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# Near East/North Africa Report

No. 2066

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INTER-ARAB AFFAIRS

'ARAFAT: 'OUR BATTLE IS A BATTLE OF CIVILIZATION'

Casablanca LIBERATION in French 23-29 Nov 79 p 13

[Interview with Yasser 'Arafat, head of the PLO Executive Committee, by Bahij Bachir]

[Text] The 10th Summit of the Arab League was held at a crucial time. In fact, it took place 2 years after Sadat's visit to occupied Al Qods, thus beginning the process of his capitulation and initiatives which removed Egypt from the confrontation front with the Zionist enemy.

The Camp David accords are confirming the fears of the Arab peoples as they are applied. The Sadat administration, still lulled by illusion, is stubbornly proceeding toward establishment of diplomatic and economic ties with Tel Aviv. The Zionist enemy continues to defy the Arab world and international opinion by expanding its operations of annexation and aggression and by refusing to recognize the national rights of the Palestinian people. In occupied Arab territories, it continues its policy of colonization, judaization and repression. In Southern Lebanon, the Israeli-isolationist camp is preventing the Lebanese state from exercising its authority over its territory, is increasing aggressions to bring about partition of Lebanon and is engaging in genocide against civilian populations.

All of these aspects of the problem dominated the work of the Arab summit in Tunis and were reflected in the decisions made. In fact, the conference condemned American policy in the Middle East. It invited the U.S. Government to reappraise its policy which might have a bad effect on the relations of the Arab countries with the United States. The conference also reaffirmed the decisions of the Baghdad Summit which condemned the Camp David accords.

What is more, the conference confirmed the total sovereignty of Lebanon over all its territory, the safeguard of its independence and its national unity. It also affirmed the need for executing the Riyadh, Cairo and Beit El-Dine decisions and for taking all the measures required to this end.

The conference approved the efforts of the Lebanese Government and the Palestine Liberation Organization (PLO) designed to establish coordination and collaboration to settle all problems.

Finally, the conference resolved to support the efforts of the Lebanese people by giving particularly importance to the situation in Southern Lebanon. It decided to supply \$400 million worth of aid to Lebanon.

The PLO did a lot of work in the preparation of this summit. Toward this end, Yasser 'Arafat, head of the PLO Executive Committee, took a trip to a number of Arab countries. Our correspondent in Baghdad met with him and interviewed him on the eve of the Tunis summit.

[Question] Mr Chairman, there is increasing talk of a common Lebanese-Palestinian work program which will be submitted to the Arab conference at the Tunis summit. Can you give us the broad outlines of this program?

[Answer] To tell the truth, it is not a question of a Lebanese-Palestinian work program. In this regard, it is very important that there be a Lebanese-Palestinian accord before going to the Tunis conference. But I can tell you, as I have told the heads of Arab states with whom I have met and will meet, that the relations between the PLO and Lebanese authorities are friendly relations, relations of understanding. The PLO is concerned with preserving the integrity of Lebanon, its unity, its independence. And it is absolutely necessary that the lawful officials extend their authority over all Lebanese territory. By that I also mean the border region which the Zionist state is attempting to occupy through the intermediary of the puppet Saad Haddad. For Saad Haddad is nothing more than Israel's shadow.

In this spirit, we can give Lebanon all the aid it needs to exercise its authority.

[Question] On the eve of the Arab Summit, what is your assessment of the Camp David accords?

[Answer] You wish to talk about Camp David as a repetition of Sykes-Picot. After World War I, the Sykes-Picot treaty divided our Arab fatherland; and the entire Arab nation rose up against it. Now, I can tell you that Camp David is trying to again divide our Arab nation and to involve it in the mechanism of military pacts. Do not forget Begin's words. After having signed the Camp David accords, he said: "Haifa and Alexandria are two bases which the Sixth African Fleet can use!" What does that mean?

That means the division of the Arab nation favors U.S. interests in our region and in Africa. Sadat, for example, is in the process of defending such interests in Africa. The commander in chief of the Egyptian army has said: "We have military missions in 10 African countries." Thus we can understand Sadat's role. Moreover, he has stated frankly: "I need arms to fulfill my role which is to help the Americans in Africa."

[Question] In the meantime, what is Israel doing?

[Answer] In the meantime, Israel is receiving sophisticated arms to play its role on the eastern front and to strike at the Palestinian revolution and at the same time to strike at Jordan, Syria and Iraq. Its goal is to get hold of the oil resources. As for the importance of the Baghdad conference, it was a historical moment. Sadat had defied us, being of the opinion that we could not meet without him. We can meet without Sadat, but not without the Egyptian people.

Incidentally, the Egyptian people were present in Baghdad but not the Sadat government. The Baghdad conference was a blow against Sadat and against the American and Zionist imperialists in our Arab region. But our region can face up to such plots.

After Baghdad, American imperialism and the Zionist state launched an offensive. Events in South Lebanon are proof of this. American arms were used against the Lebanese and Palestinian peoples. American imperialism wanted to include Jordan in Camp David.

However, we must point out in this regard that Jordan has always respected the resolutions of the Baghdad summit.

The Palestinians in occupied territories were savagely attacked: that was the autonomy plot; no Palestinian agreed to cooperate with the so-called local administration.

But at the heart of the matter, what is this imaginary autonomy when everyone knows that the mayors have greater responsibilities than those proposed to us? Autonomy to reduce us to the state of slavery. No, our people are ready to fight until a victory is won over such slavery.

[Question] The Tunis summit is at hand, and the Lebanese question will be on the agenda.

[Answer] It is a very important summit; but there are those who wish to forget the Baghdad victory, and want to make the Lebanese question the only question.

We are ready to talk about South Lebanon, but within the framework of the overall situation of the Arab nation.

We have to consider external threats, those concerning oil which justify the American presence in the Arab gulf.

Oil is a bothersome question. And it is the duty of our nation to use all the weapons, including economic weapons, to win its rights. America has used the economic weapon against China.

It is using the economic weapon against Cuba. Why should we deprive ourselves of it? We are at a historical watershed; our battle is not an ordinary battle, it is a battle of civilization. Our existence is at stake. But we are certain that future generations will write history in letters of gold and will win a sure victory with the help of God.

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INTER-ARAB AFFAIRS

CURRENT U.S. ATTITUDES TOWARD MIDDLE EAST CONTEMPLATED

Paris AL-MUSTAQBAL in Arabic 8 Dec 79 pp 8 & 9

[Editorial by Nasir-al-Din al-Nashashabi]

[Text] My information tells me that all of the generals of the Israeli army paid brief successive surprise visits to a number of important U.S. army bases in the U.S. during the past month.

My information also tells me (and I returned this week from a visit to some of the countries of the Gulf, near the powder keg) that U.S. Secretary of State William Miller expressed to his closest friends and advisers his consternation, dismay, and anger at the expressions he had heard from the senior officials in Saudi Arabia, Kuwait, and the UAE of their opposition and caution against any military action to which the U.S. might take recourse against Iran in the future. This secretary returned, and, during his short stop at the airport in London on his way back to the U.S., said, "I had understood from the Arabs that they stood in a position of neutrality with regard to Iran, but their position of preventing us from using force against it is a surprise to us!"

My information also tells me that, in spite of the broadcasting by the Pentagon officials to the effect that they would adhere to the policy of restraint with regard to the Iranian situation, their thinking after reaching the point of no return has been by no means confined to the release of the hostages or diplomatic relations with Iran, but has reached the point where the situation has begun to depend on all of the effects attendant on any coming solution which depends on the reputation of the U.S. in the world, its influence in the Middle East, its petroleum, and its strategy and policy toward the peoples of the area. And all that depends on crushing the Khomeini revolution and putting an end to it!

Finally, my information tells me that the U.S. military accounts, in the event of U.S. dependence on the strength of Israel during the coming U.S. military operations in the area, have entered the stage of actual execution, for negotiations between Washington on one hand and Tel Aviv and Cairo on the other hand for the U.S. to lease the Eitam and Etzion air and military bases in the Sinai desert and use them as a principal base for the large B-52 aircraft instead of moving those two bases or doing

This week, for the first time, I listened to the voice of U.S. Vice-President Walter Mondale as he spoke before a huge U.S. Jewish assembly which met in Washington in honor of the Jewish leader Sam Rothberg, general chairman of Israeli Bonds. He said, "The secret of U.S. support for Israel depends on the strategic and military advantages which the U.S. receives, and is not limited merely to definite political commitments to Israel."

Thus, we entered once more this week into the atmosphere of 1956, with all of the secret meetings, all of the night encounters, and all of the mad military planning that preceded the tripartite aggression on Egypt.

'Abd-al-Nasir nationalized the Canal in defiance of the U.S., not out of love of the Canal, and Khomeini imprisoned the hostages in defiance of the U.S., not out of love of the sport of hostage-taking!

There is rancor and bitterness on all sides today, just as there was in 1956, and likewise the exhaustion, the fanaticism, and the feelings of need for vengeance!

Carter called on world public opinion, and succeeded, regrettably, in rallying most of world public opinion against Khomeini in preparation for the beginning of the aggression, just as Anthony Eden did in 1956 in New Zealand, Australia, the nations of the Commonwealth, and all of the beneficiaries of the Suez Canal and tried to win them over against Egypt and Jamal 'Abd-al-Nasir, but Carter has failed because of the difference between Khomeini's position today and that of 'Abd-al-Nasir yesterday.

Carter dreams today that internal Iranian resistance will materialize to assure the elimination of Khomeini and rescue him from the future gamble, just as Eden dreamed that Egyptian resistance -- the Moslem Brotherhood or the Wafd Party, or an Egyptian military movement -- would materialize to save Britain from the gamble of 1956!

Furthermore, Carter still dreams that some of Iran's neighbors (and there is no need to mention names) have a large role to play in rescuing the situation!

Carter is driven by the relentless challenge of his rivals in the coming elections, just as Anthony Eden was driven by the relentless challenge of his opposition in the Labour Party in 1956.

Israel stands behind Carter today as it stood behind Eden in 1956. Yesterday it was David Ben-Gurion, and today it is Menachim Begin, and the goal in both instances is the closing of the old and the new accounts. Yesterday, Zionism was making war on Arab nationalism, and today the Jewish fanaticism is making war on Islam. And in all instances, the picture of Jerusalem, its future, and its cause is prominent!

The big question remains: In 1956, the U.S. was led by Dwight Eisenhower, and it may be true that it alone deserves the credit for compelling Anthony

Eden, Mollet, and Ben-Gurion to withdraw from Egypt. Then to whom do you suppose the credit will be due this time for compelling Jimmy Carter to withdraw from Iran?

I was told on the coast of the Gulf this week, "The purpose of the U.S. plan of occupying parts of Iran with the object of fragmenting it, breaking it up, and dividing it in agreement with the Soviets like a new Yalta is to internationalize the issue of energy in the world and seize it from the hands of some of the "kids", as the U.S. calls them. And then the U.S. economy, the dollar, and the shipments of petroleum would be exposed to deadly blows, and in the long run they would be exposed to a situation no less dangerous than their situation in Iran. And western Europe would never be rescued from the results of such a gamble as this disaster, and neither would Iran. I heard this and more during my last visit to the area of al-Barud on the Arabian Gulf.

Someone else said to me, "We are approaching a catastrophe in which there will not be a single winner! The U.S. will lose in Iran if it gambles, and will lose if it keeps silent. Likewise, in spite of the feelings of the revolutionists that their gamble has brought them to the point of no return, and in spite of the belief of their leaders that they have an appointment with heaven, nevertheless the unity of the land of Iran and the safety of its resources have fallen into danger!"

I said, "And what does that mean to us Arabs?"

They said, "The U.S. is eager to win the Arabs to its side in the current crisis, and in the results of it also. That is no secret. We have heard plainly and clearly from the lips of the U.S. secretary of the treasury yesterday!"

On the Kuwaiti aircraft flying back to London, I said to myself, "If the reason for all that has happened were the person of the deposed shah, then the matter would be of small consequence, and if the reason were the release of the hostages who were captured, then the solution would be easy. But the reason is the absence of full confidence between the U.S. on one hand and every one of the Arab and Islamic peoples on the other hand. The U.S. has succeeded in earning the enmity of every child, every woman, every old man, every individual among the Moslems of Iran and the Arab Moslems in the Middle East, if not in the whole world. If it is hard for the U.S. to exercise restraint in the issue of the 50 American prisoners in Iran, then it is harder for the Moslems and Arabs to do so in the issue of their Grand Mosque in Jerusalem, which is held captive in the hands of Israel. If Khomeini is responsible for the seizure of the hostages, and we oppose him in this matter, then the U.S. and its leaders, Johnson, Nixon, Ford, and Carter are responsible likewise for letting al-Aqsa Mosque, as well as the rest of the Christian and Islamic holy places, remain captive in the hands of Israel!

The U.S. is the supplier of arms to Israel, the supplier of wealth, the

support, the armor, the shipherd, the protector, the America of Anwar al-Sadat and his deviation and capitulation, America the accomplice and confederate, the America of Camp David, the America which is Jewish in policy, in positions, and in hostility and enmity toward all that is Arab and all that is Moslem from 1940 till the writing of these lines.

The U.S. moved its ally, the deposed shah, to a U.S. base in Texas to be near his son, who is studying there, and so that he might spend there what the U.S. spokesman calls his convalescence.

Do you suppose that the U.S. has decided to make this period of convalescence a prelude from which the U.S. forces may cross to Iran to reach the petroleum Yalta of 1979, as it did with the political and military Yalta Yalta with Stalin in 1946?

What shall I say?

Just yesterday, I saw a picture of Frank Church, the filthy U.S. senator who reviled me in the newspaper and cursed Islam in a speech, assailed Saudi Arabia in a book, and praised Israel in his waking and sleeping hours, sitting beside the U.S. delegate to the Security Council to submit the Iran issue against Ayatollah Khomeini, and so, for my own part, I did not hesitate to applaud the life of Ayatollah Khomeini!

If not for love of 'Ali, at least out of defiance of a bitch!

To be explicit, out of defiance of Carter, Frank Church, Israel, and Anwar al-Sadat too.

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ISLAMIC AFFAIRS

RELIGIOUS WARS IN THIRD WORLD SEEN AS SPREADING

London AL-HAWADITH in Arabic 9 Nov 79 p 14

[Editorial by Salim al-Firzli: "Religious Wars in the Third World"]

[Text] It seems that religious wars in the Third World will become the distinguishing features of the struggles in this period. This is because such wars conceal all kinds of strife that do not reach the status of warfare. If religious wars were possible and expected in certain locations where no historical reasons for friction and repression do exist, the outbreak of such wars in locations where they were not expected signifies that there is an international disposition towards that trend.

Religious strife is commonplace in the Near East and on the Indian Continent, but it is new to the Far East, at least as far as murder and bloodshed for religious considerations are concerned. Malaysia and Thailand have recently experienced broad acts of violence between the followers of predominant religions there and those who belong to some religious minorities. This week in Thailand scores of people were killed by bombs in the temples.

But in Africa the problem has been getting worse since the Biafra War in Nigeria. The religious strife which tore up Chad in recent years has moved to the Cameroon where no less than 1,000 Moslems were killed in operations to avenge the death of 15 influential Christians in Yaounde.

The majority of the population in Cameroon is Christian. Christians control the south even though the chief of state, President Ahmadou Ahidjo, is a Moslem from the north. Northern Moslems accuse southern Christians of controlling the reins of power, of influence and of the economy. They accuse them especially of controlling the army, the police and the vital economic facilities. They accuse them of monopolizing jobs and benefits so that their areas became advanced and prosperous, whereas Islamic regions in the north were left in a state of neglect and poverty.

Thus, there were class and political reasons behind the acts of violence and murder which began on last 20 October. News about an attempt to

assassinate President Ahmadou Ahidjo became widespread. At the same time Christian civil servants in the north were accused of wasting funds that had been earmarked for opening schools and building roads in the Islamic regions in order to keep those Islamic regions backward.

There are, of course, outside reasons [for this unrest]. The government of the Cameroon is stating that some of the Moslem elders who were financed by Libya had crossed the borders from Chad and had begun inciting the people to mutiny and rebellion. It is being said that a similar situation has begun to develop in Mali.

But the brutality with which the Cameroon army crushed the recent rebellion in the north of the country in response to the murder of 15 policemen, as some said who witnessed this massacre, left a feeling of bitterness and rancor so that many did not believe their eyes. Government circles, however are saying that the army dealt such a brutal blow deliberately and intentionally to announce to all that it will not permit the Chad situation to move into the Cameroon. Observers, however, are saying that the army's action accomplished the opposite.

When the European countries ruled Africa and the East directly, such a struggle used to assume a patriotic and a national feature since it was directed against foreign, colonialist forces. The Algerian War was the example and the model [in that regard]. It is now being said that the situation is still the same, although indirectly, considering the fact that Christian affiliations there are imported and are remnants of the old conditions.

But this leaves no room for anything but civil wars, because even though affiliations are imported, those who are affiliated are citizens of the country.

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TEXT OF PROPHET'S PLEDGE OF SAFETY REVEALED

London AL-HAWADITH in Arabic 9 Nov 79 pp 77

[Article by Antoine Shukrallah Haydar: "The Pledge of Safety from the Prophet to the Monks"]

[Text] Among the holdings of St Catherine's Monastery is a holograph copy of the Safety Pledge that God's Prophet, Mohammad, may God bless him and grant him salvation, granted the monks of the monastery for the protection of their lives and their property under the Islamic religion. The monks of the monastery have revealed this valuable, ancient copy for the first time. It's been said that the Ottoman Sultan Selim the First took possession of the authentic copy when he conquered Egypt in 1517, and after having the copy translated into the Turkish language, he gave it as a gift to the monks. The text of [the document] follows:

"In the name of God, the Merciful, the Compassionate whose assistance we seek. This is a scroll copy of the pledge written by Mohammad, the son of 'Abdallah, the messenger of God, may God bless him and grant him salvation, to all Christians.

"This document was written by Mohammad ibn 'Abdallah to proclaim, to admonish and to entrust all the people to commend God's creatures to His protection so that people would have no excuse after the messengers. God was mighty and wise. Mohammed wrote this document to the people of his religious community and to all those who subscribe to the Christian faith in the eastern and western corners of the Earth, those who are near and far, those who are fluent in the language and those who are not, those who are known and those who are unknown. Mohammad wrote this document as a pledge to them. He who breaks the pledge, goes against it or goes beyond what God ordered, whether he be a sultan or another one of the Muslim believers, would be breaking and contradicting God's pledge and covenant, ridiculing His religion and asking for the curse of God.

"If a monk or a traveler were to seek refuge in a mountain, a valley, a cave, a populated place, a plain, a desert, a meadow or a church, I myself and my assistants, my kin and my followers will be behind them, protecting

them from all preparations [made against them] because they are my subjects, and they are free non-Moslem subjects. I will protect their supplies from damages, and all those who have been granted the pledge will not have to pay any land tax, except that which they voluntarily pay. They will not be forced or compelled to pay. No archbishop is to change his bishopry; no monk is to change his monastery; no hermit is to change his hermitage; and no traveler is to change his travels. None of their houses of worship or their churches is to be torn down, and none of the materials that are used in the construction of their churches is to be used in the construction of a mosque or in the construction of the homes of Moslems. Anyone who does any of these things would have broken the pledge of God and will have disobeyed his messenger. The monks and the archbishops are not to be converted, nor are they to be subjected to payment of a head tax or a fine. They are under my protection wherever they may be: on land, on sea, in the east, in the west, the north or the south. They are under my protection, guarded from all evil by my covenant and my pledge. Likewise, those who worship by themselves in the mountains and in the holy places are not to be compelled to share what they cultivate, to pay a land tax or to pay a tithe for what they consume. They are to be relieved of having to supplement their crops by taking off one keddah [of grain] as a consumption fee from every ardeb. They are not to be forced to go to wars or to pay a tithe of more than 12 dirhams in kind every year--not even those who pay a land tax, who have funds, real property and commercial houses of business. None of them is to be charged excessively, and discussions with them should be amicable. They are to be treated with mercy, and they are to be shielded from the harm of adversity wherever they may be and wherever they settle. If a Christian community were to come to a Moslem community, Moslems are to sanction it and to enable Christians to pray in their churches. Moslems are not to come between Christians and their faith. Anyone who disobeys the pledge of God and adopts its opposite would be disobeying His covenant and His messenger. Christians are to be assisted in protecting the sanctity of their churches and their hermitages, and this should help them in their religion and in their interaction with the pledge. None of them is to be forced to carry arms. Moslems should rather defend Christians. Moslems should never disobey this pledge until the end of time.

"This pledge, which was written by Mohammad ibn 'Abdallah, the messenger of God, may God bless him and grant him salvation, was granted to all Christians who are to comply with everything stipulated therein and was sworn to by the undersigned witness."

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ISLAMIC AFFAIRS

KORANIC CONCEPT OF SECURITY DISCUSSED

Tripoli AL-HUDA AL-ISLAMI in Arabic Oct 79 pp 21-23, 30

[Article by Dr Muhammad 'Ali Hasan: "Security as Indicated by the Texts of the Koran; One Moslem Seeking Refuge with Another"]

[Text] The fact of the matter is that this is a recent opinion, and it is based on the notion that the multiplicity of Moslem states is permissible. Anyone who endorsed this principle has acknowledged this security, and anyone who refused to acknowledge it, has repudiated it. I will cite statements by those who would allow multiplicity so that we can examine them closely. I will then respond with what I think is truthful and correct.

Professor Dr Wahbah al-Zahili says, "The purpose of establishing a government of the land of Islam is to protect the principles of the law of Islam, of truth and of justice. The purpose is not to form an international government and to let an Islamic group control the entire world. The aim of the matter is to have an Islamic ruler manage the affairs of the country in accordance with Islamic law."

Then he says, "The principle upon which there has been agreement is that only one sovereign is recognized in the land of Islam: it is the sovereignty of the law over all those in the land of Islam. This sovereignty is indivisible regardless of the multiplicity of actual sovereigns. The truth about sovereignty in the land of Islam is that it be comparable to the sovereignty of non-Moslems in their different countries, other than the land of Islam. There are no objections to having a large number of governments in Islamic countries as long as the constitution of each government is not at variance with the stipulations of the Holy Koran and the precedents established by the prophet, is based on consultation and does not contradict the general rules of Islamic legislation. This is because the aim of the unity of the Islamic Government is in fact the unity of political, defense, cultural and economic goals and objectives. The Islamic nation can achieve this by treaties, by regional or international organizations or by political alliances that have different objectives. Theologians have decided that a large number of imates is permissible when distances are great and regions are distant. [Such an arrangement] would give the imate the ability to manage the affairs of every region and to understand its needs from a close vantage point."

Then he corroborates his statements and says, "Moslems put this concept into practice a long time ago in Andalusia, Morocco, Egypt and Baghdad when the Islamic Government was broken up into small states."

Accordingly, Dr al-Zahili asks, "Does the necessity of preserving peace and public order require that a Moslem or a free non-Moslem subject in a Moslem country other than his own be considered trustworthy on some occasions? Would he then be subject to the restrictions imposed on foreigners? Would he carry a passport and pay customs fees? Can his residence be confined to certain locations? And can he be prevented from entering another country or be banished from it?"

The fact of the matter is that Moslem rulers can do that because necessity warrants forbidden actions, but the necessity must be determined proportionately.<sup>2</sup>

Dr al-Zahili then says, "The need to preserve security may require that a person's residence be confined to certain locations, that he be placed under observation, that he be banished or prevented from entering the country."<sup>3</sup>

These statements are false and bear within them the seeds of their own extinction. The texts of the Koran, the precedents established by the prophet, the collective opinion of the Prophet Muhammad's disciples and analogy disagree wholeheartedly with these statements.

1. He began his statements by saying, "The agreed upon principle is that only one sovereign is recognized in the land of Islam. This is the sovereignty of the law over all in the Islamic nation. The sovereign states. As long as there is agreement on this matter, no Moslem can make a conflicting statement. In fact, there can be no contradictory agreement to nullify the first agreement. This is legally impossible. Likewise, if consensus about a matter does exist, that matter is firmly and irrevocably established because [such] a consensus is irrevocable and cannot revoke another. This is because it is only the Koran, the legal precedents established by the prophet or another consensus that can supplant [a religious law]."

"The texts of the Koran and the legal precedents established by the prophet do not supplant a unanimous opinion. In fact, one cannot conceive of a unanimous opinion existing along with the texts of the Koran and the legal precedents of the prophet. The rules to be followed then are those of the texts and not those unanimously agreed upon by the disciples."

"Regarding the notion that a unanimous opinion does not supplant another, scholars have agreed that a unanimous opinion does not revoke another and that it is itself irrevocable."

"Accordingly, the legal opinion remains unchanged, and statements [that claim] otherwise are unfounded."

2. Then he says, "The truth about sovereignty in the land of Islam is that it be comparable to sovereignty for non-Moslems in their different countries, other than the land of Islam."

He may be comparing one matter to another. The analogues are the countries of the infidels and the numbers of those countries, and the standard is the land of Islam. I do not know where the occasion might be that would bring together the analogue and the standard. This is a false statement that is based on a false foundation. The fact that the countries of infidels are numerous stems from the fact that godlessness has numerous systems and numerous forms and colors. It stems from the fact that the ways of the devil are numerous. But the state of Islam is the state of one nation, the state of clinging to faith in one God. It is a monotheistic state, a state that believes in the unity of God. The relevant statement is that which contrasts and does not counter; it lies in contradiction and not in conformity. "This path of mine is straight. Follow it and do not follow other paths, for they will lead you away from Him."<sup>4</sup> "This nation of yours is one nation, and I am your lord, worship Me."

3. Then he says, "There is no objection to having numerous governments in the countries of Islam as long as the constitution of each state does not violate the stipulations of the Holy Koran and the precedents established by the prophet."

We tell him, "Moslems have one law, and one group of Moslems may not deviate one iota from the community of Moslems."

The law emanates from the Koran and the precedents established by the prophet. Statements in the Koran and precedents established by the prophet differ from what Dr al-Zahili says. God Almighty said, "If two parties of believers take up arms the one against the other, make peace between them. If either of them commits aggression against the other, fight against the aggressors till they submit to Allah's judgment. When they submit make peace between them in equity and justice; Allah loves those who act in justice."<sup>5</sup>

In this verse God encouraged believers to prevent any split from taking place between two groups within one country. How then would it be were there two states and two caliphs? According to the prophetic tradition, "If allegiance is pledged to two caliphs, kill the other one of them."

Dr Ibrahim 'Abd-al-Hamid says, "Breaking up the unity of Moslems to get the upperhand is a precipitous decline into political extinction. Leaders and commanders are impelled by their inflamed spirits and covetous appetites to seek mastery for expanding their regional or moral influence. This may be accompanied by a general weakness that affects the majority and tempts foreigners to gain control over Islamic countries, as is the current painful reality. Until recently this situation existed in a worse fashion. About this, God, may His name be glorified, says, 'Cling one and all to the faith of Allah and let nothing divide you.'<sup>6</sup> '...do not dispute with one another, lest you should lose courage and your resolve weaken.' The prophet, may God bless him and grant him salvation, says, 'When someone comes to you and commands all of you to break your sticks or to disperse your group, then fight him.' This was narrated by Ahmad and by Musallam. The import is even clearer in Musallam. It is being said that the prophet, may God bless him and grant him salvation, said, 'If allegiance is pledged to two caliphs, kill one of them.'<sup>8</sup>

4. It is being said that what is in fact intended by the unity of the Islamic Government is the unity of political, defense and cultural goals and objectives. The Islamic nation can achieve this unity by defense treaties, by regional or international organizations or by political alliances that have different objectives. Such statements have no legitimate or rational basis because the real unity of the objective lies in the unity of the Islamic nation. The unity of the goal lies in fighting all those who deviate or stray from the community. The prophet of God, may God bless him and grant him salvation, said, "The blood of a Moslem cannot be rightfully shed except for one of three reasons: submission to adultery, taking one life for another, and abandoning the religion of the community."<sup>9</sup> A Moslem's blood is shed if he were to abandon the community. It is not right for Moslems to think of themselves as scattered in small states that are tied together by frail treaties or organizations.

The unity of the goal lies in the unity of the ranks to face every greedy enemy and to spread Islam.

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FOOTNOTES

1. "The Ravages of War," page 181.
2. Ibid., pages 283-284
3. Ibid., page 284
4. Cattle: 153
5. The Chambers: 9.
6. Al-Imrans: 103.
7. The Spoils: 46.
8. "International Relations in Islam," by Dr Ibrahim 'Abd-al-Hamid, page 3.
9. The statement occurs in a conversation with Ibn Mas'ud and is narrated by al-Bukhara and by Musallam. It was mentioned by al-Nawawi in al-'Arba'in [the Forties] the fourteenth discussion.

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ISLAMIC AFFAIRS

ISLAMIC UNITY EXPOUNDED, DEFENDED

Tripoli AL-HUDA AL-ISLAMI in Arabic Oct 79 pp 15-17

[Article by Dr Muhammad Ahmad Salih al-Hasin: "Islamic Unity"]

[Text] Islamic unity is a fact established by virtue of the Koranic texts and the prophetic tradition. Islam does not recognize separation: it does not distinguish between white, black or red. God Almighty said, "The believers are a band of brothers" [The Chambers: 10], and He said, "The noblest of you in Allah's sight is he who fears Him most" [The Chambers: 13]. The prophet, may God bless him and grant him salvation, said, "An Arab is not better than a non-Arab unless he is more pious."

We are satisfied with a minimum of unity. We build upon it in stages until Moslems reach the highest levels of this unity in a matter they agree upon under any form.

We have divided this investigation into four parts.

First, there is a foreword to explain the intentions of Islam from human unit. [This part] explains that Muhammad, may God bless him and grant him salvation, was sent for all people.

The second party deals with the composition of Islamic unity during the age of the prophet, may God bless him and grant him salvation, and the establishment of Islamic unity during the age of the orthodox caliphs instead of the caliphate in Islam.

The third part deals with the reasons for disunity after reunion. We show the reasons for this disunity and what the objectives of the separatists were.

The fourth part explains the unity that is possible now.

Foreword

1. Islam looks upon humanity as a unit, making no distinctions among races, colors or regions. If land separated the sons of Adam, [their] humanity united them. All people are the children of Adam and Eve. They were created

from the same spirit and from the same clay. God Almighty conferred this truth upon people and said, "Men, have fear of your Lord, who created you from a single soul. From that soul He created its mate, and through them He bestrewed the earth with countless men and women. Fear Allah, in whose name you plead with one another, and honour the mothers who bore you. Allah is ever watching over you" [Women: 1].

This holy Koranic text directs those who read and listen to it to the fact that kinship does exist among the sons of man; those who live in the east and those who live in the west; the white, the black and the yellow; those who dwell in the desert and those who dwell in urban areas; those who are ignorant and those who are learned; those who are whole and those who are lacking.

The difference in colors and languages [among people] is one of the miracles of God Almighty in the universe. The difference was established--praise be to God--by Him who created the heavens and the earth and all the universe. His creations are disparate, such as shade and hot winds; quiet, fertile land; harsh, rugged land. Therefore, God Almighty said, "Among His other signs are the creation of heaven and earth and the diversity of your tongues and colors. Surely there are signs in this for all mankind" [The Greeks: 22].

Although the earth was divided among the sons of Adam its climates and conditions kept them apart. Although people's languages and their life styles varied, their brotherhood was established by virtue of Islam, and by what was stated in the Koran. Becoming mutually acquainted was a duty. If land separated people, human ideas brought them closer together and united them. God Almighty, may He be praised, said about this matter, "Men, We have created you from a male and a female and divided you into nations and tribes that you might get to know one another. The noblest of you in Allah's sight is he who fears Him most. Allah is wise and all-knowing" [The Chambers: 13].

Getting to know one another strengthens universal unity and fosters harmony among people. Getting to know one another undoubtedly requires equality and human dignity which God Almighty gave to man by virtue of the fact that he is human, as God Almighty said, "We have bestowed blessings on Adam's children and guided them by land and sea. We have provided them with good things and exalted them above many of Our creatures" [The Night Journey: 70].

In order for people to become acquainted with each other, the residents of every region must spread their surplus wealth among the residents of the region whose land is dwindling and did not produce wealth similar to that of the region that had a surplus.

A region that has a grain surplus must not throw this grain in the sea and raise prices, but it must rather give this grain to those who do not have any. He who has clothing materials is to give them to those who do not have them. If fortunes in the land of God Almighty are disparate, the fruits of those fortunes are to be brought together and gathered for the residents of each region by virtue of the fact that humanity is united. Disparity would then

be good so that everyone would have plenty. It is for this reason that some of the verses that have been attributed to the prophet, may God bless him and grant him salvation, state, "People are blessed when they differ; they perish if they compatible."

Becoming acquainted with each other requires that people cooperate in upholding virtue and diminishing evil. It requires that virtue and just equality prevail among the sons of man and that injustice be driven away from all the sons of man. It requires that the residents of every region stand in support of the weak in any one of God's countries so that injustice does not corrupt the people of the Earth. God Almighty, may He be praised, said in this regard, "Had Allah not defeated some by the might of others, the earth would have been utterly corrupted. But Allah is bountiful to His creatures" [The Cow: 251].

2. While the Koran stipulates the unity of humanity in spite of differences among regions and races, it does stipulate the unity of human nature. The people of one region do not have a natural manner that is different from that of the people of another region. Rather, the origin of psychological behavior is one; the reasons for righteousness and deviousness are one; and the reasons for differences and disparities are one. Disagreement does not stem from different natures, but rather from the same nature. It is thus not said that the nature of a negro differs from that of a white man. [Human] natures rather have the same origin. The difference [between one person and another] stems from guidance and direction and not from the origin of [human] nature. Human nature is one. It is for this reason that God Almighty said, "Mankind were once one nation. Then Allah sent forth prophets to give them good news and to warn them, and with these He sent down the Book with the truth, that it might judge the disputes of men. (None disputed it save those to whom it was given, and that was through envy of one another, after veritable signs had been vouchsafed them.) So Allah guided by His will those who believed in the truth which had been disputed. Allah guides whom He will to the right path" [The Cow: 213].

This noble text indicates that humanity is united in its instincts, in its behavior, in the origin of instinct and in the dispute between capricious whims and compelling appetites. This unity inevitably leads to disparity and conflict because if reason alone were the judge, people would not have disagreed. But the control that whims and appetites have over some souls make a conflict inevitable between virtue, which reasons advocates, and evil, which passion and lust induce. It was because of these disputes within people's souls and among people that the prophets were sent. Another verse [of the Koran] states that the original composition of spiritual unity does inevitably entail difference. God Almighty said, "There was a time when men followed but one religion. Then they disagreed among themselves: and had Allah not deferred their punishment, their differences would have long been settled" [Jonah: 19].

This indicates to us that the text points out that unity is derived from difference. If all souls were united in the existence of conflict and if they were prepared for good and for evil, disagreement, conflict and even slaughter

may be the inevitable result. Disagreement stems from spiritual unity. God Almighty said, "by the soul and Him that moulded it and inspired it with knowledge of sin and piety" [The Sun: 7]. God Almighty said, "Have We not shown him the two paths?" [The City: 7]. Thus does the Koran declare the unity of the human spirit in its attitudes and inclinations. It is education, social environment and directions that create differences among communities. One does not say that this is the spirit of a free man, and this is the spirit of a slave. One does not say that this is the spirit of a negro, and this is the spirit of a white man. One does not say that this is the spirit of a Bedouin and this is the spirit of a city dweller. Spirits are one; they differ because of environments and societies.

Anyone who attributes one spirit to one group and another spirit to another is unfair to facts and to humanity.

3. Islam does not consider one nation's generation a unit, but it rather considers all generations one community that is united in its opposition to and compliance with the prophets. This is because the human spirit has been one in the past and in the present, and man is the son of man, just as some of our illustrious professors have determined. May God Almighty bless them.

The Koran mentioned this spiritual unity in all generations. God Almighty said in the chapter, "The Believers," "Apostles! Eat of that which is wholesome and do good works: I have knowledge of all your actions. Your religion is but one religion, and I am your only Lord: therefore fear Me" [51]. And God Almighty said in the chapter of "The Prophets," "And of the woman who kept her chastity. We breathed into her of Our spirit, and made her and her son a sign to all men. Your religion is but one religion, and I am Your only Lord. Therefore serve Me" [91-92].

This holy text, just like the text we cited earlier, is evidence of the unity of nations in their defense of truth if evidence to support this truth exists. The text indicates the fact that many believe in it. Its authority, like a [radiant] light, has emerged, and people stepped knowingly into its light.

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BAHRAIN

FOREIGN BANKING CONCESSIONS CLOSED

Kuwait AL-SIYASAH in Arabic 17 Nov 79 p 7

[Article: "Did Bahrain Offshore Banks Perform Their Roles? Bahrain Suspended Licenses of Foreign Banks, Thereby Terminating Special Stage in History of Gulf Banking"]

[Text] The recent decision that was issued by Bahrain to stop granting any new bank licenses marks the end of one of the stages in the development of the Bahrain money market. This development stage had lasted 4 years. Bahrain, like its neighboring countries, depends on oil returns since oil is the backbone of the economy.

But Bahrain differs from the countries of the Gulf in that it has continued to enjoy its oil and the benefits therefrom for more than 40 years. This initiative [it demonstrated] in benefiting from oil was not futile, according to MIDDLE EAST DIGEST Magazine.

In 1975 when the oil producing countries were beginning their search for ways to deal with the increasing monetary surplus that was the result of the rise of oil prices in 1973, the Bahrain Currency Agency, which had been recently created, was putting the final touches to a bill that led to the introduction into the Gulf area of more than 50 of the world's largest banks.

In October 1975 City Bank and the Allgemein Bank received the first licenses for an offshore banking unit. These licenses allowed them some exemptions from banking restrictions inside the country, but restricted [their] business activity outside Bahrain.

By November, 15 international banks had applied for such permits, and the applications were considered by the Bahrain Currency Agency. The first bank that was granted [a license] after the two aforementioned banks was the American Express Bank. The spring of 1976 is considered the date when a large number of international banks began doing business in Bahrain. But these banks faced problems at that early date. There was a shortage in the number of workers, and the banking labor force that was made available was expensive.

The situation was not exemplary. After banks were invited to open offices in Bahrain, it became evident that the office space [that was available] was insufficient and that the facilities for housing the employees and the workers of the banks [were inadequate].

This was a temporary setback even though this new direction had relied on a well-considered plan that had been approved by all international financial organizations.

Allan Moore, adviser to the Bahrain Currency Agency and the author of this plan for granting licenses to offshore banks, says that he was expecting the complete success of the plan because it had succeeded in Singapore. It was the success of the plan in Singapore that had encouraged him to bring up the subject with the Bahrain government. Bahrain has all the components for the success of this plan. It is located in a time zone that would enable it to fill the vacuum between the markets of the East and the West. Its location would allow commercial activity to be conducted around the clock. Bahrain also has a good communications system and an exemplary geographical location in the midst of the richest area in the world.

The timing was decisive. This offshore banking project was announced during the period when the Gulf states were accumulating huge oil returns, and there was nothing to do with those funds but use them in trade in markets outside the area. There was no Arab financial center, and the civil war in the former commercial market--Beirut--was still raging and had not been settled. Bahrain suddenly emerged.

In 1976 reports issued by the Bahrain Currency Agency indicated that the total assets of 27 offshore banks in Bahrain amounted to 6.2 billion dollars.

Before the end of 1977 the total assets of offshore banks had risen to 15.7 billion dollars. Then this total figure rose to 23.4 billion dollars in 1978, and the number of offshore banks came to 42. The Bahrain Monetary Agency was preoccupied with preserving the excellent quality of the offshore banking units.

The agency assures itself that the banks are international banks. This is the reason why it rejected the applications of small banks or of banks with meager capitals.

Although Bahrain has succeeded in attracting prominent international banks, it has so far failed to attract Japanese and West German banks.

It is true that the Bank of Tokyo, the Nipon Credit Bank and the Sumitomo Bank have branches on the island similar to those of the two German banks, the Dresden Bank and the Commerce Bank, not one of these five banks has acquired an offshore banking unit license, even though one of the Japanese institutions is still awaiting a response on that matter.

Mr Moore thinks that the restrictive governmental legislation pertaining to the activities of Japanese banks overseas constitute the principal reason why these banks [stay away from Bahrain]. The Germans, however, are satisfied with the current level of their banking performance.

Mr Moore calls attention to some of the other problems and says, "If one of the financial markets reaches a certain degree of development, the bank will not find it necessary to be in the market to benefit from it. Although this market has grown in Bahrain, it has not received sufficient support from neighboring Gulf states."

Offshore banking units in Bahrain have received some of the blame for this because they are considered the reason behind the 1977 dirham crisis.

This is because they speculated against the currency of the emirates. However, there is no truth to this charge.

These banking units in Bahrain were criticized also because they were able to borrow money from Kuwait with little interest, and then they lent those funds at competitive rates.

All this led the Central Bank of Kuwait to announce in March that financial deposits in Bahrain must not be counted as part of the bank's liquid funds.

The offshore banking units in Bahrain responded to all these charges by saying that the fact that they had attracted business that could have gone to other Gulf states was due to the fact that they were more efficient and more competitive. The critical remarks were undoubtedly inevitable. More than 30 percent of the business of these banking units is conducted in local currency whose worth amounts to 8 billion dollars. Saudi riyals are at the forefront [of this business], and the opening of the Saudi National Commercial Bank early this year has strengthened the position of the market and increased its activity.

The opening of the Saudi National Commercial Bank was welcomed enthusiastically, especially since it has 65 branches in the kingdom. This bank opened the riyals market to the offshore banking units in Bahrain. The fact that the other Gulf states have not supported this offshore market in Bahrain has not diminished its success inside the country. The Bahrain government collects 1 million dollars annually in the form of licensing fees from the offshore banking units where approximately 1,000 persons are employed. Half of those are Bahrain citizens. The collective expenses of these banks for telecommunications services, for telex services, for office equipment and rent represent 50 million dollars that are added to the sums which the Bahrain government obtains from these banks.

Mr Moore says that these banks have other positive effects. Many visitors come to the country and carry out other businesses that meet the needs of the offshore banking group.

For any assets worth 500 million dollars a single bank can collect payments in annual interest that amount to 1 million dollars, after subtracting expenses.

Mr Moore affirms that the new banking units will be able to make up the expenses [they incurred] in opening the units and will realize satisfactory profits. But towards the end of 1978 it was noticed that growth rates were slowing down and that the average interest had dropped from 0.7 percent to 0.64 percent. This reflects a general decline in interest [rates] in international money markets.

8592  
CSO: 4802



BAHRAIN

BAHRAIN SEEN UNIQUE BUT INSEPARABLE PART OF GULF

Paris AL-MUSTAQBAL in Arabic 1 Dec 79 pp 26-27

[Article by Riyadh Najib al-Rayyis: "Bahraini Concerns"]

[Text] Bahrain: there is no narrower island, and none with wider horizons or more hospitable people. When this small island was "Dilmun" in ancient times, it competed with Phoenicia for the coasts of the Gulf. Even today it is a political and commercial listening post for the entire Arabian Peninsula. When you are in Bahrain you are at a loss whom to talk to, where to begin, and what to ask. You get even more confused over whether you want to observe the Arabs of the peninsula and the Gulf, or Iran and its revolution, or the northern Arabs and their Middle East. All questions are permitted, and everyone is overflowing with something to say.

There is a sincere friendly relationship between myself and Bahrain, dating back more than 15 years full of the joy of looking for news, during which I was able to get to know most of its leading men before it became an independent state and they became ministers, directors and rich men. The journalist coming to Bahrain after a long absence must begin by talking with one of the four authorities who determine the characteristics of the winds which blow through the region and who give it its proper orientation, its extreme speed, its real axis and its firm starting point.

Information Minister Tariq al-Mu'ayyid is one of these authorities. Discussion begins with him and it frequently ends with him. This young man, who left a job with one of the oldest commercial houses in Bahrain, was able to build up within a few short years information agencies which today are among the most advanced in the Gulf, with modest budgets and even more modest revenues. He was able to maintain Bahrain's position as an information center for the entire Gulf, into which the news pours and out of which flows analyses. Bahrain is still the best listening post. From Tariq al-Mu'ayyid's office, one must cross the corridor to see Deputy Information Minister Shaykh 'Isa ibn Rashid Al Khalifa, so that he can discuss the dimensions of Bahrain's strength of character. He will analyze Bahrain's unique role in the Gulf, which derives from the Bahrainis' having nursed the milk of politics and trade from ancient times until today. He will make a connection between regional events and their reverberations in the Gulf and their effects on

Bahrain. He is acquainted with everyone, can classify their orientations, and can define their roles for you.

From information to politics. Here we must get the keys to the heart of Bahraini diplomacy, which Foreign Minister Shaykh Muhammad ibn Mubarak Al Khalifa has made into a model of what the diplomacy of small nations without money or weapons, in the midst of big, rich nations, ought to be. If only Shaykh Muhammad ibn Mubarak could have been the foreign minister of a larger, stronger state, or a professor of diplomacy at a large university. Perhaps his experience in this post for the 10 years since independence will give him this aspiration, if he so desires.

From politics to dreams--the big dreams which can be appreciated only by people like Minister of Development and Industry Yusuf al-Shirawi, another old-timer in the Bahraini government. Without a doubt Yusuf al-Shirawi has one of the most fertile political and practical minds in the entire Gulf. His mind is like an "amusement park" because of the clamor and dreams going around in it. When you listen to him, you are convinced that Bahrain is the San Francisco, New York or even the Germany of the Gulf. His thoughts move from topic to topic so rapidly that you almost cannot follow them. Yusuf al-Shirawi is one of the few people still faithful to the American University of Beirut, and is one of its first Bahraini graduates. He has suffered the loss of Faysal's Restaurant and the old Uncle Sam, and misses the old-timers of Ra's Beirut. Yusuf al-Shirawi's dreams are the dreams of all aspiring Bahrainis who look beyond the shores of their shallow island.

From persons to ideas, to the reality being experienced by Bahrain day after day in the shadow of the difficult political conditions surrounding it on all sides, and the changes taking place so rapidly. The chaotic political and economic conditions in Iran since the start of the revolution have brought Bahrain back into the circle of political struggle touched off by some Iranian revolutionary leaders in an attempt to reduce domestic pressure on the revolution and divert the people by re-opening the dossier of Bahrain's Arabism, in the name of defending the rights of Shi'ism or in the name of the history of the Farsi empire hundreds of years ago. Ayatollah Sadegh Ruhani's threat to re-incorporate Bahrain into Iran, or Ayatollah Husayn 'Ali Muntazari's appeal to the rulers of Bahrain and Kuwait to "follow the path of Islam" out of fear of a "fate worse than the Shah's" have had no result other than ensuring that this matter has been historically, politically and psychologically decided with respect to Bahrain. There is no space here to go into this topic.

Bahrain may be the only country whose nationalism was decided with international supervision when its national loyalty was put to the test. The people of Bahrain decided this matter in 1970. Even those of Iranian origin whose families have been in Bahrain for hundreds of years told the UN delegation at that time, "I am not an Arab, but I am a Bahraini, and Bahrain is an Arab island."

Therefore, what is going on in Iran directly affects the region as a whole. There is no place where the interaction of large and small Iranian convulsions are felt like Bahrain. Therefore, the dimensions of revolutionary Iran's renewed claim to Bahrain are greater than the boundaries of this small island.

If you asked in Bahrain about Iran's stand towards the Arab Gulf states, the answer would be, "But first, what is Iran's stand on Iran?" If you also asked about the uneasiness caused in the Gulf region by current Iranian circumstances, you would get the answer, "We in the region are uneasy about Iran, but Iran is not the source of our anxiety. The Arabs of the Gulf are the ones who are taking on the Iranian concerns, and not the other way around." In Bahrain you hear the historic question, "Are they our friends or our enemies?" The Soviet Union alone knows its friends and stands by them, examples being Afghanistan, South Yemen and Ethiopia. The Arabs always want to know who is the enemy and who is the friend. The United States has divided its loyalty between the Arabs and their enemies. The traces of the American Embassy hostage incident in Teheran will remain in the minds of the people of the Arabian Peninsula for a long time. There is a sort of conviction that America does not distinguish its friends from its foes, and doesn't even know its own interests. France alone of all the Western states has defied its friendship with the Arabs, and with its interests has stood alongside them. The Arabs of the Gulf don't like divided loyalty. If you stand in Salman Port you can hear the movements of the American aircraft carrier Midway and the American, British and Australian navy ships which arrived in the Arabian Sea last week to conduct military maneuvers at the entrance to the Gulf. You can also hear the scornful talk about the giant with feet of clay. What maneuvers? No one believes that America will stick by its friends, if it has any. With its interests? Maybe, but protecting its interests does not begin on the deck of an aircraft carrier standing timidly at the Straits of Hormuz.

You hear much talk in Bahrain, but the most important talk which you hear clearly and perhaps for the first time is about a distinct Gulf personality. They feel that the Gulf states have similar political and economic systems just as they have similar geographic and social conditions. Therefore, there must be periodic, organized coordination among them. But they are not a bloc within the Arab whole; the last al-Ta'if conference demonstrated that to a certain extent. Iraq? Naturally a Gulf state participates in all the Gulf-related regional and international conferences, but Iraq was not invited to the al-Ta'if conference because it was a special conference for Arabian Peninsula states having "similar regimes." A veiled statement, perhaps? But Gulf-Iraqi relations are definitely at their best now.

Gulf security--what do you hear about it in Bahrain? World security issues have become so intricate that no country in the world can defend itself by itself. The Arab states, including the Gulf states, have tried to establish a unified Arab defense for themselves. But the Arab plan has not been accomplished, and today the defense plans are either part of a regional or an international strategy. Regional defense is always linked to a big nation or a bloc. Today no country can defend itself apart from its neighbors. Arab

interests require security cooperation among themselves. Gulf security must be part of this cooperation, which must not be permitted to remain a word devoid of action.

What about the American role in the Gulf? Nothing new, outside of the desire that the Arab Gulf states remain outside the struggle among the superpowers, or the desire that firm relations be established on the basis of the interests of the participating parties. But no one has any confidence in the American role, and no one really knows where the American interests are and with whom they lie.

If you ask in Bahrain about the services island, you get the reply that Bahrain is not trying to take Beirut's place, and that if it tried it would fail. Even Bahrain doesn't want to be the Gulf Singapore. Why? Because it knows that its size and its resources do not permit that, and because it doesn't want to become like Beirut is for the Arab world--the extraordinary rarity. It doesn't want to become like Singapore is for Southeast Asia--the difficulty which daily challenges everything around it. Bahrain, even with its distinct personality and its unique nature, wants to remain an inseparable part of the Gulf, no more advanced than some and no more backwards than others. If it can do things that others cannot, that is because others do not appreciate or want those things, and because Bahrain can absorb them more than its neighbors can. Bahrain's concern today is to deny itself any supremacy wherever it exists. The bridge which is being built to connect Bahrain and Saudi Arabia is something for the future, the next 4 years. If one supposes that the Saudis will go to Bahrain on the weekends, then the reverse supposition also holds. Bahrain is a cramped island whose population has filled up its small borders; the Bahrainis will want to escape to the expanse of the deserts. And, because the Bahrainis have lower incomes, they will find in the Eastern Province the opportunity for change they are looking for.

The Saudis, now that the world has become small, will find in Bahrain a nearby recreation spot if they don't want to fly to Europe or Asia.

The Bahrainis are worried about the immigration of foreign manpower from Korea, the Philippines, India and Pakistan to the various Gulf countries, and they fear that the Gulf is facing a problem similar to that of the Asians in East Africa some years ago. Therefore Bahrain has shown great interest in the conference of Gulf ministers of industry and development which convened last May in Riyadh to study this very problem, far from the clamor of the press and the spotlights of publicity. There are more than 100,000 Korean workers in Saudi Arabia, and a similar number of Philipinos in the kingdom and the Gulf, in addition to Indian, Pakistani and Iranian laborers and the like. The foreign labor problem is one which must be treated on a pan-peninsular level through a clear-cut, positive policy which will plan for the final quarter of this century. It is true that in Bahrain there is a reservoir of Bahraini manpower, but it is only in the services, literary and civil service sector, not on the manual labor level. Bahrain hopes that the skills of its young people will fill positions on this level in the Gulf countries if the opportunities in Bahrain itself become limited. But for

the next few years Bahrain will be capable of accomodating its graduates, technicians and laborers.

Bahrain's worries are not few, but this small, poor island lying on the eastern shores of the Arab Gulf, not possessing any of the Gulf's traditional resources, has one of the greatest resources--people. If the oyster some day no longer bears pearls, and if the oil wells dry up, Bahrain will still be a source of men. Ever since the beginning of Bahrain's history the word has been "man." In Bahrain's men is its resource, the truly significant resource. May God protect Bahrain.

8559  
CSC: 4802

BAHRAIN

BRIEFS

PETROLEUM INDUSTRY STARTUP--Bahrain announced yesterday that it will complete measures to take possession of its oil industry by the end of this month. This announcement was made by Minister of Development and Industry Yusuf al-Shirawi in an interview published by the Bahraini newspaper AL-ADWA'. Mr al-Shirawi said that the Bahraini Government recently approved the financial arrangements necessary to implement such measures. He added that the Bahrain field, the oil, gas and production and its marketing facilities will pass completely into the ownership of the state, and the Bahrain Petroleum Company Limited (BAPCO) will retain possession of the oil refinery and foreign marketing operations only. He said that the company will supervise production operations in the field in return for specified fees. This will be on a temporary basis until the National Petroleum Company of Bahrain becomes qualified to take over all these operations. He added that his country can reconsider the arrangements pertaining to BAPCO's ownership of the refinery at any time and under any circumstances since these arrangements are not tied to a specified time period. [Text] [Kuwait AL-WATAN in Arabic 14 Oct 79 p 7] 8591

CSO: 4802

IRAN

THOSE WHO VOTE AND THOSE WHO DON'T

Paris NAME-YE RUZ in Persian 3 Dec 79 p 1

[Article]

[Text] Yesterday and today a referendum is being held in Iran for the approval of the new constitutional laws of the Islamic Republic. In spite of Khomeyni's last message all political parties and groups have boycotted the referendum except the Islamic Republic Party, under the leadership of Beheshti, the JAMA Party (Islamic left), the Iranian Freedom group (Mehdi Bazargan) and the Tudeh Party. Among those who have boycotted the referendum are the National Front, the National Democratic Front, the Radical Party, the Pan-Iranist Party, the Iran Party, the Moslem People's Party, the Fedayane Khalq and the Mojahedine Khalq. The Kurds, the Turkomans, the Baluchis and the Azaris have either boycotted the referendum or have not participated in it and the cruelties that took place yesterday in Azarbaijan, Baluchestan and Kurdistan indicate the seriousness of this matter. The progressive [leftists] groups believe that the biggest weakness of this constitution is its Chapter 5 "religious jurists" which gives Khomeyni certain powers which have no precedent in the political history of the world and thus for the first time "a dictatorship" receives lawful recognition.

According to Article 110, Khomeyni and his successors, as commanders-in-chief, have the power to appoint and dismiss the military commanders, to appoint judges, declare wars, sign peace treaties, elect candidates for the presidency, dismiss the president, and to close the National Assembly and the Supreme Court of Justice. They can reduce sentences passed by the courts or annul decisions made by them. These are rights that no owner can enjoy even in his own land and no dictatorship has ever enjoyed these rights--at least officially.

In this constitution there is no reference to the basic rules of democracy, such as the right to strike, the formation of unions, the equality of women and freedom of beliefs. In a country like Iran, where unity among its tribes contributes to its power, there is no word mentioned concerning the

rights of these tribes. We saw how Reza Khan and Mohammad Reza Khan abused the old constitution, in which the power of the people was recognized. This new constitution has given the ruling power to the religious community and we shall see how the rest of our countrymen will become second class citizens.

The new constitutional laws are being placed in referendum at a time when the people of Iran are struggling for the return of Mohammad Reza Pahlavi and his partners. Many of the Iranian people, such as the Kurds, the Baluchis, the Turkomans, some of the Arabs, the Azaris and all the progressive groups and a large part of the middle class will vote. Among those who will vote, some are going to give a yes answer to the constitution. However, their positive vote will be one for in unity in the present struggle of the Iranian people for establishing justice and resisting probable attacks from foreign governments. In the light of these facts can one believe that the new constitutional laws have been approved by the majority of the people? Would it not have been better to have delayed the referendum to a later date in order to prove total support for it?

CSO: 4906



IRAN

GHOTBZADEH APPOINTMENT SEEN INDICATING TOUGHER POLICIES

Paris NAME-YE RUZ in Persian 30 Nov 79 p 1

[Text] The replacement of Bani-Sadr with Ghotbzadeh as the minister of foreign affairs is considered as a new step towards toughening Iranian foreign policy towards the United States.

This change, which took place three days prior to the Bani-Sadr departure for New York and his participation in the United Nations Security Council meeting, indicates that it is becoming more difficult to find a solution to existing problems. While Bani-Sadr did not strongly defend the takeover of the American Embassy and the capture of the hostages, Ghotbzadeh supported this action, and from the beginning used national television and radio, which came under his supervision, to broadcast in detail the events taking place around the Embassy. Ghotbzadeh is the fourth foreign minister in the nine months following the revolution, after Dr. Sanjabi, Ibrahim Yazdi and Abol-Hasan Bani-Sadr. With each change of the minister there has been a change in policy. Foreign policy during Dr. Sanjabi's tenure was based on quiet diplomacy, Yazdi changed that to a diplomacy of alliance, Bani-Sadr supported a revolutionary foreign policy and now Ghotbzadeh is following a very harsh revolutionary policy. The appointment of the first foreign minister, who had a brilliant record in the struggle against the old regime was made outside of a religious framework and this indicated the unity of the different political groups which wanted to make the revolution a successful one. However, the appointment of the last foreign minister, whose struggle in these past years has always been within the framework of the Islamic revolution, indicates that now power is in the hands of the religious leaders. Bani-Sadr differs from Ghotbzadeh in that he has a political and economic philosophy of his own whereas Ghotbzadeh leans on Khomeyni's beliefs and is the only member of the Revolutionary Council who has been able to maintain his position as the head of national television and radio since the beginning of the revolution. Therefore, it can be expected that from now on one can hear some of Khomeyni's opinions through the statements made by Ghotbzadeh.

While Ghotbzadeh, due to his acquaintance with Khomeyni is able to have a better understanding of his beliefs, and through his nearness to the students in the Embassy can convince them of some probable agreement with the United States, he also can through this relationship impede the start of talks between the two countries. And it must be remembered that no problem can be solved unless there is a dialogue.

After the revolution, Bazargan, Yazdi, Bani-Sadr and Ghotbzadeh were the advisers around Khomeyni. Today only the fourth person is in power and the first three have stepped aside. Will the future president be one of those who have been put aside or will it be he who is closer to Khomeyni [Ghotbzadeh]?

CSO: 4906

IRAN

KHALKHALI WANTS CARTER CONDEMNED, NOT HOSTAGES

Paris NAME-YE RUZ in Persian 22 Dec 79 p 2

[Excerpts] The Revolutionary Council, at its meeting of Thursday night, has adopted a final decision in connection with the [U.S.] hostages. The contents of the resolution have not been revealed, but it was said to have been adopted after a 4-hour discussion held at Khomeyni's residence.

This information was released by the PARS News Agency on Friday (yesterday), which quoted also Ayatollah Beheshti as saying that the meeting was a "very useful" session.

On the other hand, following the resolution of the Revolutionary Council, Sheykh Sadeq Khalkhali, in an interview with the London TIMES, stated that the hostages should be released, because they are "innocent." He also added that "In my opinion, these people are innocent, and they are our guests. I want them freed and returned to the United States. Even if they are spies, this is not an adequate reason to have them held here. Every embassy has its spies. We cannot, according to Islamic laws, execute a spy. We cannot condemn them if even we were to try them. We want to have Carter and the U.S. government condemned."

CSO: 4906

IRAN

STUDENTS ALLEGE U.S. EMBASSY DOCUMENTS REVEAL ANOTHER AGENT

Tehran BAMDAD in Persian 11 Dec 79 pp 1, 3

[Article: By the student followers of the Imam: "Documents are Published Revealing Collaboration With the U.S. by Hushang Ram"]

[Excerpts] By publishing a document on cordial relations (that existed) between former Bank Omran president Hushang Ram and former United States ambassador in Tehran the student followers of the Imam have unveiled his activities during the last days of the Shah, aimed at strengthening the deposed Shah's position. The text of the document is as follows:

"From U.S. embassy in Tehran to the State Department. Confidential, Tehran 12163, Dec. 13, 78 - 27th Azar 1357.  
Subject: Meeting with Hushang Ram on Bank Omran.

1. Bank Omran president and the Shah's confidant, Hushang Ram, visited me on Dec 13. He wanted to inform me that he had organized a group of young intellectuals to stimulate political discussions among middle class Iranians. He wanted to know if this could be of any use to us.
2. I told him that we would like to be in touch with such groups hoping they could have a calming effect in the current political arena.
3. I pointed out that in my opinion people had no time for political analysis (discussions) at a time when the nation's economy was near collapse. Ram agreed and gave detail description of problems his bank had with the Central Bank and the Melli Bank.
4. I told him that his statements confirmed my views and urged him to organize a group in his bank and approach Central Bank directly. I also suggested that they (members of the group) should go to various sections of the bank and quietly identify the young people who interfere with regular banking transactions. Bankers could then find replacements (for the trouble-makers). I said bankers (banking officials) must now be weary of such conditions and it was time to act correct the situation. Ashura (mourning) is now over and it is the time for the country to return to normal.

5. He said the Shah was opposed to strong measures. I said that the Shah considers the shooting at people as a strong measure and said that I believed that some strong actions in various government departments short of shooting could be fruitful. He (Ram) agreed to discuss my suggestions with his colleagues at the bank and departed rather determined.

Sullivan,

U.S. Ambassador to Iran

CSO: 4906

IRAN

SISTAN, BALUCHISTAN TO ENFORCE REVOLUTIONARY ORDER

Tehran BAMDAD in Persian 12 Dec 79 p 23

[Article: "People of Sistan and Baluchistan, Guided by Humanitarian and Islamic Principles, Are the Enforcers of Revolutionary Orders"]

[Text] Zahedan--Pars News Agency--Following a BBC broadcast regarding demands made by the Islamic Union of the province of Sistan and Baluchistan, the Sistanis' community in Zahedan yesterday issued the following statement:

"By the name of God the merciful. In connection with the report broadcast by BBC on 16/9/58 (Dec 7, 79) the Sistanis' community registers its strong protests to the points raised (in the broadcast) as follows:

1. The community views with respect all moslems and responsible Iranians, local or others, who have rendered valuable services to the oppressed people of the province. Leaving the affairs of the province in the hands of incompetent people, who are mostly the sons of chiefs and feudals and who pass themselves as local people, will not help the needy people and will only prepare the way for the blood-thirsty feudals and the sons of the chiefs in the area to once again assume power.
2. In its prosecution, Revolutionary Courts must disregard personal considerations and act according to the Islamic laws and punish all criminals regardless of the group they belong to.
3. Revolutionary guards who have, since their arrival in the province, established relative security, are approved by the community and are supported in their efforts to achieve their humanitarian and Islamic goals.
4. In one part of the BBC report it was noted that there had been some thirty thousand Baluchis in Sistan. While deploring such reports, which only help create division among moslems, we deny it vehemently. We warn people who try to exploit such issues. The Moslem people of the province are the enforcers of the orders issued by the revolutionary leader Imam Khomeyni.

5. Finally, we declare that any group threatening armed struggle (will be faced with) the Sistanis' community, which will put to use all its might and its armed capabilities that are in ready stage to put an end to such a deplorable action, the true perpetrators of which are international imperialism and Zionism.

CSO: 4906

IRAN

AYATOLLAH LAHUTI EXPLAINS SPLIT FROM GUARDIANS

Tehran KEYHAN in Persian 11 Dec 79 p 3

[Article: "Ayatollah Lahuti: Why I Resigned Directorship of the Guardians"]

[Text] In an exclusive interview with the Keyhan newspaper, former director of the Guardians, Ayatollah Lahuti, gave the reasons for his resignation. In the interview he, who had (previously) given heart trouble as reason for his resignation, at the beginning reviewed factors that had necessitated the setting up of the Guardians Corps, its operation and its present status and the dangers threatening the Corps at the present time.

Q. What was the reason for your resignation?

A. In order to make it clear to all and leave nothing in the dark there are certain issues that need to be aired and I have prepared notes that I would like to refer to them rather briefly.

1. The necessity to withstand torture and imprisonment and to prepare plans for the struggle (revolution).
2. Speaking frankly and openly under difficult conditions and presentation of Islamic ideology for the young generation at a time that it was feared it was losing faith and leaning toward materialistic school of thoughts (sic).
3. Imam's leadership at a grave period of time in these past twenty years and the showing of a way leading to final victory--that of an Islamic rule in which an Islamic Republic is crystalized.
4. Transfer and deportation of the Imam from Iraq to France and the giving of a new shape to the revolution.
5. The flight of the Shah from Iran and the return of the Imam and the subsequent fall of the Bakhtiar government which was no less important than the Shah's flight.



6. Ninety percent popular vote in the referendum for the Islamic Republic and the 40 percent vote for the Assembly of Experts and the 10 to 8 percent for the city, county and provincial councils and far less votes than the first referendum (Islamic Republic) for the confirmation of what the Assembly had approved in connection with the constitution. It is noteworthy that the Imam's call to the people to go to the polls for the constitution had been answered and obeyed by the majority of the clergy.

7. The necessity of setting up the Guardians Corps which was conceived by the Imam himself.

8. Formation of the Corps under the Deputy Prime Minister for Revolutionary Affairs and a representative of the Imam to assist and coordinate its affairs.

9. Changing of the directorship of the Revolutionary Council and the various interpretations and analysis, its becoming the arms of the revolution, a single party corps and the appointment of member of the Revolutionary Council to coordinate the various groups that were involved in military operations which in the long run was catastrophic. Unfortunately, appointment for a six-month period of individuals in the Command Council from one party (faction) further complicated the matter even though procedure demanded that the Command Council was to be elected (appointed) after a period of six months.

10. Reappointment of the same people after a six-month period and the dictatorial behaviour of the Command Council coupled with the lack of qualification of the Council to run the Corps and the already existing problems and lack of cooperation and efforts to influence the reappointment of the Command Council (members) along with incompetence of those in charge and their acceptance of too many commitments and their inability to carry them out all resulted in the resigning of the director of the Guardians. The director was one of the oldest members of the Corps and familiar with its problems more than anyone else. For many reasons the appointed (members) Command Council refused to withdraw (resign). We must recognize and learn what the Imam's line is to realize to what extent the Corps has now deviated from that line. I believe that we must once again try to define the Imam's line. For one, it is the anti-imperialism of the struggle (revolution) and that the Imam is its leader. Second, it is Islamic. Thirdly, it supports the disadvantaged and the poor which overshadows his program. Sixth (sic), is the non-compromising nature of the movement. A man should not give in to compromise and the Imam himself is an example. Seventh, daily problems should be faced determinedly of which, once again, the Imam is an example.

Q. What were your objectives when you were the Corps director?

A. Allow me to first go into a little more detail of some of what I just said. As I am the subject (of the discussions) and as to why I resigned, and as one of the newspapers had suggested that I should break silence and that if I kept quiet it would be catastrophic, I had already declared that

I will spell out the reasons for my resignation. I believe that I even announced my intention to radio and television stations which I am not sure if it was agreed upon (to hold). Anyway, once again I ask them to allow me to tell people as to why I quit. I also like to tell people more about the Corps. At the start I said that there are a number of issues I would like to raise in connection with my resignation. I have already spoken about the withstanding of torture, imprisonment and formalization of the struggle (revolutionary movement). This subject (of being in prison) is a bit smelly. I spent some time in jail and so did my son. Well, that is it if one wants to achieve a goal. There are people who suddenly appear after victory is achieved and the goals reached and want to lay claim to its fruits. Society identifies these as opportunists. There are numerous individuals who were not in the movement when it began. There was a period when the oven was burning hot and the end result was burned hands and feet and possible death by torture. There were many who, at this time, had accepted (joined) the struggle in order to bring about changes in the government (system) and were prepared to accept the consequences. I said that there was a time when the oven was burning hot and healthy people were taken inside a room and his dead body came out through another door. There were people who joined the struggle at such a stage and there are many such people in the country now. The number of people who emerged from prisons in the last few days (of the past regime) was about 5,000 though some reports have put the number at 20,000 to 50,000. I believe they are all out (not in power) and those who were not there (not taking part in the struggle against the former regime) are now in (power). This is an issue that makes people wonder where were these people when the struggle needed committed individuals. There were many people who did not want to forget their normal business and waste their time in taking part in the struggle against the former regime and were busy taking advantage to the conditions acquiring land and more fortune. They did not care what the conditions were in the country and what a moslem should do or how dangerous the government (former regime) was for Islam and what the exiled Imam was demanding from people. For a group of people coming to power now or later (who did not participate in the struggle) is an issue for those who took active part in the struggle who, at the same time, ask themselves where have all these people been?

CSO: 4906

IRAN

HOSEYN KHOMEYNI SPEAKS OUT ON ARAB, RELIGIOUS ISSUES

London AL-HAWADITH in Arabic 16 Nov 79 pp 68-69

[Text] It is being said of Hojjat ol-Islam Hoseyn Khomeyni\* that he is the "influential man" in Iran. He is the oldest grandson of Ayatollah Ruhollah al-Musavi Khomeyni (this is the full name) and the son of Khomeyni's son, Mustafa who was killed by SAVAK in al-Najaf in Iraq. He visited Lebanon twice and met with senior officials, with officials of the state and with leaders of the resistance. He also toured south Lebanon and debated Farid al-Khatib on the cultural dimensions of the Islamic Revolution in Iran, the problem of south Lebanon, relations between the Iranian Government and the PLO, the oil weapon, the situation in the Gulf, women, music, alcohol and executions. Before leaving Lebanon, Khomeyni's

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\*Hojjat ol-Islam Hoseyn Mustafa Khomeyni was born in Qom in 1958. He grew up in Qom, and he saw the events of 1962 during which Imam Khomeyni was arrested. After the Imam's return from Turkey to Iraq, Hoseyn and his sister lived alone with the Imam in al-Najaf. The other members of the Khomeyni family lived in Iran. A strong relationship developed between Hoseyn and his grandfather. Hoseyn studied philosophy, religious subjects, philology and Arabic literature in al-Najaf. Despite his youth, he participated in political events when the struggle of the Iranian people abroad was one of the principal dimensions of their struggle inside the country. He was making preparations for the Islamic Revolution. He went with the Imam to Paris, and he stayed there with him, but he went to Tehran 1 week before the Imam. Hoseyn Khomeyni considers his father, Mustafa to be the principal figure of the Islamic Revolution in Iran. Soon after Hoseyn's father died in action, the groups of mourners turned into demonstrations, and there was a general shutdown [of all services and activities]. In that year Iranian newspapers also launched a campaign against Imam Khomeyni on the 40th day of his son's death. The death of his father made Hoseyn continue his struggle, withstand more and become more hostile to the Shahinshahi regime.

grandson left an article at the Beirut office of AL-HAWADITH. He included in his article his point of view on all these matters. When he delivered the article, he explained that he had written it as a revolutionary and not as a member of government. He said he represented a sector of young people, university graduates and intellectuals in Iran. The text of what he wrote follows; it is closer to being a review of ideas than to an essay dealing with a specific idea.

Islam gives Moslems freedoms that are broader than those given by liberalism in the West on the basis of "enjoining justice and forbidding evil." Islam gives the ordinary citizen the right to criticize the president of the republic, the chief of the government or the commander of the army if [any one of them] committed some error. Although the West states that such criticism is permissible, Islam says that it is one's duty. This is based on [the dictum] that "You are all to watch over each other, and you are responsible for your charge."

Just as in Iran, social freedoms [everywhere] are created by circumstances. These freedoms can be found in Iran on a broad scale. Every group can say what it wants. There is no doubt that social freedoms must be available so that there would be no pressure on citizens, from the high-handedness of persons or individuals, to take positions other than those they prefer to take.

An Islamic government has the right to disseminate its doctrine. Although it recognizes the doctrines of minorities, it does not allow their promotion. This was what happened during the days of the prophet in Mecca when the Jews were free within their domestic framework and their social affairs but were not free to disseminate their doctrine and promote it among people. In the future, after the constitution is put into practice, the new reality will not permit the dissemination of doctrine and religion for the purpose of getting people to adjure Islam. We will be ready for a candid debate on television and in the other media. Under better circumstances other doctrines may be disseminated in a broader fashion.

The rebels want to rule; they want to rule so they can enforce values. Every revolution that grew out of humanitarian and ethical values wants to put those values into practice and wants power to be its way to putting those values into practice. But if the revolution has to choose between its humanitarian and ethical values and power, it should leave power and adhere to the values. We will isolate ourselves from every regime without values that may be established in Iran. We will consider it to be similar to the regime of Reza Phalavi, and we will fight it.

The foreigner has not and will not succeed in changing the situation in Iran into a civil war, but he did succeed in stirring up an ideological and a political war. Leftists and rightists are struggling with each other just as the reactionary religious movement is struggling with the progressive religious movement. Nevertheless, those who subscribe to those

beliefs, or most of them, believe in the leadership. Therefore, the leadership is a principal factor at the present time for achieving national unity. But if the leadership were to go, the situation could, God forbid, deteriorate and turn into a civil war.

The situation in Iran is considerably different from the situation in Lebanon. The sects that are found in Lebanon can be found in Iran. But the ideological unity that exists on a broad scale among the people in Iran is unmatched anywhere in the world, and the single leadership which the people in Iran recognize has no parallel in Lebanon. These matters would not allow the situation in Iran to be altered and turned into one resembling the situation in Lebanon.

Executions do take place after every revolution, and there are executions that are inevitable. But I do believe that some members of SAVAK who had been executed should have been pardoned. In fact, all members of SAVAK who were paid small salaries should have been pardoned. SAVAK took all the files of the Eighth District, and those included the files of the real spies in the area who used to strike at the foundation of the revolution. The files of a few thousand persons of the Third District were left behind. Only those persons were considered to be SAVAK members. The revolutionary courts became preoccupied with those powerless members of SAVAK although they should have been in pursuit of the real members of SAVAK who could still be in government positions.

On the other hand executions that were carried out on the basis of atrocities that had been committed were grievous errors. We recognize "Islamic punishments" that are carried out in an Islamic but not in a barbaric manner. This requires the presence of "four honest witnesses" who had witnessed a certain action openly. If the judges, the revolutionary courts or the government suspect a person of adultery, they have no right to investigate the charge. Instead, the witnesses should have been present where the act took place, and four of them should come forward to testify. If three witnesses and not four enter their testimony, the accused is punished by a whipping. This is the Islamic premise.

We are now living in a Shahinshahi society, that is, in an ignorant society and not in an advanced society. The executions and the "punishments" must be put into practice in the real society and in the actual culture. As long as there is poverty in society, the hand of a thief must not be cut off. As long as there is poverty, an adulterer must not be whipped. I am opposed to executions. Executions must be carried out in an Islamic society, but before the executions [are carried out], the problem must be dealt with, and I do not think that execution is a realistic remedy for the problem.

Imam Khomeyni did not ban music. However, music has been banned from television and radio. Television does, nevertheless, show a small number

of films, and these include music. Besides, music is sold on tapes and records in the streets. It is likely that educational and cultural programs, which Iran has a great need for at the present time, will replace music on television and radio.

It would have been better to sell the alcohol that had been in storage in the country for sums of money instead of destroying it. Islamic law, however, does not consider alcohol property or capable of becoming property.

As a revolution--and not as a government--we want realistic equality for all. We want to advocate and call for equality among all those who worship God outside Iran and among all the people in the world so that the revolution would not be confined to Iran.

Religious scholars and politicians took two positions on the problem of "autonomy" which was brought out by our Kurdish brothers. The first position agreed to granting the Kurds autonomy, and the second position advocated that we explain the purpose of the revolution to the Kurds. The revolution is different from the government. The Kurds should be persuaded that the revolution is better for them than autonomy. The question that Yasir 'Arafat asked Imam Khomeyni about the destiny of the Kurds during his visit to Iran after the victory of the revolution may have been an invitation to us to explain the revolution to the Kurds [and to tell them] that the revolution exists and that its purpose is to establish justice and equality. If justice and equality were not made available, we would not be revolutionaries, and there would be no revolution.

I know that Zionist and foreign functionaries can be found in Kurdistan and that they are inflaming the Kurdish problem there. We do not vindicate ourselves or officials of the Iranian Government from some suspicions concerning this question.

The solution in Kurdistan must be a political solution. It is to be based on negotiations and on clarifying matters for people. At the present time we must not strike the armed Kurds. This would cause the traitor not to appear, and in fact, people may rally around him. On the contrary we have to reveal the identity of the traitor to the people. Herein lies the real solution. We must also implement broad construction projects in Kurdistan.

We are not against the army, but we must raise a question around it. We are still calling for a further purge of the army. It was for this reason that the "revolution's protective" army was established. As long as it exists and as long as people maintain their frame of mind, a military coup cannot be achieved.

The problem of south Lebanon is neither a south Lebanese or a Lebanese problem. It is a Middle Eastern problem in south Lebanon, and it is a world problem in south Lebanon.

We are involved in south Lebanon, and we are responsible for it!

A decision on south Lebanon and on the Palestinian Revolution in south Lebanon is not made in Beirut; it is rather made in Tel Aviv, in Washington and in Moscow. The problem of south Lebanon is being dealt with from outside Lebanon. The oil exporting countries in the Gulf, therefore, must exert greater pressure on imperialism and Zionism and must carry out an oil threat against them until they abandon south Lebanon. Iran should play the same role because it exports oil. It is to fly the banner of the revolution and to control the Straits of Hormuz. If this does not happen, south Lebanon and Lebanon will in future years turn into a state where Israelis would be found in an official way. Their presence would constitute a threat to the nation. At the present time the nation is responsible for removing this threat.

The people of south Lebanon have great faith in the Palestinian question. This is evident in the fact that they have been hosts to their Palestinian brothers during the last several years. They offered sacrifices for the Palestinian Revolution, and they sent their young men to struggle from within the PLO.

But there is in fact a matter that must be dealt with. It is the fact that the resident of south Lebanon wants the Palestinian Revolution to be victorious, and he wants to be victorious with it. He does not want to perish on the road. The continued Israeli shelling and the fact that the method of the Palestinian Revolution's military struggle has been maintained on the same degree and mode for 10 years in south Lebanon--along with political victories in Europe and the United States--raise a question in the mind of the resident of south Lebanon: "How long will this go on, and how long will the camels remain on the mountain?"

Residents of south Lebanon can undoubtedly hold out in their positions with the Palestinians if a change in the Palestinian Revolution's style were to take place. Residents of south Lebanon can also work on the Gulf front. Oil exporting countries--and Iran is among them--can also issue an appeal on behalf of the Palestinian Revolution and the question of south Lebanon. Several shelters can also be built in south Lebanon, and requirements for resistance, including funds, can be provided. In addition, an "order for unity" can be issued by Imam Khomeyni.

The legal situation in Iran is that of the revolution, and the legality of the government is [to come about] by change, that is, by legalizing the revolution in particular. The revolution, which did authorize the government to rule, has the right to exert pressure on the government to make it adopt the revolution's positions. We will, God willing, exert pressure on the government from our revolutionary premises so as to make it assume responsibility postures vis-a-vis south Lebanon and the Gulf.

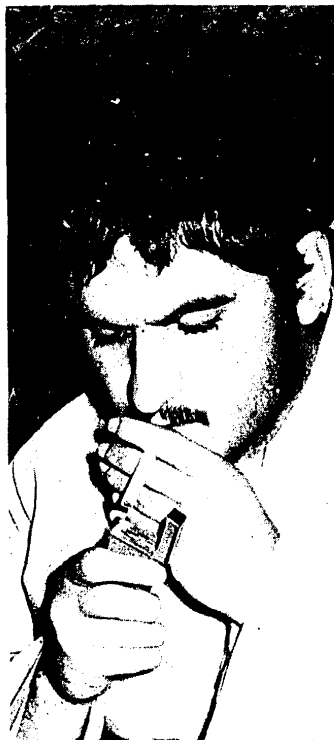
We consider the PLO "the legitimate and the sole representative of the Palestinian people." We believe in the Palestinian question which has a

cultural and a civilized character that outweighs its military character and operations. [The PLO acts] not only to liberate Palestine, but rather, like the Iranian Revolution also, to achieve a cultural change for the Arab and Islamic nation. Therefore, our coordination with the Palestinian question and with the PLO emanates from the identity of the Islamic Revolution everywhere.

Iran must support the Palestinian and the Arab question with its policy, its oil, its weapons, its people and all means and methods [it has]. That is what the revolution is teaching us. But there are problems in Iran from which the revolution is suffering. So far, these problems have not permitted this support to be accomplished. There are also reservations [regarding this support]. We are prepared to reduce oil production and to cut off oil [shipments] to support the positions of the Palestinian Revolution.

We consider the Islam which finds justifications for the positions of tyrants and for the treacherous positions that despots take towards their people a non-Mohammedan Islam. This is because Mohammedan Islam came into existence to strike at despots and to combat injustice. If we abandon [this principle], we are not real Moslems. The position that the Shaykh of al-Azhar took in the legal opinion he issued on the Camp David accords emanates from a non-Mohammedan Islam.

[Imperialists] are looking for someone to succeed the shah after his departure from the Gulf. They want this successor to be President Anwar al-Sadat. Therefore, propaganda is being spread that Iran wants to occupy or carry out a strike against the Gulf. This is colonialist propaganda whose purpose is to get the elders and the rulers of the Gulf to tell al-Sadat, "Be so kind as to come to the Gulf," to justify Egyptian intervention and also to get Egypt out of the isolation in which it is living. This is the plan [that has been drawn up] so Egypt can achieve a major success.



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CSO: 4802/127



IRAN

PARIS COURT REJECTS FUND RESTITUTION DEMAND

Tehran TEHRAN TIMES in English 13 Dec 79 p 1

[Text] The Paris court ruled yesterday Iran has no right to demand the immediate restitution of a \$50 million deposit, blocked in the vaults of Citibank Paris.

The decision meant the Bank Markazi Iran had lost the first round of its battle to win prompt restitution of its funds held in the French branch of Citicorp and foreshadowed a protracted court battle, legal sources said.

Mrs. Simone Rozes, the court chairman, decided the \$50 million was not a deposit that could be withdrawn on sight but a time deposit to be kept in the bank for a certain period of time.

The judge thus ruled in favor of Citibank which had argued that on Dec 4 the Iranian Central Bank agreed in telex exchanges to keep the funds in the Citibank for two more weeks--until Dec 19, at 13-3/4 interests.

The judge, flanked by two assistants, ruled that under paragraph 1186 of the French Civil Code a party that had agreed to a time deposit, cannot claim funds back before the final dateline had run out.

Judge Rozes said, however, that on Dec 19, the Iranian State Bank may file a new court case if Citibank refuses then to return the funds.

F. Rancois Cheron, attorney of the Iranian State Bank said he will appeal the court decision.

Monday, when the case was argued before the Judge, Cheron asserted the Iranian Bank agreed to keep the funds in Citibank vaults for two weeks because it had no choice, after being told by Citibank officials they were abiding by President Carter's executive order freezing all Iranian funds in U.S. banks and their overseas branches pending the liberation of American hostages in Tehran.

Diplomats said the French court's move may set a precedent for other litigations launched by Iran's Islamic Regime against foreign banks to recover its deposits abroad.

Diplomats also said the French court's action may sour relations between France and Iran. The Iranian Embassy already Tuesday complained in a note to the French Foreign Ministry that Iranian refugees such as ex-premier Shapour Bakhtiar are allegedly enjoying too much political freedom.

CSO: 4920

IRAN

IRAN TO PETITION U.S., FOREIGN COURTS FOR SHAH ASSET FREEZE

Tehran TEHRAN TIMES in English 13 Dec 79 p 2

[Text] Iran will petition U.S. and European courts within days to freeze personal bank accounts and properties of the deposed shah and his family worth \$100 million, officials announced Tuesday.

Central Bank Governor Ali Reza Novbari declared the bank had documentary proof that the ousted royal family amassed the assets, including properties in Switzerland, Spain, France and the United States with embezzled state funds.

The suits, Novbari told a news conference, were the Revolutionary Council's first step to recover the fortunes of the Pahlavi family. He estimated the fortune totals \$10 billion.

Since the seizure of the U.S. Embassy in Tehran on Nov 4, Novbari has sought to accumulate proof of mass corruption both to get back the assets and to bolster Iran's demand for the return of the shah to face trial.

The Central Bank filed a 277 page petition with the Iranian prosecutor general Tuesday for forwarding to European and U.S. courts.

He said foreign courts will be given documents which show how the royal family misappropriated state funds and accepted bribes, and deposited the funds in personal accounts.

"My strategy will be to show how money was taken from government accounts to buy houses, not from the shah's personal account, and how the shah's personal account filled with government money or with bribery money," Novbari said.

Novbari's move came as U.S. Secretary of State Cyrus R. Vance began Tuesday a swing through Europe seeking joint economic retaliation if Iran continues to hold the 50 hostages.

Novbari, 32, said he would leave Wednesday on a trip to sympathetic Algeria, before going to Europe to try to counter Vance.

"We want to explain our position to the European people, and hopefully in the near future to the American people, so they will not be deceived by American propaganda," he said.

Novbari has filed a series of suits against U.S. banks in Europe. He maintains the banks should not have frozen Iranian funds on deposit, in compliance with U.S. President Jimmy Carter's order to American banks. Novbari says the bank branches should obey the rules of the nations in which they do business.

Novbari reported Tuesday the Central Bank has suits pending against five American banks in Britain and three in France, with suits planned against U.S. banks in Germany and Switzerland.

Meanwhile, the government of Iran has filed suit against the Swiss canton (state) of Grisons, seeking to force it to disclose detailed information on the St. Moritz villa of the former shah, it was learned Tuesday.

Erich Diefenbacher, one of the Swiss lawyers of the Iranian government, said he has filed an administrative complaint with the Swiss supreme court after the Grisons authorities refused to reveal the requested information last month.

Iran's request that the ex-shah's Swiss assets be blocked was rejected by the Swiss government last February. Now Tehran's lawyers are trying to discover the origin of the funds used for his real estate purchases in Switzerland.

Diefenbacher said the authorities of the canton of Geneva supplied similar information.

The shah's "Villa Suvretta" lies just outside St. Moritz, the famed ski resort in the eastern Swiss Alps, and was reportedly purchased in 1968 for four million francs--\$930,000 at the time.

Diefenbacher said Grisons authorities had rejected his request on the grounds the shah had never abdicated and therefore the new Iranian authorities were not entitled to the information.

CSO: 4920

IRAN

EXPORTS OF PISTACHIOS, RUGS TO UNITED STATES HALTED

Tehran TEHRAN TIMES in English 12 Dec 79 p 3

[Text] Iranian exporters of Traditional goods have refused to export such goods as rugs and pistachios to the United States during the last 45 days, to show their solidarity with the Iranian anti-imperialist struggles.

The director of a pistachio exporting company told the TEHRAN TIMES yesterday, "Even though America is one of the most important markets for Iranian pistachios, importing more than eight thousand tons of the nuts yearly, the Iranian exporters have refused to send their goods to that country to show their unity and solidarity with the Iranian people."

In the current year, said the official, Iran has exported 35,000 tons of pistachios to France, West Germany, England, Belgium, Sweden, Switzerland and Arab countries.

Mehdi Kazemi, director of another pistachio exporting company said that the harvest of Iran's pistachio crops was greatly reduced as a result of cold weather, adding, last year's production was about 50,000 tons, most of which was exported to foreign countries due to the Iranian Revolution.

He said that as a result of the reduction in the Iranian pistachio harvest the price of the nuts has gone up. He said the present reserves of Iran's pistachios are about 18,000 to 19,000 tons.

The increase in price of Iranian pistachios, said Kazemi, has presented the exporters with difficulties in a sense that the prices are not acceptable to importers. The price of every ton of pistachio nuts is about \$8,000 to \$9,000, according to quality.

CSO: 4920

IRAQ

MODERN METHODS OF CROP PROTECTION BEING IMPLEMENTED

Baghdad AL-'IRAQ in Arabic 15 Nov 79 p 7

[Article by 'Abdallah Kati': "To Protect the Crops: The Latest Technological Methods and Modern Aircraft Are Being Used"]

[Text] There is great activity in the agricultural sector both in devising and implementating the agricultural plan in which a large mass of farmers, civil servants, specialists and officials in the Ministry of Agriculture and Agricultural Reform and the other ministeries are participating through the annual agricultural conferences, which have won the attention and guidance of President Sadam Husayn.

The agricultural sector agencies and the responsible agencies in the chief circles are accustomed to the vital revolutionary interaction between the leaders and the principles in planning and implementation, and in investing all the capabilities and effort available to improve the agricultural sector.

It is clear that the sharp increase in agricultural production is being achieved through the use of advanced methods of production which depend on scientific progress in this direction. There are numerous factors which influence the achievement of this sharp increase, among them concern with protecting the crops from damage by various agricultural disasters such as insects, plant diseases, overgrowth and various harmful animals.

Providing Protection

Therefore the agricultural protection services provide agriculture with the protection that is necessary against the spread of plant diseases and the attack of agricultural disasters which when they rage sometimes cause the loss of approximately a third of the country's annual agricultural production.

Increased Efforts in the Struggle

The technical apparatus in the State Organization for Farm Protection has shown particular interest in expanding the struggle against agricultural disasters, and has redoubled its efforts in keeping with the other concerns about specific kinds of agricultural production.

A source in the above organization said that there are many ways currently in use to combat agricultural disasters, such as sprays of various kinds: surface-land carried on automobiles, applied by means of applicators, and others available in large quantities distributed through all the country's governorates in accordance with the efforts there.

#### Agricultural Aircraft in the Battle

In addition, according to the source, the State Organization for Farm Protection is provided with agricultural aircraft, both fixed wing aircraft and helicopters, in sufficient numbers to cover all the requirements of the battle in the country's regions. Furthermore, these aircraft with all their crews offer their services to neighboring countries, especially the sister countries of the Arab Gulf.

#### The Areas Committed to the Battle

The area committed to combat this year--still according to the source from the State Organization for Farm Protection--in light of the agricultural plan amounted to 9,089,017 dunams, among which is an area of 6,277,313 dunams in which a campaign is currently underway to disinfect wheat seeds with chemical pesticides to protect them from wheat "blackening" disease and to obtain a crop of good variety and quantity for this basic food crop for our citizens.

The remaining area is represented in the battle against the remaining agricultural disasters which afflict gardens and other agricultural land.

#### Pioneering Agriculture's Battle Against Overgrowth

There is an important aspect to the farm protection services; the battle against overgrowth in the pioneering agriculture in the country's regions. [Pioneer agriculture] provides good economic returns for our important food crops such as wheat, rice and cotton. Furthermore, the Farm Protection services provide protection for grain stored in siloes and other grain storage places from damage caused by the disasters which afflict stored grain. [This is accomplished] by treating it with chemical pesticides appropriate for preserving it. The State Organization for Far Protection is committed to treating large quantities of stored grain in the country's regions.

#### The Use of Applied Field Research

Due to the increased use of modern technological methods such as portable spraying equipment and modern aircraft, services pertaining to farm protection have expanded and improved. There are agencies which specialize in scientific research in the fields of plant diseases, entomology, overgrowth and chemical pesticides, and which are carrying out scientific research, studying the problems of plant disasters and discovering safe ways to combat them, reduce their harmful effects and provide effective methods for the farmers.

The State Organization for Farm Protection is committed to carrying out the following experiments and applied scientific research:

In the area of research to combat insects the organization is committed to carrying out 124 applied field experiments.

It is committed to carry out 72 applied field experiments in the area of research to combat plant diseases.

In the area of research to combat overgrowth the State Organization for Farm Protection is committed to carrying out 43 applied field experiments and 35 educational field demonstrations for the farmers in combatting overgrowth.

#### Improving the Technical Cadres

The State Organization for Farm Protection is endeavoring to improve its technical cadres working in the services to combat plant disasters in all the governorates by organizing classes within the country and training abroad under the auspices of agreements for technical and economic cooperation with the sister and friendly nations.

#### The Spread of Plant Disasters From Abroad

The work of the State Organization for Farm Protection is not limited to combatting plant disasters alone. Its work and activities include concern with reducing opportunities for the spread of plant disasters from abroad technologically through the development of agricultural prohibition agencies. Technical cadres are being trained to work in this special area as well as the agricultural prohibition agencies in the various border locations and the country's other gateways, such as the various airports, in accordance with the great expansion in the volume of imports and exports of plant products.

#### Preventive Measures

The Organization is committed to taking preventive measures on the following types of plant shipments:

Inspection and fumigation of 5.8 million tons of plant import shipments.

Inspection and fumigation of 200,000 tons of plant shipments for export.

Inspection and fumigation of 50,000 tons of plant shipments in transit.

#### Expanding Beekeeping

Because there is great benefit in honeybees from their [ability to] increase fruit and seed production in general while at the same time providing good income from the honey, a great effort has been made to create trained technical cadres capable of improving the methods of raising honeybees and establishing



centers in most of the country's regions to create a nucleus for beekeeping and centers to train the farmers and beekeepers in technical methods and to supply them with the requirements for modern beekeeping. The State Organization for Farm Protection is committed to the following in this connection:

Production of 2,320 swarms of bees to expand these services in every party of the country.

Production of 929 swarms of bees to be sold to the private sector.

The production of 1,675 young queen bees to replace the old queen bees to preserve the vigor of the hives or the producing swarms to improve their productivity.

Production of 45,000 kg of honey as an "incidental" product.

9123

CSO: 4802

KUWAIT

ARAB SUMMIT TIED TO IRANIAN CRISIS

Kuwait AL-RA'Y AL-'AMM in Arabic 10 Nov 79 pp 1, 23

[Editorial: "The American Embassy and the Arab Summit"]

[Text] The picture looks like this at present: No one knows the answer to the question of how and when the hand-biting action taking place between Tehran and Washington will end.

That is to say, the question itself is unexpected, and thus it is inevitable that there is a total lack of answers.

The United States knows that very few mediators exist. But at the same time, it knows that its problems with these "mediators" are more complicated than its present problem with Tehran. Possibly, Tehran has turned its back on the possibilities of such mediation efforts in order to achieve the goals for which it is striving.

There were those who "wished" that the shah would take the initiative to leave the United States so that this problem could be solved.

But the shah came to New York ill, and in all probability he will be unable to bring his illness to an end--even if he gets well--lest it be reported that he is not, in fact, ill. Moreover, the shah--inwardly at least--wants fighting to break out and a state of "war" to be reached between Washington and Tehran so that he can get revenge on both at once--Tehran which revolted against him and toppled his regime, and Washington which renounced and abandoned him during difficult times. But what is the solution?

The Egyptian ruler immediately volunteered his services to host his friend the shah and his doctors. But this is not the solution. Nor will the solution be provided by internationalization, i.e., submitting the issue to the Security Council as the United States has done.

Therefore, how will the problem be solved? It appears that the dilemma has arrived, but is this the dilemma which was sought?

Some experts on the American disposition say that some time ago Washington began to feel uneasy about these small oil states which possess some sort of control over the fate of the West. It was uncertain about which method it should use to put these states "in their true place," as U.S. Senator Moynihan said. Perhaps the United States has found in this affair an avenue to implement its plan for the next phase.

How? The coming hours will bring many indications of this plan as it concerns the Gulf and the size and kind of role the United States wants to play here.

Some observers feel that Washington will pay the price to create a new situation in which oil will move away from its essential--and disconcerting--role in the Arab front of steadfastness and confrontation.

These observers also feel that in the earlier stages of this game Washington was able to involve the PLO in a swift appearance in the guise of mediator for the release of the American hostages, despite repeated denials by the PLO, and in this context the United States scored a winning point.

In addition to--or perhaps prior to--this, Washington has, by using the action against the American embassy in Tehran, spread a dense fog before the Arabs who will be going to the summit conference in Tunis in a few days, where since a solution to the problem of Lebanon, and south Lebanon in particular, is supposed to be produced in the midst of the complex web of inter-connections between the Lebanese problem and the Palestinian presence--in other words Syria and ultimately the eastern-northern front.

It would be unwise to forget what the American embassy incident in Iran could mean in terms of excess attention to the choice of Arab positions--and their repercussions on Arab relations, in particular--on the eve of the preparation for this summit. This action will be used to increase suspicions and kindle conflicts between one Arab state or organization and another. All of this would tend to destroy the potentialities of the unified Arab decision, if not the way to the summit, completely.

The odd thing is that we are always victims, even when the problem begins completely outside of the Arab sphere. We are always easily trapped.

And this is not entirely an imperialist plot!

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KUWAIT

AMERICAN BLACKS' ROLE IN MIDDLE EAST DISCUSSED

Duwait AL-WATAN in Arabic 15 Oct 79 p 10

[Editorial by Najib 'Abd-al-Hadi: "Black American Tactics"]

[Text] No sooner had the international political and media uproar raised by Andrew Young's meeting with Zahdi al-Tarzi quieted down when another "storm" arose. The hero this time was the black minister, Jesse Jackson, who toured the area and met with a number of its leaders in a trip described as a facts-finding and familiarization tour.

In Cairo, Reverend Jackson met with President Anwar Sadat, who was able to brainwash the black leader to hire him as a "mailman" to carry his messages to Abu 'Ammar and Syrian President Hafiz al-Asad.

As a result of his visit to Cairo, Jackson's statements began to differ from the statements he made during his visit to Beirut, South Lebanon and the West Bank. The black minister forgot the huge crowds which carried him on their shoulders in the city of Nablus as if he were the rescuing hero and the awaited Mahdi!

Yesterday, another hero appeared on the black American stage whose name has been added to the list of black champions. His is Bayard Rustin, the head of the A. Philip Randolph Institute in the United States. In an open and shameless attempt at one-upmanship, this hero said: "The United States must give Israel everything necessary to maintain its existence and continuation."

At another point he said:

"My visit to Israel will serve to confirm the standing of black Americans in the United States and prevent a break in our relations with American Jews!"

In short, we can say that the Arab media made a big mistake by believing that black power in America is capable of changing the course of political matters in the Arab region. Moreover, it made an even bigger mistake by

imagining that this force is capable of exerting real and effective pressure on the U.S. administration in order to gain recognition of the PLO.

In all probability, the sole Arab group which has not made a mistake and has not fallen into the trap set for it is the PLO, represented by Yasir 'Arafat, who realizes better than anyone else the significance and dimensions of the tactics now being carried out through the American blacks.

We realize that the uproar concerning Young, Jackson and, most recently, Rustin is nothing more than a cleverly prepared action, and the only concern of these individuals is to serve their own interests and those of their country. Thus, there is no need to go overboard in issuing judgements or to persist in giving advice and offering admonitions. For the resistance knows when to act, when to remain silent, and when to win. More important than these, however, is that it realize just what standing and importance American blacks have in America.

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KUWAIT

DECEPTIVE PROPAGANDA AGAINST ARAB NATION DEPLORED

Kuwait AL-SIYASAH in Arabic 19 Nov 79 p 1

[Editorial by Ahmad al-Jarallah: "Harping on Imaginary Tunes"]

[Text] Part of the tragedy is that some Arab leaders still believe that trifling with their people is acceptable behavior even if the jest were beyond possibility and defied reason. There is a well-known traditional Palestinian saying: "If what you want is not to hit someone, take a larger stone." This means that the large size and the heavy weight of the stone will be one's convincing excuse to stay out of a fight. We are reminded of this proverb in the course of what we heard that the Palestinian Revolution was prepared to support the Iranian Revolution with weapons and with men if the United States were to intervene. Is there a stone bigger than this one that would cause us to doubt that the whole process is a joke played on our people? If the Palestinian Revolution does have this capability, it is South Lebanon that needs it and not the Iranian Revolution which has more useful means it can use in its clash with the United States.

It is certain that the Arab nations feel humiliated when they hear statements that imply a degree of [proficiency in] the art of the absurd. They feel humiliated because there are those who are insulting their intelligence by ascribing unrealistic proportions to facts whose proportions and real strength are known to these nations. The late Prime Minister of Britain Winston Churchill told the British people when he was facing war, "I can offer you nothing but patience and blood." Churchill did not tell them that his [forces] were victorious and overpowering, nor did he tell them that he would confront Hitler, assist France and defend the Netherlands. In his appeal to the British people he carried a reasonable stone with which he could seek refuge.

The Arab nation has gone through a period of media deception. Any exaggeration of this kind or any harping on imaginary tunes is ultimately an exercise in futility. Victory in the end belongs to the leader whose promises are limited to his capabilities. A nation would thus not think that it has storehouses of imaginary power that it would know nothing about except from the thoughtless statements that defy logic.

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KUWAIT

PAPER DECRIES INEFFECTUAL ACTIONS AGAINST UNITED STATES

Kuwait AL-SIYASAH in Arabic 9 Dec 79 p 1

[Editorial by Ahmad Jarallah]

[Text.] It has been observed that the victories of some of the Arab and Middle Eastern armies have been limited because they have been either internal victories or victories in maneuvers in which it was known in advance that nobody would die. Because the Palestine revolution knows in advance that war between the U.S. and Iran will not happen, it sees no harm in proclaiming its readiness to stand beside the Iranian revolution in its war with the U.S. and in sending Palestinian armies to Tehran. Since the action is a maneuver in which nobody is to be killed, there is no impediment to a hullabaloo of propaganda.

It is not the Palestine revolution alone that proclaims that. There are nations which are content to adopt this attitude in the knowledge that, if the situation were earnest and serious, they would have to cut off their petroleum from the U.S. in solidarity with Iran, and would likewise have to cut off their diplomatic relations with the U.S., the stronghold of colonialism and monopoly, down to the last of those designations which we face with starched collars and deference which sometimes reaches the point of servility.

The U.S. is a powerful nation, and we do not deny that we envy its might and wish it to be weak, feeble, and in decline. Nevertheless, its weakness, its feebleness, and its decline will not come about through raising fists and shouting, "Down with President Carter!" It will come about through the preparation of our people and the raising of their productivity. It will come about when our peoples are independent and able to work in their own countries and develop them instead of fleeing from them and instead of having the victories of our armies turn into justifications for asking for more obedience or for the destruction of countries and villages whose whole offense was a situation of unrest growing out of political maladministration.

Since the departure of the shah, Iran has lived in an atmosphere of successive daily demonstrations and rallies, to the point where they have

hindered the country's productivity, as if demonstrations and rallies were all that is required of the shah's departure. When he left, it was assumed that there would be a new political activity there that would bring about a change from the bad economic and political situation. Instead of that, there has been more misery. However, God is magnanimous.

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KUWAIT

CROWN PRINCE SPEAKS ON NATIONAL ECONOMY

Kuwait AL-WATAN in Arabic 15 Oct 70 p 7

[Article: "Amir Receives Gulf Chamber of Commerce Delegations Today"]

[Text] His Highness the Amir and Prime Minister Crown Prince Sa'd al-' Abdallah al-Sabah will meet today the heads and members of the delegations participating in the second meeting of the chambers of commerce, industry and agriculture of the Gulf states. These states include Saudi Arabia, the UAE, Bahrain, Qatar, the Sultanate of Oman and Kuwait. The Iraqi delegation did not attend yesterday.

The conference opened yesterday with a short speech by the president of the Federation of Chambers of Commerce of Saudi Arabia, Shaykh Isma'il Abu Daud, in his capacity as chairman of the first conference which was held in Jiddah in October 1976. Abu Daud expressed his hope that this meeting will give a boost to strengthening economic ties among the Gulf states.

'Abd-al-'Aziz al-Saqr, president of the Chamber of Commerce and Industry of Kuwait, also gave a speech following his election as chairman of the current conference. He said: "This meeting opens to announce the formation of the General Federation of Chambers of Commerce, Industry and Agriculture of the Gulf states."

He described the federation as the basic framework for cooperation and coordination of efforts among the Gulf states, so that it can completely fulfill its role in economic cooperation plans representing the private sector.

He said: "The announcement of this federation is based on three main considerations:

"The first is that this effort by the chambers of commerce is in harmony with, integral to, and interconnected with the efforts which all their governments are making in support of economic cooperation and integration among all the states in the area.

"The second is that the realization of economic integration among our countries is not dictated only by fraternal attachments, nationalist feelings, historical and geographical ties, and a common purpose and destiny. Rather, the achievement of this integration is above all an inevitable economic necessity imposed by world economic trends, objective scientific theories and the urgent need to preserve and protect the area's resources. This integration is in the interests of all of us without exception, and is our sole means to industrial and economic advancement without any alternative. Moreover, it is our way to take advantage of the historic opportunity given to us today to build a decent future for our children tomorrow.

"The third consideration on which our efforts are based is our belief that any effort to achieve regional economic cooperation among the Arab and Gulf states must be seen and planned for as a part of a more general and comprehensive concept and a stage in the attainment of a more far-reaching and more complete goal, namely, economic cooperation on the level of the greater Arab homeland. Without this view, or outside of this strategic framework, Gulf cooperation will be unable to achieve its desired results."

#### Confrontation With Lloyd's

Mr al-Saqr praised the role of the chambers of commerce in confronting the decision of the Lloyd's Group to consider the Persian Gulf and adjacent waters--including the Gulf of Oman--a war zone, and the consequent increase in war insurance rates for ships passing through this area. Lloyd's also decided to impose an additional premium to cover risks of detention, embargo or seizure as of 14 August 1979. The Chamber of Commerce and Industry of Kuwait immediately opposed this decision and did its duty in seeking to confront the move and to explain the "suspicious background circumstances" behind it and the serious economic and other effects which could result. The Kuwait chamber sought assistance in these efforts from all its fellow Gulf Arab chamber of commerce organizations so that this decision could be confronted firmly and with studied scientific and technical measures and in complete coordination by the area as a whole. Indeed, the agreement of your chambers of commerce was swift, admirable and unanimous, due to the fact that all of you expressed total support for the Kuwaiti Chamber of Commerce and Industry's viewpoint on the interpretation of the "secrets" and "background circumstances" behind the decision, as well as on the seriousness of the decision's effects and the need to contain this action in a firm and coordinated manner. All of you made commendable efforts in supporting the national insurance companies in their meetings and negotiations with the Lloyd's Group. Our great pride in the admirable results of these efforts was crowned by the Lloyd's Group's withdrawal of its decision. We must not forget two facts:

The first is that this test is a guiding example of what can be achieved through action based on cooperation, coordination and the objective presentation of our common problems.

The second fact is that the federation of Gulf Arab chambers of commerce can justly constitute a stable organizational framework to insure that coordinated activity such as this will have a firm foundation and ample scope for preliminary research and swift and flexible action.

Formation of Joint Company

Mr al-Saqr also said:

"Because the formation of this federation achieves one of two resolutions adopted by the Gulf Arab chambers of commerce in their first meeting in Jiddah, it gives me great pleasure to mention now the second resolution calling for the establishment of a joint investment company aimed at setting up [word illegible] projects in various fields of economic activity. This resolution was broadened and developed in a more general manner so that it would include all the Arab states and would be embraced by the General Federation of Chambers of Commerce, Industry and Agriculture of the Arab Countries. This is what has occurred, and a charter has been issued for the company in Dubai, UAE, with a capitalization of 700 million dirhams. Shares will be offered in most of the Arab states before the end of this year, God willing.

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KUWAIT

U.S. ECONOMIC MEASURES AGAINST IRAN OPPOSED

Kuwait AL-SIYASAH in Arabic 17 Nov 79 p 1

[Editorial by Ahmad al-Jarallah: "Equally Strong Opposition to U.S. Measure"]

[Text] The U.S. president's decision to freeze Iranian funds has undoubtedly cracked the principles of U.S. financial policy. It is basically inconceivable for a country like the United States to tie political action and economic action. In spite of U.S. assurances made in letters which President Carter sent to a number of financial and oil leaders in the world, the certain fact remains that President Carter's decision did draw attention to the possibility of utilizing or universalizing the use of such a principle with any country that is engaged in a struggle with the United States.

We are not talking here about the Arab oil countries who have no more than 80 billion dollars in funds invested in the United States, but we are talking about the dollar coverage for Japanese currency which is invested in the United States; we are also talking about the funds of German banks which are in excess of 200 billion dollars. The U.S. president's decision has created an atmosphere of sharp apprehension in international circles. It is true that oil countries or other countries may not take action to withdraw their funds at the present time, but they, undoubtedly, cannot ignore some of the warnings that have now been generated. These state that it would be unwarranted to invest these funds in the future in any fixed investments such as real estate or anything that would be difficult to dispose of quickly.

We have been opposed to what has happened in Iran, and we still are opposed to it, but we now declare our opposition to the U.S. decision regardless of its interpretations and justifications. The question is one of principle, and the U.S. president's decision is tantamount to the action of occupying the U.S. embassy in Iran. There is nothing equal to the action of holding a human being hostage than that of withholding his funds. We all realize that had not the internal situation in Iran been what it is, Iranian leaders would not have supported what has happened. Their lack of support or their opposition to the students have been futile since the absence of law in Iran is making every individual think of himself as a national ruler.

The U.S. president's decision has created a major fracture even if it were demonstrated on the surface that the international money markets have assimilated and overcome it.

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KUWAIT

EVALUATION OF INVESTMENT POLICIES URGED

Kuwait AL-SIYASAH in Arabic 17 Nov 79 p 5

[Article by Economics Editor: "Reactions in Market to Decision To Freeze Iranian Funds: (1) Expanding Considered Internal Investments Where Political, Financial Returns Are High and Guaranteed; (2) Expediting Reduction of Oil Production To Avoid Accumulating Surplus That Would Be Subject to International Economic and Political Ups and Downs"]

[Text] "Once again all circumstances indicate that local and regional investments, that is, investments within the Kuwaiti and the Gulf markets, continue to be more advantageous and more secure than investments in international markets." This is what AL-SIYASAH heard late last week from numerous sources in the financial and real estate markets and in the stock exchange. This followed the decision of U.S. President Jimmy Carter to freeze Iranian funds in U.S. banks. Although the U.S. administration gave assurances to Arab capital, these assurances did not prevent a climate of apprehension from spreading. [It was feared that] over the long range such capital may be subject to a similar step from the United States or from Europe. A market source commented on the incident by saying:

"The occupation of the U.S. embassy in Tehran--according to the current story and theory--was an accidental action by the students. It did draw the Iranian and the U.S. administration into a confrontation that neither had counted on. Every country in the world is theoretically subject to emergency or surprise actions that may not have been considered or intended. What guarantee do we have that the United States or Europe will not repeat the action of freezing the Arab countries' funds?"

Regardless of the political implications of this decision, the spontaneous reaction that came out from the market was a conviction that investing national capital in the local market and in joint Gulf ventures continued to be the major security for these funds.

The capital returns in the local market and in the Gulf are high. The high return rates are concrete and politically guaranteed. In addition, such investments yield returns that subsidize the national economy and the Gulf economy and constitute security returns that are ultimately advantageous to the area.

The second reaction in the market supported the official call to reduce oil production, that is, to keep the oil in the ground as an investment so that there would not be any financial surpluses that would be subject to the economic and political fluctuations of the international market. The freezing of Iranian funds in the United States will most certainly expedite official programs locally and in the Gulf area to regulate production and to be satisfied, as much as possible, with [a level of] production that would meet the needs of national development.

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KUWAIT

PREPARATIONS MADE FOR SEASHORE DEVELOPMENT PROJECT

Kuwait AL-SIYASAH in Arabic 6 Dec 79 p 3

[Excerpts] Engr Fahmi al-Zamami, director of the administrations of building and constructions in the municipality [of Kuwait], said recently that planning has been done for the Kuwait seashore project, which extends for about 21 kilometers between the coast and the Gulf road and from the port of al-Shuwaykh to Ra's al-Ard in al-Salimiyah. The project comprises several recreational and tourism projects.

The seashore project is included in the coast and geodetic survey which is in progress. It will be offered at international auction, and it is hoped that work on it will begin in the middle of 1980. The cost of it will be about 62.5 million dinars.

The project consists of 6 stages: (1) al-Jazirah al-Khadra' and the resort complex in Dawhat al-Sha'b; (2) the area surrounding Abraj al-Kuwait (Dasman and Bunayd al-Qar); (3) the old ships museum (eastern zone); (4) the al-Sharqiyah children's areas in al-Shuwaykh, al-Watyah, and al-Qiblah; (5) the waterfront museum in al-Salimiyah (al-Salimiyah--Ra's al-Ard); and (6) the coast of Sayf al-'Amm and the anchorage.

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MAURITANIA

BRIEFS

RURAL EXODUS--A rural exodus of extraordinary scope has emptied the Mauritanian countryside and has caused poorly controlled growth of the cities. Of the 1,490,000 persons in the country, the number of nomads in 1976 fell to 446,000, representing 36 percent of the population compared to 65 percent 11 years earlier. During the same period, the number of sedentary persons increased to 906,000, while the last census revealed that 67,000 Mauritians spend part of the year abroad. Consequences: Nouakchott has 135,000 inhabitants compared to 12,300 in 1964; and its population, over the last 15 years, has grown at the rate of 22 percent per year. The average annual growth rate of the urban centers is 10.2 percent. Similarly, the structure of employment has changed profoundly: the traditional sector offered 279,000 jobs in 1965 but only 224,000 for approximately the past 3 years, since the last census; the modern sector, during the same period, has had a population increase from 32,400 to 48,700. [Text] [Paris DEMAIN L'AFRIQUE in French 19 Nov 79 p 64] 8143

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PEOPLE'S DEMOCRATIC REPUBLIC OF YEMEN

'ALI NASIR SEEN GAINING IN POWER STRUGGLE

London AL-DUSTUR in Arabic 29 Oct-4 Nov 79 pp 16-17

[Article: "A New Shift in the Power Struggle in Aden: A Temporary Reconciliation Among the Party, the Security Machinery and the Army"]

[Text] The relations among the various components of the ruling group in the PDRY do not seem to be going well. On 18 September, the Beirut daily AL-NAHAR reported the emergence of a new, though unstable, balance of power in Aden. On 3 September, the Cairo weekly ROSE AL-YUSUF had reported the arrest of "Muhsin," chief of the revolution's security machinery. Earlier, on 13 August, the Kuwaiti AL-SIYASAH carried a report--which later turned out to be incorrect--to the effect that Mahmud Sa'id al-Muhi, a member of the presidential council, has replaced 'Ali Nasir Muhammad as the head of government, in a new chapter of the power struggle in Aden. All those reports, regardless of how true they are, direct attention to events going on in the PDRY.

The outbreak of a political crisis in the PDRY unfolds the file of political infighting in that small country--a file which often lends credence to the political "maxim" that revolution, like a cat, devours its own offspring. Some people date the crisis back to a time preceding the "Nationalist Front's" assumption of power, specifically to 1963 and 1964 when the front's leadership, which was made up of members of "The Arab Nationalists Movement," began to liquidate tribal leaders with the purpose of converting the front into a modern political organization. During that period, Salih Ibn "Awwas al-Hawshabi, 'Abdullah al-Maj'ali and others were dismissed from the front. A long procession then began during which liquidations continued while the front's popular base continued to shrink and become confined to certain educated groups. In the meantime, the settlement of political disagreements began to take on a style akin to isolated terrorist action. The latest victim of such action was former President Salim Rubayyi 'Ali, or "Salimin" as he was more commonly known.

The same observers say that the proclamation later of a "Marxism-Leninism" which is extremely radical in its language and quite alien to Yemen was the clearest expression of the growing isolation which drove out Qahtan al-Sha'bi, Faysal 'Abd al-Latif, Muhammad 'Ali al-Haytham and Salim Rubayyi 'Ali for much the same reasons in the end.

Analysis pauses at an important station, namely, the fifth congress of the Nationalist Front which was held at Madinat al-Sha'b [the people's city] in March 1973. The congress convened 4 years after the toppling of Qahtan al-Sha'bi and his cousin Faysal 'Abd al-Latif al-Sha'bi. It appeared at the time that certain political factors have emerged internally and on the pan-Arab level which were in favor of the stability of the regime. The divisions within the front seemed to have disappeared, relations with the north took a positive direction and the campaign against the "petit bourgeoisie" within the Arab regimes turned into an inconsequential and pointless one.

In the atmosphere of that temporary lull, the fifth congress voted to halt the process of building the "mass organizations" which the opposition had demanded to Qahtan al-Sha'bi. With respect to the army, which is the most important element, the legitimate status of the armed forces was firmly established and the demand for the dissolution of the armed forces, which was one of the major causes of contention between Qahtan al-Sha'bi and the leftist opposition, was finally dropped. The congress considered that the military situation was stabilized through purging the army of the officers and soldiers who supported the enemies of the regime and through promoting an ideological indoctrination of the army by means of a program of education and guidance. That and the recurrence of border wars between Aden, on the one hand, and Riyadh or San'a, on the other, created a new map of the relationships among the various powers and forces and placed the army in the heart of political activities.

It should be noted that 'Ali 'Antar, commander of the armed forces, was able through his tribal ties to establish an accord between the tribal setup and the army. The accord brought about great gains for Aden in its wars with neighbors, especially in terms of having the tribes, or some of them, join the conflicts on the side of the "Marxist" government.

On the other hand, the party apparatus--the Nationalist Front--was growing under the leadership of 'Abd al-Fattah Isma'il and was developing a radical socialist language which placed it in conflict with the security machinery. The conflict is one which distinguishes most "building-of-socialism" experiences in the non-European world. While the public role of 'Abd al-Fattah Isma'il as party theoretician and leader was growing, another role was growing silently, secretly and alarmingly, namely, that of Isma'il's ally, Muhammad Sa'id 'Abdullah, the former minister of state security better known as "Muhsin."

It seems that this is the crux of the struggle: the party and the security machinery, on one hand, and the army, on the other. The struggle assumes several manifestations. If it is true that the prime minister, 'Ali Nasir, is allied with the defense minister, 'Ali 'Antar, against 'Abd al-Fattah Isma'il who tends to be autocratic after having gotten rid of "Salimin," then we can assume that a bloc with strong tribal roots and firm ties with the army establishment is pitted against a bloc which had grown with the growth

of the bureaucracy of the modern state but which has no true roots in the society. Although he is an Arab, 'Abd al-Fattah Isma'il comes from a northern family which lives along the borders between the two Yemens. He began his political life in the trade union movement when the "working class" was indebted to 'Abdullah al-Asnaj and supported him politically. Al-Asnaj later became a leader of the "Liberation Front" which became a rival of the Nationalist Front. 'Abd al-Fattah Isma'il has not played any significant military role, and has spent the greater part of the struggle against Qahtan al-Sha'bi receiving treatment in Bulgaria.

The two men who really toppled Al-Sha'bi were Salim Rubayyi' 'Ali who led the famous uprising in his district of (Ibbin), known as the May uprising, and Muhammad 'Ali al-Haytham who controlled the junior officers hailing from his region of Duthaynah. Disagreement over the army between him and Qahtan al-Sha'bi was one of the most important factors which exploded the struggle. The two men who are said by some to have been the victims of 'Abd al-Fattah Isma'il (i.e. 'Ali and al-Haytham) share with the present prime minister, 'Ali Nasir Muhammad, and his defense minister, 'Ali 'Antar, similar backgrounds and experiences with the power structure. 'Ali 'Antar is the former leader of the military operations against the British. One of his many achievements in the struggle against them is his liberation of the Dali' region. Since December 1969, he has been the commander of the PDRY armed forces. He shares this important position with premier 'Ali Nasir who is known to have strong support within the army and who was defense minister until August 1971 when he replaced Muhammad 'Ali al-Haytham as prime minister.

It seems that the present problem started when Muhsin, the former minister of state, tried as security chief to extend his influence into the army. In doing so, he clashed with 'Ali 'Antar who wants to keep a firm and absolute grip on the army. 'Antar's resentment found response from prime minister Nasir and two other prominent ministers, Foreign Minister Muhammad Salih Mutayya' and Planning Minister 'Abd al-'Aziz 'Abd al-Wali. All three share a resentment against the excesses of Isma'il and Muhsin which have been growing at the expense of the powers of the government and the cabinet ministers.

According to very reliable information, the Soviet Union and several communist parties and elements in the Arab east offered to mediate between the two sides, but the offers were turned down on the grounds that the crisis was an "internal" matter.

On 8 August the Central Committee of the Socialist party in the PDRY held an extraordinary meeting in an attempt to deal with the internal disputes within the framework of a general reassessment of the PDRY's internal and foreign policies since the overthrow of Salimin in June 1978. It is said that 'Abd-al-Fattah Isma'il and Muhsin came under severe personal attack at the meeting--the former for his excessive inclination to disrupt the other

[extra-party] political organization and concentrate power in his own hands and his radical bureaucratic practices which alienate the people, the latter for the atmosphere of intelligence surveillance which he has spread all over the country. The opponents of Isma'il and Muhsin stressed that exaggeration in attacking the late president Salimin and persistence in emphasizing the leadership role of the party conceal certain implications and rebound one way or the other to the benefit of the Isma'il-Muhsin axis. They also attacked the practice of accusing all those who do not profess absolute allegiance to Isma'il and Muhsin of treason on the grounds that they are supporters of Salimin and opponents of the leadership role of the party.

The outcome of the meeting, which was considered to be an unstable compromise between 'Abd al-Fattah Isma'il and 'Ali Nasir, can be summed up as follows:

'Ali Nasir was able to accomplish the following:

- 1--Removal of Muhsin from the post of minister of state security and the formation of a collective committee to oversee security affairs.
- 2--Consolidation of 'Ali 'Antar's position as minister of defense.
- 3--Promotion of former minister Muhammad Salih Mutayya' to a party position which makes him directly responsible for the PDRY's diplomacy and the chief of the new foreign ministry and the promotion of former planning minister 'Abd al-'Aziz 'Abd al-Wali to a position which makes him the direct chief of all planning and development operations and the ministries related to them.

'Abd al-Fattah Isma'il, in turn, was able to accomplish the following:

- 1--A declaration by the extraordinary session affirming "the strengthening of the party's leadership role."
- 2--Appointment of Lt Col Ahmad Salim 'Ubayd, member of the Yemeni Socialist party's central committee, as director of the defense ministry's political department.
- 3--Removal of Interior Minister Salih Muslih who is known to be Salimin's last supporters in the government.

At any rate, the compromise favors Salih 'Ali Nasir. All the gains he made were at the expense of 'Abd al-Fattah Isma'il, whereas Isma'il's "gains" came within the framework of reorganization. The reaffirmation of the party's leadership role is ultimately a formal matter, while the removal of Salih Muslih under the guise of promotion within the party ranks is simply a question of settling old scores which are not part of the present power struggle. The only serious gain scored by 'Abd al-Fattah Isma'il is the appointment of Ahmad Salim 'Ubayd as director of the defense ministry's political department. It is said that 'Ali 'Antar agreed to this decision

reluctantly. The appointment may prove to be the catalyst of a future explosion in the series of the power struggle. It would not be easy for someone like 'Ali 'Antar, with his long record of struggle, his important tribal status and his membership of the political bureau of the ruling Yemeni Socialist Party, to accept, finally and decisively, ideological control of the army by a member of the central committee.

A final problem remains, namely, the problem of unity between the two Yemens which may overlap with the current struggle in Aden. About 3 months ago, an "ideological symposium" was held in Aden to discuss some problems of the Yemeni revolution. The seminar was attended by representatives from Arab communist parties and organizations as well as members of the Yemeni Socialist Party. The discussions which took place at the symposium showed that there were two conflicting opinions. One opinion contended that the question of Yemeni unity should precede the task of "building socialism" in the PDRY, the other argued the reverse case.

If we recall that the elimination of Salim Rubayyi' 'Ali in the south and the assassination of Al-Ghashmi in the north set off a bloody conflict between the north and the south, then it is noteworthy that the present compromise [in the PDRY] was accompanied by another development--the 3-day visit by 'Ali Nasir Muhammad to San'a after which a joint statement was issued by 'Ali Abdullah Salih, the president of the Yemen Arab Republic, and 'Ali Nasir Muhammad affirming that unity between the two parts of Yemen is essential and should be achieved by peaceful and democratic means. The two leaders also pledged to exert further efforts to achieve unity. While it is difficult to be certain about the existence of a connection between the power struggle in the south and the situation in the north, it is clear that 'Ali Nasir seeks to push the bilateral relations forward in the hope that he may at the right moment seek the help of the strong neighbor 'Ali Abdullah Salih against the weak Comrade 'Abd al-Fattah Isma'il.

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PEOPLE'S DEMOCRATIC REPUBLIC OF YEMEN

HEALTH SERVICE PROGRESS IN DEVELOPMENT PLAN REVIEWED

Aden 14 OCTOBER in Arabic 14 Oct 79 pp 5, 6

[Article by 'Ali Ibn Talib: "The Medical and Health Services Achieve Significant Progress"]

[EXCERPTS] When one takes a searching look at any country to gauge its progress and the correctness of its course, the first thing he would investigate would be the state of the social services which are provided by the state to the people. He would try to determine the ratio of doctors, nurses and hospital beds to the population, the ratio of school seats and teachers to the population and so forth. In other words, the enquirer would try to probe what the party has planned and what the state is providing for the citizens in the way of social services which necessarily reflect the interest being shown in developing and improving the life of the people.

Since we are celebrating today the 16th anniversary of the revolution, how can we monitor the development and expansion of the health services in our country? We will not go back too far, but it is necessary to point out that with the issuance of the Popular Clinics Law in 1973, private clinics came to an end and medical and health services became free to all in the PDRY.

In recent years, public health was not strictly associated with conventional medicine, but we began to see the emergence of various health institutions dealing with health care in the schools, health care in the professions, maternity and child care and other such areas. This in itself means greater expansion and specialization in medical and health services.

Looking at the country's health map during the 1970's, we detect visible changes in its features. Eleven new hospitals have been opened in various provinces of the republic. Of these, three are specialized hospitals--the first time any such hospitals have been established--for maternity, chest diseases and children. Moreover, a large number of health units and centers were also established in the rural and remote areas of the country.

Several hospitals and health centers will soon be completed. They include a hospital in Al-Mukalla with a capacity of 200 beds, a hospital in M-3 with a capacity of 120 beds, a new childrens hospital with a capacity of 300 beds and a hospital for mental and psychological diseases with a capacity of 300 beds, in addition to two health centers in the Yafi' area.

#### Free Treatment for Hospital Inmates and Outpatients

During the past 2 years, health services were extended for the first time to many remote and rural areas, bringing to 252 the number of health units in the villages, in addition to five mobile health units, using vehicles and camels to reach remote areas.

In the field of mother and child care, there are 29 care centers in various provinces, while 26 popular clinics offer medical and health services in the highly populated areas twice a day--in the morning and the evening, in addition to the existence of 49 dispensaries and seven popular dental clinics. The health ministry also operates an old people's home with a capacity of 26 beds. But this home still requires greater attention and care to enable it to provide more services to its inmates.

Free medical care has become a reality, and the state's expenditure on health services has increased in recent years. Suffice it to know that in 1978 the state spent 718,000 dinars to buy medical and preventive materials. In 1 year, this figure jumped to more than 1 million dinars--an increase of 45 percent.

Providing care for citizens is no longer confined to the services offered by the medical and health institutions in the country. A citizen suffering from a disease which cannot be treated locally is entitled to go abroad for treatment at government expense. In 1 year, the state expenditure on treatment outside the country increased by 33 percent. It reached 200,000 dinars this year.

#### Future of Health Services

Certainly, the health and medical services have not yet reached a fully satisfactory level, in terms of the number and kind of services offered to the citizens. But there is no doubt that those services are expanding and improving continuously.

To explore the future of health services in this country, one has to look beyond statistics and into the minds of leaders in the health ministry as well as into the files which contain the future plans of the ministry.

In an interview, brother Dr 'Awad Salim Ba-Mutarraf, the deputy minister of health, gave us a view of the ministry's plan from a new perspective. "Previously," he said, "the ministry concentrated on the treatment aspect. But after the health seminar which was held recently and after the health conference, greater attention began to be paid to the preventive aspect which has become a direct target. This attention to preventing the occurrence of diseases has become a practical reality."

Dr Ba-Mutarraf explains that preventive medicine is directed at diseases connected with the environment of the country. Statistics collected by the ministry show that those diseases, such as Malaria, bilharziasis, child diseases and diseases caused by parasites and contagion, are the major diseases in the countryside. Those environmental diseases are being focused upon because of their direct connection with the public health and because they affect a part of the work force, as the malaria does, for example.

#### Other Concerns of the Ministry

We will here let Dr Ba-Mutarraf tell us about the ministry's other interests and concerns: "In the international year of the child, we wish to emphasize the attention paid by the revolutionary government and the Ministry of Health to the health of children and their mothers. The Childrens Hospital provides medical services and treatment to the country's children, while the various maternity and child centers provide the necessary care and services to expecting mothers and children, including such services as comprehensive immunization of children against contagious diseases and providing medicines, tonics, vitamins and any other material related to the state of malnutrition which has plagued our children for many years in the past.

As a result of the industrial and productive expansion in many projects, the number of workers has risen significantly. The ministry has therefore opened a special center for medical care for professionals and equipped it with modern equipment to serve as a center for supervising the health of workers, protecting them in their places of work and treating them from occupational diseases and accidents. In this regard, the ministry coordinates its efforts with those of the Ministry of Industry and the General Federation of Workers. It is also cooperating with them in drawing up plans for setting up clinics in work centers to provide help for workers on duty. Following the return of scholarship grantees from abroad where they acquired their specialization, the center will witness further improvement and development.

In cooperation with the Ministry of Education, we also show concern for health in the schools and seek to improve the health of students in the schools and provide them with treatment and protection against contagious diseases.



We should not forget the tuberculosis plan which is considered one of the prominent health improvements in the country. We have been able to achieve major progress in treating this disease scientifically. The results thus far achieved by the project are impressive. Several branches of the project have been established in the provinces.

The plan places a special emphasis on health conditions in the island of Suqqatra where health services used to be below zero, as witnessed by the high mortality rate among children. We will try to make up for the island's previous lack of medical services by providing even better services than those being offered now.

The files of the Ministry of Health include a project which represents an important qualitative leap by the sector of medical services in the country, and for which funds have been allocated in the second five-year plan. I asked Dr Ba-Mutarraff to give us an idea about this project and its future potential. He said that the project is huge and involves first aid and first rate medical care. In addition to the state's interest in the project, the project has also attracted the interest of the World Health Organization and other international agencies, especially after the international Alma-Ata conference in the Soviet Union which had emphasized this aspect. The project will be implemented in coordination with the Ministry of Planning and cooperation with international organizations. Those will be invited to a health care conference which will be organized by the ministry in November 1979. The project aims at providing full health care to the citizens by consolidating protective and treatment medicine and making it available in all parts of the republic by means of first rate health care units. Because of the vastness of this project, health units will be able to operate in every village with a complete team including a medical aide, a health inspector, a midwife and a nurse. Naturally, the project will not be implemented in its entirety, but will begin in the remote and backward areas and continue to spread until it covers the entire republic.

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SAUDI ARABIA

REGIONALISM, FUNDAMENTALISM THREATEN REGIME

Frankfurt/Main FRANKFURTER ALLGEMEINE in German 5 Dec 79 p 1

[Article by Harald Vocke: "Saudi Arabia Is Sick "]

[Text] "A lion who commands an army of a hundred foxes wins every battle. A fox who commands an army of a hundred lions loses every battle." By such a vivid metaphor, they summarize in Arabia what they think of leadership qualities in army commanders and statesmen. Abdul Aziz Ibn Saud, the founder of Saudi Arabia, was a lion who conquered a kingdom with a handful of Bedouins. Since President Carter last winter dropped the Shah, an old ally of the West, without much ado, the Arabs see the head of state of the Western leadership-power as a fox who does not have the lion's courage for victory. After the Shah's departure from Tehran, the House of Saud also began to be uneasy. In Arabia, they have virtually lost all faith in the United States. Would, in an hour of need, America stand by the Arabian kingdom, as Carter's predecessors had promised again and again during the past few decades?

Because of its oil riches, Ibn Saud's formerly poor empire has developed into the Near East's economic superpower. Only if the West has at its disposal Saudi Arabia's oil fields, which are richer and can be exploited more rapidly than the Orient's other oil deposits, can the industrial nations cover their energy needs in the 1980's. Should Saudi Arabia drop out as oil supplier for only a few months, the consequences for the West's economy would be more decisive than the earlier oil boycott, in the winter after the 1973 Arab-Israeli October War, had been for the United States. The revolutions in Libya and Persia taught the industrial nations what unreliable oil suppliers revolutionary governments are. An overthrow in Saudi Arabia would probably mean that in the kingdom welded together by Ibn Saud, several power centers, hostile to one another, would emerge. The West Arabian Hijaz territory which, apart from the harbor town of Jiddah also encompasses the holy cities of Mecca and Medina, has little in common with the East Arabian oil territories on the Persian Gulf. In the Hijaz' towns live austere, coolly calculating merchants whose enthusiasm for the puritan piety of their East-Arabian comrade-in-arms, Ibn Saud, had never been very great.

The East Arabian tribes who are loyal to the crown, on the other hand, look down with displeasure on the activity of the people of Hijaz and of the armies of temporary foreign workers who do the major work in the oil fields. Perhaps one-fourth of Saudi Arabia's inhabitants are temporary foreign workers. The industrious itinerant workers from Yemen's mountains have traditionally been on the side of Saudi Arabia's royal house. But the Palestinians and Syrians under surveillance by the government have also achieved influence on Saudi Arabia's economy.

Saudi Arabia is sick. Its main illness is the loss of faith in the United States. Hardly less serious are the rivalries within the royal family. The tensions in the royal family were strong already under King Feisal. Feisal was murdered in 1975 by one of his nephews who had been trained in close combat by Lebanon's Palestinian partisans. After the regicide, the rumor was spread that the United States was behind the act. As nonsensical as this assertion was, it found an ear with many Saudi Arabians. King Chalid, who took over the crown from the murdered Feisal, felt too weak to risk an open power struggle with the terrorist commandos of the Palestinian partisan movement. Even after the regicide, Saudi Arabia continued its high aid payments to the Palestinian Arabs.

Since Feisal's death, the present crown prince Fahd has been the most important man in the ruling family. But in the past 4 years, America and the West European countries have in their Arab policies been betting primarily on the young minister of foreign affairs Saud ben Feisal. This son of king Feisal studied in the United States and he is negotiating in English. However, Saud ben Feisal is no friend of Western democracies, but flirts instead with the radical Arab countries. After the November occupation of the great mosque in Mecca by a few hundred rebels, Minister of Foreign Affairs Saud first offered several explanations, but then he became silent.

Saudi Arabia is an important ally of the Western World. America has delivered highly sophisticated weapons to the Saudi Arabians. But the confidence-based relationship between the oil kingdom's leading politicians and the western industrial nations has been shaken since Feisal's death. The West is lacking experts on Arabia who would be capable of strengthening once more the Saudi Arabians' confidence in the West, which has been diminished by the Persian crisis. But Saudi Arabia's ruling house can overcome the kingdom's internal crisis by itself. Why does it not elevate Crown Prince Fahd, the royal family's strongest and most experienced man, to be the sole responsible head of government? Without Fahd, the sickly King Chalid will hardly be able to save the throne for his family.

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SAUDI ARABIA

CONSCRIPTION ORDER EXPECTED SOON

Jiddah ARAB NEWS in English 13-14 Dec 79 p 2

[Text]

JEDDAH, Dec. 12 — Deputy Minister of the Interior Ibrahim Al-Awaji says that an order to introduce conscription will be issued soon.

He told *Al-Medina* that compulsory military service was a national objective, not only to create a large and advanced manpower base to defend the Kingdom, but also to develop young men. It is an educational policy, he said, intended to provide society with firm, stable and serious men.

He emphasized that the Sharia is the legal and moral basis for life in Saudi Arabia, and it is capable of preserving the security of society if people comply honestly with its laws.

He added that the medals given to security men who participated in fighting the attackers of the Holy Haram in Mecca were symbols of their work to preserve the security of the Kingdom in a time when the people of the area are passing through an unsettled and complicated situation.

Awaji said the Saudi-Iraqi agreement on Gulf security was a mark of the fraternal relations and common interests between the two countries, and that Saudi Arabia was working on other agreements with Gulf states and

other countries, based on its policy of cooperation in fighting crime.

He said the Criminal Investigation Police Bureau of the Arab Organization for Social Defense against Crime, was a shining example of cooperation between Arab countries in fighting crime. Prince Naif was an advocate of more effective cooperation, Awaji added.

Prince Naif has called for an Arab Interpol, and there was noticeable progress on the idea.

At the seventh conference for police commissioners, held in Doha in April, Saudi Arabia proposed uniting police departments and planning for security in fighting crime. There were increasing efforts in cooperation against crime, Awaji said.

The computer project at the Ministry of the Interior, he said, is a unique system in the Arab World. It will facilitate procedures for obtaining driving licenses and passports, for accuracy in counting pilgrimage figures, as well as in fighting crime. Saudi Arabians were being trained to operate, manage and maintain it, Awaji added.

The ministry will have to send about 400 people abroad to study computer science. A training

center had been established in the Kingdom, and everything is going according to schedule, he said.

The conference of Arab Ministers of the Interior, to be held in Saudi Arabia shortly, will concentrate on promoting cooperation among Arab countries in security and fighting crime. Preparations for the conference were progressing, on the instructions of Prince Naif, Awaji stressed.

With the present economic situation and the development in the country many people were coming with the intention of remaining here illegally, he said.

The government has taken the same steps as are applied in all other countries to fight the illegal presence. At the same time it gives all the help it can to those performing their religious duties. But some people take advantage of that help to stay or work here.

Campaigns for deporting illegal residents, were no more than natural and legal treatment. It was the responsibility of all citizens to help the government in applying the law, but some people hide people without residence permits or try to defend their right to stay in the Kingdom, Awaji said.

Asked about the effectiveness of campaigns, and whether the government had other ways of dealing with the matter, Awaji declared that the policy of deporting illegal residents was a firm principle of the government, but there were various methods.

The computer project would help to restrict immigrants and only to employ those with legal residence permits. The public shoulders a great burden of the responsibility toward those who come under the cover for Pilgrimage or a visit to the holy places. Most crimes are committed by these people, who feel that they are outlaws, he said.

The newspaper complained that taxi drivers disregard official prices, the Traffic Department does not care and the public has given up. What was the solution, it wondered?

Awaji replied that the ministry is taking the matter seriously. The use of taxi meters was a possible solution, and by providing public transport which cover cities thoroughly and regularly, taxis will be forced to behave better.

Yet that does not excuse traffic police from their duty of pursuing and punishing offenders, he stressed.

CSO: 4820

SAUDI ARABIA

NEW INDUSTRIAL CITY OF YANBU' DETAILED

Dedication Ceremonies

Jiddah SAUDI BUSINESS in English 30 Nov 79 pp 23-26

[Article by Jim Landers]

[Text]

Hisham Nazer walked out into the clear morning settling over the Yanbu Industrial City and looked at the fluttering green flags of Saudi Arabia, the new houses, new streets, the mosaic of planning being fitted together on an enormous scale.

" My feelings ? " he said, replying to a question. " Right now, they are the feelings of a builder, a builder who is seeing his building going up. "

Last week, when King Khaled led the dedication ceremonies for the new Yanbu, the Minister of Planning's sentiments were appropriate to thousands of men who have worked for the past five years to build an industrial colossus on the Red Sea.

They were particularly apt for the young engineers of the Royal Commission for Jubail and Yanbu, and the Yanbu team led by director general Sammy Mosly. Crown Prince Fahd, the chairman of the Royal Commission, hailed the complex as " proof that our

skilled highly educated youth can perform great achievements. "

What has been accomplished at Yanbu in the space of five years of planning and two years of construction is remarkable. King Khaled Saturday dedicated a complex that is rapidly rising above its elaborate infrastructure.

The builders began with a vast, empty tract that boasted good soil conditions and the makings of a deep-water port, but virtually nothing else. A series of tough engineering challenges were set by the planners for transforming the landscape into an integrated, petroleum-based industrial site.

Those challenges are being met.

The makings of two pipelines — one for crude oil, one for natural gas liquids (NGL) — now reach across the Kingdom from the Abqaiq and Ghawar oil fields of the Arabian Gulf coastal plain to the coral shores of the Red Sea. Eleven storage tanks, each capable of holding a million barrels of crude oil, are nearing completion at the Yanbu terminus of the oil pipeline. The big steel cylinders used

in the complex business of fractionating gas liquids into consumer fuels now march to the edge of the sea, leading to a cause way that stretches almost a kilometer out from shore. The cracking towers, beams and pipes of an oil refinery are gathering just across the mouth of a wadi from the NGL plant.

Hundreds of new houses, clustered together like subdivisions of a new town, radiate from the Yanbu headquarters of the Royal Commission.

Nine months ago, hardly any of these facilities were noticeable. Little was said in the Kingdom about Yanbu by anyone apart from the planners. The Royal Commission itself remained largely silent about developments.

Two days before the dedication took place, Mosly found time at the end of a long day to explain why.

"I'm a person who never used the words 'will' or 'shall,'" he said. "Now I'm saying something in the past tense. I built. I accomplished. Not 'I will.' And I want His Majesty King Khaled, the Crown Prince and the vice chairman of the Commission (Nazer) to have confidence that we will never say 'will.' We will instead accomplish."

Saturday, November 17 was a celebration to herald the transformation of one of Saudi Arabia's most fundamental concepts into reality. It will be another six years before all the components of the Yanbu Industrial City come together to form the functioning colossus, but the integration process is now clearly visible.

In 1985, 75,000 people will live and work in the new city. Their homes will be arranged to maximize amenities ranging from highway access to breezes from the sea. More than 8,000 people are already there.

They will work at two oil refineries, a petrochemical complex, a crude oil export terminal, an NGL fractionation plant; at schools, hospitals, mosques, an airport and three ports; at a variety of private factories producing everything from concrete walls to windows. Several factories are already open. A 60-bed hospital now under construction will start operations less than 30 weeks after its ground breaking. Saudia flights are scheduled to start in July.

"There are two basic philosophies behind Yanbu," Nazer said. "One is the economic viability of the complex. Second is the strategic aspect of Yanbu's location on the Red Sea, especially at the moment with all the problems that are taking place in the Gulf."

Virtually all of Saudi Arabia's crude oil exports now pass through the Straits of Hormuz. The Kingdom's liquefied petroleum gases and refined oil products must make the same journey to market. With Saudi Arabia supplying 20 per cent of the non-communist world's demand for crude oil imports, the need for a second outlet could hardly be more fundamental.

The East-West Crude Oil Pipeline being built by Petroline (a subsidiary of Petromin, the state petroleum and minerals agency) will begin delivering 1.85 million barrels per day (bpd) to Yanbu in 1981. Some 1.6 million bpd of that supply is earmarked for exports that will pass through Egypt's Sumed pipeline or through the Suez Canal, destined for Europe. The rest will go toward satisfying the oil needs of the Western Province, primarily for a 170,000 bpd Petromin refinery at the Yanbu Industrial City.

These amounts will be increased in the following years. Nazer said at Yanbu that the line will carry 3 million bpd, though the initial construction contract calls for a capacity of 2.45 million bpd by 1982. The line's capacity could be boosted even more, up to as much as 3.5 million bpd, through a process known as "looping," according to Petroline director general Hussein Linjawi.

For the moment, crude oil exports are the focus of the world's energy anxieties. Almost all of the facilities for refining that oil are available in the industrialized world, where the large increments gained when oil moves downstream through value-added manufacturing processes are realized.

Trends for the future, however, are already making it clear that Saudi Arabia will capture a share of that downstream process. By 1985, Yanbu is due to be the site for a 250,000 bpd refinery owned jointly by Petromin and Mobil Saudi Arabia, (a subsidiary of the Mobil Corporation). In 1990, the refinery may be twice as large, producing 500,000 bpd.

The gas arriving at Yanbu is also crucial. The liquid petroleum gases exported from Yanbu will form part of Saudi Arabia's ability in the 1980s to supply a third of the world's LPG import needs. While Aramco is supervising the \$20 billion gas collection system and NGL fractionation plants that will utilize a resource currently flared, Petromin will act as the marketing company for the final products.

One of those final products is ethane, the basic element in many petrochemical processes. Yanbu will be the site of an ethane-based petrochemical complex owned jointly by the Saudi Basic Industries Corporation (SABIC) and Mobil that, beginning in 1983, will produce 450,000 tons a year of petrochemicals.

Nazer has already said that, in order to gain access to industrial markets, Saudi Arabia and other Gulf petroleum producers have decided to link the sale of their energy with sales of petroleum's downstream products. Given the events of the last few years, the linkage may not even be necessary.

"Many people were skeptical about whether the dream of Yanbu would work," said Dr.

Ghaith Pharaon, the well-known chairman of Redec. "Recent events on the energy scene have proved that it can work."

Redec is involved in many phases of the Yanbu Industrial Complex. It is a joint-venture partner with the Ralph M. Parsons Company of California in Saudi Arabian Parsons Ltd., the management services contractor at Yanbu. Redec has a partnership with the Korean firm Daelim, which, along with the U.S. company C.E. Lummus, is the main contractor for

construction of Yanbu's NGL fractionation plant. Redec and its subsidiaries built and manage Yanbu's first modern hotel, the Yanbu Hyatt. Redec manages the cement storage system at the Yanbu commercial port, which is now handling more than 1.2 million tons a year. Redec hopes to get involved in food supplies for Yanbu through a Kingdomwide cold storage network that Pharaon vows will drop food prices in Saudi Arabia by 40 per cent in less than a year's time.

"We're here because we believe in the Kingdom's industrialization," Pharaon said. "Here we have two plentiful and cheap commodities — energy and money. You can go downstream better here because you're attached to the wellhead.

"Today we might not have our oil production after 50 or 60 years," he said. "But, if we can reduce production and stretch out the life of our oil by processing it, we may get another 200 years out of our oil."

All of this, of course, is costing Saudi Arabia huge sums of money. Infrastructure work performed by the Royal Commission at Yanbu alone will probably wind up costing \$6 billion during the first, eight-year phase. Petrolina expects to spend \$1.64 billion on the crude oil line, storage tanks and export terminal. Petromin's domestic refinery is now tagged at \$1.6 billion. The Petromin/Mobil export refinery will probably weigh in at between \$1.5 billion and \$2 billion. The Royal Commission is placing \$35 billion worth of insurance for the infrastructure alone at Yanbu and its larger sister industrial city Jubail on the Gulf.

Large as these amounts are, the ultimate success of Yanbu and Jubail over the next 25 years will make it well worth the investment.

Unlike other government agencies, the Royal Commission's budget is not



vetted through the Council of Ministers and the Ministry of Finance's elaborate budget machinery. The reason is so that the Commission can avoid delays in implementing its work.

Minister of Finance and National Economy Muhammad Aba Al-Khail, who has the unhappy task of disappointing many ministry projects, does not seem to begrudge the Royal Commission its independence. During the dedication festivities, he praised the Commission's work at Yanbu and said it had been completed at a "logical cost" rather than an "exorbitant" one.

The larger sums are yet to be spent, but that should start changing very soon as agreements are signed for permanent construction at the new city (which will eventually be home to 150,000 people) and for the big industrial plants. Some of this money, as intended from the beginning, will come from Saudi Arabia's reserves.

The wisdom of investment in Yanbu is apparent in the downstream economic viability of the complex as well as its strategic importance. Yet another consideration, however, is the goal articulated by the Commission's secretary general, Dr. Farouk Akhdar, who talks of Yanbu and Jubail as permanent manpower training centers.

Manpower development is the main goal of the government of Saudi Arabia. The Kingdom's potential work force of 750,000 to 1 million men may never adopt the grind of construction labor,

but there is an overwhelming need to train Saudis to control their own petroleum resources, from wellheads to petrochemicals. Managing these resources is so important that, for the foreseeable future at least, it is tantamount to managing the national destiny.

Foreign hands may be largely responsible for the construction at Yanbu and Jubail, but the operation of these two cities is another matter entirely. Both cities will house large manpower development centers, what Mosly describes as "a sub-city" in the case of Yanbu.

Mosly has already lectured at all of the Kingdom's universities to extoll the advantages of working in Yanbu. Professors are invited to visit the site for classroom case studies in fields like engineering, planning and administration. Every year, between 40 and 50 college students are taken on by the Commission as employees under a work-study program designed to give the students practical, on-the-job experience.

"Part of our recruitment drive is to visit the villages around Yanbu and also to go to the southwest, which is heavily populated," Mosly said. "We will show them films of this dedication ceremony, because this country has a lot of love and affection for its King. When they see the film, it will affect their emotions and encourage them to join in this challenge."

When a contingent of sheikhs from the villages around Yanbu asked Mosly what they could do to help in developing the new city, he replied: "Give me your sons."

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2 OF 2

Industrialization Is Objective

Jiddah SAUDI BUSINESS in English 30 Nov 79 p 27

[Text]

On the eve of King Khaled's arrival in Yanbu last week, Crown Prince Fahd toured the new Industrial City with officials from the Royal Commission and several ministers.

The Crown Prince, who is chairman of the Royal Commission for Jubail and Yanbu, spoke afterwards to a gathering of about 300 officials and businessmen about the importance of Yanbu to Saudi Arabia's economic development and how it represents "an example for all Saudis" of achievement.

"What I have seen today has impressed me greatly," Prince Fahd said. "This is a start toward industrialization, which is our objective, and we are striving with all of our efforts and strengths to attain this goal."

The tour included visits to several of the five permanent construction camps being built around the Royal Commission's headquarters at the Industrial City, an area designated by its distance from the old town of Yanbu as Kilo 19.

The camps were built by Saudi companies — Al Rashid Trading and Construction, Ditco Engineering and Construction, Saudi/Mod-L Construction, Arabian Polyfab/Al-Hamidi and SAPRECO.

The Crown Prince praised both the young engineers with the Royal Commission and the Saudi contractors for their work in building the permanent construction camps, which will be home for the next decade to most of the thousands of workers who will build Yanbu.

Minister of Finance and National Economy Sheikh Muhammad Aba Al-Khail agreed that the camps contained "really beautiful houses," adding that they were "executed at a logical cost which was not exorbitant."

Aba Al-Khail questioned, though, whether the houses were too luxurious for the young men who would be living in them.

Prince Fahd responded by saying that Planning Minister Sheikh Hisham Nazer had informed him that the attractiveness of the Yanbu housing was acting as an incentive in the Royal Commission's recruitment campaign among Saudi graduates.

The Crown Prince's speech focused on these young educated Saudis.

"What we see here today from the young Saudis working for the Royal Commission is an example for all Saudis," he said. "Several years ago, when I was the Minister of Education, Saudi Arabia had few schools, and at that time the number of students was only 30,000 to 35,000. Now we have six universities comprising 50,000 students and these universities are graduating every year thousands of graduates in every field."

"Here is proof that our skilled, highly educated youth can perform great achievements," he said.

Prince Fahd noted how there are now more than 800 industrial plants in Saudi Arabia, both large and small, and that they represent "a good sign for a good beginning.

"I believe that we all have a task towards fulfilling the objective of industrialization," he said. "We have all to work diligently hand in hand to fulfill this goal. I know that many Saudis do not know this reality and I want them to know what we are doing and what we have to do. This is why I told the Minister of Information (Dr. Muhammad Abdo Yamani) to produce programs and shows on television to focus on this so that the people will know what has been done, to know what has been accomplished and to know that we are doing something, that we are working hard.

"The people should also know that they have a task, a duty toward their country, to put all their strength toward the construction of the country."

Prince Fahd signalled out Nazer for praise, thanking him for providing the opportunity of his speech and applauding Saudi Arabia's planning approach to development.

"If we are successful, this is only because we follow the true path of Islam and that we are strong believers in our attachment to our religion.

"Saudi Arabia's stable plan and stable policy has also brought her respect from the world and our friends. Our relationship with the United States is based on this stable policy and plan as well."

The Crown Prince encouraged the Royal Commission and businessmen to continue their efforts at Yanbu, and added that King Khaled had asked to be informed daily of advancements and progress concerning the economic development drive.

#### NGL Fractionation Plant

Jiddah SAUDI BUSINESS in English 30 Nov 79 pp 28-29

[Text]

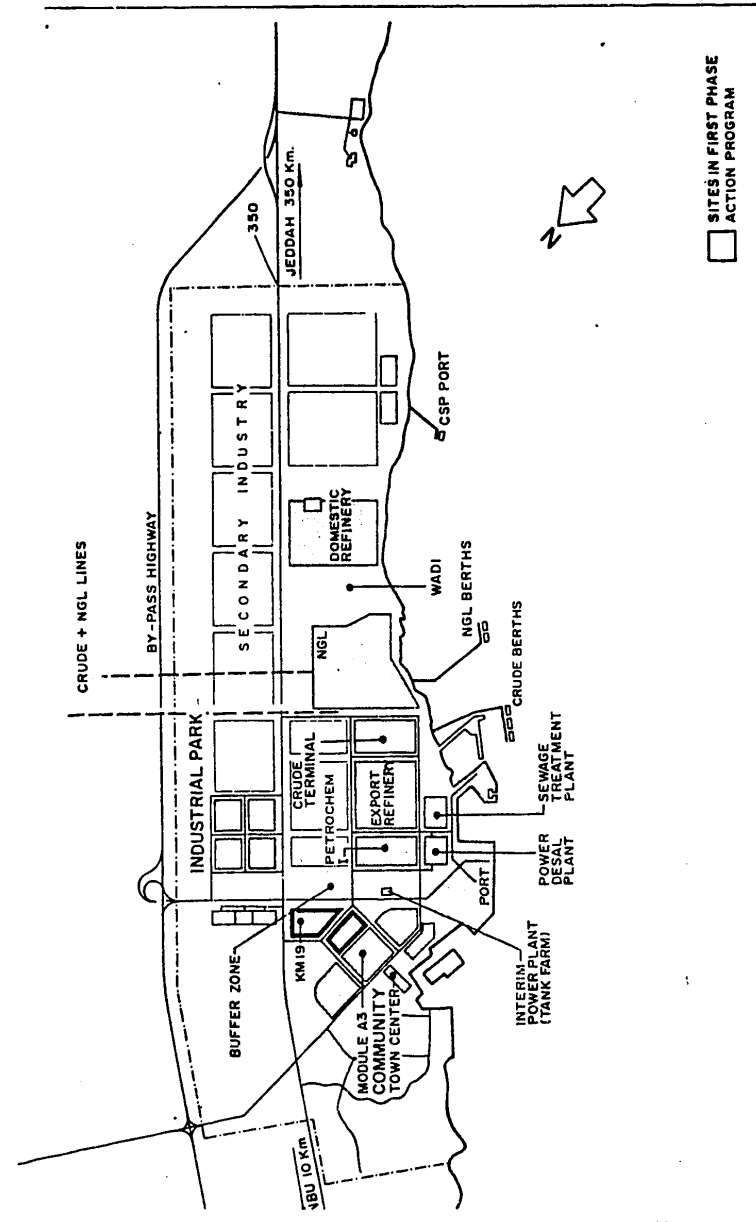
The NGL Fractionation Plant at Yanbu represents one of the next-to-last steps in the Kingdom's extensive gas-gathering system being built by Aramco for Petromin. The \$20 billion gas gathering project aims at utilizing all the natural gas produced daily with the Kingdom's oil and converting it into feedstock for petrochemical production, power for machinery, and as natural gas products for export.

At the western end of the NGL pipeline being built as part of the gas gathering project, the fractionation plant at Yanbu provides the vital task of separating the natural gas liquids into its component gases. Fractionating, which involves controlled vaporization and recondensation of the materials, is essential in order to get usable raw materials from the associated gas.

The plant, on which construction began in early 1979 and which will continue until early 1982, will receive the NGL from the pipeline and will then condense it into ethane — for fuel and later petrochemical feedstock — and then into propane, butane, isopentane and natural gasoline. Most of those products will be exported, and a special three-quarters of a kilometer long pier is being constructed along the shore at Yanbu so that specially-constructed natural gas tankers will be able to take it on board for exports.

The plant's complex also includes storage tanks for the gases — some of which have to be refrigerated before they can be stored — and related monitoring equipment. Initial capacity of the fractionation plant will be 270,000 barrels a day, but it has been planned in such a way that capacity can be increased by 50 per cent if the demand exists.

As with the rest of the gas gathering program, the NGL plant in Yanbu is being built under the overall supervision of Aramco. Fluor Arabia, with the parent company in the United States, is construction manager. A joint venture involving C.E. Lummus of the United States and Daelim of Korea is acting as main contractor.



#### NGL Pipeline

Jiddah SAUDI BUSINESS in English 30 Nov 79 p 30

[Text]

The NGL Pipeline linking the oil fields of the Eastern Province with the Yanbu Industrial City is an integral part of Saudi Arabia's decision to use associated gases in its move downstream into the petrochemical industry. The 1,160-kilometer pipeline will connect the NGL fractionation plant at Yanbu with the gas-oil separator plants at Shedgum and Uthmaniyah in the middle of the Eastern Province fields.

The pipeline, scheduled to be completed by the middle of 1981, will be able to move 270,000 barrels a day of natural gas liquids across the peninsula along its route. The 26-to 30-inch diameter line, which will run parallel to a crude oil transport pipeline also under construction, will be computer controlled, and will incorporate a number of new and sophisticated safety features.

Like the rest of the gas gathering program, it is being built by Aramco as part of what will ultimately be a \$20 billion program to keep the country's gas wealth from being wasted at flaring stations. The high-pressure pipeline will in a sense operate itself, since power to move the gas through the line will be provided by burning NGL for fuel at various power stations being constructed along its length. Incorporated throughout its length are sensors and a series of valves which will allow a control center in Dhahran to close off any portion of it in an emergency. Pipe wall thickness in Shedgum, Yanbu and at a future intermediate pump station will be increased to provide additional safety in those areas.

Main contractor for construction of the line is Saudi Arabia Techint, with the parent company based in Argentina.

#### Crude Oil Pipeline

Jiddah SAUDI BUSINESS in English 30 Nov 79 p 31

[Text]

At a cost of \$1.64 billion, the 1,207-kilometer oil pipeline — called the East West Crude Oil Pipeline — will give Saudi Arabia an outlet for Eastern Province oil on the Red Sea without the necessity for costly shipping through the Straits of Hormuz and around the Arabian Peninsula. It will terminate in a 1.85 million barrels a day terminal at the Yanbu Industrial Complex from which the oil can be loaded directly on tankers or sent to the twin oil refineries under construction as part of the Yanbu industrial program.

Construction of the pipeline, being managed by Petroline (a subsidiary of the government's Petromin organization), is due to be completed in mid-1981. The pipeline, which is 48 inches in diameter, is one of the two biggest in the

world — the other is the Alaskan pipeline — and later can be expanded to handle a total of 2.35 million barrels of crude a day. Planning Minister Sheikh Hisham Nazer said at the Yanbu dedication ceremonies that the line will carry 3 million barrels a day, an upgrading of capacity that is apparently linked to concern over the security of the Straits of Hormuz.

The line's 11 pumping stations, two pressure reduction stations and two cooling stations will string out along the rough country separating Yanbu from the Eastern Province terminus at the Gharwar and Abqiaq oilfields.

Petroline, headed by Director General Hussein Linjawi, is responsible for construction and operation of the pipeline. Design and engineering was

done by Brown and Root of Houston, and the Mobil Overseas Pipeline Company of Dallas is acting as construction manager. In addition, the pipeline is serving as a training ground for Saudis, not only in the craft of building a pipeline but in operating one once it is completed.

Saipem of Italy is main contractor for the eastern half of the line. An American-Lebanese joint venture of Sedco and CAT is building the western half.

Pump stations and turbines are being manufactured by Bingham-Willamett and the Power Systems division of United Technologies, both of the United States.



Photo by Bob Larson

Petroline director general Hussein Linjawi.

#### Petrochemical Complex

Jiddah SAUDI BUSINESS in English 30 Nov 79 p 33

[Text]

Planners at SABIC and Mobil, joint venture partners in the Petrochemical Complex at Yanbu, hope to see the giant plant begin to come on stream early in 1984, after a construction period of about three years. The plant will be fed by the NGL fractionation plant at Yanbu, which in turn is fed by the trans-peninsular NGL pipeline from the Eastern Province to the Red Sea.

Ethane, the product resulting from the first stage of the fractionation project, will be the prime feedstock for the plant, and in turn will be converted into one billion pounds a year of ethylene, the first stage in the process which leads to the development of plastics.

The plant will be divided into four sections, each with its labs, machine shops and other support facilities. The first of these will be the ethylene cracking plant, with an annual capacity of 450,000 tons per year. Some of that will be exported. The rest will flow into the three other sections of the plant for conversion into

other products. They include ethylene glycol, which will be produced at a rate of 200,000 tons per year; low-density polyethylene, to be produced at a rate of 200,000 tons per year; and high-density polyethylene, which will be produced at a rate of 90,000 tons per year. These materials will be sold individually by the two partners, first in the Kingdom and then in the United States and Europe, where planners believe annual demand for them will increase at a rate of about seven per cent a year.

Low-density polyethylene is the largest volume plastic presently produced, and it is valued for its toughness, light weight and flexibility. High-density polyethylenes are finding a growing use in the manufacture of plastic bottles and containers, since it is more rigid than its low-density cousin. Ethylene glycol is used primarily as the chemical component in the manufacture of polyester synthetic fibres, and also is used extensively in automobile anti-freeze.



#### Petromin's Domestic Refinery

Jiddah SAUDI BUSINESS in English 30 Nov 79 p 34

[Text] Petromin's \$1.6 billion domestic refinery at Yanbu is designed to help make Saudi Arabia's Western Province self-sufficient in petroleum products and fuel. Linked to Petrolina's crude oil pipeline it is planned that the refinery will begin producing 170,000 barrels a day of various fuels by late 1981, soon after the completion of the pipeline.

The refinery will be the major point for producing the gasoline, aviation fuel, marine fuel, deisel fuel and other products used in the Western Province. The refinery is being built and will be operated by Petromin. It is also designated as a training camp for Saudis who will then be able to stay and run it, or go on to key jobs in other sectors of the Kingdom's oil business.

The current needs of the Western Province have been served by tankers which have to haul crude from the east around the whole peninsula and to Jeddah for refining before it can be distributed. But the Jeddah refinery is rapidly running

out of capacity, and soon will be unable to supply the needs of Jeddah, Medina, Mecca, Jizan, Yanbu and other expanding cities in the area.

Eventually, the Yanbu refinery's volume will be increased by 250,000 barrels a day, though the mix of products for the overall amount of 420,000 barrels of oil per day has not yet been decided.

In the first phase, it is expected to supply the West with 66,000 barrels of fuel oil per day, 30,000 barrels of motor diesel fuel, 24,500 barrels of premium gasoline, 8,150 barrels of regular gasoline, 12,000 barrels of jet fuel and 2,100 barrels of liquified petroleum gas. About 20 per cent of that will be used locally, and the rest will be moved from the refinery site in the Yanbu industrial complex to distributors by pipeline, tank truck and tanker. Plans are on the board to build a 200 kilometer pipeline connecting the refinery to Medina.

Main contractor for the project is Chiyoda of Japan, which started work in Yanbu during the summer.

#### Export Refinery

Jiddah SAUDI BUSINESS in English 30 Nov 79 p 35

[Text] Yanbu's Mobil-Petromin Export refinery represents one important phase in Saudi Arabia's decision to integrate its oil industry. It will manufacture and sell the oil products — aviation fuel, gasoline, fuel oil and so on — which in the past have been the exclusive property of the major oil companies.

The \$2 billion project, in which Petromin and Mobil each have a 50 per cent interest, is to be completed in early 1985, after ground is broken for its construction late in 1981. Initially it will have the capacity of producing 250,000 barrels a day of petroleum products, and if it

proves to be successful that capacity can be expanded to 500,000 barrels a day.

Crude oil for its operations will arrive in Yanbu through the Petrolina pipeline now under construction. Fuel for its operations will be provided by the parallel NGL pipeline, which also will link Yanbu to the oilfields of the Eastern Province.

Petromin and Mobil say the daily mix of fuels produced by the refinery will meet the needs of the international markets of the late 1980s and 1990s. Of the initial 250,000 barrels daily capacity,

current plans are for production of 68,000 barrels of gasoline, 18,000 barrels of naphtha, 35,000 barrels of jet fuel, 75,000 barrels of heating oil and deisel fuel and 54,000 barrels of marine and other heavy fuel oils.

Builders of the refinery say it will be among the most sophisticated in the Middle East, with the ability to change the amount of each fuel produced according to changing world demand for its products. Petromin and Mobil will each market its 50 per cent share of the refinery products separately. The refinery will include storage facilities and a terminal at which the fuel products can be loaded on to tankers for shipment to Europe and the United States, which are seen as the prime markets for its products.

The Foster-Wheeler company of the United States is performing an engineering study of the project.

CSO: 4820

SAUDI ARABIA

PETROCHEMICAL AGREEMENT SIGNED WITH JAPAN

Plant at Jubail

Jiddah ARAB NEWS in English 25 Nov 79 p 1

[Article by John Rossant]

RIYADH, Nov. 24— The final agreement for a 600,000 ton a year methanol plant at Jubail, a Saudi-Japanese joint venture, was signed in an early evening ceremony at the new headquarters of the Ministry of Industry and Electricity in Riyadh.

The SR 900 million plant becomes the first of Saudi Arabia's seven major petrochemical projects to reach a final, working agreement.

The agreement was signed by Dr. Ghazi Algosaihi, chairman of the Saudi Basic Industries Corporation and Minister of Industry and Electricity, and T. Nagamo, Executive Vice President of Mitsubishi Gas Chemicals and president of the Japanese Saudi Methanol Company, the Japanese consortium.

The consortium is led by Mitsubishi, which will own some 40 per cent of the plant. Other Japanese firms involved are Sumitomo Chemicals, Kyowa Gas, Mitsui-Toatsu and C. Itoh, each of which will have a five per cent equity stake. The Japanese government will hold the remaining 40 per cent through its Overseas Economic Cooperation Fund.

The final agreements on incorporation of the Saudi Japanese Methanol Company will be initialed next week in Tokyo, according to T. Suzuki, Executive Director of the CECF. Suzuki was Ambassador in Jeddah from 1974 to 1977.

In a statement following the signing, Dr. Algosaihi said that Saudi citizens "are proud to be associating with our friends in Japan; we are very impressed with advanced Japanese technology." Dr. Algosaihi also said that he looked forward to "further strengthening our relationship with Japan."

Some 80 per cent of the plant's output during the first five years will go directly to Japan for domestic and Far Eastern marketing, according to Abdul Aziz Al-Zamil, managing director of SABIC. After the first five years, the Japanese are earmarked to take more than half of the annual production.

Prices of the methanol produced at the Jubail plant will be based on the average methanol price at American plants on the Gulf coast, plus a shipping differential, according to Minoru Murofushi of C. Itoh.

The plant will use natural gas as a feedstock, although the final agreement still sets no fixed price for the gas. A decision on pricing will come at a later stage.

Ibrahim Salamah, Director General for Planning and Project Evaluation at SABIC told *Arab News* last week that final feedstock prices will not "deviate significantly from those projected in the initial feasibility studies."

Another major undecided issue is that of crude oil entitlements. Entitlements of crude oil, and in some cases natural gas liquids, are being offered by the Kingdom as incentives to foreign corporations participating in joint ventures here. No exact formula has been worked out yet, but the Japanese and the Kingdom have reached an agreement in principle over the question.

"They will get their entitlements," one SABIC official said.

Dr. Alghosaibi also said that he hoped the final agreements on the remaining petrochemical projects will be signed "in the next few months, and hopefully before the end of the year." SABIC has interim agreements with Shell Oil, Mobil, Dow, Exxon and a Celanese-Texas Eastern joint venture.

The major Japanese involvement in Jubail is destined to be the proposed 450,000 tons a year ethylene plant. No interim agreement has been signed for that project, but Dr. Alghosaibi said after the ceremony that he expected the agreement to be worked out before the end of the year.

In closing the ceremony, Nagamo of Mitsubishi said that although the methanol plant is "of modest scale" compared to the other industrial projects in the Kingdom, "we hope that it will become the firm foundation of Saudi Arabia's industrialization."

Capacity of 600,000 tons

Jiddah ARAB NEWS 25 Nov 79 p 1

[Text]

Officials at the Saudi Basic Industries Corporation were in a very good mood last week. On Saturday, the final agreement on a methanol plant in Jubail was inked by SABIC and a Japanese petrochemical consortium.

The SR 900 million plant, which will have a rated capacity of 600,000 tons a year of chemical-grade methanol when it comes onstream in late 1982, is very important to the Japanese, although it is of relatively small size compared to some of the other Saudi petrochemical projects. It is the first involvement by Japanese firms in methanol production outside of Japan.

It is also important for Saudi Arabia because it is the first of its seven major petrochemical projects to formally reach a final agreement. Although Saudi and Japanese officials were busy lauding the close commercial ties between the two nations, thoughts and comments were definitely on the remaining petrochemical projects.

"We hope," said T. Nagamo, executive president of Mitsubishi Gas Chemicals (the major partner in the Japanese

consortium), "that other joint ventures will be developed between Japan and Saudi Arabia." Nagamo was presumably referring to what is planned as Japan's major petrochemical involvement in the Kingdom — a 450,000 tons a year ethylene plant at Jubail. That project has run into some snags over Japanese fears for the already ethylene-saturated home market.

Dr. Ghazi Alghosaibi Minister of Industry and Electricity and chairman of SABIC, said Saturday that an interim agreement for the ethylene plant should be concluded next month. Japanese officials also echo his optimism.

The methanol agreement was concluded without a final pricing decision over feedstock supplies. Such a decision must come from the Kingdom's Supreme Petroleum Council, chaired by Crown Prince Fahd. Feedstock prices for all the projects, however, "should be around 40 to 50 cents per million btus" according to SABIC officials. That is roughly a quarter of American and European feedstock prices.

The Japanese, good businessmen to the last, are planning to market their 80 per cent take of the output at prices based on the average American Gulf Coast rate, plus a shipping differential. Return on equity for the methanol venture should be high, about 19 to 20 per cent, according to SABIC officials.

The methanol agreement was also concluded without a firm commitment from Saudi Arabia over crude oil entitlements. The Kingdom has held out the prospect of guaranteed crude oil supplies for foreign partners as an incentive to help SABIC and Petromin erect and operate petrochemical plants and refineries and market the output.

The idea for entitlement came at a time when Saudi Arabia was not considered a particularly viable place for setting up large petrochemical plants, due to the sizeable start-up and construction costs and the long distance from potential markets.

Things have changed. Because 70 to 80 per cent of a petrochemical plant's operating costs now go to feedstocks, the attraction of cheap methane and ethane, and their long-term — and guaranteed — availability, has given a new, profitable allure to plants in the Kingdom.

The entitlements are still a big issue, though. The Japanese, more concerned about intentions and understanding than with legalisms, have settled for an agreement in principle that crude will be forthcoming. The exact formula is awaited from the Supreme Petroleum Council.

Some American partners, notably Shell, are waiting to see it all in writing. Shell, squeezed out of Iran (which provided about 15 per cent of its world supplies) is eager to get an assured supply of Arabian crude for its stake in a massive 656,000 tons a year ethylene-based complex in Jubail.

This summer, Shell announced that the firm had requested an entitlement of 350,000 barrels a day for its share in the

project's equity. It is not known what the minimum acceptable entitlement might be for Shell, but one industry insider warns that Shell will pull out if it received only 100,000 barrels a day.

Both Shell and SABIC, however, remain optimistic and stress that they are all set to go ahead. SABIC's joint venture with Exxon, a 250,000 tons a year low-density polyethylene plant is affected by the outcome of the Shell negotiations, since it will depend on the SABIC — Shell plant for its ethylene feedstock. The SABIC-Exxon joint venture is understood to be taking a 38 per cent share in the capital costs of SABIC-Shell's \$900 million ethane cracker in return for an equal percentage of the cracker's ethylene output, so the stakes are high.

Dr. Alghosaibi said that final agreements for SABIC projects would be signed "over the next three or four months." That does not seem to be overly optimistic, and an impetus to sign has been clearly given by the methanol agreement.

SABIC officials are now talking of a January signing for their joint venture with Celanese and Texas Eastern on a second Jubail methanol plant with a 600,000 ton a year output. Final agreement on the SABIC-Dow ethylene based complex is also due for an inking "within a few months," according to SABIC officials. Dow has reportedly requested an entitlement both of crude oil and of natural gas liquids for its investment in the plant.

The petrochemical projects, when the majority of them come onstream in the mid-eighties, will become the mainstay of Saudi Arabia's heavy industrialization efforts. SABIC officials are already talking about further downstream diversification proposals as soon as construction begins in Jubail.

"These petrochemical projects," Dr. Alghosaibi told "Saudi Business," "really won't be a substitution for our oil income. But we do hope that there will be a ripple effect in the economy in terms of jobs, experience and marketing."

Dr. Alghosaibi responded to fears voiced in the West and in Japan over the prospects of Saudi Arabia flooding world markets with cheap petrochemicals. "They (petrochemical producers in the industrialized countries) are realizing that such fears are exaggerated," he said, and added that "a flooding of the market won't occur simply because our share of world production will always be small, perhaps three per cent... However, I sense that this hysteria has passed, and the discussion in the West, in the trade journals, is becoming much more sensible now."

The minister also addressed himself to fears that Saudi Arabia might tie the sale of its crude oil to that of its petrochemicals, should foreign consumers prove unwilling to buy Saudi products. "Nobody likes their products to be discriminated against by tariff barriers erected especially to exclude them from the market. This is particularly true for a country like Saudi Arabia which has been pursuing the most liberal trade policy in the world at the expense of its local industry. And our local industry has to be really competitive.

"Neither Saudi Arabia, nor any of the producers of industrial products, will look with favor upon such a development. Tying sales of oil to sales of petrochemicals is one option that is open to us, but it is one that I hope will not be made necessary; and it shall not be made necessary if our products are not discriminated against. This option has been studied, but I honestly hope that it will not be used," he said.

CSO: 4820

SAUDI ARABIA

SAUDI ARABIA'S PORT SYSTEM SURVEYED

Computerized Effort

Jiddah SAUDI BUSINESS in English 7 Dec 79 pp 19-21

[Article by Mary Jo McConahay]

[Text]

**D**r. Fayez Badr, 43, looks forward to the day when he can sit at a master terminal in the landlocked desert capital of Riyadh and direct port operations in coastal cities like Dammam, Jubail, Jeddah, Jizan and Yanbu. For the sake of efficiency, Badr would like to see all of Saudi Arabia's ports, even those planned and operated now by other agencies, under the aegis of his own single office, all computerized and all plugged in to the big board in Riyadh.

Yet installing twenty-first century apparatus in a unified port system is apparently not enough: according to Badr, even the quantum leap in port capacity which has taken place since he came into office in 1976 will not be sufficient for needs within five years. Because of the long lead time required for their specialized construction, he says, work on new facilities must start soon.

President and Chairman of the Board of the Saudi Ports Authority, Badr is known as the man who broke the transport bottleneck in Saudi Arabia's development boom by clearing its dramatically choked ports within months of his appointment. The computerization scheme, which is already underway, is perhaps the ultimate step in his design to use the latest technology to streamline operations while saving manpower, most of which is imported.

The system will cost about SR100 million to set up, with the first phase expected to come into service late next year. At that time Jeddah Islamic Port and King Abdul Aziz Port in Dammam will be computerized, with the other, smaller ports to follow. Extending the system to facilities in other areas is not as easy as it may first appear: Yanbu's port, for instance, must wait until telex service reaches the area before computer experts can proceed.

A contract for the first steps in the project has been signed with the Siemens Company of West Germany. Competition for the subsequent steps — linking all the ports into a central terminal — is expected to be fierce.

Once in place, the Ports Authority computer system will cost only about SR6 million per year, and it is expected to increase efficiency in all phases of administration, operations and maintenance. Just as important is the saving in manpower: Badr estimates the labor force at the ports can be cut by 15 per cent.

An element which is slowing operations at the ports, often cancelling the savings in time brought about by expensive mechanization, is the 100 per cent

customs inspection introduced by Riyadh in April. A port official at Jeddah dismissed the stringent inspections as "a handicap we will have to live with," but the measure is reportedly causing the first delays since the dark days of port congestion three years ago.

In a move to offset the time lost by the rule, which comes from the Ministry of the Interior and shows no sign of disappearing soon, shippers are being encouraged to replace their dry cargo containers with what has become known as the "Saudi Box." This is a 20-foot long container with four double doors, one pair to each side.

It can be handled by the equipment now being used, and would make the customs procedure quicker because the cargo could be inspected in place through the four doors instead of two, a process that usually involves unloading it.

Even before the day of total computerization, Badr can claim that productivity in the Kingdom's ports is higher than most harbors in the world.

One reason is the high degree of mechanization that has been introduced into the system; another is the policy of standardization of equipment. In some places, Badr says, authorities must contend with pressure from private companies to buy a variety of makes, a situation which does not exist here. There are only two brands of fork lifts used by the Ports Authority, for instance, one on the east coast and one on the west. Standardization reduces costs for maintenance, purchasing and requests for spare parts.

From his glass crow's nest overlooking Jeddah's port Badr can now see uncongested channels, clean quays and 33 more berths than he had three years ago. The expansion here cost \$1.2 billion; last year; throughput totalled ten million tons.

Dammam's King Abdul Aziz Port was a fishing harbor five years ago. Today it is a modern harbor with 28 berths. Dammam receives about 40 per cent of the Kingdom's cargo, and about half of that is still construction material — mostly cement and steel bars. In line with the philosophy of increasing mechanization, there is a move to eliminate offloading lighter barges outside the port area.

At Dammam and Jeddah, the Kingdom's principal windows on the sea, the visitor may see more machines than men. Streamlining and expanding the small ports, and building new ones, however, may ultimately be remembered as a primary achievement since 1976.

A case in point is the harbor at Yanbu, a town of 25,000 on the Red Sea about 350 kilometers north of Jeddah. For centuries this town of coral and wooden lattice houses served as a gateway to Mecca and Medina; 14 years ago citizens turned out proudly for the dedication of a proper two berth harbor built by Riyadh.

By the middle of this decade, however with food and construction imports booming, and the main port at Jeddah choking with traffic, Yanbu's port was woefully inadequate. An expansion program added seven more berths at a cost of SR1.2 billion to bring the port up to a yearly throughput capacity of 2.7 million tons of cargo. (The expansion project was a contract which Badr terms "expensive" and says was not signed by him.) Yanbu helped to take the pressure off Jeddah and slashed as much as SR200 a ton off the cost of 350 kilometers of overland transport.

At Badr's Yanbu Port office, one sees at a glance the future role of the new port. The room itself is big and spare, set up for efficiency rather than for the reception of guests. From the arched windows there is a view of crumbling coral buildings along the corniche, some simply old, some being hit by the bulldozer. Land prices have skyrocketed recently and these plots are more valuable to rent out than to live in. A glance in the other direction shows a huge bulk cement carrier at a specialized berth being offloaded by suction into tall silos on the docks with the material ready for delivery to construction sites at the rate of 3,700 tons a day.



Dr. Ghaith Pharaon's Saudi Research and Development Corporation (Redec) leases the cement facilities from the Ports Authority.

The revitalized Yanbu port is the story of an established harbor equipped in grand style to handle changing needs: almost all of Pharaon's cement, for instance, goes 10 kilometers south to the site of the new industrial and urban site now under construction by the Royal Commission for Jubail and Yanbu. Infrastructure costs alone here are expected to reach SR20 billion. The Royal Commission will build harbors for export of crude oil and petrochemical products at the site itself, where the sea can be dredged deep enough to receive VLCCs and other giant carriers. The Ports Authority harbor at Yanbu, however, has already begun serving as the new industrial complex's commercial port.

Across the country at Yanbu's planned sister industrial city of Jubail, the Ports Authority has built both the commercial and industrial ports, and both from scratch.

At one time 10,000 persons were working on port construction at Jubail; one Dutch company alone employed 700 persons to dredge the commercial harbor. The mammoth operation means that by the time the planned petrochemical and secondary industries are operating, Jubail's port complex will be equipped to handle 5.3 million tons of cargo a year. The commercial port, operational since the spring of last year, is not as well utilized as officials hoped: agents and companies don't know it exists, or find it more convenient to stop at Dammam, about 100 kilometers south. According to Jubail officials, the Ports Authority and Royal Commission are considering ways to encourage shippers to deliver their Jubail cargo direct.

Did Badr overbuild? Given the Kingdom's fortuitous sudden wealth and a free hand by Crown Prince Fahd, did the Ports Authority go overboard with wasteful excess capacity?

No, the president answers emphatically. On an average, ports are about 40 per cent filled during low periods, and during peaks, they are about 70 per cent full. There are times when they operate at 100 per cent capacity. Empty berths and idle equipment that may look wasteful he says, are really a security valve.

"If I want to construct power generation for a specific city with an average consumption of 10,000 megawatts, I must keep in mind the possible peak load of 20,000 megawatts," he says. "If I build at 10,000, I'll run the risk of black-outs every now and then, but if I build at 20,000, no one would tell me I have 'excess capacity'."

The same is true in ports, Badr says, which he likens to the lungs of a nation, taking in and expelling commodities like the body breathes air.

"The larger the better; the smaller, the more vulnerability. Whenever I see a port get expanded I feel a sense of security. Even if we have excess capacity, it is much better than having the economy strangled."

The critical charge of excess capacity has come from individuals in the field and industry journals such as the respectable Lloyd's Register; and taking the Kingdom as a whole, they may have some justification. Hundreds of millions of dollars were spent in rush programs to complete modern ports at Ras al Gar on the east coast and Qodeemah on the west, for instance; today the modern installations stand ghostly and idle by the sea. They were never used, and there are no plans to use them now. It should be noted that these ports were built by the Ministry of Housing, however, not by the Ports Authority, and may be more an argument for Badr's contention that all Saudi ports should be under one authority than an example of overall bad port planning.

Saudi Arabia still imports almost 90 per cent of its needs, from meat to machinery, dress fabric to building material. According to Badr, the rate of

growth of imports is now about 17 per cent and will continue the same for the next ten years. Present facilities, he says will barely meet requirements for the next five years, and since a modern harbor may take four years to build, additional facilities should be started soon. Under consideration are satellite ports at Rabegh, south of Yanbu, and at Al-Khobar, south of Dammam, both of which are small natural ports now.

Also under consideration are two specialized ports to be built 60 kilometers north and south of Jeddah. The Jeddah satellite ports idea surfaced during the months in 1976 and 1977 when ships were lined up off the Red Sea coast for two to six months at a time, waiting to enter the clogged main port; but the con-

cept was reportedly discarded when the ports were cleared. Badr, however, says the idea is very much alive with him: these would be small with efficient management and a labor force that could be "shifted," operating only during peak times.

Badr would like to see the ports pay for themselves, which he says he could make them do if fees were not set so low — SR15 per ton for all commodities besides vehicles, which have a separate sliding scale according to weight — by the government. On one hand, he says, he understands the government's concern that certain basic needs of the Saudi people be subsidized. As an economist, however, Badr says it bothers him to be charging less than half the going world rate.

#### Aim For Stability

Jiddah SAUDI BUSINESS in English 7 Dec 79 pp 22-23

[Text]

During the next Five-Year Plan the Saudi Ports Authority will concentrate on achieving the stability and security of a wide and comprehensive network of facilities.

Echoing President Dr. Fayez Badr's praise of surplus capacity, Muhammad Bakr, the director-general of ports, said "we would like to upgrade berthing facilities at the minor ports" like Wejh, Umm Lejj or Dhuba. He said the Authority would "certainly like to put in transit sheds, storage areas, utilities and telecommunications."

He was unwilling to comment on whether that meant the Authority is to go for the development of satellite ports to relieve pressure on Jeddah and Dammam, an idea that has been in the air for

some while. This year, he said, throughput at Jeddah has increased 23 per cent, Dammam slightly less.

"The most striking improvement is the over 50 per cent increase in cargo throughput in Jizan," he said. The port handled 1,097,000 freight tons between November 1978 and November 1979. There "are three berths now and seven more will be completed in two years' time".

The work at Jizan has been carried out by Dumez of France, with International Hydraulique Overseas as consultant, under a SR417 million contract that also involved dredging the once feared entrance channel. Bakr agreed, though, that the roads from Jeddah to the Asir are

still shouldering much of the burden of carrying down goods.

The question is clearly the direction of expansion. At Jeddah, Sir William Halcrow and Partners is in the final stages of supervising a SR3.71 billion contract to provide 45 berths by 1981. Construction is being carried out by Archirodon of Greece, Skanska of Sweden and Grands Travaux de Marseille International of France. Bakr indicates that growth will tail off after 1981, but "it is not true that it will stop."

Surplus capacity? Bakr simply comments that whether or not there is spare capacity depends on what types of cargo are being considered. He would give no overall figures for the cushion of normally idle facilities the authority wants to establish.

Fuad Mukhtar, the director-general of Jeddah Port, told the "Financial Times" in the spring that in the peak months last year only a little strain was felt, and at other times between 20 per cent and 40 per cent of capacity has been idle. He foresaw that overall demands would catch up with capacity, but clearly the requirements of development and rising consumer demand will dictate the volume of his business.

There is an answer to those who see acres of idle berths in a recent study for the authority carried out by Hanseatic Port System and Planco Consulting of West Germany. It concludes that without further additional facilities beyond those now under construction being built, "there will be a shortage of total port capacity" between 1981 and 1984. But opposing that, the British consultants Peat, Marwick and Mitchell have predicted a 30 per cent surplus capacity by 1982.

On top of the knotty question of over-capacity rests that of financing. Badr has predicted Saudi ports will begin to pay their way in the next decade, and for that goal to be achieved, it is plainly necessary that each port be used as fully as possible. Bakr seems to suggest that capital costs involved in Saudi Arabia's port expansion will not be passed on, but operating costs will.

He refuses to give any indication of a timetable for self-financing to be introduced, but describes it as "a long-term goal toward which we have been working very hard."

To achieve that goal the Authority, he said has reduced "expenses by eliminating uneconomic practices. We have come a long way to removing these particularly expensive operations" like lighterage, phased out at the major ports, and helicopter unloading of cement. We are also streamlining by instituting a logical sequence of operations, from ship to quay, clearing return of empty containers and so on."

Bakr draws attention to "integrated cargo handling from hold to warehouse and on to the consignee" as another mayor area of cost-cutting. The integrated system was introduced in 1977 to replace the system of using different groups of workers that the director-general of Dammam Port, Muhammad Suleiman Al-Muhanna, has described as "a nightmare." In Jeddah, according to Mukhtar, the gangs can move up to 5,000 tons and at least 1,000 tons a day from any one ship. Last November the handling contract given Philsimport of the Philippines was renewed.

The ports are now heavily subsidized both in construction and in operations. In handling, for example, Jeddah pays SR32 a deadweight ton to its contractors but charges importers only SR15, on top of which a 15 per cent rebate is offered to those who take immediate delivery (a further incentive to efficiency).

Any move toward self-financing would be more than unpopular with shippers, and might involve some lines striking Saudi Arabia from their routes. Vessels usually have to go home empty, and Badr has issued stern warnings against any rise in freight rates to the Kingdom.

At the moment more than a few lines report their Saudi traffic barely breaking even, commenting that some are only staying in the business of shipping here in order to be in a position to take advantage of easier years. They point out that two major lines who have recently added Jeddah to their routes, OCL and Scandutch, are profiting because they use

ships continuing either to the Far East from Europe or vice-versa. For lines concentrating on the Kingdom, these are not happy times.

The possible introduction of what has become known as the "Saudi Box," a four-door container that would facilitate customs inspection, has been another worry to shippers. If it is made compulsory, up to 100,000 containers will have to be replaced. Badr's office has confirmed that he has warned of its introduction. It said that preferential rates may be charged those who bring it in, but it will nonetheless be a further disincentive to make the Saudi run.

Badr refuses comment on whether or when it may be introduced. He will not speak, either, of the authority's attitude to security against contraband imports.

One area of profitability that is now closed to Saudi traders is transshipment. Seeking to revive ancestral trading habits, some Jeddah merchants have called for it to be permitted again to exploit Saudi efficiency when set against the 150-day waiting time at Hodeida last year, for example. Bakr says no.

"No transshipment will be allowed," he said. "It provides far too much of a headache in handling — offloading, unloading and loading again. We don't see any need for it. All the surrounding countries have adequate port facilities."

Transshipment is forbidden as Saudi ports are intended to serve Saudi Arabia alone, and must be harnessed to the demands of development, other officials say.

It seems the Authority plans simply to consolidate the advances of the past few years rather than to seek any new directions of movement. As a part of that consolidation, Bakr reveals that a comprehensive maritime law is being prepared by the Authority. He says it has yet to reach the Council of Ministers.

"We are working on a body of law now," he said. It "will be in line with current international codes in force elsewhere in the world. It will be a Saudi law which will be compatible with international codes."

He was not specific about the code, but shippers are hoping it will answer complaints that the Authority's regular bylaws fail to cover all contingencies; leaving no room for export of old construction equipment, for example, or not fully preventing pollution by tankers.

Saudi nationals, he added, make up 80 per cent of the Authority's staff. He indicated that contracts with Gulf Port Management Services, a British consortium, for operating Dammam, and with Gray MacKenzie in Jeddah will continue, although Badr has fiercely attacked Gray MacKenzie.

Bakr emphasizes: "We have no management contracts and you can write that down and underline it. We have instead contracts with foreign companies to provide personnel to assist in operations. But the Authority is entirely run by Saudi staff.

"Even so, we will continue to call on foreign expertise as and when it is needed. No question that foreigners will be phased out." ✕

Dammam Port

Jiddah SAUDI BUSINESS in English 7 Dec 79 p 24

[Text]

Calm settles over Dammam port in the early afternoon. A group of Korean stevedores on the quay crouch for lunch in the shadow of a berthed ship.

In the central quay of the complex, radio operators in at the top of the operations control building look down to see little of the bustle of activity that is usual at the Kingdom's second port.

Their view is panoramic: in the distance is a huge silo and rows of stacked containers; storage sheds run down the length of much of the quayside; a wide, open-sided cargo shelter half-finished lacks a roof to its steel frame; in front of the control building lie mounds of cargo.

But the port is never entirely still. A tug edges a new arrival sideways into its berth as another vessel in the roads heads into port around the long rock-block northern breakwater.

The port virtually finished expanding this year when its 38th berth became operational. "We can handle double the tonnage we are now, so there's no need" for more, says the assistant director in charge of operations, Muhammad Abdullah Zaheri.

Last year's total throughput was eight million tons. This year's is expected to be up to a million tons higher; just over seven million had been brought in by the end of October.

There is room, however, for an additional 12 berths inside the northern break-water. But they remain on the drawing boards of the port's consultants Sir Barrie White, Wolfe Baring and partners of London, who drew up the complete plan in 1973.

The 1.5 square kilometer complex had only seven berths three years ago at the peak of the now unimaginable congestion. Few of the signs of expansion and development remain. Societe Dumez of France this year won the contract to complete the expansion work mostly done by a consortium led by Philip Holzman, asphaltting roads and putting on the finishing touches.

Four years ago, around 80 per cent of Dammam's cargo was construction material. In the first three quarters of 1979 it was 54 per cent.

At the Saudi Bulk Cement Company's terminal, cement is funnelled directly from a dirty, grey ship onto cement trucks. Amid the dusty complex of pipes, the cement is also directly bagged. A masked Korean holds open bags to catch the funnelled spray of cement before dropping them through a chute to join a growing pile. Redec owns similar terminal. Between them they can handle 4,000 tons a day, according to Zaheri.

Other facilities include four container terminals and three berths with sloping concrete ramps for Ro-Ro vessels, although Zaheri said some Ro-Ros unload side on to normal berths.

Last month 186 vessels unloaded at Dammam, according to port figures. Peak months take up to 250, but this was average or just below. One hundred and five of the ships were general freighters. The next major categories were container ships, with 32, auto-carriers with 14, and Ro-Ros, with 9. With only handfuls of monthly visitors were bulk and bagged cement ships and bulk grain and livestock carriers. Only four passenger ships visited in the first three quarters of the year, delivering 170 people.

Around 40 per cent of the port's cargo is now containerized, Zaheri says. The terminals can handle around 9,000 containers a month. One is leased from the port by an Alireza company and largely used by Sealand. The other three are leased and run by the Hansa line and used by other shippers.

Dammam port is entirely built on reclaimed land. It began 30 years ago with a framed-steel jetty built by Aramco for its imports. Unloading was onto barges which would transport the cargo to the jetty: the use of barges has now virtually ended, although it was common up to the final expansion in the last few years.

Aramco now uses the leased port of Juaymah five kilometers away. It left Dammam to help ease congestion, but Zaheri says it is being encouraged to use Jubail.

Dammam port is connected to dry land with a long causeway in part lined with warehouses. A small fishing port is tucked away behind the port complex, protected from the waters of the Gulf by the southern breakwater.

Fast turnover, sometimes clearing ships in under a day, has been ensured by a streamlined, centrally-organized flow of cargo. The Saudi Ports Authority has long put order into the uncoordinated anarchy which used to exist between shippers, agents, contracted unloaders, the authorities, and private warehouses before a cargo reached its finally consignee.

Under a subsidized system, the port is responsible for everything. Stevedores from three companies, Sakos, ICC and BCO, now work directly for the port, receiving SR33 for each ton handled, whereas consignees pay only SR 15 a ton.

The whole process "is under our complete control," said one of the port's managers from Gulf Port Management Services, which runs the port under contract.

Last month, the port brought 8,289 cars and vehicles to the Kingdom. It also brought in nearly 90,000 tons of food and 28,000 tons of consumer goods, as well as 57,000 tons of other goods. It is responsible for handling over a third of the Kingdom's imports.

Plans exist for a new Ministry of Commerce Quality control center at the port. Managers are now actively studying proposals for a new computerized operations system further to organize and speed the flow of ships. It would be particularly useful in coordinating advance bookings to schedule preparations for the arriving ships.

But the port, which employs around 7,000 people directly or through contractors, is largely a finished functioning operation. The afternoon quiet is deceptive. ✕

CSO: 4820

SAUDI ARABIA

SIX JOINT GULF VENTURES UNDER STUDY

Jiddah ARAB NEWS in English 26 Nov 79 p 2

[Text] The Gulf Organization for Industrial Consultancy in Doha is considering setting up six ventures by the entire Gulf, Minister of Industry and Electricity, Dr Ghazi Alghosaibi said Sunday.

He said that coordination among Gulf countries in all fields had become a tangible reality and was getting deeper and deeper every day. He told the Qatari news agency that there were several bilateral, trilateral and quadrilateral joint industrial ventures now under discussion by the countries of the area, an example of close industrial cooperation among Gulf states.

He went on to say that the Kingdom was carefully following up industrial activities in the Gulf and coordinating with Gulf officials to avoid any duplication or needless competition.

He said that the difference in the industrial sphere between the Second Five-year Plan and the Third was that the necessary infrastructure for industry will have been completed and that the present industrial zones will have been developed with improved services, for the establishment of new factories and plants with integrated services.

He added that industrial zones in Jubail and Yanbu will also have been completed, ready for private industry. He said that Saudi Arabian industry will improve in both quantity and quality and that the number of plants will increase from 1,000 now to 1,500 by 1985.

CSO: 4820

SAUDI ARABIA

HEJAZ RAILWAY FEASIBILITY STUDY WILL BE EXAMINED

Jiddah ARAB NEWS in English 3 Dec 79 p 4

[Text]

JEDDAH, Dec. 2 — A committee is to meet in Riyadh Monday to examine consultants' reports on the feasibility of rebuilding the Hejaz Railway.

SPA reported Sunday that a technical committee will then submit the studies to the Tripartite Committee for the Reconstruction of the Hejaz Railway, made up of the ministers of communications of Saudi Arabia, Jordan and Syria. They will consider reports on the economic, technical and financial aspects of rebuilding the line.

Dr. Mohieddin Kayyal, deputy minister of communications for transport, said that the technical committee will meet for three days. It will also set a date for the ministers to meet. Kayyal will sit on the technical committee, as will Jordanian Deputy Minister of Communications Hisham Taher, Syrian Deputy Minister of Communications Amin Barzagal, and Dr. Nasser Silloum, Saudi Arabia's deputy minister for roads in the Ministry of Communications.

The Hejaz railway once linked Medina with the Ottoman Turkish system and thence to Europe. Opened by the Sublime Porte in 1908, it cost 8 million in gold. Trains only ran until 1914 carrying pilgrims, though, as the line

was destroyed by the Arab armies with T.E. Lawrence during the Revolt. Passengers and freight are now carried from Damascus to southern Jordan through Amman, with a spur extending from Maan to Aqaba. Attempts to recommission the line down to Medina were made intermittently from the 1950s, but the 1967 War shelved them until recently.

Kayyal has already said that the project, which will involve rebuilding 1,300 kilometers of track, may cost \$ 500 million. Improving the Damascus to Amman section alone would cost \$ 150 million.

The Jordanian Minister of transport, Ali Al-Suhaiman, said in an interview with *Arab News* earlier this year that depending on the consultants' report, the target date for commissioning the line will be 1988. The line would be relaid in standard-gauge track rather than the original narrow gauge.

Suhaiman described that project as a "huge undertaking," but one with "incalculable" benefits to the three countries. It would help stabilize freight charges and relieve pressure on ports and road haulage. Construction and operating costs, he said, will be shared equally by the three governments.

CSO: 4820



SAUDI ARABIA

DAMMAN SULFURIC ACID PLANT ON STREAM SOON

Jiddah ARAB NEWS in English 17 Dec 79 p 3

[Text]

DAMMAM, Dec. 16 — With world demand for sulfur products on the increase, the Saudi Arabian Fertilizer Company is bringing to completion its new sulfuric acid plant in Damman.

The new plant, built for SR35 million, will increase SAFCO's sulfuric acid production capacity from 50 to 300 tons a day.

The new installation, designed and built as a turnkey contract by the British firm Sim-Chem, will come on stream in about 45 days.

SAFCO has already exceeded its 1979 goal of producing 265 thousand tons of urea fertilizer by about 30,000 tons. It manufactures sulfur as a byproduct of the complex chemical process which turns unsweetened natural gas into urea brilles out of ammonia and carbon dioxide at high pressures.

Sulfuric acid, to produce 50 tons of which requires 20 tons of raw sulfur, finds its principal domestic use in the desalination plants at Alkhobar and Jeddah, where the acid is used to stabilize salts in the brine.

Apart from industrial applications, sulfur finds uses in fields as diverse as pharmaceuticals and phosphate fertilizers.

With 95 per cent of its urea earmarked for export, principally to the markets of the Indian sub-continent and China, SAFCO will enjoy a breathing spell during which it will be able to supply the foreign market with some of the additional sulfuric acid. But expansion of Saudi Arabia's own desalination projects will eventually require all that SAFCO can produce.

Sulfur prices have shot up over the past two years: From \$ 25 to \$ 110 a ton in non-producing areas. In the expectation that prices and demand will remain firm at least until 1983, SAFCO last September proposed to Petromin a joint cost-and-profit-sharing program which calls for Petromin to supply 4,000 tons of molten sulfur daily to SAFCO to turn into exportable solid sulfur, at one of three Petromin sites; Berri, Shedgum, or Uthmaniya.

The proposal, price at \$ 45 million, is expected to pay for itself and show a profit in the first two years of operations.

Petromin has already agreed to guarantee SAFCO a supply of 1,000 tons of sulfur a day; the bulk of the project is now the subject of consultations between the Ministry of Industry and Electricity, to which SAFCO is responsible, and the Ministry of Petroleum and Minerals Resources.

The cost of sulfur, which has helped to stimulate local production, may be prohibitive for its use as a road-building substance in Saudi Arabia.

Studies at the Research Center of the University of Petroleum and Minerals at Dhahran are designed to assess the suitability of a sulfur-asphalt mixture to metal the Kingdom's highways.

The project director, Dr. Waddah Akili, contests the assumption that the price of sulfur makes its use in road-building not feasible.

"Asphalt, which now costs about \$ 120 a ton has tripled in cost in the last four years," he says. "In two to five years, sulfur may be only about a quarter as expensive as asphalt. After the second phase of the Shedum natural gas liquifaction project is completed in 1983, the Kingdom will be producing 5,000 tons of sulfur a day. I have estimated, very roughly, that if 20 per cent of the roads to be built during the next Five Year Plan are done with a sulfur-asphalt mixture, the Kingdom might save as much as SR500 million."

Although the question of whether is debatable, there seems to be little doubt that a sulfur-asphalt mixture is a good construction product. Akili asserts that road thickness may be reduced by 30 per cent and aggregates like sand which is compatible with the mixture can be used if sulfur-asphalt is adopted in road construction.

Research into such uses of sulfur has been conducted in Canada,

the world's chief supplier of the material, where at the beginning of the 1970s a glut threatened to develop in Alberta.

The current world shortage of sulfur is owing, in part, to recent severe weather in Canada and the cut in Iranian gas supplies to the Soviet Union which, in a chain-reaction, affected sulfur production in Poland.

Until 1982, when the \$ 300 million fertilizer plant being constructed in Jubail by the Saudi Basic Industries Corporation and Taiwan Fertilizer Company is scheduled for completion, SAFCO, will remain the Kingdom's only urea-fertilizer factory. The Jubail plant will more than double production capacity, adding 1,600 tons daily to the 1,000 tons of urea that SAFCO is capable of producing. These two installations will bring Saudi Arabia's Eastern Province into line with the other major producers in the Gulf: Qatar, Kuwait, Iran, and Iraq.

Iraq, with two new plants in production and a capacity of 4,600 tons per day, is the biggest exporter of urea in the area.

CSO: 4820

SAUDI ARABIA

HASA PROJECT HAS COST SR550M

Jiddah ARAB NEWS in English 24 Nov 79 p 2

[Text] The Hasa irrigation and drainage project has so far cost SR550 million, Muhammad Abdullah Abu Batin, director general of the project, says.

The project serves 52,000 farms with a total area of 11,000 hectares. It uses water from 32 springs, including those of Haql Umm Al-Sabe, Khudoud, Hara, Jobrat, Jawahariyya and Fawarah.

The farm land is watered by 1,525 kilometers of concrete canals which were designed in a terraced form to facilitate the flow of water. Dates, vegetables, animal feed, citrus fruits and the Hasa rice strain are produced.

Abu Batin said the drainage system ensures that subterranean water does not rise high enough to cause swamps and prevent the cultivation of fruits and vegetables. With this in mind three main drainage plants were built to get rid of surplus water by evaporation. They are connected to smaller drainage canals with a total length of 1,500 kilometers.

Engineers are carrying out studies for recycling waste water in irrigation. Results have so far been encouraging.

The government has allocated SR35 million for clearing 3,000 kilometers of private drainage canals of weed for the farmers, in addition to clearing 1,500 kilometers of canals belonging to the authority.

Abu Batin said that soon 16,000 square meters of swamps will be reclaimed and 275,000 square meters of roads will be levelled and compacted. During the same period, estimated at a month, 90,000 kilometers of private drainage canals will be cleared.

The Hasa Irrigation and Drainage Authority is also carrying out experiments with the cooperation of Nationalist Chinese experts on developing new and improved strains of rice in 100 experimental farms. Farmers are given advice free.

The Ministry of Communications this year agreed to asphalt 248 kilometers in the agricultural project.

CSO: 4820

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UNITED ARAB EMIRATES

NEW LEGISLATION CLARIFIES FEDERAL, LOCAL JURISDICTION OVER GULF COMPANIES

Kuwait AL-SIYASAH in Arabic 21 Nov 79 p 1

[Article: "UAE Federal Justice Ministry Issues an Official Decree About Gulf Companies"]

[Text] The UAE Ministry of Justice, Islamic Affairs and Religious Trusts in Abu Dhabi has issued a legislative decree defining the federal and emirate position with respect to the constitutional, legislative and executive powers and jurisdictions in the matter of Gulf companies. Here is the full text of the official federal decree signed by the deputy justice minister and dated 4 November 1979.

"We hope that it is fully known that Chapter 7 of the UAE provisional constitution is devoted to elucidating the distribution of legislative, executive and international jurisdictions between the federation and the emirates. Article 120 of the constitution specifies those matters which are the sole jurisdiction of the federation to legislate and execute, while Article 121 of the constitution clarifies those matters which are the sole jurisdiction of the federation to legislate only. Among those matters included in the latter article is legislation pertaining to commercial dealings and companies.

"The foregoing means that with respect to companies, the federation has the right to legislate only, not execute, which is left to the emirates concerned. However, since to date there has been no federal legislation pertaining to commercial dealings and companies, and since Article 149 of the constitution provides that except for the rulings of Article 121 the emirates are permitted to pass legislation needed to regulate the matters explained in the above-mentioned article without violating the rulings of Article 151 of the constitution, then the emirate concerned--in the absence of federal legislation--may issue local legislation regulating the general guidelines pertaining to corporate matters. At the same time, it can establish joint stock companies according to local law, including all the guidelines and rulings pertaining to this company.

"As for the authority to oversee and supervise the joint stock companies, as long as the company is established within the territorial boundaries of an emirate, then the local emirate authorities shall be the ones to have jurisdiction in supervising and overseeing the company which was established, doing so according to local laws in effect in this matter.

"It should be noted that there is nothing legally prohibiting the establishment of joint stock companies subordinate to the federation. In this case the federal authorities will have jurisdiction in everything pertaining to the establishment, overseeing and supervision of these companies, and they shall be founded by federal law at that time."

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UNITED ARAB EMIRATES

'AL-WAHDAAH' COMPARES AL-SADAT TO SHAH OF IRAN

Abu Dhabi AL-WAHDAAH in Arabic 12 Nov 79 p 4

[Editorial]

[Text] The deposed shah's present situation could be a model for another shah who is still ruling with the same might and violence with which the deposed shah ruled, and who has the same fortune that the Shah accumulated, estimated at more than \$7 billion.

The example of the sick or malingering shah is not strange or unique; perhaps al-Sadat has many aspects similar to the deposed shah.

He is an American policeman in the region, just like the shah, and he is a tool of domestic oppression just as his fugitive friend was.

Al-Sadat is robbing the Egyptian people, just as the shah did, and he is saving up for his black day. The head of the Egyptian government remains in power through America's patronage and protection, just like the sick shah.

The correspondence between the two "friends," the ruling shah in Egypt and the malingering shah in America, leaves no room for doubt that the ruling shah will meet the same fate as his fugitive friend.

American power was unable to prevent the flight of the shah, and his stolen wealth was unable to protect him on his black day. The despotic measures which he had practiced against his people are still an affliction following him from one country to another.

There are many similarities between the ruling shah of Egypt and the deposed shah of Iran, and the end result will be the same.

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WESTERN SAHARA

POSSIBLE EFFECTS OF U.S. MILITARY AID TO MOROCCO EXPLORED

Paris DEMAIN L'AFRIQUE in French 5 Nov 79 pp 32-33

[Article by Mireille Duteil: "Point of No Return: Washington Is Running the Risk of Starting the Fire"]

[Text] The long line of Land Rovers of the Saharan guerrillas vanishes into the immense wilderness of the Saharan desert. It leaves behind it Mahbes, garrison town of the Western Sahara located 110 Km from Tindouf which, up to that time, had never been attacked by the combatants of the POLISARIO Front. Today, Mahbes is nothing more than a ghost town littered with the bodies of Moroccan soldiers withering away in the sun. The POLISARIO Front, as usual, has carried away its dead and wounded.

For several days, beginning on 17 October, thousands of Saharans faced up to the Moroccan five infantry companies and the squadron of armored vehicles which were defending the former Spanish fort. In short order, the Moroccan air force came to their assistance. That was not enough. Mahbes fell, after fierce fighting, the victim of its isolation--the reinforcements requested by the Moroccan garrison had not reached their destination--the greater firepower of the Saharan guerrillas and their mobility.

After the two battles of Bir Enzaram (in the Sahara) and Lebourate (in Morocco), last August, the attack on Smara, the Saharan holy city, on 6 October, then the attack on Mahbes a week later demonstrate that the guerrilla warfare of the desert sands has really changed in nature. The POLISARIO Front has now been able to establish "sanctuaries" inside the very borders of the Sahara. Both the human and military resources used and the convoys of 100 Land Rovers cutting furrows through the desert with complete impunity are proof thereof. Another kind of war has begun which still has not been named.

Another important stage was reached on 21 October. It will perhaps change the face of the Sahara conflict. On that day, after a weekend of reflection, the U.S. president, Jimmy Carter, decided to sell military materials to Morocco, particularly the airplanes which Rabat had been requesting for nearly

2 years, for the antiguerrilla fight. Although the U.S. Congress is not opposed to this--and there does not seem to be any uneasiness on this score in Washington--in about 50 days, the U.S. administration could take action to begin sending across the Atlantic to Morocco the 20 OV10 observation planes and the dozen combat helicopters, accompanied by the required specialist. These antitank, armored helicopters of the Cobra type, some of which are equipped with tow guided missiles, could prove to be of redoubtable effectiveness in the Sahara.

The American decision had the effect of a bomb and was not made until after discussions in the White House. "The maintenance of the status quo and the policy of neutrality followed previously was de facto anti-Moroccan, in light of the situation in the field," it was explained in Washington.

In fact, even though this American decision marks a new step by the United States in their commitment to the Sherifian monarchy, even in their Saharan policy, such commitment goes back more than 6 months. Officially, the turning point was reached following the attack against Tan-Tan last January by the Saharan guerrillas. At the time, Washington stated that attacks by the POLISARIO Front within the internationally recognized borders of Morocco changed the main elements of the problem. And the U.S. administration closed its eyes to the use of U.S. military materials in the Sahara, including F 5 fighter planes. The United States also gave the green light to the Italian company, Augusta Bell, so that it could sell Morocco helicopters manufactured under an American license which would be used in the Sahara.

Of course, the White House is now linking the sale of airplanes to an agreement by King Hassan II to a reopening of negotiations on the future of the Sahara. But the American administration took great care not to mention by name representatives of the POLISARIO Front as being partners with whom the pourparlers should be opened. Therefore, one does not have to be a genius to guess that these recommendations will remain a dead letter. As for the second argument advanced by Washington to permit King Hassan II to negotiate from a position of strength, it is absolutely not convincing. "The key question is to know whether one can encourage an ally to negotiate by making him stronger or by allowing him to remain weak," The New York TIMES asked recently.

Above and beyond these arguments, other reasons weighed very heavily in the decision made by Washington. They are of three kinds.

Because of its moderation, particularly in the Middle East affair where it has often played the role of intermediary between Egyptians and Israelis, Morocco continues to be a traditional ally of the United States on this question.



Military support at the decisive moment, after Egyptian President Anwar Sadat had decided at the beginning of September to send his arms, could only incite Hassan II to reexamine an attitude which, last spring, caused him to condemn the Camp David accords.

What is more, the conflict between the Sahara and Morocco involves a region which is strategically important for the West, between the Atlantic and the Mediterranean. As important as the shah's Iran was in the Persian Gulf. Washington is also concerned over the consequences a war of attrition might have for the Alaouite throne. Some officers are inclined to believe that the king's moderation is holding back a military victory in the Sahara and could because of this be harboring the thought of taking action, according to information from American services reaching Washington. Consequently, there can be no question of the United States' abandoning its only ally in the region. All the more so because for some in the American administration abandoning Morocco after having abandoned the shah would be an additional confession of U.S. weakness and the small credence one can accord to Washington's friendship.

It is this risk of "destabilization" of the Sherifian monarchy, which the POLISARIO Front predicts will be inevitable if the war continues, that forced the United States to support Morocco and to cause it to regain its vigor in the field. However, by the same token, Washington is playing with fire. "Open" U.S. support for Rabat threatens to incite Libya and, behind it, the Soviet Union to raise the ante in the arms sector. "This more direct commitment of arms suppliers on all sides could increase the risk of internationalization of the conflict," a Western diplomat said. On 25 October, at the United Nations, in New York, Ibrahim Hakim, minister of foreign affairs of the POLISARIO Front, reported this risk, while in Algeria, on the same day, a statement by the Politburo of the Algerian National Liberation Front (FLN) offered the opinion that "the initiative of the U.S. administration can only tend to prolong and intensify a war of oppression and territorial conquest, to compromise the possibility of seeking a peaceful solution and to aggravate the threats weighing upon the peace and security of the region."

In fact, it seems that for Washington the possibility of a future escalation represents a rather minimal risk. Similarly, the Americans do not think their attitude could deeply affect their relations with Algeria, which have continued to improve since 1975 both in the commercial and political sectors. "Why has France, which is selling Morocco the arms used in the Sahara, succeeded in improving its relations with Algeria?" is the ingenuous question being asked on the American side.

It is true that in this problem of the Sahara commercial interests, diplomatic positions taken and sales of military materials up until that time had been placed at quite different levels. Moscow, like Washington, is linked to Rabat and Algiers by important commercial ties. Algerian natural gas and

Moroccan phosphates are routed respectively to the United States and the Soviet Union. In the diplomatic sector, the two superpowers are officially maintaining a position of neutrality. A neutrality which, like that displayed by France, has never fooled anyone. France, like the United States, recently stated that it had gone back to the decisions of the last OAU summit in Monrovia which came out in favor of self-determination of the Saharan peoples. However, in the field these past 6 months, deliveries of French and military materials are giving another image to neutrality. Thus, before summer, a dozen French Mirage F-1's, out of a firm order of 25 airplanes, arrived in Morocco. At the beginning of September, at the time of the battle of Smara, F-1's were used in the Sahara for the first time.

Parallely, on the basis of military cooperation agreements now 20 years old, Washington and Paris are engaged in the undertaking of reorganizing the Moroccan army and have furnished it with advisers. In this regard, Paris is stressing the fact that although the Ministry of Defense is sending a good 100 advisers to Rabat, 30 French military personnel are also serving as advisers in the Algerian army. But above and beyond this cooperation, are such advisers present in the Sahara? No, is the answer from Paris and Washington. However, according to Mohamed Ali Ould Sidi el-Bachir, deputy from Smara in the Rabat parliament who has just rejoined the ranks of the POLISARIO Front, American and French missions reportedly have spent several days on many occasions in El-Aaiun, the capital of Western Sahara since the beginning of 1979.

In fact, although deliveries of American or French military materials cannot change the situation in the field, they can be a serious handicap for the columns of the POLISARIO Front, like the intervention of French Jaguars in Mauritania at the beginning of 1978. Such deliveries also bring the Moroccan sovereign the fresh breath of air which will permit him to calm his army. At least momentarily. But, at the same time, the dispatch of a French airborne company--that is 150 men--to Mouadhibou, second largest Mauritanian city located on the Tiris-El-Gharbia border now annexed to Morocco, marks the strict limits which France serving notice on Morocco not to exceed.

We can hope that one day this French and American support for Rabat, this official "neutrality," will be used to push Morocco toward the negotiations table with the POLISARIO Front, otherwise the war in the Sahara could degenerate into a Maghrebian conflict.

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