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Near East/North Africa Report

(FOUO 8/81)

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NEAR EAST/NORTH AFRICA REPORT

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BRIEFS

ALGERIAN-MOROCCAN CONTACT--The world press reported that Morocco's King Hassan II and Algeria's president Chadli Bendjedid met briefly with one another inside the sanctuary at Mecca. Such a high level contact between Algeria and Morocco, unprecedented since 1975, led some papers to infer a likely approximation of views vis-a-vis the Saharan issue. Large numbers of the public in Algeria and Morocco feel certain that there were corridor talks between Algeria and Morocco on the Saharan issue. Significance was readily attached to the handshake and embrace exchanged between monarch and president. Over the course of several months semi-official information and propaganda whisperings in Morocco have actually kept alive a feeling that relations between Rabat and Algiers would soon normalize and that the Saharan issue would soon be resolved in line with Moroccan views. In Algeria the situation was just the opposite. Foreign minister Mohammed Benyahia said it was regrettable that there were "all those rumors tending to denigrate the SDAR's brilliant diplomatic gains and the increasingly strong solidarity of world opinion on the side of the Polisario Front." Consequently, Algiers has quickly disavowed that the polite gesture made by the two heads of state as required by Islamic tradition had any political significance. The fact is that, whether on pilgrimage or otherwise, when visiting the Kaaba all Muslims are obliged to free their minds of all earthly concerns and direct them solely towards God. There is no way the sanctuary precinct could be the site of a summit dialog. All the same, many North African Muslims will be of the opinion that it could be the site of a gesture of reconciliation between two believers. In the process of banishing such "speculations," EL MOUDJAHID (28 January) contributes one of its own: "It must be borne in mind that Algeria and Morocco have no quarrel except for the issue of the decolonialization of Western Sahara, a topic about which each country has a different view." [Excerpt] [Paris MARCHES TROPICAUX ET MEDITERRANEENS in French 6 Feb 81 p 288]

CSO: 4400

AFGHANISTAN

AFGHAN ROBBERIES, BANDITRY, FIGHTING REPORTED

LD061235 London THE GUARDIAN in English 6 Feb 81 p 8

[Dispatch by Peter Niesewand: "Bandits Boost Toll of Afghan Fighting"]

[Text] New Delhi--There has been a marked increase in the number of funerals in the Afghan capital, Kabul, as the toll in continuing fighting against Islamic guerrillas vies with fatalities from a dramatic increase in armed robberies, diplomats said here yesterday.

One diplomat said he had been told that in some areas of the city, Mojahadin (Islamic rebels) had formed night patrol units which extorted money from shopkeepers, while at the same time Soviet troops looted houses, stores and businesses.

Another diplomat said that intruders also included "thugs" from the ruling communist party, and common criminals. Although curfew does not begin until 10 p.m. few Afghans were now seen on the streets after 7 p.m.

The sources said: "The intruders are always armed, and a major factor in the deterioration seems to be the wide and indiscriminate issue of submachine-guns and automatic rifles. If resistance is encountered--and many Afghan householders are armed--shots are fired and people are killed."

Banditry and robbery in the countryside was also widespread now, the source added, with the main difference being that outside the city there were more cases of extortion by Mojahadin.

"Resistance forces send demand notes to businessmen and other householders, and set fire to premises if they get no response," he said.

The closest the small foreign community has come recently to the latest troubles was on Thursday of last week, when five Afghans, dressed in Western clothes and armed with machine-guns and pistols, raided the United Nations club in Kabul. They held five UN officers and several Afghans at gunpoint before locking them in a room. The robbers stole electronic equipment, a television set, a film projector, and cash from the club till, and loaded them into three taxis waiting outside. They made their escape unchallenged.

Although there were no casualties in this incident, there frequently are woundings and fatalities when people attempt to resist.

Political assassinations are reportedly continuing in Kabul, particularly of those believed to be members of the Parcham (flag) faction of the Afghan Communist Party led by Babrak Karmal, the man installed as president by the Russians after their invasion more than a year ago.

Despite the heaviest snows of winter in many parts of the country, there are also persistent reports of continued fighting in many areas.

One diplomat, quoting a "good source," said that the Afghan 4th and 15th armoured divisions--which for months have been confined to their cantonments and guarded by the Soviet army because of their "unreliability"--have now been ordered into the field. Separate reports pin-pointed the 4th and 15th armoured divisions as being sent to Ghorband and Parwan provinces, along the road to Bamian, and to Taqab in the newly-formed Kapise Province.

Taqab is understood to be an area of particular unrest at the moment. Diplomats said they had been told that 47 wounded Afghan soldiers from the 444th Commando Brigade had been brought to the military hospital in the capital after fighting in Taqab and its surrounding valley.

Afghan officers in Kabul are also reported to have been talking about "a serious defeat" for the 444th Commando Brigade, and saying that an armoured division had been sent to help them.

Funerals of dozens of military and civil officers in the capital--many announced by the official Afghan media--have been noted by diplomats.

Joint Afghan-Soviet forces have been reported fighting Mojahadin, or being seen on manoeuvres in the provinces of Loghar, Wardak and Zabul, over the past week.

A diplomatic source reported that clashes took place around Istalif, about 30 miles north of Kabul, with Soviet helicopters and jets brought in to relieve pressure on Afghan forces there. Military vehicles have been ambushed along the main supply road north through the Salang Pass to the Soviet Union, and some of these attacks have taken place less than 12 miles from the capital.

Diplomats said that Kabul itself has recently been shaken by several heavy explosions. "We have not been able to determine the cause of these," a source said, but the timing--for instance on Friday (the Muslim holiday) after dark--fits oddly with the official explanation of rock blasting for road construction."

CSO: 4920

LIBYA

BRIEFS

'ITALIAN TERRORISTS' IN DESERT CAMPS--Algiers--The chorus of rumors, suspicions and pointers circulating in Italy on terrorism and its international connections is augmented dramatically today with information gathered in Algiers. Very authoritative Algerian circles have apparently discovered that Italian terrorists are being trained in three paramilitary camps in the Libyan desert. Basques from Basque Homeland and Freedom and West Germans are apparently keeping our fellow countrymen company there. According to the Algerians, the discovery was made by the bedouins who, as we know, know no frontiers in their wandering across the Sahara. A much more realistic hypothesis, however, is that the efficient Algerian security services, which have eyes and ears even in the vastness of the Sahara, are involved. A message has apparently already been sent to Rome, as a sign of friendship and solidarity. Relations between Algeria and Italy are good and Pertini's visit last year helped a great deal. [Excerpt] [LD041423 Milan CORRIERE DELLA SEARA in Italian 2 Feb 81 p 1]

CSO: 4004

PERSIAN GULF AREA

SAUDIS PROPOSE LINK-UP WITH OTHER GULF STATES

LDO21255 London THE OBSERVER in English 1 Feb 81 p 7

[Report by Patrick Seale]

[Text] At-Ta'if, Saudi Arabia--In a major development which could change the political map of Arabia, the Saudi Kingdom and five lesser neighbours are considering joining together in a confederation of Gulf states, according to senior Arab delegates at last week's Islamic summit.

Under cover of the summit, leaders from Kuwait, Bahrain, Qatar, the United Arab Emirates, Oman and Saudi Arabia held an unpublicised meeting here to discuss their plans. Their foreign ministers are to meet in Riyadh on 4 February to study constitutional proposals which have already been circulated in great secret.

These proposals are understood to go considerably beyond the shared security concerns which first drew these countries together in the wake of the Iranian revolution and the Gulf war.

What is under discussion is nothing less than a sort of political marriage on the model of the Malaysian Federation, where the federal head of state is elected in rotation for a five-year term from among the members.

If it comes off, such a Gulf confederation, which Saudi Arabia would be bound to dominate, would greatly boost Saudi power and prestige and be a major blow to the ambitions of Iraq in the Gulf.

Iraq has been informed of the plan and, in a diplomatic trade-off, is believed to have reluctantly acquiesced in it in exchange for Saudi and Gulf backing for its war against Iran.

This war is a prime reason prompting the Gulf states to move closer together. They fear that, even if a ceasefire is arranged soon, the antagonisms aroused between Arab and Persian, and between Sunni and Shia, could take a generation to appease with a constant threat of renewed flare-up. Their greatest desire is not to be sucked in--a desire ardently shared by their Western friends and oil clients.

But if the Iraq-Iran war is the spur to the Gulf get-together, it has also provided Saudi Arabia with the opportunity to make a bid for regional leadership. In the private words of a senior Saudi prince: 'The war has won us 10 years.'

By this he meant that Iraq and Iran, the kingdom's two principal rivals, had each suffered such a setback as to give the kingdom its chance.

Of all the complex inter-Arab relations, the Saudi-Iraqi one is now among the most interesting and ambiguous. Saudi Arabia needed--and still needs--the muscle of Iraq to roll back the subversive tide of Shia revolution emanating from Ayatollah Khomeyni in Iran. In other words, Iraq is a necessary buffer between Saudi Arabia, with its small population, and Iran's much larger 36 million whose revanchiste nationalism has now been so alarmingly aroused.

But, although the Saudis have supported Iraq's war effort, the two countries are really adversary partners. Ideologically and geopolitically they are at odds, and, beneath the surface cordiality of relations between Crown Prince Fahd and President Saddam runs a current of caution and competition.

Last week's summit showed that, for the moment at any rate, Saudi Arabia can have its cake and eat it. Iraq is doing the dirty work in the muddy plains of Khuzestan, while Saudi Arabia reaps the political glory of hosting the greatest gathering of Islamic leaders the modern world has ever seen.

Undoubtedly, the at-Ta'if summit has done the Saudi image nothing but good. Brother Arabs were highly impressed with the Western efficiency of the arrangements, the meticulous staff work, the fastidious finish of the buildings and highways, the smart, alert bearing of the Saudi security forces. But there was no loss of Bedouin hospitality or Islamic piety. It was as if the kingdom had managed that most difficult of exercises--squaring the circle between the best of East and West.

The picture the Saudis were trying, not unsuccessfully, to put over was of a strong, stable regime which had fully recovered from the security hiccup of November 1979 when insurgents stormed the Great Mosque in Mecca.

In hard political terms, the significant aspect of this summit, assembling a quarter of the world's nations, was that it signalled Saudi determination to play a more assertive role in the world. The instrument for this new role is the Islamic Conference Organization, founded in 1969 but now for the first time under Saudi chairmanship.

The aim of Saudi diplomacy is to demonstrate that this Muslim forum can be the most effective of all Third World bodies--better able to shape events than the now dormant Arab League, the gravely split non-alignment movement, or the powerless Organisation for African Unity. Saddam of Iraq, who is looking forward to hosting the non-aligned conference in Baghdad next year, finds himself upstaged.

United in Islam and exceedingly well funded, the Islamic Conference is being pushed by the Saudis as the place where Third World disputes can best be resolved; where Khomeyni's Shia mischief can best be countered; where the cause of an independent Palestine can best be promoted, and where the encroaching superpowers can best be kept at arm's length.

With these ambitions and backed by Gulf money, conference must be judged an important new player in international affairs.

Can Saudi Arabia pull it off? It is essentially a cheque-book state, it has an anachronistic social system, remains heavily dependent on foreigners, and is unused to projecting its power abroad.

Now it has manoeuvred itself to the centre of two new power groupings--the proposed Gulf confederation and the Islamic Conference Organization, whose multiple agencies range from high finance to sport, from Islamic education to the promotion of trade, and half a dozen other activities besides.

Saudi skills and nerves are going to be stretched in the years ahead.

CSO: 4820

SUDAN

SADIQ AL-MAHDI EXPLAINS POSITION AMONG ANSAR

Khartoum SUDANOW in English Jan 81 p 5

[Text] In discussing the history of the Ansar since the May Revolution, Sadig el-Mahdi referred in a recent interview, to the close identification between the Mahdi family, the Da'irat el Mahdi--the Mahdi company--the Ansar and the Umma Party as reflecting an 'historic phase.' In this light, he asserted that 'the role of the former Umma Party will be inherited by the political organisation that all of us want to form for the nation."

'The Ansar,' he said 'will evolve along lines that will contribute to the modern social and religious culture of the country.' He said, too, that the Da'irat el Mahdi, once restored to its owners, would exist 'in smaller units for people for their livelihood; and not in the previous form as a kind of patronising company.'

El Mahdi referred to the Mahdi family as a 'grouping tied by blood relations--simple relatives.' In this context, he said, Ahmed el Mahdi, as the eldest living son of Abdel Rahman el Mahdi, would be viewed as the head of the Mahdi family.

When asked in a recent interview how political differences between himself and his uncle had affected the Ansar movement, El Mahdi answered: 'Throughout the period of this regime, Ahmed has played a different role from mine.' But, he asserted, their political differences had not impeded the development of the Ansar.

'There isn't any explicit organisation to say this or that is the leadership,' commented Sadig el Mahdi. 'But, I think,' he continued, 'that it is quite clear in the minds of the bulk of the Ansar where they get their political direction; although there are people among the Ansar who may have a different attitude.

'I am saying,' he stressed, 'that throughout the whole period, there has been no confusion about where decisions were made and who made them.'

CSO: 4820

RECONCILIATION IN SSU SHOWS PROGRESS

Khartoum SUDANOW in English Feb 81 pp 15-16

[Text]

The National Reconciliation was agreed upon in 1977. Since that time, former opposition groups have slowly begun to merge with the SSU, after all agreed that it would remain the sole political institution.

Observers have been awaiting hot debates, heated conflict or, in the extreme, the collapse of the reconciliation process. It seems, however, that they will be sorely disappointed, as with the arrival of the new year the opposing political factions continue to reconcile their differences. Azhari Abdel Rahman reports:

ALTHOUGH observers expected major conflict in the late seventies, it would appear that the political climate in Sudan has cooled considerably since the National Reconciliation in 1977.

The essential point to which all parties to the reconciliation agreed, according to Dr Ismail Haj Musa, Minister of Culture and Information and member of the Political Bureau, was that the SSU should remain the sole political organisation in the country. Haj Musa considers the reconciliation as a step towards national unity but not as attempt to change the political line of the SSU.

The question still remains as to whether or not the leaders of the various opposition groups are finding it easy to dissolve their organisations and merge their elements with the SSU. It also remains to be seen whether or not this can be done without compromising the terms of the opposition groups or contradicting the principles of the SSU.

Sadig el Mahdi, leader of one of the strongest opposition forces, has been busy building an organisational hierarchy into the Ansar since his return to Sudan in 1977. Such organisation had previously been absent, and has given the Ansar the chance to tackle the ongoing dispute regarding the leadership of the movement. In a recent interview, Sadig el Mahdi made it quite clear that the dispute had been settled, and settled in his favour (Printout, Jan 81).

President Nimeiri's recent book, *'Why the Islamic Method'*, in praising Sadig, seems also to have locked the door on Sadig's opponent and uncle, Ahmed el Mahdi, who, throughout the days of Sadig's opposition to the regime, played the card of alliance with the regime.

Notable is that although Sadig agreed that the SSU would be the sole political organisation, he has kept himself and his followers well outside the boundaries of any political activity. He has also stated that he remains insistent upon the original nine points that he submitted to the government upon reconciliation, points that will, in his opinion, serve to make the SSU more effective, voluntary, self-financing and competitive and a generally more accountable institution.

The Muslim Brotherhood has also succeeded in maintaining a following, as is evidenced by its participation in university politics, where it dominates the students' unions. A well-known leader of the MBs and editor of *Al Ayam*, Yassin Omer el Imam, told *Sudanow* that he considered a single political organisation the best system for Sudan because it negates conflict and enhances participation and dialogue without ideological

commitment. He went on to add that there are no Muslim Brothers in the SSU, and that any participation on their part is of an Islamic rather than political nature.

The final outcome of the National Reconciliation is one that will be determined by history. What is now evident is that secondary conflicts are being tackled in ongoing debates on the efficiency and democratisation within the SSU.

The inefficiency of the SSU has long been the object of criticism by opposition groups, who have claimed that the SSU has failed to reach the masses. Dr Ismail Haj Musa, however, claims that there is no criterion by which efficiency or inefficiency can be determined, and pledged that efficiency will be gained through experience. Sadig el Mahdi believes that the democratisation of the SSU must be achieved from bottom to top, and that the bases of the organisation should elect the leadership, to which Haj Musa agrees. The Muslim Brothers do not seem to concern themselves with the issue of elections, but tend to criticise the popular organisations of the SSU as the cause for inefficiency. According to the MBs, anti-Muslim Brother elements and old cadres of the regime are dominating the Sudan Youth Union and the Sudan Women's Union, and have effectively quashed the influence in decision-making of the parties to the reconciliation.

Indeed, the social base of the SSU has widened since the National Reconciliation and a degree of political stability has been achieved. The return of two opposing elements from abroad, Abdel Magid Abu Hasabu and Hussein Osman Mansour, indicates that the older powers in Sudanese politics are slowly coming to realise that not so many differences exist between the regime and the former opposition, and that dialogue may help in achieving the incorporation of the opposition into the regime and the SSU.

Sadig el Mahdi, in a recent interview, assessed General Abdel Magid Hamid Khalil's potential in the latter's recent appointment as Secretary General of the SSU: '(I see his role as) one of objectively assessing the performance of the SSU, and that should help to narrow the gap between those of us who, we believe, have made such an assessment and those who, we believe, have refused to do so.'

The role of the People's Assembly has been a subject of minor debate compared to the role of the SSU. In elections at the beginning of last year, the Muslim Brothers were able to increase their numbers in the Assembly, and those sympathising with the MBs hope that they will use their strength to press for the passage of the Islamic laws prepared by the Laws Revision Committee.

Sadig el Mahdi, however, boycotted the elections because he contended that the National Assembly is without the powers that it needs to make it capable of properly handling its function as the legislative body of the country. Many observers have concluded that Sadig's expected move towards the regime and the appointment of Abdel Magid as Secretary General of the SSU are indications that the Assembly will eventually be dissolved. This view seems further corroborated by the institution of regional assemblies.

Observers have also been awaiting a hot debate when the Islamic Laws are tabled in the Assembly. However, the work of the Laws Revision Committee has been frozen due to some dispute over the technical aspects of some of the laws.

The rhythm of Islamisation has in fact been slowed. Laws already drafted have not yet been tabled. The presidency of the committee has been taken from the Muslim Brothers and their sympathisers.

There have been other obstacles to the reconciliation, which Dr Ismail Haj Musa views as a process of a large number of people working together under the umbrella of national unity. Yassin Omer el Imam argues that the idea of national unity lacks the Islamic depth essential to lending unity, and hence reconciliation, its true meaning.

The current plan of regionalisation, adopted late last year, has also proven a bone of contention among former opposition elements. One MP told *Sudanow* that the regional government legislation could have been passed under Article 6 of the Permanent Constitution, which provides for Sudan's administration within a decentralised system. Others, the MBs among them, insisted that regulations for regional government be embodied in the constitution, and this is what eventually transpired.

The process of regional government creates its own problems not the least because its opens to criticism and competition positions and polices which have hitherto been closed off. Following demonstrations last month in El Fasher, the capital of Darfur region, the Regional Governor, El Tayeb el Mardi, resigned

and was replaced by Ahmed Ibrahim Dreig.

Meanwhile, each of the opposition groups is struggling to promote their own mode of Islam as the proper one for the ongoing 'Islamisation' of Sudan. The President's book is without conclusion to the debate of which method of Islam is to be followed and how.

Dr Ismail Haj Musa is of the opinion that we should Islamise the society before the state. Sadig el Mahdi, in a recent unpublished interview, stated that he is currently seeking to create a national Islamic platform comprising all Islamic movements, regardless of political line or religious sect. Under the present conditions, however, it seems doubtful that such a platform will emerge in the near future.

Although the issues at stake are major, and the debates continue, none of the parties to the reconciliation has been forced to retreat or to make major concessions. Slowly, it seems, a political alliance may, in fact, emerge.

CSO: 4820

SUDAN

INFORMATION MINISTER ADDRESSES CURRENT ISSUES

Khartoum SUDANOW in English Feb 81 pp 18-19

[Interview with Dr Ismail Haj Musa, minister of culture and information; date and place not given]

[Text]

Dr Ismail Haj Musa, Minister of Culture and Information, recently sat down with members of Sudanow's staff to discuss several topics of contemporary concern: the results of the President's reconciliation initiative; relations with the Muslim Brothers; the President's recently published book, which highlights the Islamic method; and the state of progress of the Islamisation of Laws Committee. Extracts from this discussion appear below.

SUDANOW: *What were the effects of reconciliation on the general political line of the SSU?*

DR ISMAIL: Of course, political change was not the aim of the reconciliation. On the contrary, the reconciliation was made in keeping with the line of the SSU policy, which calls for and concentrates on national unity. The Addis Ababa Agreement in 1972, which gave the South its regional autonomy, was a step towards national unity and in turn it gave a forward push to national politics by fostering stability in the South and increasing Southern participation in the political system. Similarly I think reconciliation was another step towards national unity, which will give another push and achieve more stability. Hopefully this will contribute to a better atmosphere for economic development, which is our essential priority.

Q: *It looks, however, as if the contrary is the case.*

A: No. We should see with whom the reconciliation was made; it was made with various groups, some of whose disagreements with the regime had reached the level of armed conflict. So we shouldn't expect the reconciliation to end these differences overnight, and we can't expect the returnees to remain silent. On the contrary we feel that they should contribute their opinion; so it is natural that at the beginning there were some different views expressed and this led people to wonder about a change in political direction. Those who worked inside through the last ten years disagreed a lot with each other, but through dialogue they reached a similar tune; so it is to be expected that the views of the newcomers should be different. I think that with the process of the reconciliation and time the opinions of people will be unified, and they will reach the best through dialogue and debate.

Q: *Do you think that the SSU was more effective before or after the reconciliation?*

A: There is an essential fact when we speak about the efficiency of the political organisation: this is the topic of discussion now, instead of the ruling role of the SSU. With experience and daily efforts and with the admission of

new elements to leading or base positions we have a new efficiency. However, I think it is certain that the SSU is not on the level which we hope for, and this has its objective and historical reasons.

Q: *Such as?*
A: I think that any political organisation which through its struggle has created a revolution will be a very effective organisation, because the struggle to change conditions which hamper the revolution will strengthen it and its cadres will be really strong. To the contrary, any organisation which is created by a regime will be ineffective, simply because as the organisation of the regime the recruitment of its members will not be without opportunist aims. I say frankly that there are SSU members who came not to give but to take, and this is a cause of complaint on different levels. We give all people the chance of membership, and through experience we will discover the opportunist elements. There is one important new and useful step in the SSU, which will lead it to more efficiency whether before or after the reconciliation: the SSU is moving towards more elections, which is an important part of the efficiency of the SSU democracy. Let us take the Politbureau. The first two politbureaus after the establishment of the SSU were absolutely nominated by the President; the next one was half nominated, half elected; in the next the President brought a list of more than thirty from which he needed more than twenty. The existing 20 member politbureau was elected by about 100 people. So a day will come where the politbureau will be elected directly from the central committee, and this is definitely a step towards more efficiency.

Q: *You said that national reconciliation is a step towards national unity, can we conclude that you view national unity as a political unity?*
A: No, what I said about the efficiency of the SSU can be said about national unity. National unity is not an aim for which we can set. It is a tune which we will continue to play – reconciliation, the Addis Agreement and the efforts we made on transportation and communication are all steps towards national unity. I have said that the first step towards national unity was the first declaration on 25th of May, 1969, which rejected the parties, sects, and tribalism, because they are differentiating factors against national unity. A look at the SSU will show that it now comprises those elements which had been against each other for a long period. They sit together now and discuss with each other. It is the result of the rejection of parties and it is evidence that every day national unity will be consolidated. I don't think that there will come a day when we can say that we have achieved national unity, because national unity is the largest number of men working together and the largest number of efforts made together, and this can't ever be achieved completely. The broad line on which we all agree now are that: (a) the first priority should be given to development (b) that this development should be along a non-capitalist path (c) the importance of the Islamic method in our political cultural life. (d) foreign policy should not be tied to any ally, and should evaluate the problems objectively for our national benefit and for the benefit of the Afro-Arab world.

Q: *What happened so far in the Islamisation of Laws Committee? It looks as if it has slowed down.*
A: No. It is not an easy task, because to review we have to study all existing laws and decide which of them don't conform to the *sharia*. The committee, since its inception, was directed by the President to work with conscientious care. I think the committee is going as planned. We know that the fourth People's Assembly has to debate laws in the coming days. Some of these revisions have already been discussed in the newspapers. for example the Bill of Public Morals.

Q: *There have been days when there was confrontation between the old SSU cadres and the Muslim Brothers. What was the MBs aim and what do they hope for from the President's book?*
A: In fact I have not been confronting the MBs. I understand the reconciliation: that this country can't develop unless the means of political activity is unified and this means a unified political organisation. Sadig El Mahdi, for example, when he returned agreed upon a unified political organ, indeed he has been calling for such a thing since the days of the multi-party system. Dr

Hassan El Turabi in an interview with *El Ayam* also agreed with us. All those who came with the reconciliation agreed on this point. So whoever works with the regime, I don't deal with him as representing a certain faction, because all of them are within the sole political organisation, and if they have different opinions they express them within the organisation.

Concerning the Islamic method referred to in the President's book and the Constitutional Laws Revision Committee, it may be shown that I disagreed with some people on this subject. Indeed in my speech at the end of the Third Cultural Festival I said that the Islamic society which we are looking for should be built through preaching and not enforcement. When we say that we want to apply Islam, that means to get it back to its glory and great days. This can't be done except by a method which preaches and doesn't enforce. This is a burden to be carried by the mass media, education institutes, and the family. There are some people who are dogmatic in their opinion of Islam. I remember that at the dialogue in *El Ayam*, attended by Sadig El Mahdi and Yassin Omer el Imam, we concentrated on fighting the dogmatism, because it may bring negative results. This may be the difference between me and some people which may be summarised as follows:
That it is not a dialogue between me or any group and another group, but it is a dialogue within the unified organisation on one of the controversial issues.

Q: *Abdel Magid Abu Hassabu and Hussein Osman Mansur returned to the country last December. Do you think it was just a reaction to family pressure, or are there political reasons?*
A: I have no idea, I didn't meet them, I have just read about it on one of the newspapers. But I can imagine that they disagreed with the opposition with which they had been working. People tend to say that there is an initiative from Sherif El Hindi, and forget that when the President decided to take this initiative he put it openly to all who opposed the regime – not necessarily to those who are abroad, there are some people inside who didn't oppose the regime to the extent of armed conflict or even speaking against it, but who just kept themselves in the shadow – and the invitation still stands. So I can see that the responses will likely continue.

Q: *Do you think that there is an over-playing of the tune that all things started with the SSU and it will end with it – a tune which was highly played after the aborted communist coup d'etat?*

A: You seem to be saying that after the coup a concentration was made on the SSU. It is true that the SSU was established after the coup d'etat, but the planning for it began earlier. Indeed one of the reasons for the divorce between the regime and the communists was precisely the SSU, because the communists had been calling for the establishment of a front, so as to keep their party. They went back to the experience in Egypt – from their own point of view – where the communists decided to dissolve their party and fuse in the ESU. They thought that was a mistake; so to preserve their party with all its organisational and ideological foundations they called for a front as an umbrella under which all parties will work. The regime had been thinking the opposite: that the essential priority is development, which can't be achieved within a front because the conflict will continue. After the October revolution in 1964, two fronts were experienced. the Front of Professional Organisations – which comprised the professional and trade unionist organisations – and the National Front, which comprised the political parties. Both proved a failure. I think that those who played this tune were the communists. 1969 may be a turn in a long road, and I think that not only in politics but also in the cultural and sociological fields, May benefited what came before. Before the revolution there were good and evil things, and the revolution benefited from the good.

CSO: 4820

HEAD OF SOUTHERN INDUSTRY MINISTRY INTERVIEWED

Khartoum SUDANOW in English Jan 81 pp 18-19

[Interview with Bona Malwal, head of Southern Region's Ministry of Industry, by Jacob Akol--date and place not given]

[Text]

Former Minister of Culture and Information, and a longstanding member of the Political Bureau, Bona Malwal is now head of the Southern Region's newly-independent Ministry of Industry. Jacob Akol was first to interview him in this new post:

SUDANOW: *'Too soon to say' has always been the phrase employed by Southern politicians who wish to avoid speaking publicly about oil discoveries in the South — a matter close to the hearts of many Southerners. But is it really too soon to say?*

BONA MALWAL: It all depends what we mean when we talk about oil. If we are talking about the fact that we have a natural resource which will hopefully be found in enough quantities to give some optimism and hope for the future of Sudan, then there should be no reason to shy away from it.

Q: *Have you any information as to how much oil there really is?*
A: I think there are enough reasonable findings to encourage us to start building a refinery; the refinery which the President has announced will be built at Kosti. Figures quoted by people perhaps more informed than myself range from anything between 40,000 and 50,000 barrels a day.

Q: *The siting of the refinery at Kosti is thought by many Southerners to be unfair to the Region. What do you think?*
A: Since most of the oil which will eventually reach Kosti will most probably come from the South, one can understand why Southerners complain. Other regions would also complain.

However, there are certain sound economic reasons for placing the refinery at Kosti: railway and river transport does not pose a problem there, for example. And there are other reasons: oil by-products can be better utilised and manufactured at Kosti than at Muglad or Bentiu, the suggested more Southern-placed alternatives.

Perhaps people feel the way they do because there has been very little information coming out of those state institutions responsible for oil industry decisions. I think it would have been a good idea if these bodies had enlightened the public on the reasons behind the choice of Kosti, before the President's announcement.

Q: *But how informed is the Regional Government on these matters?*

A: The Regional Government has access to at least the same information I am sharing with you. But if they are not sufficiently informed they only have themselves to blame... if they want information they should go out and get it.

Q: *What role does the Regional Government play in decisions such as the location of the refinery, administration and so on?*

A: As regards the location of the refinery, that decision was taken by the Head of State; and so, as a Regional Government, there was no room for us to make our own decision. As far as I see it, as regards administration, there is simply nothing to administer at the moment. In January last year, the President decreed that administrative problems arising between prospecting companies and the government will be dealt with in future by the Energy Department of the region concerned, in co-ordination with central government.

But really, we are still at a formative stage and I feel that it is part of my responsibility at the moment to try and create this kind of co-ordination with the central government.

Q: *The wells in the Southern Region are named 'Unity One, Unity Two' and so on, while those north of the Region are given the names of their locality. This obviously has political overtones, Southerners complain. So, who is responsible for naming the wells, and why were they so named?*

A: The first 'Unity' well was so-named, I believe, by Abel Alier himself; naturally enough, I think, given our attachment to unity throughout the country. It then followed that 'Unity' became a catch-word... I think that 'Unity' is just as good a name as 'Bentiu'; if you like, take it that 'Unity' is in the South, and the others are in the north.

Q: *Now for something rather different: what is the state of industry in the South at the moment?*

A: There are no industries in the South. Before independence there was no industry there, and then followed the civil war... some industrial development has taken place in the north.

But we hope to move from a situation of stagnation to one of activity.

Q: *As minister of an industry that does not exist, where do you begin?*

A: We have to revive stagnant agro-industries such as the one in Nzara, canning and brewing factories like those in Wau, Kenaf and Tonj, the Melut sugar refinery, Mongala textile and sugar factories.

We have already achieved some measure of success. We now have funds for both the canning factory and the brewery in Wau. A team from the Arab Fund have promised, during their visit to the South in September, to assist us with the development projects planned for Melut and Tonj.

Hydro-electric power is an important factor in any industrial development of the South, and we have commissioned an Italian company to write a study on potential sources of electric power throughout the Region. The report should appear in the next few months. We are still pressing ahead with the Kapoeta cement project.

Q: *Did you bring back any money with you from your last tour of Arab states?*

A: I came back very optimistic responses from the Gulf were very promising. We have just formalised a programme of health, educational and social services aid, costing some $160 million, to be completed over the next two to three years. The United Arab Emirates and Kuwait were particularly generous. Our social services should start to feel the effect of the agreement over the next few months.

Q: *How important do you think it is that the South is now able to go and plead its case to the outside world?*

A: After nine years of peace in the South, all of us in the Regional Government thought it was about time to go out and do something about social services and industrial development projects in the Region. We realised we could not accomplish much simply with the resources of Sudan, so we are grateful that the President of the Republic was able to allow us to seek out our brothers and friends in the Arab world, whose means are far greater than our own, and present our case to them. I think this is an important turning-point in the history of development in the South.

Q: *It is now eight years since the Addis Ababa Agreement, yet parts of the South are still administered from the North. Why is it taking so long to bring these areas under the Southern Region's Administration?*

A: I would like to hope that the delay in bringing those areas under the South's administrative umbrella is not caused by any one person being difficult. It would be understandable if the reason for this delay was caused by the Regional Government's being bogged down with administrative problems – indeed, if you had witnessed the problems the Southern Administration has had to tackle over the last eight years, I am sure you would feel you had enough problems on your hands without adding a few more square miles to them. I believe the delay is just another administrative bottleneck, for the law is very clear on this issue of administrative jurisdiction.

Q: *But is not the land under dispute more than just 'a few square miles' – indeed, does it not contain the copper-rich Kafia-Kingi district.?*

A: Again, I feel it is very easy to overplay this business of minerals. The matter of the minerals is not relevant to the question; we do not claim administrative rights to a place simply because it contains minerals. By law, the central government has the right to develop any mineral deposits it discovers jointly with the region concerned. The rest of the country has to benefit from those minerals if they are found in any exploitable quantity.

No, the borders were there before we knew there was any copper in Kafia-Kingi, just as Bentiu was in the South before we knew there was any oil beneath it. We will administer those areas on basic political, not economic considerations. I think it would be wrong of us to suggest that economic benefits should come to us in the South to the exclusion of any other part of the country.

Q: *In the recent debate on the Regionalisation Bill in the National Assembly, a map which the Southern Region members of the Assembly claim was incorrectly marked and which, they claim, took land away from the South and gave to the North, was attached to a bill with the intention of legalising the boundaries without the backing of the Southern Region members. What is your reaction to this?*

A: I think all this should not have happened. It was indeed unfortunate that this took place at a time when the emphasis was on the Regional Government Act, which came before the Assembly as a unifying factor rather than a dividing one.

It must be said honestly that the leadership of the Assembly was insensitive to the issue of the borders on the map, and I think that particularly the Attorney General, the Speaker, the Chairman of the Legal Affairs Committee – and indeed the whole Assembly – should have been much more sensitive to the issue.

I do not think this matter should be settled by sheer weight of numbers within the Assembly. However, this is all behind us now as the President – who keeps watch over these sensitive areas – followed the debate and was very concerned by the way in which the issue divided the Assembly, on an issue where no division had been expected. As party to the legislature in the country, the President will make sure that this matter is corrected, and I have no doubt in my mind that he will solve the problem.

CSO: 4820

SUDAN

JAPANESE MAKE LARGE CONTRIBUTION TO ECONOMY

Khartoum SUDANOW in English Jan 81 pp 27-28

[Text]

Sudan's relations with the nations of Asia are of fairly recent origin. Although still in their infancy, cooperative endeavours are becoming more extensive. Since the Ramadan War of 1973 Japan, in particular, has played an increasingly important role in assisting Sudan's development efforts. Nagi Saliem Boulis reports below:

THE JAPANESE government has recently donated a grant-aid of 800m Yen (about $4m) to assist Sudan's efforts to increase domestic food production. Notes to this effect were exchanged last November between H.E. Mr Fumio Hirano, Japan's ambassador to Sudan, and Mr Hashim Osman Ahmed, undersecretary of Sudan's Ministry of Foreign Affairs. 'The grant will be used for the purchase of products and services,' *Sudanow* was informed. Fertilisers, agricultural chemicals and agricultural machinery will be purchased, as will the services required to transport them.

This is but the latest in a series of cooperative efforts between Japan and Sudan, and reflects Japan's deepening commitment to Third World development. 'The prolonged stagnation of the world economy triggered by the 1973 oil crisis brought about increasing recognition in Japan that the world has never before been so interdependent. This recognition has been accompanied, amongst other things, by the awareness that both the North and the South (the developed and the developing nations) should be developed in harmony. It has also become widely accepted that the developed nations should take concerted action to help eradicate poverty in the developing countries. As a result, the Japanese public has deepened its understanding of the philosophy behind development aid and the need for concrete measures to attack the problem lying at the very core of the North-South question,' observed Mr Hidehiro Yoshii, Third Secretary of Japan's embassy here in Khartoum.

It is this understanding that underlies the history of Japanese economic assistance to Sudan. Mr Ashaqar Abdalla Matur, an Economic Assistant at the Japanese embassy in Khartoum, commented upon Japan's grant-aids to Sudan: 'The Japanese government realises that a developing country such as Sudan is more in need of grant-aids than of loans (See Business, December). Japan's grant-aid to Sudan is in accordance with the United Nations resolution calling upon the developed industrial nations of the Northern hemisphere to allocate 0.7 per cent of their gross national products as official aid to the Third World.'

Japanese grants to Sudan started in September 1976, when 154m Yen (about $0.5m) was donated for purchases of agricultural machinery. In August 1977 a 500m Yen ($1.9m) grant was given to the government for the establishment of an experimental farm for rice cultivation in the Gasaba area. A year later 200m Yen ($1.1m) was granted to the Sudanese government as emergency relief aid for the purchase of food, medicine, tents, and clothes. In October 1978, under the Nutrition Improvement Project, 400m Yen ($2.2m) was granted to the government for the purchase of powdered milk and canned fish. Two months later purchases of agricultural machinery, fertilisers, and insecticides were made possible

by a Japanese grant of another 400m Yen. In July 1979 a further 1b Yen ($4.6m) was given to the Gasaba rice cultivation project. Then, in December of that year, another grant of 500m Yen was used for the purchase of more fertiliser and insecticides. A month later the Fishery Development Project received a sum of 200m Yen, while in September of last year the Blue Nile Health Project was granted 400m Yen.

In addition to grant-aids, the government of Sudan has so far received two long-term Yen loans. The first loan was concluded in May 1976, wherein Japan extended 3b Yen (about $10.1m) for road construction between Nyala and Zalingei. This loan was to be repaid over 30 years with a 10 years grace period and an interest rate of three per cent per annum. The second loan was extended in December 1977 (5b Yen, $23m) for the purchase of spare parts and equipment for the Rural Water Corporation and bears similar terms of repayment.

'The government of Sudan,' noted Mr Yoshii, 'has asked Japan to extend a third loan, which is to be used to improve Sudan's telecommunications and transportation networks.' Although the amount of the loan has not yet been specified, Mr Yoshii predicts that it will be in the neighbourhood of 5b Yen.

In addition to grant-aids and Yen loans the Japanese government, through the Japanese International Cooperation Agency, has extended scholarships to some 300 Sudanese for training in various fields, including agriculture, engineering, telecommunications, medicine, computer science, electronics, the textile industry, construction, tourism, port and harbour design and economic development studies.

'Japan is paying much attention to technical cooperation with Sudan', noted Mr A. A. Matur. 'Thanks to this cooperation a group of Sudanese technicians will be available in the near future to assist the process of economic development in Sudan.' Mr Yoshii drew attention to the fact that the Japanese 'economic miracle' could not have been achieved had not Japan converted its human resources into a highly skilled and disciplined labour force. 'Unlike Japan, which has no natural resources, Sudan is endowed with great natural potential. So developing the human resources hand in hand with the natural resources will enhance the process of development in Sudan.'

Asked about the volume of trade between Sudan and Japan as an indicator of their mutual economic relations, Mr Matur replied that he would not consider this as a useful criterion of the cooperation between the two countries. 'Most of the trading between Sudan and Japan is done indirectly. Many Sudanese abroad transfer their earnings home in the form of Japanese products such as motor vehicles, television sets, cassette recorders, and radios.' (According to the Bank of Sudan, 7.8% of Sudan's total exports for 1978/79 went to Japan while 8% of that year's imports came from Japan. In 1979/80 Sudan exported goods valued at £s16.5m to Japan and imported Japanese goods valued at £s31.1m).

What are the obstacles to direct trade between the two countries? According to Mr Matur there are two. 'The first has to do with the congestion at Port Sudan harbour. Japanese businessmen are unwilling to ship their goods to Sudan because unloading operations there usually take 15-20 days. Secondly, Sudanese merchants are inexperienced in dealing with the Japanese market.'

The future of Japanese-Sudanese cooperation, however, lies in a field other than grants or direct trade. 'The nature of Japanese-Sudanese cooperation in the near future will take the form of joint-venture projects,' assured Mr Yoshii. 'Although Japan has only a few joint-venture projects in Sudan at the moment, several Japanese companies have liaison offices in Khartoum searching for such opportunities.' To date Japan is involved with three joint-venture projects: the Sudanese Sheet Metal Producing Mill, Khartoum Spinning and Weaving Co, and Kenana Sugar Factory. The six companies with liaison offices in Khartoum are: Mitsubishi, Mitsui, Kanematsu, Gosho, Marubeni, Nissho Iwai and Tomen Co.

Mr Matur briefly outlined the major problems identified by Japanese firms as regards the Sudanese market: poor infrastructure, the shortage of local raw materials for the construction trade, the outflow of skilled Sudanese to the Gulf region, difficulties in the transfer of foreign exchange, and, most importantly, the failure of the People's Assembly to enact the New Investment Act.

CSO: 4820

SUDAN

OIL SECTOR DEVELOPMENT REASSESSED

Khartoum SUDANOW in English Jan 81 pp 31, 33-34

[Text]

A national conference is to be held in Khartoum in March to discuss how best to use Sudan's energy resources. The attention currently focused on oil as the potential salvation of the economy needs to be reconsidered in the light of escalating domestic consumption and the spread of road-haulage and its attendant fuel demands, while opinion has been divided on the siting of the country's second oil refinery. Jeffery Phillips reports:

ENERGY MINISTER Dr Sherif el Tuhami confirmed last month that Sudan's second oil refinery is to be built at Kosti. In the first stage, using crude oil from the Unity field in Upper Nile province, the refinery will have a capacity of some 10,000 barrels per day – about one-third of the country's current level of demand. The refinery will be linked to Unity by a 550-kilometre, ten-inch pipeline.

The Unity wells have been the most productive of the 'wildcat' wells sunk so far by the Chevron Oil Company in its 500,000 sq. kilometre concession in southwestern Sudan. Unity Five has been reported as producing 3,200 bpd. Hydrocarbon shows have been found at Unity Six, but no public statement as to the flow rate has yet been made.

Following the feasibility study for the proposed refinery and pipeline carried out by Chevron, detailed designs are likely to be completed within the next three months, after which tenders will be called for. Although the Ministry of Energy and Mining regards refinery and pipeline as one project, tenderers will be allowed to bid for all or part of the project, the total cost of which is estimated at $200 million.

Chevron's involvement in the financing does not mean that they will be given any preference when tender bids are opened, said Ministry officials last month. However, Chevron is one of a number of companies who 'have expressed an interest' in building the project. Clearly, Chevron, or one of its subsidiaries, must have a good chance of winning the contract.

Senior ministry officials are optimistic that construction might begin within six months and the whole project completed after a further two years. Dr Sherif el Tuhami said that an effect upon the balance of payments was likely to be felt raised to 25,000 bpd – the size of the refinery at Port Sudan – depending upon the extent of the oil reserve revealed by further exploration. With the rate of demand for refined products increasing by about ten per cent per annum, Sudan will be refining about 30 per cent of its daily requirements by late 1983. There are no plans at present to build a crude oil pipeline to Port Sudan, which will continue to receive foreign crude.

Consumption patterns are difficult to forecast accurately. Even so, by the end of the 1980s, a refining capacity of even 50,000 bpd – Kosti plus Port Sudan – will be woefully inadequate, providing perhaps only two-thirds of demand. Even this figure may be an overestimate if the expected boom in road haulage, following the opening of the Port Sudan to Khartoum highway and the road system linked to it, takes off.

The Ministry of National Planning – having virtually given up any hopes of improving the efficiency level of Sudan Railways in the short term – are encouraging the establishment and expansion of modern road haulage companies. Indeed by the mid-1980s road haulage is likely to carry more than 50 per cent of all goods transported – reversing the domination historically enjoyed by Sudan Railways. But it seems that the energy cost of such a policy has not been fully worked out, so that the demand for petroleum products is likely to increase over the next few years by considerably more than the ten per cent forecast.

The energy options facing the government in the last twenty years of the 20th century – whether to increase refining capacity; to encourage the exploitation of other forms of energy, especially hydropower; to raise the price of petrol at the pumps, and so on – are to be discussed at a national energy conference at Khartoum's Friendship Hall in March. Although the list of participants is yet to be drawn up, the ministry expects a number of distinguished Third World authorities on energy to attend the meeting to work out the optimal use of Sudan's indigenous resources. The conference is being planned by the National Energy Administration (part of the Ministry of Energy and Mining) which is being supported by a $1 million grant from USAID to develop an energy policy for Sudan to the year 2000.

The choice of Kosti as the site for the proposed refinery has not been without its critics. Last month, there were protests from some members of the People's Assembly who represent Southern constituencies about what they saw as attempts by the north to deprive the South of investment and jobs that were rightly theirs'. Since most of the oil has been found in the Southern Region, they said, the refinery and any ancillary projects should be built there. It was also pointed out that locating the refinery in the South would help overcome some of the distribution bottlenecks that the region currently suffers. In an attempt to overcome some of the distribution problems in the South and West, two 572-tonne refined products' storage tanks were opened at Jebel Aulia at the end of last month. In addition, the River Transport Corporation has recently taken delivery of four oil barges, with a further two expected later this month.

Despite strong Southern reservations, there are clear advantages to locating the refinery at Kosti. The area is well served by communications, being the point where the railway to the west and south crosses the White Nile; it is also the northern port for north-south river traffic. And, when the current road-building programme has been implemented, Kosti will be linked by modern roads to the towns and areas of productive activity in the central region, where the demand for petroleum products is greatest.

Looking further ahead, there are plans to build an oil-fired power station adjacent to the new refinery to provide electricity for the proposed agro-industrial schemes in the broad sweep of fertile land between El Dueim in the north and the Nuba Mountains. 'A power station there could revolutionise agriculture in that area,' said the Energy Minister last month.

With fast-declining yields in nearly all Sudan's major agricultural schemes, upon which the national economy is totally dependent – the importance of domestic oil's coming on-stream at this time can hardly be over-estimated. The saving to the balance of payments and the releasing for development investment of hard currency export earnings is likely to be the saving of the economy until such time as the decline in agriculture can be reversed. Certainly, officials at the Bank of Sudan and the Ministry of Energy and Mining believe that oil has been one of the major factors in the ease with which the re-scheduling of Sudan's external debt has been negotiated.

Of course, from the point of view of propping up the economy, oil is still very much an unproved asset. To date, Sudan is capable of producing something in the order of 18,000 bpd. But by the end of the decade, the country's demand for petroleum products is likely to be in excess of 60,000 bpd. And last month's OPEC meeting in Indonesia could not but reinforce expectations that oil prices are likely to continue upwards.

The building of the refinery and the pipeline are significant of the optimism that now characterises those included in the explorations. But equally, one is entitled to expect that the government will use the breathing space it is now being offered to get its handling of the economy into shape.

From this point of view, oil is still an unknown quantity. There is still, for example, no reason to believe that Sudan will be capable of producing the amount of oil that the economy will require by 1990. Certainly, there is no reason to believe the reports in the London magazine *8 Days* that Sudan was capable of producing 100,000 bpd for a decade. Last month, Dr Sherif el Tuhami denied that he had ever given any reason for believing in such a figure. He also denied a report in the same magazine that Chevron Oil Company was considering pulling out of Sudan unless it could prove 365,000 bpd upon which to establish an oil-export industry.

CSO: 4820

SUDAN

LABOR SHORTAGE PLAGUES OIL INDUSTRY DEVELOPMENT

Paris AL-WATAN AL-'ARABI in Arabic 2-8 Jan 81 p 44

[Text] The emigration of manual labor is considered to be the greatest ailment to afflict the Sudanese economy. While Sudan has a population of 18 million, 80 percent of them are illiterate. Meanwhile, the number of workers and employees living abroad has reached a million and most of these are employed in work in the Gulf states and Saudi Arabia.

The drain comprises trained workers beginning with engineers, teachers, journalists, and ending with drivers, cooks, and continuing to ordinary manual laborers, as in the fields of construction and the like.

To put a stop to this drain the regime has relied on restricting the freedom to travel, but it has been unable to prevent the travels of pilgrims wanting to go to the holy land. The pilgrimage is the pretext that is used by workers and laborers then to justify their leaving the country, but then they do not return.

In fact there is no solution to this problem in the foreseeable future, especially since Sudan is a bankrupt country with few job opportunities and no high paying jobs. Furthermore the often incapable of paying the salaries of its civil servants and employees in some production sectors.

Sudan's foreign debts are estimated at $4 billion. Four foreign banks have begun negotiations with the government on behalf of some 200 banks in order to put off the repayment of some of Sudan's debts and to make its repayments spread out in installments over the next 7 years.

Poor planning by the government has only added to Sudan's economic woes. The developmental plans it wanted have cost 10 times what they were initially estimated to be. It is possible to offer many examples of poor planning, mismanagement, and the flight of skilled labor.

The costs of the Kinanah sugar project had been estimated to come to $125 million when projected plans were made in 1973. But the project's costs to date have run to a billion dollars, and as of now it produces only a minimal amount of sugar.

Sudan consumes sugar ravenously and the government has squandered huge sums of money in sugar price supports. In spit of this there are six other projects to produce sugar at various stages of completion, and yet despite the pressing demand for sugar, none of them have gone beyond this stage.

The factory to produce tomato juice is another example of poor planning. It was built in an area that produces dates but not tomatoes. Meanwhile a milk processing plant was built in an area where no livestock are raised. The government has come to realize too late the extent of its planning and economic blunders. It is now intent in its attempts to rectify the problems and make these failing projects work.

It is laying a pipeline to transport oil from the refinery at Port Sudan on the coast to Khartoum in the interior, but it is not working at full capacity. Workers and contractors on this project have not gotten their wages on schedule.

Amidst the rise in the price of Sudan's oil bill (put at $450 million in 1980) some optimistic hopes have spread about the discovery of oil inside the country. It is said that within a few years Sudan could be transformed into an oil-producing country and perhaps even an oil-exporter.

There are currently five wells producing oil at a rate of 18,000 barrels a day, which is half of Sudan's daily consumption of oil. Mr Muhammad Sharif al-Tuhami, minister of Energy and Mining expects that Sudan will become self-sufficient in the next 3 years.

However the American oil company, Chevron, and other oil companies that are prospecting for oil in Sudan have advised the government to moderate their enthusiasm and optimism and to make less extravagant promises.

Chevron, the owner of the principal finds, says that there is oil, but that it is difficult to say if it is in commercially exploitable amounts before Chevron can complete its tests and technical studies that are meant to estimate if what they have found is of commercial amounts.

The company announced last May that its studies would be completed after the rainy season. The rainy season is now over in the south and the time is coming when these hopes will be either dashed or confirmed.

Up till now this company has already spent in its prospecting for oil along the coast and in the southwestern part of the country nearly $130 million. It now owns four producing wells. It is said that the oil is a high-grade oil with a low sulphur content, and that this facilitates its refining.

Sudan has decided to build a refinery plant in the region of the Upper Nile that will produce 5000 barrels daily starting in 1982. Meanwhile preparations are under way to build another refinery, perhaps in Kosti, which could start production in 1986 with an estimated capacity of 50,000 barrels per day.

Currently the refinery in Port Sudan operates at a capacity of 26,000 barrels daily, although it relies on imported oil, thus disregarding the pipeline coming to Port Sudan from the newly discovered oil wells in the southwest.

Out of the confusion of these dilemmas the government has been unable to deliver on its promise to increase wages in two stages by 100 percent; a matter that is threatened by the outbreak of political and labor disturbances considering that the rate of inflation (price increases) was also 100 percent last year.

President Numeayri has tied wage increases to the discovery and commercial exploitation of oil. It is obvious from this that the results of the technical tests on Sudan's newly discovered oil are of crucial importance; for these results whether negative or positive, will have material and economic--and perhaps even political--repercussions.

9587
CSO: 4802

SUDAN

CONCENTRATED EFFORTS ATTACK CATTLE DISEASES

Khartoum SUDANOW in English Jan 81 pp 34-35

[Text]

A NEW £s¼ million veterinary laboratory was inaugurated last month in the Southern Regional capital of Juba by Abel Alier, Vice-President of the Republic and President of the Regional High Executive Council. The ceremony was attended by the Regional Minister for Agriculture and Animal Resources, Dr Gama Hassan, the Director-General of the Ministry, Dr David Bassiouni, and the Director of Veterinary Services, Dr Aggrey Ayuen.

The conception of a veterinary vaccines production laboratory dates from the inception of regional self-rule. Following the 1972 Addis Ababa Accord, priority in regional development was given to the rehabilitation of the agricultural sector, with emphasis on the development of small-holder farming as the quickest method of raising the standard of living of the mass of the population. The potential for livestock production obviously required an effective animal health service so as to reduce the incidence of endemic disease. Therefore, the regional government, with the assistance of the Federal Republic of Germany, undertook a large-scale vaccination programme, primarily aimed at rinderpest and contagious bovine pleuropneumonia.

This effort was timely, but various factors limited its impact. The vast distances between herds, the frequently short shelf-life of vaccines (two to three weeks for the CEPP vaccine, for example), the already heavy demands on the central laboratory in Khartoum and so on made a regional vaccine production centre necessary.

At present, the new laboratory has a projected annual output of two million doses of CEPP vaccines, though at periods of peak demand batches of 100,000 doses can be produced within a fortnight. This level of production will provide 40-50% coverage in the region, compared to the present 15-30%. The ultimate target, which depends upon improved roads and transport, is for 80-90% coverage.

'Southern Sudan is an endemic area for a number of major cattle diseases, and with an estimated annual herd mortality rate of 13.5%, disease problems are more extensive, serious and intractable than in more temperate climates. In the absence of sufficient information about the incidence and severity of various diseases, no effective disease control programme can be mounted. Hence a disease survey will be conducted from within this laboratory as a prelude to the present and future disease control programme,' observed Dr Ayuen.

In this effort, the May laboratory in Juba will be aided by branches in Wau and Malakal. Simple diagnostic work will be done at the Wau and Malakal laboratories, with the more advanced work handled by Juba. The Wau laboratory is already operational, directed by the German Veterinary Team, and the Malakal laboratory will open shortly. 'The May laboratory in Juba will also provide in-service training for local personnel, an exercise which has not yet existed in the Southern Region, and it will as well act as a centre for new scientific technology,' continued Dr Ayuen.

In addition to rinderpest and contagious bovine pleuropneumonia other diseases flourish. New lines in vaccine production will include haemorrhagic septicaemia, black quarter and anthrax. With the present scope of the new laboratory, Sudan will continue to send samples to Kenya for the most sophisticated problems, especially those in the field of virology. Although Kenya has been very cooperative in this endeavour, it is felt that we should be prepared to handle our own problems.

Most of the road still lies ahead and a degree of determination is needed so that the impact of scientific work is felt more effectively at the grass-roots. It is the wish of the government that in the not too far future there should be similar veterinary centres in all cattle-populated provinces.

— Arop Madut

CSO: 5400

SULTANATE OF OMAN

STRAIT OF HORMUZ COULD BE FIRST SPARK OF WORLD WAR III

Paris AL-WATAN AL-'ARABI in Arabic 2 Jan 81 pp 32-34

[Article by Ahmad Hafiz: "The Game of Nations on the Arab Oil Terminal"]

[Text] An Omani helicopter took us to the strait on a warm, sunny morning with the breezes playing. Near me sat an Omani officer as a companion and guide. Then there were three members of the Omani armed forces, carrying some provisions, mail and newspapers to the Omani armed forces stationed at the entrance to the strait on the island of al-Ghunayim, as well as a photographer from the Omani Ministry of Information.

The plane made the trip to the strait in 2.5 hours but it had begun to seem to me as if it were taking 10. I was overtaken with apprehension about the winds playing with the small aircraft that was vibrating above the lofty peaks with pointed, rocky summits and above the deep, desolate valleys. However, the vista would at times change and the attractive topography along the Omani caost would appear, splendid scenery with a mixture of sea and desert with green cases covered with date and coconut trees and all types of tropical plants while there were scattered villages near the primitive fishing boats and the narrow desert paths.

"Here is the island of al-Ghanayim, at Ra's Musandum," said the captain, "We will now leave you and then pick you up at the same place in 5 hours so as to take you back to Muscat with us."

I looked about me. It was absolutely silent everywhere. The island looked like a barren, rocky mass with a number of buildings and installations on its forward edge jutting into the water. I asked my companion about them and he said, "They are the installations of a small Omani military base comprising a battalion of 130 persons, seven coast guard patrol boats, a helicopter and a small transport aircraft."

I asked whether this small force was sufficient to protect or secure navigation in the strait.

He responded, tersely, "It is not enough."

Alone, We Cannot...

I recalled what I had been told by Yusuf al-'Alawi, the undersecretary of the Omani Foreign Ministry, in his office in Muscat when I was talking with him about the

responsibility of the Sultanate of Oman in the strait as the state within whose territorial waters the international maritime channels were located. I recalled how he had said that his country could not alone bear the responsibility for protecting that international strategic corridor where the most important "material" of modern times passes--oil. Al-'Alawi added, explaining his country's policy with regard to this vital issue, "For a long time, we have been drawing the attention of the world, or to be more precise, the producing countries whose oil passes through the strait and the consuming countries, to the issue of protecting navigation there. Given our responsibility as a country in whose territorial waters the strait is located, we at the beginning proposed to the sister Arab countries who have oil export ports on the Arab Gulf that the strait constituted the only bottleneck for the passage of ships to and from the Gulf. We suggested creating a fund to pay for forming a special Omani force, equipped with various necessary air and naval units, whose main mission would be to protect navigation in the strait but the idea got no responsive audience. In an attempt on our part to implement it, we again raised it with the western oil importing countries which had fundamental interests in the safety of navigation but were startled to encounter a vicious attack on us and on Omani policy as a whole and how we were striving to establish western military bases in our country, and consequently, in the Arab Gulf area. We made repeated attempts, reexplaining our goals and reaffirming that we did not want foreign armies to protect the strait, as this was to be rejected out of hand; rather, we wanted financial assistance or material assistance in the form of equipment which the Omani armed forces could use to protect freedom of navigation and to guard the international waterways from any sabotage."

"In any case,"--the undersecretary of the Omani Foreign Ministry is still speaking--"The western oil consuming countries themselves were not enthusiastic over the Omani plan. It is now clear that they preferred to bring their fleets, their battleships and their aircraft carriers, to be stationed in the Arabian Sea and the Indian Ocean, near to the entrance of the strait, to be completely ready to intervene were any interference with navigation to occur. The strange thing is that these countries preferred to spend hundreds of millions of dollars a month to guard the strait with their military machinery, the sums representing the costs of the fleets near the strait, rather than pay 10 percent of this sum to implement the Omani plan that could fulfill the objective."

War and the Strait

I was recalling what Yusuf al-'Alawi told me about the responsibility of his country toward this strategic waterway when I visualized a terrifying scenario: The strait is closed and the industrial west is deprived of 19 million barrels of oil a day, 90 percent of Japan's needs, half of what Europe consumes and a quarter of America's imported requirements.

I visualized the international and Arab reactions to this. The strait is the vital artery linking Saudi Arabia, Kuwait, Iraq, the UAE, Oman, Qatar and Bahrain with the sea, although Saudi Arabia could rely on its ports on the Red Sea and the Sultanate of Oman on the Gulf of Oman as is the case with the UAE which recently built a port on the Gulf.

Obstructing, Not Halting

However, can navigation in the strait be halted?

This was the question I put to the captain of the Omani naval vessel while we were touring the waters of the strait near the Ra's Musandum peninsula and getting a clear view of a huge oil tanker quietly sailing east, that is, out of the Arab Gulf.

The officer said, with his eyes on the distant horizon, "The fact is that you should consider the closing of the strait to be lacking in scientific accuracy for one simple reason, that is, that the word "closing" which is bandied about by some information media is imprecise with regard to the Strait of Hormus. Scientifically and practically speaking, it would be difficult to completely close the strait. The truth is that it would be possible to obstruct the course of navigation there for a few days or weeks, depending on the size and nature of the obstruction operation. However, I do not want to minimize the gravity of statements about guaranteeing the security of navigation in this important waterway; obstructing navigation here for even one or two days would have a direct effect on the world's oil supplies. Suffice it for me to say that before the Iraqi-Iranian war, the number of ships and oil tankers transiting the Gulf and passing the Strait of Hormuz used to approach 300 a day, an average of one ship every 8 minutes. Now, with the war still going on between the two countries, the number has fallen to 220 and, at times, to 180, since the loading of oil has stopped at the Iraqi and Iranian terminals, the two largest oil exporting countries in the area after Saudi Arabia. Accordingly, we can imagine the shortage in oil supplies to the world were navigation in the Strait of Hormuz were to come to a halt, if only for a single day, to clear some mines which had been planted to obstruct the progress of the ships."

However, I asked, how would it be difficult to close the strait, or what is the fallacy in the common expression, closing the strait?

He replied, "The strait of Hormuz is a waterway that is different from the Suez Canal, for example, which is also an essential international waterway. The strait varies in width from 400 kilometers at its widest to 40 kilometers at its narrowest point at Ra's Musandum, where we are now. Also the water depth reaches 250 feet. If we assume that the largest tanker of the type transiting the strait has a draft of no more than 20 feet, in order to close the strait, it would then require the sinking of no less than 10 huge tankers one on top of the other, not to mention what I said about the width of the strait at its narrowest point being 40 kilometers; what is the length of the largest ship in the world?"

Salamah, Queen of the Islands

The man had been speaking excitedly in a loud voice, trying to make himself heard over the roar of the vessel's engines taking us through the waters of the Arab Gulf in this part called the Strait of Hormuz, while on the horizon appeared a huge rocky mass, growing larger and larger as we drew closer. Our guide pointed to it and said, "That is the island of Salamah which the English used to call "Queenland," that is, the queen of the islands, because of its importance in guiding ships at the entrance to the islands. It is an Omani island but no one lives there except some workers who operate the lighthouse." The man then pointed to a group of small islands

around Salamah Island and said that they were named Banat Salamah [the daughters of Salamah] as an indication of their small size compared with the mother island, Salamah.

The vessel took us around Salamah Island so that we could see the lighthouse and, from afar, a number of workers who operated the lighthouse were visible.

We returned to the coast to al-Ghanayim Island, the site of the small Omani military base and found the helicopter waiting for us. The plane took us on a tour of the strait and here began the most impressive part of the trip. No sooner had the plane risen over the calm, deep blue water than one of the most beautiful veiws we had ever seen became evident to us, the Strait of Hormuz. We were flying over the narrowest part of it and the peaks of a chain of high mountains began to appear clearly and rock islands emerging from the waters of the strait. The shipping corridors which wound around the small islands looked like small streams of clear water. The landmarks of the other side, the Iranian side, appeared distant and the aricraft captain apologized for not taking us closer; we nodded our heads in understanding.

The oil tankers stood out clearly in front of us, sliding along easily and quietly on the surface of the water. It was a splendid natural panorama.

Suddenly our enjoyment of our view and our absorption in the details of that splendid panorama was broken by the voice of the captain saying, "Attention. We have approached a very dangerous and important spy ship stationed in international waters at the entrance to the strait, the Soviet spy ship." Quickly I stuck my head out the open wincow of the helicopter. The deck of the ship looked like a jungle of equipment and wires running back and forth here and there. The crew in their uniforms stood quietly, watching us coldly with their naked eyes as if they were seeing a paper airplane with which a small boy was playing. They were right since what could be done by a small helicopter toyed with by the breeze as it wished, a plane whose captain had asked the passengers to wear life jackets throughout the whole flight in readiness to jump at any time. The pilot took us around the Soviet spy ship once, then a second time and then a third to give us more chances to photograph it. I asked the Omani officer, "isn't this dangerous for us; they are watching while we are taking pictures?"

The professional officer laughed loudly at my naivete and said, "Do you think that they are taking any interest in the pictures you are now taking or even in the fact that we are now here above their heads? They have been here for months monitoring all activity in the Strait of Hormuz and on both the Arab and Iranian sides of the Arab Gulf. Everyone knows they are here. Nearby are other American ships and a British ship and a French ship and they are all watching each other so that no one will break the rules of the 'game'."

Between Iran and Oman

The plane began to move away from the Soviet ship squatting on the water while two ships following opposite courses appeared on the near horizon, one heading toward the Gulf ports and the other moving toward the entry to the strait, and from there to the high seas. I recalled what I had been told by 'Abd al-'Aziz al-Rawwas, the Minister of Information in the Sultanate of Oman, when I had been sitting with him in Muscat. He had been talking about the strait and how Oman had concluded an

agreement with Iran in 1974 which defined the continental shelf between the two countries, thereby dividing the strait on the basis of the line at the midpoint in the waters between the furthest land promontories between the two countries. As a result of the agreement, the shipping channels in the strait were confined to Omani territorial waters since the Iranian portion did not have sufficient depth of water for the passage of large ships. Iran had instructed an international company to regulate shipping through the strait but, after the agreement defining the territorial waters between Iran and Oman, the Omani Government alone assumed the burdensome duty of regulating the new shipping channels since the navigable channels were confined to Omani territorial waters. Starting in November 1979 the old routes for tankers were changed to new ones that would achieve greater safety for shipping traffic through the strait. These routes now comprise three channels, one for tankers heading toward the Gulf and the other for those leaving it, with a safety strip in the middle. These routes are 2 nautical miles wide and the water depth reaches 100 meters, the width of the old routes for tankers having not been more than 1 mile. The area dividing the routes had been narrow and the huge tankers had been unable to maneuver freely and this had posed a constant threat to shipping in the strait because of the possibility of collisions between two tankers headed in opposite directions.

Limits of Omani Responsibility

When I asked the Omani Minister of Information about the limits to Omani responsibility for the Strait of Hormuz, he replied, "The responsibility of the Sultanate of Oman over the strait, or to be more precise, over the waterways there is total, just as is its responsibility over any part of Omani soil."

I asked him, "Do you receive any tolls from the ships and tankers that transit these waterways as Omani territorial waters?"

He replied, "No, we receive no tolls. International practice is that tolls are not collected from ships transiting international straits on the basis that they are natural waterways, unlike the Suez Canal or the Panama Canal, for example, which had been dug by human efforts."

I queried him, "So what benefit do you derive from this important international strait?"

He replied, "Nothing, except for the problems which we don't need. We have no commercial port in the strait or the Gulf as all our ports are located on the Gulf of Oman. That might explain the invitation, known as the Omani plan to protect the strait, which we extended more than a year ago and in which we asked the countries that benefit from the strait (the oil exporting and consuming countries) to help us provide the needed guarantees for shipping; we, however, have as yet received no positive response and so we have no choice but to depend on our own abilities to exercise our sovereignty over an important part of the Omani homeland."

On the way back, while the winds were buffeting the old helicopter and the captain was reiterating the safety instructions and the need to confirm the positioning of the parachutes on our chests as a precaution against danger, I felt a succession of misgivings inside and more than one question flashed through my mind.

I wonder how things will develop in this sensitive area of the world and whether World War III will start from this strange, wonderful strait which the countries of

the world are quarreling about protecting while the country within whose international boundaries it is located has no interests in it, or at least no concern with what goes on around it and over it? Another question: Do not the inhabitants of the strait and the Gulf have priority over others in protecting it? Then why do others impose themselves as protectors of us and of our territory and our waterways? Is it because of "our beautiful dark eyes" or for purely their own interests which, in this case, lie in ensuring their continued supplies of oil through the Strait of Hormuz, the one bottleneck through which Arab oil passes to all parts of the world?

It is certain that any slight miscalculation by any of the parties who have their fleets stationed around the Strait of Hormuz could light the first spark of World War III. If there is any doubt about this, closer scrutiny of contemporary history which moves through the strait each day would be enough to wipe away this doubt and transform it into a certainty.

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TUNISIA

'JEUNE AFRIQUE' ARTICLE ANAYLZES STATUS OF ARMY

Paris JEUNE AFRIQUE in French 31 Dec 80 pp 178-184

[Article by Souhayr Belhassen: "The Tunisian Army: An Unknown Quantity"]

[Text] On 24 June 1956, in the course of a parade through the principal streets of Tunis, the Tunisian people were meeting the most spectacular attribute of independence: The army.

In fact, the parade involved the first contingent of the Tunisian Army, composed of a combined arms regiment of about 1,500 men, among whom were 26 officers (including Major Tebib, who was to lead the Tunisian Army for many years) and noncommissioned officers, several of whom had served during World War II.

Sergent Bechir recalls how, as a teacher and administrator at Sbeitla at the age of 20, he found himself without a job and volunteered for the Fourth Regiment of Tunisian light infantry a few months before the Tunisian Army was established. "A list of men from the First Combined Arms Regiment was to be sent to us from the Ministry of Defense. It was more than taking an examination, more than getting a diploma. It was a kind of second birth."

That is why the military routine did not stop for 3 days at Forjmol barracks in Bab Sassoun (a residential area west of Tunis), where the First Combined Arms Regiment was installed. While the various units were being formed, the Tunisian high command received its armament (MAS rifles, submachine guns, 105mm artillery, half-tracks), its vehicles, and its prime moving equipment.

Even before the parade took place the Tunisian Government decided to open military schools in Tunisia and to send a certain number of students to France in order to train the permanent cadre of the army. To be a graduate of a senior school and to be 20 years old at the time amounted to seeing all doors open before you. Leaving for somewhere was therefore the key word. To go into dentistry, pharmacy, or to attend Saint-Cyr came to about the same thing.

The Dream of Being in Uniform

However, for many young men the army was perfectly integrated into the general patriotic movement. Each one wanted to find his place in the nation which was

being born. Thus, the brother of General Abdelhamid Escheickh, today chief of staff of the Tunisian Armed Forces, explains that his father and he himself did everything possible to talk the young Abdelhamid out of going into the army. "He was brilliant, always first in his class. He was advised to become a doctor or a lawyer, but he was stubborn. To us, becoming a member of the military was not a career!"

"My ideal," a reserve captain says, "was to wear the Tunisian uniform!"

"It was something new, prestigious, attractive, which responded to my taste for adventure," recalls another young man of the time who had a choice between going into the hotel business or going to Saint-Cyr. He adds: "Being a soldier, I said to myself, was nevertheless better than being a waiter in a cafe, because at the time that was the way I looked at the hotel business."

So there were 105 young Tusisians who entered the combined arms school at Saint-Cyr. But there were also others in Brest to attend the naval school; or at Salons-de-Provence for air force training; at Montpellier for the military administrative school; at Bordeaux of Lyon for the army medical school. The excellent general training and the iron discipline of these great schools made the young second lieutenant into a young wolf in the eyes of the officers who had gone through the campaigns in Italy or Indochina. This competition between "older and younger soldiers" clearly led to tensions in the relationships between officers, but events would very rapidly lead certain young officers to distinguish themselves.

A New Pyramid

The first task of the military officers was to delimit the frontiers of the country; but the army had to fight also, beginning in 1958, at Remada, in the southern area of the country, where some noncommissioned officers received their baptism of fire. However, the real test would take place in Bizerte during the summer of 1961. This battle would mark once and for all the supremacy of the civil power and would underline the fact that the army is only an instrument of that civil power. It would also accentuate "the quarrel between older and younger soldiers."

The battle of Bizerte shaped the top of the pyramid of the Tunisian Army and gave birth to a cadre of reserve officers. A certain number of officers, in fact, would choose to leave the active army after the shock provoked by the 600 dead left on the battlefield. Some of the officers were turned into government delegates (subprefects). Others retired to marry foreign women or quite simply because they were not well adapted to the military life. Finally, the conspiracy of 1962, organized against the regime by a diverse group of opponents, some of whom were military officers, including two young graduates of Saint-Cyr, broke the morale of the young officers.

Today, only half of the first class of officers are to be found in the higher command of the armed forces, composed of the three general staffs and the various directorates (of programming, logistical services, planning, health, etc). Parallel to these directorates is a General Inspectorate of the Armed Forces, led by General Mokaddem (the only representative of the older personnel who came from the French Army).

Since the reforms introduced in 1979, the minister of defense holds all power in the armed forces after President Bourguiba, supreme leader of the armed forces. The chief of staff of the armed forces, Maj Gen Abdelhamid Escheikh, is only an adviser of the minister, contrary to the French conception, which invests this position with real powers.

Mohamed Salah Mokaddem and Boubaker Balma are the two other major genreals. On the same date four colonels were promoted to the rank of brigadier general, including Mohamed Gzara, chief of staff of the army. The chief of staff of the navy is Capt Habib F'Dhila. The only rear admiral of the Tunisian Navy is presently serving at the Tunisian Embassy in Paris. Finally, Col Touhami Machta is the chief of staff of the air force.

The Pseudopeasants

Personnel, intelligence, training, and logistics and operations are the four departments of each general staff. The first five or six training classes, or about 300 officers, who today are between 40 and 50 years old, had an essentially technical kind of training at the time of the war in Algeria. An interesting detail is that in the military training exercises at Saint-Cyr they played the role of dissident peasants [fellagas]. For 10 years after independence, and until 1978, the first officers who received diplomas from the general staff school in Paris—as well as those from schools in the United States and Belgium--were graduated at the rate of three or four a year. Like the officers from the countries where they are trained, they enter the respective schools by means of an examination, as is also the case with the Higher War School in Paris, where one or two places are offered each year to Tunisia. Further, the training programs or the refresher courses in France, the United States, and also in Italy, Greece, and Turkey, operate continuously for specialized personnel, officers, and noncommissioned officers of the three services.

The "Eggheads"

Courses in management and electronics were added to those involving combat. Today the armed forces are managed like a company. To judge both the level of the personnel as well as the quality of their training in terms of military instruction, technical education, and practical training in posts and units, it is enough to see the results of the training courses abroad. The results show, in fact, that by their standing in the classes the Tunisians have no reason to envy their Western comrades. Aside from the students in postgraduate classes for the army and navy, who are still trained abroad (a naval institute has just opened in Tunisia), the entire army training takes place in Tunisia, with the assistance of 43 foreign advisers, at the military academy of Fondouk Jedid, which accepts only senior school graduates and which trains each year nearly 500 noncommissioned officers; at the combined arms postgraduate school of Bou-Ficha, which trains an equal number each year; and finally at the general staff school at Kassar Said, recently established, which produces about 20 graduates per year.

Whereas in the civilian sector there is a tendency to think that the level of instruction is generally declining, the reverse is occurring among the Tunisian military. Thus, at the military academy it is demanded that the student also

follow, at the same time, a course of study leading to a diploma in the area of his choice. "We were getting eggheads," says a colonel on active service. "From 1974 to 1979 there was a continuous coming and going between the military academy and the university, to the point that officers were arriving at postgraduate school with the mentality of civilians. We had to stop the experiment."

A reserve captain, 45 years old, notes that not only are the criteria for admission higher than they were when he attended, but also that the study programs are following the evolution of the sciences and the technical areas. "Among the military there is something which one does not find among Tunisian civilians, that is, a motivation to learn. At 40 years of age a soldier, whatever his grade, does not feel it beneath him to return to study. Quite the contrary!" This captain also notes a new educational tendency founded on cooperation, reflection, and group work. A leader, although always the only one to decide, consults and listens. According to whether an officer has studied in the United States or in France, the style changes: simple and direct for the first group; reserve and distance are commonly to be found when one encounters a soldier trained in a French military school.

Concern for Promotion

The emergence of a business-oriented bourgeoisie in the 1970's, which has created a gap between civilians and military personnel, has not involved collective discontent among the military but rather individual frustrations which will be answered very quickly by indexation of military salaries to the salaries of the civil service, a policy of housing for military personnel, sports and leisure clubs, insurance policies--in short, all the advantages which equate higher ranking officers and generals to civil service personnel. The officers quarters have nothing in common with the sumptuous villas in the suburbs of Tunis, but this does not fail to arouse a certain envy on the part of junior officers, whose first problem is housing.

Promotion is also a matter of concern to junior officers. One can easily take about 8 years to go from second lieutenant to lieutenant and finally receive 260 dinars instead of 120 dinars per month (60,000 CFA francs). The future appears to be blocked for the generation of 30-year-olds. Whereas in civilian life business activity has opened up the prospects for this ge- ..ation, in the armed forces, as in the government, the best positions are already taken.

Installed in his home which "looks rich"--heavy velvet drapes from Genoa, stucco statues, fancy windowshades, many small possessions around the house--"the colonel" wears sporty clothes which make a man in his 50's who is getting a little thicker around the waist, look younger. Only the regulation haircut recalls his function. Owning his own house, he evidently does not have the advantages he would have had if he had been the commander of a place like Sousse or Bizerte, but with a salary of 400 dinars per month, "heavens," he says, "I have nothing much to complain about."

Like his opposite number in civilian life, a high official or executive in a company, "the colonel" dreams. He speaks of the plans of others, of those who have come upon "the" good business deal, of those who have been able to put something aside to help make ends meet. Thus, some of his colleagues in the armed forces

have a share in "big" or "little" business transactions, some with friends, some with relatives (their brothers or wives). These include representing medical firms, offices, import-export concerns, restaurants, mountain resorts, banquet halls. This is done in order to have some money set aside when the time for retirement comes. If he had wanted to make money like everyone else, "the colonel" would have taken the path of "promotion" already followed by many of his colleagues from his "class" and would have left the armed forces. Moreover, all those who leave the armed forces are very much in demand for their efficiency, whether in banks or private or public companies. But the slogan of "the colonel" is "to serve and obey."

A Closed Caste

The military apparently constitute a separate corps of people. In fact, they are a caste which lives in a closed world, a cocoon, but a permeable cocoon. It is permeable above all in terms of daily problems: the high cost of living, housing, the future of their children. Thus, in the mess, in the course of a game of cards, one can have a lively discussion about the latest football game, but not about the latest change in the government. Does this mean that the Tunisian Army is not politicized? Compared to the armies of the Middle East, it is certainly less politicized and more loyalist.

Rejection of Politics

For President Bourguiba the place for the soldier is in his barracks. Excluded from political relationships, the soldier will not bring politics, and therefore government ideology, into the barracks. Between government leaders in a given region and the local military commander there is a kind of modus vivendi, a type of peaceful coexistence. "Don't mix things," says a captain, "that's a good idea."

This commander thus does not hide the little esteem he has for politicians. "They are people who only progress by devious means. At least, in the armed forces you advance by ranks and by following a hierarchy, and that's the right way to do it!"

Another officer says, "The army means: I don't get into politics, but don't play politics with me." Perhaps this is what explains the fact that today there is no attempt made to avoid speaking of the way in which the former minister of defense, Abdallah Farhat, entrusted the organization of the last congress of the government party to the armed forces. One officer says: "So much the better if President Bourguiba keeps his hand in things. That keeps us from being involved in problems which do not concern us. As for us, our job is to defend our territory against an external enemy."

What about 26 January 1978, when the army was called out to put down riots which grew out of conflicts between the trade unions and the government party? In response to all questions the person to whom we spoke became annoyed and aggressive: "Go ask those who gave us the orders. As for us, our duty is to defend the country when it is in danger!"

One year later, to the day, the army came out of its barracks once again to encounter, in Gafsa, a commando group which came in from Libya. On this subject the

speaker was more vocal, and the impression remains that Gafsa, for the army, was not a bad thing. It was the alarm bell which finally was to draw the attention of the government to the plan for modernization of the army.

Created with no military development objective, with essentially the aid from France, which in 1956 turned over a heterogeneous collection of equipment, the armed forces have had for a long time a skimpy budget of about 10 million dinars annually.

When the Tunisian-Libyan union of Jerba took place in 1974, the armed forces, long frustrated, did not look unfavorably on "this extraordinary field of experiment" which was opening up before it. The union, which did not develop, convinced the politicians of the need for a credible and defensive army. Sweeping aside his prejudices and suspicions, President Bourguiba let himself be convinced, and the armed forces set aside its temporary structures, replaced its equipment, and pleaded for minimal growth in its stock equipment. From 20 million dinars in 1975 the defense budget more than tripled in 1977.

Faced with the expansionism of neighboring Libya, the Tunisian Navy, which up to the present has been more of a coast guard composed of 2,500 men, charged with conflicts related to fishing questions, has been faced with the need to reconvert.

Modernization of Armament

In 1976-1977 Tunisia carried out a policy of diversification in all directions of its armament, of which the weakest point remains the air force. This is not so much in terms of the number of men (nearly 3,000) but in terms of its air defense capability. Also, the lack of troop transport aircraft was cruelly felt at the time of the Libyan commando attack (Gafsa, January 1980).

This attack carried away the last hesitations of the old pacifist leader. Caught between two neighbors who are not always as calm as he is, the chief of state ordered the general staff to consider again the plan for the renovation of the armed forces which will be carried out during the next 5 years. If the objectives as defined are clear enough, their achievement is a question of means. Members of the French and American general staffs made several visits to Tunisia in 1980 and even before, in February and April 1979, in order to evaluate the military potential and identify needs.

For the coming 5-year period three stages are defined. The first phase will be equivalent to 2.5 times the present budget, or 250 million dinars; the second phase will provide 350 million dinars; and the last phase, whose budget will reach 700 million dinars, should assure Tunisia of acquiring sophisticated equipment for surveillance, detection, and telecommunications. About half of this sum will go to the air force (160 million dinars) and an equivalent sum for the acquisition of surfact-to-air missiles. A good part of it goes to the army, which continues to be the tip of the lance. The rest goes to the navy, for logistics and for various auxiliary services. Arab financing, particularly from Saudi Arabia, is being actively sought.

However, the Tunisian Army has only played a military role. Outside the cities, and especially in the south, the prestige of the uniform does not need to be demonstrated. In godforsaken places the means of development are to be found in the army. Often, local or regional authorities turn out to be incapable of encouraging the effort necessary for urgent and vital tasks. These situations will convince the skeptics of the need to entrust young national servicemen with carrying out projects forming a part of national plans (fight against erosion or floods, construction of roads and rural housing, etc).

The Other Side of the Picture: Desertions

In the Sahara desert, isolated by sand dunes, situated about 20 km from the nearest center provided with electricity, the village of El-Faouar welcomes the young conscripts in battle dress, armed with picks and shovels, with a spontaneous and unprecedented burst of praise! "Our friends, you have come to save us.... Finally, the road promised (for the last 20 years). "Long live the army!" This is one example among many others. And the positive side of the balancesheet is often to be found. The professional soldiers are proud of stones dug out of the ridges, of meals shared with a native of the locality, underprivileged and unknown, and, above all, of an Army proving without fanfare or speeches its effectiveness alongside a "profit-making" society. The troops, like all troops in the world, march in disciplined fashion.

However, conscription, long considered as a misfortune, is far from having acquired the title of nobility in the eyes of the people. Nevertheless, since the establishment, following the riots of 26 January 1978, of obligatory workshops for young unemployed workers, the annual conscription classes present themselves at the gates of the barracks without even being called. Mahmoud, a black who is 23 years old, tells how, when he was caught in a security sweep in Tunisa, he had a hard time showing the papers proving that the Ministry of Defense had postponed his being called up. It didn't work. He spent 3 days in the hell of the classification center and then was sent, together with 200 others picked up in various sweeps, to the barracks at Sousse. "That was paradise," says Mahmoud, "with meat every day. I used to think that the army was made up of savages. But I learned more in 3 months than during the rest of my life. The noncommissioned officers were better than parents to us. They told us that the army is a big family, and that is not false. For the first time I had the impression that someone was concerned about my education. I learned, for example, to give help to others, spontaneously, to carry out my job on time and the best I could." Very quickly, Mahmoud lost interest. When his training was over, he was assigned to "S". That could stand as well for Sfax as for Sousse or Sahara. Now, the Sahara is the worst of calamities for a conscript. If they are not told their destination, this is to avoid desertions, but there are some cases on each trip. Assigned to Ksar-Ghilane or Dhibat, in the farthest reaches of the Sahara, like Ali, another soldier 20 years old: "One had the impression," he says, "of being turned into a forced laborer. We broke up rock all day long, where we were building houses."

Military Service or Civilian Service?

When they left Tunis, Ali and Mahmoud considered that overall the balance was a good one. What had they learned? They had learned to know the country, in the

first place, and the people. "The people of the south mistrust the people of the north. They treat us like inferiors." They learned to deal with situations with courage and a sense of responsibility, to work, to discipline themselves. Would they volunteer for the army? The categorical answer is, no! However, both of them are unemployed.

Some people are concerned to see military service take another path, first by tolerating and then by extending its participation more and more in useful work projects and turning the soldier away from his proper mission: a good defense. "At the time of danger," Deputy Nouri Boudali told the National Assembly, "the value of a planted tree becomes insignificant, while the value of a well-trained soldier becomes decisive. It is not a matter of the soldier becoming a citizen but rather that the citizen become a soldier."

Search for Homogeneity

Based on conscription, the Tunisian Army is composed of 1,000 officers, 3,000 noncommissioned officers, 1,000 officer and noncommissioned officer candidates, some 5,000 corporals and privates, and from 15,000 to 16,000 conscripts. About 27,000 men in all. Since independence in 1956, nearly 400,000 young men have performed their military service, to the point that, in 1972, there were not enough officers for training the conscripts, and a 6-month training program was set up for soldiers being demobilized, in order to train noncommissioned and commissioned reserve officers. According to reserve officers the reserve army is at a good level and has kept its reflexes in good order. However, for a regiment to be effective, it must be composed of elements having a minimum of homogeneity. Now, this organization presupposes that at its base there exist relationships of confidence between the civilian and military authorities, so that in each area of a city, locality, or region defense activity can be carried on without a break, without difficulty, and that it will become natural, simple, and effective.

Tunisia is hesitating. Arming itself to have credible forces capable of deterrence is a legitimate abbition, but can it really be effected in a Tunisia with only limited resources? To insure "coverage" of this need involves risks. King Hassan II of Morocco has said quite correctly, "one is always a little bit the prisoner of him who helps you."

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TUNISIA

GRADUAL LIBERALIZATION PROGRAM ANALYZED

Paris MARCHES TROPICAUX ET MEDITERRANEENS in French 26 Dec 80 pp 3513-3514

[Text] Mohamed Mzali's government, following President Bourguiba's directives, is prudently carrying its work of political liberalization.

In the unions, nearly all of the militants who were condemned after the events of 26 January 1978, on 10 November were pardoned and had their civil rights reinstated; thus they will be able, depending on the decisions of the future extraordinary congress of the Tunisian General Federation of Labor (UGTT), to aspire to union responsibilities again. But seven of the condemned, including Habib Achour, who was released and put under house arrest, have not had the benefit of these reprieve measures. Some expect this to be the case before the meeting of the UGTT Congress; in fact Mohamed Mzali clearly stated that the union members who have received the presidential grace constitute "a first group," and the new president of the National Committee of the UGTT, Noureddine Hached, did not fail to take note of this formula.

During an audience he granted on 13 November to Noureddine Hached and the members of the National Committee of the UGTT, President Bourguiba did not fail to formulate his directives aimed at the union group. The latter will have "to have in its ranks loyal nationalists who demonstrate a spirit of sincere responsibility." The workers' educational activity will have to be pursued in such a way as to "inculcate in them high patriotic values and make them aware of their rights and duties," and by seeing to it that "any activity likely to hinder our work of development is avoided." The UGTT will, in particular, have to contribute to the success of the Sixth Plan. After the audience the members of the Committee themselves indicated that they had assured the president of the Tunisian workers' desire to preserve the dignity and invulnerability of Tunisia, and to support the development effort; they confirmed their resolve "to maintain cohesiveness in the ranks and to be imbued with a sense of responsibility."

The National Committee of the UGTT is thus giving all the guarantees of good will, indeed of conformity, which are desired on its part. For his part, President Bourguiba is retaining his freedom of action as to the measures for reprieve and reinstatement awaited by the seven union members who were excluded from the first series of benevolent measures. No doubt he intends in this way to avoid having the moral authority of these militants weigh too heavily on the operations of preparing for the union congress. But detractors of the present Tunisian political line conclude that, all things considered, Tunisian unionism has still not really been set free.

Be that as it may, Noureddine Hached is pleased with the changed atmosphere in Tunisian unionism: "The black page has been turned," he declared on 6 December at a public ceremony in memory of his father. "The sectoral committees of the UGTT have been formed, 365 basic unions have so far been renewed in all regions of the country, 4,885 candidates have been elected; about 48,000 voters, out of the 63,000 UGTT members, participated in the voting. We are proud of these results."

What Noureddine did not indicate at that time is that most of the election results favor the partisans of "the old group," despite attempts to obstruct by the employers or by the local Destourian elements; the reappearance of social conflicts, generally having to do with wages, also contributed to hindering the activity of the sectoral committees and the National Committee of the UGTT. In these circumstances the UGTT Congress, which should mark the resumption of normal union activity under a new regularly elected Central, will not take place on 20 January as scheduled.

A Revealing Ministerial Shuffle

On the political level, the ministerial shuffle of 3 December is the first sign, though very qualified, of an opening up toward the opposition. In fact it includes assigning to Tahar Belkhodja the Information portfolio, detached for the occasion from the portfolio of Information and Culture, and the appointment of Beji Caid Essebsi as ministerial delegate to the prime minister.

Tahar Belkhodja, after being a diplomat for a long time, then National Security director and a member of the Central Committee of the party, became minister of the Interior in 1973. It was in that post that he strongly advised against the "policy of firmness" adopted by the Tunisian government during the last months of 1977, counter to the leadership of the UGTT. Believing that he had been too weak with respect to the movements launched by the railwaymen and the miners, President Bourguiba dismissed him on 23 December 1977, which brought about the resignation for solidarity reasons of three other ministers and a secretary of state. Among those who resigned, while Habib Chatti became secretary general of the Islamic Conference, the other two ministers, Mongi Kooli and Moncef bel Hadj Amor, found high political office this year; on the other hand, Tahar Belkhodja had only been reinstated last March in the diplomatic corps and named ambassador to Bonn. The slowness with which a ministerial post was given him--a post much less important than the one he held 3 years ago, are indicative of the care with which President Bourguiba is striking a balance between the measures of appeasement and conciliation; if the 1977 difference of opinion has been pardoned, it is plainly not forgotten.

The case of Beji Caid Essebsi, which is very different, shows similar subtleties. Mr Essebsi, who as a student was active during the fight for independence, had a career that was more administrative than political; he was secretary of state and then minister of state during just five years; and since 1972, after a brief mission as ambassador to Paris, he has been back at the Tunis bar. In recent years Mr Beji Caid Essebsi has been one of the leaders of the "liberal" movement of the Social Democrats, directed by Ahmed Mestiri, but he represented the most moderate group there. Whereas Mr Mestiri clearly took a position in favor of multipartism, Mr Essebsi was not articulating as clear a doctrinal demand and seemed to be invisaging merely a "liberalization" of the regime by granting important offices to persons with independent leanings; and several months ago he agreed to be reinstated in the party, from which he had been excluded in 1974 for criticizing the regime.

In such circumstances it is permissible to wonder if his accession to a political post entailing no responsibility in a ministerial department really constitutes a success for the opposition.

How Much Freedom of Expression for the Opposition?

In fact Beji Caid Essebsi's accession to the government underlines and emphasizes the divergence that exists between the two groups of the Socialist Democratic Movement (MDS), since June 1978 when Ahmed Mestiri expressed his intention of forming a political party and began taking steps to that end, in vain as it happened.

The Essebsi group in the MDS, which is the most moderate--or rather the least immediately ambitious--, had been authorized for three years to put out the weeklies AR RAI (THE OPINION) and DEMOCRATIE. The Mestiri group has just been authorized to publish AL MOUSTAQBAL (THE FUTURE), whose first issue went on sale on 1 December, and a French-language weekly which should follow shortly. In its first issue AL MOUSTAQBAL publishes an editorial by Ahmed Mestiri, recalling the opposition's devotion "to the rules for the alternation of power" and reveals that is favorable, though with numerous reservations, to the more open policy practised by Mohammed Mzali.

On the other hand, neither the Tunisian Communist Party nor Ahmed ben Salah's Movement for Popular Unity have received the publication authorizations they asked for. And the Muslim publications of fundamentalist leanings, AL MOUFTAMAA (THE SOCIETY) and AL MAARIFA (KNOWLEDGE) remain suspended.

This extremely restrictive and frankly arbitrary measuring out of freedom of expression constitutes, when all is said and done, indirect homage to the critical spirit of the Tunisians and to the strength of a national opinion that the only Destourian channels are not enough to convey. This is undoubtedly a weak point in Mr Mazli's policy; on this subject he is glad to be laconic. "If no other party (than the Neo-Destourian Party) has been able to impose itself upon the Tunisian political scene, this is not our fault. However, there is opposition on the right, and especially on the extreme left, that are expressing themselves in one way or another, and no one is preventing them from doing so as long as that expression is not accompanied by anarchy and violence." (Interview in the INTERNATIONAL HERALD TRIBUNE, 1 December 1980). Actually, this "expression" is realized chiefly through the channel of the foreign press; within the country it takes place only from mouth to ear or through clandestine pamphlets.

Mohammed Mzali, as he confides in the great American daily, is counting on the Sixth Five-Year Plan to "assure a more equitable distribution between individuals and regions of the fruits of growth, a condition that is necessary for mobilizing energy and strengthening the social peace and national unity." He adds, "We are also concerned with all the rebalancing required today by the evolution toward a more just society that is better structured and better balances." The reappearance of social movements, which certain symptoms already foreshadow, are in danger of not giving the government the time needed to properly conduct a policy envisaging such ample time for its realization.

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UNITED ARAB EMIRATES

DETAILS OF ESTABLISHMENT OF CENTRAL BANK

Paris AL-WATAN AL-'ARABI in Arabic 23 Jan 81 pp 48, 49

[Interview with Governor of UAE central bank, 'Abd al-Malik al-Hamar, by Ahmad Hafiz, date and place not given]

[Text] Arab and international political and economic circles are following with deep interest the establishment of a central bank in the UAE. This interest arises from the unique political character of this state which was founded on the basis of a federation among several emirates each of which had represented a politically, socially and economically independent entity prior to the formation of the UAE in 1971.

The establishment of the central bank comes as a step along the road of union and complete amalgamation. Prior to issuance of the decree forming the central bank early in January, there had been no specific body with the powers enjoyed by the central bank as a governmental institution to monitor and implement the state's financial and monetary policy.

There had been a currency council but its powers were limited and each emirate had its own budget besides the general federation budget.

'Abd al-Malik al-Hamar, governor of the central bank, says, "Establishment of the bank means that the member emirates have agreed to come to terms with each other about depositing their funds in foreign currencies in it and that this will lead us to a very important fact, that is, that for the first time since the creation of the UAE, there will be a federal account deposited in a central bank owned by the federation state."

Al-Hamar added that the emirates of Abu Dhabi and Dubai had been the first emirates to participate by depositing 50 percent of their oil revenues, that is, of their basic income, in the central bank which, in turn, covers the governmental institutions and the public sector in the state in their financial requirements.

'Abd al-Malak al-Hamar also says that the huge expansion experienced over the past 10 years in the economic and commercial areas made it essential to create or form a central bank to legislate, develop and promote commerical and financial activity in the state.

To prove this, we merely have to recognize that the number of banks operating in the UAE has jumped from 12 to 54 in the past 10 years and the number of branches of

international banks in the country is about 420. This huge banking and economic leap made it necessary to create a national institution on the scale of the central bank to go beyond the role of the previous currency council to regulate the prodigious financial and banking traffic in the country.

[Question] However, don't you feel as I do that the appearance of this large number of banks exceeds all anticipated bounds in a small country such as the UAE?

[Answer] That's very true. This perhaps stemmed from the tremendous leap experienced by the UAE in its first 10 years, the economic and social growth rates having exceeded all projections, and from the standpoint of the huge construction projects witnessed by each emirate. This was helped by the large monetary fluidity provided by the oil exports, besides the fact that the state at that time was pursuing an open door policy with no restrictions on the entry or exit of currency; in fact, it was a completely free market which made it easy for any bank management which wished to form banks or establish banking branches in the UAE.

[Question] Up to 1977 which saw a severe financial crisis as the result of the disappearance of controls over the banking and financial system in the country?

[Answer] Yes, that was what happened. The currency council tried at that time to cope with that crisis, issuing some economic and financial laws defining the conditions under which banks or bank branches would operate in the country. As a result of the application of these laws, some foreign banks closed their doors and the number of branches was reduced. That, in my opinion, was an essential step in coping with the financial crisis in one of the wealthiest countries of the world.

I am in full agreement with the statement that there was a very high ratio of foreign banks operating in the country compared with any other country, even pre-1975 Lebanon. Naturally, all the profits of those banks were remitted abroad and the economy of the country did not benefit in the slightest from them. Moreover, those banks were totally owned by their owners and the emirates had no share of them.

The major role commercial banks play in commercial activity is no secret and it would have been better had the number of local banks been greater than the number of foreign banks and what happened in 1977 would not have taken place.

So, it is my opinion, which I have expressed on more than one occasion, that it is necessary to bolster and improve local banks so that they can compete with the huge international banks.

What has happened up to now is that we have countered the increasing activities of the foreign banks with laws regulating their operation. In 1977, the year of the crisis, a number of decisions were issued of which I might mention the freezing of licenses for foreign banks and their branches and not granting licenses to open new banks. In early 1978, we abrogated a number of licenses pending for bank branches that had delayed carrying on full activity, about 70 branches, after a warning period which they did not abide by.

[Question] How many local banks are there compared with foreign ones?

[Answer] Twelve local banks compared with 54 foreign banks.

Conditions for Establishing Foreign Banks

[Question] What are the new terms for opening foreign banks in the UAE?

[Answer] National capital must constitute 80 percent of the capitalization of the bank with the remaining 20 percent being foreign capital.

[Question] Is this condition laid down on the basis that it is in effect in the other countries of the Arab Gulf?

[Answer] No. Each country has its own circumstances. Saudi Arabia, for example, stipulates that there be 70 percent local capital participating in the bank with the other 30 percent foreign.

[Question] Are all the local banks in the UAE set up on the basis of purely local capital?

[Answer] Most of the banks are established on the basis of purely local capital, banks such as the National Bank of Abu Dhabi, the Bank of Dubai, the Bank of Oman, the Bank of the Middle East, etc. There are some local banks that were set up with the participation of foreign capital but the proportion of foreign captial in each case is not more than 30 percent. Local participation is rare in the other 54 foreign banks operating in the country.

The Bank and The Future

[Question] What precisely is the policy laid down for the central bank to pursue in the future?

[Answer] Essentially it is that it will have priority in the next few years in investment operations in the state and expenditures on various projects and disbursements in the institutions of the state and its governmental sector in the sense that those fundamental activities will, to a large extent, be restricted to the central bank, the operation of which has begun, in coordination with the ministries of planning, trade and petroleum.

In brief, it will be the state's basic bank to take on the burden of organizing and developing the country's economy, this having been left up to the small local and large foreign banks. It is an extremely important new political and economic phase that has begun in the UAE and will have tremendous future effects on the unification process.

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END