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7 May 1979

TRANSLATIONS ON NEAR EAST AND NORTH AFRICA
(FOUO 19/79)

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INTER-ARAB AFFAIRS

ARAB ENERGY STRATEGY LAUNCHED

London THE MIDDLE EAST in English Apr 79 pp 100,102

[Text]

The First Arab Energy Conference, held in Abu Dhabi in March, ended with a call for a pan-Arab energy committee to co-ordinate energy development for the benefit of both oil-exporting and oil-importing states. But many topics were discussed at the conference without getting a mention in the resolutions. Naomi Sakr sent this report from Abu Dhabi.

Spokesmen for the developing countries frequently point out that they lack a co-ordinating institution equivalent to the Organisation for Economic Co-operation and Development which represents 24 countries of the industrialised world. Not only is there no developing-country equivalent to the OECD itself, but there is none either for the various agencies which have sprouted from it - notably the International Energy Agency (IEA), which sprang up on a US initiative in the wake of the Opec oil price increases and the Arab oil embargo of 1973-74.

Five years ago, perhaps, the need for an IEA for the developing countries was not immediately obvious. The concepts of energy conservation and emergency oil-sharing seemed to have little relevance for non-industrialised countries that were either oil exporters or consumers of energy on a very small scale.

Those outside the IEA resented its being called "international" when it clearly

represented only the interests of the biggest and richest energy consumers, but they appeared to be taking little or no joint action to set up an alternative "international" agency of their own.

The First Arab Energy Conference, held in Abu Dhabi from 4 to 8 March, may thus have come as something of a surprise to observers inside and outside the Arab world. The conference was admittedly not international in the full sense, but in bringing together a group of oil-importing, self-sufficient and oil-exporting countries it did represent a significant step towards promoting regional energy co-operation outside the industrialised world. And, in recommending the establishment of a pan-Arab energy council, linked to both the Arab Fund for Economic and Social Development (AFESD) and the Organisation of Arab Petroleum Exporting Countries (Oapec), it also went some way towards institutionalising that co-operation.

Although the idea of the conference was first conceived at an Oapec meeting in 1973, its eventual timing could hardly have been more appropriate. Indeed, the turmoil raging in the world oil market with the resumption of Iranian oil exports on new terms after a 10-week suspension may even have suggested that it was an emergency reaction to shortages, fluctuating prices and fears of hardship on the part of the poorest non-oil Arab states. But at least the extreme circumstances managed to draw a large attendance and highlight the importance of the subject being discussed.

In fact the turmoil in the oil industry seemed to reach a peak just as the conference opened. Libya has just increased its prices by another \$1.20 a barrel and there were rumours that Algeria might raise its prices by 15-25% from 1 April. This was in addition to increased premiums and surcharges already announced by other Arab oil exporters such as Kuwait, Qatar

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and the UAE. Questions were also being asked as to whether Saudi Arabia would continue to allow the oil companies to lift an extra 1mn barrels a day after the end of March.

At the same time relations with the oil companies were growing strained, with mounting allegations that they were taking advantage of the crisis to raise prices beyond anything imposed on them by the oil-producing states. UAE Oil Minister Mana Bin Said Otaiba revealed something of the tension in his opening address to the Energy Conference, when he referred to the possibility of blacklisting guilty companies.

Oil concerns were not the only source of anxiety to conference participants, however. There was also the surprise announcement that US President Carter was about to visit the Middle East, with all that this implied in terms of an imminent Egyptian-Israeli peace treaty that would activate the resolutions relating to the boycott of Egypt taken at the November Arab summit meeting in Baghdad.

The economic and political factors affecting the Arab world during the first two weeks of March were consequently unusual and this fact no doubt contributed to attracting so many ministers and top oil officials to Abu Dhabi. The only conspicuous absentees over the four and a half days were the oil ministers of Saudi Arabia, Algeria, Egypt and Iraq.

But, despite the unusual circumstances, day-to-day affairs were not allowed to dominate the talks. Opec and AFESD had between them managed to prevent this by preparing some four tons of conference documentation dealing

with the fundamental aspects of a long-term Arab energy strategy and it was these fundamentals which made the conference what it was.

First and foremost, then, the conference was not a forum for discussing current oil prices. Price fixing is universally recognised to be an Opec prerogative and delegates in Abu Dhabi were well aware that Opec ministers would be meeting in Geneva barely three weeks later, on 28 March.

Certainly the issues of pricing had to be raised, in so far as oil prices are linked to the profitability of alternative sources of energy and form a crucial element in any comprehensive energy plan. There were even some sharp exchanges on this subject between Arab delegates and Western representatives who had been invited to put their point of view.

Pierre Desprairies, Chairman of the Board of the Institut Francais du Petrole, conceded, for example, that oil price increases were desirable so long as they encouraged investment in nuclear energy and coal and he endorsed the idea of increases at regular intervals. But when he warned that such increases should not be so great as to disturb what he called "the fragile economic balance of most industrialised countries" and suggested aiming for an oil price of \$22-30 a barrel (at 1979 prices) by the year 2000, his proposals were not very well received.

On the whole, however, pricing did not prove to be a controversial issue among the Arab states themselves. Their basic approach seemed to be summed up in a paper presented by the United Nations Economic Commission for Western Asia (ECWA)

which stated that, since the frequently forecast oil shortages of the 1980s might fail to materialise, and real oil prices might fall, oil producers should prepare for this contingency by adopting a common pricing and production strategy that would "exert a positive influence" on the development of higher-cost additional resources.

Higher oil costs, of course, although accepted, are not necessarily welcomed by every Arab state and there was some intensive lobbying by Arab oil consumers at the start of the conference for special treatment in meeting their oil bills. Here again, however, as with the issue of short-term oil price fixing, the "special treatment" request represented a diversion that the majority of delegates refused to follow.

The idea of creating some form of facility for financing oil imports, such as that operated by Opec for a very brief period between 1974 and 1975, found a predictably ready response from delegates representing Mauritania, Somalia, Jordan, the Yemens and Sudan.

Sudanese Energy Minister Sherif al-Tohami confirmed to *The Middle East* that Sudan had been so severely hit by rising oil prices that it was having to divert precious funds away from development to paying oil bills. The Islamic Development Bank was helping Sudan to pay for the purchase of petroleum products from Kuwait, he said.

Iran had discussed the pricing problem with other non-oil states and "would be agreeable to any formula for a subsidy or oil facility that would be acceptable to all sides."

Sudanese President Nimeiri had already asked for an Arab meeting to discuss such a for-

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mula, Tohami said, but "the response had not been prompt".

The coolness of the oil-surplus states towards the notion of setting up yet another fund or facility was clearly felt at the energy conference.

Delegates from two key contributors to any oil facility - Saudi Arabia and Kuwait - were unenthusiastic and were anyway unable to take decisions on the spot. Moreover, Qatar's representative to Opec, Ali Jaidah, told *The Middle East* that the institutions to deal with the importers' payment problems (such as the Opec Special Fund) had already been set up.

Another proposal, put before the participants by the Syrian delegation, was also briefly noted but not followed up. This concerned the creation of a joint power grid linking a number of Arab states, including Saudi Arabia, Kuwait, Jordan, Syria and Lebanon, with each other and possibly Turkey as well.

Such a grid, it was pointed out, could be based on nuclear power, with the advantage that the central nuclear power plant could be sited in a desert area and still serve those small, densely-populated countries, such as Jordan, Lebanon and Kuwait, which dare not build nuclear plants of their own.

One slight obstacle to a regional network, mentioned by ECWA consultant Edith Penrose in her paper on energy institutions in the Arab world, is the fact that the power supply installed by US companies in Saudi Arabia operates according to specifications different from those used in neighbouring states. One Syrian delegate hinted privately that this discrepancy could well have been a deliberate move on the part of the US companies.

No one questioned on this topic felt the obstacle to be

particularly formidable, since Saudi Arabia is in need of considerable additional capacity, especially in rural areas, and this could be designed to co-ordinate with other states. But it seems to have been decided that the technical aspects of such a project rendered it unsuitable for immediate consideration, and the proposal did not feature in the conclusions submitted at the end.

As it happened, these conference conclusions, embodied in a 10-page document circulated during the final session on 8 March, could well have been written months before the conference was even convened.

After a preamble in which attention is drawn to the need to monitor IEA policies and, at the same time, to document and rationalise energy consumption in the Arab world, the "concluding statement" goes on to recommend the establishment of an "institutional framework at the national and pan-Arab levels".

At the national level this would mean setting up, or strengthening, central energy committees in each Arab country, charged with overseeing consumption and development of energy from all sources.

At the pan-Arab level the recommendation is for a joint Arab Energy Committee, composed of a geographically representative group of energy specialists and financed by Oapec and the AFESD, which would co-ordinate and promote research and prepare for future Arab Energy Conferences. These conferences are to take place every three years, with the next one to be held in Doha, Qatar, in March 1982.

The drafting of such bland recommendations clearly did not require the week-long

participation of some 300 delegates and guests or the submission of 24 scholarly papers, in addition to country-by-country reports.

Indeed, those who did not attend the conference and who have only the concluding statement to judge it by may even ask themselves why the event was held at all. Fortunately for these people the academic contributions, covering everything from international energy policies and their impact on Arab states to the lifespan of Arab oil reserves and the "social cost" of oil revenues, will be published by Oapec.

In the meantime, it can only be pointed out that when you put government officials and intellectuals, economists and engineers all together in one room for day after day of plenary discussions, you are bound to find yourself unable to summarise the result in 10 pages of typescript.

This method of conducting the meeting, with almost all discussion taking place in full conference rather than in small, specialised working groups, caused some frustration among those who felt that their particular problems were being ignored.

"It's an Arab conference in a European suit," commented a member of the Egyptian delegation, who felt that talk of energy conservation in relation to a society where water is still pumped and land ploughed by animal power was rather missing the point. "Ministers and intellectuals both felt they had to do their own thing," explained a development assistance expert. "The ministers felt they had to be passing policy resolutions and the intellectuals simply wanted to explore the policy options available."

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In many ways it is that intellectual exploration which will probably prove to have been most valuable in the long run. Much attention was paid during the final sessions, for example, to the need for Arab countries to contribute to international nuclear energy research, instead of remaining passive recipients of nuclear technology.

It was recognised that no Arab country has yet achieved nuclear fuel cycle capability and that one step towards this would be the joint establishment of a small power reactor. So far only research reactors have been built.

A project such as this could provide a motivation and an outlet for the research efforts of the many gifted Arab scientists who are now working at universities in the West. If the ministerial decisions taken in Abu Dhabi can result in channelling Arab technical abilities into Arab development, then the innovative mix of participants at the First Arab Energy Conference will have been no bad thing. □

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INTER-ARAB AFFAIRS

EDWARD SA'ID, PALESTINE NATIONAL COUNCIL MEMBER, INTERVIEWED

London THE MIDDLE EAST in English Apr 79 pp 65-68

[Interview with Edward Sa'id, Palestine National Council member and Columbia University professor, by Mark Bruzonsky, date and place not given]

[Text] "Are we a national independence movement or are we a national liberation movement?" Columbia University Professor and Palestine National Council member Edward W. Said asked in this candid discussion with Forum Editor Mark Bruzonsky. "We're at the juncture where we have to make a decision." Said was born in Jerusalem, raised in Egypt, and educated in the United States. He is one of four American academics of Palestinian origin whose names cropped up last year as possible representatives of the Palestinians who would be acceptable to the United States. His new book "Orientalism" is being widely discussed in intellectual circles. (THE MIDDLE EAST Books Section features a review of "Orientalism" next month.)

Bruzonsky: Were there any significant decisions at the recent Damascus PNC meeting? Why didn't you go?

Said: I was ill, but I followed the reports as best I could. What came out of note was the programme of national unity that was adopted. I'm not sure that PNCs are where great developments are decided.

□ There were many expectations and talk of a government-in-exile before the meeting.

○ It was more an internal meeting and didn't strike me as one of the more interesting ones. I think the 1974 and 1977 meetings were more crucial. One has the impression that there hasn't been much advance in Palestinian politics since Camp David.

□ Ideologically you mean?

○ In all ways. A lot of people say that the Baghdad summit was crucial. It was important as a forum for inter-Arab discussions. But I've felt since September that what is

needed is a very clear enunciation of a Palestinian political process around which people can organise and work and significant advances can be made.

Obviously, we need a clearer programme for progress toward peace - forthright statements of a two-state solution and some indication of how this might come about, beyond slogans like "armed struggle", "continuing the struggle" and so forth which we all know. The question is how do you advance the political process to your advantage given the world in which we live, a post-Camp David world.

□ Are you suggesting the Palestinian movement ought to discuss how two states can co-exist in Palestine with the ideological struggle and the struggle over historical interpretation continuing, but the violent, the military, struggle ending?

○ Partly that. I'm not talking about a

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declaration of peace, but about political realisation of the fact that the armed struggle that was enunciated back in 1969 is not the principal programme of the Palestinians. Now, what is the political programme? I don't have an answer.

I'm simply talking about the need to open a space for debate in the Palestinian community. There's a lot of surreptitious discussion that we need to talk to the US, to reform our ties with Jordan, to do something to get the Syrians off our back.

I want this debate to take place in forums that will make it possible for these things to happen – not just an occasional journalistic leak like Arafat's talking to Anthony Lewis and then the whole thing being dropped next time somebody comes around. I want it to be embodied in Palestinian political activity.

□ **Are you indirectly criticising Arafat's leadership of the PLO?**

○ No, no. I think that in the present circumstances he's the only person who could lead the PLO. He is the figure who represents the Palestinians' fate today. And I think that he now needs the support of more Palestinians like myself who believe that something more than just survival is necessary. We want to try to translate the Palestinian dispersion and fragmentation into process which will not always leave us on the fringe, attached to some other power.

□ **So what are the priorities?**

○ First, we ought to regularise and institutionalise our relations with Jordan.

□ **That's being done, isn't it?**

○ Yes, it's being done, so, in other words, hasten it. Second we should begin to address the US in a serious way.

□ **Meaning what?**

○ Meaning that, if we believe the US has interests in the area and that we stand as an adversary with regard to these, then we should address the US politically.

□ **You mean show the US how a Palestinian state could be in the interests of the US?**

○ Precisely. Not only in the interests of the US but in the interests of peace. We should demonstrate that peace is in the interest of everybody who has interests in the area.

□ **Then all you have to do is to let the Carter Administration know you'll accept 242 with reservations.**

○ But that's not necessarily the way we perceive it. That's precisely what I'm trying

to say. If we reject 242 with a reservation what alternative do we present? So far there's no alternative, and I can't outline the specific steps because then I'll have problems.

□ **So, back to the priorities. The first is Jordan and the second America. Are there more?**

○ Certainly our relations with the leading Arab countries. It seems to me that some redefinition of our relations with Egypt, Saudi Arabia, Iraq and Syria should be in the offing. I'm not saying that there necessarily has to be a dramatic change – that all of a sudden we embrace Sadat. I'm talking about making our position clear.

□ **But aren't you continuing to beg the question of what that new clear policy should be?**

○ Well, I myself am confused. I'm not clear just what our positions on these questions are. I don't think many Palestinians are. Are we a national independence movement or a national liberation movement? In a certain way we're claiming to be both. We're at the juncture where we have to make a decision. The period of indecision between one alternative and the other is pretty much at an end. And I would rather it was taken by us than in some sense imposed upon us.

□ **Many people think not much will happen until 1981, after the American presidential election.**

○ Well, I'm not so sure about that. I think Carter's staked an awful lot on this. Some kind of dramatic move toward peace – as defined by the US – may be in the offing.

□ **Do you think this dramatic move may be something the Palestinian movement could co-operate with?**

○ Well, no, I'm worried that, on the contrary, it will leave the Palestinian movement even further out.

□ **And you're worried that Arabs other than Sadat will co-operate with the Americans?**

○ Yes, of course, it's perfectly possible that eventually the Jordanians might move in and that some Palestinians might be found on the West Bank and Gaza to co-operate.

□ **What would be the reaction within the Palestinian community if the PLO leadership chose to be a "national movement" instead of a "liberation movement" as you've suggested and agreed to recognise Israel in exchange for an independent Palestinian state?**

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○ I think if it came about within the context of moving the Palestinians out of the present morass, and if it were politically prepared for then I think it would gain much acceptance.

□ Even at the grass-roots level from people living in the area, in the camps?

○ Yes, by political preparation. What I would accept as a Palestinian is not "take it or leave it, this is a package deal". But if it appeared as part of a re-examination of the whole Palestinian case and if the whole question of Palestinian rights is discussed in the context of peace, then I think it would be acceptable.

If it was possible to see this two-state solution in the context of a wider discussion of the fate of those Palestinians let's say in Lebanon who are not from the West Bank ... How are their national rights to be addressed, their lost property, their national identity, their repatriation? Then there's the fate of the Palestinians inside Israel.

So if the overture towards peace was made in the context of addressing all of the issues in detail, then I think it would be willingly accepted. But if it's always seen in the context of solving the Palestinian problem once and for all by confining all Palestinians on the West Bank in a state dominated by Israel, then nobody will buy it.

□ You personally believe all those problems can be solved and still allow for a viable Israel state somewhere within the 1967 boundaries professing to Zionist ideology in a moderate and non-expansionist form?

○ You're putting words in my mouth. There is a Zionist state. There is an Israel. I think we have to credit most Palestinians with seeing that there is a state and a society.

We're not talking about a collection of people who can just be sent away tomorrow. I also give us credit for seeing that state and our state in the area reaching some kind of *modus vivendi*.

When you say Zionist ideology, for me Zionist ideology denies the existence of a Palestinian people. If there's some recognition that there is a genuine Palestinian national identity which has a right to exist in the land of Palestine - which would also mean that for the first time Zionism would have made an

accommodation to this - then it would be a quite different thing from the Zionism of today.

□ Would you agree with what Abul-iyad said in Eric Rouleau's new book that when the Palestinians get their state the military struggle will end?

○ Yes, I would basically agree.

□ Isn't this really a three-state solution?

○ You mean with Jordan. Yes. Demographically the Hashemite Kingdom is part of this Palestinian entity.

□ So an historic accommodation to let the King live as long as ...

○ Now that I really can't say. I mean, frankly, I don't see any simple solution to the question of Palestinian nationalism versus Hashemite nationalism at this point. They do seem to me to be in conflict. Let's say historically in conflict.

□ You talk of resolving your relations with the Israelis, why can't you resolve them with Amman?

○ There is overlap between the two, with both making claims to the same constituency. This is quite different from Israel and a Palestinian state.

□ At Bir Zeit University a few months ago the students seemed very vehement that reconciliation with Jordan could only be possible without the monarchy.

○ I think most Palestinians feel that if there is ever a live Palestinian political entity it will in the end be a challenge to the monarchy. Most Palestinians understand that a choice has to be made between the monarchy and Arafat. What I'm talking about is an engagement between opposing positions in which, in the end, the just position will prevail.

□ What does that mean? I thought we were talking about a two-state and maybe a three-state compromise where the Palestinians will in reality if not ideologically give up their claim to 70 per cent of what used to be Palestine ...

○ I didn't say they would give up their claim. I said the claim would be addressed.

□ But you may never get that chance if you don't convince enough people ...

○ It's not about convincing. I'm saying that we have a political position which is basically very powerful, very potent. It is a position

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we have not yet used, which would force the Israelis and the Americans, who have for years gotten along by ignoring us, to engage with us. We have to make ourselves irresistible. And I don't mean attractive. I mean that we have to be dealt with as Dayan recently intimated. It was a trial balloon. We have to be able to make more statements of that kind happen.

And the way you do that is not just to make remarks, but to fight politically for a programme. And the programme is clearly a state whose lines are x, y, and z and whose provisions are a, b and c...

□ So you are saying that for the time-being you need to play the political game to get a state. You are assuming a tactical rather than an overall strategic, long-term posture.

○ No. It's a definite political goal. We have to stake our political activities on goals and aims for which we are responsible. These can't be left floating and vague indefinitely. And if that means that we want a state - one with clear contours and a known constituency which also engages the whole problem of Palestinian national rights in Israel, etc - then we should adapt ourselves to that goal.

□ Why don't you play the autonomy game - elect an autonomy council to act as a Palestine state and ask for UN observer status, and let world opinion come to its defence every time the Israelis clamp down on it?

○ Well, because the autonomy game has rules weighted in favour of the Israelis and the Egyptians, those parties who have devised it. It certainly is not weighted in favour of the Palestinians! There is a kind of vetoing authority invested in a joint Egyptian, Israeli, Jordanian and Palestinian authority.

So the Egyptians and the Israelis have a direct interest in the functioning of autonomy - as do the Jordanians and the Israelis. Palestinian autonomy becomes a function of all sorts of other autonomies. That kind of game is precisely designed never to let me achieve anything resembling my real political goal - independence.

□ You are an American citizen, and I assume you watch Carter as closely as any of us. How do you evaluate him?

○ I thought that his early statements were very encouraging and unusual. But what

impresses me as time goes by is the total blank where the Palestinians are concerned. One can understand that in an abstract way he wants peace and justice. But any understanding by the Administration that the Palestinians are a functioning, political society with their history, culture, and tradition, and their particular predicament is lacking.

□ Don't you think this is more Sadat's fault than Carter's?

○ I don't know. Sadat represents a certain kind of thinking, which is to accommodate what seems to be the American perception of things. And he's willing to play along, in his own interests, with this view.

Saying it's Sadat's fault is too simple. It's obviously co-operation between the two in what seems a mutually satisfactory vision of things. But it is totally out of touch with reality as is obvious to even a detached observer.

□ But you earlier implied that you're still hopeful about Carter.

○ Well, I'm optimistic in the sense that I believe in the end common sense prevails. Certainly it seems to me that, given what's happened in Iran and what's happening throughout the Arab world and Asia, arrangements where we rely upon rulers who seem to give satisfaction will change.

□ Sometimes you speak as an American and sometimes as a Palestinian.

○ I'm both.

□ There's a school of thought which sees Palestinian interests linked up to Soviet interests.

○ Look. I can't speak for other Palestinians, just for people like myself. I grew up essentially in the West. And there's no question that historically and culturally our ties are more intimate, more strongly linked with the West.

□ And politically and economically?

○ Well, for me - and I stress just for me - those are abstractions. I can understand and I feel a kind of sympathy with the left. I consider myself a man of the left. But that does not necessarily mean Bolshevism for me.

I have yet to see a satisfactory translation of European Marxism into Arab or Third World terms. That hasn't come about yet. There is no successful Marxist organisation. There have been attempts - noble, valiant, heroic attempts, the Egyptian Communist party and so forth - but...

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As for political and economic interests it's certainly not lost on any Palestinian that the Soviet Union originally supported partition, that the Soviet Union supports 242, does not support all our programs, and does not come to our aid, for example in the invasion of the south of Lebanon last March.

□ You recently forecast another "wave of Middle East instability" and said that the US could have prevented it. What do you have in mind?

○ It would seem to me that US reliance on Sadat and regimes like this - which in the final analysis are going to take harsher measures against the opposition, will polarise the society more sharply. The results will probably be more oppression and a greater outburst at the end. A lot of that, it seems to me is due to the strengthening of Sadat's hand with arms and political support.

□ What choice does a status quo power have? There's Jordan, Egypt and Saudi Arabia. You can't hedge your bets and support these regimes at the same time.

○ No you can't, if you continue to consider everything as essentially bilateral: the US and Egypt, the US and Saudi Arabia, and so on - and so consciously promote conflict between states in order to safe-guard your position as mediator. But there's no reason why that automatically need be the way to proceed.

□ You're suggesting a regional view?

○ Yes, a regional, a realistic focus. When you don't deal with the PLO, when you don't deal with the Baathists, you're not making these things go away.

□ Do you believe the Palestinian movement could act badly and fail to get anything?

○ Yes, absolutely. You know I would like to say history's on our side, but history's littered with "just" causes that have died by the wayside. It isn't enough to have a just cause. And it is perfectly possible that an over-extended Israeli state, including the West Bank and maybe the East Bank too, will fail. But that by no means guarantees that we as Palestinians will benefit from this fall. I don't believe in historical determinism. I don't believe that justice will prevail...

□ Or peace?

○ Absolutely. I believe you have to mobilise for a political goal that you feel committed

to end which in the end will prevail if it is a common view. It's a political process which involves constant conflict and organisation.

□ Why do you think Sadat decided to do the opposite of what he has been instructing his Foreign Ministry people to do?

○ He does seem to be a rather strange combination of Messianism and erratic qualities. At one point in his autobiography he says, "I'm Egypt", or something like that. He sees himself on a very large canvas, but his political past is essentially a small one.

To anyone who followed the revolution Sadat was not one of the great figures. He doesn't have a dramatic sense. He's a figure who remained in the background and was content to swim along in the currents created by Arab nationalism and Abdel-Nasser.

It seems to me that he has suffered a too rapid transition from the small figure to the large figure, and that the erratic quality is a sense of disorientation. He's dealing in a world, and I'm talking about the West now, in which he's not accustomed to be patient and follow things through.

He's a fundamentally lonely man from everything I've been able to gather - as are most leaders like that. It doesn't seem to me that he listens very much.

□ But he does have a large part of the Egyptian people, if not looking to him as the only leader the country has, at least acquiescing in his policy.

○ What's the achievement in that?

□ Well, it is not as if he's running a totally repressive state like the Shah was. He really does have a base of support.

○ But I think it's possible to see Egypt going the way of Iran. It seems that the apparatus and the functionaries of government are losing touch with the political, economic, social and even cultural reality of the base. I think Sadat's carried along more by this apparatus than by the people. And I think the danger of isolation is increasing.

□ What will be the effect on Egypt if Carter does succeed in pushing Sadat into a treaty with Israel?

○ From the very beginning when he went to Jerusalem I've felt that Sadat frequently doesn't know what he's getting into. And he only finds out later. When his Jerusalem

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trip was announced I felt surprise and a sort of combination of admiration and disgust at the theatrical quality of the gesture.

I also felt that he didn't really know what he was doing. Had he studied and found out a bit more about Begin and about the political arena which he was entering he wouldn't have done it.

□ Ceausescu told him Begin was a reasonable man.

○ Is that the way a head of state behaves? He should have tried to understand in more detail what he was dealing with.

□ Do you think that in two or three months we could find Sadat changing course again?

○ Totally. Anything.

□ You haven't said anything about Sadat's relationship with Carter.

○ I don't understand that. I don't understand Carter's personal relationship with anybody. That to me is a cypher. Carter, whatever else he is, is not a fool. He is dealing with constituencies and not in a political vacuum. The idea that the US is politically and economically in a position to restart a Marshall Plan on the scale that Sadat wants, as it did in Europe after World War II, is insanity! But Sadat obviously wanted to hear that.

□ What do you make of the Syrian-Iraqi rapprochement?

○ It's terribly important. It's a dramatic event. But we need to see where it's going.

□ Wouldn't the Saudis be anxious about a lasting Syrian-Iraqi unity which might also bring Jordan, Lebanon and maybe a new Palestinian state into some kind of federation?

○ From one point of view yes and from another no. The more these countries invest in stability and the apparatus of government the better it is for the Saudis.

□ Is the Saudi schism with the US serious?

○ Well, the Saudis are insisting that it is. Certainly that's the message they've been trying to get across. On the other hand the

Saudis need the US economically and probably militarily. The Saudis get more political capital in the rest of the Arab world by not lying down and taking this, by showing that they're still interested in Jerusalem and in Palestinian rights.

□ Why aren't the Palestinian community and the Arab community preparing for 1981?

○ They don't know anything about it! There is no intellectual institution, academic institution, even commercial institution in the Arab world today which considers itself responsible for the study of the US.

This is what I meant also by the need for serious Palestinian efforts. When they want to reject 242, it takes the Palestinians at the Central Council three minutes to say "no". But when they want to discuss differences between the rejection front and Fateh, it takes nine hours. There's something wrong here.

You're dealing with a country which is political reality in the region - the US. It's part of the political leaders' responsibility to know something about this country.

The Arab world has become a consumer market and they think it's all a matter of consumerism. If you wear blue jeans and drink Coke and watch the Rockford Files you understand America.

□ But the Arab American community has various organisations and intellectuals. Why aren't you providing what the Jews are providing for Israel?

○ We're trying to. But we're a community very divided politically. And it's a community with very short roots in the society. Most Arabs in this country don't participate in the life of the American republic.

And above all, in my opinion, it's a functionally illiterate community. The people are mostly technicians, culturally very distant from the real workings of the US and they have no more understanding of how the society works than do the Arab societies from which they come. □

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EGYPT

SUPPRESSION OF POLITICAL PARTIES ESCALATES

Paris AL-WATAN AL-'ARABI in Arabic 9-15 Feb 79 pp 24-25

[Article: "Escalating Suppression on the Pretext of Strengthening Democracy"]

[Text] Is it now the Moslem Brotherhood's turn? This is being asked by political observers in Cairo in view of the indications that President al-Sadat is beginning to feel uneasy over the Moslem Brotherhood leaders' reticence to endorse his policies publicly and in view of the anti-Camp David sermons being given in the mosques not under the control of the Ministry of Religious Trusts. It is reported that President al-Sadat has warned the Moslem Brotherhood leaders that he will not stand for political "duality" and has reminded them that their political activity is not protected by an [irrevocable] license.

This development comes in the wake of a raid by Egyptian officials on the National Progressive Unity Party's headquarters on 18 January, in which the party's typewriters--and even the ditto machine used for internal communications--were confiscated. Political observers were apprehensive that this strong measure might soon lead to a freezing of the party's activities or to bringing its case before the Committee on Parties in preparation of dissolving it.

This escalation, aimed at crippling the leftist Egyptian party, raises questions about the future fate of political developments in Egypt. Observers are convinced that no one, in or out of Egypt, can predict with certainty that stability will last beyond 3 to 6 months. This assessment is based on an analysis of the most recent past.

In the first half of 1979, Egyptian political parties included:

The Egyptian Party, which held an absolute majority in the People's Assembly, and which, in the words of its chairman, Mamduh Salim, looked up to Al-Sadat as its spiritual father and leader. This party has espoused the principle of democratic socialism and led the movement toward internationalism;

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The Socialist Liberal Party whose chairman, Mustafa Murad, was appointed opposition leader by President al-Sadat;

The Coalition Party which, despite recent attacks against it, was preparing to hold its first national convention in February of this year;

Al-Wafd Party, which was born with great difficulty and which represents an alliance of Egypt's traditional political elements--elements who favor the new open economic system, middle-of-the-roaders, unions, and a variety of elements loyal to the al-Wafd party since its inception following the 1919 revolution;

The National Front which, under the leadership of D. Mahmud Qadi and Muntaz Nassar, attempted to elect 20 representatives to the People's Assembly in order to gain legal recognition;

The Muslim Brotherhood who were "almost" free to carry out their political and social activities and to issue their own publications but were not licensed legally.

In the second half of 1978, following the passage of the so-called National Unity Law, the political blueprint began to change perceptibly.

The Egyptian Party came under extremely heavy attack by the so-called national newspapers. It was accused of inability to meet the challenge of the opposition in the political arena. It was soon, and melodramatically, put to rest, after having reigned as the "leading" or "pioneering" party. It was replaced, as is well known, by the National Democratic Party. When this latter party came into being, it claimed that it was a descendant of Mustafa Kamil's party before it became connected with the 23 June revolution.

The Socialist Liberal Party began to come apart when some of its representatives were "abducted"--we use the term deliberately--by the Egyptian party. Furthermore, from the president's perspective, this party exaggerated the effects of the scandals and misconduct which it helped to uncover in Mamduh Salim's government.

The New Wafd Party, which preferred to dissolve following the passage of the so-called National Unity Law.

Following this, the party's leader, Fuad Siraj al-Din, became the target of a severe, personal and political attack. But the nucleus of the party's leadership remained miraculously intact, so much so that in December Al-Wafd was able to put up its candidate, Mr 'Abd al-'Aziz al-Shurabji, for election in the Lawyer's Guild campaign.

The Coalition Party, shortly after suspending its political activity in protest against the National Unity Law, resumed publication of its newspapers AL-'AHALI. But all issues but one published after the law

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was passed, were confiscated. The party was thus reduced to issuing only its internal publication, PROGRESS, produced on a ditto machine.

The National Front Party, under the leadership of D. Mahmud al-Qadi, failed to get 20 representatives elected to the People's Assembly to gain legal standing. The party, however, continued to prepare its political program.

The group of the Egyptian party's representatives which refused to join Al-Sadat's party, headed by the former minister Engineer 'Abd al-Azim Abu al-'Ata, is currently intensifying its political activity in the People's Assembly as an opposition group.

The Moslem Brotherhood continues to exercise its political activity and to argue "peacefully" against the Camp David accords. It has good relations with the government, as described by one of the group's leaders, 'Omar al-Talmasoni, who said recently: "We have no complaints against the government, except for the fact that it has not restored our legal standing."

Thus, the summer of 1978 has scarcely ended when all news of the four parties (the Egyptian Party, the Liberal Party, the Coalition, and the new Waft Party) disappeared from Al-JUMHURIYYAH, despite the fact that three of them are still legally recognized. Should mention of any of the parties become necessary, the item is relegated to the "crime section." National newspapers, similarly, mention only two political parties:

Al-Sadat's Party, which is the ruling party;

The opposition party (Socialist Action), which has been legally so designated on the condition that it conducts itself as an "honorable opposition." In the face of this "mercury-like" blueprint for future political life in Egypt, observers are attempting to learn what motivates the changes or explains the incredible lack of consistency. They are inclined to cite three obvious factors:

1. The government's insistence on signing a peace treaty with Israel;
2. The gradual evolution of an Egyptian policy that is increasingly more complementary to the American strategy;
3. The continuing economic deterioration and the suffering of the vast majority of the Egyptian masses.

The first of these considerations requires the neutralization or the stilling of any opposition to Al-Sadat's policy of arriving at a settlement with Israel. And since Al-Sadat is convinced that peace with Israel is inevitable, there is a need to prepare a new "crew" to take over the reigns--a crew that is socially and psychologically ready to cooperate with the new Israeli ally and is free of connections, immediate or remote, with the July 23 revolution.

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The second consideration makes it imperative that Al-Sadat move quickly from his claim of desiring to establish a socialist democratic government (based on a multiplicity of parties in the European tradition) to a two-party system patterned after the American system.

The third consideration, which is responsible for the rapidly deteriorating economic situation, requires that suppression measures against the opposition be escalated. This is precisely what gave rise to the "control" laws which were instituted in 1979. The aim is to administer a preventive blow, one that will abort any movement opposed to the new policy, which has sent prices spiraling at an average annual rate of 25 percent, by official government estimates. The rate is closer to 45 percent according to the opposition. In light of these considerations, the final touches are being put on a truly comprehensive policy. Keeping in mind that Egypt is a land of comedies--comedies that are more likely to call for tears, as described by the poet Abu al-Tayyib al-Mutanabbi--escalation of suppression and the imposition of total government are being perpetuated under the banner of entrenching democracy.

Observers are certain that these three elements and their interaction will lead to instability as a fundamental feature of the social and political situation. These variables are likely to produce two other results:

Further division within the government, as indicated by the resignation of three foreign ministers, the exile of numerous officials such as Mari' and Al-Gammasi, and increased opposition among the middle class to the Camp David policy;

Increased loss of government credibility before the masses. This dangerous development makes people wary of governmental promises of peace, prosperity, food security, a house for every citizen, hot water in every home, and a green revolution in every place.

The lack of credibility is another story, however, and will be considered separately.

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EGYPT

REASONS FOR DEPORTATION OF ECONOMIC UNITY COUNCIL SECRETARY ANALYZED

Paris AL-WATAN AL-'ARABI in Arabic 16-22 Feb 79 pp 26-27

[Article: "Al-Sadat Resigns from Arab Economic Unity Council"]

[Text] Reaction to the forced police deportation of Dr Fakhri al-Qadduri, on the orders of Egyptian authorities, has not died down. Dr al-Qadduri is the secretary general of the Arab League's Arab Economic Unity Council and has made his permanent residence in Cairo. The deportation action, carried out in a tactless fashion, presages an ominous change of direction--as is apparent from the press campaign to justify it--aimed at obstructing the implementation of one of the most significant accomplishments in Arab cooperation.

The Arab Economic Unity Council is the most important Arab institution working toward achieving a real complementary Arab economy, which is the cornerstone of Arab financial and economic unity. Since its creation in 1964, the council has successfully overcome a series of regional and colonial plans aimed at diluting its national character and bent on reducing it to an ineffectual tool. But what is the real story behind the vicious attack against the council by Egyptian authorities, and what is the reason for deporting the council's president, on an unwritten order supposedly related to security?

To answer this question we must return to the council's last session, No 22, in Dubai at which the secretary general gave a report dealing with a series of probable agreements between the Al-Sadat government and the Zionist entity in the event that normal diplomatic relations are established between them. Following the report, the council adopted a resolution attesting to its appreciation of the report's assessment of the dangers and complications that were bound to ensue should normal relations, including economic and commercial cooperation, be established between Egypt and the Zionist entity. The report was further applauded for outlining the danger posed to Arab economic unity agreements and the threat to the joint Arab market resolution and the Arab economic boycott of Israel. The council is said to have reaffirmed its determination to remain united in the face of this new attack.

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On a second point, the council underscored the necessity of supporting the resolutions of the Arab economic boycott offices against Israel and approved measures to safeguard the Arab economic unity agreement and the resolution of the joint Arab market.

The council called on the secretary's office and all other Arab organizations to maintain a watchful eye and to report any development that could weaken the unity agreements so that the council can remain ready to take whatever economic measures that have been agreed upon at the Baghdad Summit conference.

As might be expected, the report was not pleasing to Cairo and it used it as a justification to attempt to paralyze the council's work, convinced that the council is a stumbling stone on the path of its misdirected economic plans. Cairo paved the way for its attack by sending a secret letter from 'Ali Jamal al-Nazir, Egypt's minister of state for economic cooperation and its permanent representative to the Arab Economic Unity Council, to the council's secretary general on 13 December 1978. The text of the letter follows:

Dr Fakhri al-Qadduri,
Secretary General of the Arab Economic Unity Council:

I was informed yesterday by Mr Madhat 'Abd al-Aziz, deputy minister for Arab and African cooperation affairs, and deputy to the permanent representative to the Arab Economic Unity Council, of the content of your report at the council's regular session, no 32, which was held in the United Arab Emirates. Mr 'Abd al-Aziz related to me the discussions that took place at the meeting and described the efforts to distort the council's recommendations and to leak to Arab and foreign press agencies and broadcast stations a variety of conflicting reports aimed at inciting Arab countries against Egypt.

I am sorry to have to remind you of the secretariat's obligation to maintain strict neutrality, as stipulated in the Arab Economic Unity agreement, in order to preserve a balanced impartiality in dealing with the member countries in the council, and of the secretariat's duty not to become a political instrument.

As careful as Egypt is in supporting the council's work, it regrets, should this situation continue, that it will have to consult with other council members on ways to place necessary restrictions to maintain the strict neutrality and impartiality of the secretary's office.

The letter is signed, 'Ali Jamal al-Nazir.

The letter was accompanied by a hysterical press campaign against the council and its secretary, Dr Fakhri al-Qadduri, and by a wave of episodes calculated to make his life uncomfortable, aided by the professional Egyptian intelligence department.

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Dr Fakhri al-Qadduri hastened to respond officially by letter on 16 January 1978. The letter, which was addressed to Mr 'Ali Jamal al-Nazir, reads:

I received your letter, dated 13 December 1978, which appears to convey the impression that your excellency has become the Egyptian permanent representative to the Arab Economic Unity Council. As I congratulate you and wish you good luck, I promise to help you and all the permanent representatives at the council. I wish to express my appreciation for Egypt's former permanent representative to the council, his excellency Dr Hamid al-Sayih, and to thank him for his excellent relations with the council's secretary since I assumed the office on 1 May 1978.

Your Excellency:

You refer in your letter to distortions in the council's recommendations and indicate that various reports were leaked to Arab and foreign press agencies and broadcast stations aimed at provoking Arab countries against Egypt. I wish to inform your excellency that the council made resolutions, not recommendations, and that these resolutions were not distorted. As for the charge about provoking Arab nations against Egypt, my response is that as a loyal Arab citizen and regardless of where I happen to reside or the nature of my responsibility, I have never entertained such a thought. Furthermore, the reports that were released to the news media never had the intention described in your letter.

The major portion of the news that had been released was documented and can still be found in the official records at the secretary's office. The information released to the media objectively reflected what transpired at the council's session. The secretary's office is prepared to provide your excellency with photostatic copies of the press release made by this office should you wish to review it.

If, however, some reporters added to or modified some expressions of the release, the phenomenon is a usual occurrence in and outside the Arab world. I wish to stress to your excellency that the information I released in the form of news items and resolutions was approved according to established procedures and is documented. The verification of the press release, as was the custom at previous sessions, was carried out by his highness Al-Shaykh Sultan al-Mualla, the minister of economy and trade of the United Arab Emirates, and the council's chairman, as well as by the general secretary, following the conclusion of the council's last session on 7 December 1978. Also, according to custom, official copies of the adopted resolutions were distributed to all council members, including, of course, Egypt.

You mention in your letter that "as careful as Egypt has been in supporting the council's work, it regrets, should this situation continue, to have to consult with other council members on ways to place necessary restrictions to maintain the strict neutrality and impartiality of the secretary's office."

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While I agree with your excellency that Egypt, as well as any other member country, has the right to bring to the council's attention any procedural question relating to the secretary general or his office, I had hoped that the Egyptian delegation would raise this question during the council's last session, especially in view of the question's urgency. However, as I, too, view the question with urgency and feel that it touches on the confidence placed in me by all member nations, including Egypt, when I was elected council president, I invite you to bring the matter before the council for appropriate action. The council is, after all, the final arbiter.

In his letter, Dr Al-Qadduri goes on to invite the Egyptian minister to review the record of the 32nd session to acquaint himself with the council's position toward the accusation of partiality placed against the secretary general by the chairman of the Egyptian delegation. The charge of a lack of neutrality was aired when the secretary general included in his report to the council a section entitled "Israel and the Complementarity of the Arab Economy." The Egyptian delegation's request that this item be deleted from the report was turned down after a full discussion by the council. The entire controversial section was thus left in the secretary's report. Dr Al-Qadduri informed the Egyptian minister that the council's action clears him of the Egyptian delegation's charge.

In a related development, and in an attempt at further clarification, Sultan ibn Ahmad al-Mualla, the UAR's minister of economy and trade, and its permanent delegate to the council, sent a letter to his highness Ali Jamal al-Nazir in which he denied the charge of partiality by the council and its secretary general. These charges are the tool by which Egypt had hoped to obstruct the work of the council.

The UAR's minister of economy and trade began his letter by commenting on the Egyptian press campaign against the council and its secretary general. Here are some excerpts:

"As chairman of the aforementioned session, and anxious to put the facts before your excellency and to safeguard the positive relations, characterized by trust, that exist among all member nations on one hand and between the member nations as a group and the secretary general on the other hand, I wish to clarify to your excellency certain matters related to the council session in order to describe the situation more precisely.

"1. The council listened to all delegation chairmen on all matters placed on the agenda in a cordial and constructive spirit. All resolutions were made according to the procedures. They were verified officially and distributed to all member nations without any distortions.

"2. The secretary general conducted himself with neutrality and objectivity in expressing his viewpoints on the matters on the agenda. He was extremely careful to insure that discussions took place in a positive and constructive spirit.

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"3. I wish to assure your excellency that the delegation chairmen and the secretary general did their best to maintain a brotherly atmosphere in listening to and in debating the various viewpoints, and that the council is responsible, first and last, for its resolutions.

"I hope that my letter will help to set the record straight and to prevent any future obstacle to the work of the council, whose goal is to further and support Arab economic unity, an objective we are all careful to safeguard."

The letter was signed by Sultan ibn Ahmad al-Mualla.

Despite all these assurances, Egyptian authorities were intent on going ahead with their previously drawn plan. They thus informed Dr Al-Qadduri orally of the decision to deport him as a first step in carrying out their design, which is calculated to paralyze the council's work and to defy all Arab nations.

The problem posed by this situation requires a quick solution based on Article Seven of the council's rules of procedure. This article permits the convening of an extraordinary session upon the request of two nation members, or on the prior request of the secretary general. The purpose of such a session is to resolve the issue for which an extraordinary session is called.

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EGYPT

NEW ELITE EMERGING IN BUSINESS WORLD

Paris AL-WATAN AL-'ARABI in Arabic 16-22 Feb 79 pp 28-29

[Article: "A Portrait of Egyptian Bureaucracy"]

[Text] In Cairo a famous street goes through the center of the city. It is called Sharif Street. On this street stands one of Egypt's best known buildings--the Imobilia building. On the 10th floor of this building there is an office belonging to Al-Shams Company, one of Egypt's public housing and construction companies. On the sixth floor of the same building there is another office belonging to the same company.

The difference between the two offices is striking and serves to underscore the contrast between the ordinary Egyptian society and a new society developing alongside it, without any hope that the two will ever converge.

The elevator is full of office workers. Some are neatly dressed, indicating that they have come to work by bus; the others still carry their car keys in one hand and are busily adjusting their ties with the other. When the elevator stops at the sixth floor, the operator goes out first to make a path for the employees who work on this floor. When it stops on the 10th floor, the operator simply announces the fact in a loud voice.

The entrance to the 10th floor office is in a state of semi-disrepair. The office boy who runs the information desk is there only to record which employees have reported to work. He soon disappears to return to his taxi-driving job or some other side occupation to supplement his income. Whenever he is on the job, he is often distracted and preoccupied with his daily concerns. He is obviously displeased when one asks him a question. When an office worker asks him to bring a cup of coffee or tea, he does so hesitatingly and only after the request is repeated several times.

Some office workers work and some sit around. They are much like their telephones and other equipment which function only some of the time. The only pleasing aspect around is the exterior and interior appearance of the director's office. The dominant spirit of the place is: "Who doesn't work today works tomorrow."

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From the instant one enters the sixth floor office, however, one joins a new society. Everything is clean. The decor is unfamiliar. The wallpaper is new. The semi-circular entrance to the office, with indirect lighting, is staffed by a neatly dressed, polite clerk, who is eager to help. Everyone is busy here; even the telephones which belong to the same company and are hooked to the same telephone network ring incessantly.

The World of Bureaucracy

In order to get a job on the 10th floor, one must have a high school diploma and undergo a chest and eye examination, both of which are at the company's clinic. In the clinic no one cares about your time. The issuance of a medical report requires a week to 10 days. A successful applicant (with a college degree) is paid 30 pounds per month. He may or may not find a vacancy. To obtain a job on the sixth floor, however, one must pass a foreign language exam, demonstrate typing skills and be reasonably attractive in appearance. The company then sends the prospective employee to a special clinic (possibly the company's own). But here one receives excellent care and undergoes a series of tests, including a blood test and a heart examination. The medical report is issued within 2 days. A successful applicant is paid 150 pounds per month or possibly more. What is important is that there will be a vacancy and a well-defined position. On the 10th floor, workers report at 8:00 am and leave at 2:00 pm--unless they sneak out early. On the sixth floor, by contrast, one reports for work at 9:00 am and remains till 4:00 pm. Furthermore, no one leaves work early.

On the 10th floor you might be tempted to go with your colleagues to the director to convince him to have the company purchase a bus for the workers. He will likely respond that he has no such authority or that the budget does not permit it. On the sixth floor, and in similar circumstances, the director is willing to lend you money to buy a private car and to have the long-term loan deducted from your salary.

On the 10th floor you work for a state, public company. On the sixth floor you work for a new company jointly owned by a foreign company. If you work on the 10th floor you may not join a club unless you have outside income. If you are a sixth floor employee, the company demands that you join a club and pays your fees. This is only one example. On other streets in Egypt one finds other examples.

As one passes through Qasr al-Nil Street (a short distance between Taláat Harb Square and Liberation Square), one's attention is drawn to the American branch of the Bank of Egypt. The bank's design is so unfamiliar that it does not seem to fit with the dominant architecture on the street, inside or out. The mode of operation within is also different.

Anyone who watches what is happening in Egypt today will observe the emergence of a parallel society. The characteristics of this society reflect the economic system it emulates, specifically capitalism. This

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new society has its own psychological and cultural values. It seems to reject our cultural heritage and to venerate everything foreign.

The mainstay of this parallel society is the private wealth that has been accumulating in the hands of the country's former capitalists, in cooperation with capitalist leaders, politicians and some military officers. Before the country's "open economy policy" came on the scene, this group managed to accumulate great wealth under the former economic system. It then worked openly to transform the economic system into one centered on private capital under the guise of ushering the so-called "open economy" system. The new system is a compromise throwback to its former practices after they failed to undermine the previous system completely. The public outcry against this group's attempts served to dilute its effort. It was thus compelled to create its new economic lifestyle alongside and parallel to the existing system in the hope that the latter will ultimately collapse under the onslaught of its claims and slogans. Egyptian society, once again, finds itself in circumstances not very different from those that prevailed early in the 19th century when economic development was stifled under Muhammad Ali, who imposed a similar "open economy" system on the country.

Foreign and jointly-owned banks have played and continue to play, a significant role in creating this parallel society. These banks have always found in Egypt a solution for the problem of what to do with their excess deposits, most recently exacerbated by a flood of petrodollars. Fearful of political instability, these banks do not participate in direct economic development projects; instead, they prefer to deal in loan and insurance operations, ever careful to take their profits out of the country as they pile up. A careful analysis of their activities shows that they are merely interested in supporting the economic activities of private enterprise.

The outward signs of this parallel society are everywhere. All new economic establishments which cater to the new society are extensions of their parent branches overseas, even to their decor and furnishings. One who frequents them is led to believe he is not in Egypt. Their operating methods are strikingly different from their native counterparts. While they use the same public utilities--telephones, electricity, etc--they receive better service by paying a "little extra" on the side. Some of them have even installed private microwave telephone systems, or have their own electric generators and hospitals. Their employees have nearly taken over the clubs and changed them into closed societies. The new society has its own lawyers, doctors, as well as a local airline company. The average monthly salary of its elite employees--graduates of foreign language schools and children of influential people--is 250 pounds, the equivalent of a deputy minister's or minister's salary. The new society is now attempting to dominate the cultural and educational life of its members by freeing them from government controls and entrusting their education to the private sector.

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EGYPT

BRIEFS

U.S. AID TO MEDIA--Reliable sources close to the Ministry of Information confirmed that there is an American proposal to extend extensive financial aid to Egyptian newspapers and other information media to help Egypt to counter the Arab nations' propaganda campaign against the Camp David agreements. The sources indicated that this special assistance, described as urgent, may reach \$50 million, a major portion of which will go to AL-AHRAM, AL-AKHBAR, AL-JUMHURIYYAH, DAR AL-HILAL and ROSE AL-YUSUF, to improve production, printing and editing, and to make their formats more attractive. A portion of the aid, according to the sources, must be spent on the purchase of better American editing and photographic equipment. In addition, the U.S. proposal involves financial assistance to Egyptian radio and television to improve broadcasting and increase their transmission range. The aid package also includes the financing of a series of informational campaigns to be directed at the Arab world. The distribution of the aid was discussed at a recent meeting attended by the U.S. ambassador to Cairo, Mr Herman Eilts, and chaired by Mr Fikri Mukarram 'Ubayd, deputy prime minister and secretary general of the National Democratic Party. A prominent participant at the meeting was Mr Mansur Hasan, who is in charge of the information section of the National Democratic Party and a candidate for the position of state minister of information. The meeting also considered using some of the aid funds to publish AL-LIWA' and make it the official spokesman of the National Democratic Party. Mr Mukarram Muhammad Ahmad, an editorial secretary of AL-AHRAM, has been chosen as the chief editor. [Paris AL-WATAN AL-'ARABI in Arabic 9-15 Feb 79 p 15]

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KUWAIT

CROWN PRINCE EMPHASIZES REGIONAL SECURITY IN INTERVIEW

London THE MIDDLE EAST in English Apr 79 pp 46, 47

[Interview with Crown Prince and Prime Minister Saad al-Abdullah al-Sabah by Fuad Mattar, date and place not given]

[Text] Kuwait's Crown Prince and Prime Minister, Shaikh Saad al-Abdullah al-Sabah, has given a strong warning that the security and protection of the Gulf region must be left to the people of the area. "It will be totally unacceptable for any country from outside the region to interfere in the affairs of this very vital region of the world," he declared.

Speaking in one of his rare interviews, Shaikh Saad told Fuad Mattar, editor of our sister Arabic publication AL-IKTISAD AL-ARABI, "If the Arab countries cooperate more strongly, their unified forces will bring about a lot of changes on the international scene." He also said that the Arabs would have no choice but to wage another war against Israel unless it became less obdurate and unless Palestinian rights were recognized. The Crown Prince denied recent reports that Kuwait has frozen some of its investment projects in the Arab world. Excerpts from this exclusive interview follow:

Q How do you visualize Kuwait in the year 2,000 and what role do you see oil playing in the future?

O Kuwait is a small and peaceful country. Our relations with other states are built on cooperation and understanding. We do not interfere in other people's affairs and we do not allow others to interfere in ours.

And this is what we want to maintain during the remaining part of the century. Naturally, in the meantime, we want Kuwait and the other Gulf states to enjoy stability and security. We very much want to see further

rapprochement between the Gulf states. In fact, my dream is to be able to witness either unity or a kind of federation between all the Arab countries. Our main concern is that the Palestinian people should be able to regain their homeland between now and the year 2000. As for oil, we consider it a major national resource and we are obliged to conserve it for future generations. We have already drawn up the plans for the annual rate of oil production. But that is not our sole concern. Our scientists are working on new sources of energy in anticipation of the day when oil runs out.

As far as development is concerned, we are putting a lot of emphasis on the need to establish new industries which will enable the Arab countries to become self-sufficient in the long run. I must stress here that it is

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in our long-range interests and those of the Arab world if all oil revenues are spent on investment projects and industries inside the Arab world, and are not transferred to foreign countries. Such a policy will benefit all the Arabs.

□ Some reports have alleged that Kuwait has frozen some of its investments in the Arab world for political reasons. Is this true?

○ Our relations are good with all the Arab countries that have economic relations with us. It is not true that any project has been stopped.

□ How would you best describe the future of democracy in Kuwait?

○ Kuwait is one family. Unity and understanding is everyone's motto in this country. We all look to our ruler as a symbol of this unity. Democracy exists and is here to stay. We are now working for a return to parliamentary life in its proper form. We want the kind of democracy that builds and does not destroy, one that binds and does not divide. We want the kind of democracy that can safeguard the present and future existence of Kuwait.

□ You are constantly involved in mediation efforts in the Gulf region. What is your vision for the future of the Gulf and what are your views on Gulf security?

○ The state of Kuwait fully realizes the importance of this region for the rest of the world. We strongly believe in continued co-operation between the various states of the region. My last visits to Saudi Arabia,

Bahrain, Qatar, the UAE, and Oman were very successful and I agreed with the leaders of these countries on the need for full co-operation, coordination of policies and unification of our stands in the fields of information, culture, and economy.

As for Gulf security, I think that by the next meeting of Arab Gulf Foreign Ministers, the picture will be much clearer.

I must stress here our strong conviction that the security of the Gulf should be left to the people of the area. It will be unacceptable for any country from outside the region to interfere in the affairs of this very vital region of the world.

□ The Arab world is going through difficult times and a series of crises. How do you see us getting out of them?

○ I think the difficult times we are passing through require more understanding and solidarity between the Arab countries. The last summit conference held in Baghdad was a step in the right direction. Naturally, efforts are still being exerted to bring about further Arab solidarity and understanding.

I often wonder why Arab leaders do not put more emphasis on co-operation, because that would make them a force that the rest of the world have to reckon with. The moment the rest of the world became aware of this, a lot of changes would take place at the international level.

□ Your mediation efforts in Lebanon have met with relative success. Are you planning a further role in that crisis or do you think the Lebanese problem has reached the point of no return?

○ There is little doubt that what has happened in Lebanon makes every Arab bleed. Kuwait has particularly exercised its responsibility in trying to solve the problem. But because of factors beyond our control we were unable to bring about a solution and the fighting and destruction have continued. Despite this, we have not lost all hope.

As a matter of principle, I will not hesitate to make yet another mediation effort, but the atmosphere must be right before that can be done. By that I mean that all the parties concerned must abide by whatever President Sarkis decides on. A new page must be opened based on love and understanding. Only then can our mediation succeed. □

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LIBYA

QADHDHAFI'S SUPPORT OF KURDS CAUSES SURPRISE

Paris AL-WATAN AL-'ARABI in Arabic 9-15 Mar 79 p 14

[Text] Palestinian circles close to the regime of Col Mu'ammr al-Qadhdhafi have been hinting at extremely important information about the very close relationship which our brother Mu'ammr has established with some of the "brethren" Kurd separatists.

These sources have expressed great surprise at this new "Qadhdhafian" wisdom which is opposed to all the slogans of "faith" in freedom, socialism and unity raised by the "liberator" of July, who was forced to swallow them throughout the long life of the "revolution."

These sources explain the new Libyan initiative in extending friendship and cooperation to the Kurd separatists as compatible with the intellectual ascendance of the Qadhdhafian theory, so that the call for carving out a portion of the large fatherland is an example of the "revolutionary" purity and unification efforts.

Observers here believe that the "effusive" support of the Libyan government for the new unification approach between Iraq and Syria is merely a diversion to cover up the conspiratory activities of those separatists which Qadhdhafi now is trying to revive after Iraq had succeeded in halting completely, so that this group of separatists has no refuge left but the advocates of nationalism and unity.

AL-WATAN AL-'ARABI learned from Palestinian sources that these circles possess important information which, when made known, will create a great commotion in the Arab world because it involves certain practices of the Libyan regime which are in no way compatible with the slogans touted.

Besides, in a theatrical move, Qadhdhafi declared last week that he is relinquishing "power" so as to devote himself to "revolutionary" work.

No one, however, took Qadhdhafi's statement seriously, especially since brother Mu'ammr has managed in the last few months to perform a complete dislocation of power bases, which was reflected in the total chaos that resulted in all areas at all levels.

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SUDAN

SUSPECTED MEMBERS OF BA'ATH PARTY ARRESTED

Paris AL-WATAN AL-'ARABI in Arabic 16-22 Feb 79 p 4

[Text] Similarly to the "dawn raiders" in Egypt, the "dawn raiders" in Sudan are expanding their activities in order to frighten and arrest the elements who oppose President Numayri in his support of Sadat's policies. One of the most prominent persons arrested for being accused by the Sudanese authorities of belonging to the Socialist Arab Ba'ath Party was Mr Mohammad 'Ali Jadin, assistant to the under secretary of finance. The reason for his arrest was that he had in his possession pamphlets against Sadat's visit to Sudan.

The Sudanese police also arrested for the same reason Mr Yusuf Hamsit, former manager of the People's Cooperative Bank, and Mr Amin 'Abd al-Baseta Ahmad, an attorney.

The Sudanese Bar Association has objected to these arbitrary arrests and has begun to demand that the authorities release those arrested or arrange for their trial immediately rather than keeping them in temporary jails, against constitutional laws.

AL-WATAN AL-'ARABI's correspondent in Sudan reports that the Sudanese authorities have arrested a number of citizens in al-Ubayyid and al-Nuhud in western Sudan for belonging to the Socialist Arab Ba'ath Party, and have savagely ransacked a number of homes under the pretext of searching them.

The police also arrested Mr Sa'id Al-Mahdi, member of the Student Militant Front at the University of Khartoum, as well as two Palestinian students during their preparation of a meeting held on 20 January 1979 and attended by about 3,000 students to protest Sadat's visit.

The Sudanese authorities have been continuing their oppressive measures against students, including suspending them from school for merely suspecting that they belong to the Ba'ath Party. Their actions seem to indicate that they are a result of special instructions from Cairo.

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Observers believe that the increased popular displeasure created by these measures indicate that the elements of a political crisis are looming in the horizon.

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UNITED ARAB EMIRATES

UAE UNITY EFFORTS GROWING

London THE MIDDLE EAST in English Apr 79 pp 12,13

[Text] Feelings have never been stronger in the UAE for real unity. The younger generation, in particular, is impatient with inter-state bickering, foreign interference and the fear of drowning in a sea of immigrants.

And now that the upheavals in Iran have drastically changed the balance of power in the region, the possibility of achieving union in the real sense is greater than ever before. The massive demonstrations during the Federal Council meeting were witness to a widespread understanding of the new situation.

For one of the biggest obstacles to union has been removed - the tussle between Riyadh and Tehran for the allegiance of individual emirates. Iran's main ally, Dubai (the second biggest emirate) which opposed unity moves by Abu Dhabi, has been considerably weakened by the Shah's downfall.

Outside threats have also been removed to some extent, for Oman can no longer pursue its territorial claim over part of Ras al-Khaimah now that Iranian troops have been withdrawn from Dhofar. All its attention must now be focused on this southern province where the Popular Front for the Liberation of Oman has never ceased to be active.

Moreover, there is now a strong chance that Iran will give back the strategic islands of Abu Mousa and the Greater and Lesser Tunbs which it seized from Ras al-Khaimah and Sharjah in 1971.

There is no doubt that the position of the UAE President Shaikh Zayed - the main architect of the union - has been strengthened. It is significant that the 40-member Federal Council meeting has been called for the first time since 1976.

And this time it may accrue more power to itself if Shaikh Zayed can raise the individual emirates contributions to the federal budget from 25 per cent to 50 per cent of their revenues. The other difficult issue is the unification of the armed forces which has hitherto been blocked by Dubai-Abu Dhabi rivalry.

But it is dissatisfaction with internal developments which may give union the final impetus it needs. At present the federation is little more than a formality. Visas and work permits are needed to go from one state to another and telephone calls between emirates are considered to be "international".

The only state which in effect contributed to the federal budget is Abu Dhabi, and drawing up any practical policies for the federation as a whole has proved almost impossible. Partly because of this, immigrant workers now constitute about 86 per cent of the total population.

The demands put by the demonstrators to the Federal Council included measures to control this increasingly dangerous situation.

A memorandum called for "amputation of the foreign economy domination by its

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roots", control of oil production by "our specialised sons in the field", a united army, and an end to "internal borders".

That the Abu Dhabi news agency *Wampress* published the demands in full is an indication of the extent to which Shaikh Zayed feels that he is now on firm ground.

The recent calls for "democracy" and for the National Assembly (parliament) to take a more active part is seen by observers as a desire for efficient organisation of the union. And here again Shaikh Zayed is on firm ground for the recently re-elected Speaker Taryam Omran Taryam is seen as a strong supporter of the federation.

If Shaikh Zayed can push these measures through, and give the federation some teeth, the UAE will be in a position to play a much greater role in regional politics. Its wealth and strategic position will make it an important power in the area now that Iran is no longer a threat. □

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