as Lebanon, if not more. Dr. Kreisky faced the same problems before and during the Second World War as we are now facing. So he is capable of understanding the problems we face.

Also, Dr. Kreisky is Jewish, and like every other Jew, he would like to see a genuine peace come to the area so that his fellow Jews can live in the Middle East with a feeling of peace and security.

And he believes that in order to achieve this peace the framework of the Camp David accords should be enlarged. If it is not, he feels, the present Camp David agreement will only lead to a deadend.

Were you invited by Dr. Kreisky?

There was no invitation. As I am not an official, I cannot be officially invited by the Austrian government. However, the Austrian ambassador to Lebanon and I had agreed that it would be useful if I were to visit Dr. Kreisky, and the ambassador later informed me that an appointment had been arranged.

You spoke of "draft solutions." How do you evaluate Dr. Kreisky's reactions to your draft and what do you feel were the positive results of your visit?

You know, the Lebanese rely far too much on the good-will missions undertaken by foreign countries. They cling to these missions because they have lost hope. But they must realize that it is here in Lebanon that we will find the solutions to our problems.

No foreigner can bring us a solution. The only thing a foreigner can do is help us implement a solution which we ourselves agree on. It is up to the Lebanese to create a framework for entente between the various Lebanese factions - a framework within which we can remodel the Lebanese State.

So, you see, one should not pin one's hopes on visits such as these. However, it is important that we explain Lebanon's position to foreigners. There is little if any

understanding by outsiders of the problems we face. The few who do understand them, more or less, are not at all motivated to take any action.

The Lebanese issue doesn't figure in the books of the super powers or the Western powers. The Palestinian problem figures in the books of the super powers. The problem of peace and security for Israel figures in the books of the super powers. But Lebanon's tragedy, which has claimed the lives of 70,000 innocent, apolitical people, has so far motivated no one.

At one point during the war, the Arab world offered to send material aid, especially to the beleaguered South. But the Shiites protested, saying that the problem can't be solved with blankets and rice; that the problem is essentially a national, political one.

In Austria, I had the opportunity to explain that there are serious problems in Lebanon which are becoming more and more dangerous and could threaten world peace.

If the Lebanese problem is left unsolved, the situation could escalate into a third world war. There are major forces confronting each other in Lebanon, such as Syria and Israel. The Arabs back Syria and the U.S. backs Israel, so the possibility of a real war cannot be excluded.

This is why the Lebanese affair does not concern the Lebanese exclusively, but is becoming a threat to world peace. And as I said before, there will be no peace in the Middle East until there is peace in Lebanon.

My visit to Austria gave me the opportunity to explain my point of view and to try and induce Dr. Kreisky to adopt a dynamic attitude toward the consolidation of the Lebanese State and Lebanese institutions, based on certain conceptions of the Lebanon of tomorrow which I put to Dr. Kreisky and which we had presented to many other leaders of the Western and Arab worlds.

It was the first time that Dr. Kreisky had turned his attention to the Lebanese problem. Previously, he had not been particularly concerned, which is not surprising, since he's the Chancellor of Austria, not the President or prime minister of Lebanon.

It was the first time he had sat with a member of the Lebanese Front and heard our side of the story. He had already listened to Arafat's views when the Palestinian leader visited Vienna last July. He had heard the views of other Arab leaders as well. But this was the first time he had heard the views of a member of the Lebanese Front.

You say that as long as Lebanon's problem is not solved, the Middle Eastern problem will not be solved. Did Dr. Kreisky offer any suggestions for a solution of the Lebanese problem that would in turn accelerate the peace process in the Middle East?

I explained to you earlier that Dr. Kreisky did not fully understand all the aspects of the Lebanese problem. He had a general idea. For instance, he was aware that there were minorities, that Lebanon was similar in some ways to Austria, and that we used to have a homogeneous community life but not anymore. But obviously, he was not aware of all the elements of the problem. He wasn't aware of the effects of the massive Palestinian presence in Lebanon and how closely Lebanon is linked to the Middle Eastern problem.

We talked of all these problems at length. We tried to find a way to disengage all the problems and our other in order to create certain national dynamics.

We explained how difficult this was to achieve because of the massive, armed, undisciplined Palestinian presence in our midst — a presence which has become a super-authority with a super-sovereignty established at the expense of the Lebanese sovereignty: Palestinian police, Palestinian army, Palestinian tribunals.

Unfortunately, there is a contradiction between the democratic options of the Lebanese formula and the revolutionary concept of the Palestinian Revolution. There is a contradiction between a democratic state and a revolutionary movement, so that when those two concepts coexist, what you get is an explosive situation — a Molotov cocktail.

We are paying a very high price for this situation. The problem is not only between Christians and Palestinians. Look at what is taking place between Shiites and Palestinians, between Sunnites and Palestinians and between Sunnites and Syrians. The problem is no longer one of Islamic-Christian or leftist-rightist discord; it has gone beyond these limits.

For instance, I was reading the minutes of the Independent Parliamentary Bloc meeting (last week) under the chairmanship of Kamel el-Asaad. At this meeting, many Moslems outdid the Lebanese Front, making our attitude toward the Tunis (Arab summit) resolutions look moderate. The mood was one of determination, and IPB members took a very firm position on the necessity of sending the Army to the South, the necessity of disciplining the Palestinian Resistance in the South, the necessity of establishing total sovereignty... I discussed all these points with Dr. Kreisky.

Naturally, to find a solution to the Lebanese problem, one must find a solution to the problem of the Palestinian people who are living in Lebanon. We cannot throw them into the sea, just as they cannot throw us into the sea. So we are working to realize the goal of the Palestinian Resistance, which is to recover the Palestinian homeland. The more we help achieve this aim, the closer we are to finding short-term and long-term solutions to the Lebanese problem.

In the short term, our collaboration in good faith with the Palestinians would lead them to deal with us not as enemies, but as friends. And in the long run, it would help them to recover their own homeland,

which would accelerate the solution of the Lebanese problem.

I felt a certain receptiveness on the part of Dr. Kreisky when we discussed this matter. Dr. Kreisky is an active member and leader of the Second Socialist International.

Many members of this group occupy important posts and have prominent roles to play in their various countries. So at this level, Dr. Kreisky can use his influence to help bring about the realization of the hopes, aims and aspirations of the Palestinian people.

On the other hand, concerted efforts are now being exerted by Dr. Kreisky, important officials at the U.S. State Department and the White House, in collaboration with certain Arab officials and Palestinian leaders, to promote an amendment of U.N. Resolution 242. This resolution identifies the Palestinians as refugees and does not mention their national aspirations. The amendment would lead to the recognition of the legitimate right of the Palestinians to live in their own land. A direct consequence of this recognition would be the resumption of negotiations relating to the West Bank on another level, a level quite different from that of the autonomy talks currently taking place.

So there is currently a very serious trend, in which Dr. Kreisky figures prominently, to reconsider Resolution 242 and to create a dynamic international force in favor of a Palestinian state.

Naturally, no one, either in the U.S.A. or in Austria, would want to create a new Hanoi in the West Bank or in the Arab world. This is why in the process of creating a Palestinian state, it is possible, as I gathered, that formulas might emerge which are similar to the West German formula, which restricts the concept of sovereignty in order to avert the rise of another Hitler era. Any formula they

envisage for the creation of a Palestinian state must have some safety factor to prevent the Palestinian state from posing a threat to the security of the Middle East, and especially the security of Israel.

The Arab leaders should take advantage of this new climate which is beginning to settle in. Before the Camp David accords, the situation was stalemated. Now the Western world is reacting more and more favorably to certain theses. The important thing now is for the Arab world to have the courage to face reality and use its potential effectively to induce the Western world to come around to its way of thinking and to pressure Israel into accepting real peace in the Middle East.

All this is moving steadily deeper into the realm of possibility, especially since there are very receptive ears to these new theses within Israel itself. For example, Shimon Peres stated at the end of an official visit to Egypt that his ideas were closer to those of Mr. Sadat than those of Mr. Begin. He said that he supported true autonomy (in the West Bank) and more recognition of the Palestinians' aspirations.

Another example is the resignation of Moshe Dayan in protest against the policy of Jewish settlement in the occupied territories. Dayan also protested against Israel's decision concerning Nablus Mayor Bassam Shakaa.

So we are now witnessing a real awakening in Europe, in the United States and even in Israel about the plight of the Palestinians. It is important that the Arabs don't miss this opportunity. The Arabs must realize that the general atmosphere is favorable and they must take advantage of the present situation to achieve a realistic solution.

The approach of Ahmad Said on the "Voice of the Arabs" radio station and the style of Ahmad Shukayri are now completely outdated. This was what led to the destruction, the occupation, the division of the Arab world. If we continue to follow this path on the Arab and Palestinian levels, we will never reach a solution.

It is very easy to fall back on Lebanon

and make it the superior. But you know, on the day that some other power, which rose above this world power that long ago, will emerge in so, because Arab world will definitely pay tribute.

So it is imperative that the Arab promises to support the Palestinian cause be honored. The Arab world certainly has the means to honor them.

And the Palestinian should be more receptive, more organized, more active and for all that it would be better to get bogged down in the struggle. On the contrary, it would be better to gain the support of the Lebanese for their cause. To get bogged down in demagoguery is not a contribution to the Palestinian cause.

Not all Christians are against the Palestinians. Arab Christians, not all Moslems are against the supporters of the resistance. Many of them back the Palestinians to the point involved in the Lebanese crisis. On the other hand, many Christians do have a lot to give the Palestinians. They should be seen for what they are by the Palestinian people.

We Christians in the Lebanese Front, the Lebanese Front, must have a thorough re-evaluation of our position. We must review our political position. President Chamoun is a man who is in that direction. He has asked for a dialogue with the resistance movement. It was the same with himself, the late Zurek, who was the Syrian-backed government. They protested against such a dialogue. It is not the Christians, the Christian parties, that are opposing the re-evaluation of our position. The problem lies in some of the Christian Resistance movement, which is to organize and maybe destroy the Lebanese Front.

Is Dr. Kreisky trying to help you and the Lebanese Front to accelerate the peace process?

Dr. Kreisky is willing to do something. He is willing to play a role in the Middle East, to help us find solutions to the Lebanese problem, which to him is marginal, although we consider it the main problem, but his major concern is the problem of the Middle East in general, for which he is seeking some sort of solution. And at this time he does have some plans. He met with me and with other Lebanese leaders to find out what the real elements of the Lebanese crisis were and what role he could play toward its solution.

Did he suggest a Kataeb-PLO dialogue?

He is aware that I have already begun a dialogue with some Palestinian leaders -- Abu Iyyad, to be specific. So we have already taken that step toward mediation between the Lebanese Front and the Palestinians. The dialogue began some time ago between Abu Iyyad and myself as well as between President Chamoun and Sheikh Fawzi Gemayel and a group of Palestinian officials. So the dialogue has begun.

But we have encountered some difficulties with the dialogue, so I did mention to Dr. Kreisky that he might possibly be able to clear the air and lead this dialogue to solutions which would on the one hand ensure real sovereignty for Lebanon and respect for its entity, and on the other hand help the Palestinians achieve their national aspirations and recover the territories they have been dreaming of for years.

And you feel that Dr. Kreisky sees the solution as one between Christians and Muslims or as a Palestinian-Lebanese dialogue?

The situation seemed a little confused to me.

In any case, the Lebanese problem is a complex one. It is difficult for the Lebanese themselves to understand it. It is also true that the Lebanese do not know the real facts, so how can we expect a foreigner to understand it?

Who knows exactly what the causes of the crisis are? Who knows the darker side of the Sadr case? Who knows the darker side of the Ain Remmaneh story? The Palestinians themselves have said that the Kataeb had nothing to do with that bus incident in Ain Remmaneh in April, 1975 — although a whole campaign was launched against the Kataeb because of this incident, which was considered the first spark of the war, and we were accused of treason. On several occasions since then, Abu Iyad and Khaled el-Hassan have clearly stated in the media that we had nothing to do with the Ain Remmaneh episode.

So Dr. Kreisky knows the outlines of the Lebanese problem. I tried to clear the way so that one day, if he decides to do so, he can play a more active role as a mediator in Lebanon and in the Middle East in general.

Do you believe that Dr. Kreisky will succeed as a mediator?

The problem is not impossible to solve. If their intentions are good and there is good faith among the parties, any serious mediation can succeed.

President Sarkis himself could have played the role of mediator, and I still hope he will. Now his role has been made easier by the fact that a certain national consensus has taken shape around the Tunis summit. We are waiting and hoping he will take the initiative.

Of course, any contribution from Dr. Kreisky or any other foreign leader can be beneficial to the Lebanese, and such a mediation would now be facilitated by the positive attitudes adopted by the various Lebanese factions.

Why were you chosen to meet with Dr. Kreisky? Is it because of your moderate position within the Lebanese Front?

That might be one reason. But the most

important thing is to be open to mediation because the chances are there every day. And I have always been available for dialogue. I have always refused to be bogged down in positions which I considered from the beginning to be manipulated by external and internal forces which are against the interests of the nation.

I have always been available for dialogue. I have always advocated a certain Cartesianism for the Lebanese problem — a philosophy which could achieve a solution of the Lebanese problem.

Lebanon has always been a country of dialogue, a crossroads country. Lebanon has always played a useful role on the Arab level. Lebanon has a function, a role to play in the area and we should by any means maintain this role. And we can if we maintain a certain Cartesian level of national thinking.

One day the truth will come out and everyone will know that Lebanon was the victim of a machiavellian plot.

The day will come when the Lebanese will have to meet each other, rise above their animosities and the black periods we have endured over the past few years. Because we cannot base political action on hatred. We have to meet again one day and accept a *modus vivendi* which will be the first step towards real coexistence.

Was your visit in any way connected with the visits the former presidential candidate Manuel Younes and the Murabetoun leader Ibrahim Klailat made to Vienna?

I don't think so. Their visits took place long after mine and as far as I know are not linked.

Did Dr. Kreisky suggest a national entente initiative in Lebanon?

I feel that the meetings I had with him were very positive and that they might lead him to take a more constructive and dynamic attitude toward the Lebanese problem.

So there is the possibility of such an initiative?

It has not been excluded.

And you would accept such an initiative?

We are available to help anyone who is ready to rescue Lebanon from this chaos — especially Dr. Kreisky, for whom we have a great deal of affection and respect because he cares so much about world peace.

Do you plan to go back to Vienna?

The possibility has not been excluded.

Can you tell us when?

I said the possibility has not been excluded. My visit was informal, so there is nothing to prevent a repetition of it.

CSO: 4820

LEBANON

STATEMENT ISSUED BY LEBANESE FRONT

Release Delayed

Beirut L'ORIENT-LE JOUR in French 17 Oct 79 p 3

[Text] Yesterday, at the conclusion of its weekly meeting in the convent of St George in Aoukar, the "Lebanese Front" published the political proclamation whose release had been delayed for 2 weeks because of the incidents in the north. By virtue of its resolutions, the text amounts to a summons of the government to take action to rid the country of the double Palestinian-Syrian presence. The "front" charges the authorities and more especially the president of the council "with facilitating the domination of the occupying forces." It rejects the idea of a limited Lebanese-Syrian-Palestinian summit as well as the possible additional renewal of the Arab Deterrent Force's mandate, which expires next January.

On the subject of the army, the "front" criticizes the latest officer promotions that it regards as a blow to the rebuilding of this institution. For the south, the "front" states that it is Lebanon's duty to defend this area but the course of action must proceed from an international responsibility. Finally, the "front" expresses surprise at the prolonged physical paralysis of the judicial system which, in its opinion, is not justified. Apart from drafting this statement, the "front's" meeting yesterday was devoted to the study of developments in the situation in the north and the front is reputed to have decided to draw up a plan of action to deal with this matter in depth.

Resolutions

The resolutions proclaimed yesterday by the "Lebanese Front" are set up as follows:

First: Submission

The government is following a policy imposed on it and one that it is not molding itself. The proof is its stand regarding the law on defense at the time of the debate in the house as well as its stand in relation to the officer promotions or changes that are currently under investigation. There are numerous examples of conspiratory silence by the government and its members in relation to the scheme to exhaust the Lebanese rank and in particular the "front," by resorting in particular to internal killings in order to facilitate the occupying forces' domination without the latter's having to have its soldiers' blood shed. What other interpretation is there for the official silence in connection with the Lebanese sequestered in Damascus, which finally has admitted the fact, a silence that happens to corroborate the fact that they are putting others' interests ahead of those of the people of this country?

Second: Ostracism

This will always be the case in official policy as long as governments are formed which exclude those who have fought for Lebanon and which call on those who fought alongside Lebanon's enemies.

Third: Rejection of the Palestinian Establishment

This will always happen from the moment people bury themselves more and more in such a policy, to such a degree that the head of the government has reached the point of talking about coexistence between Lebanese and Palestinians, thus giving the latter the same title to national soil as those under the country's jurisdiction and, item more serious still, absolving them of any charge of aggression. A reassertion becomes necessary at this point: The "Lebanese Front" rejects the idea of an establishment of Palestinians in Lebanon, for any and all portions they may dream of and under any and all forms. The "front" is of the opinion that the mere presence of Palestinians in Lebanon, even unarmed and even in reduced number, means the establishment or at least the desire to carry one out. As far as knowing what may happen to the Palestinians while they wait to return to their native land is concerned, the member states of the Arab League, as a whole or individually, must divide up the refugees, unless the latter appeal to the UN.

Fourth: A Limited Summit

However, the official statement continues, the head of the government is working for the holding of a Lebanon, Syria, and Palestine limited summit, aimed at preparing a working document bound to tie Lebanon's hands during the enlarged summit, the other partners setting aside issues such as the armed Palestine presence in Lebanon or the consequences of this presence in the south. Furthermore, the "front," scalded by its past experiences, must acknowledge that it is very reserved in relation to any Arab summit, limited or not.

Fifth: Neglected People

All these attempts and maneuvers aimed at impairing Lebanon's claim are not affected by the unemployment, daily life, and water and electricity crises, which continue to get worse as if there were no nation in whose name the governments govern and for whom they are supposed to work.

Sixth: Liberation

How long will the delusion last regarding everything related to the liberation of national soil? Is it so difficult to begin with Beirut in the direction of the south via 'Ayn al-Rummanah, Harat Hurayk, Shiyah, Burj Barajinah and Damur?

It must be pointed out here that wherever the Syrians withdraw, they are replaced by Palestinian forces, the Sa'iqah in the downtown souks, in 'Alayh and Bhamdun. Hence it is a matter of a transfer that is not to Lebanon's advantage but to that of the occupant and aggressor. The "front" reasserts its refusal to accept a renewal of the FFA [Arab Deterrent Force], which is no longer an Arab but a Syrian force.

Seventh: The Souks

Is it possible to agree to keeping Beirut's commercial center, once one of the world's most prosperous, in its state of ruins entrusted to vultures?

Eighth: The Army

Concerning the army, the "front" points out that the latest promotions, carried out as they were, represent the point of the spear with which they have tried to pierce the side of this institution in order to destroy it. An equally powerful second blow to achieve the same purpose of exhausting it consists of widespread solicitations in order to bring the army into the south, as if those who hold the power to authorize such a displacement also had the right. As if this army, which we would have wanted to be strong and invulnerable, existed only by the grace of someone else and solicitations.

Ninth: The South

Concerning the south, the "front," which supports the statements made before the UN General Assembly by the minister of foreign affairs, Fu'ad Butrus, on 4 October, reasserts the following:

--The south is and must remain Lebanese territory.

--Its defense is Lebanon's duty but rescuing this area is an international responsibility.

--For this reason, UNIFIL must be given the means of enforcing resolutions 425 and 426 amended by the Security Council, so that in cooperation with the Lebanese Government, it may counter any act of aggression no matter where it arises in order to reclaim this Lebanese soil and establish the government's authority there.

It is elementary to recognize that the south would not have become such a serious danger for Lebanon without the armed Palestinian presence and its violence.

--The acute crisis of the south must be dealt with together with the internal Lebanese crisis as separate problems.

Tenth: The Judicial System

The "front" does not see any justification for maintaining the paralysis of the courts, which are essential for the application of principles of law. Hence the judicial system, the third estate, must again put in an appearance.

These resolutions were preceded in the text by an indictment expounding the following themes:

--The attitude of the Mohammedan faction of the country "that is satisfied with sharing the advantages without working otherwise for Lebanon is henceforth no longer acceptable."

--Similarly, the "front" no longer wants to hear people talk of "ending the war" without putting an end to its causes, the major one of which is the double presence of Syria and Palestine.

--The "front" is of the opinion, in connection with this matter, that diplomatic relations with Syria must be established.

Murabitun Response

Beirut L'ORIENT-LE JOUR in French 20 Oct 79 p 3

[Text] The Independent Nasirites Movement (Murabitun) yesterday published an official statement responding to the "Lebanese Front's" most recent manifesto regarding the latest developments in the situation and the various proposals connected with the regional crisis and preparations for the Arab summit. The Murabitun's communique claims that the verbal escalation the "Lebanese Front" is devoting itself to is connected with "the next phase of the scheme in which the "front" is participating." The MNI [Independent Nasirites Movement] response communique then expounds the following points:

--The political victories the "Lebanese Front" speaks of "remain within the scope of a simple imbalance in the forces involved in the struggle."

--The legal authority is using its potential "to help" the "Lebanese Front."

--The "Murabitun" reasserts its opposition to the establishment of Palestinians in Lebanon.

--The Districts controlled by the patriotic forces are open to the legal system, while the "isolationist" regions remain closed to it.

--The army must move into all areas of the country and such a deployment must be carried out in all the regions.

9064

CSO: 4800

LEBANON

REPORT ON MONETARY SITUATION

Paris AN-NAHAR ARAB REPORT & MEMO in English 19 Nov 79 pp 7-12

[Text]

Lebanon's banks have been subjected to a severe credit squeeze since mid-1979 as a result of regulations by the Bank of Lebanon. In the following article, Nassim Saliba, a member of the Banking Control Commission of Lebanon's Central Bank, explains why these regulations were necessary.

At different times throughout 1979, the Bank of Lebanon has taken monetary measures, most significant of which was raising the legal reserve requirement on deposits in Lebanese Pounds to 15 per cent, part of which would be covered by Treasury Bonds. Other measures included ceilings on credit in Lebanese Pounds to the private sector, which were intended to allow better control of expansion in general liquidity, better serve the needs of the national economy and support the exchange value of the Pound, which was under heavy pressure earlier in the year. The objective behind setting these ceilings on credit to the private sector was primarily to put an end to real estate speculation and reorient credit extension to finance more productive sectors and tourism.

Although statistics are not available for the three months that followed the imposition of the new ceiling (June, July and August), a preliminary assessment of the effects of the Central Bank's measures can be made.

The consolidated monetary positions of the commercial banks in Lebanon (Table 1) reveals that domestic liquidity (money supply and quasi-money) rose 18.7 per cent in the first 8 months of 1979 compared to an increase of almost the same amount for all of 1978. The rate of expansion in domestic liquidity has therefore increased. A word of caution is necessary however: the increase in domestic liquidity was largely the result of a rise in deposits in foreign

currencies by residents. These amounted to LL 1.6 billion in the first 8 months of the year, 61 per cent above the level for the corresponding period of 1978. The increase reflected the drop in the exchange value of the Lebanese Pound, estimated at around 10 per cent; the increase in the real value of transfers from Lebanese Pounds to foreign currencies was close to LL 1.17 billion and accrued because depositors are keeping remittances from abroad in foreign currencies. An encouraging sign was the fact that transfers to foreign currencies were no longer being made out of fear of a drop in the value of their deposits in local banks in Lebanese Pounds as was the case in 1978, but rather to take advantage of the higher interest offered on foreign currencies, notably dollar deposits.

The increase in deposits of foreign currencies by residents represented savings invested by local banks abroad without exerting pressure on domestic prices. When these foreign currency deposits are transferred back into Lebanese Pounds, domestic liquidity may rise substantially and pressure on prices of goods and services may result. Special care should be taken to prevent the impact of this re-transfer from reversing and largely offsetting the effect of the monetary policy that was being pursued at the time of transfer.

If deposits by residents in foreign currencies are excluded from our calculations, domestic liquidity would have increased 11 per cent in the first 8 months of this year compared to 22.4 per cent in all of 1978. The increase in domestic liquidity will probably not exceed 15 to 16 per cent by the end of the year, if the growth in liquidity and credit operations in the three months period from June to August of this year is included, in addition to the effective ceiling on credit.

One factor that has contributed largely to increased liquidity is the expansion in credit extension,

Table 1
Unified position of the banking sector

| | 1976 | 1977 | 1978 | June 79 | August 79 |
|----------------------------------|---------|---------|---------|---------|-----------|
| Foreign assets (net) | 6,617 | 9,019 | 9,547 | 10,354 | 10,960 |
| Domestic loans | 7,379 | 8,642 | 11,429 | 13,598 | 14,345 |
| to the public sector (net) | (87) | (578) | (1,434) | 1,638 | (2,167) |
| to the private sector | 7,292 | 8,064 | 9,995 | 11,960 | 12,178 |
| Total | 13,996 | 17,661 | 20,976 | 23,952 | 25,305 |
| Money Supply | 4,906 | 5,062 | 6,131 | 6,545 | 6,753 |
| of which currency in circulation | (3,084) | (2,729) | (3,285) | (3,290) | (3,494) |
| Quasi-money | 6,718 | 9,789 | 11,520 | 13,394 | 14,194 |
| of which foreign deposits | (1,781) | (2,594) | (2,653) | (3,619) | 4,279 |
| Total domestic liquidity | 11,624 | 14,851 | 17,651 | 19,939 | 20,947 |
| Other liabilities | 2,372 | 2,810 | 3,325 | 4,013 | 4,358 |
| Percentage variations | | | | | |
| Domestic loans | 22.2 | 16.8 | 32.2 | 18.6 | 25.5 |
| to the private sector | 5.7 | 10.6 | 23.9 | 19.6 | 21.8 |
| Domestic liquidity | 5.2 | 27.8 | 18.8 | 13.0 | 18.7 |
| Money Supply | 27.9 | 3.2 | 21.1 | 6.7 | 10.1 |
| Quasi money | - 6.8 | 45.7 | 17.7 | 16.3 | 23.2 |

that including credits to the public sector. Credit extension (in foreign and local currencies) in the first 8 months of the current year increased 25.5 per cent compared with a 32.2 per cent increase last year. Seventy five percent of the increase was in credit to the private sector. The larger part of the credit extended to the public sector was registered in July and August while credit to the private sector was extended largely in the first five months of the year, which prompted the Central Bank measures restricting credit to the private sector.

Available statistics indicate that after the imposition of ceilings on credit to the private sector, these showed a marked drop. Expansion in credit to the private sector in the period between June and August fell to a monthly average rate of 1.3 per cent compared with 3.2 per cent for the previous months: January to May.

Credit to residents in foreign currencies in the first eight months of the year rose 23 per cent, by LL 223 million, mainly the result of an actual growth in credit and the depreciation of the Lebanese Pound. Despite that, the value of total credit in foreign currencies still makes only 10 per cent of total credit extended to the private sector.

If current forecasts for the growth in credit over the next two months as well as liquidity position of banks and estimates of the public debt by the end of the year are taken into account, then the expected annual growth figure for credit in 1979 would approach 30 per cent less than last year's rate.

The figures cited above indicate that the Central Bank's restrictive measures on credit were a significant achievement if one considers the size of credit extension before the measures were introduced. The Central Bank's credit ceilings have actually brought real estate speculation under control and countered the adverse effect of such speculation on the value in exchange of the Lebanese Pound.

Apart from the increase in credit and its effect on the level of domestic liquidity, Table 2 indicates that the LL 1.4 billion increase in net foreign assets has also contributed to expansion of domestic liquidity. But the improvement in the net foreign assets position has in turn contributed the larger part (87 per cent) of the increase in deposits in foreign currencies by residents, which reduced pressure on the Pound. The consolidated balance sheets of commercial banks (Table 3) reveals that monetary reserves with the banks dropped from LL 2.07 billion by the end of

Table 2
Factors affecting liquidity
(Millions of L.L.)

| | 76/77 | 77/78 | 78/June 79 | 78/August 79 |
|--|-----------------|----------------|--------------|----------------|
| Changes in liquidity | 3,228 | 2,800 | 2,288 | 3,296 |
| Money Supply of which currency in circulation | (156) | (1,069) | (414) | (622) |
| Quasi Money of which local foreign currency deposits | -355 (3,071) | 556 (1,731) | 5 (1,874) | 209 (2,674) |
| Changes in factors affecting liquidity | 813 | 59 | 966 | 1,626 |
| Foreign assets (net) | 3,228 | 2,800 | 2,288 | 3,296 |
| Domestic loans to the public sector (net) | 2,402 | 529 | 807 | 1,413 |
| to the private sector | 1,263 | 2,787 | 2,169 | 2,916 |
| Other liabilities | (491) | (856) | (204) | (733) |
| | (772) | (1,931) | (1,965) | (2,183) |
| | -438 | -516 | -688 | -1,033 |

1978 to LL 1.86 billion at the end of last August. The ratio of reserves to deposits in Lebanese Pounds in commercial banks dropped from 17.7 per cent in 1978 to 13.4 per cent in the first eight months of this year. Bank holdings of treasury bonds were stable between 1978 and 1979. The drop in bank reserves is attributed to the expansion of credit and the seepage of part of these reserves as additional liquidity without an increase in the Central Bank's primary liquidity commitments. The balance sheet of the Bank of Lebanon reveals that while currency in circulation outside banks increased from LL 3,275 million at the end of 1978 to LL 3,494 million by the end of last August, primary liquidity dropped slightly as a result of the decrease in currency with banks and bank deposits with the Central Bank.

Primary liquidity is the main element that can be regulated by the Central Bank in the pursuit of monetary policy objectives. Borrowings by commercial banks from the Central Bank lead to an increase in primary liquidity and so does an increase in the Central Bank's foreign assets. Various factors and developments may also interact to produce a net reduction in primary liquidity. Despite borrowings by

the public sector from the Central Bank in the first eight months of 1979 that amounted to LL 682 million, primary liquidity fell by LL 30 million. This was because the decrease in the Central Bank's net foreign assets valued at fixed exchange rates offset by more than \$200 million the effect of the increase in credit to the public sector on primary liquidity.

Besides the drop in the ratio of the monetary reserves to total deposits in Lebanese Pounds, the imposition of a 15 per cent legal reserve requirement augmented pressure on bank liquidity although the Central Bank permitted commercial banks to cover half of these reserves by holdings of Treasury Bonds; 2.5 per cent of these holdings should be in special Treasury Bonds that are due to be issued very soon.

Table 5 shows the growth of bank liquidity. Four per cent of commercial bank excess liquidity was assumed to be in the form of non-monetary reserves (Treasury Bonds) instead of the 7.5 per cent decreed by the Central Bank memorandum No 246 of October 22, 1979. This is attributed to two factors:

- The failure of a number of banks to subscribe in Treasury Bonds with maturities extending over a year with which they could have covered the 7.5 per cent

Table 3
Commercial banks' consolidated
balance sheet
(Millions of LL)

| | 1976 | 1977 | 1978 | June 79 | August 79 |
|--|--------|--------|--------|---------|-----------|
| Assets | | | | | |
| Money Reserves | 1,074 | 1,898 | 2,066 | 1,725 | 1,694 |
| Foreign Assets | 4,525 | 5,770 | 6,058 | 7,206 | 7,657 |
| Loans to the government | 10 | 475 | 949 | 942 | 1,000 |
| Loans to the private sector | 7,247 | 8,031 | 9,919 | 11,874 | 12,096 |
| Total | 12,856 | 16,174 | 18,993 | 21,747 | 22,448 |
| Liabilities | | | | | |
| Demand deposits | 1,804 | 2,300 | 2,822 | 3,233 | 3,241 |
| Savings and Time deposits | 4,937 | 7,195 | 8,867 | 9,228 | 9,368 |
| Domestic deposits in foreign currencies | 1,871 | 2,594 | 2,653 | 3,619 | 4,279 |
| Foreign liabilities | 2,807 | 2,558 | 3,110 | 3,362 | 3,221 |
| Loans from the Central Bank | 165 | 101 | 77 | 44 | 42 |
| Capital account | 583 | 619 | 656 | 739 | 784 |
| Net other liabilities | 779 | 807 | 808 | 1,523 | 1,512 |

of monetary reserves allowed by the memorandum.

Two and a half per cent of the reserves stipulated by the memorandum were left out since these will be covered by subscription to special Treasury Bonds and will therefore have no effect on the banks' free liquidity.

Free monetary surpluses remaining to commercial banks not exceed 3.8 per cent of total deposits in Lebanese Pounds. This relatively low proportion serves the Central Bank's monetary objectives. Limited bank liquidity is depicted more clearly if one notes that the larger part of commercial banks' free deposits with the Central Bank is held by a very small number of banks, added to the fact that only half of commercial banks' free reserves (LL 250 million) consists of cash.

The pattern of development of commercial banks' liquidity encouraged inter-bank lending. Limited liquidity pushed inter-bank lending rates up and interest on bank loans and deposits followed suit. This is exactly that the Central Bank measures were aimed to do, namely to narrow the gap between interest on the Lebanese Pound and the US dollar.

The monetary situation that prevailed before the years of civil strife was made more complex by the growing burden of development and reconstruction

costs being borne by the state, and called for a more effective role for the Central Bank.

In an address to members of the Lebanese Bankers' Association, Central Bank governor Michel Khoury stated explicitly that this institution, in cooperation with commercial banks, would employ all means available to it to carry out its duties to maintain proper control of the banking sector.

Even though commercial banks have not been accustomed to resort to the Central Bank in the past to refinance their operations because of their liquidity, they now had to adapt to the new reality; they realised that seeking assistance from the Central Bank does not impinge on their reputation and is no indicator of unsound commercial banking practice. Instead, by introducing closer control over the commercial banking sector, the Central Bank has raised Lebanon's banking standards to levels found in the world's advanced banking centres. By use of the discount instrument the Lebanese Central Bank has ensured the control of domestic liquidity at levels commensurate with the real needs of the economy; it has also succeeded in pegging the rate of interest to levels that serve objectives of its monetary policy.

There was a slight increase in the level of time

Table 4
Central Bank position
(Millions of LL)

| | 1976 | 1977 | 1978 | June 79 | Aug 79 |
|---|---------|---------|---------|---------|---------|
| Foreign Assets | 4,957 | 5,872 | 6,674 | 6,569 | 6,584 |
| Loans to the public sector (net) | 77 | 103 | 485 | 696 | 1,167 |
| Loans to the private sector | 45 | 33 | 76 | 86 | 83 |
| Loans to commercial banks | 165 | 101 | 77 | 53 | 42 |
| Total | 5,244 | 6,109 | 7,312 | 7,404 | 7,876 |
| Money Supply | 4,229 | 4,751 | 5,384 | 5,105 | 5,351 |
| Currency in circulation outside the banks | (3,084) | (2,729) | (3,285) | (3,382) | (3,494) |
| Currency with the banks | (198) | (194) | (384) | (243) | (247) |
| Commercial banks deposits | (930) | (1,795) | (1,692) | (1,480) | (1,610) |
| Private sector deposits | (18) | (33) | (24) | 15 | 19 |
| Foreign liabilities | 58 | 65 | 75 | 60 | 1 |
| Capital | 161 | 213 | 213 | 213 | 278 |
| Other liabilities | 796 | 1,080 | 1,640 | 2,011 | 2,227 |

deposits in 1977 which reflected a desire by commercial banks to attract deposits based on hopes that a large amount of money would be needed by the private and public sectors to finance reconstruction. Renewed fighting in 1978 checked all hopes that money would be committed for reconstruction and brought interest rates back to low levels.

Because of the costly liquidity of their positions, a number of banks had turned to real estate and foreign currency speculation by the end of 1978. This continued through the early months of this year, forcing the Central Bank to take measures aimed basically at supporting the value of the Lebanese Pound. In addition, the Lebanese government provided new investment outlets for commercial banks, notably Treasury Bonds with medium and short term maturities at average interest rates approximating those for inter-bank lending. In 1977 and 1978 these ranged between 1 and 1.5 per cent for loans maturing in 3 months. These rates prevailed until February of this year, when the Central Bank measures were put into effect. Rates rose gradually after that in line with the increase in legal reserve requirements and rules on credit, forcing the state to raise interest on its Treasury Bonds from 2.52 per cent to 3 per cent, then 5 per cent, and finally 6.28 per cent.

With bank liquidity checked during the past two months, inter-bank interest rates have risen rapidly, reaching 7.5 per cent for loans on collection and 9 per cent for loans with 3 months' maturity. But inter-bank operations were limited to loans on collection, reflecting the reluctance of commercial banks to commit their funds in view of the repeated readjustments in inter-bank lending rates. Because the state failed to raise the interest on Treasury Bonds in line with increases in the inter-bank lending rates, commercial banks have shied away from these bonds, in particular the most recent issues.

Rising inter-bank lending rates began only recently to exert a slight effect on interest on debtor and creditor accounts. Interest on blocked accounts in Lebanese Pounds rose by only 1 or 1.5 per cent, reaching 8.5 per cent in some banks. Interest on creditor accounts rose by the same margin. The slow increase in interest rates is a natural development, since the larger part of deposits are in small and medium tranches that are only affected slightly by changing rates. Commercial banks are also unwilling to raise interest on debtor accounts in order to keep their select clientele.

With the continuing liquidity crisis, slow but regular increases are projected for interest rates for

Table 6
 Percentage change of value of LL against major foreign currencies between end 1978 and
 June 6 1979 and October 26 1979, with weighted change on those dates.

| | June 6 1979 | | October 26 1979 | |
|------|-------------|--------|-----------------|--------|
| | Change | Weight | Change | Weight |
| US\$ | 7.8 | 3.770 | 10.9 | 5.629 |
| £ | 9.7 | 0.757 | 14.6 | 1.140 |
| FF | 1.3 | 0.140 | 9.3 | 1.000 |
| DM | 2.2 | 0.250 | 11.9 | 1.352 |
| JY | -4.3 | -0.176 | -8.0 | 0.928 |
| SF | 0.4 | 0.017 | 7.7 | 0.329 |
| BF | 0.8 | 0.024 | 10.4 | 0.312 |
| IL | 2.8 | 0.421 | 10.8 | 0.947 |
| SL | 0.4 | 0.006 | 6.6 | 0.102 |

debtor and creditor accounts which would lead to a narrowing of the gap between domestic rates and interest rates paid on dollar accounts.

This was one of the objectives of the measures

Table 5
 Situation of the reserve requirement and of banks' liquidity in Oct 1979

| | Millions of LL |
|---|----------------|
| 1 - Estimate of the central average of LL deposits subject to the reserve requirement at the end of both Sept. and Oct. | 13,225 |
| 2 - Reserve requirement (15%) | 1,984 |
| 3 - Reserve requirement under the form of Treasury Bonds (4%) | 530 |
| 4 - Monetary reserve requirement | 1,454 |
| 5 - Commercial banks' deposits at the Central Bank (20/10/1979) | 1,713 |
| 6 - Commercial banks' excess reserves at the Central Bank | 259 |
| 7 - Estimate of cash in banks vaults | 250 |
| 8 - Excess liquidity in the vaults of the commercial banks and the Central Bank | 509 |

imposed by the Central Bank with the hope of strengthening the Lebanese Pound. But it came at a time when major industrial countries were raising interest rates to fight inflation and support the value of their currencies. In the light of this, it can be said that the Central Bank rediscount rate, now at 7 per

cent, is not in line with inter-bank lending rates nor with the Central Bank's overall policy. In fact, the Central Bank is expected to readjust its discount rate in the near future.

Available statistics indicate that Lebanon's balance of payments registered a surplus of \$187 million in the first eight months of 1979. The surplus was due to a substantial increase of more than \$380 million in the net foreign holdings of commercial banks. The difference of \$193 million between net foreign holdings of commercial banks and the balance of payments surplus represents the net drop in the Central Bank's foreign holdings, mainly due to financing of imports by the state.

The larger part of the balance of payments surplus was achieved in the summer and that chiefly because scores of Lebanese working abroad, particularly in the Gulf, came home to spend their vacations. Moreover, demand for foreign currencies was slower in the summer. Undoubtedly, the Central Bank measures were very effective in curbing the capital outflow and ending real estate speculation, two elements which increased the commercial banks' net foreign assets. No matter what course monetary developments follow in the last quarter of the current year, the balance of payments is expected to increase further since the year's end usually witnesses a sizeable inflow of funds.

The balance of payments surplus projected for this year exceeds last year's \$175 million, although last year's was the result of an improvement in the Central Bank's net foreign assets, while this year's

surplus is mainly the outcome of an increase in commercial banks' foreign assets. Even though the exact reasons for the surplus are hardly detectable, the larger part of it is due to the inflow of remittances of Lebanese working abroad. The trade balance on the other hand deteriorated rapidly owing to increasing cost of imports, notably oil.

During the current year, the Lebanese Pound suffered a sharp depreciation, particularly in the first three months. This was largely the result of real estate and foreign currency speculation. Speculation in the US dollar increased, particularly after President Carter's measures to support the currency.

The imposition by the Central Bank of Lebanon of legal reserves and the ban on credit for speculation served to improve the value of the Lebanese Pound vis-à-vis other currencies and fluctuations in exchange rates in the domestic market were cut down. However, a further decline in the value of the Lebanese Pound was registered towards the end of May and early June, when the dollar rate reached LL 3.315. This was mainly the result of the worsening security situation which fuelled the real estate market and raised interest on dollar deposits without a corresponding improvement in the levels of interest on deposits in Lebanese Pounds.

More effective measures were adopted by the Central Bank on June 8 of this year which raised the value in exchange of the Lebanese Pound to LL 3.24 to the dollar. This rate was closely maintained throughout the third quarter of the year. In September the Pound suffered yet another blow when pressures were reported on the Deutschemark and the French and Swiss Francs. The dollar fell against these currencies, but improved later reaching LL 3.32.

Despite all these developments the Lebanese foreign exchange market remained highly stable and fluctuations were only within a narrow margin.

CSO: 4820

LEBANON

BANK OF LEBANON PUBLISHES STATISTICS

Beirut L'ORIENT-LE JOUR in French 7 Oct 79 p 9

[Text] Yesterday the Bank of Lebanon published its bimonthly balance sheet dated 30 September and which, when compared with that of 15 September, invites the following remarks:

1) From one 2-week period to the other, paper currency showed a decline of 8 million LL, dropping from 3,664,523,722 LL to 3,656,258,473 LL on 30 September.

At the same time holdings in gold and foreign exchange (the factors covering the pound) decreased by 5 million LL, settling at 2,928,063,581 LL on 30 September as against 2,933,148,630 LL.

2) Similarly, deposits held in the bank of Lebanon for Lebanese banks fell 36,577,522 LL, from 2,340,733,977 LL on 15 September to 2,304,156,454 LL on 30 September.

3) This resulted in a decrease in the money supply during this period on the order of 44,842,772 LL. The latter fell from 6,005,257,700 LL on 15 September to 5,960,414,928 LL on 30 September.

4) The entry "other deposits" likewise increased, rising from 1,224,962,102 LL to 1,320,222,028 LL.

5) The Bank of Lebanon's other assets also increased, settling on 30 September at 3,986,298,733 LL, against 3,929,260,828 LL.

6) Advances to the public sector did not record any change. We have printed below this balance sheet just as it was transmitted to us by the Bank of Lebanon:

| ASSETS | On 30/9/79 LL | On 15/9/79 LL |
|--|------------------|------------------|
| 1) Gold and foreign currencies | 2,928,013,581.20 | 2,933,148,630.58 |
| 2) Advances to the public sector | 931,144,111.08 | 931,144,111.08 |
| 3) Advances to the private sector | 61,725,899.84 | 61,841,731.26 |
| 4) Advances under law 28/67 | 913,395.35 | 5,144,567.58 |
| 5) Other assets and debtor accounts | 3,986,298,733.02 | 3,929,260,828.44 |
| | <hr/> | <hr/> |
| | 7,908,095,720.49 | 7,860,539,868.94 |
| LIABILITIES | | |
| 1) Debts for | | |
| a) Paper currency | 3,656,258,473.32 | 3,664,523,722.94 |
| b) Trust deposits | 2,304,156,454.77 | 2,340,733,977.37 |
| | <hr/> | <hr/> |
| | 5,960,414,928.09 | 6,005,257,700.31 |
| 2) Other deposits | 1,320,222,028.09 | 1,224,962,102.51 |
| 3) Stock | 15,000,000.00 | 15,000,000.00 |
| 4) General reserve | 263,085,660.55 | 263,085,660.55 |
| 5) Other creditor accounts | 349,373,103.76 | 352,234,405.57 |
| | <hr/> | <hr/> |
| | 7,908,095,720.49 | 7,860,539,868.94 |

9064
CSO: 4800

MOROCCO

BOUCETTA EXPLAINS MOROCCO'S ABSENCE FROM MONROVIA

LD041622 Rabat MAP in Arabic 1300 GMT 4 Dec 79 LD

[Excerpts] M'hamed Boucetta, minister of state in charge of foreign affairs and cooperation, held a press conference at the ministry this morning to explain the reasons which prompted Morocco to not take part in the work of the committee of sages in Monrovia. The minister began this conference with a statement in which he said: [begin recording]

You are aware that the most important event attracting attention today regarding our region is the meeting of the committee of sages [words indistinct] today in Monrovia. You may be aware of Morocco's stand toward this meeting.

As you know, President William Tolbert visited Morocco from 3 to 5 November. During the meeting he had with his majesty the king, the topic of Morocco's participation in the meeting of the committee of sages in Monrovia was raised, the meeting in which Morocco was strongly determined to take part. On this occasion our country clearly expressed its pride in taking part in this meeting on the ground that this participation would take place within the framework of studying (?our recent) proposal connected with the convening of a summit conference, including presidents of the countries bordering on the Sahara, for the purpose of enabling them to turn their disputes into cooperation and to work for harmony instead of conflict, estrangement and quarreling. This proposal, as you also know, was made clear in the royal message of 28 August 1979 sent to President Tolbert in his capacity as president of the OAU. Thus, President Tolbert was aware of the Moroccan stand and the aims of the royal proposal, which was supposed to form a framework for the expected meeting.

However, what do we see today? The main aim of the meeting finally has been abandoned, this meeting that was supposed to provide an opportunity for the first beneficial gathering in search of an end to the causes of tension in the region.

Precisely on the second day of President Tolbert's visit to Morocco, that is, 7 November 1979, the Republic of Mali, which is a member of the committee of sages, chose an openly hostile stand toward our country and adopted an extremely partial policy. On 7 November 1979 the representatives of the so-called POLISARIO and the alleged Saharan Republic were warmly welcomed in Bamako. The Republican Guard saluted them at the airport and they were received by President Moussa Troure in the presence of members of the government and party. Following this meeting with the Malian president the latter, in a statement to the national radio service, in its broadcast at 1300 on 8 November 1979, affirmed support for the representatives of the Saharan people who are fighting for their independence. This is what was stated by the national radio of the Republic of Mali on 8 November 1979.

As for Tanzania, which is also a member of the committee of sages, it did not limit itself to recognizing the so-called Saharan Republic but also strove further in its biased and hostile stand toward Morocco by giving weapons to the POLISARIO, weapons which it is using in its aggression against our country. In my view, it is of no use to dwell on the stand of these two countries, which is not befitting the role which a member of a committee of sages takes upon himself. Are not impartiality and neutrality the two conditions which should be enjoyed when taking part in such a committee? No one can be a judge and an adversary at the same time, nor a reconciliator and an adversary at the same time.

Moreover, the government of Liberia, which was aware of our total rejection of any participation by the mercenaries of Algeria in this meeting, has invited (?their group) to come to Monrovia. The dangers of this initiative are not obscure: it not only exceeds the mandate of the committee of sages, which was rejected and disputed by Morocco, but also constitutes a dangerous political action.

All this, as you will note, is remote from the atmosphere distinguished by clarity and calm which President Tolbert took upon himself during his latest stay in Rabat to give to this meeting.

In any event, I stress here Morocco's determination to defend its rights and to contribute to the establishment of peace with all the calmness and patience it possesses. [end recording]

CSO: 4402

MOROCCO

FOREIGN MINISTER ANSWERS QUESTIONS ON MOROCCAN STAND

LD050026 Rabat Domestic Service in Arabic 2000 GMT 4 Dec 79 LD

[Excerpts] Minister of state for foreign affairs and cooperation, M'hamed Boucetta, held a press conference at noon today at which he explained Morocco's stand toward the meeting of the committee of wise men in Monrovia and the reasons why Morocco has refused to take part in it.

At the end of this preamble, M'hamed Boucetta replied in Arabic to the questions put by the press in Arabic and in French to questions put to him in French.

Follows a full recording of all the questions and answers in Arabic.
[Begin recording]

[Question] Ahmad Atayah of West German Television, should Monrovia fail to be the site for an exchange of views among you, Algeria and Mauritania, do you see in the very near future any scope for discussions with the Arab countries in North Africa?

[Answer] As you know, and no doubt you have followed all the recent steps, particularly those coming from our Arab brothers for exerting efforts to remove tension in this region, Morocco's answer to these initiatives were always positive. It has always welcomed them, because Morocco considers that this artificial issue in our region is not objectively in the supreme interest of the Arab causes which we must pay attention to first and foremost and for which all efforts should be exerted for their sake: The question of Palestine, the question of replying to Zionism and the question of backwardness which we are experiencing in our Arab nation so that we may overcome our problems.

Therefore Morocco has always rushed to welcome all Arab initiatives, to accept them and to do everything required for the creation of a climate so that a meeting could take place between Morocco and Algeria. We followed this pattern since the beginning, since the first Amgala, when important units of the regular Algeria Army of more than 2,700 were in the grip [Qibdat] of the Moroccan Army. The first Arab initiative at that time was

from Iraq calling for understanding in this region. Morocco's reply, as I said before, was positive from the beginning. The Algerian armies, which were in the grip of the Moroccan Army, were able to return to Algeria safely. Another initiative came from the Arab countries, the latest of which was the efforts made by President Habib Bourguiba and by Saudi Arabia for a meeting to be arranged between Morocco and Algeria. Morocco welcomed this initiative, too, but the rejection came from the other side.

Morocco is prepared to attend any dialog that would remove tension in this region, a tension which I described as artificial and created for reasons which do not serve the major Arab cause.

[Question] Moroccan al-Bayan, certain press quarters in Morocco say that the question of the Moroccan Sahara is a question between the East and the West and that within its retrieved borders Morocco is experiencing a continuation of the crusade. What is your stand, minister, towards this analysis? In fact the tour of the secretary of state for foreign affairs can be considered one of the attempts made by Morocco to prevent the internationalization of the Moroccan-Algerian dispute. What is the volume of success of the Moroccan-Algerian dispute. What is the volume of success of Morocco's attempt in this field, and then what are your expectations of the conflict assuming the nature of a conflict between the East and the West, or to be precise between the socialist bloc and the Western world, bearing in mind that Morocco is not alined to any of these blocs.

[Answer] The fact is that the conflict in this region can be explained from a number of angles and considerations. First and foremost Morocco says that this issue is a national one.

Morocco, and this is not a secret, is firstly an Arab Muslim country prepared to defend the values it inherited from this Arab Islamic culture. Secondly, it is a nonalined country within the true sense of the word. It wishes to maintain with all the countries and the blocs good relations of mutual benefit and interest. It is no secret that for example, with the Soviet Union we want to maintain strong and good relations despite our differences over ideological issues or over facts which we could possibly disagree about or over actions in certain areas. But we always endeavor to maintain relations, for instance, with the socialist bloc and with the Soviet Union itself, of mutual benefit and interest. The best proof of this is the important agreement which links us economically with the Soviet Union. [Sentence indistinct] Therefore by giving all these facts I would like only to emphasize that as far as Morocco is concerned and as far as this issue, the issue of the Sahara, is concerned, Morocco is prepared to meet all kinds of trends: Firstly to defend its right and secondly to defend its values and existence.

[Question] Editor of LIBERATION; how far, from the military aspect, will the Uhud operation go in the event of Algeria remaining intransigent and continuing to render its military and political assistance, particularly the establishment of bases for the POLISARIO mercenaries on our land?

[Answer] As to the Uhud operation perhaps you have noted the recent statements made by his majesty the king in this connection. This operation is above all an operation of purging and cleansing the region from the consequences of the sabotage which used to take place at one time from the Mauritanian or the Moroccan borders and the building of arms caches for the rebels in this region. This operation was aimed, first and foremost, at cleansing the region and at securing it from the military and security points of view. It began to yield results. Moreover, Morocco, which always proved that it does not want war and that it would never be the aggressor, left its defensive forces in their classical form: An army which will defend the country whenever it is confronted by an outside force or army. The defense of the Saharan areas and the confronting of this aggression in whichever manner such aggression takes place, requires us to transform the form of our forces and our weapons. A large part of this has been accomplished and will be finally completed in the next weeks or months. [End recording]

That was the full recording of the Arabic part of the press conference held this morning by M'hamed Boucetta.

CSO: 4402

MOROCCO

BOUCETTA: MOROCCO NOW VIEWS SAHARA ISSUE AS 'STRICTLY DOMESTIC'

LD031337 Casablanca LE MATIN in French 12 Nov 79 pp 1, 7 LD

[Unattributed report: "Mr Boucetta: Let the Mercenaries' Recent Setbacks Be a Lesson to Our Neighbors"]

[Text] An ordinary meeting of the Istiqlal Party National Council has been taking place since Saturday under Secretary General M'hamed Boucetta's chairmanship and in the presence of members of the party's Executive Committee.

The Saturday session was marked among other things by an important opening speech made by the secretary general and by reports on the party's participation in the government in the past 2 years submitted by Istiqlal ministers.

Our readers will find hereunder a synthesis of the main ideas developed by Mr Boucetta in his opening speech.

Mr Boucetta first referred to the situation in which our country has found itself as a result, among other things, of the aggression and war imposed on us. He then emphasized our people's determination and their mobilization with a view to achieving our territorial integrity following his majesty the king's appeal and in accordance with the testament of the liberation leader Allal El Fassi.

Referring to the stages which have led to the recovery of the Sahara and to Morocco's efforts to thwart plots hatched by the adversaries of our unity and territorial integrity--efforts made possible by the resistance and determination of all citizens--Mr Boucetta emphasized the successes achieved in the field by our brave Royal Armed Forces, to whom he paid vibrant tribute.

As for the escalation which has taken place recently, the secretary general recalled that the Royal Armed Forces have been able to repulse fierce attacks mounted by thousands of mercenaries possessing huge amounts of heavy and sophisticated equipment and expressed the hope that these setbacks will be a lesson to those who are responsible for the existing tension and that the

people involved will at last realize that they will never be able to achieve their objectives at Morocco's expense.

Furthermore, Mr Boucetta added, our resistance has begun to bear fruit. For instance, he stated, our Royal Armed Forces have now sufficient arms and manpower to crush any aggression against our country.

In the diplomatic sphere we have reached a new stage and adopted a new style of action which consists of believing and proving that the Sahara problem has definitely been resolved, that it is strictly a domestic matter and that, consequently, there is no longer any need to set Moroccan plans, views and theses against Algerian plans, views and theses in international organizations. For the first time, Mr Boucetta added, only Algerian draft resolutions, views and theses will be submitted for either adoption or rejection.

Consequently, fraternal and friendly countries will have only two possibilities open to them--they will have to decide whether they are for or against Morocco, that is in favor of peace and cooperation advocated by Morocco or whether they want to support advocates of hegemonism and destruction.

Mr Boucetta denied rumors spread by certain circles according to which the Sahara war is at the origin of the difficulties faced by the country. For, he explained, Morocco's military expenditure is not unusually high.

Mr Boucetta also stated that some important changes will soon take place in the country, changes which will give a concrete content to the principle of the elimination of social inequalities.

CSO: 4400

MOROCCO

'MAP': BOUCETTA EXPRESSES TOTAL SUPPORT FOR PALESTINIAN CAUSE

LD301344 Rabat MAP in English 1240 GMT 30 Nov 79 LD

[Text] Rabat, Nov 30 (MAP)--On the occasion of the celebration of the international day of solidarity with the Palestinian people, M'hamed Boucetta, Moroccan foreign affairs and cooperation minister, reaffirmed in a statement, Morocco's total support for the Palestinian cause.

Boucetta, namely, said that "in conformity with Morocco's policy which considers the Palestinian cause as the cause of every Moroccan as it was underlined by King Hassan II of Morocco. We are working and will still work for the liberation of Palestine and the holy city of al-Ouds".

"Morocco, the minister went further, which considers the Palestinian people's issue as a [word indistinct] one, and which brings and will bring its total support to the struggle of the Palestinian people for recovering their legitimate rights and for reintegrating their mother land, once again reaffirms its conviction that the Palestinian question constitutes the heart of the Middle East problem, and that peace cannot be achieved in this region without granting to the Palestinian people, through their sole and legitimate representative, the Palestine Liberation Organization (PLO), their national and legitimate rights, and without associating the PLO to all efforts displayed for establishing a just and lasting peace in the Middle East."

The Moroccan minister added "we consider that the situation prevailing in the Arab Maghreb and the tension which results from the aggressions against our country, is opposed to the Palestinian issue and to the Arab cause, as long as the efforts and energies which must serve Palestine, the Palestinian people and the Arab nation in general, are scattered and lost". That is why we are opposed to any attempt of disintegration of the Arab nation by the creation of puppet states, which are but an obstacle to the Arab nation's aspirations," concluded Boucetta in his statement.

CSO: 4420

MOROCCO

MINISTER ATTACKS EEC CURBS ON TRADE

Paris AN-NAHAR ARAB REPORT & MEMO in English 26 Nov 79 p 6

[Text]

Morocco's efforts to coordinate its economy with that of the European Economic Community are being frustrated by growing EEC protectionism, Moroccan Trade Minister Azeddine Guessous charged last week. Mr Guessous, who was in London for talks on Morocco's trade with Britain, said this protectionism had hit two vital exports - fruit and vegetables and textiles - after Morocco had made great strides in recent years to develop sales to Europe. Mr Guessous commented that Britain's heavy payments to the ECC's Common Agricultural Policy fund was being used to subsidise high-cost European growers of fruit and vegetables that could be grown more cheaply and naturally in countries like Morocco. The CAP was thus hurting Third World countries which are associated with the EEC, as are Morocco and Tunisia, he declared.

Mr Guessous said one result of EEC protectionism was a large deficit in trade between Morocco and Europe. This reached \$1 billion in 1977, but was cut to \$750 million as the result of austerity measures in 1978 and was expected to fall still further to about \$700 million in 1979. But Morocco's dealings with the EEC were likely to become even more difficult when Greece, Spain and Portugal were admitted to EEC membership, Mr Guessous said.

Britain's main exports to Morocco are capital goods and British trade has therefore suffered less than other trading partners as the result of Morocco's restrictions on imports. British exports for the period from January to September of this year were 15.8 per cent lower than for the same period in 1978. They were worth £50.7 million sterling (\$106 million) for the first three quarters of 1979 compared with £60.2 million (\$126 million) for the first nine months of 1978. British exports to Morocco for all of 1978 were worth £76.5 million (\$150.6 million).

Moroccan exports to Britain were worth £33.6 million (\$70.5 million) for the first nine months of this year and consisted mainly of phosphates and agricultural produce. This was 10.2 per cent higher than for the first three quarters of 1978, when exports were worth £30.5 million (\$63.1 million). Morocco's exports to Britain for all of 1978 were worth £44.1 million (\$92.6 million).

Mr Guessous said Morocco was seeking to bypass EEC curbs on trade by seeking new markets in the COMECON bloc but that adapting products to these new markets was a costly business and Western Europe remained Morocco's most natural trading partner. One-third of Morocco's oranges were now being sold to the Soviet Union, Mr Guessous noted.

CSO: 4420

MOROCCO

BRIEFS

NADOR STEELWORKS--The Moroccan government has given the final go-ahead for construction of a steel-making complex at Nador, in the northeastern region near Melilla, Trade Minister Azeddine Guessous announced in London last week. The project was first proposed in 1948. Mr Guessous said construction work, estimated to cost \$2 billion, would be spread over seven years instead of three years as originally planned. A British firm, W S Atkins, is the consultant for the Nador complex. [Text] [Paris AN-NAHAR ARAB REPORT & MEMO in English 26 Nov 79 p 6]

CSO: 4420

SYRIA

SUPPORT FOR, SOLIDARITY WITH IRAN REITERATED

JN021544 Damascus Domestic Service in Arabic 1215 GMT 2 Dec 79 JN

[Unattributed commentary]

[Text] Syria has once again affirmed its support for and solidarity with the Iranian revolution against U.S. imperialist threats and provocations and the Camp David partners' open instigations against the Iranian people and their triumphant revolution.

By reaffirming its support for the Muslim Iranian revolution and the brave Iranian people in their steadfastness and defiance of the aggressive and provocative forces, Syria is in fact expressing the feelings of the Arab masses and their appreciation of the Iranian revolution's liberation stands and firm support of Arab rights in line with the world liberation movements' struggle against imperialism, Zionism and racism.

Syria realized right from the beginning that imperialism, Zionism and their agents, who are the enemies of progress and freedom, will not remain silent over the victory of the Iranian revolution, which uprooted the most intractable dictatorship--which linked its fate with that of Zionism and U.S. imperialism and dedicated itself and all Iran's resources to the role of the imperialist policeman in the Gulf area against the interests of the Iranian people and the Arab nation.

It was because of this very reason that the Zionist and imperialist forces have adopted a hostile and rancorous attitude toward the Iranian revolution and its natural alliance with the Arab nation and Arab rights. By intensifying its hatred against the Iranian revolution and its provocations against the Iranian people to the point of threatening to use force and intervene militarily, U.S. imperialism is trying to avenge the collapse of its strongholds in Iran and the Gulf. U.S. imperialism, the Zionist Israeli enemy and the traitorous al-Sadat regime are trying in vain to turn the clock backward.

It was the U.S. administration which began this hostility and hatred against the Iranian revolution and people when it hosted the ousted shah, the enemy of the Iranian people, and when it persisted in defying the Iranian people's feelings and national will. By exploiting the issue of the hostages to move its fleets in the Indian Ocean and the Mediterranean, the U.S. administration shows the extent of its hostility to and hatred for the Iranian revolution, world liberation movements and all attempts at national liberation and freedom from injustice.

When imperialism, Zionism and the traitorous al-Sadat regime united against the peoples of the region represented by the Arab nation and the Iranian revolution, they in fact chose the path of aggression and evil wars. They have compelled the peoples of the region to rise in defense of their destinies, freedom and peace and security in their countries. Such evil intentions cannot go unopposed. The Arab nation and the Iranian revolution, against which the provocations and hostile military movements are directed, will not remain silent. They will certainly take all the necessary measures to face the aggression and provocations.

If the U.S. administration insists on pursuing the course of force, military intervention, blackmail and provocations, it will prove to the whole world that it has not learned its lesson from past experiences with peoples who fought for their freedom and has not benefited from the defeats suffered at the hands of those struggling peoples.

While affirming its support for and solidarity with the Iranian revolution, thereby expressing the sentiments of the Arab masses, Syria warns against the danger of using force against the Iranian revolution, because this will definitely push the region to the brink of a conflagration and gravely jeopardize world peace and security. While affirming its solidarity with the Iranian people, government and leadership, Syria is certain that the Iranian revolution will triumph in the end, just as it is certain that the Arab nation will triumph in its battle against imperialism, Zionism and the traitorous al-Sadat regime.

CSO: 4802

SYRIA

SYRIAN PEOPLE'S ARMY COMMANDER RECEIVES CSSR DELEGATION

JN051433 Damascus SANA in Arabic 1255 GMT 5 Dec 79 JN

[Text] Damascus, 5 Dec--At his office this morning, People's Army Commander Muhammad Ibrahim al-'Ali received the visiting Czechoslovak delegation led by Lt Gen Vaclav Horacek, Czechoslovak Communist Party Central Committee member and chairman of the Czechoslovak Union for Cooperation With the Army.

After welcoming the visiting delegation, Comrade al-'Ali discussed the strong friendship linking the two peoples and parties. Comrade al-'Ali gave a detailed report on the Syrian People's Army, its formation, duties and role in the October War of Liberation.

Comrade al-'Ali affirmed that the vicious colonialist onslaught to which the Arab nation, particularly Syria, is being subjected necessitates the concentration of all available means and potentials in confronting imperialism, Zionism and their agents.

Comrade al-'Ali said that the Camp David accords and their consequences, which were hatched by imperialism and Zionism and implemented by al-Sadat, are only a facade to this colonialist onslaught. Al-'Ali added: Thus, Syria, which has struggled in the past against all forms of imperialism and colonialism, will continue its struggle with increasing determination, under Comrade Hafiz al-Asad, Arab Socialist Ba'th Party secretary general and president of the republic, in order to abort all plots and achieve victory for our just cause.

Lt Gen Vaclav Horacek expressed his thanks to Comrade al-'Ali for the information given him, saying: We greatly appreciate all the strong ties between us. Vaclav Horacek affirmed that the Czechoslovak stand against Camp David is a principled one.

Lt Gen Vaclav Horacek added: We are very proud of Syria, which is leading the Arab struggle, and history will prove the correctness of its stand. He added: Our support for President Hafiz al-Asad's policy [words indistinct] derives from our conviction in the justness of the cause that the Arab nation is defending.

Lt Gen Vaclav Horacek arrived in Damascus last night on a 5-day visit to Syria. He was met on arrival by Comrade Muhammad Ibrahim al-'Ali, high officials and officers in the People's Army and by the Czechoslovak ambassador in Damascus and embassy staff.

CS0: 4802

SYRIA

BRIEFS

MUSLIM BROTHERHOOD MURDER--The Voice of Lebanon correspondent has learned that Muslim Brotherhood gunmen in Syria have murdered Antoine Barakat, an employee of the Syrian presidential palace, while he was on his way home by bus. Mr Barakat did not use his car so as not to reveal his identity to any attackers--particularly since he had previously received death threats. The Muslim Brotherhood is the cause of the tense atmosphere prevailing in Alepo, Latakia, Homs and Hamah. [Text] [NC041325 Voice of Lebanon (Clandestine) in Arabic to Lebanon 1215 GMT 4 Dec 79 NC]

BA'TH PARTY ELECTIONS--Damascus--It has been decided to begin the elections in the Arab Socialist Ba'th Party branches on 8 December, prior to the convocation of the seventh ordinary regional conference of the Arab Socialist Ba'th Party later this month. [Text] [JN051538 Damascus Domestic Service in Arabic 1215 GMT 5 Dec 79 JN]

CSO: 4802

WESTERN SAHARA

MOROCCO ACCUSED OF 'FIERCE REPRESSION' OF SAHARANS

Paris L'HUMANITE DIMANCHE in French 24-30 Oct 79 pp 2-23

[Article by Francoise Germain-Robin: "The Story of a Saharan Deputy in the Moroccan Chamber of Representatives"]

[Text] During the raid of the Western Sahara Liberation Forces on Smara, a deputy in the Moroccan Chamber of Representatives joined the POLISARIO Front. Francoise Germain-Robin was there to get her report on the war and the situation in Morocco.

The story of Mohamed Ali Ould Sid El Bachir, Saharan deputy in the Moroccan Chamber of Representatives who joined the POLISARIO Front during the battle of Smara, is all the more interesting because he appeared to enjoy the confidence of the kingdom's leaders. Thus, he frequently saw the number two man of the government, the highly valued adviser to the king, chief of his aides-de-camp, Colonel-Major Dlimi, himself said to be of Saharan origin. He was also a member of the Foreign Affairs Commission of the Moroccan Chamber of Representatives responsible for "borders and usurped territories."

The manner in which he was elected to parliament was particularly strange, however. Called in 4 months before the elections by the minister of the interior, he was informed of the order by the king to run as the Istiqlal Party candidate in Smara Province.

He further stated that, once elected, he was never able to address the sessions of the Chamber of Representatives, and neither were any of his colleagues, supposedly representatives of the Saharan populations.

He justified the slow nature of his joining up with the POLISARIO Front by the fierce repression which the Royal Armed Forces [FAR] have imposed upon the Saharan territories which they occupy. The examples which he gave during his meeting on 13 October with the international press are terrifying.

"The repression began with the arrival of the Moroccan occupation forces in 1975. Colonel Lamarti, head of the first forces which had penetrated to

Smara, captured 51 Saharan citizens, all activists, at Lemseid. He had a ditch dug, buried them alive and ran bulldozers on top of them.

"He took six others and gave them 'as compensation' to one of his officers whose brothers had been killed by the revolutionaries. He executed them in a brutal manner.

"At Amgala, six Saharans were led, tied like cattle, into a helicopter and thrown overboard in mid-air. Colonel Benathane, who succeeded him and is now a member of the royal Staff, took nine citizens in the area of Smara and had them burned to death with their livestock. A woman and her two children were sliced open like goats. That happened at the beginning of 1976. Thirty-seven children who were tending flocks were arrested, imprisoned and tortured.

"All of this was directed primarily against the nomadic peoples. After having finished with them and having forced them to collect in the towns, they gathered together the tribal chiefs and gave them lists of people to have arrested. They threatened to shoot the shaykhs if they tried anything to defend these people, who were all activists, or to help them escape. From the start, 176 persons, men, women and children were arrested. What these people went through in prison was so terrible that it was difficult for them to survive. Many died, some were let go, seriously ill or dying, after several months, and nobody knows what happened to the others. That's how the occupation of Smara started."

Talking next about the catastrophic military situation, he told how Colonel Dlimi himself characterized the stages through which Morocco passed in the Sahara. At each of these stages, there was a change in the chief of staff of the southern forces. In succession came colonels Dlimi, Kasso, Breitel, Driss Ben Aissa, Benami and Abrouk, the latter still stationed there at present but who will probably soon be replaced by Colonel Loubariss, the same one who distinguished himself at the head of the Moroccan forces in Zaire.

First stage (the one where he took command): Total occupation of the Western Sahara, with vast rounding up campaigns to eradicate the POLISARIO.

Second stage: No longer able to control the roads and trails cut by the POLISARIO, the FAR moved into the towns. They were soon forced to abandon the smaller ones, where they were endlessly harassed, and withdrew to the large centers.

Third stage, that of the "iron triangle" of Boucraa, El Ayoun and Smara, inside which the royal forces can still move about.

Fifth stage [as published], the POLISARIO is concentrating its forces against southern Morocco. And this is the same process as in the Sahara: the civilians and the military were soon dislodged from the small towns and took refuge in the larger ones.

"The last stage, that's Labouirate. After that, on 17 September, Dlimi told me: 'We're a laughingstock... I requested the king to release me from further participation in the royal army, because I no longer have any honor in it. He replied to me: 'And me, who will release me from being the commander of this army?'"

"The people who make up the higher command of the army are traitors and incompetents... Given the present situation of the army, the king has decided to call in foreign officers and experts to try to straighten things out by changing strategy. Because if we let the Saharans do as they like, then we'll have problems with the other southern tribes, the Berbers, the Riffians..."

The Saharan deputy then recounted how he had actually seen two delegations of foreign officers and experts in El Ayoun on 27 and 28 September. "The first one included between 17 and 20 Frenchmen. The second, 25 Americans and Egyptians who had arrived together. They were accompanied by Dlimi and Loubariss. Thirteen of the Frenchmen went to Smara with Colonel Abrouk a week before the attack and stayed there almost 5 hours. They were in civilian clothes. But Abrouk himself told me who they were. On the other hand, they're presently specially preparing a hotel in Goulimine to house Egyptian officers."

Mohamed Ali then related what happened at the two meetings of the Commission on Borders and Usurped Territories which he attended. The first took place after the Tan-Tan attack and was chaired by the King himself. Hassan II talked for an hour and a half. He said Morocco had been shaken by Tan-Tan. "The Moroccans have now learned that there is a real war on. This war," he said, "is costing us a lot. It is a war of attrition, conducted by mercenaries, and one which has put our army out of condition to meet a real attack. In addition, it has given rise to so many debts--which are now coming due--that it is impossible to do more. In the event of attack, it is certain that the enemy will have many more resources than we do, because there is not only Algeria and the POLISARIO but also Libya." That's a summary of the king's statements.

The second meeting, which took place after the attack on Birenzarane (which followed the occupation of Dakhla on 5 August), was chaired by the prime minister. He talked about the military situation, which was bad, and about relations with Mauritania after its withdrawal from the joint agreement.

Yasri, deputy of the Socialist Union of Popular Forces party [USFP], spoke "How could it happen," he asked, "that the 2,500 mercenaries who attacked Birenzarane, according to your communique, were able to come unseen from Tindouf? And how could it happen, since you said that 500 were killed, that the other 2,000 could leave again, taking with them 175 prisoners, whom the POLISARIO showed to the press, while we have not been able to show even a single one?" He brought his speech to an end by stating that the occupation of Dakhla had been an impromptu and useless act. The minister explained that it was necessary to occupy Dakhla, a town close to Mauritania, because ["] we had some complicities going on in that country which we could thus more easily manipulate."

The Saharan deputy then talked about attempts to create an internal front to mobilize the populations of the south. It involves nomadic populations gathered together south of Agadir who are collected and organized into encampments in the border zone between Morocco, Algeria and the Sahara. "The men have received weapons and have been formed into armed groups which they try to stir up against the POLISARIO Front to provoke a counterattack by it against these people. But it has not worked."

With regard to the general situation in Morocco, he said that the nation was in total crisis. "The Moroccan people are suffering a lot. The king has said that he was going to transform the Sahara into a green paradise. There were a lot of plans, promises and ministerial delegations. And that's been going on every year for 4 years now. They appointed mayors to plan the development of each town, even those which are completely empty, like Amgala or Tifar. They've collected a lot of money from the Moroccan people supposedly for the Saharan populations. But when I left Smara, nobody had yet seen a dime of it."

9550

CSO: 4400

WESTERN SAHARA

'APS' INTERVIEWS POLISARIO SECRETARY GENERAL

LD231920 Algiers APS in French 2008 GMT 22 Nov 79 LD

[Excerpts] In an interview to APS, Mohamed Abdelaziz, secretary general of the POLISARIO Front, spoke, in the light of recent maneuvers of the Moroccan monarchy, of his pessimism as regards the "peaceful intentions" of King Hassan at the next summit conference of the OAU ad hoc committee on 6 and 7 December in Monrovia.

Question: Will the SDAR be represented at the summit of the OAU ad hoc committee on 6 and 7 December in Monrovia?

Answer: Yes, the SDAR will be present. We have received an official invitation from the chairman-in-office of the OAU to take part.

Question: What will the work agenda committee be?

Answer: The agenda is known. It is the text of the resolution of the 16th OAU summit held in Monrovia. The committee [word indistinct] by the African heads of state can discuss only the application of the resolution of the 16th summit, which stipulates that the return of peace to the region [words indistinct] of legality. The restoration of the rights of the Saharan people [words indistinct] any other agenda will be rejected by SDAR representatives because we want to remain within the strict limits fixed by the OAU.

Commenting on the possible presence of King Hassan in Monrovia, Mohamed Abdelaziz said:

"There are two strong chances that he will go there, no so much out of respect for the OAU and the states of our continent, but the world (?knows) how Hassan despises our organization and its representatives (Tam-Tam conferences, etc....) Hassan will go to Monrovia under pressure from the United States [words indistinct], the latter to facilitate the military and financial aid which it gives to Morocco, insist at all costs on reestablishing the bridge between Hassan and the OAU. They do not want openly to stand on the side of a regime that is totally isolated from the African continent,

the OAU, the nonaligned countries and from all international [word indistinct] committed to justice and legality throughout the world. This ad hoc committee meeting will in fact be the touchstone for [word indistinct] Washington's intentions. (?If) the United States really wants to concur with the reestablishment of peace, it will help in respecting the resolutions of the United Nations, the OAU and the nonaligned countries."

As for the attitude of the Rabat regime, "Knowing the procedures adopted by Morocco's king, we are inclined to believe there will be a new abusive maneuver by the king of Morocco to divert the application of the resolution of the 16th OAU summit. [Words indistinct] to receive all the U.S. military aid that is expected, to promote Morocco's development toward peace, and to rally somewhat the pardon of the OAU, which it [word indistinct] slighted, and [word indistinct] new war dispositions in complete contradiction to the [word indistinct] of the international community. This conduct (?corresponds) to the attitude (?dictated) to it by Washington, to the memorandum recently distributed to African chancelleries, intending to present Morocco as no longer being a state in political and economic decomposition, which in reality it is."

Question: So it is the United States which is directly and openly leading the Moroccan game?

Answer: For the most part, yes. It only remains for Hassan to put his stamp on this procedure. Here are some verifiable facts for understanding that Morocco's presence at the work of the ad hoc committee is nothing but a maneuver: [Passage omitted: History of Hassan's crimes]

Question: What is the impact of these tactics and what are their limits within the OAU committee?

Answer: They perpetuate destabilization in the region, slow down its economic progress and threaten the security of the African continent. To the OAU the case is clear and precise. None of the neighbor countries demands any kind of sovereignty over Western Sahara or any part of it. Mauritania, with whom we have signed a peace agreement, is favorable and wishes to speed on the return of legality. The entire world knows what the frontiers of our country are and the only invader today is Morocco, whose armed forces occupy a number of positions in our territory. Finally, the decision to reestablish the rights of our people is clear and precise. Could one wish for a clearer case?

Question: So, the issues for the return of peace in Western Sahara are still the same for the SDAR?

Answer: Absolutely. Let the expansionist Moroccan forces withdraw from our territory, let our people in exile and in the Moroccan prisons return to their homes; then peace will be in every mouth and in every heart.

For (?it must not be) thought that we are making war only for the pleasure of proving the strength and determination of our people. We seek peace, security, fraternity and mutual international assistance. We do not harbor hatred against anybody; neither against the American people, which is a witness to the injustice which its government is committing against us, nor against the French people, whose "Mirages" are tearing our children apart, and even less against the Moroccan people, whose misery, fears and submission to the police force established by the king we deplore.

Question: King Hassan has ordered his armed forces to occupy Rio de Oro. What does this new maneuver mean, considering the Royal Armed Forces are (?incapable) of protecting their own territory?

Answer: "This decision is indisputable evidence of the Moroccan king's adventurism. The (?invasion) of the Rio de Oro has a double objective: The first is to try and exert direct pressure on Mauritania, to divert it from peace by placing on its borders armed units capable of seeking out and attacking vital north-Mauritanian settlements. The second objective complies with the king's overriding need to calm the anxiety of the countries which support him and of the Moroccan people."

Question: Does the king have any chance of succeeding in this attempt?

Answer: (?He has none), for it is precisely in the southern part of Morocco that we are preparing to hit deepest into Morocco. The latest results achieved by our fighting units needs no comment, and the Royal Armed Forces now hold only three defensive positions, which will fall soon.

Question: [Words indistinct] intermediary of (?the OAU) maintains contacts with the POLISARIO Front?

Answer: The only contact was that of [words indistinct]. There have never been any other contacts. If there have to be political contacts, it will be only within the framework of the OAU and within the strict confines of the decision taken by the OAU. In the meantime we offer it every day several military contacts. But it does not appreciate those at all.

CSO: 4400

WESTERN SAHARA

BRIEFS

POLISARIO ATTACK ON BU CRAA--Western Sahara: A fresh military operation by the POLISARIO Front against Bu Craa has taken place. A communique issued by the Saharan Defense Ministry says the attack enabled our combatants--I quote--to storm several positions occupied by the Moroccan troops. The operation resulted in 32 dead and some 40 wounded among the monarchist armed forces. The operation, says the communique, had been particularly directed at the forces guarding the conveyor belt of the Bu Craa mines. Other operations have also been mounted by the Saharans in the last few days, particularly against Louinet, Lemsid and Guelta Zemmour. [Text] [LD281000 Algiers Domestic Service in French 2300 GMT 27 Nov 79 LD]

SUCSESSES OF POLISARIO TROOPS--The special reporter of the paper AL-SAHRA' AL-HURRAH says that for the last 3 days the Saharan fighters have encircled the Moroccan garrison in Najab on the southern bank of Oeud Draa south of Morocco. The reporter adds that the Moroccan batallion is paralyzed and the garrison is being subjected to a barrage of artillery and machine-gun fire. The Saharan journalist says the four Moroccan batallions stationed temporarily near Adsah, which is at least 20 km from Najab, could not move towards the encircled post because of floods on the river Dra and the fact that all roads are under the control of the POLISARIO Front forces. The reporter goes on to say that the royalist troops refused to fight, especially after the shooting down of the two F-1 aircraft of the Moroccan forces, and that the fall of the town of Mahbes to the Saharan fighters completely destroyed the morale of the Moroccan soldiers. The reporter says that Zag, the biggest Moroccan military base in the south of Morocco, has also been encircled for 3 days by the forces of the Saharan people's army and that the encircled Moroccan forces in Zag have not received any relief forces in the past 10 days. [Text] [LD301035 Algiers Domestic Service in Arabic 0001 GMT 30 Nov 79 LD]

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END