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THE WHITE HOUSE
CORRESPONDENCE TRACKING WORKSHEET

NR AP

CO 001-07

INCOMING

DATE RECEIVED: AUGUST 23, 1990

NAME OF CORRESPONDENT: MR. DONALD S. NIMMONS

SUBJECT: OFFERS RECOMMENDATIONS TO HELP END THE
CONFLICT IN THE MIDDLE EAST

		ACTION		DISPOSITION	
ROUTE TO:		ACT	DATE	TYPE	C COMPLETED
OFFICE/AGENCY	(STAFF NAME)	CODE	YY/MM/DD	RESP	D YY/MM/DD
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COMMENTS: INCOMING REC'D FROM SHIRLEY GREEN FOR
TRACKING - ORIGINAL SENT TO GEORGE VAN ERON

ADDITIONAL CORRESPONDENTS: MEDIA:L INDIVIDUAL CODES: 4690

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*ACTION CODES:	*DISPOSITION	*OUTGOING	*
*	*	*CORRESPONDENCE:	*
*A-APPROPRIATE ACTION	*A-ANSWERED	*TYPE RESP=INITIALS	*
*C-COMMENT/RECOM	*B-NON-SPEC-REFERRAL	*OF SIGNER	*
*D-DRAFT RESPONSE	*C-COMPLETED	*CODE = A	*
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THE WHITE HOUSE

WASHINGTON

August 20, 1990

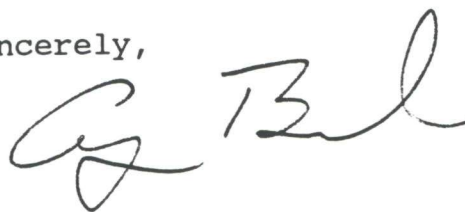
Dear Mr. Nimmons:

Thank you for your warm and thoughtful message regarding the situation in the Persian Gulf.

I am heartened by the widespread support of the American people for the efforts to enforce United Nations sanctions aimed at bringing about a withdrawal of Iraqi troops from Kuwait and restoration of Kuwait's independence. I am also encouraged by the number of other countries -- including Arab nations -- that have joined the international effort to defend Saudi Arabia against aggression.

Your kind words mean a great deal to me, and I appreciate your support.

Sincerely,



Mr. Donald S. Nimmons
Chairman, President and
Chief Executive Officer
Fazenda International Inc.
Post Office Box 60391
Houston, Texas 77205

900830

August 20, 1990

Dear Mr. Nimmons:

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Sincerely,

GEORGE BUSH

Mr. Donald S. Nimmons
Chairman, President and
Chief Executive Officer
Fazenda International Inc.
Post Office Box 60391
Houston, Texas 77205

GB/BW/SMG/NSC/JWC/pt (PC7)
P-51.pf



DONALD S. NIMMONS
CHAIRMAN
PRESIDENT
CHIEF EXECUTIVE OFFICER

CONFIDENTIAL
IMPORTANT

168718
P.O. BOX 60391
HOUSTON, TEXAS 77205

URGENT

NSC CONFIDENTIAL AND OF UTMOST IMPORTANCE

DSN/1800/90

AUGUST 18, 1990

PRESIDENT GEORGE BUSH
THE WHITE HOUSE
WASHINGTON, D. C., 20500

SUBJECT: MIDDLE EAST CRISIS ---IRAQ-KUWAIT-SAUDI ARABIA-ISREAL-
JORDAN-SYRIA-EGYPT-U.A.E.-QATAR-BAHRAIN-LEBANON
RECOMMENDED NEGOTIATIONS TO END CONFLICT

DEAR PRESIDENT BUSH:

AS AN EXPERIENCED MIDDLE EAST BUSINESSMAN WHO WAS RECENTLY IN EGYPT, SYRIA AND SAUDI ARABIA DURING ALL OF THE MONTH OF JUNE, 1990 AND WITH 12 YEARS EXPERIENCE NEGOTIATION ON BEHALF OF MY CLIENTS AT THE VERY TOP LEVEL AND SOMETIMES IN PALACES, I BELIEVE THAT I AM ABLE TO OFFER TO YOU SOME VERY VIABLE RECOMMENDATIONS THAT SHOULD ALLOW YOU TO BE RECOGNIZED IN TIME AS THE GREATEST PRESIDENT IN MY LIFETIME. I AM JUST A DECADE YOUNGER THAN YOURSELF.

BEFORE I BEGIN, YOU SHALL FIND ENCLOSED A COPY OF MY RECENT CONFIDENTIAL MESSAGE TO MR. JACK FIELDS, MY U. S. CONGRESSMAN. THE MESSAGE IN THIS CORRESPONDENCE IS SELF EXPLANATORY. AS YOU SHALL DETERMINE, THE AT LONG LAST PEACE RE THE GAZA STRIP AND GOLAN HEIGHTS AND ETC. FOR THE PALESTINIAN PEOPLE THROUGH OUT THE MIDDLE EAST WAS TERMINATED IN JUNE. YOU WERE THEIR ONLY NEW HOPE.

NOW, HERE GOES SOME IDEAS FOR YOUR CONSIDERATIONS:

1. GO STRAIGHT FORWARD WITH YOUR DEMANDS TO PREVENT WAR WITH THE SANCTIONS. YOU ARE NOW IN A "NEGOTIATION BY STRENGTH" POSITION.

FACSIMILE: (713) 876-2210 TELEX: 857599 FIVI HOU TEL: (713) 876-2211
15425 NORTH FREEWAY, SUITE 340 • HOUSTON, TEXAS 77090, U.S.A.

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PRESIDENT GEORGE BUSH
AUGUST 18, 1990
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2. IRAQ REQUIREMENTS---

- A. REMOVE ALL TROOPS AND MILITARY FROM KUWAIT, IMMEDIATELY.
- B. RETURN ALL MONETARY ASSETS (GOLD AND THE LIKE) THAT WAS REMOVED FROM KUWAIT DURING OCCUPATION BY IRAQ.
- C. IMMEDIATELY RELEASE ALL FOREIGN EXPATRIATES VIA ALL NORMAL EXIT AND VISITOR VISA REGULATIONS USED THROUGH OUT THE WORLD AND ACCORDING TO ACCEPTED INTERNATIONAL STANDARDS.
- D. IRAQ AGREE TO PERMIT AN IMMEDIATE INSPECTION BY THE UNITED NATIONS DELEGATION FOR VERIFICATION OF THE NUCLEAR NON-PROLIFERATION AGREEMENT WHICH IRAQ SIGNED..
- E. EXECUTE AND IMPLEMENT A DESTRUCTION OF IRAQ'S CHEMICAL (NERVE AND WAR GAS) WEAPONS AND MANUFACTURING FACILITIES TO COINCIDE WITH THE SCHEDULE OF OTHER RELATED EVENTS OF THE NEGOTIATIONS.

SPECIAL NOTE: ARTICLE D AND E ABOVE WOULD BE IMPORTANT CONSIDERATIONS BY ISRAEL IN ITS DECISION EVALUATION.

- F. PAYMENT FOR DAMAGES TO KUWAIT CITIZENS AND GOVERNMENT FACILITIES CAUSED BY IRAQI FORCES AND RIOTING DURING AND AFTER THE INVASION ON AUGUST 2, 1990 UP AND UNTIL IRAQI FORCES EXIT KUWAIT.
- G. COMPENSATE THE KUWAITI ESTABLISHMENTS FOR THE LOSS OF PROFITS DURING THE PERIOD OF INVASION AND OCCUPATION OF KUWAIT.
- H. AGREE THAT ISRAEL HAS THE RIGHT TO EXIST.
- I. AGREE THAT NO CRUDE OIL OR REFINED PETROLEUM PRODUCTS SHALL BE USED TO PURCHASE MILITARY WEAPONS OF ANY KIND.
- J. AGREE TO MAKE PAYMENT OF ARREARS OWED TO ANY FOREIGN WORKERS IN IRAQ OR WHO HAVE LEFT IRAQ. (1,000 EGYPTIAN WORKERS DIED IN IRAQ IN 1989.)
- K. IRAQ AGREE TO WITHHOLD THE ESTABLISHMENT OF MANUFACTURING FIGHTER AND AIRCRAFT FOR AT LEAST 5 YEARS.
- L. HOLD REFERENDUM IN IRAQ FOR THE NEW CONSTITUTION ASSURING A MULTI PARTY SYSTEM, GREATER POLITICAL FREEDOM, CIVIL LIBERTIES AND INDIVIDUAL FREEDOMS.
- M. IRAQ REDUCE THE BUDGET FOR BOLSTERING IT'S MILITARY CAPABILITIES.
- N. EXECUTE PEACE TREATY WITH IRAN.

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3. U. S. A. CONSIDERATIONS:

- A. PULL A LIMITED NUMBER OF ARMED FORCES OUT OF REGION
- B. DEFEND SAUDI ARABIA --- LONG TERM
- C. DEFEND ISRAEL --- LONG TERM EXCEPT AS RESTRICTED BELOW.
- D. NEGOTIATE THE RESOLVE OF THE FRUSTRATION OF THE PALESTINIAN PEOPLE BY AGREEING TO CUT OFF AID TO ISRAEL IN 1991 UNLESS ISRAEL ACCEPT'S BAKER'S PLAN---PALESTINIAN ELECTIONS IN OCCUPIED TERRITORIES---PROVIDE PALESTINIANS THE USE OF THE UNOCCUPIED HOMES IN SETTLEMENTS IN THE OCCUPIED WEST BANK AND GAZA STRIP. THE PALESTINIAN STATE SHALL BE IN THE WEST BANK AND GAZA STRIP (NOT THE FULL AREA OF THE PRE-1948 PALESTINE MANDATE).
- E. NEGOTIATE THE RESOLVE OF AND SECURITY FROM TURKEY FOR A REASONABLE WATER LEVEL OF THE EUPHRATES RIVER.
- F. AGREE TO INFLUENCE THE FINANCIAL INSTITUTIONS IN THE U.S.A. AND ELSEWHERE TO DEFER THE LOANS TO IRAQ UNDER TERMS SUCH AS DEFERMENT OF THREE YEARS WITH INTEREST AT LONDON INTERBANK OFFERED RATE (LIBOR)---AND ALL TRANSACTIONS WOULD BE SUBJECT TO 30% CRUDE OIL - BALANCE.
- G. AGREE TO INFLUENCE THE "SHORT TERM" FINANCIAL INSTITUTIONS IN THE U. S. A. AND ELSEWHERE TO CONVERT SUCH SHORT TERM IRAQI LOANS TO MEDIUM AND LONG-TERM LOANS.
- H. REINSTATE THE U. S. AGRICULTURAL PROGRAMS FOR THE EXPORT OF WHEAT TO IRAQ.
- I. PLAY A PART IN THE MODERNIZATION OF THE IRAQI WATER AND UTILITIES, IRRIGATION AND AGRICULTURAL PROGRAMS.
- J. SELECTIVELY COOPERATE IN OTHER MODERNISATION PROJECTS IN IRAQ.
- K. THE U.S.A. AGREE TO PRESSURE THE PLO TO END THE INTIFADA IN THE OCCUPIED TERRITORIES.
- L. THE U. S. A. NEGOTIATE THE PLO'S CONCURRENCE THAT ISRAEL HAS THE RIGHT TO EXIST.
- M. OBTAIN ISRAEL'S COMPROMISE RE THE PALESTINIAN STATE AND CEASE USING FORCE AGAINST THE PALESTINIAN PROTESTORS.

THE IRAQI PEOPLE THAT WORK IN LEADERSHIP ROLLS ARE SCARED TO DEATH IN THEIR DAY BY DAY WORK. THEY ARE VERY FEARFUL OF MEETING WITH A FOREIGNER ON A ONE ON ONE BASIS. THEY MUST HAVE ANOTHER IRAQI WITH THEM WHEN THEY MEET.

IT IS MY OPINION THAT YOU SHOULD FIGHT BACK WITH A VERY STRONG MESSAGE DIRECTED TO THE PEOPLE IN IRAQ AND THE REST OF THE ARAB WORLD.

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PRESIDENT GEORGE BUSH
AUGUST 18, 1990
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SOME OF THE PUBLIC MESSAGES THAT YOUR ADMINISTRATION SHOULD GO FORWARD ON HAVE BEEN EXPRESSED IN THE CONDITIONS ABOVE. OTHERS TO CONSIDER ARE MESSAGES DIRECTED TO THE IRAQI MINISTERS SUCH AS:

A. ECONOMIC DIFFICULTIES PRE INVASION AND OCCUPATION OF KUWAIT SHALL BE MULTIPLIED DURING THE SANCTIONS AND A NEW WAR.

B. CASH CRISIS SHALL CONTINUE AND GROW GREATER.

C. YOU CAN NOT FIGHT THE HIGH INFLATION RATE OF 25% WITH THE ACTIVITIES SINCE AUGUST 2, 1990.

D. ASK PRESIDENT SADDAM HUSSEIN AND TRADE MINISTER MOHAMMAD MEHDI SALEH HOW IS HIS SOLDIERS GOING TO BE ABLE TO AFFORD TO EAT MEAT BECAUSE THE PRICE IS TO HIGH?

E. ASK DEPUTY PREMIER SAADOUN HAMMADI HOW HE IS GOING TO DEAL WITH INFLATION IF HE DOES NOT REDUCE EXPENDITURES AND HOW HE IS GOING TO SPEND THE NEEDED FUNDS TO DEVELOP PROJECTS IN HEALTH, EDUCATION, ELECTRICITY, AND AGRICULTURE?

F. ASK PRESIDENT SADDAM HUSSEIN HOW HE IS GOING TO EXIST DUE TO HIS DEPENDENCE ON IMPORTED RAW MATERIALS?

THE WAR AGAINST IRAN WAS, AT ONE LEVEL, A MISSION TO ESTABLISH IRAQ'S STRATEGIC PRE-EMINENCE IN THE ARAB WORLD. THE END OF THE IRAQ-IRAN WAR BROUGHT ABOUT THE REDUCTION AND LOWERING OF IRAQ'S STRATEGIC IMPORTANCE IN THE ARAB WORLD. SINCE IRAQ AND PRESIDENT SADDAM HUSSEIN WERE ONLY SLIGHTLY CONNECTED WITH THE ARAB-ISRAELI CONFLICT, DURING THE GULF WAR, IT HAS NOW CHOSEN TO USE THIS CONFLICT TO GAIN THE SUPPORT OF THE ARAB WORLD THRU ITS PLANNED INVASION OF KUWAIT.

Withdrawal/Redaction Sheet

(George Bush Library)

Document No. and Type	Subject/Title of Document	Date	Restriction	Class.
01. Letter	Case Number: 168718 From Don Nimmons to POTUS. Re: Middle East Crisis. [Redaction of personal phone number.] (1 pp.)	08/18/1990	(b)(6)	

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P-1 National Security Classified Information [(a)(1) of the PRA]
 P-2 Relating to the appointment to Federal office [(a)(2) of the PRA]
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 P-4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
 P-5 Release would disclose confidential advice between the President and his advisors, or between such advisors [(a)(5) of the PRA]
 P-6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

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AS I HAVE COMMENTED EARLIER IN THIS MEMO, YOU COULD BECOME THE GREATEST PRESIDENT OF THE U. S. A. BY DOING SOMETHING THAT NO OTHER U.S. PRESIDENT HAS HAD THE GUTS TO ATTEMPT. I KNOW THAT WHEN I WROTE TO PRESIDENT JIMMY CARTER DURING HIS MIDDLE EAST DILEMMA, AND HE DID NOT RESPOND ACCORDINGLY; WE ALL KNOW WHAT HAPPENED TO HIM.

I BELIEVE THAT IT IS VERY OBVIOUS TO THE AMERICAN PEOPLE THAT ISRAEL IS NOT THE MOST IMPORTANT FRIEND IN THE MIDDLE EAST NOW. ISRAEL IS IMPORTANT TO US, BUT SHOULD NOT HOLD A STRANGLE HOLD ON US NOW OR IN THE FUTURE DEALINGS WITH ALL OF THE COUNTRIES IN THE ARAB WORLD. YOU DID NOT SEND OUR MEN AND WOMEN TO ISRAEL.

THE EXCELLANT IMPLEMENTATION OF THE ABOVE PLANS SHOULD MAKE YOU A HERO TO MANY PEOPLE AROUND THE WORLD. FIRST THE AMERICANS, THEN THE SAUDIS, KUWAITIS, PALESTINIANS, AND THE WHOLE ARAB WORLD, INCLUDING THE IRAQIS.

THIS VERY UNUSUAL AND MERCIFUL OPPORTUNITY HAS BEEN DUMPED INTO YOUR LAP, AND NOW IT IS YOUR MOST CRITICAL CALL. YOU ARE IN A STRENGTH POSITION THAT MUST BRING ABOUT POSITIVE RESULTS FROM ALL OF THE PARTIES DUE TO THE CIRCUMSTANCES.

DON'T MAKE THE MISTAKES OF PREVIOUS PRESIDENTS AND ADMINITRATIONS BY SITTING BACK AND LETTING THE OTHER SIDE MAKE ALL OF THE FRONT PAGE NEWS DIALOGUE, AND YOU AND YOUR ADMINISTRATION KEEPING THE SAME OLD LINE AND RESPONDING TO THE OTHER SIDE. YOU SHOULD BE THE LEADER OF THE PACK ON NEGOTIATIONS, NOT THEM. DON'T LET THEM GET TO MANY ISSUES ON THE TABLE FIRST. YOU NEED TO PUT ISSUES ON THE TABLE FIRST.

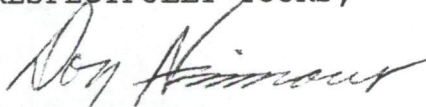
NEEDLESS TO SAY, TIMING IN ALL OF THE ABOVE STRATEGY IS THE MAIN ELEMENT TO COMPLETE A SUCCESSFUL CONCLUSION AND TO PREVENT WAR.

THE ARAB CULTURE IS TO TRADE IN ANY NEGOTIATIONS.

I AM AVAILABLE IF YOU NEED SOME ASSISTANCE, AND WILLING TO GO WITH YOUR TEAM AS A TEAM MEMBER. YOU MAY CONTACT ME AT THE TELEPHONE NUMBER ABOVE OR AT MY HOME [REDACTED] ROYAL RESIDENCES AND HEAD OF MINISTRIES ARE NOT SOMETHING NEW TO ME. (b)(6)

LOOKING FORWARD TO HEARING FROM YOU, AND MAY GOD'S BLESSINGS BE UPON YOU.

RESPECTFULLY YOURS,


DON NIMMONS

DSN/map
enclosures

THE WHITE HOUSE
WASHINGTON
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DONALD S. NIMMONS, PRESIDENT

**FAZENDA INTERNATIONAL
OF THE VIRGIN ISLANDS, INC.**

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DSN/1665/90

CONFIDENTIAL

The Honorable Congressman Jack Fields
8th District, Texas
108 Cannon House Office Building
Washington, D.C. 20515

August 15, 1990

Dear Jack:

I believe that it is very important to share some of a person's thoughts especially on matters where the experience and expertise is most prominent. Personally, our company has been involved in the Middle East for more than twelve (12) years. The other principal of the company, Mr. Herschel E. Zirger has had 34 years of petroleum engineering experience in the Kingdom of Saudi Arabia. Therefore, we should have some insight into the latest developments in the Middle East.

First, I believe that the Palestinian Middle East conflict is a very real, real element in this total problem. Every since the August 2, 1990 invasion of Kuwait I have brought up this issue in my discussions with certain people. The fact that Kuwait is populated 60% by Palestinians is of utmost importance. When you go into a prominent Palestinian businessman's office or house in Kuwait, U.A.E., Jordan and/or Saudi Arabia; you shall notice the map or plaque of the land of Palestine located in a prominent place. You might even see a copy of President Jimmy Carter's book - "The Blood of Abraham". The emotions of the Palestinian homeland issue is presented every single day in some form of communication to the masses.

If someone took over Humble, Texas and kicked you and your family off of your property and out of your homes and took title and possession to all including the Rosewood Cemetery business, I am sure that you would have immense anger and hate for that party or element forever. That is what has happened for the Palestinians.

The U.S. does not own Germany, Italy or Japan. The U.S. has not thrown the Germans, Italians and Japanese off of their properties and taken over their possessions because we won the war.

Let me leave the preaching to my two Baptist Preacher Brothers. The recent power positioning in the Middle East came to pass last October and November 1989 in Taif, Saudi Arabia when the Lebanon peace

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August 15, 1990

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offensive was hammered out by all of the members of the Lebanese Parliament who had been invited to Taif to resolve the occupations and ensure all guarantees for the drive of liberation, reconciliation and peace.

His Majesty, King Fahd, was one of the Power Forces to take hold and to lead in this important first step for peace. As you know the speaker of Lebanon's Parliament was assassinated shortly after his return to Lebanon. However, the media coverage of the Taif Accord was extensive in the Middle East.

The next big, big example of Power was the celebration in the Iraqi city of Faw. President Saddam Hussein focused much of his post Iraq-Iran war efforts to rebuild this city which was one of the war-blitzed southern oil towns near Basra. The Iraqi President invited the whole Arab world to attend this very spectacular demonstration. Mubarak, Arafat, HRH Prince Sultan, King Hussein and etc., etc. attended this show of Power. The TV coverage that I witnessed when traveling in the Middle East last October was a continuous show of Power by Iraq.

Next, the Kuwaiti leadership was lulled into the belief that its neighbor and friend Iraq was very appreciative of Kuwait's support during the Iraq - Iran war. Kuwait Maj. Gen. Jaber Khaled Al-Sabah, the deputy chief of staff of the armed forces, announced in October 1989 that they had no plans to buy French-made Mirage 2000 jet fighters, and a deal with the U.S. for 40 F-18 warplanes is enough to fulfill Kuwait's needs for the time being. He also stated that Kuwait considers the F-18 airplane suitable for its air forces and the Kuwait Air Force is not in need of more arms. The scheduled delivery of the F-18's was to have stated in 1994. If the U.S. Congress had not delayed the approval of this sale, maybe Kuwait could have put up a good defense. Worst scenario, even if we had sold the Kuwaiti's what everyone believed to be enough aircraft, helicopters, tanks, missiles, electronic warfare, defensive equipment and etc.; and Iraq had still defeated them; we, the U.S., would have been better off by keeping our defense industry in excellent position, and the Kuwaiti's would have made a big dent into the war machinery of Iraq among other moral lifts.

In my opinion, the best position of the U.S. regarding whether we send our men and women and equipment to defend friendly pro U.S. countries after the country has been taken over or whether we sell some country the equipment and train their citizens to defend themselves, the later position is best. Not only do we become good business and budget solving people, but we also protect our interest in the most expedient and loss of American lives master plan.

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Jack, you and I know that the dilemma concerning the proper and most expeditious method to properly equip our friends and oil wealthy countries in the Middle East has been controlled in Congress by a very selfish and costly lobbyist group. The results of this influence, thought to be in our best interest, is now a very focused and worldly disastrous policy. I feel certain that the Israeli Lobbyist in Washington has lost many of their achievements now due to our men and women, tax dollars, and business future being put on the line as a result of their continuous possessive efforts.

Congress needs to implement policies which shall prevent the citizens of the U.S. from being put into the current situation.

You know how many years it took to approve the tank sale to the Kingdom of Saudi Arabia. The delivery of these tanks shall not begin until 1991. The infamous Al Yamamah Project of Saudi Arabia is another example of delays and delays by the U.S. Congress which caused the Saudis to finally turn to the U.K. and purchase the Tornado Aircrafts. The build up of the Tornado program by British Aerospace has just been partially completed as of this date. By giving into the Israeli Lobbyist in Washington, D.C. the U.S. invited the British in and thereby invited ourselves out of the Saudi Arabia air defense program. The Saudis have always expressed the preference of U.S. military equipment and technology, yet, we have for the most part put ourselves into the position to defend this vital energy resource for the world.

In my recent visit to the Kingdom of Saudi Arabia, the Al Yamamah Program for the Tornados was just beginning to take over the eastern province near Dhahran. You can not imagine what business development is being put into place for all of the support industries for this long term project.

In my opinion, if the Saudi's had all of the F-16's that they have attempted to purchase from the U.S. over the past years, but were turned down by the U.S. Congress; the current build up of U.S. military forces and, equipment would not have been required at the inception of the current Middle East Crisis. What a budget savings! What a loss of U.S. revenues!

As you are well aware, the American Israel Public Affairs Committee (AIPAC), the main group lobbying for Israel, has put the blocking of Saudi and Jordanian weapons transfers at the top of its agenda since 1984. This Lobby Group has succeeded magnificently. In 1984/85 the Reagan administration abandoned its planned sale of 40 F-15 aircraft after repeatedly advising the Saudis that the deal was going ahead. Between 1984-1987, successive efforts to sell air-to-ground and ground-to-air missiles to the Kingdom of Saudi Arabia were scaled down or thwarted completely as a result of AIPAC opposition.

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The Kingdom of Saudi Arabia was wise enough to seek other sources for its needs for military arms and services during the Iraq-Iran war. Since it had two neighboring countries spending nearly everything they could "Beg, Borrow, Earn or Trade" to secure huge military might, the Saudis knew that they were vulnerable and could not depend on the U.S. because of its Middle East policies. Therefore, they sought out the missiles that they needed and secured them from China. The influence that the Chinese established during these Chinese Stinger Missile dealings are very evident in Saudi Arabia.

The U.S. had the first opportunity to sell our missile weapons to the Saudis. The training, advisory, operations and maintenance of these missiles would have been a very effective position to be in with the Kingdom. Not only would the U.S. Trade deficit have been immediately decreased, but the long term on-going business and position would have been excellent. We would not be begging the Saudis to enter the Kingdom to protect our current economy and the world's economy as we have been required to do.

The approval of the sale of the 315 -- M1-A2 tanks and other military equipment, worth a reported total of U.S. \$3.1 Billion, was an important step forward by Congress in early December 1989. Obviously, if the Saudis had the Tanks required to defend themselves in place in the Kingdom now rather than awaiting the delivery beginning in 1993 and scheduled for completion in 1996; the U.S. would not be required to be spending the enormous amounts to deplore land forces to Saudi Arabia at this time. The barrier repercussion to any enemies or potential invaders of Saudi Arabia would have been functional, if the U.S. had allowed the sale of the Land forces to the Saudis over the past ten years. The U.S. would not be required to be in the position of sending its large sums of money to run and police the world.

I am sure that you are aware that the Saudis latest five year development plan (1990-1995) which was approved by the Council of Ministers last December provides for a defence and security spending of approximately U.S. \$20.0 billion per year.

The U.S. Army Corps of Engineers (USACE) is currently working on the U.S. \$10 billion dollar military aircraft support project for Kuwait. Obviously, the U.S. had detailed knowledge of Kuwait's defence capabilities. Yet, for weeks the U.S. did nothing to counter the Military build-up by Iraq along the Iraqi-Kuwaiti border. Congress needs to find out why the U.S. did not properly react under the circumstances of us knowing the vulnerability of Kuwait.

The modern refineries in Kuwait have a capacity of approximately 825,000 b/d. The refineries owned by Kuwait Petroleum Corporation in

DSN/1665/90
The Honorable Congressman Jack Fields
August 15, 1990
Page Five

Europe (Netherlands and Denmark) have a capacity of another 125,000 b/d. The 3,000 plus service stations that Q8 have in Europe and the U.K. is another asset that the Iraqi's takeover should the defense of Kuwait fail. These are a few examples of subjects that are not being addressed by the U.S. Administration.

An interesting observation concerns one of the increased business activities by Kuwait National Petroleum Company (KNPC). KNPC increased its purchases of natural gas from Iraq in 1989.

Many times over the past twelve (12) years during my meetings in all of the countries of the Middle East at all levels, the repeated expressions about the MISJUDGED or ABUSED MIDDLE EAST policy of the U.S. administrations was repeated over and over. The last of such MISJUDGED decision concerned the decision by President Bush to break the exchange of ideas or opinions with the PLO.

The best way for me to illustrate the way some of the Arab Community understands the Middle East policies of the U.S. is by actual newspaper articles, Cartoons, and editorial expressions. Please find attached a few articles from 1981, 1989 and 1990. These articles are a selection from the Arab News, Saudi Gazette, Syria Times, and the Wall Street Journal.

Jack, I am of the opinion that it is high time that the U.S. make a complete and new evaluation of its Middle East policies. We can not gain and warrant the respect of our friends in the Middle East on a roller coaster behavior. As you shall vividly understand after reading a few of the articles attached, the U.S. must not "COP-OUT" and do nothing to resolve the Middle East problems by pushing the decisive actions over to parties that can not seriously negotiate. A U.S. policy of "Pick up the Fragmented Pieces" and "Turn the Screws" to force one of the fragments back into its camp is the worse position that we could put ourselves.

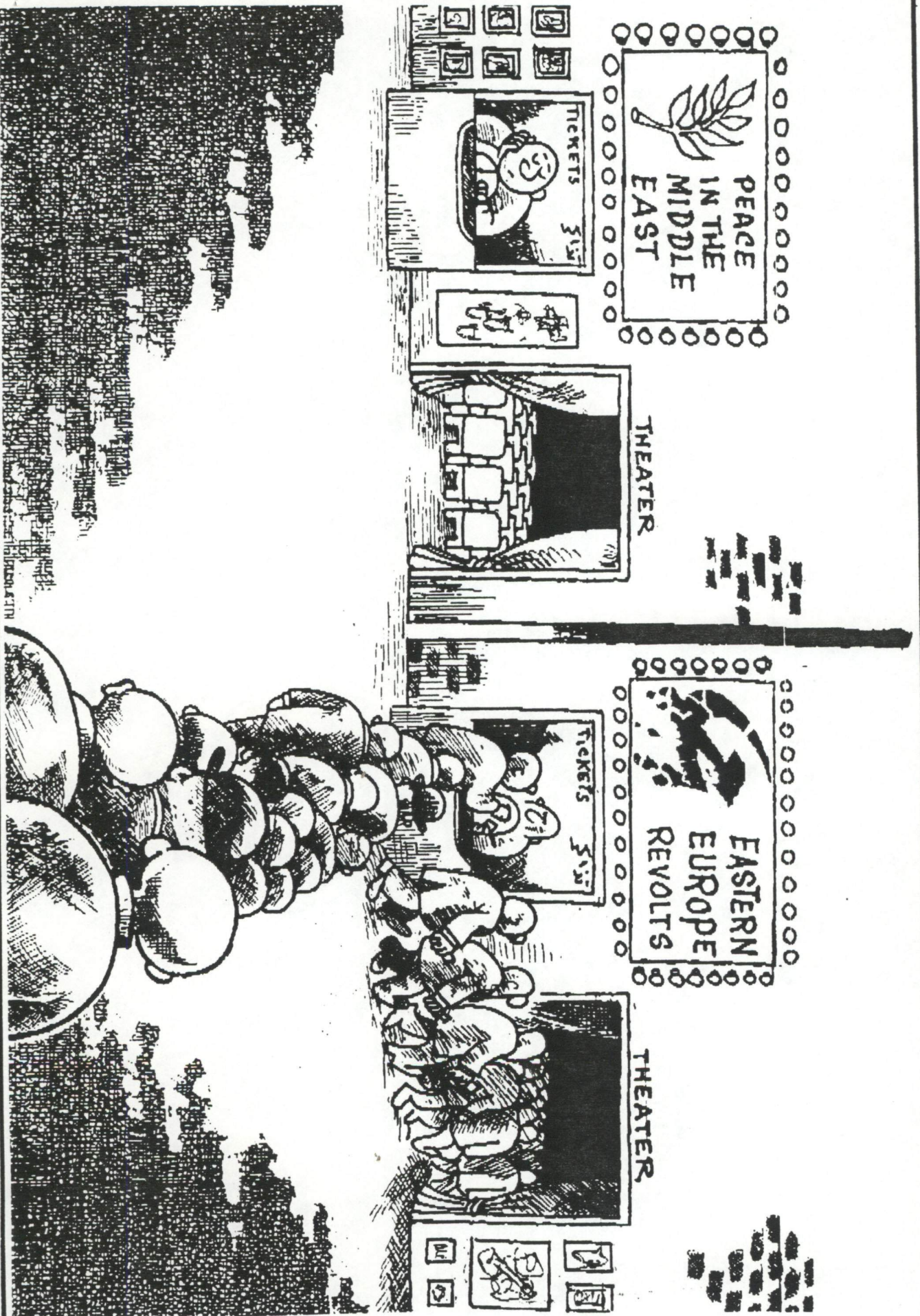
If you are in need of someone who might give you a direct "hands on" point of view, please contact me. I only hope and pray that we shall use credence and put the true friends and economic partners of the U.S. in a policy of "negotiate by strength".

Respectfully yours,



Don Nimmons

DSN/map
Enclosure



US loses capacity to mediate

SINCE its founding in the wake of World War II, the United Nations Organisation's aim has been maintaining world peace and preventing causes of confrontation and armed conflicts between nations of the world. The UN Charter was formulated in such a way that its provisions carefully spelled out membership principles obliging member states to adhere to democracy and a code of peaceful behaviour in international relations.

This legal provision in the Charter was aimed at denying membership to the Axis powers which were defeated in the war, on grounds of non-peaceful conduct in international relations, and to exclude those who remained neutral during the war, excepting Switzerland, from membership on grounds of being undemocratic in their internal policies.

This dichotomy made scores of nations to join the Allies camp by declaring war on the Axis countries toward the end of the war in order to clear themselves of the stain of undemocratic behaviour.

Nevertheless, many countries were ensnared in neutrality for being described as internally decadent due to lack of democratic institutions and dictatorial methods of political action.

As a result, there emerged on the international political scene a group of nations banned from joining the world organisation because of either involvement in the war against the Allies or for being neutral during the war.

Racist entity

Before these nations, which were denied UN membership, could adjust their situations either through internal reforms or altering their external policies in order to get admitted to the UN, the UN membership was forcibly given to the racist entity of Israel which, since its establishment, combined the tyranny of evicting people from their land and the pursuing an aggressive expansionist policy.

The UN, however, lost its credibility by granting of membership to Israel in this manner since this amounted to casting off its legal slough. All efforts by states sympathetic to Israel failed to restore legitimacy to the UN action, however much they tried to ascribe to it internal democratic processes and civilised behaviour in international dealings. The Israeli government persisted in internal tyranny and external aggression.

Thanks to the unlimited support from sympathising countries, Israel went on exercising internal tyranny and external aggression without international accountability. The efficacy of UN has been impeded by the combined effect of Israel's non-compliance with UN resolutions and America's frequent use of its veto in the Security Council in favour of Israel.

Undermined

America's consistent pro-Israel positions undermined the democratic structure of the US in a way that has made successive US administrations to defend the "Israeli democracy" at all costs, in order to maintain their affiliation to the world's democratic community.

By its subservience to Israel, the US government has lost its way to democracy, and its internal and external policies came to be marked by dictatorship notwithstanding the mantle of democracy it tries to put on in a lip service to the US constitution.

This loose robe of democracy the US is wearing and which hides its reality has made its membership in the UN to be inconsistent with the nature of the legal structure of the international organisation.

The US violation of the international organisation's legal structure made it stand against the objectives of this

organisation by voting recently against the General Assembly resolution organising the relation between the United Nations and the Arab League with the aim of finding a peace formula in the Mid-east.

This vote against the resolution for co-operation between the international and regional organisations which was exclusively carried out by the American and Israeli governments in contrast to the rest of the member countries, was justified by US delegate to the UN Mrs Pearl Bailey, who described the co-operation as harmful to the requirements for security and peace in the Mid-east.

But the US delegate did not clarify the sources of harm to peace from the co-operation between an international organisation, whose main objective is international peace, and a regional organisation whose chief aim is regional peace.

The absence of logic in what is repeated by the American delegate to the UN reflects its submission to Israel which rejects any direct or indirect Arab role for peace in the Mid-east.

The US subservience to the Israeli policies drove it toward deceiving the world about the concept of peace by intentionally ignoring that peace is an indivisible whole issue. Hence, achieving regional peace in any area of the world in fact represents a step forward to international peace in conformity to the original objective of the UN.

The US contradicted the UN concept of peace by voting against the resolution for co-operation between the UN and the Arab League and brought it into sharp contrast with the whole world including its allies in different regions after they voted in favour of the resolution for co-operation.

Appeasing

The American disregard to the whole world, including its allies, for the sake of appeasing Israel, makes the two countries — the US and Israel — allies against the whole world.

This US-Israeli alliance against the world makes the US government a party in the dispute between the Arabs and Israel, thereby losing claim to the role as a mediator for solving the existing Mid-east conflict.

The gravity of this reality is represented by the need of a new mediator in the Arab-Israeli conflict after the clear American stance as a party in the conflict. The new mediator — from the standpoint of neutrality — should be able to find a peace formula between the parties conflicting on land and peace.

We believe that the overwhelming majority supporting the UN General Assembly resolution on co-operation between the UN — the international organisation — and the Arab League — the regional organisation — provides us with a solid ground for the required role from the UN. This involves undertaking the role of a mediator between the conflicting parties either by individual effort through delegates to be sent to the Mid-east region or through convening an international conference under the auspices of the UN.

This idea of giving mediation to the UN emerges from the fact that the

WITH THE EVENTS



Ridah M. Larry
Editor in Chief

General Assembly resolution approves the right for the specialised agencies affiliated to the UN to work in different fields among all the parties in order to find a peace formula that governs the relations within the Mid-east region.

The Arab countries took a prompt and clear stand in effecting co-operation between the Arab League and the UN for they deliberately intended not to confine this co-operation to this world organisation and the Arab League member states.

The Arab concept of co-operation between the UN and the Arab League outlined plans for the political work of the UN in fighting against colonialism in all its forms, resistance to racism, disarmament, securing the right of self-determination for all nations and the achievement of just peace among the parties to the Mid-east conflict.

Diplomatic

The Arab position for solving the Mid-east conflict is directly linked to the role of the UN whose mediation through its diplomatic representatives or an international peace conference, matches the roles being played by the US and the Soviet Union in international politics.

However, this position will push the US to making a comparison between its vital international interests and the narrow Israeli regional interests. The Israeli pressure which obliges the US to stand against its allies and whose interests is still continuing, so much so that the US seems to oppose its own vital national interests.

The size of the sacrifice which Israel is asking the US to make this time is very great, because it wants the US administration to completely ignore its own interests to promote the Israeli interests, a development which created estrangement between the two governments. But, the US tried to hide this by taking a disgraceful stand in the General Assembly.

The US endeavour to melt the ice of estrangement was not enough to satisfy Israel, for it insists on getting more concessions in achieving its interests, even if this makes the US to lose its respect and prestige as a superpower.

Despite this, the US has been making continuous efforts to satisfy Israel by finding new methods to help it in reconciling between its supreme interests at the international level and the Israeli regional interests in the Mid-east.

Ignominious

This ignominious US stand in favour of Israel raises the question that if the conditions of the UN membership require member states to adhere to the democratic norms in internal and external affairs, then why doesn't the UN give itself the right to expell spiteful members who violate its objectives of peace.

The absence of the right of expulsion from the legal structure of the UN has its historical roots in the precedents of the League of Nations, as the expulsion of some of its members led to outbreak of World War II.

Despite the significance of the reservation about expulsion of the members from the UN, there is still a pressing need for expelling some of the member states from the UN for the violation of the principles of the international peace.

Guest Editorial

Palestinian will power

By Salem M. Salem

An Arab political analyst from Tabuk

TORTURE and terrorism, infamous beatings, curfews, fines, utility cuts, midnight calls at the door, closing schools and universities, raiding hospitals, blowing up houses, arbitrary trials.

These are the signs of the daily life in the occupied territories. Brutality stories are commonplace.

Israel announced a series of still harsher and tougher security measures by using deadly force and broken-bones policy. It carried out collective punishments, administrative detention and deportation orders to stop the Palestinian Intifada, but it could not. It buried some Palestinians alive, but it could not bury the whole people. It imprisoned more than 40,000, but it could not put the whole nation in prison. And it killed more than 600 Palestinians, but it could not kill the entire people or even the will of this people. And it exiled 48 Palestinians, but it could not dismiss the whole people. Simply because the roots of the Intifada went very deep, as deep as the Palestinian cause itself.

The Israeli "Defence" Forces used various means to suppress the Intifada. It used lead and rubber bullets, teargas and club, tanks and helicopters.

But the Palestinians faced this inhuman assault with stonethrowing, tyre-burning, knives, clubs, axes and petrol bottles, strikes and boycotts.

Israel adopted the policy of exploiting opportunities — wars and crises — to carry out its ideas and plans.

"Today the Intifada is more all-encompassing and has achieved more solidarity than ever before. The second year will continue to strengthen Palestinian autonomy and will institutionalise its administrative and organisational functions." These words were reported to the Israeli Knesset in December 1988 by Citizens Rights Movement; after one year of the Intifada.

And now after two years of using all kinds of terrorism — individual and state terrorism — the Intifada stands strongly facing all these storms.

The uprising accomplished some achievements. First of all it resulted in the declaration of the Palestinian state on November 15, 1988. That was followed by the PLO-US talks in December 1988. The shock it caused to the Israeli society, led some top Israeli military commanders calling on the Israeli government to find a political solution to the Intifada. The failure of the Israeli troops to break the spirit of

the Intifada and the Palestinian will to resist remained very strong. Several police stations and civil administration offices were closed after the resignations of Palestinian officials serving there. The daily and widespread clashes with the Israeli troops did not remain confined to urban centres, but reached the remotest villages.

The Intifada unified all the Palestinians under the leadership of the united national leadership of the Uprising which accepts the PLO as its own leader.

This leadership issues directives and general policy guideline. It is composed of representatives of all political opinion including the leftist, the rightist, secular and religious. It organises the Palestinians' daily life in the occupied territories by founding popular committees, such as: the popular supply committees, the popular guardian committees and the gardening committees to encourage the people to cultivate every spare patch of land and to breed chickens, goats, rabbits and pigeons. The popular education system was introduced to face the Israeli policy to force illiteracy upon the Arabs. The popular courts were set up to carry out the punishments for those who continue to collaborate with the Israeli authorities. The first aid teams were formed and the shock forces were established.

The popular boycott committees supervises the implementation of the ban on all Israeli products where a locally-produced alternative was available.

Before the Intifada, the Israeli exports to the Palestinian market was \$850,000 per annum. The occupied territories were the second largest importers of the Israeli goods after the US. That was over and above the US aid of \$3 billion per year for Israeli economy and military — \$710 for each Israeli.

February 1989 showed a two-thirds drop in trade surplus on goods and services exported to the occupied territories compared with previous years.

Although the 1.7 million Palestinians in the occupied territories need to work in Israel, they carried out a boycott of work in Israel for several times.

After more than 20 years of military occupation, Palestinians are now taking control of their own lives. Two years of resistance for existence proved that the Palestinian people deserve to live free in their own state as any other nations.

In the past few months there were several initiatives on the subject of elections. The first one was introduced by Yitzhak Shamir. Then came President Hosni Mubarak's ten-point plan. And after that James Baker's proposals. And at last the opinion of the PLO. In addition to these initiatives, the Chairman of the PLO asked for elections like Namibia's elections.

Two years of free use of the Israeli military force against the Palestinians has failed to bring an end to the Intifada. So, is it not time for Israel to work really for just and stable peace?

Following U.S. ending PLO dialogue

Palestinian-Israeli talks now off -- Egypt

OCCUPIED JERUSALEM, June 25 (R) -- Egypt's ambassador to Israel has ruled out the convening of Palestinian-Israeli talks in Cairo following the U.S. suspension of contacts with the PLO, an Israeli newspaper reported today.

The *Jerusalem Post* said Muhammad Bassiouny had criticized the Bush administration's decision to suspend ties with the Palestine Liberation Organization.

"It is impossible to start the Israeli-Palestinian talks while freezing the U.S.-PLO dialogue," he said in an interview. "It is impossible to start the Cairo dialogue without a green light from the PLO."

The United States broke off talks last week after a PLO faction claimed responsibility for a foiled sea attack on the Israeli shore. Washington said the PLO had failed to directly condemn the raid.

President George Bush said when he announced the suspension of the 18-month dialogue that he was still committed to convening

OIC regrets U.S. decision

By Muhammad Ibrahim
Arab News Staff

JEDDAH, June 25 -- The 46 member Organization of Islamic Conference has regretted the U.S. decision to suspend dialogue with the PLO and asked the American government to reconsider the resolution and resume the talks without delay.

"The OIC calls upon the government of the United States to reconsider its decision and resume, without delay, its dialogue with the PLO," OIC Secretary-General Hamid Algabid said in a statement.

"The secretary-general who has always encouraged the continuation and deepening of this dialogue, highly regrets today the decision of the United States to suspend this dialogue," the statement added.

It said the suspension of the dialogue was all the more regrettable as it comes at a time when the Israeli repression against the Palestinian people is aimed at neutralizing their intifada and also when the new Israeli government, composed of extremist elements, is placing obstacle after obstacle in the way of peace and openly threatens to start war, once again, against the neighboring Arab countries.

"Considering the escalation of the dangers in the Middle East and Palestine, the secretary-general feels that it is necessary not to do anything which could be interpreted as support and encouragement to Israeli government's obstinate and aggressive policy in disregard of law and unanimous will of the international community," the statement said.

Israeli-Palestinian talks in Cairo and awaiting Israel's response to a letter he sent.

Bassiouny, asserting that the PLO was the only group that could speak for Palestinians, said Washington could not expect Egypt to win PLO support for the Cairo meeting when it did not maintain contacts with the organization.

He rejected U.S. justification of the decision to break off the talks and said the PLO had kept its commitment to renounce terrorism.

Israeli officials say the PLO was behind several attacks on Israel but military intelligence reports say PLO Chairman Yasser Arafat's Fatah group has not been involved in any attacks since his 1988 pledge to renounce terrorism.

"Why say the PLO didn't condemn the attack? Why forget that Arafat says Israel can live in peace and security? He renounced terror and has not been involved in any kind of terror since December 1988," Bassiouny told the *Jerusalem Post*.

Egyptian Foreign Minister Esmat Abdel-Meguid flew to Washington yesterday hoping to avert a crisis in U.S.-Arab ties and reassert Cairo's role as the Middle East's leading moderate.

Egypt, the only Arab state with ties to Israel, tried for months to persuade the Jewish state and Palestinians to hold their first direct talks as proposed by Washington.

But in March Israel's coalition government collapsed over Prime Minister Yitzhak Shamir's refusal to back the plan. He now heads a rightist administration more hostile to the PLO.

Sudan releases 4 linked to coup bid

KHARTOUM, June 25 (AP) -- The military government was reported today to have released without trial four leaders of an alleged coup attempt foiled last March 15.

The state-owned newspaper *Al-Inkiz Al-Watani* said in an unattributed story that the freed men included three former senior officials. It gave no explanation for the release and there was no comment from the government.

Several dozen Sudanese were arrested following the alleged coup attempt in March but were not prosecuted. In April, the government claimed it has aborted a second coup related to the March attempt.

The alleged perpetrators of the second attempt were dealt with immediately and severely. Military authorities executed by firing squad 28 active or retired army officers after a summary court-martial. Sixteen army officers received prison terms up to life and another 13 senior officers were cashiered.

The newspaper identified the released men as retired Gen. Mahdi Babo Nimir, a former chief of staff, retired Maj. Gen. Fadlalla Burma Nasser, a former minister of state for defense, and Abdul-Rasoul Al-Nour, governor

Jewish settlements growing in size and strength

By Jackson Diehl

BETAR, June 25 (WP) -- The first families moved this past week into the concrete-and-tile apartment houses of this Jewish settlement, steering truckloads of furniture around the bulldozers paving the streets. But no ceremony, and only passing publicity, have marked the launching of the latest Israeli outpost in the occupied territories.

A new right-wing government has returned settlement to the center of Israel's domestic and diplomatic politics. Yet, like hundreds of other Jews now moving to the territories, Betar's pioneers have so far succeeded in exempting themselves from controversy.

"This is not really a new settlement. It was authorized by the government many years ago," Moshe Leibowitz, Betar's interim mayor, explained to a visiting journalist. "And to answer your most important question: No, there are no Soviet immigrants living here."

Betar's inconspicuous growth on a windy hilltop southeast of occupied Jerusalem helps explain the deliberately low profile and mild rhetoric that Israel's settlement movement has adopted as a government favoring its aims takes power.

So far, the new coalition of Prime Minister Yitzhak Shamir has tended to draw attention to two central issues: The creation of new Jewish communities in the occupied West Bank and Gaza Strip and the transfer of immigrant Soviet Jews to the territories. In both, Shamir has adopted a relatively conciliatory stand: This past week, he affirmed that there are no plans for new settlements.

Yet while these issues are of central importance to Israel's ability to sustain the Soviet immigration as well as relations with the United States, they are of secondary significance to those Israelis who dream of establishing permanent control over the occupied lands. Of far greater import than new sites or new immigrants, the settlers' leaders say, is the steady, continuing expansion of the 160 settlements that already exist, driven by past government decisions as well as powerful economic forces.

Betar, for example, has attracted little attention in Israel last week. Even though it is only now being occupied, its construction was officially approved long ago. So, like the new neighborhoods being built in existing settlements, it falls outside the usual parameters of Israeli and U.S. debate on the settlements.

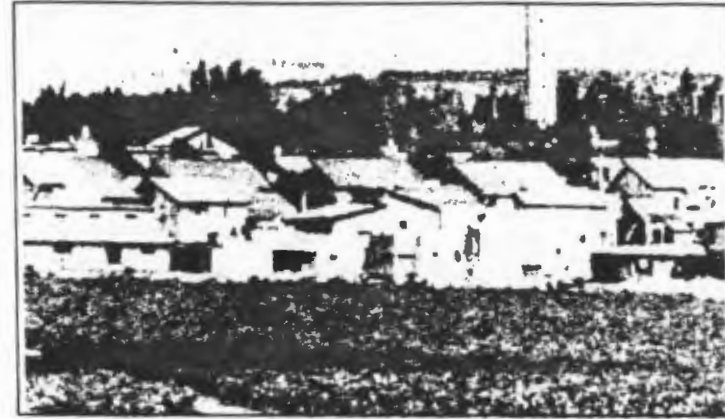
If Shamir's new government allows this less-conspicuous development to quietly proceed, the settlers say, they may achieve the goal of making their presence in the territories unassailable by the time of the next scheduled elections in 1992.

"Even if we record the same level of growth over the next several years as we have had in the last three -- and I think we will be able to do at least as well as before -- we're going to come to a state where the situation is irreversible," said Pinchas Wallerstein, chairman of the Matei Benyami-

ries.

According to a survey published last week by the liberal newspaper *Haaretz*, the Jewish population in the territories grew from 70,000 at the end of 1987 to 87,000 now, and it is expected to reach 94,000 by the end of the summer. The rate of population growth doubled from 8 percent in 1989 to 16 percent this year, it said. The newspaper said its figures were based on reports by government councils in the territories.

Wallerstein said that in his area immediately



SETTLEMENTS: A view of the Jewish settlements in the town of Omar in occupied West Bank. Israel is engaged in feverish settlement activities, but is trying to keep a low profile, wishing to avoid Arab anger and world condemnation.

ni Regional Council, which oversees 30 settlements in the West Bank. "So we don't need dramatic decisions by the new government. All we need is continuity."

The settlers' dream is to establish a permanent Jewish presence and Israeli control over the West Bank and Gaza, which were captured by Israel during the 1967 six-day war.

Politicians and analysts have been debating for years the degree of "irreversibility" of the settlements, and Wallerstein's conclusion would be disputed by many.

Still, the numbers appear to show a trend of steady growth of Jewish population in the terri-

north of Jerusalem, four new settlements had been added since late 1986, when Shamir took office as prime minister. The overall Jewish population expanded from 5,800 to 10,500.

"In the next 12 months we plan to start 1,800 new housing units, all in existing settlements," he said. "So even if the new government doesn't help us too much we should be able to nearly double our population again."

Other settlement councils have similarly ambitious building plans. In Maale Adumim, the largest Jewish settlement in the West Bank, with a population of 14,000, the local council is planning to start construction on 1,000 new units next

year, raising the population by more than a quarter. In Ariel, with a population of 8,000, the council plans for 800 new units.

The survey by *Haaretz* showed that 7,700 new housing units were being planned in the settlements, which, it said, would make possible a population increase of 33,000 people in the next several years.

A few of the settlements need government funding for their construction. But many finance their own and need only the government's approval to develop new lots and government construction of sewers, electricity and water facilities, and roads. In seeking such expansion, they will have a powerful advocate: Housing Minister Ariq Sharon, one of the original architects of the settlement drive, who in his new post will control both land allocation and new construction permits.

Sharon, the settlers' leaders point out, can facilitate much of the new building simply by having his ministry issue the necessary permits. No potentially controversial cabinet or parliamentary debates are necessary, and media are unlikely to notice many of the decisions.

Shamir's intention appears to be to pursue this course of quiet expansion. Faced with the Bush administration's strong opposition to new settlements, Shamir has said that none are now planned. In answer to demands from the United States and the Soviet Union for guarantees that Soviet Jews will not be resettled in the territories, he has responded that the government has no policy of encouraging such moves but will not prevent them and that only a few hundred of the Soviet immigrants are living in the West Bank and Gaza.

At the same time, Shamir has made clear that he intends to encourage the growth of existing settlements, and has been funneling money toward the building of necessary facilities ever since the left-wing Labor Party leader Shimon Peres left the Finance Ministry in March. So far, \$30 million in additional funding has been approved for new roads, sewers and other infrastructure.

Moreover, the government has made no move to change programs providing financial incentives, such as cheaper mortgages, to Israelis who choose a home in the territories over one in the center of the country. Those programs have combined with rapidly rising housing prices inside Israel to create a powerful economic motive for new settlers.

U.S. tells EPLF to resume Ethiopia peace talks

By S. Sidahmed
Riyadh Bureau

RIYADH, June 25 -- The United States has called on the Eritrean People's Liberation Front (EPLF) to review its position of boycotting peace talks with the Ethiopian government.

We hope they (EPLF) will review their decision and go back to the peace talks so as to go ahead with the Carter initiative."

Irvin Hicks, deputy assistant secretary of state for African affairs in charge of the Horn told *Arab News* in a telephone interview from his office in Washington, D.C.

relief in the Horn.

Asked whether Eritreans would have the independence option at the conference since the two superpowers seem to favor Ethiopian unity, Hicks replied, "we said in the past we respect the territorial integrity of Ethiopia yet it is not for us to decide how they resolve their political issues."

Though the main emphasis of the joint declaration was on Ethiopia, Hicks pointed out that the proposed conference should cover Sudan, Somalia in addition to Ethiopia and that all people should be present at this conference. On whether this means interrelationship between conflicts in the region, Hicks replied

especially now that there is more need for peace as civil wars in the region have been going on for years.

On the American initiative to end the civil war in Sudan, Hicks said that they have tabled some ideas on how the two sides could go back to the peace process. They have proposed that Sudan remain a united nation, there should be a federal system, that the political system should be democracy and a disengagement of forces be supervised by outside monitors.

Asked whether the U.S. administration now puts more emphasis on the issue of democracy in Sudan, he replied that their main goal re-

Tigray rebels set truce terms

NAIROBI, June 25 (AP) -- Tigray rebels said they were willing to observe an immediate cease-fire providing Ethiopia's current government stepped down and was replaced by a transitional one.

The Ethiopian People's Revolutionary Democratic Front, which for long has called for President Mengistu Haile Mariam's ouster, made the cease-fire offer yesterday in a clandestine radio broadcast monitored in Nairobi.

In a separate broadcast, the rebels said they had killed 593 soldiers in capturing two towns about 160 kilometers northeast of Ethiopia's capital Addis Ababa, and were "advancing victoriously" in the region.

SOVIET JEWS WILL NOT SETTLE IN WEST BANK AND GAZA

BEFORE ISRAEL RECEIVES AMERICAN AID



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Succumbs to world pressure Israel to keep Soviet Jews out of W. Bank

OCCUPIED JERUSALEM, June 25 (Agencies) -- Signs that Israel is bowing to world public opinion pressure over the immigration of Soviet Jews gathered force today as the government confirmed that Prime Minister Yitzhak Shamir has written to Soviet and West European leaders on the issue.

News of the letters to Soviet President Mikhail Gorbachev and to European Community leaders meeting at Dublin followed by less than a day statements by Ariel Sharon, Israel's hawkish housing minister, that Soviet Jewish immigrants would not be settled in occupied

Arab lands.

The assurances by Shamir and Sharon followed threats by Gorbachev to stem the flow of Soviet Jews unless Israel pledges to settle them with its pre-1967 borders.

Diplomats said the statements appeared part of an initiative to ease the Zionist state's international isolation and calm fears that the Soviet Jewish influx meant dispossession for Palestinians in the West Bank and Gaza Strip.

Shamir's letters reiterated that the incoming Soviet Jews were not being settled in the occupied territories and pledged they would "not take the place of or uproot" any other inhabitants.

Sharon, a vocal proponent of Jewish rule in the West Bank and Gaza Strip, went even further on Sunday, stating that immigrants "will not be settled beyond the green line" separating Israel from the lands occupied in 1967.

"Israel has a policy of settling immigrants in the Galilee, the Negev and Wadi Arab, but not in Jewish settlements in the West Bank despite their strategic importance," he said.

Sharon's comments notably came in a speech to the Jewish Agency, the organization that finances immigration to Israel.

The ultra-Zionist minister added that while the government remained committed to the consolidation of Jewish control over the territories, it would not be building immigrant housing there so as not to cut off the exit of Jews from the Soviet Union.

Jewish Agency Chairman Simha Dinitz welcomed the announcement, though he noted that of the 56,000 Soviet immigrants to Israel this year less than 300 had settled in the West Bank or Gaza Strip.

The Shamir government previously has insisted that all immigrants are free to choose where they want to live within "the land of Israel" -- the term used by Zionists to denote the Jewish state.

Observers pointed out Monday that neither Shamir nor Sharon actually said the government would bar arriving Soviets from settling in the occupied lands.

And the foreign ministry noted that the statements did not include the Jewish suburbs around Jerusalem -- regarded by Israelis as an integral part of the capital but viewed by the rest of the world as occupied territory.

In an unrelated development, an eight-year-old Palestinian girl died in hospital in occupied Jerusalem today, two days after she was shot by Israeli soldiers in the occupied West Bank.



MOURNING: A young Iranian cries on his father's grave in the town of Manjil which was completely destroyed in the catastrophic earthquake in the north-west Iranian province of Gilan. At least 50,000 people were killed in Thursday's earthquake according to official figures.

Violence an anti-apartheid weapon, Mandela tells Bush

WASHINGTON, June 25 (R) -- U.S. President George Bush welcomed Nelson Mandela to the White House today and urged him to renounce violence, but the black nationalist leader reserved the right to use any tactics necessary to end South Africa's apartheid system.

"We must see on all sides a clear commitment to change. All parties must seize the opportunity to move ahead in a spirit of compromise, tolerance, flexibility and patience...I call on all elements in South African society to renounce the use of violence and armed struggle," Bush said in the White House Rose Garden.

But Mandela, speaking without notes, countered that the tactics of his African National Congress and other South African blacks would be determined by the attitude of his

cal organizations of the oppressed, intensifies oppression and does not allow any political activity no matter how peaceful and nonviolent, then the people have no alternative but to resort to violence," Mandela said.

Mandela, who was released from jail in February after more than 27 years, said Bush had not been properly briefed on the role of violence in the struggle against apartheid.

But he said there would be no need to use violence as long as the government of President F.W. de Klerk remained committed to dismantling the apartheid system.

The differing viewpoints on armed resistance were illustrated starkly by Mandela's wife, Winnie, who said last night that Pretoria was ready to deal only because of the black South Africans' willingness to take up arms.

4 hurt as blast rocks London club

LONDON, June 25 (AFP) -- Four people were seriously injured today in a bomb blast that ripped through the ground floor of London's exclusive Carlton Club, whose members include leading Conservative Party members, police said.

A Scotland Yard official on the scene said the blast "has the appearance of being a terrorist incident."

There was speculation that the attack could be the work of the Irish Republican Army, which in the past has tried to kill leading members of the Conservative government.

Several blocks around the Carlton Club, located near Buckingham Palace and the houses of parliament, were sealed off, and police said searches were being carried out for other explosive devices.

British Deputy Prime Minister Sir Geoffrey Howe was reported to have been in the area when the explosion occurred and Prime Minister Margaret Thatcher who is a member of the club was informed of the blast in Dublin where she is

Kingdom vows all help to Iran

JEDDAH, June 25 (SPA) -- The Council of Ministers today expressed deep sorrow over the large-scale human and material loss sustained by Iran following the devastating earthquake that hit the country on Thursday.

The council, which met under Crown Prince Abdullah, deputy premier and commander of the National Guard, reiterated Saudi Arabia's determination "to stand by Iran in this painful tragedy out of its faith in Islamic solidarity and humanitarian values."

It fully supported the gesture of Custodian of the Two Holy Mosques King Fahd, who has ordered relief supplies to be sent to Iran. Saudi Arabia began the relief operation today by sending the first of its 40 plane loads of relief supplies.

Addressing the council, Prince Abdullah expressed his optimism that the crisis in Lebanon was coming to an end, noting the favorable response of some Lebanese leaders toward the ongoing peace initiatives.

The council will resume its session after the Eid Al-Adha holidays.

Meanwhile, King Fahd has instructed the Ministry of Agriculture to give Egypt 200,000 tons of wheat. The first ship carrying the wheat will reach Egypt later today.

Landslides hit relief operations

RUDBAR, Iran, June 25 (AP) -- Low-flying helicopters sprayed disinfectant on earthquake-stricken northwestern provinces today to prevent the spread of infectious diseases from bodies decomposing in the summer heat.

Thousands of people are believed still buried in the rubble of scores of cities, villages and towns levelled in Thursday's temblor that killed an estimated 50,000 people and injured 200,000.

Relief aid for a half-million people left homeless poured in from 26 countries, including some of Iran's bitterest enemies.

Tehran university's geophysics center reported that 22 aftershocks, some as strong as 5.5 on the open-ended Richter scale, occurred in the devastated region over the last 24 hours. Yesterday, the center reported 360 tremors since Thursday.

The new aftershocks caused landslides that blocked roads, seriously hampering rescue and relief operations in Gilan and Zanjan provinces. But no casualties were reported.

Italy gets past dour Uruguay

ROME, June 25 (Agencies) -- Three times champions Italy and Ireland, making their World Cup debut, advance to the quarterfinals of the championship in contrasting styles.

While, Italy struck two brilliant goals in the

Arab news

World Cup contest

In view of the overwhelming response from readers and advertisers, we have added bonus prizes for the World Cup contest winners. To win them, readers have to answer two additional questions which will be a test of their soccer expertise and foresight. Readers are required to predict the top goal scorer of the current World Cup (this question appeared yesterday) and the team which will be the 1990 World Cup champion (this question appears on Page 17).

Entries consisting of the 15 regular questions and the two additional questions must be posted on or before June 30, 1990.

second half to quell Uruguay's challenge here. Ireland were taken to the penalty shootout by Romania before the former prevailed 5-4 in the shootout in Genoa. The regulation and two extra sessions were goalless.

A spectacular long-range goal from Salvatore Schillaci, his third of the tournament, and a second from substitute Aldo Serena seven minutes from time saw the Italian title favorites through to the last eight. They will play Ireland in Rome on Saturday (Details on Page 14).

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Face more killings if uprising persists, Israel warns Arabs

OCCUPIED JERUSALEM, June 24 (Agencies) -- Israeli police chief Yaacov Turner warned Arabs in Occupied East Jerusalem today that police would kill more of them if they continued anti-Israeli protests.

"Israeli police exercise outstanding restraint but there is also a limit to this restraint," Turner told a news conference after two days of clashes in the shadow of the old city walls last week in which three Arabs were killed.

"If those who lived in Silwan, Abu Tor and Ras Al Amoud won't grasp the concept that

there is a limit and a line not to be crossed, more will be killed," he said, referring to districts in east Jerusalem where there has been a spate of anti-Jewish violence.

Prime Minister Yitzhak Shamir's new right-wing cabinet also announced plans for armed civilian units which government sources said would patrol the perimeters of West Bank Jewish settlements.

A defense Ministry official said the settlements, deeply resented by Arab residents of the occupied West Bank and Gaza Strip, would organize armed guards within days.

Defense Minister Moshe Arens said on taking office, that one of his top priorities would be to ensure security for the 70,000 Jewish settlers who live among some 1.75 million Arabs in the West Bank and Gaza Strip, which were captured by Israel in the 1967 Middle East war.

Settlers' leader Benny Katzover hailed the new policy, which had been resisted by the more dovish Labor Party in the previous national unity government.

"We have been requesting a civil guard for six or seven years already...we welcome every step of one kind or another," he told army radio, adding that even tougher policies were necessary.

He said the units, which already exist in Israel, would help police prevent attacks on settlements. He said the units would have no role in fighting the 30-month-old Palestinian uprising.

Meanwhile, Housing Minister Ariel Sharon said, today, Soviet Jewish immigrants would not be settled in the Israeli-occupied territories.

"Our efforts in resettling immigrants are directed at this side of the green line," Sharon said, referring to Israel's pre-1967 border.

He said, however, that Israel would not stop its settlement drive in the West Bank and the Gaza Strip, lands captured from Jordan and Egypt in the 1967 Middle East war.

"It does not mean that other people cannot settle in any place. Construction will be continued, in accordance with government policy, in all parts of the land of Israel," he said.

"But as far as the immigrants are concerned, they would not be settled...because of the

Brazilians, Dutch make quick exits

ROME, June 24 (Agencies) -- Argentina, with a moment of Diego Maradona magic, left Brazil's World Cup dreams in tatters, while the precision of West Germany proved too much even for the Dutch flair to handle in the quarterfinals today.

In Milan, twice champions West Germany reached the quarterfinals when they beat the Netherlands 2-1 in an ill-tempered battle in which both sides had a player sent off. Second half goals from Jurgen Klinsmann and Andrea Brehme earned the Germans a quarterfinal match against Czechoslovakia in Milan next Sunday.

The low point of the match came after 22 minutes when Dutch defender Frank Rijkaard and opposing striker Rudi Voeller were sent off by Argentine referee Juan Carlos Loustau following a goalmouth confrontation.

Arab news

World Cup contest

In view of the overwhelming response from readers and advertisers, we have added bonus prizes for the World Cup contest winners. To win them, readers will have to answer two additional questions which will be a test of their soccer expertise and foresight. Readers will be required to predict the top goal scorer of the current World Cup and the team which will be the 1990 World Cup champion.

Entries consisting of the 15 regular questions and the two additional questions must be posted on or before June 30, 1990.

The first of the two additional questions appears on page 17.

In Turin, Argentine striker Claudio Caniggia stole victory for the world champions with just nine minutes left of second round clash with Brazil. The fluent Brazilians completely dominated the battle of the South American giants and struck the woodwork three times but marred a great performance with their erratic finishing.

Argentina, who had looked certain to surrender the title they won four years ago in Mexico, scored when captain Diego Maradona broke off the night and squared across goal for Caniggia. The blond striker, who was unmarked, rounded Brazilian keeper Taffarel to score.

As the match deteriorated into a bad tempered affair, Brazilian defender Ricardo Rocha was

Kingdom to launch relief operation for Iran It's our duty to aid the quake-hit -- Naif

MINA, June 24 (SPA) -- Interior Minister Prince Naif has stated that Saudi Arabia will send the relief supplies it pledged for Iran's earthquake victims "through the channels that Tehran wishes." He hoped that the Kingdom's relief aid to Iran would have a good impact.

Speaking to reporters here today Prince Naif said: "Contacts must have been made with Iran regarding the relief supplies and the Kingdom will not hesitate to send them by its transportation means to the quake-hit areas." Prince Naif stated that it was Saudi Arabia's humanitarian duty to stand by the quake-devastated Iran and urged all countries to support Tehran to help the country overcome its problems and difficulties.

"You might have heard of the Kingdom's statement and we will give Iran the same we had given earlier to other countries when they were hit by natural calamities," he said and noted Riyadh's pioneering gesture in providing humanitarian aid.

Prince Naif disclosed that a number of Iranian pilgrims have come for this year's Haj from outside Iran. Their number even if not more, he welcomed Iranian pilgrims from all parts of the world.

He was addressing a news conference here after inspecting Haj facilities in Makkah, Mina, Arafat and Muzdalifa. He said the special security forces deployed to look after the Haj operation was not a new development.

Prince Naif denied that the Kingdom had reduced the number of Turkish pilgrims. "We have not cut down the number of pilgrims from any Muslim country. The Kingdom is committed to receive all pilgrims who come as per the fixed quotas," he added.

Prince Naif, who is also president of the Supreme Haj Committee, pointed out that the government had readied lot of new facilities and services this year for the welfare and well being of pilgrims. A number of new roads and tunnels have been constructed and the area around the Jamrat has been expanded, he added.

On the expansion of the Haram Mosque in Makkah, he said: "Custodian of the Two Holy Mosques King Fahd is deeply concerned with the project



Prince Naif

and the government is always ready to undertake all schemes that serve the pilgrims."

Asked on the plan to replace the tents in Mina and Arafat, he said the subject is very complicated and requires detailed studies. However, he hoped that the project would be realized as early as possible to avoid the dangers resulted by tents.

Strong earthquake rocks parts of Iran anew

ROUDBAR, June 24 (AFP) -- A strong earthquake rocked parts of northwestern Iran today, injuring a number of relief workers struggling to aid victims of last Thursday's massive tremor in the same region.

Today's quake provoked fissures in the earth and triggered landslides, blocking roads that had just been cleared for the rescue operation.

Scientists at Tehran University said the new tremor, registering 5.7 on the Richter scale, struck at 1.30 p.m. (1000 GMT) and shook the entire Roudbar Valley, located in Gilan province some 200 kilometers west of Tehran.

Authorities in Roudbar are now saying that 70,000 people died in last Thursday's quake, which measured 7.3, and that more than 100,000 were hurt.

But relief officials in Tehran, cited by the Iranian news agency IRNA, today put the death toll at 36,907, with 35,693 injured.

More than 100,000 people have already been rescued, 81,000 in Gilan province and some 20,000 in Zanjan, IRNA reported, citing figures from local sources, hospitals and relief teams.

Favorable weather in the region today enabled helicopter to transfers 400 tons of assistance.

MP warns of 'civil war' Israelis growing bitter on influx of Soviet Jews

OCCUPIED JERUSALEM, June 24 (R) -- Israelis demanded quick action today to solve a housing crisis which has caused growing resentment at the influx of Soviet Jews.

Opposition member of parliament Ran Cohen warned the crisis could spark a 'civil war' between the newcomers and young Israelis forced out of their homes by rapidly rising rents.

Estate agents told Israel Radio rents had risen

between 25 and 100 percent because of the influx of Soviet Jews, expected to reach 250,000 this year alone.

The unexpected wave of immigration has also sparked angry debate between the government and the construction industry, which rejects suggestions that prefabricated units should be imported to accommodate the arrivals. Cohen called for a state inquiry into the housing shortage and another opposition MP, Charlie Biton, said homeless Israelis would demonstrate for a solution to their problem.

He said the demonstration at the opening ceremony of the Jewish agency General Assembly in Occupied Jerusalem would protest that the new arrivals were receiving attention at the expense of residents of long-standing.

The Jewish agency, which links Jews throughout the world, is providing much of the money for absorption of Soviet Jews. Many newcomers speak no Hebrew and have difficulty finding work in an already tight job market.

Biton told *Haaretz* newspaper the influx had thrown dozens of young couples into the street. Young couples often rent because they cannot afford to buy.

"It cannot be that veteran Israelis become Grade D citizens when the entire country is gripped with panic over immigrants, most of whom wanted to go somewhere else," he said.

Many Jews leaving the Soviet Union under the reform policies of President Mikhail Gorbachev are prevented from going to their preferred destination, the United States, by U.S. quotas. Ten Israeli families have been camping outside parliament for a week, saying they were thrown out of their apartments by landlords who could get higher rents from Soviet Jews.

Egypt hopeful of averting U.S.-Arab rift

CAIRO, June 24 (R) -- Egyptian Foreign Minister Esmat Abdel-Meguid flew to Washington today hoping to avert a crisis in U.S.-Arab ties and reassert Cairo's role as the Middle East's leading moderate.

Western and Arab diplomats said the visit, a day after president Hosni Mubarak had not closed the door on Middle East peace efforts despite its suspension of dialogue with the PLO.

Bush wants to bolster Egypt's standing among Arab states, with whom its influence has waned the diplomats said.

"Egypt is the voice of moderation in the Middle East. It is still the main backer of U.S. Secretary of State James Baker's peace plan and the U.S. is not going to abandon Egypt by any means," a Western diplomat said.

"Something seems to be moving. Perhaps the Egyptians are trying to persuade Bush to compensate for what he did," the diplomat said. He was referring to Bush's decision on Wednesday to suspend 18-months of talks with the PLO, because it failed to directly condemn an abortive raid on Israel's coast on May 30 by a PLO faction.

"Abdel Meguid's visit could just be a gesture. Egypt would like to salvage the U.S.-PLO dialogue, but...it is unlikely Washington will reverse its decision," said another diplomat.

Egypt, the only Arab state with ties to Israel, tried for months to persuade the Jewish state and Palestinians to hold their first direct talks as Baker proposed.

But in March Israel's coalition government collapsed over Prime Minister Yitzhak Shamir's refusal to back the plan. Shamir now heads a new rightist administration that is even more hostile to the PLO.

BRIEFS

DAMASCUS, June 24 (R) -- Finnish Foreign Minister Pertti Paasio, touring the Middle East, opened talks with Syrian Foreign Minister Farouq Al-Shara in Damascus today.

BAGHDAD, June 24 (R) -- Senegalese Foreign Minister Soudou Oumar Sy arrived in Baghdad today with a message to President Saddam Hussein from President Abdou Diou, Baghdad Radio reported.

VATICAN CITY, June 24 (AP) -- Pope John Paul II called on the international community today to come to the aid of victims of

the devastating earthquake in Iran. The pope said his thoughts were with the "dear population" of Iran in the wake of Thursday's earthquake that killed an estimated 40,000 people.

ANKARA, June 24 (AFP) -- A meeting of officials from Syria, Iraq and Turkey is to go ahead as planned here on June 26 and 27, the Turkish Foreign Ministry has announced.

ANKARA, June 24 (AFP) -- Fifty people have died and 12 are listed as missing in torrential floods that hit Trabzon and Giresun region along Turkey's Black Sea coast, according to an unofficial toll issued today.

Easy exams bring relief to Egyptian students

By Dahlia Sawwan
Cairo Bureau

CAIRO, June 24 -- During this month of June, Egypt has been gripped by two aggravating tensions: the World Cup and the final examinations of the senior high school year (thanawiya aama).

These exams are noted for their extreme difficulty and the subsequent frustration and stress they cause students and their families. Thousands of students compete in the thanawiya exams annually, but there is little room for them in Egypt's few, already packed, universities. The year-long pressure has often driven the young people to suicide.

But this year entailed a happy surprise for students. With the examinations coming to an end this week, students and supervisors alike confess that they are far more relaxed this year than last. Perhaps this is because education minister, Fathy Serour, wished to avoid a repetition of last year's dramatic episode, when thousands of students, nationwide, went into hysterical fits at the sight of the final French exam. Students charged that the questions on the test were not in the syllabus.

One supervisor at the Armenian Catholic school, said, "The people who set the exam this year seemed to have taken students' agonies into consideration." The supervisor, who asked not to be identified, added that he hopes next year's exams will be even less tense because it will be her daughter's turn to take them.

Nonetheless, this year's season was not without thorns. The semi-official newspaper, *Al-Ahram*, reported that a science student tried to commit suicide after the Algebra exam; *Al-Ahram* also reported that another student skipped the Algebra exam and claimed he was kidnapped.

Algebra is a common annual com-

plaint of science students. Adli, a student at Medinat Nasr Al Thanawiya School, complained: "Even though sample questions were provided by the Ministry (of Education) the exam contained the hardest of such questions, and the time was extremely short."

The World Cup is another problem. The majority of the matches have been aired live on Egypt TV, thus distracting the students from

work as a doctor. I have learned to be calm.

But for other students, family pressure is a curse. Over-anxious parents often scare their children into incompetence. Walid Al Adli, a science student believes that the only difference between the thanawiya aama exams and any other test is the tense atmosphere. "It is what people say about it that creates the fear. If there was no fear, the results

exam season. They are the private tutors, whose financial boom comes during the last months before the exams. Walid said he pays 60 L.E. per month to each of the physics and chemistry tutors, while the English and math tutors each ask for 120 L.E. per month -- a hefty sum for the average Egyptian. The month before the exams, Al Adli needed tutors in all nine subjects. He hopes his grades will be in the range of 75 to 80 percent.

Long hours is another feature of thanawiya aama. It is common for students to study over 12 hours a day, "...with a few breaks now and then," said Noha Nabil Ahmad, an arts student.

Many students prefer to switch their hours around. Driving through Cairo streets at midnight, senior year students are spotted pacing up and down their balcony, book in hand. Two typical sights: a student in Omrania, Giza walks in and out of the balcony reading aloud from a book, in the company of his mother, who, from time to time, supplies the pupil with a warm beverage or snack. A girl in Nasr City has a lamp next to the sofa she placed in the balcony, and sits studying through the night.

A frequent visitor of Cairo, would think the capital had solved its traffic jams. But the truth is that most families have locked themselves away to comfort their children and provide them with books, tutors, stationeries, love -- and even a little tension.

In a few days the exams will be over, but the anxiety will remain. Students in the past years have been known to commit suicide over their results, and many will be worrying about being accepted in their chosen universities. For the thanawiya aama student, the coming few months are not going to be much easier than the present.



PREMIER UNIVERSITY: Ambition of many students passing the high school examination is to join the Al Azhar University in Cairo. Photo shows its imposing front.

their studies. Tarek Samir, a student at the Heliopolis Military School said he expects girls to get higher grades than boys this year because girls do not watch football," he said.

However, Dr. Fikry Saleh, a physician, whose daughter Dahlia is an arts student, said she watched all the matches Egypt played, and parts of the other games. He is not upset or angry, but her mother is slightly worried, but maybe because of my

might be better," he said. An extremely worried mother who was waiting to pick her daughter up after an exam, said hysterically, "Ask the minister what he is doing to our children. I have to calm my daughter down after every exam ... tell the minister to be gentle with our children." One wonders, which of the two actually calms the other. There is, however, at least one group that does not begrudge the

Hrawi, Jaber view ending Lebanon war

KUWAIT, June 24 (R) -- Kuwait's Emir, Sheikh Jaber Al-Ahmad Al-Sabah, held talks today with Lebanese President Elias Hrawi on ways to end Lebanon's 15-year civil war.

The official Kuwait news agency KUNA said the two leaders also discussed Arab and international developments and what it called challenges facing the Arab nation. It gave no details.

Hrawi arrived in Kuwait yesterday as part of a tour to seek backing from the Gulf states for an Arab League-sponsored peace plan for Lebanon as well as cash to rebuild the country.

He will later visit Qatar, Bahrain and the United Arab Emirates.

Meanwhile, new "openings" were waiting to be exploited in the drive for a resolution to the Lebanese crisis, French foreign Ministry Sec-

Algeria discounts policy change

ALGIERS, June 24 (Agencies) -- The Algerian government would not power-share with the local election victors, the Islamic Salvation Front (FIS), nor would it deviate from its political and economic reforms, the prime minister said yesterday.

Breaking government silence since the Islamic Salvation Front swept to victory on June 12, National Liberation Front (NFL) Prime Minister Mouloud Hamrouche vowed Algeria's reform process would continue.

He has no intention of resigning, he told a press conference, adding that "in the immediate future", he would not dissolve parliament, called for by the FIS following its election success.

"We are in a transition between the old and the new," Hamrouche said. "We have changed the regime, but not the state, and it is necessary that stages (reforms) progress in total sta-

"My government is determined to carry on its political and economic reforms unhindered by any opposition party," he added, saying pluralism would be installed in Algeria.

Hamrouche said it was "premature" to talk of alliances between the NLF and other parties before the next parliamentary elections (due in January 1992). He said the NLF's aim was to "renew itself and rid itself of bureaucratic apparatus", or it would "disappear".

The FIS now controls 55 percent of the country's 1,541 municipalities and two-thirds of its provincial assemblies. Hamrouche warned it against exceeding the prerogatives of the local assemblies.

"The powers of the municipal and provincial assemblies are well defined. Any decision outside these powers is null and void," he said.

Hamrouche vowed to uphold law and order and reinforce the state to allow government re-

81 drown as boat capsizes in Nile

KHARTOUM, June 24 (AFP) -- Eighty-one people died yesterday when their boat was wrecked on the White Nile near the river port of Kosti, the Sudanese News Agency, SUNA, announced.

It said the bodies of 29 victims had been recovered, adding that the boat was crossing the river between Kosti and the island of Abba, in the country's central region, when it went down. The circumstances of the accident were not immediately known.

Initial reports from Kosti said all the victims were from Abba Island, which is north-east of Kosti, SUNA said.



OECD development aid declines

PARIS, June 24 (AFP) -- Poor nations faced a marked reduction in official development aid from major industrial nations last year, while Japan overtook the United States, as the largest donor in absolute terms, the OECD said today.

In a survey released here, the development assistance committee (DAC) provisionally set net disbursements of official development assistance (ODA) by DAC's 18 member countries in 1989 at \$46.5 billion, a \$1.6 billion decline from \$48.1 billion in 1988.

In real terms, allowing for inflation and exchange rate variations, aid from the members of DAC, a key committee of the 24-nation Paris-based Organization for Economic Cooperation and Development (OECD), was down by 2 percent.

Japan moved into the top slot among DAC donors raising its aid by 4 percent to \$8.96 billion.

It was well ahead of the United States, which reported ODA -- official development loans, grants and technical aid -- worth \$7.66 billion after \$10.1 billion in 1988.

France was the third largest donor in money terms with \$5.14 billion, followed by West Germany at \$4.95 billion.

The Nordic countries -- Denmark, Finland, Norway and Sweden -- and the Netherlands, taken as a group, contributed \$6.53 billion.

They held on to their rating as DAC's "front-runners", with their aid as a share of gross national product (GNP) averaging 0.92 percent. Norway's ratio was 1.02 percent and Denmark's 1.0 percent.

Overall, DAC's ODA to GNP ratio fell back last year to 0.33 percent from 0.36 percent in 1988.

The rise in Japan's aid left the country's ODA-GNP ratio unchanged at 0.32 percent, just below the DAC average, while the U.S. ratio dropped from 0.21 to 0.15 percent, the lowest in DAC, the survey showed.

Most industrial country donors, with the United States and Japan as notable exceptions, have accepted an aid target of 0.7 percent of GNP, European officials recalled.

France, which is committed to the 0.7 percent target, had the highest ODA-GNP ratio among the group of Seven countries with 0.54 percent, followed by Canada (0.44 percent), West Germany (0.41 percent) and Italy (0.39 percent). Britain was just behind Japan but its ratio of 0.31 percent was double that of the United States.

DAC chairman Joe Wheeler said the group's poor 1989 showing did not stem from a diversion of aid money to Eastern European states now moving toward market-based economies. He recalled DAC countries' pledge to maintain high

priority for Third World aid.

Last year's ODA decline was due to special factors, mainly a "bunching" of contributions to multilateral bodies, especially by the United States, which turned DAC's 1988 aid total into "an exaggeration of reality," he explained.

Wheeler, noting that U.S. ODA actually averaged just under \$9 billion annually over the past two years, said he expected a "much better" U.S. figure this year.

He forecast "further modest increases in real terms" in DAC aid in the years ahead, adding that Japan would "probably" hold on to its lead position in DAC over the next three years. It still had \$31 billion left to spend under its \$50 billion ODA program for the five years up to the end of 1992.

The DAC report said total 1989 ODA from all sources, DAC and non-DAC, remained virtually unchanged from year-earlier levels at \$51.3 billion.

Arab aid was estimated to have declined further, from \$2.3 billion in 1988 to perhaps \$1.2 billion and Eastern European aid was thought to have fallen off from its 1989 level of \$4.7 billion to about \$4.3 billion.

Export credits turned positive for the first time since 1985, with a net transfer of \$1.2 billion, mainly because of increased short-term business.

W. German budget gap to widen

BONN, June 24 (Agencies) -- The cost of German unification is expected to cause a slight rise in West Germany's budget deficit next year.

The deficit will rise to 31.5 billion deutsche marks (\$18.8 billion), an increase of 1.6 percent over this year's, government sources said yesterday.

Finance Minister Theo Waigel has almost finished budget projections for next year which must be presented to the cabinet for discussion on July 3.

Public spending is expected next year to rise by 3.9 percent to 324 billion deutsche marks (\$193.4 billion), largely because of costs related to German unification.

The greatest budgetary cost is expected in the social welfare and work sectors, with a predicted rise of 3.1 percent over 1990 to 71.8 billion deutsche marks (\$42.8 billion).

The defense budget will be second at 52.6 billion deutsche marks (\$31.4 billion), but that is down from the \$4.2 billion marks (\$32.3 billion) earmarked for 1990.

The 1991 budget deficit will be 20 billion deutsche marks (\$11.9 billion) larger than earlier estimates.

Of that 20 billion deutsche mark rise, 10 billion marks (\$5.9 billion) are used to German unification.

On the other hand, West Germany will save 1.7 billion deutsche mark (\$1 billion) in spending since it no longer buys the freedom of East German political prisoners, and pays no more fees for travels on routes linking West Germany to West Berlin, or transit taxes.

With only a week to go until German economic and monetary union, the prospect of mass unemployment and a price explosion are clouding enthusiasm in East Germany for the "big bang."

Next Sunday, the minority West German

unique experiment in economic metamorphosis.

Officials on both sides of the fast vanishing Berlin Wall believe East German shops, long plagued by shortages and low quality, will suddenly be brimming with attractive Western goods. But who will be able to afford them?

East Germans will cash in their soft currency, lately nicknamed "aluminum chips", at varying exchange rates for hard marks, but latest surveys suggest most will bank the money in anticipation of hard times to come.

Only a third of East Germans swapping their bank accounts into deutsche mark have applied to withdraw cash, and the average is 800 marks (\$480), less than half the amount available on July 1, reflecting fears of unemployment.

Many are not even sure their employers will be able to afford next month's first hard currency pay check. Economics Minister Gerhard Poehl said on Friday nearly a third of all state-owned enterprises, employing 43 percent of the industrial work force, was likely to go bust.

Even factories capable of surviving the competition with Western industry face severe liquidity problems and will have to slim down their bloated work force. The redundancy rate could be even higher among employees of East German local authorities, whose wage bill will not be covered from Bonn.

Experts in both states expect up to three million of East Germany's nine million workers to be unemployed within a year. Pessimists believe there could be serious social unrest.

The question is whether the crash landing will rapidly make way for a second German economic miracle, similar to the boom which followed West Germany's 1948 currency reform, or whether it will leave an enduring depression with hundreds of thousands more East Germans swarming to the West.

India's plan to save fuel causes chaos

NEW DELHI, June 24 (AFP) -- A government plan to shut gasoline stations after dark and completely on Sundays in a bid to slash India's domestic petroleum consumption triggered chaos and protests as motorists spent the weekend hunting for fuel.

Scores of gasoline stations in New Delhi put up "sold-out" signs, yesterday as drivers queued to top up their tanks ahead of today's closure.

Angry motorists wielding spanners and hammers also clashed with gasoline station attendants in Vasant Kunj, in southern Delhi, when pumps ran dry.

Officials from state-run Indian Oil Ltd., one of the three government-owned petrol distributors, said yesterday's sales were 50 percent higher than usual, and they had not been to get extra stocks to gas stations to meet the demand.

India announced the rationing scheme on Thursday, saying the curb was designed to conserve 2.8 million tons of petroleum products and save the country about \$500 million in imports.

The government also promised to cut its own consumption by 20 percent on last year and has ordered airlines, shipping and railways to reduce their use by 10 percent.

The restrictions are the first ordered since the 1971 Indo-Pakistan war.

Thousands of two-wheelers, cars and taxis waited hours for gas in Calcutta, Bombay, Madras, Chandigarh and Srinagar ahead of today's shutdown.

The All India Motor Transport Congress said today it will launch a campaign against the curb and ask Prime Minister Vishwanath Pratap Singh to end it. "It is not a well-thought decision. It will hit transport operators nationwide as they have to run their vehicles 24 hours," Congress general secretary Chittaranjan Datta said.

"Instead of imposing these restrictions, the gov-



FAKES CRUSHED: A policeman shovels watches under a steamroller that crushed more than 33,000 fakes bearing names like Rolex, Omega and Rado in Bangkok on Saturday. To date, the Thais have taken only cosmetic measures to halt a huge industry which counterfeits luxury apparel, computer software, video cassettes and machine parts. (AP wirephoto)

OPEC chief says surplus is temporary

KUWAIT, June 24 (R) -- OPEC President Saadq Boussema said a glut that is depressing oil prices was temporary and that the group could still restore oil prices to their official target of \$18 per barrel if members cut output.

Boussema, who arrived in Kuwait from Iran, was quoted by the official Kuwait news agency (KUNA) as saying the excess supplies, caused mainly by overproduction by OPEC members, would last for a month or two.

"The production ceiling has exceeded the required level on the international market. The (surplus) amount was estimated at one million barrels (per day), which in turn had a negative impact on price levels," Kuna quoted him as saying.

Boussema of Algeria is touring key Gulf members to appeal for production restraint ahead of OPEC's July 25 meeting in Geneva that officials said would deal with the issue of distributing new output quotas.

Boussema urged all OPEC's 13 members to strictly adhere to last month's pact to cut the excess output that sent prices tumbling by around 30 percent this year.

He warned earlier this month that oil prices could crash just like they did in 1986 when they went below \$10 a barrel.

KUNA quoted Boussema as saying that the July meeting would be crucial in OPEC efforts to reach a final solution to the quota issue.

He praised Kuwait for what he called its role in OPEC. He did not elaborate.

Meanwhile, Iraqi Deputy Prime Minister Saadun Hammadi arrived in Qatar today on the second leg of a Gulf tour to discuss stabilizing the international oil market, the official Qatari news agency said.

Hammadi arrived from Abu Dhabi where he began his push to get oil producing Gulf countries to cut production and prop up plunging prices.

The Qatar news agency, received in Cyprus, said Hammadi brought a letter from Iraqi President Saddam Hussein for Qatar's leader Sheikh Khalifa bin Hamad Al-Thani.

It said Hammadi's talks with Qatari officials would focus on the need to stick to production quotas set by the Organization of Petroleum Exporting Countries.

The Iraqi official said in Abu Dhabi "a drop in oil prices harms all OPEC members but the harm is bigger to such an indebted and more populated country as Iraq."

Aid to Soviets tops European summit agenda

DUBLIN, June 24 (Agencies) -- A proposed Western aid package for the Soviet Union, urgently pressed by France and West Germany, highlights a two-day summit of European Community leaders beginning tomorrow at a medieval castle.

The 12 heads of state also debate relaxation of sanctions against South Africa, and will set a date for a crucial conference leading to greater "political union" in the mostly economic community.

Aid to the Soviet Union, not initially on the agenda at Dublin Castle

imposed in 1986 on South Africa is not expected, despite Britain's urging, because Ireland and Denmark insist the "profound and irreversible change" in the apartheid system must first occur.

EC leaders will also discuss the landmark summit of the 35-nation

Jacques Delors, powerful president of the EC executive commission.

The EC summit is expected to set a mid-December starting date, in Rome, for a special conference leading to greater political union in the 12-nation community, including a common foreign policy. The conference will run

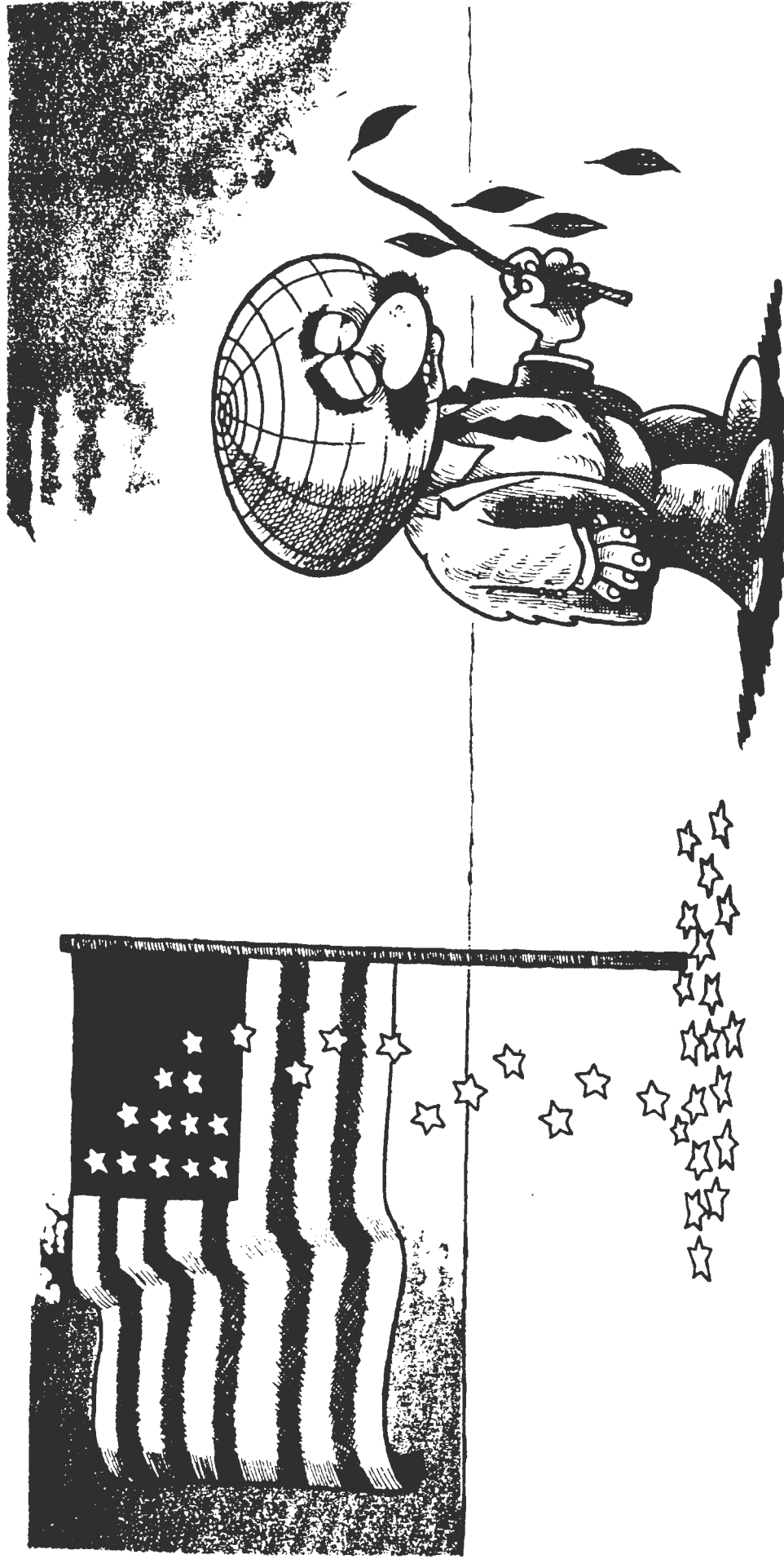
garet Thatcher urged a go-slow approach in forging closer political ties.

"We should first define what 'political union' is not, before we can define what it is," said the British prime minister, a staunch defender of national sovereignty. The EC, which will absorb East Germany once German unification is completed, invited East German Prime Minister Lothar de Maiziere to a lunch tomorrow with the heads of state.

EC leaders are also slated to make declarations on the environment and drugs, and seek to resolve a stalemate

Castle has a long history

DUBLIN, June 24 (R) -- Sieges, executions, dramatic escapes and even a crown



Presages upswing in violence

U.S. halting PLO talks puts Egypt in tough spot

By Gordon R. Robison
Cairo Bureau

CAIRO, June 23 -- The suspension of the U.S.-PLO dialogue has left Egypt in an awkward diplomatic position and is likely to presage an upswing in violence on both sides of the Arab-Israeli divide, according to Western and Arab observers here.

"It leaves the Egyptians in a difficult position," one Western diplomat based here said. "It's certainly a blow in the sense that the peace process, the Baker plan, has been put on hold."

A statement released in Cairo Thursday by President Hosni Mubarak's office said that Egypt "regrets the decision taken by the United States to stop the dialogue with the PLO."

The lengthy statement repeatedly emphasized the PLO's commitment to the search for peace and seemed to be as much an explanation of the peace process as Egypt sees it as it was a reaction to a specific move on the part of the American government.

The Egyptian government invested a great deal of time and energy throughout 1987 and 1988 in bringing the United States and the PLO together. The dialogue, though carried on at a very low level in diplomatic terms, was

widely viewed as one of the great successes of Egyptian diplomacy.

Egypt, the Western diplomat said, felt as though it had been left out on a limb by the United States. "They feel very hurt, very let down by the Americans," he said.

The diplomat speculated that Egypt might respond to the present situation by "looking for an enhanced role from somewhere else." He mentioned the European Community and the United Nations among possible new partners for Cairo in the peace process.

U.S. President George Bush announced Wednesday that he was suspending America's 18-month-old dialogue with the PLO after Arafat failed to condemn an attempt by Palestinian commandos to attack a beach near Tel Aviv on May 30.

The Palestine Liberation Front claimed responsibility for the raid which failed after Israeli soldiers intercepted boats carrying the commandos toward shore. Four commandos died in the ensuing clash with Israeli troops and a further 12 were captured.

The Bush administration demanded that Arafat condemn the May 30 raid and that he expel the PLF's leader, Muhammad Abbas, from the PLO's executive committee. Several days after the attack Arafat issued a statement which condemned acts of terror directed against civilians, but did not specifically mention the May 30 raid. He said he did not have the authority to expel Abbas from the executive committee.

The diplomat voiced a fear, widely held among Arabs here, that the suspension of the dialogue would encourage Israeli extremism.

"We are worried. We can see the danger. Do you think we can depend on the good behavior and the character of the Israelis in such a government?" he said, referring to Israeli Prime Minister Yitzhak Shamir and the hard-line Likud-led government he heads.

"A standstill policy spells escalation of violence," said Tahsin Bashir, a retired Egyptian diplomat and respected local analyst.

"It undermines the moderate trend in both Israel and the Arab countries because it proves that extremists can get their way... The Americans, the Arabs and Israelis have to pay a higher price each time there is a break in the peace process," he said.

Since the installation of the new Shamir government America's already strained relations with the Jewish state have deteriorated further.

With rebels on the offensive

Country on the brink of collapse -- Mengistu

ADDIS ABABA, June 22 (AP) -- President Mengistu Haile Mariam reiterated yesterday that "the very survival of the nation is at stake" because of the recent rebel successes in northern Ethiopia.

Mengistu spoke at the beginning of the annual session of the Shengo, or Parliament, in the capital, Addis Ababa. The meeting ends Sunday.

In a speech lasting two hours, Mengistu told the legislators they had to form a strategy to halt recent offensives by the Eritrean People's Liberation Front and the Tigray People's Liberation Front.

"An extremely dangerous and critical situation now hangs not only over the northern regions of the country but also throughout the country," Mengistu told the 652 deputies and 2,500 government and party officials.

He said in addition to fighting in northern Ethiopia, the rebels had "attempted to penetrate the population (elsewhere) to carry out various subversive activities to achieve their objectives."

Mengistu said "the main and important issue before this assembly is to pass a resolution expressing the immediate answer of the Ethiopian peoples' to recent refusal by the Eritreans to resume peace talks."

The Eritreans, fighting a 3-decade-old secessionist war, said last week they planned to achieve their goals militarily.

Eritrean and government representatives held two rounds of preliminary peace talks late last year in Atlanta, Georgia, and Nairobi, Kenya, under the auspices of former U.S.



President Mengistu

President Jimmy Carter.

A third round, co-chaired by Carter and former Tanzanian President Julius Nyerere, was expected this month but the Eritreans scuttled it.

The Eritreans, in their largest offensive to date, in February captured the Red Sea port of Massawa which cut all but air access to Asmara, the capital of Eritrea, Ethiopia's northernmost province.

2m Algerian votes 'missing'

ALGIERS, June 22 (AFP) -- A discrepancy of more than two million votes emerged yesterday in the tallies for Algeria's June 12 local elections made by the victorious Islamic Salvation Front and the Interior Ministry.

In a special election issue of its paper *El Moudjahid* (the Savior), the rightist party said it obtained 6,582,534 votes at the district (Wilaya) level against 1,441,568 for the ruling National Liberation Front, representing 82.51 percent and 17.49 percent respectively of the votes cast.

But the state news agency APS reported the previous evening, citing ministry figures, that the Salvation Front got 4,520,668 votes, leaving an unexplained "gap" of 2,061,866 votes too few or too many.

Christian rivals battle in Beirut

BEIRUT, June 22 (AP) -- Rival Christian forces clashed with artillery and mortars in east Beirut today, killing a young girl and wounding three other women, as French envoy Francois Scheer strove to mediate an end to the 4 1/2-month-old mini-war.

Police reported that the girl was killed and the women, one of them the girl's sister, wounded by mortar fire from rebel Gen. Michel Aoun's troops.

The fatalities were in the Sin El-Fil neighborhood of Beirut's Christian sector, the district is held by militiamen of Christian warlord Samir Geagea's Lebanese Forces.

The fighting died down around 4 a.m. (0100 GMT) and police said all roads linking the disputed sectors of the 800-square-kilometer Christian enclave running north from Beirut were safe for civilian traffic.

Smash Arab limbs order came from Rabin -- defendant

TEL AVIV, June 22 (R) -- An Israeli colonel accused of ordering troops to smash the arms and legs of Palestinians said yesterday the instruction originally came from former Defense Minister Yitzhak Rabin.

Col. Yehuda Meir, 38, also told a military court that Israeli Army chief-of-staff Dan Shomron tried to persuade him not to take his case to military court to avoid a public scandal.

"Start beating them, start breaking their bones. If they start hurting maybe then they will understand," Meir quoted Rabin as instructing senior officers, including himself.

He said Rabin had told them: "You do the work, I'll deal with the press and the law."

Meir, unemployed after 20 years in the army, is charged with ordering soldiers to break the limbs of Palestinians in the West Bank villages of Beita and Huwara in January 1988.

He said the instruction came just days after the Palestinian uprising against Israeli rule in the occupied West Bank and Gaza erupted in December 1987.

Rabin told army officials protesters could be beaten because soldiers were untrained and ill-equipped to deal with riots on a large-scale and felt helpless because of strict orders against opening fire, Meir said.

Shortly after the uprising broke out, Rabin said in public Israel would combat it with "might, power and beatings."

Meir said he had told Rabin he disagreed with the policy.

"But after a few days I began to feel that this was the best answer for the situation we found ourselves in," he said.

anti-government pamphlets. The London-based human rights group said last week Somalia was holding Osman, 81, as well as the former president of the parliament Sheikh Mukhtar Muhammad Hussein and former po-

U.S. halting talks weakens Arafat's position

NICOSIA, June 22 (AP) -- U.S. President George Bush's suspension of talks with the PLO will strengthen the hand of Palestinian militants and hard-line Arab states opposing Yasser Arafat's peace effort.

Bush froze the 18-month-old talks Wednesday, but did not break them off completely, because Arafat refused to condemn an abortive commando attack on Israel.

Bush's decision is expected to intensify growing anti-American sentiment. It raises the prospects of a resumption of widescale terrorism at a time when passions in the Middle East are flaring and moderate leaders are warning that a new Arab-Israeli conflict may be looming.

Washington opened talks with the Palestine Liberation Organization in December 1988 after Arafat renounced terrorism and recognized Israel's right to exist. It was seen as a breakthrough in the tortuous Middle East peace process. But Palestinian leaders have become increasingly disillusioned with Washington's inability to prod Israel into peace talks with the PLO.

"We'll not shed any tears over the U.S. decision," Arafat's top lieutenant, Salah Khalaf, said in Tunis. "The dialogue produced no positive results. We recognized Israel. We did everything the Americans asked, and Israel didn't give an inch," Khalaf said.

Analyst Charles Snow wrote in the Middle East Economic Survey recently that Arafat may have been prompted to renounce terrorism and recognize Israel to induce the Americans to open talks with the PLO.

Many Palestinians saw Washington's threats to break off the talks as "a stick brandished by the United States to extract even greater concessions from the PLO without offering anything in return," Snow wrote.

The PLO leadership has not said what it will do now that the talks are suspended. But Arafat's Middle East peace initiative looks dead along with the Bush administration's effort to mediate a peace settlement.

Saeed Kamel, the top PLO official in Cairo, said yesterday: "The Palestinian leadership is currently considering options to press forward toward peace. This will be unveiled in the coming weeks."

He refused to elaborate. But his statement indicated Arafat is not about to reverse course and opt for all-out violence.

A government official in Cairo, which has mediated between Israel and the United States, said Egypt will support Arafat and his moderate policy and try to curb the Palestinian militants.

Arafat said recently that if his peace effort failed, he would call a meeting of the Palestine National Council, the Palestinians' parliament-in-exile, submit his resignation as PLO chairman and say "I am returning your mandate."

Kamel's statement appeared to indicate this point has not been reached. However, it is unlikely that Arafat will bow to U.S. demands that he discipline Muhammad Abbas, maverick leader of the Palestine Liberation Front,

for launching the May 30 attack and dismiss him from the PLO's ruling executive committee.

Arafat insists that only the Palestine National Council can dismiss Abbas from the PLO's executive committee.

With the dialogue suspended, Arafat may feel even less inclined to punish Abbas, whose

small faction is part of the PLO. If he did crack down on Abbas, he risks alienating the PLO's radicals and triggering widespread defections. Although there has been no indication Arafat will respond to the U.S. decision by sending his commandos against Israel again, there is always the risk that militants will take matters into their own hands.



CHAMPIONS OF PEACE: PLO Chairman Yasser Arafat and Egyptian President Hosni Mubarak pictured together in this file photo during one of the many visits by Arafat to Egypt. The two leaders have been in the forefront to bring peace to the Middle East.

Blow to Egypt's peace efforts

Cairo Bureau

CAIRO, June 22 -- The American decision to suspend its 18-month-old dialogue with the PLO came as a blow to Egyptian efforts of negotiating a solution to the Palestinian crisis.

A statement issued from the Egyptian Presidency had expressed Egypt's disappointment in the American decision. "It is a pity that the U.S.-Palestinian dialogue should stop at a time when we are striving to convince Israel to partake in direct talks with the PLO ... and end the struggle," the statement said.

The U.S. had demanded that Arafat denounce an attempted attack by a PLO faction on Israel, or face the termination of their talks with Washington.

The May 30 abortive raid, in which six gunboats, packed with Palestinian gunmen headed toward packed Israeli beaches, was launched in vindication of the murder of seven Palestinian by an Israeli gunman described by the Israeli government as "deranged."

Arafat issued a statement in which he condemned terrorism, but did not single out the raid. The statement was deemed weak by the United States, thus resulting in the suspension of the dialogue. U.S. President George Bush on Wednesday announced that the U.S. had given Arafat enough time to denounce the attempt.

Egypt played a primary role in convincing the United States to commence talks with the PLO in December 1988, following Arafat's renunciation of terrorism and recognition of Is-

rael.

Diplomats say that Mubarak and his aides had succeeded in persuading the U.S. administration to hold off making their decision for several days to give Cairo time to press Arafat to be more specific in denouncing the attack, Reuters said.

Concerning Arafat's statement diplomats say that Egypt could not expect more from the PLO leader -- particularly at a time when the PLO rank and file was increasingly impatient with Arafat's conciliatory policies, a Reuters report said.

Diplomatic talks between the United States and the PLO, which were carried out through the U.S. embassy in Tunis, were the sole gain of the 31-month-old uprising of the Palestinians in the occupied territories.

However, many Palestinians, moderates and radicals alike, maintain that the dialogue had been futile. In a Reuters report, Salah Khalaf, who is Arafat's principal lieutenant said: "We have said in the past we would shed no tears if the dialogue was cut since it had no positive aspects."

Prior to the gunning of the seven Palestinians, however, the peace process was deadlocked due to the recurring crises in the Israeli government. The stalemate is also attributed to Israel's uncooperative attitude toward the Baker plan which was to lead to preliminary talks between Israel and a Palestinian delegation, which were to be hosted in Cairo.

BRIEFS

ANKARA, June 22 (R) -- Rescue teams flew by helicopter to remote Turkish villages today after floods caused by torrential rain killed at least 41 people. President Turgut Ozal pledged government aid for stricken are-

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Bush pushing M.E. toward war -- PLO

BAGHDAD, June 22 (R) -- The United States' decision to break off talks with the PLO is pushing the Middle East toward war, the Palestine Liberation Organization said after a 24-hour meeting in the Iraqi capital.

Condemning President George Bush for suspending 18 months of U.S.-PLO dialogue

Americans urged to be on guard

WASHINGTON, June 22 (R) -- The United States, reacting to hostile Arab statements following its decision to break off contacts with the PLO, yesterday warned Americans abroad and especially in the Middle East to take extra security precautions.

State Department spokesman Richard Boucher, in a statement to be sent to U.S. embassies and missions worldwide, said Americans needed to be aware of rising tensions in the Middle East.

\$2b fund for Lebanon set up

RIYADH, June 22 (SPA) -- A \$2 billion international fund has been established to support the war-torn Lebanon to get on with its reconstruction projects, it was announced simultaneously in the three Arab capitals -- Riyadh, Rabat and Algiers -- today.

Leaders of the Arab Tripartite Committee on Lebanon, announcing the fund's launching, stated that it was set up to "enliven the country's departments, operate its public facilities and reconstruct its infrastructure."

All world countries and international organizations are expected to contribute to the fund, which was set up as per the decisions of the Arab summit held in Baghdad last month. A constituent meeting for the fund will be held in Saudi Arabia on Sept. 10-11.

last Wednesday, the PLO executive committee said: "The American decision is pushing the region ... to a new war and an explosion on all levels."

It accused Washington of using a Palestinian commando raid on an Israeli beach on May 30 as a pretext to break the dialogue.

"The American decision to suspend the dialogue contradicts the responsible attitude a superpower like the United States must take toward the Middle East peace process and world peace in general," the PLO communique said.

"It was in fact, a blow to the whole peace process and to the credibility of the U.S. administration."

Bush broke off the talks because he said the PLO had failed to condemn the raid, despite leader Yasser Arafat's renunciation of terror-

U.S. decision surprises Kingdom

RIYADH, June 22 (SPA) -- A responsible source today described the U.S. decision to suspend dialogue with the PLO as a "surprise" and expressed Saudi Arabia's concern over the move.

"The decision was a surprise to us when we were expecting that the U.S.-PLO talks would prove successful," the source said.

The American decision will hamper peace initiatives in the region and encourage Israel to continue its repressive acts toward the Palestinians, the source added.

Saudi Arabia urged the U.S. administration to review its decision and go ahead with its peace initiative to end the conflict.

ism.

Unlike some Palestinian groups, the PLO communique, issued late on Thursday, did not call for reprisals against the United States.

Bush had been under pressure from Israel to end the talks with the PLO, seen by the Jewish state as dedicated to its destruction.

The pressure increased after the May 30 raid by the Palestine Liberation Front, a small faction within the PLO.



TIGER CUBS IN THE BUSH: Young Tamil Tiger rebels pose for a photograph Thursday in the jungles of eastern Batticaloa district. The rebels withdrew into the jungles after their week-long battle with government troops.

Lanka Tigers massacre 62 Muslims

COLOMBO, Sri Lanka, June 22 (AP) -- Tamil separatist guerrillas hacked to death 62 Muslim men, women and children in eastern Sri Lanka Friday after accusing them of being government informants, the defense ministry and an opposition Muslim leader said.

The massacre at Nintavur village came on the 11th day of war between Tamil guerrillas and Sri Lanka forces for control of the north-east.

In the north, rebel forces overran one army base and pounded four other strategic installations. Ethnic strife between Tamils and Sinhalese spread to the south and central parts of this

at least 139 more people died in fighting that has already left more than 1,400 dead since June 11.

The government said more than 210,000 people were fleeing the fighting, seeking shelter in schools, temples, churches and mosques throughout the country.

Troops found the bodies of Muslim men, women and children in Nintavur village, a defense ministry statement said. Many corpses were floating inside drinking water wells, it said.

Military officials said rebels used knives to kill the villagers so they wouldn't alert nearby

north of Nintavur.

It said the fleeing rebels included large numbers of women and young boys in camouflage uniforms.

Residents in Batticaloa town, the capital city of the district, said earlier Friday that they believed the Nintavur killings were done by government soldiers.

But Gani denied that, saying, "we are certain the massacre was done by Tamil Tigers who are running berserk."

In the north, government helicopter gunships broke through a rebel siege for the first

Global aid for Iran's quake-hit pouring in

TEHRAN, June 22 (Agencies) -- The death toll in Iran's worst earthquake crossed 40,000 mark by 1230 GMT today.

The Iranian news agency IRNA said the quake, which struck the Caspian Sea region after midnight Wednesday, had also injured 28,198.

Rescue teams had recovered 25,241 bodies in Gilan province, the worst hit area where complete towns were flattened. Some 20,000 injured people from the region had been ferried to hospital or given treatment.

In Zanjan province, 3,709 bodies had been counted and 8,198 people had been given medical treatment.

Kingdom offers aid

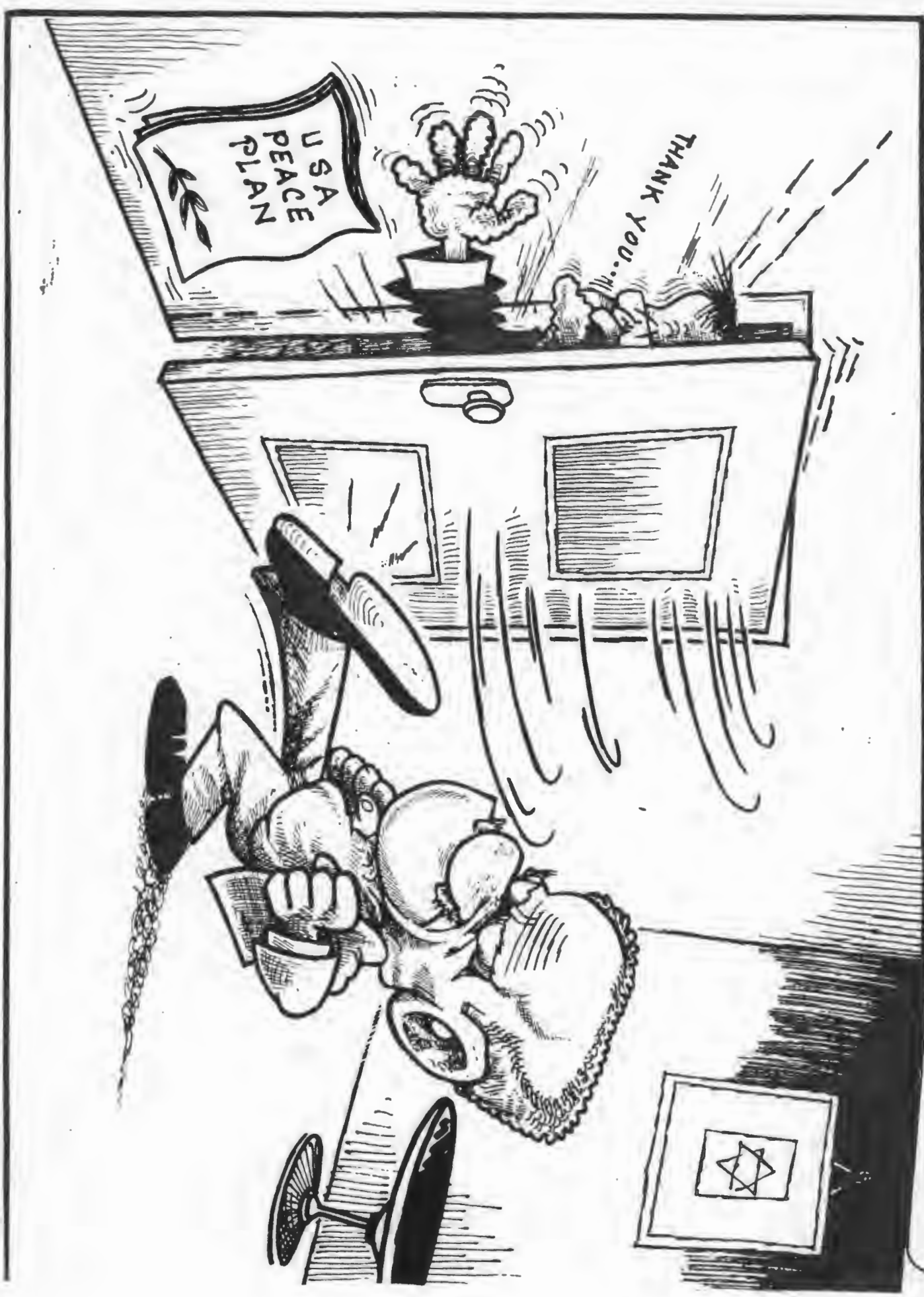
JEDDAH, June 22 (SPA) -- Saudi Arabia today expressed its deep sorrow over the death of thousands of people in Iran following the earthquake that hit the northern part of the country. The Kingdom also expressed its readiness to provide relief aid to the quake victims, a responsible source said here today.

An air force commander said that 6,000 of the injured were in a critical state.

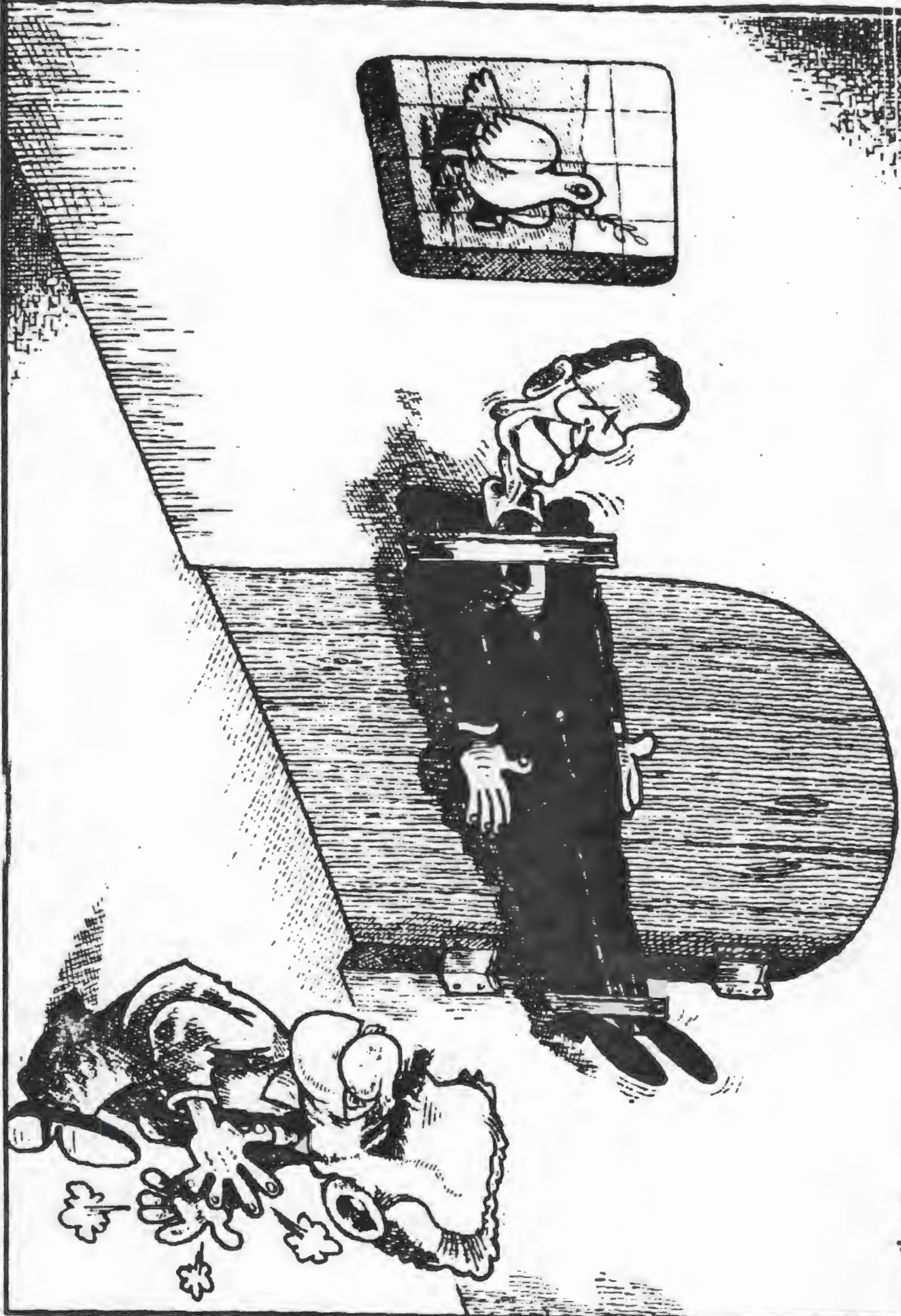
The first team of French doctors arrived in Iran and set up a center to treat the wounded today, while nations worldwide began flying in tons of equipment and medical supplies and hundreds of rescue workers.

The Red Crescent Society in Tehran issued an international appeal for surgical thread, blood bags, orthopedic surgical equipment, tents, sheets, blankets and medicine, including antibiotics and vitamins.

The U.N. Disaster Relief Organization was coordinating offers of assistance as they poured in from around the world following the Iranian



M. Khalil



Arab news

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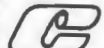
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ion ke kills 25,000 in north Iran



ring the debris from the destroyed buildings in
strong earthquake hit the region killing 25,000
NHK TV station and released by AP.

n national assistance, notably medicine, tents,
n food, clothing, blankets, vehicles and equip-
r ment to save victims trapped under rubble.

c In Geneva, the United Nations Disaster Re-
l Organization said it had chartered an air-
t craft to fly to Iran tomorrow with supplies.

A first tremor, measuring 7.3 on the Richter
d scale, struck Gilan and Zanjan provinces at
e 0.31 a.m. (2101 GMT yesterday) and was fol-
l lowed by a second quake at 12.40 p.m. (0910
GMT today) registering 6.5, according to the

Iranian news agency IRNA.

All the houses in the Zanjan Mountain villag-
es of Ab-Bor, Bouin and Roudbar-e-Alamout
were destroyed and 90 percent of the residents
either killed or injured, IRNA said.

Many people were still trapped under debris
and helicopter-backed Red Crescent rescue
teams led by local leaders and supported by ci-
vilians mounted a massive rescue operation.

Initial reports said 1,000 people died and
3,000 were injured in the single village of Ab-
Bor after the first quake in Zanjan province.

The first quake also rocked Azerbaijan, Teh-
ran, Hamadan and Mazandaran provinces,
leaving roads covered by landslides.

There were no immediate reports of casual-
ties from the second tremor among the 300,000
residents of Rasht, the capital of Gilan pro-
vince. But IRNA reported this afternoon that
panic-stricken residents were clogging the
streets.

Water and electricity facilities in Rasht have
been heavily damaged and hundreds of vehi-
cles were trapped in landslides triggered by the
quakes, the agency said.

Iranian authorities opened two special air
routes between Tehran and the stricken pro-
vinces. Giant C-130 transport planes ferried
food, clothing and medicine to Rasht and air-
lifted the injured to hospitals here.

Three tons of medical equipment and 35 am-
bulances were also sent to help victims in the
devastated rural villages of Zanjan, IRNA re-
ported.

France meanwhile, said it was sending six
tons of medical products and food to Iran and
was prepared to dispatch surgeons and rescue
specialists.

In Turkey, President Turgut Ozal offered
material and medical assistance as well as the



services of the Turkish Red Crescent.

Iranian President Ali Akbar Hashemi Raf-
sanjani declared three days of mourning for
the victims while Ayatollah Ali Khamenei or-
dered the immediate allocation of one billion
rials (\$14 million at the official exchange
rate) for the rescue operation.

The earthquake was the worst to hit Iran
since September 1978 when 25,000 people
died in the east of the country, including
15,000 in the town of Tabass. Iran has a long
history of deadly and destructive earth trem-
ors, the last one occurring in July 28, 1981
when 1,300 people were killed in Kerman
province in the southeast.

The Global Physics Institute in Strasbourg,
France, said the epicenter of the quake was in
the Alluvial depression of the Caspian Sea,
near the Soviet town of Lenkoran.

Arab League regrets Bush decision on PLO dialogue

WASHINGTON/TUNIS, June 21 (Agencies) --
The 21-nation Arab League today voiced its
"regret" about the order of U.S. President George
Bush to suspend the informal talks between Wash-
ington and the Palestine Liberation Organization.

Bush was doing the Middle East peace process
"a bad favor", the communique issued in Tunis
read.

Washington would be responsible for "any
worsening" of the situation in the region, it added.
The dialogue with the PLO in Tunis was a con-
tribution to peace efforts and not "a gratification" to
the PLO.

Bush yesterday said the U.S. was ready to re-
store its contacts with the PLO if it condemns the
abortive attack on an Israeli beach May 30 and also
disciplines Palestinian leader Abu Al-Abbas who is
held responsible for the operation.

He explained that it was not enough for the PLO
to disassociate itself from the attack. Bush com-
plained that the PLO so far had not given a credible
account of the events and its views about them al-
though the U.S. had given the group "ample time"
to do so.

The U.S. president added that his country still
felt obliged to help "comprehensively" in resolving
the tensions in the region.

Meanwhile, reliable sources in Tunis told the
German Press Agency DPA that PLO Chairman
Yasser Arafat was heading today a meeting of his
organization's executive committee, which includes
Abu Al-Abbas, in order to discuss the U.S. deci-
sion, its consequences and the PLO's official re-
sponse to it.

The No.2 man in Arafat's Al-Fatah group, Salah
Khalaf, late yesterday warned that the PLO would
ask all Arab nations to boycott U.S. goods.

In Egypt, the office of President Hosni Mubarak
issued a statement voicing his "concern" about the
suspension of the talks between the PLO and
Washington, at a time when efforts were being ex-
erted to convince Israel to talk with the PLO.

Israeli Premier Yitzhak Shamir welcomed the
decision. "I hope that the suspension (of the talks)
would not be for a time being but rather a new
chapter in relations between the U.S. and the Mid-
dle East," he said.

In New York, United Nations Secretary-General
Javier Perez de Cuellar hoped the U.S.-PLO dia-
logue would soon resume. A spokesman quoted
him as saying the U.S. was "not a party" to
achieving peace in the Middle East.

Saud, Ghazali meet pope

ROME, June 21 (SPA) -- An Arab League del-
egation comprising Saudi Foreign Minister
Prince Saud Al-Faisal and Algerian Foreign Min-
ister Ahmad Ghazali held talks here today with
Pope John Paul. Following the meeting a Vatican
statement said: "The pope and the delegation dis-
cussed the latest developments in Lebanon as
well as the pope's possible role in ending the
country's civil war."

The talks with the pope come as part of Arab
League tripartite committee's efforts to establish
peace and stability in Lebanon. The meeting also
follows a report presented by Custodian of the
Two Holy Mosques King Fahd on Lebanon, on
behalf of the committee, to the Arab summit held
in Baghdad last month.

Kashmir violence claims 16 lives

JAMMU, India, June 21 (AFP) -- Sixteen
people were killed and 40 injured in gunbattles
that flared late yesterday between Indian troop-
ers and activists in the troubled northern Indian
state of Kashmir.

Simultaneous gunbattles erupted in Srinagar,
summer capital of Jammu and Kashmir state,
and in two other frontier towns late yesterday
and continued for more than six hours, officials
here said.

Among those killed were seven paramilitary
and Kashmir police troopers and five suspected
Muslim activists in Srinagar, Uri and Kopwara,
the last two Indian civilian outposts on the bor-
der with Pakistan.

Four civilians also died in the shooting, some
of which continued through the night, the offi-
cials said in Jammu, the turbulent state's com-
paratively peaceful winter capital.

Forty people, including 11 Indian security
personnel, were injured in the firing, described
by government officials here as "unprecedented"
in Kashmir, where the activists have been spear-
heading a drive for the region's secession.

Chaowalit snubs Chatichai

BANGKOK, June 21 (AFP) -- Political ten-
sion rose sharply again here today with Gen.
Chaowalit Yongchaiyuth rejecting an offer to be
the prime minister's personal adviser and the
opposition planning a no-confidence motion
against the government.

The surprise decision by Gen. Chaowalit, the
former defense minister who has strong mili-
tary backing, together with the opposition's an-
nouncement that it was moving to submit a
censure motion to the house speaker, appeared
to spell additional difficulties for Prime Minis-
ter Chatichai Choonhavan's coalition govern-
ment.

Fears of a coup surfaced in the wake of Gen.
Chaowalit's resignation last week from his
joint posts as defense minister and deputy
prime minister, but political analysts here gen-
erally agreed that the chances of a takeover ap-

Cambodia foils coup plot

BANGKOK, June 21 (UPI) -- The Vietna-
mese-installed government of Cambodia has
arrested government officials for treason, foiling
a "reactionary coup d'etat" backed by for-
eign spy agencies, official radio said today.

The broadcast late yesterday said the subse-
quent sacking of three prominent ministers was
"routine" and unconnected with any coup.

An unconfirmed report by the radio of the
Khmer Rouge resistance group said security
officials tried to arrest three officials this week
and were investigating two more cabinet min-
isters.

The enemies -- including foreign espionage
circles -- took advantage of the political and
economic liberalization policy of our party and
state to set up a traitorous force within our in-
ner ranks with the intention of overthrowing
the state of Cambodia through attacks from the
rear in addition to military attacks from the
front," the radio said.

It said foreign espionage services set up a
"secret reactionary organization for subversive
activities" within government ranks and
planned to overthrow the government between
June and August.

"This would have taken the form of a reac-

tionary coup d'etat if our party and state had
failed to prevent it," the radio said.

It gave no further details but appeared to be
referring to the arrests of at least six govern-
ment officials including Transport Minister
Ung Phan and two officials of the Defense
Ministry, in late May.

Ung Phan was known for his personal con-
nections with Prime Minister Hun Sen.

Sources in Phnom Penh said last week the
six men were arrested for secretly setting up a
new political party to challenge the Commu-
nist Party's monopoly.

They were also being questioned on their
connections to the U.S.-backed resistance that
is fighting the government set up following
the 1979 Vietnamese invasion, the sources
said.

There had been speculation that they would
be freed once the prime minister returned from
an overseas trip but the radio report indicated
the men would be charged with treason.

The radio denied "Western propaganda" that
the arrests were part of a crackdown on a de-
mocracy movement.



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ld be the prime target
sources said.

Chaowalit said that it
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a speech at city hall, where
to the city.

the arrests were part of a crackdown on a de-
mocracy movement.

behalf of the committee, to the Arab summit held
in Baghdad last month.



TAUNTING CALLS: Palestinian youths with the Hamas party flag taunt Israeli border po-
lice from their position on top of a wall in Occupied Jerusalem's Silwan suburb.

Arab boy's killing sparks unrest

OCCUPIED JERUSALEM, June 21 (AP) --
Hundreds of Palestinian women and masked
youths battled riot police in occupied Jerusa-
lem's Silwan quarter today after an Arab man
was shot to death by police there in an earlier
protest.

Paramilitary border police, backed by a heli-
copter, fired rubber bullets and tear gas to dis-
perse the rioters who threw stones, blocked
roads, burned tires and spilled oil on the
streets of the hilly area in Arab east Jerusalem.

In one hit-and-run battle, border police fired
tear gas at a dozen Palestinian women who
chanted "you maniacs, get out of here, you've
killed our kids."

Graffiti painted on walls vowed to avenge
the death of the Silwan man, 20-year-old Said
Muhammad Naim Fatafta. "Muhammad, don't
worry, we'll teach the Jews a lesson," read one
slogan, with a gun painted next to it.

"Blood is the only solution for the Jews,"
said another slogan.

Black flags of mourning and outlawed Pal-
estinian flags fluttered from rooftops of Sil-
wan and the neighboring Abu Tor area.

Three protesters were treated for rubber bul-

let injuries and released, said doctors at east Je-
rusalem's Mukassed Hospital. Police said sev-
eral protesters were arrested.

Pro-PLO leaders of the Palestinian uprising
declared a three-day strike in east Jerusalem to
protest Fatafta's death last night.

He was the seventh Palestinian to be killed in
occupied Jerusalem during the 30-month revolt
against Israeli occupation. The previous casual-
ties included a man killed by an unidentified ci-
vilian outside the wall of the old city.

While most of the violence in the revolt has
come in the occupied West Bank and Gaza
Strip, Palestinians have regularly demonstrated
in east Jerusalem.

The area was captured from Jordan along
with the West Bank in the 1967 Middle East
war. Israel annexed the area, but most Western
nations, including the United States, do not rec-
ognize the action. Palestinians want east Jeru-
salem as the capital of their wouldbe state.

Silwan, where Fatafta was killed and rioting
erupted this morning, is an Arab village that
was annexed along with east Jerusalem.

Fatafta arrived dead at Mukassed Hospital
late last night.

Within framework of Taif accord

France acts to foster Lebanon peace

BEIRUT, June 19 (Agencies) -- A senior French envoy, Francois Scheer, met here today with President Elias Hrawi in a bid to settle disputes over an Arab peace plan for Lebanon as fresh inter-Christian fighting erupted.

Scheer, general secretary of the French Foreign Ministry, said his talks with Lebanese leaders were aimed at "promoting the Taif process, that is to say national reconciliation and the full sovereignty of Lebanon." he will also be trying to shore up a vatican proposal to end months of inter-Christian fighting.

Lebanese deputies endorsed an Arab peace plan last October in Taif calling for a redistribution of power in favor of Lebanon's Muslims and a redeployment of Syrian troops in the country.

Christian military chief Michel Aoun rejected the plan because it failed to set a timetable for the withdrawal of some 35,000 Syrian soldiers from Lebanon.

He has also refused to accept the authority in areas under his control of President Hrawi.

Turkey to return seized Soviet plane

ANKARA, June 19 (R) -- Ankara will return a Soviet Antonov-2 plane flown to Turkey by a civilian pilot yesterday but has not decided what to do with the lone occupant who has sought asylum, a Foreign Ministry spokesman said today.

"The aircraft will be returned to the Soviet Union but I don't know when. The pilot's case will be decided after his interrogation by Turkish officials is completed," spokesman Murat Sungur said.

Moscow has asked for the return of the single-engine 12-seater plane and pilot Valeri Yurevic, 29, who sought asylum from Turkish officials after landing in an open field near Kefken in Kocaeli province, 100 km east of Istanbul.

Turkey, which does not have a criminal extradition agreement with the Soviet Union, has refused Soviet demands for the return of air force Captain Alexander Zuyev who flew a frontline MiG-29 jet to Turkey in May. NATO member Turkey returned the plane but granted Zuyev's request to go to the United States.

2,000 Bangladeshis languish in Pak jails

DHAKA, June 19 (AFP) -- At least 2,000 Bangladeshis are being held in Pakistani jails after being lured away from home by the promise of lucrative jobs, newspapers here reported today.

Once in Pakistan they were "brought and sold ... passed from one hand to another," one press report said.

The Bangladesh home and foreign affairs ministers are planning ways to bring the detainees home, reports quoting officials said.

Every year Bangladeshis, hit by poverty and unemployment at home, travel to Pakistan and the Middle East through India in the hope of finding work, sources said.

who was elected by parliament in November, charging that the vote was masterminded by Syria.

"I have come because it seems to us that there is some hope under the present circumstances," Scheer said, without elaborating.

A French diplomatic source said Scheer, who arrived here yesterday for a visit lasting several days, planned to meet "all the actors in the Lebanese conflict without exception."

The French envoy is also expected to travel to Damascus, which is a major power-broker in Lebanon.

Scheer last visited Beirut in November when the pro-Syrian Muslim camp accused France of backing Gen. Aoun.

The general and regular army troops loyal to him have since Jan. 31 been embroiled in a struggle for supremacy in Christian Lebanon with the Lebanese Forces (LF) militia.

The battle has cost more than 1,000 lives and weakened the Christian camp, with the General recently making overtures to Syria.

Three people were killed and five wounded as Gen. Aoun's troops and LF Christian Militiamen traded rocket and automatic weapons fire today in the northern suburbs of Beirut, security sources said.

It was the worst violation to date of a May 26 Vatican-sponsored truce in the inter-Christian clashes.

"The French government is helping Lebanon to overcome the difficulties it is facing," the French diplomat told reporters after his talks with Hrawi.

Hrawi, Hoss and Parliament Speaker Hussein Husseini, a Shiite Muslim, informed Papal Nuncio Pablo Puente yesterday rejection of the Vatican proposal.

The proposal involved reconsideration of an Arab League-brokered peace plan to end Lebanon's 15-year-old civil war in return for Aoun's recognition of the central government.

The peace plan, worked out by Lebanese legislators in Taif last October, called for equal distribution of power among Muslims and Christians.

"The dialogue, led by France, could help support the mechanism of the Taif accord."

Arabs to press U.N. on M.E. peace

MANAMA, June 19 (AP) -- Arab leaders are pressing the U.S. ambassador to the United Nations, Thomas R. Pickering, for positive action on the Arab-Israeli conflict at the next General Assembly session, diplomatic sources reported today.

Pickering was in Bahrain on the second stop of a swing through the Gulf which he started yesterday amid strong Arab resentment of a recent U.S. veto of a U.N. Security Council draft resolution on the Israeli-occupied Arab territories.

The resolution envisaged dispatching a fact-finding mission to report on alleged Israeli abuses of the Palestinian population, which is in the 30th month of an uprising against the occupation of the West Bank and Gaza Strip, seized by Israel in 1967.



Scheer said.

Asked whether his efforts were coordinated with the Vatican, Scheer said: "The Vatican is exerting serious efforts. I plan to meet the Vatican ambassador in Beirut." He did not elaborate on the remark.

Geagea has recognized Hrawi as head of state and voiced cautious welcome of the Taif accord.

The conservative daily paper *Al-Diyar* said Scheer was trying to promote a five-point compromise plan that called for recognition of the Hrawi government by all the warring factions in addition to recognizing the Taif accord as "a framework for a national settlement."

The compromise also called for the formation of an expanded "national government representing all the factions." This echoed the Vatican's call for Aoun to be given a government portfolio in the proposed executive body.

The French proposal, according to the report, said the Taif accord should be debated by Lebanon's one-chamber parliament and the decision on passing the pact or rejecting it "should be left to the house."

The Arabs are now looking to alternative action from the General Assembly this autumn where the Arab-Israeli conflict is to be marked high on the agenda, according to the diplomatic sources who spoke on condition they not be named.

Pickering was exchanging views with the Arab leaders on the issues that will come up on the agenda, and which are also expected to prominently include U.N. action in helping Iraq and Iran turn a two-year-ceasefire into a lasting peace settlement, said the sources.

The Gulf leaders look to a U.S. stance at the world forum that would project American interest in a just settlement of the Palestinian problem and help balance a detrimental image of pro-Israeli American bias, they said.

Polisario makes fresh peace plea

ALGIERS, June 19 (R) -- Polisario commanders fighting for independence of the Western Sahara have issued a fresh peace appeal to Morocco's King Hassan.

The Algerian news agency, APS, quoted Polisario Secretary-General Muhammad Abdelaziz as saying yesterday: "The Moroccan people's welfare does not reside in pursuit of the war but in a just peace founded on the respect of everyone's freedom."

Addressing a rally marking the 20th anniversary of an uprising against Spanish rule, he urged King Hassan to follow the logic of peace and dialogue.

U.N. efforts to end the 14-year conflict moved ahead earlier this month when Saharan tribal chiefs reviewed voters' lists for a proposed referendum on the future of the former Spanish territory. But the two sides still disagree on whether Moroccan troops and administrators which occupy most of the territory should stay during the referendum.

BAGHDAD, June 19 (AP) -- Indian External Affairs Minister Inder Kumar Gujral conferred today with his Iraqi counterpart Tariq Aziz in talks aimed at boosting relations between the two nations.

TUNIS, June 19 (R) -- The Tunisian authorities accused right-wing leader Hamadi Jebali today of incitement to break the law and told him to appear before an examining magistrate on Thursday, his office said today. He is the editor of the weekly newspaper *Al-Fajr*, a whole edition of which was seized last Friday because of an article by exiled leader Rached Ghannouchi.

AMMAN, June 19 (AFP) -- Jordan has agreed in principle to the opening of a branch in the country of the human rights group Amnesty International, an Amnesty official said here yesterday. Ahmad Othmani, responsible for Amnesty sections in the Middle East and North Africa, said Jordan had refused to authorize an Amnesty office in 1985.

WASHINGTON, June 19 (R) -- The White House said yesterday it wouldn't be surprised if Libya was building a second chemical

To expand aid for Palestinians

Israel's attitude worries EC

LUXEMBOURG, June 19 (R) -- The European Community is seriously concerned about the attitude of the new Israeli government toward the peace process, Irish Foreign Minister Gerry Collins said yesterday.

Summarizing a debate among the 12 EC foreign ministers in preparation for next week's summit in Dublin, he confirmed that the community would expand its aid program for Palestinians in the Israeli-occupied territories and said it was intended as "support for a political movement."

"The escalation of events...and the known attitudes of the new Israeli government have aroused our grave concern," Collins told a news conference.

The new right-wing government headed by Prime Minister Yitzhak Shamir has vowed to take a hard line against the Palestinian uprising and toughened conditions for starting peace talks.

Collins said the 12 EC governments would continue to try to persuade Israel that it should talk to the Palestine Liberation Organization.

"The PLO leadership has staked a great deal in the last two years on its present moderate course," Collins said.

"We will be expanding our program of assistance in support of the rights and welfare of the

Palestinian population. This is intended as support for a political movement as well as moral and practical support for the population of the occupied territories," Collins said.

EC officials said the summit next Monday and Tuesday was likely to issue a statement on the Middle East incorporating the thrust of Collins's remarks.

In an unrelated development an Israeli court today ordered Palestinian poet Shafiq Habib placed under house arrest for writing verses calling for armed resistance against the Jewish state.

The 49-year-old poet, from the village of Dier Hanna near the north Israeli town of Nazareth, was arrested last week. His poems were banned until the prosecutor decides whether he should face trial.

Vieira asks Silva to mediate in row with Senegal

LISBON, June 19 (R) -- The leader of Guinea-Bissau appealed to former colonial ruler Portugal yesterday to help resolve the West African country's border dispute with Senegal.

"We asked Portugal to intervene to help us find a peaceful solution to the dispute," Bissau's president Joao Bernardo Vieira told reporters after meeting Portuguese Prime Minister Anibal Cavaco Silva.

Vieira said that Portugal and France, Senegal's former ruler, could play crucial roles in negotiating an end to the longstanding conflict and suggested a meeting of the four countries.

Vieira is in Lisbon on a three-day visit on his way to France, where he is to attend a summit of African heads of state and talk with Senegalese officials.

The West African neighbors agreed last month to pull back their troops from their frontier after 17 people died in clashes but diplomats say work remains on resolving the dispute.

As well as clashes over land borders, both countries claim sovereignty over territorial waters believed rich in oil. Last July Guinea-Bissau rejected a ruling by an international court in Geneva in favor of Senegal but later agreed to go to the International Court in The Hague.

Vieira, whose country became independent in 1975, also told Portuguese officials that his leftist government would introduce a multiparty system within two or three years after the constitution was revised.

He was due to meet Portuguese President Mario Soares before leaving for Paris.

BRIEFS

weapons plant and admitted publicly for the first time that a fire it thought destroyed a chemical plant at Rabta, Libya, was a hoax.

ISLAMABAD, June 19 (AFP) -- France yesterday became the first Western country to reopen its mission in Afghanistan, Radio Kabul monitored here said. The mission, at the charge d'affaires level, was closed in February 1989 when several Western states pulled out their diplomats from Kabul for security reasons as the last of the Soviet soldiers backing President Najibullah's government left Afghanistan.

OCCUPIED JERUSALEM, June 19 (R) -- An Israeli peace activist and a leading Palestinian nationalist now visiting Washington will try to persuade the U.S. administration to continue talks with the PLO, the Peace New Movement said yesterday. Spokesman Tzali Reshef said Faisal Al-Husseini and Labor Party central committee member Yael Dayan -- daughter of the late Defense Minister Moshe Dayan -- were to meet the head of the congressional foreign affairs and defense committees.



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Iraq expects increase in oil demand, prices

KUWAIT, June 19 (Agencies) -- Iraq's oil minister predicted in remarks published in Baghdad today an increase in demand for OPEC oil, and said the current price slump on world markets was temporary and would be overcome.

"This unnatural period represented by the deterioration of oil prices is a temporary period, where 1990 will witness an increase in demand for oil, the official Iraqi news agency INA quoted Issam Abdul Rahim Chalabi as saying in an interview with the Iraqi newspaper Al-Iraq.

Chalabi's upbeat prediction contrasted sharply with statements from OPEC President Sadek Boussena, who was quoted yesterday as warning of a price collapse on world oil markets unless the organization's May accord on production quotas was strictly adhered to.

U.S. crude prices nosedived yesterday on the New York Mercantile Exchange to below \$16 a barrel for the first time in nearly 19 months, after Boussena's remarks were made known.

Chalabi said greater understanding between members of the Organization of Petroleum Exporting Countries would usher in higher and more stable prices on world markets.

"The positive developments which took place during the past two years, including production, will continue," Chalabi was quoted as saying. "What happened during the past few months will be overcome through consultations and understanding among member states."

Violations of quotas by some member states of OPEC has led to a drop of some 30 percent in world oil prices. Chalabi repeated his call for overproducers to adhere to their quotas, "to avoid repercussions on the world market."

He said Iraq was fully capable of increasing its own production, "but out of considerations related to its oil policy will refrain from doing so."

Meanwhile OPECNA reported today that Boussena is to visit Gulf countries this week in a bid to halt the slide in oil prices.

Boussena, the Algerian minister of mines, is to visit OPEC members for in-depth talks on the application of "the spirit and the letter" of the May agreement according to OPECNA, monitored in Paris.

Donors promise India \$6b in aid

PARIS, June 19 (AFP) -- India's international aid donors agreed here today to provide India with aid worth over \$6 billion in the current fiscal year to help the country maintain its development efforts despite current economic difficulties.

Delegation officials said the "indications" from donors -- rather than formal pledges -- pointed to total aid of \$6 billion to \$6.5 billion, which would roughly match in real terms the amount pledged last year by members of the World Bank-sponsored India Consortium.

The consortium, grouping 13 industrial donor countries and several international institutions, has been holding a two-day annual session here

The 13 OPEC members had agreed in Geneva on May 2 to reduce production by 1.445 million barrels a day in May, June and July from April's estimated production of 23.5 million bpd in a bid to restore the balance of supply and demand on the market and boost prices.

The Nicosia-based specialist journal *Middle East Economic Survey* said yesterday that Boussena had sent a letter to OPEC members warning that a repeat of the 1986 oil price plunge could be seen if overproduction continued and the market had no faith in the May accord.

He said that estimated OPEC production in May was between 23.22 million bpd and 23.68 million bpd.

Brent North Sea crude oil prices fell sharply on the London physical market today dropping to \$15.65 a barrel for August delivery against \$16.03 yesterday's close. This quote had opened yesterday at \$16.20 a barrel.

In Tokyo, Japanese oil traders and industry officials said today that oil prices are likely to continue their slide until producers find a way to reduce oversupply.

"I hadn't thought prices would have fallen this far," a senior oil trader at a Japanese oil firm said.

"The market has been looking for a chance to rebound, but any rebound is unlikely unless supply and demand are balanced," he added.

Far East quotes for widely traded Dubai crude oil for July delivery dropped to \$12.75 per barrel today, compared with around \$15 in mid-May.

"Japanese oil refiners usually buy crude actively in August and September to prepare for winter demand, but this year they built up stocks early because of expectations of higher prices in the second half," the trader at the oil firm said. "It is up to OPEC to cut production to balance the supply and demand situation. Demand is unlikely to rise much," the official at the oil firm said.

Even if OPEC members successfully cut output, oil prices would be unlikely to show any significant recovery in next two months due to high levels of global crude stocks, an official at another Japanese oil firm said.

The oil market here is focussing on ongoing Japanese negotiations on prices for the third quarter with Iran and Kuwait.

They said delegates acknowledged the country's efforts to overcome growing fiscal and balance of payments deficits which have reduced external reserves to the equivalent of less than two months of imports as of the end of fiscal 1989-90 on March 31.

The current imbalances forced India to boost external borrowing, increasing its foreign debt by nearly 15 percent in the past year to \$63 billion, roughly twice the 1985 level.

The consortium meeting was attended by representatives of Austria, Belgium, Britain, Canada, Denmark, France, West Germany, Italy, Japan, the Netherlands, Norway, Sweden and the United

UNDER FIRE: Trade Secretary Jose Concepcion holds documents as he testifies before the Senate Blue Ribbon Committee in Manila Tuesday where he is being investigated for allegedly "conflict of interest" in connection with his position in the government and at the same time maintaining substantial holdings in his family-owned corporations. Concepcion was exposed recently by a former cabinet official for using his influence to secure substantial loans for Taiwanese investors to put up a petrochemical plant in the country.

(AP wirephoto)



Japan economy posts healthy growth rate

TOKYO, June 19 (AFP) -- Japan's economy grew 5 percent in the year to March, down from 5.3 percent the previous year but surpassing official forecasts by a wide margin, the Economic Planning Agency said today.

The brisk expansion in gross national product followed a rebound in the March quarter when Japan's output of goods and services expanded 2.5 percent from the previous three months, making an annual rate of 10.4 percent.

"The Japanese economy is expected to continue growing for the moment," an official at the government agency said. "Anxiety over the triple drops in stock and bond prices as well as the yen's value have been erased."

The quarterly growth rate was very strong but also influenced by special factors, said Satoru Ogasawara, an analyst at W.I. Carr

(Overseas) Ltd., a stockbroker affiliated with Banque Indosuez of France. These included unusually strong exports of ships and motor vehicles.

The latest figures mark the third consecutive year that the Japanese economy has grown by at least 5 percent. As in previous years, growth was entirely fuelled by domestic demand -- particularly private capital investment and consumer spending -- with external demand making a negative contribution.

The government agency had previously forecast a sharper slowdown in economic activity, predicting a GNP growth rate of only 4 percent in the fiscal year ending in March. The forecast was later revised to 4.6 percent.

Domestic demand contributed 5.7 percentage points to the annual growth rate while external demand

made a negative contribution of 0.7 points.

But the quarterly growth rate of 2.5 percent, up sharply from a revised 0.8 percent in the December quarter, comprised 1.2 points from domestic demand and a positive contribution of 1.3 points from external demand.

Although the yen's recent fall has made Japanese goods more competitive on world markets, analysts were reluctant to attribute the renewed contribution of external demand solely to increased export activities in the March quarter.

"Part of it is a statistical problem," said Jim Vestal, an analyst at British stockbroker Baring Securities Japan Ltd.

He noted in particular that seasonal adjustments to car export figures failed to take into account that voluntary export restraints were no

longer binding.

The figures released today show that the annual growth rate was fuelled by capital investment, followed by consumer spending and housing construction.

Capital investment soared 16.5 percent in the year to March while consumer spending grew 3.2 percent and housing construction rose 3.9 percent.

On a quarterly basis, capital investment was up 2.7 percent from the previous three months. Consumer spending grew 0.5 percent in the same period while housing construction rose 2 percent.

Many analysts have argued that the plunge in stock prices earlier this year will have a minimal impact on capital investment due to market deregulation, an acute labor shortage and a general obsession with investing in new technology.

20 S.African gold mines at risk

JOHANNESBURG, June 19 (AFP) -- Twenty of the 33 South African gold mines in the Chamber of Mines are at risk with the gold price at its current low level of \$348 an ounce, outgoing chamber president Kennedy Maxwell said here today.

Maxwell told the chamber's 10th annual general meeting that six of the 33 had already made a loss last year, without naming them.

The 20 at-risk mines employ 200,000 people and produce 210 tons of gold a year worth 6.3 billion rand (\$2.63 billion), he said.

"The current level of the gold price in both dollar and rand terms is of great concern to us in the immediate future and must be of great concern to the government and all those who look for the preservation of existing jobs and the creation of new employment opportunities," he said.

South African gold production for 1990 would probably fall from 608 tons last year to between 580 and 600 tons this year, he said. "This will have a major impact on the country's balance of payments and general economic welfare."

Finance Minister Barend du Plessis told parliament Thursday that despite the fall in the gold price the country was still on target for the five to six billion rand (\$1.8 billion to \$2.2 billion) current account surplus it needed to meet its debt repayments.

Earlier this year Maxwell listed 15 mines that made a loss when the price fell below \$390 an ounce.

Sudan decides to privatize its industries

KHARTOUM, June 19 (AP) -- Sudan government has endorsed a market-economy plan that would phase out the country's public sector, including industries, hotels and the national airline.

A joint session of the cabinet and the ruling 15-man junta yesterday approved the program as a basis for Sudan's 1990-1991 budget, the official Sudan News Agency reported today. The budget is to be approved this week and implemented on July 1.

The scheme aims at balancing the country's budget deficit within three years.

It envisions gradual lifting of government subsidies and ending state monopolies in agricultural projects, textile and other industries, tanneries, hotels, telecommunications and air transport. Those facilities and other government companies siphoning off public funds through unprofitable operations are to be sold off.

The impoverished northeast African state has a foreign debt estimated at \$13 billion.

Bread, sugar and oil often are scarce in the capital. Many northern towns have to provide for hundreds of thousands of people displaced by the southern civil war.

The International Monetary Fund declared Sudan ineligible for loans in 1986. Sudan has not been willing to accept the international lending institution's demands for economic reform. And without an IMF agreement, Sudan's creditors will not reschedule its debts nor provide more loans.

It was not clear whether the government's new scheme was designed to implement IMF proposals, which generally encourage the private sector.

Sudan news agency did not specify how the state would end its industrial monopolies. It said a two-tier pricing system as a buffer for the poor would be set up on basic commodities such as sugar and gasoline. Government subsidization of all goods would follow in measured steps.

Egypt to sell part of firms

CAIRO, June 19 (R) -- Egypt has drawn up a plan to sell off parts of a number of state-owned companies to their workers, the authoritative *Al-Ahram* newspaper said today.

The plan initially includes shares in companies belonging mainly to the tourism and construction ministries.

It is the latest move to reform Egypt's massive public sector, one of the largest in the Third World.

Al-Ahram said workers would not be asked to pay for the shares from their salaries or savings. Instead, the Ministry of International Cooperation would provide the purchase funds in the form of a loan to be repaid from future share earnings.

The government said earlier it intended to sell its shares in joint venture firms and last month announced it would sell to private investors more than 1,700 small firms belonging

Kuwait Airways taking steps to set up leasing firm

KUWAIT, June 18 (Agencies) -- Kuwait Airways has begun legal and procedural steps to set up an aircraft leasing company with \$20-million capital, chairman Ahmad Al-Mishari says.

He was quoted by *Al-Qabas* newspaper today as saying the company would initially be wholly owned by Kuwait Airways but would later invite Arab financial institutions and airlines to become partners.

The establishment of an aircraft leasing company, the first in the Arab world, was originally planned to be a joint Arab project with a proposed capital of \$1 billion.

It was due to come into being last year and buy 200 aircraft over the next 10 years and lease them back to Arab airlines.

ABC

Bahrain-based Arab Banking Corporation, the first Arab institution offering shares to local and foreign investors, said yesterday its recent offering of 25 million shares had triggered robust demand.

"Demand for approximately \$400 million in shares was received, 14.2 percent in excess of the \$350 million ABC sought to raise through the share issue," bank chief executive Abdullah Saudi told a press conference here.

The issue was the first global equity offering from an Arab institution available to international as well as local investors.

The shares were placed with 3,264 investors --

3,212 individuals and 52 corporations -- throughout the Arab world and internationally at \$14 each.

TOYOTA

Shoichiro Toyoda, president of Toyota Motor Corp., predicted today the company aims to increase its vehicle sales at home and abroad this year over last year.

Toyoda told a news conference domestic demand for cars and commercial vehicles remains bullish and the company aims to sell more than 2.5 million units.

Toyota's domestic projection announced earlier

COMPANY NEWS

year set its sales target at 2.48 million units.

Toyoda estimated the domestic market, excluding mini-vehicles, is expected to exceed 6 million units, up from the original estimate of 5.8 million units.

He predicted Toyota's exports and overseas production would increase slightly over its original plan because of bullish demand in Europe, Asia and the Middle East.

TOSHIBA

Toshiba Corp. said today it has established the code of conduct for the company's entire personnel doing business worldwide in a move to make it a good corporate citizen wherever it operates.

The Tokyo-based company said the code, named the "Toshiba standards of conduct," will serve as guidelines for executives, managers and employees to comply with national and local laws and regulations, as well as to respect social and business ethics.

SUZUKI

Suzuki Motor Co., Japan's leading minicar maker, said today it has started production of multipurpose four-wheel vehicles in Taiwan with components supplied from Japan.

The company, based in Shizuoka prefecture (state) west of Tokyo, said production began at Prince Motors Co., which has a technical tieup with Suzuki.

The company said it will initially produce 30 units a month of the "Escudo" model with an engine displacement of 1600 CC.

KDD

KDD, Japan's giant international telecommunications company, said Monday it will invest in a new fiber optic cable project linking Hong Kong and Taiwan.

The company said the 454-mile (730 km) cable with 5,670 telephone circuits, named the Hontai, will be laid between Cape D'Aguilar, Hong Kong and Fanshan, Taiwan.

The construction cost is estimated at about \$3 million, of which KDD will bear about \$600,000 (1.6 percent of the total), the company said.

nt *KPC reports record profit of \$1.2 billion*

KUWAIT, June 17 (AP) -- The state-owned Kuwait Petroleum Corp. posted a record profit of 341 million dinars (\$1.2 billion) last year, Oil Minister Sheikh Ali Khalifa Al-Sabah announced today.

Sheikh Ali, who heads the corporation's board, said in its annual report that the total marked a 142 percent increase, more than 200 million dinars (\$700 million) over the 1988 profits.

The Kuwaiti corporation ranks eighth among the world's oil industry giants.

Sheikh Ali said it "realized a capital gain of 15 percent and an annual average of 20 percent throughout the nine years of its existence during which the values of its assets has increased four-fold."

The corporation has been expanding its exploration and production operations around the world, including acquiring refineries and downstream projects in Europe.

"The KPC has gained for itself a renowned and influential position in the oil industry worldwide," he said.

Among the corporation's recent acquisitions was a \$300 million takeover of Mobil Italiana.

The corporation also owns three refineries with a total capacity of 220,000 barrels a day in Italy, the Netherlands and Denmark and more than 5,000 gas stations in several European countries.

The report was published as the oil and petrochemical industries employees' union decided to call off a strike scheduled for today to press for pay hikes.

The union's general assembly said in a statement that the strike planned for today was called off following the intervention of the Crown Prince and Prime Minister, Sheikh Saad Al-Abdullah Al-Sabah.

The Kuwait Petroleum Corp. report said 46.2 percent of the 15,353 personnel working in the oil sector are Kuwaitis.



Kuwaiti cabinet resigns

KUWAIT, June 12 (AP) -- The government resigned as a formality today following the election of 50 members of an interim national council.

Sheikh Jaber Al-Ahmad Al-Sabah, Kuwait's emir, asked retiring Prime Minister and Crown Prince Sheikh Saad Al-Abdullah Al-Sabah to head a caretaker administration, said an official announcement. The emir was expected to reappoint the crown prince as premier to head a little-changed cabinet with key portfolios left in the hands of members of the ruling family.

It was also expected that those not reappointed to the cabinet would be included among the 25 appointed members of the new 75-member interim national council. The 50 elected members were chosen in Sunday's balloting.

The election was boycotted by some members of the last fully elected Western-style parliament that was dissolved in 1986 for criticizing government ministers.

The main task of the new council is to define the country's future legislative system.

The Interior Ministry announced that the turnout in Sunday's poll was 62.26 percent, with 38,683 people voting out of the country's total of 62,123 registered voters.



Prime Minister Saad

Indo-Afghan talks begin in Delhi

NEW DELHI, June 12 (AFP) -- Visiting Afghan Foreign Minister Abdul Wakil joined his Indian counterpart Inder Kumar Gujral here today in talks centered on proposals to widen bilateral economic cooperation.

The Indo-Afghan talks were taking place in the framework of a joint commission which has met eight times since it was formed by New Delhi and Kabul in 1969 to review ties and cooperation in several fields, Indian officials said.

Wakil, who arrived here yesterday at the head of a 10-member delegation, also held separate talks with Gujral amid speculation that the two leaders discussed the possibility of a visit by Afghan President Najibullah to India.

The officials said the ninth round of the joint commission hopes to agree on doubling two-way trade between India and Afghanistan which during 1988-1989 was to the tune of \$30 million.

India exports buses, tires, tea, and medical supplies to Afghanistan and imports fresh and dry fruits, pelts and medicinal herbs from the war-torn country.

The two sides were also likely to discuss India's role in training Afghan technical personnel in fields barring defense, the officials said, as well as the issue of Pakistan's role in both Afghanistan and the northern Indian-held state

of Kashmir.

New Delhi is Kabul's staunchest political in Asia and both countries accuse Pakistan of interference in their internal affairs.

Wakil is scheduled to end his five-day trip to India with a visit to the northern desert city of Jaipur on Thursday after talks with other Indian leaders. He will return to Kabul on Friday.

Kurdish rebel raid toll mounts to 27

ANKARA, June 12 (R) -- A boy died from bullet wounds received in a Kurdish raid in south-eastern Turkey on Sunday bringing the death toll from the attack to 27, the state-run Turkish radio said today.

Twelve children and seven women were among those killed in the raid on Cevrimli village, 50 kms north of the Iraqi and Syrian borders, the deadliest attack by the Marxist Kurdish Workers Party (PKJ) since 1988.

Interior Minister Abdul Qadir Aksu criticized neighboring and Western countries for backing the PKK without naming them.

"We are distressed to see some neighboring and Western countries support the terrorists. We've made frequent appeals to (other countries) not to support them (PKK)," he told reporters last night in Erzurum town near the stricken village.

WEDNESDAY, JUNE 13, 1990

New gas field found; exploration to go on

By Saeed Haider
Gulf Bureau

DHAHRAN, June 12 -- Saudi Arabian Oil Company (Saudi Aramco) has discovered a new gas field at Hilwah, 137 kilometers south of Riyadh and 45 kms north of Hawtah Well No. 1 where oil was struck in June last year, according to Hisham Nazer, petroleum and mineral resources minister.

In a press statement, Nazer said that while coring at Hilwah on May 30, the well had been discovered at a depth of 6,257 feet. A well test conducted by Saudi Aramco to evaluate the formation at an interval extending from 6,180 feet to 6,361 feet showed that the well flowed at an average rate of 14.4 million cubic feet per day and condensated at the rate of 429 barrels per day. An average flowing well head pressure of 1,280 pounds per square inch was recorded through a three-quarter-inch choke.

The minister noted that the gas was sweet with no hydrogen sulfide and the recovered condensate had a gravity of 66.2 degrees API with no

evidence of water. The layer bearing the gas and condensate was found to be in excess of 120 feet thick.

Nazer said Saudi Aramco would continue to evaluate the new field and launch further exploration missions to estimate the reservoir at Hilwah. After a change in its structure and becoming a 100 percent Saudi company in January 1988, Saudi Aramco has successfully launched large-scale exploration activities. It first discovered oil at Hawtah Well No. 1, south of Riyadh and then in October it discovered new oil and gas zones at a drilling site 75 kms southeast of Riyadh near Al-Dilam.

Minister Hisham Nazer announced that the Custodian of the Two Holy Mosques King Fahd had called for efforts to be made to discover mineral resources in Saudi Arabia and everything be done to invite international bids to recover them. Magnezite is already the subject of an international bid and copper at Jabal Sayeed, near Mahd Al-Dahab, northeast of Madinah, will soon follow suit.

APICORP to finance 2 projects

Gulf Bureau

ALKHOBAR, June 12 -- The Arab Petroleum Investment Corporation (APICORP) has agreed to participate in loan agreements for two projects in Iraq and another in Algeria.

The board of directors of the corporation, at a meeting held at its headquarters here on Sunday, revealed that APICORP had participated in arranging and managing both agreements for Iraq which were signed in April this year. The two loan agreements are in favor of the Technical Corps for Special Projects (TECHCORP) in Iraq, to finance the construction of the second phase of a petrochemical complex. The first loan for a sum of \$42 million is to finance the polypropylene unit, while the second loan for \$60 million is to finance the Chlor-Alkali Plant.

The corporation participated in the agreement of yet another loan for Sonatrach in Algeria for \$100 million to finance a portion of Sonatrach's investment program. The loan agreement was signed in May this year with a number of international banks.

The board of directors meeting, which was chaired by its new chairman and representative of Saudi Arabia, Abdullah Abdul Aziz Al-Zaid, recorded its thanks and appreciation to the former chairman and the Kingdom's representative, Jamal Hassan Jawa for his contributions. Jawa

had been chairman of the APICORP's board since 1976, when the company was established.

The board also reviewed the 1989 financial results of joint Arab projects, where the corporation holds equities. These joint ventures include the Arab Company for Detergent Chemicals (ARADET) in Iraq, the Saudi European Petrochemical Company (Ibn Zahr) in Saudi Arabia, Bahrain National Gas Company (BANAGAS), Arab Drilling and Workover Company (ADWOC) in Libya, Paktank Mediterranean (PAKMED) in Tunisia, Arab Engineered Systems and Controls (ARESCON) in Bahrain, Arab Geophysical Exploration Company (AGESCO) in Libya and Jordan Phosphate Mining Company (JPMC).

The board also reviewed various activities of the corporation including those relating to investment and finance and the financial statements for the first quarter of this year.

The board's next meeting is scheduled for Sept. 19.

APICORP is an Arab joint-stock company set up in 1975 with an international agreement signed and ratified by the governments of 10 member states of the Organization of Arab Petroleum Exporting Countries. The share capital is owned by the governments of Saudi Arabia, the United Arab Emirates, Bahrain, Qatar, Iraq, Libya, Syria, Egypt, Kuwait and Algeria.

Soviet pilgrims coming in a week

By Hasin Al-Binayan
Riyadh Bureau

RIYADH, June 12 -- A delegation of diplomats from the Soviet Foreign Ministry is expected to arrive in Jeddah by this weekend or early next week to make arrangements for the arrival of 1,000 pilgrims from the Soviet Union. This is the largest number of pilgrims to come for Haj after the policy of glasnost (openness) adopted by President Mikhail Gorbachev.

The Makkah-based Muslim World League (MWL) has approached the authorities concerned in Saudi Arabia to get entry visas for these pilgrims. The visas are expected to be granted by this weekend.

The arrival of these pilgrims will be completed in one week or 10 days at the most, Dr. Abdullah Omar Naseef, secretary-general of the league, told Arab News. A Soviet Aeroflot aircraft carrying them will land in Jeddah, for the first time, he said. The league will also host 20 eminent Soviet Muslim personalities coming for Haj this year, he added. Prominent among them are Sheikh Mu-

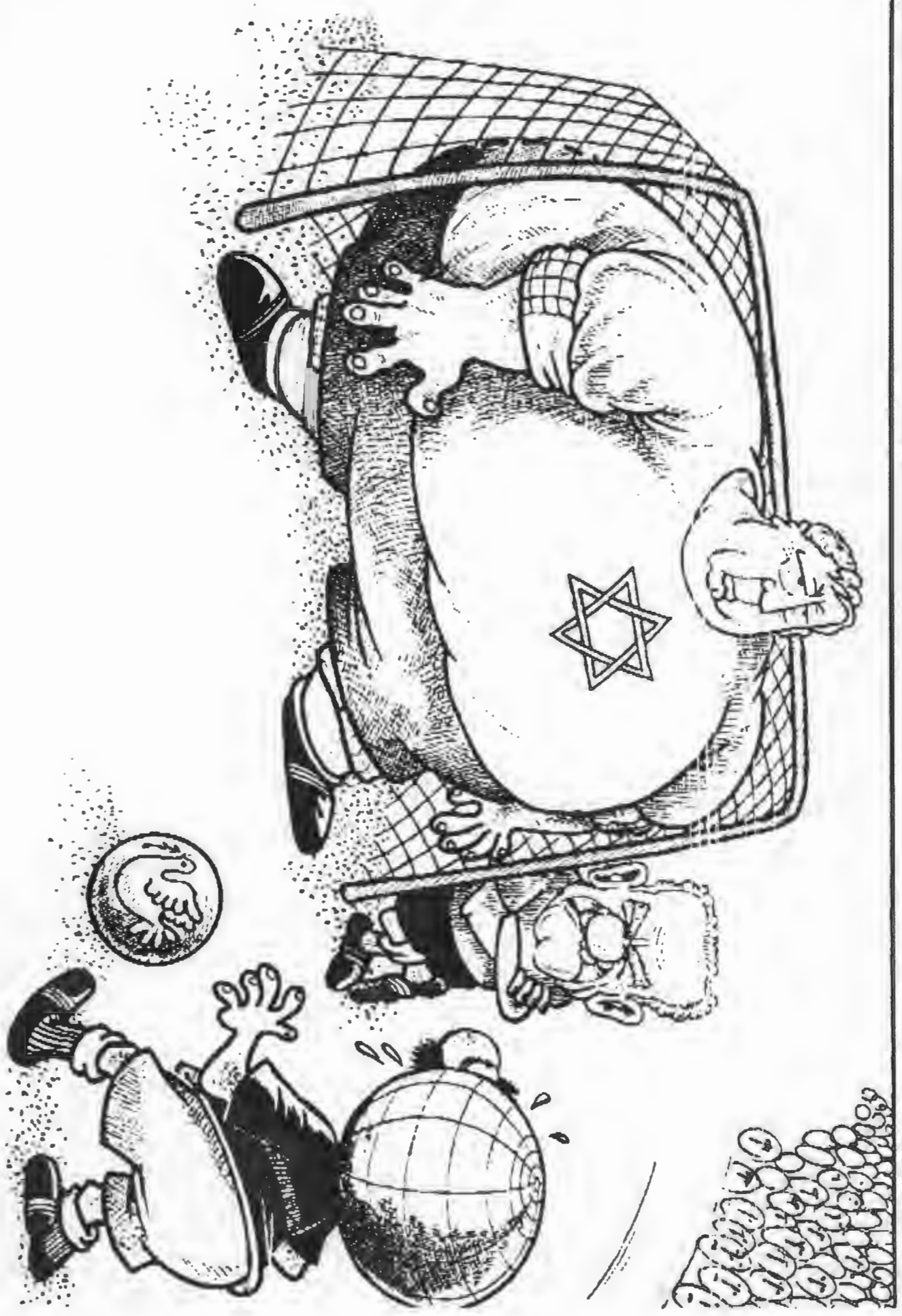
hammad Sadeq Yousuf, mufti of the Soviet Muslims and chief of the religious department for the Muslims of Central Asia and Kazakhstan, and Sheikh Talat Tajuddin, chief of the religious department for the Muslims of Siberia and the European sector, Dr. Naseef disclosed.

Most of the 61.5 million Soviet Muslims are Sunnis who follow the Hanafi school of thought and account for 22 percent of the total population of the republics of the Soviet Union. They belong to 43 nationalities mainly from Turkish and Iranian stock.

Custodian of the Two Holy Mosques King Fahd had recently ordered a dispatch of one million copies of the Holy Qur'an to the Soviet Muslims. A delegation of the MWL under the leadership of Dr. Naseef had also visited the Soviet Union recently to study the conditions of Muslims there. Following the visit, it was decided to extend help to build mosques and Qur'an memorization schools and to set up a press for printing religious books and pamphlets to spread Islamic awareness there.

Prayer Times

Wednesday	Makkah	Madinah	Riyadh	Dammam	Jizan	Tabuk
Fajr (Dawn)	4:07	3:59	3:29	3:09	4:10	3:56
Dhuhr (Noon)	12:21	12:22	11:53	11:39	12:10	12:34
Asr (Afternoon)	3:40	3:42	3:14	3:06	3:33	4:05
Maghrib (Sunset)	7:05	7:12	6:44	6:34	6:45	7:33
Isha (Night)	8:35	8:42	8:14	8:04	8:15	9:03



Acts to salvage dialogue with U.S. PLO denounces new Israeli government as a 'war cabinet'

BAGHDAD, June 11 (AP) -- The Palestine Liberation Organization today issued a veiled condemnation of an abortive commando raid on an Israeli beach, in a bid to salvage its 18-month-old dialogue with the United States.

The PLO also denounced the proposed new Israeli government headed by Yitzhak Shamir as a "war cabinet" that would escalate repression against Palestinians.

A statement by a PLO spokesman was issued and distributed by the official news agency Wafa in the Iraqi capital, where the PLO has its political headquarters.

The spokesman said the PLO position remains unchanged on any military action that would take the form of a war cabinet.

The PLO spokesman said today the organization "is still committed to all its obligations declared in Geneva in 1988 and to the peace process on the basis of international legitimacy and Palestinian peace initiatives."

On the new, proposed cabinet of Israel's Shamir, the spokesman said: "Everybody knows that this is a government of warmongers and extremists to prepare for a war against the Arab countries and escalate aggression and expansion in the occupied territories."

He said the new cabinet is made up of the same Israeli politicians that rejected all peace moves aimed at ending the Middle East crisis. Calling it a "war cabinet," the spokesman said such a government would put the area on the verge of a conflict in which weapons of mass destruction could be used.

The new government's policy guidelines call for taking tougher measures to crush the 30-month Palestinian uprising in the occupied lands and beefing up the army against war threats from Iraq.



DISCUSSIONS: Egyptian Minister of State for Foreign Affairs (left) chats with Japanese Prime Minister Toshiki Kaifu in Tokyo on Monday. The two leaders discussed Mideast issue and bilateral relations.

Gulf states buying more arms

ABU DHABI, June 11 (AP) -- The Middle East is the only region in the world where the import of arms remains high despite a world-wide drop in such purchases, a senior official of the U.S. military industry said today.

John F. McDonnell, chairman and chief executive officer of McDonnell Douglas, the major American manufacturer of military and civilian aircraft, made the statement to reporters at the end of a Middle East tour.

"McDonnell Douglas plans to refurbish its image in the Gulf and Middle East, and compete effectively for a good slice of the aircraft market from now on," he said at the end of a visit to the Gulf states.

Kuwait has ordered 40 F-18 "Hornet" multi-role tactical aircraft which will start arriving there next year, he said.

The American corporation will soon set up a service and maintenance center for the F-18 planes in Kuwait, he said. Conceding that his corporation has not been active in the civilian airline market, McDonnell said: "For many years now, McDonnell Douglas has been a force to reckon with in the Gulf region only for its defense aircraft."

He added: "We want to change all that and become actively involved in marketing our aircraft."

He said the corporation's civilian aircraft MD-11 has tremendous potential in the Gulf market.

While in Bahrain, headquarters of the regional Gulf Air airliner, McDonnell reportedly proposed \$1 billion deal for the sale of 12 long-haul aircraft over the next five to six years.

The three-engined MD-11 jet that McDonnell Douglas is retailing at \$90 million each, is competing with the Airbus A340 and the planned Boeing 777. McDonnell said the MD-11 excelled over the others in that it could fly 12,800 kms without refueling.

Tank battle flares

BEIRUT, June 11 (R) -- Rival Christian forces fought tank battles in East Beirut early today in one of the gravest breaches of a three-week-old cease-fire, security sources said.

They said the troops of Gen. Michel Aoun and Lebanese Forces (LF) militiamen exchanged tank and machine-gun fire and traded mortar bombs in the areas of Sin Al-Fil and Nabaa.

Explosions echoed across the mountains and

Millions visit historical sites in Makkah

MAKKAH, June 11 (IINA) -- Historical sites in Makkah attract millions of Muslims.

They include Hira mountain where the revelations of the Qur'an to the Prophet (pbuh) began.

It is five kms in north on way to Arafat. This 200-meter-high mountain looks over the valleys and hillocks where the Prophet (pbuh) used to devote himself to prayers before Almighty God commissioned him with message of Islam. About six miles south of Makkah is the Thour mountain where the Prophet (pbuh) and his companion Abu Bakr hid from the infidels.

It is approximately 500-meter high from the ground level. It has a cave where the Prophet and his companion took refuge for three days while intending to proceed to Madinah -- the event known historically as Hijra. The enemies failed to locate the Prophet and his companion during their refuge in the cave.

At this cave the famous event in the history of Islam was immortalized in the Holy Qur'an. It was at this juncture that the verse from God was revealed: It can be freely translated as: "Do not be afraid; God is with us."

The Mualla graveyard, northeast of Makkah, still exists, it was built during the pre-Islamic period and continues to serve as grave-yard for the Makkans and other Muslims.

It contains graves of the Prophet's forefathers, uncles and Bani Hashem including some of his companions and their successors. Graves of his great grandfather Abd Manaf and grandfather Abdul Muttalib as well as his uncle Abu Talib, his wife Khadija bint Khuwailid are found in Mualla graveyard.

Graves of other prominent people include those of Abdullah ibn Zubair, his wife Asma bint Abu Bakr and other companions situated at the base of the Hiyoon mountain. The Mualla graveyard is also called the Hiyoon.

Arafat is one of the most revered historical sites where the main function of the pilgrimage is performed. It is situated 25 kilometers southeast of Makkah.

Its height is 750 feet from the sea level. On every 9th of Dhul Hijja in Hijra calendar millions of pilgrims throng this mountain side for prayers and performance of the most important duty of the Haj.

In the northern side of Arafat is Jabal Al-Rahmat, the mountain of mercy. Here the Prophet of Islam (pbuh) delivered his monumental khutba (sermon) on the occasion of his last Haj known as Hujjatul Widaa. In his khutba, the Prophet (pbuh) declared the completion of his mission referring to the revelation in which Almighty God said: "I have completed your religion and my blessings."

Mina is a village seven kilometers from Makkah. It has innumerable buildings used as dwellings during the Haj days only. Pilgrims leave Makkah for Mina on the 8th of Dhul Hijja and stay there until sunrise the following day and then proceed to Arafat. The pilgrims stay at Arafat until sunset on 9th of Dhul Hijja and come to Muzdalifa for an overnight stay till the 10th morning. They stay in Mina for three days during which they perform the duty of throwing stones at the satans.

One of the important monument at Mina is Al-Baia Mosque where the inhabitants of Madinah took oath of allegiance to the Prophet (pbuh) before the Hijra.

Another important mosque in Mina is Al-Kheif. Pilgrims offer daily prayers there while staying there for the Haj days.

Prayer Times

Tuesday	Makkah	Madinah	Riyadh	Dammam	Jizan	Tabuk
Fajr (Dawn)	4:07	3:59	3:29	3:10	4:10	3:56
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Asr (Afternoon)	3:40	3:42	3:14	3:06	3:33	4:05
Maghrib (Sunset)	7:04	7:11	6:43	6:34	6:44	7:32
Isha (Night)	8:34	8:41	8:13	8:04	8:14	9:02

Philippine cultural exhibition opens

By Javid Hassan
Arab News Staff

RIYADH, June 11 -- Deputy Mayor of Riyadh Muhammad Ali Al-Shaikh inaugurated at the Towaia Palace in the Diplomatic Quar-

Iraq pays \$3.4b of foreign debt

BAGHDAD, June 11 (AP) -- Iraq has repaid \$3.418 billion of its foreign debt so far this year. Trade Minister Muhammad Mehdi Saleh said today.

Saleh, who is also acting finance minister, summoned Baghdad-based reporters to his office to declare the repayment was made despite a decline in the price of oil earlier in the year.

"We paid our creditors \$3.418 billion according to our plans to reduce our indebtedness, which started in January," he said. He did not identify the repaid creditors and did not say whether the settlements were in cash or oil.

Western estimates place Iraq's foreign debt at between \$50 billion and \$65 billion.

Foreign analysts said that on the basis of agreements it signed last year and early this year, Iraq has undertaken to pay at least \$18 billion over the next three years, to cover both principal and interest. "We are committed by all the agreements we signed to pay the debts according to a timetable endorsed by the council of ministers," Saleh said.

He added that Iraq has also stopped all dealings in short term credits in another attempt to restructure its foreign indebtedness.

He said the private sector would not be allowed to borrow from foreign sources to cover short term purchases of less than two years' duration.

Arabs call for U.S. pressure on Israel

NICOSIA, June 9 (AP) -- Arab leaders have sent an official letter calling on the United States administration to tie any aid to Israel to that state's cooperation with Mideast Peace moves.

A text of the letter, handed last Monday to Robert Pelletreau U.S. ambassador in Tunis, where the Arab League is headquartered, was made available to the Associated Press in Cyprus today.

"The Arab countries expect the United States to make a link between aid extended to Israel and Israel's cooperation with peace efforts. Such a step would restore credibility to the U.S. Middle East policy and start a new era in the history of Arab-American relations," the letter said.

The letter also called on the United States to adopt "practical steps" to keep Israel from using U.S. aid to set up new settlements for Soviet Jewish emigrants in Israeli-occupied Arab territories.

The Arab letter called again for convening of an international peace conference on the Middle East and asked the United States as a superpower and Security Council member to

support "this serious drive to establish peace."

The Arab policy would trade peace and recognition for land, with Israel giving up the occupied territories so a Palestinian state could be set up. Israel has refused such a deal.

"The Arab countries believe that the strategic alliance between Israel and the United States, the volume of military and economic aid and political backing provided by the United States and the lack of effort to convince Israel to respect international law have all contributed to Israel's intransigence and have convinced the world that the United States supports its (Israel's) present policy," the letter said.

It said Arab complaints about the large-scale Jewish emigration from the Soviet Union are based on the fact that Palestinian national rights have not yet been achieved.

If an independent Palestinian state had been set up "there would not have been this great Arab concern about Jewish emigration."

"The Arab worry is based on conviction that this emigration will further curtail the chances of peace in the region," the letter said.

Greece lobbies for Cyprus settlement

WASHINGTON, June 9 (AP) -- Greece's leader called yesterday on the United States to pressure Turkey to withdraw its troops from Cyprus, calling the military presence a "blot on the reputation" of the NATO defense alliance.

Greek Prime Minister Constantine Mitsotakis made the comments in Washington where he met Wednesday with President George Bush. The visit to the White House was the first by a Greek leader in 26 years.

Mitsotakis also pledged that his newly elected New Democracy Party would rid his nation of anti-American terrorism, which had continued during the previous Socialist government of Andreas Papandreu.

"My government intends to end the friction in relations with Washington that was evident during the eight years of Socialist rule in Greece," he said.

U.S. officials say relations with Greece have already improved since the election of the conservative prime minister last April.

He delivered the message to Bush and other U.S. leaders. Later he addressed members of the Greek community at a National Press Club luncheon before departing for New York.

Accused in Egypt

By Khaled Dawoud
Cairo Bureau

CAIRO June 9 -- In the on-going trial of the Egypt's Revolution Organization, defense attorney Farid Abdul Karim, today said all defendants should be released immediately as "what they did is permissible by Egyptian law and the Islamic Sharia," Abdul Karim claimed.



COFFEE BREAK: Khaled Abdul Nasser, 40, for ser's son who is charged concerning attacks on tip of tea on Saturday in the defendants' cage at

New Israeli cabinet pushing region to war

NICOSIA, June 9 (R) -- Arab commentators said today the formation of the most right-wing government in Israel's history was pushing the Middle East toward a new war.

The PLO called it a "war cabinet" and the United States came under attack over its support for Israel.

"With the formation of a new government which includes the most extreme rightists who call for war, expulsion, expansion and colonialism, the situation in the Middle East is sliding toward more tension," said Jordan's independent *Al-Dustour*.

"The Arab-Israeli conflict has quickly taken a path that leads only to war and instability."

Sawt Al-Sha'b, which often reflects the views of the Jordanian government, also said the Middle East was heading for an explosion.

"The Arab states must realize these dangers and brace for the ugly option of a new war imposed on the Arab nation. Praising peace does not mean dropping our weapons and burying our heads in the sand," it said.

Israel's Prime Minister Yitzhak Shamir announced a new government yesterday dominated by hawks advocating increased Jewish settlement in the occupied areas, scene of a 30-month-old Palestinian uprising against Israeli rule.

"It is a war cabinet, the worst in Israel's history, and represents the summit of fanaticism."



Yitzhak Shamir

intransigence and extremism," Salah Khalaf, a top official of the Palestine Liberation Organization (PLO), told Reuters in Tunis.

"We expect fresh massacres against the Palestinian people from this government," said Khalaf, also known as Abu Iyad in the PLO's mainstream Fatah movement.

In Abu Dhabi, the United Arab Emirates semi-official newspaper *Al-Ihtad* said: "While not dropping the olive branch, the Arab nation should not forget the language of war because it is not through diplomacy alone that liberation can be achieved."

"The present climate in Israel, reflected by the new cabinet pushes the region more and more to a state of war," the daily *Oman* wrote in an editorial.

Qatar's *Al-Raya* newspaper said Arab efforts to regain territories occupied by Israel in the 1967 Arab-Israeli war should not only focus on politics.

"The winds of racial fanaticism in the Zionist entity have eliminated any hope for a peaceful settlement," it said.

Most papers blamed the United States, Israel's main ally, for the hardline policy as outlined by the new cabinet.

"The United States, which goes along with Israeli extremism, covers up its ugly crimes and supplies it with the means of oppression, terrorism and expansion, is responsible for this change that will push the Middle East, with all the weapons of mass destruction it has, into a new confrontation," *Al-Dustour* said.

Bahrain's *Al-Adwa* newspaper, referring to "the drums of war," asked if reason was still applicable in dealing with U.S. policy.

Bush favors peace parleys

ABOARD AIR FORCE ONE, June 9 (AFP) -- President George Bush, commenting on the apparent formation of a new government in Israel, said yesterday that he was prepared to work with any administration in that country, and called anew for Israeli-Palestinian dialogue.

Bush's statement, which came as he flew from Iowa to Nebraska, was in response to reporters' questions on caretaker Premier Yitzhak Shamir's signing of accords allowing him to form a rightwing government.

That government is still subject to approval by the Israeli parliament.

Bush said, "Israel can do what it wants with this government and I'll work with whoever that country puts forward as their government."

"But they know the policy of the United States on peace talks," Bush added. "U.S. policy is firm. We want the peace talks to begin." The United States has been pressing for Israeli-Palestinian talks in Cairo to discuss long-standing Israeli plans for Palestinian settlements in the occupied territories. The voting would select leaders for talks on the future status of the West Bank and Gaza Strip.

Disagreement over a U.S. framework for Cairo talks, put forward by Secretary of State James Baker, led to the collapse of Shamir's coalition government in March.

Hrawi ends 3-state tour

TUNIS, June 9 (DPA) -- Lebanese President Elias Hrawi today ended here two-days of talks with his Tunisian counterpart Zine Al-Abidine Ben Ali on the 15-year-old civil war in Lebanon.

Hrawi also conferred with Arab League Secretary-General Chadli Klibi, who informed him about the results of the recent league summit in Baghdad, which was not attended by Lebanon and Syria.

Klibi said Hrawi was satisfied with the summit's final resolution, which criticized the Israeli occupation of parts of southern Lebanon.

Talks between the two also included the "efforts and results" of the Arab League committee on Lebanon, which comprises Saudi Arabia, Morocco and Algeria.

The committee had worked out a peace accord, which was accepted by a majority of Lebanese deputies in Taif, Saudi Arabia, last year. The accord led to Hrawi's election. Hrawi earlier travelled to Libya and Egypt, where he asked for military aid.

Hrawi has failed in efforts to obtain arms during the three-state tour of North Africa, sources in the president's delegation said today.

The sources said Cairo, heavily reliant on Washington for arms, cited U.S. opposition to weapons shipments to Lebanon in declining to provide Hrawi with military help.

Libya was willing to provide arms only a "national" Lebanese Army and wanted assurances they would not be turned against Palestinians, the sources said.

Lebanese ministerial sources said it would



President Hrawi

cost \$492 million to re-equip the Lebanese Army into a force capable of disarming the plethora of private militias which have sprung up over the last 15 years of civil war and foreign intervention.

Rival Christian factions have been observing a shaky truce in areas east and north of Beirut following a devastating three-month war for supremacy that has left more than 1,000 people dead.

Rival Muslim Shiite factions, which have periodically clashed since April 1988 for control of their community, are currently engaged in peace talks mediated by Syria and Iran.

Hrawi has so far failed to extend his authority all over the country.

Najib bid to wash

KABUL, June 9 (AFP) -- President Najibullah has called a congress of his ruling party for the first time in a quarter of a century in what is seen here as a bid to cleanse it of 12 years of bloodshed in Afghanistan.

The ruling People's Democratic Party of Afghanistan plans to change its name to Watan or "homeland" Party and adopt a new charter at a congress to be held by the end of the month.

"It's the same old party with a new name. Changes may look impressive on paper. They (the PDPA) promised to end their monopoly on power last month, but they are still holding on to the plum jobs," an opposition figure said here.

Diplomats agreed that the proposed changes in the PDPA were unlikely to have any immediate impact on the country which it has ruled since coming to power in a bloody pro-communist revolution in 1978.

But they hope constitutional reforms introduced by Najibullah last month will be implemented gradually, clearing the way for a political settlement to the stalemate in the country.

The 44-year-old president introduced fundamental changes to the 1987 constitution, ending his party's hold on power, and appointed a non-PDPA prime minister although key portfolios still remain with the same party ministers.

In a draft program of action released this week, the PDPA said it had failed to understand realities, had followed an unbalanced foreign policy and adopted "hasty reforms," plunging the country into civil war after the military

BRIEFS

MUSCAT, June 9 (AP) -- A Brion has been found dead in his car in a Muscat suburb after apparently committing suicide, Western diplomatic sources said today. The dead man was identified as William Norgrave, 42, a physical training instructor from Darlington, England. He was married with a 9-year-old daughter.

NICOSIA, June 9 (AP) -- President George Vassiliou will visit the Netherlands for three days next week as part of a wide-ranging campaign to muster support for his efforts to reunite the war-divided east Mediterranean island, officials said today.

AMMAN, June 9 (R) -- Islamists won four of nine seats in municipal elections in a Jordanian town seen as a stronghold of religious activism, results announced today showed. The Muslim Brotherhood and its allies took four seats in Russefeh, northeast of Amman, but leftists won three and independents obtained two.

AMMAN, June 9 (R) -- Chinese Defense Minister Qin Jiwei said in Jordan today that his country "fully supports the struggle of the Palestinian Arab people to achieve their legitimate rights."

ISLAMABAD, June 9 (DPA) -- Pakistan today welcomed the multiparty elections in Burma

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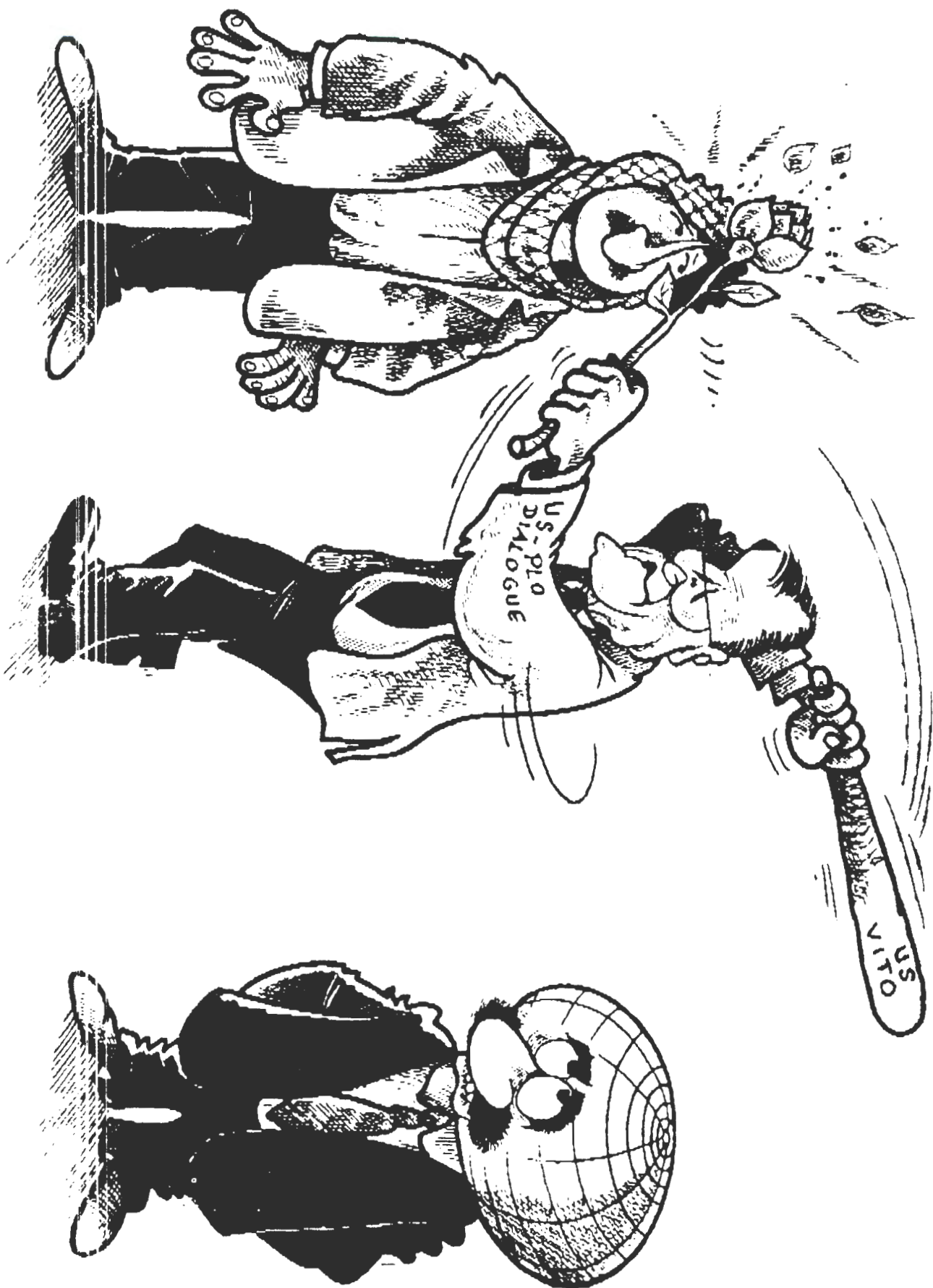
275 NOW

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Weather forecast

Normal summertime. Winds variable light. Min. & max. temps.:

Damascus & south 16-33C;
Mountainous areas 11-25C;
Mid-land region 15-32C;
Coastal region 18-27C;
Eastern region 18-35C;
Northern region 15-32C;
Al-Jazira region 16-34C;

SYRIA TIMES

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Syrian-Qatari talks begin in Damascus

Syria's defence of Arab causes highly praised

DAMASCUS, (SANA) — Vice-President Abdul Halim Khaddam at 5 p.m. yesterday received Crown Prince of Qatar and Defence Minister Sheikh Hamad Bin Khalifa Al Thani and members of the accompanying delegation.

The meeting was attended by Deputy Commander-in-Chief of the Armed Forces, Deputy Premier and Foreign Minister, Lt. Gen. Mustafa Tlass, the Foreign Minister Mr. Farouk al-Shara', the Minister of Transport Mr. Yousef al-Ahmad, the Minister of Information Mr. Mohammad Salman, the Minister of State for Foreign Affairs Mr. Nasser Qaddour, and Charge d'Affaires of the Syrian Embassy in Qatar, Mr. Nizar al-Jendi.

The guest delegation included: the Qatari Minister of Information and Culture Sheikh Hamad Bin Saheem Al Thani, the Minister of Transport Mr. Abdulla Bin Saleh al-Mane', the Foreign Minister Mr. Mubarak Ali al-Khater, the Director of the Office of the Crown Prince and Defence Minister Sheikh Mohammad Bin Khaled Al Thani, and the Ambassador of Qatar in Damascus Mr. Mane' Abdul Hadial-Hajri.

Talks dealt with latest developments of the Arab-Israeli conflict, developments of the situation at the Arab and international levels and means of consolidating Arab action.

At 7 p.m., the Prime Minister Mr. Mahmoud al-Zou'bi

received Sheikh Hamad and the accompanying delegation.

The meeting was attended by the Minister of Economy Dr. Mohammad al-Emadi, Mr. Nasser Qaddour, Mr. al-Jundi and Mr. al-Hajri.

Mr. al-Zou'bi welcomed Sheikh Hamad, and stressed the importance of deepening pan-Arab ties and consolidating relations of cooperation in all fields. Mr. al-Zou'bi underlined the steps Syria has so far achieved in the agricultural, industrial, economic and services sectors. Sheikh Hamad expressed the need for achieving practical steps in cooperation between Syria and Qatar, referring to the close fraternal relations existing between the two countries.

Later, Vice-President Abdul Halim Khaddam gave a dinner banquet in honour of Sheikh Hamad Bin Khalifa Al Thani and the accompanying delegation. The Prime Minister, his deputies, Cabinet Ministers, the Qatari Ambassador in Damascus and the Syrian Charge d'Affaires in Qatar attended the banquet.

Earlier, Qatar's Crown Prince and Minister of Defence arrived here on Tuesday on a three-day visit to the country.

In an arrival statement to SANA Sheikh Khalifa said: "It pleases me to visit Syria at the kind invitation of Mr. Khaddam and to convey to President Hafez Assad best wishes of his brother the Emir of Qatar Sheikh Khalifa Bin Hamad al-Thani, together with the esteem and respect of the people of Qatar to the Syrian people who are linked to the Qatari people with fraternal ties and joint sublime national objectives".

"It also pleases me to avail myself of this opportunity to point out, with great respect, the great role Syria plays in support of the just Arab causes and to find out just solutions to provide best means for the overall development of the Arab nation and for better future for its people", he added.

Palestinian child killed by Israeli soldiers

Anti-Israeli resistance continues

OCCUPIED JERUSALEM, (Agencies) — A seven-year-old Palestinian boy, Ahmad Salameh, died as a result of shots fired by Israeli occupation soldiers in Askar refugee camp near Nablus.

Palestinian sources said Salameh was shot in the head intendedly by an Israeli soldier. Salameh was taken to a hospital in Nablus where he died.

News reports from the occupied lands said that a curfew was still being imposed on Tul-karm refugee camp for the 6th day running.

Palestinian sources said that the occupation troops carried

out large-scale campaigns of arrests involving over 700 Palestinian people after the notorious massacre of "black Sunday" May 20, when an Israeli soldier killed in cold-blood eight Palestinian day-labourers.

Meanwhile, a general strike was staged on Tuesday in the occupied West Bank and the Gaza Strip to mark the 23rd anniversary of the June 5, 1967 Israeli aggression and the 8th anniversary of Israel's invasion of Lebanon.

News reports from occupied Jerusalem said that Palestinian flags were hoisted in all the occupied territories while

fierce confrontations were still taking place between Palestinian protesters and the occupation troops in the West Bank and Gaza.

The troops intensified their siege of the occupied area and carried out campaigns of mass arrests among the Palestinians.

In another development, an Israeli car was stoned last Monday night along Sha'fat road near Jerusalem. One passenger was injured as a result of the stone-throwing act. Radio Israel said that several Israeli cars were stoned along the road leading to Jerusalem.

Syrian forces implement security plan

Support voiced for Lebanese legitimacy

BEIRUT, (SANA) — The Syrian forces here on Tuesday continued carrying out security measures in several suburbs in West Beirut and its southern suburb.

These measures, which aim at preventing gunmen to appear in the streets with their weapons have been met with great satisfaction by the Lebanese people who praised the role maintained by the Syrian forces in providing stability in places where they are stationed.

On the other hand, Lebanon's President Elias Hrawi and the Prime Minister Dr.

Salim al-Hoss on Tuesday received the two Lebanese Ministers George Sa'adeh and Michael Sasin who have decided to join the Lebanese government.

In Taif, the Ministerial Council of the Gulf Cooperation Council stressed continued support to the Lebanese legitimate authority. The Council pointed out that the Taif Accord is the suitable framework to preserve the interests of all the Lebanese people and the only way to eliminate violence in Lebanon.

GNA said that the Council

issued a statement on Tuesday at the conclusion of its work, urging the three-man Arab Committee on Lebanon to continue exerting more efforts in order to restore Lebanon's unity and independence.

The Council moreover, condemned Israel's inhuman policy which aims at liquidating the rights of the Palestinian people to self-determination and the establishment of their own independent state. It expressed deep regret over the US veto on delegating a fact-finding mission and in providing needed protection for the Palestinian people in the occupied lands.

Qibli in Damascus

Syria shoulders huge responsibility in confronting enemy

DAMASCUS, (SANA) — The Arab League Secretary General Mr. Chazli Qibli arrived in Damascus at 6:30 p.m. yesterday on a visit to Syria.

At Damascus airport, Mr. Chazli was welcomed by the Foreign Minister Mr. Farouk al-Shara', Deputy Director of the Protocol at the Foreign Ministry and the General Commissioner of the Bureau of Boycotting Israel in Damascus.

In a statement he made to a SANA correspondent, Mr. Qibli said: "I am glad to be in Damascus following my recent visit I had paid prior to convening the Baghdad Arab summit. It is natural for me to return to Syria following the conclusion of the summit's deliberations to discuss the pan-Arab causes which were debated at the summit confer-

ence and the decisions adopted regarding them. Certainly, when the matter relates to the Arab national security, light should be cast on Syria which plays a prominent role in confronting security challenges".

Due to her geographic posi-

tion, Mr. Chazli added, and to her solid pan-Arab principles

upon the directives of President Hafez Assad, Syria shoulders a huge responsibility in the Arab Israeli confrontation arena.

Lebanese patriots attack two enemy positions

BEIRUT, (SANA) — Lebanese national resistance men at dawn yesterday attacked two positions of the Israeli occupation troops and their lackeys in the areas of Beit Yahoun and Bara'sheet in South Lebanon.

A statement issued by the Lebanese National Resistance Front said that an enemy military position in Beit Yahoun and a 500-mm calibre

machine-gun battery in Bara'sheet were destroyed while several Israeli soldiers were killed or wounded as result of the patriots attack.

On the other hand, the Israeli occupation forces arrested two members of the Lebanese Progressive Socialist Party at the crossing of Zambrya between the occupied border line area and the Bekaa plains in South Lebanon.

President congratulates on Sweden National Day

DAMASCUS, (SANA) — President Hafez Assad here on Tuesday sent a cable of congratulations to King Karl Gustav of Sweden on the occasion of Sweden's National Day.

In his cable, the President extended most sincere congratulations and best wishes to King Gustav and to the people of Sweden.

Black Sunday-Ein Qara massacre

U.S. veto last straw breaking peace efforts

On May 20, 1990, an Israeli soldier with official uniform intercepted a group of Palestinian workers at «Souk al-Aabed» in Ein Qara village, close to Tel Aviv and ordered them to stand with their faces against the wall; then, the soldier, in cold blood, opened fire from his US-made machine gun, killing eight of them and wounding 16 others. Security experts revealed that the soldier fired 100 bullets against the workers. Later on, some 850 Arabs were wounded by Israeli soldiers during the outburst which followed the «black Sunday» massacre.

Meanwhile, the world community received the news of the massacre as if they were normal daily news without even caring to issue a statement condemning the Israeli massacre. The US President George Bush said after hearing the news of the killing of eight Palestinians that he was troubled by the increase of violence between the Israeli soldiers and the Palestinians. Bush said «I have called on both sides for restraint. I am worried about the situation». This was Bush's reaction to the Israeli killing of eight Palestinian workers by one single Israeli soldier. But when a group of Palestinian Fedayeen tried to attack Israeli military targets to avenge the mass murder of the

eight Arab workers, Bush was very angry on hearing the news and he immediately condemned the Fedayeen raid and threatened to break dialogue with the PLO if it does not condemn the Fedayeen raid.

Nevertheless, the French Secretary of State for Humanitarian Aid Bernard Kouchner toured the occupied territories following Black Sunday and described the situation as tragic and sad. Kouchner said «It was for us that sort of tragedy and sadness, of that wall completely closed and the Arab people behind it». When he described Israeli army a curfew clamped on Gaza since the May 20 massacre. «We felt that behind the closed walls that people there were waiting, of course may be waiting for the end of the curfew, but also waiting for peace» Kouchner commented. He declared publicly that France had offered to send medical specialists and aid to the occupied territories. «We offered the traditional offer, humanitarian help, but of course, the best humanitarian help is peace», Kouchner said. Of course the Israeli officials were not happy neither with the visit nor with what Kouchner had spoken out, therefore, they claimed that the visit had nothing to do with the government.

Consequently, the Palesti-

nian nationalist leaders have started to press for international protection for the Arabs in the occupied territories following Black Sunday. Thus, the UN Security Council was called upon to convene and to discuss the issue of arranging for this protection. On May 25, the Council convened in Geneva to give PLO chairman the chance to participate in the meeting. During the discussions, international protection for the 1.75 million Palestinians in the occupied territories was pressed for. But the reatest and most shocking surprise to the Arabs and to the rest of the world was when the USA voted the Security Council draft decision to search for ways to protect the Arabs under the Israeli occupation.

Following the US veto, local Palestinians described the US veto as the last straw after what they called months of futile talks with the US diplomats. The Arab nationalist leaders in the occupied Arab territories, who represent a key group for any Israeli-Palestinian negotiations, broke off all official contacts with the US government last Friday (June). Meantime, Washington is considering ending the meetings in Tunis with the PLO officials because of the recent fedayeen attack against Israeli military targets. «All the meetings with the Consulate

amounted to zero». Leading nationalist Faisal Hussein commented. «Our voice did not reach them, they did not understand the message. It was like a dialogue with deaf people». Hussein said commenting on the Palestinian decision to break all contacts with the US government, Hussein said: «It is not good to break contacts with anybody, but it was the least we could do considering that contact and no contact are the same».

As a matter of fact, the USA was the only country among 15 members in the Security Council, which opposed the draft resolution for international protection of the Arabs in the occupied territories.

Commenting on these recent Arab manoeuvres, the Israeli prime Minister, Yitzhak Shamir said UN observers would not be allowed in the Israeli occupied territories. He added that Israel will even prevent a visit from the UN Secretary General. «I do not have to conduct negotiations of this sort with the United Nations» Shamir said. «Our position is clear. We think that if is superfluous and detrimental to send observers of any sort here, even for a short period», Shamir stressed.

In fact, the Black Sunday

massacre if only one among hundreds of other Israeli massacres against the Arabs; and Israel will continue to commit mass genocide against the Arabs, so long the Arabs continue to remain divided. Once the Arabs are convinced that their marginal differences are trivial and do not equal the smallest portion of the hostility and hatred Israel has for them, they would immediately put an end to such differences.

Actually, the «black Sunday» massacre was not the first one and won't be the last. Israel will continue to kill as many Palestinians as possible, so as to make further space for the new Jewish newcomers.

The killing of the Arabs, is indeed, in Zionist ideology, otherwise, the Palestinians would outnumber the Israelis within few years.

The Arabs are aware of these facts, but they are too occupied with their problems and differences which are usually created for them by foreign help, with the aim of keeping them busy and to divert their attention from the Israeli threat. Therefore, Israel is killing Arabs, occupying their lands and stealing their resources without being stopped and without being afraid of any Arab country.

H. Boukhari



Gonzalez retains WBC flyweight title

LOS ANGELES, (Reuter) — Mexico's Humberto Gonzalez easily retained his World Boxing Council light flyweight title when he stopped number-one contender Luis Monzote of the United States early in the third round of a scheduled 12 round bout after two knockdowns.

The hard-hitting Gonzalez

knocked Monzote to the canvas for the first time just 20 seconds into the third round with a powerful left hook to the head.

The challenger got to his feet quickly but 15 seconds later crashing left hook that sent him back to the mat.

After the second knockdown Monzote was back on his feet and in trouble again.

Moments later, the 24-year-old champion caught Monzote against the ropes and hit him with a series of savage, unanswered combinations to the head.

Referee James Jen Kin of the United States stopped the fight at 54 seconds of the third round when it clear Monzote was unable to defend himself against the attack.

«The man definitely hits hard», Monzote admitted after the fight.

Gonzalez, fighting at 107-3/4 pounds (49 kg), was in charge of the fight from the opening bell. He rocked the 107-pound (48.6 kg) challenger with hard lefts to the head in both the first and second rounds.

Graf reaches French Open semifinals

PARIS, (Reuter) — World number one Steffi Graf made light work of Conchita Martinez of Spain on Tuesday, beating her 6-1 6-3 to reach the semifinals of the French Open Tennis Tournament.

Graf suffered a slight hiccup at the start of the second set, going 3-0 down before waking up to win next six games and a last-four place in Paris for the fourth successive year.

The top-seeded West German, who celebrates her 21st birthday later this month, did not need to raise her game against the ninth-seeded Martinez, who admitted being very nervous in the first set of the center court match.

But the 18-year-old said after the game she thought the myth surrounding Graf was gradually being eroded by a new generation of younger players.

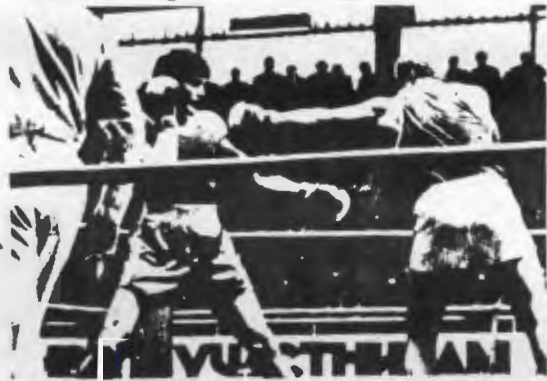
«People are starting to get better results against Steffi so it's not so frightening to go out on the court against her», she said.

Graf raced through the first set in 24 minutes as Martinez repeatedly failed to reach relatively simple shots fired by the West German.

There was a whiff of an upset when the Spaniard broke Graf's service, a piece of audacity that appeared to sting the number one seed into action.

Graf said she had recovered completely from a mystery allergy that affected her sinus during the first week, and was feeling on top form for the last few days of the tournament.

Graf has a 25-1 victory record this year, her only defeat coming against 16-year-old Yugoslav Monica Seles. But she is still hot favourite, having won nine of the last 11 Grand Slam singles events.



SYRIA TIMES

Once again, American
credibility in the
M.E.

American President George Bush has not added anything new to the vocabulary of U.S. policy on the Palestine question and the Arab-Israeli conflict when he said to pressmen at the conclusion of the American-Soviet Summit in Washington that American policy was clear and never changed concerning the establishment of Israeli settlements in the occupied Arab territories, and added that American policy in this regard was based on objecting to the building up of any settlement outside the 1967 borders...

If this already declared policy and stand which we always hear and which have been repeated by a good number of American officials, is actually the official U.S. policy, then one can say that in view of what is taking place in occupied Palestine, and especially in the Arab territories occupied in 1967 regarding colonisation and expelling, makes such an American stance a mere verbal declaration, void of practical power that could have some influence on Israel's aggressive and expansionist policy which is being forcefully driven to fill up the occupied Arab territories with Israeli settlements and new settlers, particularly with regard to the present influx of Soviet Jews, an issue which has been blessed and defended by the United States, and for which the United States has provided the necessary finance!

What is indeed strange about the whole matter is that this old-new American stand appears to the entire world, especially after repeating it, to be a deaf stand that is oblivious of the naked and flagrant truth which shows that what the United States has been objecting to in the occupied territories is appearing, and continues to be so, year after year, and with American funds and grants. As a matter of fact, this American stand appears to be extremely contradictory and paradoxical, especially when the Americans say that they are not concerned with the method by which the Israeli government spends U.S. aid and grants. The Americans consider this an internal matter in Israel and that all the American administration could do is to continue pouring into Israel more money, and also to continue using the veto right at the U.N. Security Council everytime there appears to be an international unanimity on condemning Israel for its oppressive practices in the occupied Arab territories!

In a nutshell, how could the United States of America be objecting to such a dangerous and grave matter with regard to Israeli policy of building up settlements in the occupied Arab territories, and, at the same time, be the financier of this expansionist and aggressive scheme! How could we believe in such a stand, or this Bush statement which adds nothing to the already discredited American credibility in the Middle East.

Syria Times

Bringing the diehards to heel

When the rulers of Israel conquered the remainder of Palestine in 1967, they did that with full United States backing. France and Britain, Israel's allies in 1956 invasion of Egypt and traditional rivals of the United States, had effectively been expelled from the region. In 1967, Israel made a wiser choice of allies, performing a service for the United States itself, so the Israel lobby was influential, lining up with US power. In 1956, in contrast, its influence was slight. It would be a serious misunderstanding of the United States socio-political system to believe that this might not happen. One case in point was the wavering and vacillation of the United States at the Security Council during the past two weeks: it was first the US that had consistently stood in favour of sending a UN mission to investigate the conditions in the occupied territories only to go back on its own proposition and veto it following two weeks of intense Arab diplomacy to find a resolution acceptable to Washington. Speaking after the vote, all US Ambassador Thomas Pickering found to say was that his government could not accept such a mission because there was little hope for an early implementation and that it would provoke controversy and do little to the Middle East peace process.

Do little to the peace process? What peace process? It simply does not exist. The Arab delegates made a mistake by allowing their hopes that with US-Israeli relations deteriorating the United States would agree to a higher profile Security Council delegation envisaged by the proposed resolution. If the mere notion of sending a UN team just to investigate the conditions in the occupied territories and recommend ways of safeguarding unarmed men, women and children from a brutal occupying power deserves a veto from the US, how long shall we have to wait for an independent Palestinian state according to UN Resolution 181, which, by the way, is the same resolutions that had sanctioned the implanting of Israel in our midst? Given this, the Arabs would be advised not to waste their time and count on the United States for help, at least in response to the leadership of the Palestinian Uprising who in angry protest decided against any contacts from now on with the US administration.

Backed by the High and Mighty United States, the rulers of Israel bragged that the status quo could last as long as they wanted it to. The Intifada is perhaps the most convincing refutation ever of that time-honoured complacent dogma. Two and a half years on, the Intifada shows no signs of abating. It is a cliché to

say that it has become a way of life, and that the stone-throwing is only the public propaganda face of a whole political, social, economic and psychological transformation of the Palestinian people's own perestroika which both sustains the intifada and lays the groundwork for the eventual transition to statehood. It is deemed unthinkable that it should stop. Too much hope, too much sacrifice, has been invested in it.

Two and a half years on, the Intifada's aim, the two-state solution, remains «moderate», given that over ninety percent of the Jewish population are illegal immigrants, and, by and large, so do the Intifada's non-armed methods. The PLO leadership sticks doggedly to the infinitely tortuous «peace process», never saying «no» to the United States, even though it is obvious to them that what the Israelis want is something unique in the history of all peace negotiations in the world: both to set their agenda and appoint the representatives of the other side.

The basic trouble is that the Palestinian people's historic espousal of «moderation» has not won its indispensable and commensurate response from Israel. Polarisation in Israel there certainly is, but if one applies the same broad definition of «moderate» and «extremist» to the Israelis as one does to the Palestinians, one cannot but conclude that precisely the reverse situation prevails among them: the «moderates» are a small minority, while into the category of «extremists» falls that whole band of opinion ranging from the tougher section of the Labour Party, through the Likud, to the outright fanatics, nationalist and religious, of the far right.

To a large extent, this is the outcome of a process which has its origins in the Israelis' euphoric intoxication that followed their Nazi-model war of 1967 and made them decide that it would be arroneous to renounce their grand imperial designs. And judging by the public discourse in Israel, the government's negotiating strategy, and the army and settlers day-to-day behaviour in the occupied territories, the Intifada has made many «extremists» more extreme than ever. Thus, there is the growing allure in Israel of apocalyptic solutions. One such solution is what the Israelis call a «transfer», that is the mass expulsion of the remainder of the indigenous population, which is just the kind of project that is calculated to lend the struggle its absolute, «existential» character.

The ordinary, everyday behaviour of army and settlers flows quite naturally from a government and public which hold such views. It

is the ingrained contempt, the impulse, apparently deliberately incuculated, to humiliate, which is perhaps more revealing, more frightening in its ultimate implications, than all

their brutalities. Thus, it is completely «normal» for Israeli soldiers to break into houses and mix food with cement; to leave excrement lying around; to turn the inhabitants out in the middle of the night to clean the streets and sprinkle them with rose water. Israeli settler children shout at bus drivers: «Run them over, they are Arabs. Israeli graffiti on walls say: «We shall eat the Arabs out of tins.»

Those Israelis whom this behaviour most appals have long been likening it to the earlier stages of Nazism, an analogy that found startling vindication with the recent disclosure that some units in the occupied territories draw on Nazi precedents for their own self-image, one calling itself the «Mengele detachment» and another «the Auschwitz company».

In direct confrontation with their enemy, the Palestinians show no fear but act with resourcefulness. They have defied and stalemated one of the world's most redoubtable war machines and have reduced the Israeli presence and its schemes in the West Bank and Gaza Strip to reactive measures, cruel, stupid, and politically bankrupt.

The Intifada is an eruption of history which is compressed into the daily energies of a long-suffering, often forgotten and routinely abused people. It has discredited the notion that the Palestinian issue, or the Palestinians themselves, will simply go away whether through intimidation or neglect.

Well into the third year of the Intifada, it is more than even clear that time is of the essence: how to keep it going long enough at a level which does not yield to any untoward temptations, but still disturbs the outside world enough to get them to bring the Israeli diehards to heel.

In the meantime, it would be a natural extension of the Intifada's dual strategy towards disengagement from Israel and the corresponding process of state-building. It would further naturalise and legitimise the evolving skeletal form of Palestinian independence. It would provide the multitudinous popular committees and activities with a more advanced form of organisation and structure. It would enable better planning and performance. It would maximise civilian tactics of resistance and would proceed with building the state of Palestine block by block without waiting to be given a gift of it through negotiations.

Issam Hussein

Weather forecast

Mild summertime. Winds north-westerly moderate to strong. Min. & max. temps.:
Damascus & south ... 15-31C;
Mountainous areas ... 09-23C;
Mid-land region 14-29C;
Coastal region 19-27C;
Eastern region 14-34C;
Northern region 14-30C;
A' Jazira region 15-31C;

SYRIA TIMES

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Exchange of fire in E. Beirut Husseini: Lebnaon security integral part of Syria's

BEIRUT, (SANA) — Six Lebanese children were seriously wounded on Sunday evening when a bomb exploded at a garbage gathering center in Beirut southern suburb.

KUNA quoted a security source as saying on Monday that the children had been playing in Burj al-Barajneh when they found the bomb which was left over during the battles between Aoun and Geagea.

The bomb, the same source added, exploded as soon as the children tried to hold it.

Meanwhile, news reports in East Beirut said cautious calm prevailed in the axes of fighting between the forces of Aoun and Geagea on Monday morning, following clashes throughout Sunday night. Exchange of fire was reported at the areas of Nab'a, Sin al-Fil, al-Jisr al-Wati, and al-Sayeda neighbourhoods on Sunday night. Clashes continued till Monday morning, the Middle East News Agency reported.

On the other hand, the Speaker of the the Lebanese Parliament, Mr. Hussein al-Husseini, affirmed that Lebanon's security is an integral part of Syria's security and vice versa.

In an interview published

by the Tunisian *al-Bayan* daily on Monday, al-Husseini pointed out that Syria helps Lebanon to restore legitimacy and unity. The presence of the Syrian forces in Lebanon, he added, has become essential to enable us re-build the Lebanese military establishment.

The Egyptian-Syrian rapprochement, he went on, will have positive effects on Lebanon. Moreover, the year 1990, he said, will be the year of resolving the Lebanese crisis. Mr. al-Husseini demanded the intensification of Arab assistance rendered to Lebanon to help it overcome its present dilemma.

Meanwhile, the Secretary General of the People's Nasrerie Organization (PNO), Mr. Mustafa Sa'd, affirmed that the Lebanese problem can not be solved except by an immediate and unconditional withdrawal of Israeli occupation forces from the South.

In a statement to the Kuwaiti *al-Watan* daily published on Monday, Mr. Sa'd asserted that the war taking place in East Beirut has resulted in destruction, economic and financial breakdown, and caused many massacres among the Lebanese civilians.

Gorbachev's statement on Jewish emigration welcomed

TUNIS, (SANA) — The Arab League (AL) has welcomed the statements made by the Soviet President Mikhail Gorbachev during the Washington Summit particularly on the need for convening an international peace conference and the possibility that Moscow would reconsider the subject of allowing for the immigration of the Soviet Jews unless Tel Aviv gives guarantees not to settle them in the occupied Arab lands.

A statement issued yesterday by the AL said that the AL

welcomes the Soviet stand because it goes in harmony with the Geneva Accords of 1949 and also the Soviet Union's reconsideration of the subject of the Jewish immigration.

Meantime, TASS quoted President Gorbachev as saying in the course of his talks with President Bush that the Middle East cause has been thoroughly discussed, stressing that the Soviet Union and the United States are ready to guarantee peace for all conflicting parties in the Middle East.

More condemnation of U.S. veto

MOSCOW, (SANA) — Some political observers consider the U.S. veto recently used at the UN Security Council as an encouragement to

Israeli acts of suppression in the occupied Arab territories, the Soviet daily *Pravda* said on

Monday.

The paper asserted that squads of Jewish armed settlers have recently escalated

acts of aggression in the occupied lands to the extent of shooting at Arab inhabitants.

President congratulates on Seychelles National Day

DAMASCUS, (SANA) — President Hafez Assad here on Monday sent a cable of congratulations to President of the Republic of Seychelles on the occasion of Seychelles National Day.

In his cable, the President extended most sincere congratulations and best wishes to Seychelles' President and people.

Hrawi: Syria supports Lebanon's sovereignty

CAIRO, (SANA) — Lebanese President Elias Hrawi has talked about the Syrian-Lebanese relations, stressing that an open dialogue has been established between Lebanon and Syria.

In a statement he made to the Egyptian daily *al-Akhar* President Hrawi added that this dialogue is based on Syria's support for the Taif Charter which provides, in particular, for redistributing authority in Lebanon followed by withdrawal of the Syrian army to be redeployed in new positions in East Lebanon. He stressed that President Hafez Assad has asserted Syria's respect for Lebanon's independence and for its political system.

President Hrawi, who will pay a state visit to Egypt, said that the Lebanese government will ask Egypt to help Lebanon spread its authority on all Lebanese land.

Syrian security plan in W. Beirut

BEIRUT, (SANA) — The Syrian Arab forces stationed in West Beirut yesterday continued to implement the security measures at al-Mseitbeh district.

A Syrian security source stressed that these measures will be maintained and warned gunmen not to appear in the streets with their weapons otherwise they will be shot at without prior warning.

He emphasized that the security plan is being implemented without any obstacles.

Intifada escalated in occup. land More Palestinians arrested

OCCUPIED ARAB TERRITORIES, (Agencies) — A number of Palestinian protesters were injured on Sunday night and Monday morning during clashes with the Israeli occupation troops.

Palestinian demonstrations were staged to mark the first anniversary of the death of the Palestinian nationalist Omar al-Qasem who died in Israeli jails.

Medical sources at Bethlehem hospital in the occupied West Bank said 11 demonstrators were shot at during clashes with Israeli military patrols.

The sources said that the demonstrations were held to commemorate al-Qasem's death who died in one of Tel Aviv hospitals after spending 21 years in jail.

On the other hand, the body of an Israeli collaborator, Mohammad al-Dirhani, 58, was found on Monday in one of the pastures of Bethlehem.

Two Palestinian youths were wounded on Sunday night during confrontation between the occupation troops and Palestinian youngsters who set on fire the Israeli military patrols in the refugee camps of Rafah and Khan Younis in the occupied Gaza Strip.

Israel Radio said that a curfew was still imposed on Omar al-Mukhtar street in Gaza city for the 6th day running.

The Radio also said that youths of the Uprising on Sunday night set up stone barriers

along the Yufalin-Karmanil road. At least one Israeli car was damaged.

Palestinian sources said that a number of youngmen of Arraba village drew anti-Israeli slogans on the walls of the area.

News reports from the occupied Arab territories stated that the Israeli occupation authorities yesterday arrested 12 youths at Beeth Hanina village to the north of Jerusalem after they had stoned Israeli patrols. Demonstrators in Anbata refugee camp wounded an Israeli soldier following the confrontations which took place there between Arab citizens and Israeli soldiers.

Violent clashes took place in Rafah and Khan Younis refugee camps during which two Palestinians were injured by Israeli bullets.

Israeli occupation authorities yesterday issued a military order providing for preventing the possession of second hand tyres in the occupied territories.

Military sources said that the Israeli forces will carry out a large-scale campaign to confiscate used tyres in houses and shops in the occupied West Bank.

Meantime, a number of Israeli officials yesterday held a meeting to discuss means of putting an end to the phenomenon of burning forests and orchards which has recently spread in cultivated fields.

Americans oppose U.S. aid to Israel

NEW YORK, (SANA) — Hundreds of Americans of Arab, African and Latin American descents last Sunday demonstrated against the Israeli massacres committed against the Palestinian people and called on the American Administration to cease its aid to Israel.

News agencies stated the demonstrators protested against huge money (estimated at USD. 4 billion) annually paid to Israel, which almost accrued from tax money paid by American citizens.

Many Americans oppose the US aids to Israel at a time when there is a dire need for such money to finance education and housing programmes in the United States.

A spokeswoman of the Committee of Solidarity with Palestine said that money

taxes paid by the Americans have been used to kill the Palestinians while American youths face a hopeless future.

On the other hand, the Solidarity Committee today organizes another march of protest expected to gather before the Israeli embassy in Washington. The demonstrators will protest against Israel's continuation of occupying the Arab territories.

A spokesman of the Committee called upon Tel Aviv to put into force the Geneva conventions of 1949 and to stop setting up colonies in the occupied West Bank, Gaza and Jerusalem.

In Occupied Jerusalem (AFP) reported that Israel is currently suffering from serious economic recession and sudden growth of unemployment percentage.

Lebanese photographer killed at peace march

BEIRUT, (Reuters) — Gunmen fatally wounded a cameraman in fighting that erupted at a peace march in Lebanon and rival Christian forces blamed each other for the killing.

The Lebanese Forces (LF) militia said on Monday that troops in plain clothes loyal to General Michel Aoun shot Pierre Shbat, an employee of an LF-run television station, after trying unsuccessfully to abduct him as he filmed Sunday's march.

A spokesman for Aoun said Shbat was hit when 20 LF fighters, taking advantage of the march in no-man's-land to approach Aoun's positions north of Beirut, fired into the crowd. Aoun's troops earlier fired into the air to deter the LF men.

Shbat, part of a Lebanese Broadcasting Corporation

(LBC) crew covering the march in Dbayeh, died later in hospital. He was in his late twenties.

Two other photographers were killed covering inter-Christian fighting in February.

Churchmen, nuns and local politicians led the march in support of an appeal for peace last month by Pope John Paul II. More than 1,080 people have been killed and 3,150 wounded since fighting began in January.

The rivals are reinforcing their positions and civilians fear full-scale fighting will flare again.

Sporadic fighting in the Christian enclave has continued despite the truce. Overnight the two sides exchanged machinegun fire and rocket-propelled grenades in East Beirut.

Shamir to form government next week

OCCUPIED JERUSALEM, (Agencies) — Caretaker Prime Minister Yitzhak Shamir said on Monday he would form a new government next week likely to oppose U.S. proposals for first-ever peace talks with Palestinians.

Unable to revive his fallen "unity government" with the more "dovish" Labour Party, the Likud Party Premier was on the verge of forging a hard-line coalition.

"I don't rule out any option until I present the government to Parliament. For now I am working to form a government based on a majority of between 61 to 65 votes," he told reporters in Tel Aviv.

Shamir, 74, said he would inform President Chaim Herzog by Thursday that he would put his new government to a confidence vote in Parliament early next week.

The 61 to 65 votes in the 120-seat Parliament include far-right parties favouring har-

sher measures to quash a nearly 30-month-old Palestinian uprising and massive Zionist settlement in the Israeli-occupied Arab lands.

Accused of blocking peace, Shamir would shun partners to his right if he could win back Labour.

Many political commentators fear a right-wing government would lead Israel into increasing isolation at a time it needs support in absorbing hundreds of thousands of Jewish immigrants from the Soviet Union.

But Labour toppled the "unity government" in March over Shamir's refusal to accept the U.S. proposals for Israeli-Palestinian talks in Cairo and would rejoin Shamir only if he reconsidered entering the talks.

Avi Pazner, Shamir's media adviser, said there were no negotiations under way with Labour.

"I don't even know if it's practical. I think Shamir

wants to form a narrow government and only afterwards try to broaden it. He will try to do something that is acceptable to everyone," he told Reuters.

Shamir is under intense pressure from hardliners led by Ariel Sharon to form a government without Labour.

Sharon, who led Israel's 1982 invasion of Lebanon and now heads the Likud Party Central Committee, threatened on Sunday to form a rightist government of his own if Shamir failed to do so.

On Monday, Shamir received the public endorsement of the two-seat Moledet (homeland) Party, ensuring him 61-59 majority. The Ultra-Nationalist Party wants a referendum on expelling Arabs from the Israeli-occupied areas.

Moledet Leader Rehavam Zeevi said it would be a sin for the government to enter the proposed Cairo talks.

News in brief:

Kuwait criticises U.S. veto of Security Council resolution

KUWAIT, (Reuters) — Kuwait told the United States on Monday it was dismayed at last week's veto of a Security Council resolution to send U.N. observers to the Israeli-occupied territories.

Saud Mohammed al-Osaimi, Minister of State for Foreign Affairs, told Ambassador Wilson Howell that Washington's veto would encourage Israel to continue its repressive policies, the Kuwaiti News Agency reported.

Libya, Vietnam sign economic agreement

NICOSIA, (Agencies) — Libya and Vietnam on Monday signed an agreement to cooperate in economic and financial fields, the Libyan News Agency Jana reported.

It said Finance Minister Hoang Quy, visiting Libya with President Uo Chi Cong, signed the pact covering trade, agriculture, fishing and mining.

Jana, monitored in Cyprus, said the Vietnamese officials left later on Monday after a three-day visit.

French Foreign Trade Minister meets Omani counterpart

NICOSIA, (Reuters) — French Foreign Trade Minister Jean-Marie Rausch held trade talks on Monday with Omani Commerce Minister Salem Bin Abdullah al-Ghazali.

Ghazali told the Omani News Agency, monitored in Cyprus, that they also discussed several tourist projects in the Sultanate proposed by French companies.

Rausch arrived in Muscat on Sunday from Yemen, where he held similar talks during a three-day visit.

Two Iraqi planes overshoot runway

ISTANBUL, (Reuters) — Two Iraqi passenger planes overshoot after landing at Istanbul's Airport on Monday after rain but only four passengers were slightly injured.

Airport officials said an Iraqi Airways Boeing 707 landed at 9.39 a.m. but slid off the end of the wet runway on to muddy ground. Four of its 155 passengers were slightly injured during evacuation.

About one and a half hours later an Iraqi Airways Boeing 727 with 58 passengers landed on another runway and ran off the end. One of its fuel tanks pierced and fuel leaked, officials said.

Officials said both runways were closed temporarily.

Talks on West Sahara's future threatened with collapse

GENEVA, (Reuters) — A planned meeting of tribal chiefs to discuss the future of war-scarred Western Sahara was threatened with collapse before it got underway on Monday.

Thirty-nine tribal leaders were due to begin three days of talks under U.N. auspices in Geneva ahead of a vote on whether the people of Western Sahara want independence or absorption into Morocco, which rules the former Spanish territory.

There was immediate disagreement on whether the chiefs, living on both sides of heavily fortified defence lines built by Morocco after it annexed four-fifths of the Western Sahara in 1975, should meet separately or together, U.N. sources said.

The Polisario Front, fighting for independence of the phosphate-rich desert territory half the size of France, complained of a heavy Moroccan police presence.

It said in a statement that the 19 tribal chiefs living in the area annexed by Morocco flew to Geneva escorted by numerous Moroccan policemen in civilian clothes.

"They were deployed at Geneva Airport and in hotels, boding poorly for the climate of calm and freedom which must be a primary guarantee for the success of the identification commission," Polisario said.

The talks, chaired by Johannes Manz, U.N. Secretary-General Javier Perez de Cuellar's special representative for the region, are designed to breathe new life into peace efforts.

OPEC trims excess output

LONDON, (Reuters) — Opec has cut back some of the surplus that sent prices down as much as 30 per cent this year but is still pumping far more oil than the market really wants.

A Reuter monthly survey of official, industry and shipping sources completed on Monday estimated output in May was down since April by only 430,000 barrels per day (BPD) to average 23.22 million.

Petroleum Intelligence Weekly (PIW), a New York-based industry newsletter, put it higher at 23.5 million — PIW also had a higher number in April.

A May 3 agreement by the Organisation of the Petroleum Exporting Countries had aimed to cut the total volume of crude produced by its 13 members closer to 22 million BPD to try to get supply more in line with demand.

Prices have declined sharp-

ly in recent weeks, reflecting Opec's inability to resolve disputes over market share to fashion a leak-proof quota agreement.

Cargoes of North Sea Brent blend, the most widely traded crude oil, were on Monday quoted around 15.50 dollars per barrel for prompt loading — down from 23 dollars in January.

According to the Opec President, Sadek Bousenna of Algeria, no independent assessment of the group's production will achieve "photographic accuracy".

But almost all sources agree that while Saudi Arabia has cut sharply, by perhaps 450,000 BPD, to get back beneath its 5.38 million barrel monthly Opec quota there does not yet seem to have been similar action by Kuwait which was also producing way over its limit.

Kuwait's stockmarket may wake from slumber

KUWAIT, (Reuters) — Kuwait's stockmarket, slumbering uneasily for eight years after a predecessor collapsed, may awake this year and take its place as the oldest, most active in the Gulf.

But daily volume at the market is respectably high and the government is preparing several measures this year to reinject life into trading of the 51 companies and eight banks listed.

The bank sector is the most active with about half of all shares traded. Total capitalisation of Kuwaiti stocks is about three billion dinars (\$10 billion). Some non-Kuwaiti stocks are also traded.

Trading over the past year has been sluggish with the Al-Shall Kuwait Company index at 39.36 on May 23, almost unchanged from 37.90 exactly a year ago.

Both the market and the government have never forgotten the crash of the unofficial Souk al-Manakh exchange in 1982, which left 90 billion dollars of debt, led to years of court cases, and brought tight state control of stock trading.

One speculator at the time found his way into the Guinness book of records with debts of 20 billion dollars.

"It will take 20 to 25 years for a full recovery from the crash."

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arab news

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Lebanese deputies launch peace offensive

Christians accept Taif accord

BEIRUT, Oct. 25 (Agencies) -- Lebanon's largest Christian militia and political parties today snubbed army chief Gen. Michel Aoun by supporting a pact to end 14 years of civil war.

The move by the right-wing Lebanese Front further isolated Aoun and his supporters who reject the Arab League peace plan agreed by 62 Muslim and Christian deputies in Taif.

The front urged Lebanese leaders "to treat the Arab and international resolutions with flexibility in order to take advantage of their positive elements and limit their negative effects."

It said in a statement the Taif accord could "end all occupations, stop Syria's exclusive hold on Lebanon's fate and ensure all guarantees for the drive of liberation, reconciliation and peace."

Labor-Likud split deepens

OCCUPIED JERUSALEM, Oct. 25 (Agencies) -- Several Israeli Labor Party legislators defied their leaders by sitting out a no-confidence vote in a show of frustration against the hardline policies of Prime Minister Yitzhak Shamir.

The coalition led by Shamir's Likud Party easily defeated the six motions by Labor and Arab parties by a vote of 34 to 13 with six abstentions yesterday ending a stormy seven-hour session.

But only a handful of Labor's 28 parliamentarians -- excluding cabinet ministers -- heeded appeals by Labor Vice Premier Shimon Peres and Defense Minister Yitzhak Rabin to support the coalition in which the party is junior partner.

Four Labor members sat passively through the electronic tally while the rest "voted with their legs" by leaving the chamber or staying away from parliament altogether.

It was a political victory for dovish Labor faction leader Haim Ramon, who urged party members to send a strong message of disapproval over stalled Middle East peace efforts.

Mounting dissent by Labor coincides with frustration by Washington over Shamir's dogged insistence on changes in U.S. Secretary of State James Baker's five-point plan for Israeli-Palestinian talks.

The deputies opened a diplomatic offensive to bolster support for their plan, which has received wide Western and Arab backing as the best chance to end the war.

Six Christian members of parliament flew to Rome to seek Vatican backing and meet Patriarch Nasrallah Bustros Sfeir, the leader of Lebanon's Christian Maronite community and a supporter of the pact.

A leading deputy, who did not wish to be identified, told Reuters parliament would meet in Beirut to elect a new speaker and head of state by Nov. 7, as called for in the Arab plan.

Acting Speaker Hussein Al-Husseini had earlier suggested the deputies might have to meet outside Beirut because of the threats against them. But the deputy said Hussein would return to the capital soon to prepare for the session.

Meanwhile, the PLO reaffirmed its rejection in Tunis today of the U.S. initiative, despite reports in Cairo that it was still weighing Washington's proposals.

Yasser Abd Rabbo, information officer for the Palestine Liberation Organization, said the PLO "totally rejects" the five-points U.S. formula.

In a statement to Agence France-Presse here, Abd Rabbo said the PLO "had nothing to do with the Baker plan," which would reportedly allow Israel to approve the composition of any Palestinian delegation in an eventual dialogue.

The organization's second in command, Salah Khalaf, also said today that PLO Chairman Yasser Arafat -- who met Egyptian President Hosni Mubarak in Cairo on Monday and yesterday -- had insisted that the PLO select Palestinian representatives.

An Egyptian spokesman said Monday after the Mubarak-Arafat talks that the PLO had not in fact rejected the Baker proposals, despite a statement to that effect at its recent central council meeting, and had instead sought clarifications from Washington.

The U.S. ambassador in Cairo, Frank Wisner, said that Egyptian officials had provided him with several questions from the PLO on the Baker formula.

The Lebanese Front's statement was the latest in a series of setbacks to Aoun's cause since he was forced to agree to the Arab League peace initiative last month.

Asked by reporters if the statement split east Beirut, National Liberal Party leader Danny Chamoun said: "We are keen that there will be no division and we don't accept any."

The front includes the NLP, the Phalangist Party and the Lebanese Forces, Lebanon's largest Christian militia.

The LF, led by Samir Geagea, handed control of much of Lebanon's Christian enclave to Aoun's 15,000 mostly Christian troops after battles between the two forces last February.

The front publicly backed the 'war of liberation' launched by Aoun in March to expel Syrian troops from Lebanon but the LF let the army do most of the fighting in the following six months of some of the worst shelling in 14 years of civil war.

Diplomatic sources estimated LF strength at about 10,000 fighters and several thousand support personnel and said it was almost as strong as Aoun's army of 15,000.

Meanwhile, Farouk Abillama, a senior aide to Aoun, and veteran Christian MP Raymond Eddé presented themselves today as candidates for the Lebanese presidency.

Abillama, 55-year old general secretary of the Lebanese Foreign Ministry, said after meeting Gen. Aoun here that he "was more than ever" a candidate for the post, which has remained vacant for the past 13 months.

Speaking to the press, the U.S.-educated lawyer and one-time ambassador to France praised Gen. Aoun but said the Lebanese parliament's endorsement of an Arab peace plan was "an important step."

Eddé, 76, put forward his candidacy from Paris, where he has been based since fleeing Lebanon after attempts on his life in 1976.

Gen. Aoun was quoted today as saying he would guarantee the safety of Lebanese parliamentarians if they meet in Beirut in two weeks to confirm political reforms and hold presidential elections.

Aoun invited the parliamentarians to return to Beirut in an interview published in the daily French Le Figaro.

"I invite them to debate publicly among themselves and with jurists and journalists. I put all my means at their disposal... if they are convincing, perhaps we will all agree," Aoun added.



RUMMAGING THROUGH RUINS: Residents of suburban Pasay rummage through the ruins of their homes Wednesday after fire swept through their neighborhood. Two people were killed in the blaze.

Army out in riot-hit Bihar

NEW DELHI, Oct. 25 (Agencies) -- The army was called out in the eastern Indian state of Bihar after widespread Hindu-Muslim violence since the weekend left at least 21 people dead, news reports said today.

An indefinite curfew continued in Bhagalpur in Bihar, where four people were killed and 38, including 18 policemen, were injured yesterday after Hindus and Muslims clashed, the reports said.

of Bihar's major towns, when nearly 3,000 people tried to block a religious procession of another community, sparking off pitched battles.

The crowds also stoned policemen who intervened, injuring 18 of them, forcing the Bhagalpur administration to clamp an indefinite curfew.

PTI did not say how the four people died in

Benazir on shaky wicket as aide quits

ISLAMABAD, Oct. 25 (Agencies) -- A junior minister deserted Prime Minister Benazir Bhutto today, increasing the threat posed to her government by an upcoming no-confidence motion in the National Assembly.

Minister of State for Labor Tariq Magsi announced at a press conference that he had resigned his office and would support the opposition's motion.

Benazir's secretariat however said he had been dismissed for demanding a price for supporting the government in the vote on the motion expected by the end of the week.

Magsi however did not resign from the ruling Pakistan People's Party. He said he would try to win over party colleagues to the move against Benazir.

The opposition needs 119 votes in the 237-member National Assembly to bring down the government.

Opposition leader Nawaz Sharif, present at the press conference, challenged the 36-year-old prime minister to present 119 supporters in the assembly and he would withdraw the motion.

Earlier today Benazir dismissed the opposition's claim of a revolt in her Pakistan People's Party.

"There is absolutely no revolt in the party," she said at the ground-breaking ceremony for a new Supreme Court building.

National Assembly Speaker Malik Mairaj Khalid has fixed tomorrow for debate on the admissibility of the motion in what was seen as the biggest challenge to her government.

The speaker has received notice signed by 86 opposition MPs calling for the no confidence vote.

Press reports said the dramatic move has already led to horse trading within the opposition, which says it has won support of independents and other Benazir allies including some 20 "PPP dissidents," raising opposition strength to 129.

Diplomats here were cautious in predicting the outcome of the motion. But analysts agreed that it would be a tough fight. Some said Benazir might survive it, but with a reduced majority.

Prince Saud's crucial efforts commended

Lebanon pact highlights Kingdom's peace role

JEDDAH, Oct. 24 (DPA) -- When 62 Lebanese MPs on Sunday approved an Arab League-sponsored charter to end 14 years of war in the country, Saudi Arabia for the first time clearly emerged as a peace broker and regional power.

The charter was formulated by the league's committee on Lebanon, which comprises the leaders of Saudi Arabia, Morocco and Algeria -- with Saudi Arabia in the lead.

Foreign Minister Saud Al-Faisal's role was crucial in achieving a breakthrough in the three-week talks between the MPs in Taif.

During a surprise visit to Damascus last week he mediated a compromise which satisfied the Christian deputies demanding guarantees that Syrian troops will eventually pull out of Lebanon.

The minister opened the Taif conference on Sept. 30 and conferred almost daily for many hours with various factions to help bridge differences, thus gaining their confidence and respect.

MP Saeb Salam described Prince Saud's work as "a glorious task," while others said in private that he deserved the Nobel Peace Prize.

"With hard work and patience all MPs were convinced by Prince Saud that they had no other choice but to compromise and accept the charter almost unchanged," a conference source said.

Observers in Jeddah pointed to the Arab-style hospitality granted to the MPs and more than 100 journalists by the Saudi government.

The MPs stayed in the Taif Conference Palace. The media were housed in a nearby five-star hotel, where a press center was established.

SPA adds: Hussein Al-Husseini, speaker of the Lebanese parliament, has expressed appreciation over the efforts exerted by the Arab tripartite committee and Custodian of the Two Holy Mosques King Fahd to ensure success of the meeting of Lebanese parliamentarians in Taif.

In a statement to the Saudi Television last night, Hussein underlined the importance of liberation of south Lebanon from the Israeli occupation and implementation of the resolution 425 adopted by the U.N. Security Council.

He stressed the significance of the national reconciliation and political reforms as well as establishment of the Syrian-Lebanese relations on a permanent basis.

Former Lebanese Prime Minister Saeb Salam



highlighted the positive outcome of the Taif meeting. "The national agreement made under the patronage of the supreme tripartite committee will pave the way for a unified Lebanon," he told the television.

Salam noted the great efforts exerted by Prince Saud to ensure the success of this important gathering of the Lebanese parliamentarians.

He affirmed that the United States, the Soviet Union, France and the Vatican had supported the tripartite committee.

Meanwhile, a number of eminent Lebanese personalities expressed appreciation over the efforts exerted by the Kingdom and the tripartite committee to settle the Lebanese problem. They also praised the efforts exerted by Prince Saud as well as the other concerned officials to ensure the success of Taif meeting.

They reiterated that the approved charter would pave the way for restoration of peace, stability and security in Lebanon.

They included Dr. George Saada, the leader of the Phalangist Party, Edmon Rizk, Khatchik

Bakkian, Rafiq Shaheen, Tawfiq Assaf, Ahmad Asbar and Amin Al-Hafez.

Chadli Klibi, secretary-general of the Arab League, termed the agreement reached by the Lebanese parliamentarians as a great historical achievement.

The constant follow-up of the Taif meetings by

Bangladesh encourages investment

By Javid Hassan
Arab News Staff

RIYADH, Oct. 24 -- The setting up of the Investment Board and the package of incentives being offered to the investors in Bangladesh have received a good response. Several applications are being processed for possible investment in small and medium-scale industries, engineering goods and the manufacture of computer accessories, Bangladesh Deputy Prime Minister Shah Moazzem Hossain told a news conference here today.

Hossain arrived here yesterday from a three state visit covering the United States, Canada and the United Kingdom for studying the problems of Bangladeshi expatriates. From Riyadh he will leave for Jeddah and onward to Makkah and Madinah for performing Umrah and visiting the Prophet's Mosque. He will also utilize the opportunity to acquaint himself with the labor problems of Bangladesh nationals.

The news conference, held at the Conference Palace, was attended by Bangladesh Ambassador Maj. Gen. Quazi Golam Dasgiri.

The Bangladesh deputy prime minister urged his fellow nationals in the Kingdom to come forward with investment proposals in the industrial field. He assured them that the investment climate in Bangla-

desh had improved with the setting up of the Investment Board and investment proposals are now being processed within three to six months at the utmost as against in the past when it took one or two years or even more.

Referring to the other measures taken in this behalf, Hossain said investments in industries up to \$3.3 million (Tk. 100 million) do not require any permission, except in limited cases. All such investments are secured by law with full repatriation of capital and profit. Tax holiday is also available, ranging from five years for developed areas and seven years for less developed areas, to nine years for least developed areas and 12 years for the special economic zone. The import duty has also slashed from 20 percent on capital machinery for industries in developed areas to 7.5 percent and 2.5 percent for the least developed areas and the Special Economic Zone respectively. Above all, the cost of labor is low, he said.

Hossain, whose portfolio includes labor and manpower development, said the future thrust of manpower supply to the Kingdom will be in the direction of skilled personnel. With eight technical institutes and a high standard of education in the engineering and medical disciplines, he said Bangladesh can fill the bill for the supply of skilled manpower.

BRITIS

Contribution to PLO
RIYADH, Oct. 24 (SPA) -- Director of the department of Palestine affairs at the Foreign Ministry Prince Saud ibn Abdullah Ibn Abdul Rahman delivered today a check of \$6.02 million to Palestine Ambassador to the Kingdom Rafiq Al-Natsha. The check constitutes the ninth installment for the support extended by the Kingdom to the Palestinian intifada (uprising).

Neffati in Madinah
MADINAH, Oct. 24 (SPA) -- Tunisian Interior Minister Chadli Neffati visited here last night the Prophet's Mosque.

Registers for women
RIYADH, Oct. 24 -- The Department of Registers in the Ministry of Commerce has resumed issuing new commercial registers to women after a six-month stoppage during which an integrated study had been conducted regarding this matter. Muhsin Al-Saikh, director general of registers department in the ministry, told *Al-Jazirah* daily. He added that as a result of this study the ministry has stipulated that the applicant must have an authorized Saudi agent who is not a government employee and who is ready to give a financial guarantee. Al-Saikh pointed out that the number of Saudi women seeking commercial registers is increasing.

Diseased repatriated
DAMMAM, Oct. 24 -- A total of 128 incoming persons who underwent medical checkup at the Chest Hospital here have been repatriated, as they were found suffering from contagious diseases, according to Abdul Aziz Al-Kharashi, director of the hospital. The health fitness committee at the hospital also diagnosed various diseases in 2,558 incoming employees. These

cases were treated, he said, according to a report in *Al-Yaum* Arabic daily.

Driving license size
JEDDAH, Oct. 24 -- A study on reducing the size of private driving license has been completed and presented to the department concerned for approval, Maj. Gen. Abdul Qader Kamal, director general of traffic, told *Okaz*.

Ghazal performance
JEDDAH, Oct. 24 -- Talat Mahmood, one of the most famous Urdu ghazal singers of the Indian subcontinent, will present two performances at the Marriott Hotel here at 8:30 p.m. on Nov. 2 and 3. This is the first time that Mahmood will recite ghazals in the Middle East.

Horse race awards
JEDDAH, Oct. 24 -- Jeddah Equestrian Club held its second horse-race for the season, with Riyad Bank contributing the trophy in the shape of a golden horse and a check for SR20,000, over the weekend. The Riyad Bank awards were for 1,200, 1,400 and 1,600-meter race winners. At the end of the race, Abdul Majeed A. Saiedi, assistant general manager, Riyad Bank Public Relations Division, distributed the prizes in the presence of Muhammad Saad Waqas, western regional manager of the bank.

Jeddah Mile contest
JEDDAH, Oct. 24 -- The Malaysian Airlines-sponsored Jeddah Mile takes place on Oct. 27 at the Haj Terminal course. The first event is a 800-meter children's fun run at 5 p.m. followed by special category mile races from junior to elite runners. T-shirts will be presented to the first 100 runners to register plus medals for the category winners. There will also be a draw of prizes at the end of the proceedings.

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Fajr (Dawn)	5:01	5:03	4:35	4:22	4:48	5:17
Dhuhr (Noon)	12:05	12:06	11:37	11:24	11:54	12:18
Asr (Afternoon)	3:22	3:21	2:53	2:38	3:14	3:30
Maghrib (Sunset)	5:50	5:48	5:19	5:04	5:43	5:56
Isha (Night)	7:20	7:18	6:49	6:34	7:13	7:26

SONY

Kuwait to spurn kidnappers' demands

KUWAIT, Oct. 25 (R) -- Kuwait is unlikely to bend to demands by a Lebanese group holding two American hostages that it should free 15 jailed terrorists, diplomats said today.

"I would be astonished if Kuwait made any changes in its policy," a Western diplomat said. "They are very firm on that count."

The pro-Iranian Jihad said in a typewritten statement delivered to an international news agency in Beirut yesterday that it would not release two Americans it seized four years ago unless Kuwait released the 15 Shiites.

"There will be no solution to this issue if these demands are not met," said the four-page statement in Arabic accompanied by a photograph of hostage Terry Anderson. The group also says it is holding Thomas Sutherland, dean of agriculture at the American University of Beirut.

The 15 jailed Shiites are among 17 people convicted of involvement in 1983 blasts in

Kuwait that tore through the French and U.S. embassies, the international airport and government installations, killing 10 people and wounding 86.

They were given sentences ranging from five years to death, but the executions were never carried out and two of the prisoners were released last year after finishing their terms.

"In the beginning, when the hostages were first seized, they were linked very closely to the Kuwaiti prisoners," said the diplomat. "They are now only reaffirming this."

In the last few years extremists trying to gain release of the prisoners have launched a series of attacks on Kuwaiti interests, including the hijacking of Kuwaiti airliner to Iran, Cyprus and Algeria in 1988 and an earlier hijacking to Tehran in which two American passengers were killed.

Kuwait has steadfastly refused to bow to their demands.

OCTOBER 26, 1989

arab news Middle East

Iraq celebrates rebirth of war-ruined town

BAGHDAD, Oct. 25 (Agencies) -- Arab leaders and millions of Iraqis celebrated the rebirth today of a war-blitzed southern oil town dubbed the gate to victory during Iraq's war against Iran.

In a speech to the nation President Saddam Hussein hailed the rebirth of Faw, "The town of sacrifice and gate to the great victory," which fell to Iran in February 1986 and was retaken by Iraqi troops in April last year.

"The same way they sacrificed their blood to liberate Faw, our honest people sacrificed money... to rebuild the town," Saddam said.

Egyptian President Hosni Mubarak and Palestine Liberation Organization Chairman Yasser Arafat were among Arab leaders in Baghdad, where tens of thousands of people thronged grand festival square.

Baghdad's streets were lined with brightly colored Arab flags and huge portraits of Saddam Hussein.

An Arab diplomat said the main celebrations were in Baghdad as Faw was felt too dangerous for dignitaries to visit.

The Iraqi and Iranian armies still face each

other across the disputed Shatt Al-Arab waterway near Faw, more than a year after a U.N. cease-fire stilled the Gulf war guns.

"Faw is a bullet-range from the Iranian troops across the Shatt Al-Arab waterway," said the diplomat.

The recapture of Faw by Iraq has been described as the turning point in the eight-year-long Gulf war.

During a 114-day construction program buildings, roads and sewers were rebuilt in a town that at the end of the conflict was a shell-blackened ruin. Officials have said Faw is ready to receive more than 20,000 inhabitants.

Over 70,000 square meters of roads have been built or asphalted and 100 kms of drinking-water pipes laid in the town, official figures show.

More than 170,000 Iraqis and Iranians were believed killed around the town in some of the worst fighting of the war.

Before the conflict Faw was an important terminal for oil pipelines going to the Gulf some 20 kms to the south.

Saddam Hussein thanked other Arab states for helping the rebuilding.

Millions of Iraqis gathered in towns and villages around the country to join the celebrations.

North Yemen President Ali Abdullah Saleh and Jordan's King Hussein were among Arab leaders expected in Baghdad.

Iraq, Egypt, North Yemen and Jordan are members of the Arab Cooperation Council, an economic grouping.

Iraq, which has spent \$3.2 billion rebuilding Faw and the port of Basra, says the work shows it wants lasting peace with Iran. Talks since the cease-fire have stalled because the two sides cannot agree on what issues should be tackled first.

Saddam said Iraqis rebuilt the town on their own, without foreign help.

"We used our potential without going from door to door asking for help from international organization or from the big countries," he said.

Schools and most government departments were closed as students lined the main highway from the airport to downtown Baghdad, waving pictures of the arriving Arab leaders and flags of their countries.

Trucks and buses full of cheering youths toured the city decked with pictures of a smiling Saddam in traditional bedouin dress.

Trying to Patch The AWACS Deal

The round robin of meetings last week stretched from the White House to Capitol Hill. The cast included President Reagan, national-security adviser Richard Allen, Saudi Arabian Prince Bandar bin Sultan, Israeli Ambassador Ephraim Evron and Senators Howard Baker, John Glenn, John Tower and Paul Laxalt. At issue was a possible compromise on Reagan's embattled proposal to sell five AWACS radar planes to Saudi Arabia. But when the negotiations were over, the Saudi position was unchanged: Riyadh would accept only an outright sale with no major strings attached.

The proposed compromise, involving some form of joint American-Saudi control of the jets, was designed to stave off the growing prospect that the Senate would scuttle the AWACS sale. Glenn, whose support for the sale could prove pivotal, had suggested that both American and Saudi crews man the sensitive aircraft. The Reagan Administration had reluctantly mulled a slightly different scheme—Saudi crews flying the AWACS and Americans staffing ground stations—hoping to ease Senate fears that the AWACS would pose a threat to Israel. The House is virtually certain to reject the deal in its present form, and as of last week, 63 Senators had lined up or were leaning against the outright sale. Rejection in both houses is necessary to stop the sale.

The week's negotiations brought Bandar, the 33-year-old son of the Saudi Defense Minister, into the political spotlight. As the Saudis' chief lobbyist on AWACS, Bandar has dazzled senators with his grace, wit and charm. "He can disagree very agreeably," says one Senate aide. He has forged close social ties with Administration officials and regularly plays squash with Joint Chiefs of

NEWSWEEK/OCTOBER 5, 1981

Staff chairman David C. Jones. Commander of a Royal Air Force squadron at home, Bandar trained as a pilot in Texas and Alabama, studied at Johns Hopkins University and got his initial lobbying experience by helping to engineer the sale of 60 F-15s to the Saudis in 1978. Seemingly at ease in expensive Western garb or an Arab bur-noose, Bandar "is caught between two centuries and is at home in each," says one American admirer. He has struck up a special affinity with former pilot Glenn; the two even "dogfight" with their hands when they meet, like old pilot buddies.

Bandar's charms have yet to win over any Senate votes. The Prince is not empowered to negotiate beyond certain limits that protect Saudi sovereignty, sources say. It was increasingly apparent, however, that without some American control, the AWACS deal would die on the Senate floor. Recognizing the difficulty, the Administration was still hoping to persuade the Saudis to compromise—and there was even some talk of sending a high-level delegation to Riyadh to make the case directly.

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Arab news

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Fahd pledges to stand by Lebanon

Terms accord a singular achievement

JEDDAH, Oct. 24 (SPA) -- Custodian of the Two Holy Mosques King Fahd congratulated the Lebanese members of parliament on their agreement to a national reconciliation charter and pledged full support for the Lebanese people in their endeavor to end the protracted conflict and reconstruct their war-torn country.

Speaking at Al-Salama Palace in Jeddah today where he received the parliamentarians, who concluded their marathon session in Taif on Sunday, the king said the Arab League committee on Lebanon will continue to keep in touch with all the Lebanese officials and expressed hope that the president and government of the unified Lebanon will be elected as soon as possible. The king said he shared with the other two members of the committee, the Moroccan King Hassan and the Algerian President Chadli Benjedid, the joy over this important achievement.

King Fahd praised the fruitful results reached by the parliamentarians and said although difficulties had been encountered during the first round of efforts undertaken by the Arab League committee, some of these have risen out of misunderstanding and were unintentional. "If left unresolved, problems will aggravate and people will find themselves lost in differences but with determination and wisdom difficulties could be settled," he said and added "we will not abandon Lebanon but will continue to stand beside its representatives, leaders and people for the sake of their prosperity."

The parliamentarians meeting with the king was attended by Crown Prince Abdul-



MEETING: Custodian of the Two Holy Mosques King Fahd on Tuesday met with Lebanese deputies in Jeddah. The king is holding talks with Lebanese parliamentary speaker Hussein Al-Husseini. On left is Second Deputy Premier and Commander of the National Guard Crown Prince Abdullah.

Deadline set to elect Lebanon president

By Khaled Nazer

it had reached "complete agreement" and had

Benazir terms toppling move a futile exercise

ISLAMABAD, Oct. 24 (Agencies) -- Pakistani Prime Minister Benazir Bhutto scoffed today at an opposition bid to bring down her 11-month-old minority government. (See analysis inside)

She told reporters that a no-confidence motion to be discussed in the National Assembly on Thursday would "prove a futile exercise" and would fail.

The opposition Islamic Democratic Alliance (IJI), which says it has the support of 129 of the 237 deputies, announced the move yesterday after 18 independent members switched support from Benazir's Pakistan People's Party.

The PPP is the largest single party in the assembly with 114 seats. Its spokesmen say 21 more deputies back Benazir, giving her party a total of 135.

The prime minister told reporters in the Parliament House today there was no danger to her government, adding that the government was "strong enough to face any challenge."

She said the opposition was trying "to pressurize and purchase" the members of the National Assembly. She said such efforts could not be successful.

The members of the elected house believe in democracy and they could not support "undemocratic alliance and negative politics," she said.

After news broke of the no-confidence motion, share prices fell sharply on Pakistan's main stock exchange in Karachi for fear of ethnic violence in Benazir's home province of Sindh, dealers said.

Fourteen of the 18 deputies who switched sides were from the Karachi-based Muhajir Qaumi Movement (MQM). Ethnic riots involving Muhajirs have killed more than 1,000 people since 1986 in Karachi, the Sindh capital, and nearby Hyderabad.

Meanwhile, troops were patrolling the curfew-bound parts of Karachi's western district today after three people, including two policemen, were killed yesterday by unidentified gunmen riding motorcycles.



Benazir Bhutto

where 70 percent of the country's 110 million people live.

He also accused her of failing to end differences between top officials in the offices of the president and prime minister, and that "disrespect" was being shown to the judiciary.

Benazir recruited "inexperienced, defeated and sacked officials" as advisors and launched a "calculated character assassination campaign" against the opposition dominated Senate, he charged.

Wynne was guarded on his outcome for the no-confidence motion, which arose after the IJI gained the support of the MQM.

The PPP needs 119 votes in the 237-member lower house to keep Benazir in power, although opposition leaders said they had the support of 129 MPs.

Benazir won 146 votes when she sought a confidence vote in the assembly in December.

Arab news



WELCOME: Chad President Hissene Habre, left, seen being welcomed by President Francois Mitterrand at the Elysee Palace in Paris on Saturday. The two leaders reviewed the bilateral relations and international situation.

Suharto supports Palestinian struggle

JAKARTA, Oct. 22 (Agencies) -- President Suharto met a top Palestine Liberation Organization official here yesterday and vowed that Indonesia would continue to support the Palestinian cause, the PLO official said.

"President Suharto pledged continuing support for the Palestinian cause and the struggle of the Palestinian people for a homeland," said Farouk Kaddoumi, head of the PLO's political department.

Kaddoumi, who also holds the title of foreign minister of the State of Palestine, officially opened a Palestinian Embassy in Jakarta on Thursday.

Indonesia, the world's largest Muslim country, was one of the first countries to recognize the state proclaimed by the PLO in November.

Kaddoumi, who concludes his five-day visit to Indonesia today, said he had told Suharto how grateful PLO leader Yasser Arafat was to Indonesia for establishing full diplomatic relations.

Kaddoumi said Arafat might visit Indonesia in the future but this had to be discussed with Jakarta. The PLO leader made his first trip here in 1984.

Indonesia has always expressed support for the PLO but observers said the government

had been reluctant to open a Palestinian Embassy, citing security reasons and apparently mindful of its ties with the West.

Meanwhile, the International Red Cross has asked Arafat to help free two Swiss employees held hostage in Lebanon, a Red Cross spokesman said yesterday.

Andre Pasquier, special envoy for the International Committee of the Red Cross (ICRC), flew to Tunis on Friday to deliver a letter to Arafat from its president, Cornelio Sommaruga.

Gunmen seized Emmanuel Christen, 32, and Elieo Enriequez, 23, at the entrance to the Pales-

tinian refugee camp of Ein Al-Hilweh near the southern Lebanese port of Sidon on Oct. 6.

"In Sidon his (Arafat's) presence is quite important, especially in Ein Al-Hilweh," ICRC spokesman Carlos Bauverd told Reuters.

In December another ICRC delegate who was taken hostage in Sidon, Peter Winkler, was freed after Arafat's intervention. It was not known if Arafat would be able to influence the still-unidentified kidnappers of Christen and Enriequez.

Bauverd said the ICRC had also asked the Syrian and Libyan governments to help free the hostages.

Kuwait rules out plan to buy Mirages

KUWAIT, Oct. 22 (AP) -- Kuwait has no plans to buy French-made Mirage 2000 jet fighters at present, a senior commander was quoted today as saying by the daily Al-Anbass.

Maj. Gen. Jaber Khaled Al-Sabah, deputy chief of staff of the armed forces, said a deal with the United States for 40 F-18 warplanes is enough to fulfill Kuwait's needs for the time being.

"Kuwait considers the F-18 warplane suitable for its air forces," he said. "But this does not mean that other planes are inferior to it. The Kuwaiti Air Force is not in need of more arms."

He was quoted as saying that "Kuwait has no intention at present of buying the Mirage 2000 jet."

It was the first remark by a senior Kuwaiti official that the government had decided against purchasing the French warplanes.

Both the emir, Sheikh Jaber Al-Ahmad Al-Sabah and Defense Minister Sheikh Nawaf Al-Ahmad Al-Sabah had said last month that Kuwait had not yet decided whether to buy the sophisticated planes.

The \$1.8 billion deal for the F-18s was concluded during the visit to the United States by Crown Prince and Prime Minister Sheikh Saad Al-Abdullah Al-Sabah in July last year. Delivery starts in 1994.

French-made Mirage F-1 interceptors and U.S.-made Skyhawk fighter aircraft currently form the backbone of the air force.

BRIEFS

ALGIERS, Oct. 22 (R) -- Algeria and Italy signed a three-year protocol yesterday to cooperate in radio and television, the Algerian news agency APS reported. Italian state radio and television will give training and technical assistance to its Algerian counterparts, the two countries are to cooperate in co-productions and the exchange of programs.

DUESSELDORF, West Germany, Oct. 22 (AFP) -- Some 6,000 ethnic Kurds protested here yesterday and called for the release of 20 other Kurds detained in West Germany who are facing trial on terrorism charges, police said. The demonstrators used loud-speakers and banners to protest the treatment as criminals of some Kurdish resistance leaders opposed to the government in Turkey.

NICOSIA, Oct. 22 (R) -- Iran should encourage tourism to finance post-war reconstruction but every effort should be made to weed-out spies disguised as tourists, a Tehran newspaper said today. The *Tehran Times* said in an editorial that the authorities should do their best to make the tourist industry a success.

DAKAR, Oct. 22 (R) -- Three representatives of the human rights organization Amnesty International are touring southern Senegal to probe torture allegations. The delegation, headed by Franca Sciuto, on Wednesday met President Abdou Diouf in the capital Dakar along with Justice Minister Seydou Madani Sy.

RABAT, Oct. 22 (AFP) -- Leaders of the Communist parties of Algeria, Morocco and Tunisia gathered in Casablanca this weekend in their first ever tri-partite meeting to discuss regional and international issues. The meeting, which opened Friday and was ending today, brought together Ali Yata, secretary-general of Morocco's opposition party of Progress and Socialism (PPS), Muhammad Harmel, secretary-general of the Tunisian Communist Party (PCT), and Sadek Hadjeres, secretary-general of the party of the Socialist Vanguard of Algeria (PAGS).

Jordanians step up poll drive

MAAN, Jordan, Oct. 22 (R) -- Six months ago they were burning police cars in this desert town in southern Jordan.

Now they are festooning the streets with the banners of rival candidates in next month's parliamentary election, knowing it was their rage that nudged King Hussein to carry out his boldest experiment with democracy in more than 20 years.

"We never knew we had the power to change things for the better until the riots," said Radi Ahmad, a civil servant in Maan, part of the king's traditionally loyal tribal heartland.

"Maan people will be remembered for pointing out the pains of the Jordanian people and triggering change," he said.

Only a couple of blackened facades escaped the clean-up campaign after the April riots in which Maan youths battled police and troops, burning banks and government buildings.

The families of the five residents who died say they received a 3,000-dinar (\$4,700) lump sum and a 150-dinar (\$238) monthly pension in compensation.

Sudden price rises in line with an IMF-agreed austerity plan sparked the unrest. The rioters were protesting not only at economic hardship but against a government they felt had lost touch with the people and was ignoring or suppressing public opinion.

Some 650 candidates, ranging from tribal chiefs to leftists and rightists, plan to run in the Nov. 8 poll, the first general parliamentary election since 1967.

In Maan, 215 kms south of Amman, the campaign has exposed cracks in tribal authority, once paramount in most parts of rural Jordan.

Yousef Al-Athem, a member of the Muslim Brotherhood and a Maan deputy since 1963 now running as an independent, said youngsters had become more educated and politically aware.

"These voters are trying to strike a balance between intellect, culture, politics and awareness on the one hand and honoring their tribe's candidates on the other," he said.

Athem said he was running on a religious platform and getting support from the Muslim Brotherhood even though he is not among the group's 26 official candidates around Jordan.

Town leaders said people in Maan were devout Muslims but not necessarily committed to the Muslim Brotherhood.

Election slogans address political and economic issues raised elsewhere in the kingdom of three million.

"No to corruption and its symbols and a thousand 'noes' to those fiddling with the country's security and playing around with the people's food," read one Maan banner.

Maan candidates echo demands made in other parts of Jordan for wider freedoms, including legalization of political parties. Some say those responsible for the economic and financial crisis should be brought to account and even put on trial.

People voiced skepticism about the glittering promises made by some candidates.

"There is deceit in many of these programs," said Haj Khaled, owner of an electrical goods store. "We don't want superman candidates who think they can fool us."

with life again

Saddam urged all Iraqis to either take part in rebuilding Faw or donate money. An appeal was also launched for foreign funds.

Kuwait donated \$10 million while Jordan built a primary school and houses for government employees, their gardens and facades featuring trees and stones donated by Palestinians in Occupied Jerusalem.

Yemeni masons built the Faw gate with special colored stones shipped from their country.

Faw fell to Iran in February 1986 after a surprise attack across the disputed Shatt Al-Arab waterway dividing the two countries' borders at the head of the Gulf.

Battles raged for 42 days and eventually Iraqi troops managed to check the Iranian advance toward Basra.

Faw's population of 50,000 people had been evacuated early in the war.

Signs in Faw say 52,000 Iraqi soldiers and 120,000 Iraqis were killed in the battles around the town which Iraq recaptured in a two-pronged offensive in April 1988.

The Faw recapture was followed by a series of other military victories which drove Iranian troops from all Iraqi territory, pushing Iran toward accepting United Nations Resolution 598 calling for a cease-fire.

Faw was an important terminal for pipelines going to the Gulf and is the main link for Iraq's main Gulf oil terminals, some 20 kms to the south.

Both the Al-Bakr and Al-Amecq terminals and Faw's oil facilities were repaired after heavy damage caused by the war.

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Reagan Leaves Saudi Weapons Package Intact; Timing in Congress Is Debated

By GERALD F. SEIB
And KAREN ELLIOTT HOUSE

Staff Reporters of THE WALL STREET JOURNAL

President Reagan has decided he won't split his proposed arms sale to Saudi Arabia into two parts, but the administration remains divided over when to send the sensitive package to Congress.

The White House announced that the entire arms proposal, including five advanced radar planes, will be sent to Congress. Israel has opposed inclusion of the radar planes—known as advanced warning and control systems, or AWACS—because they would give Saudi Arabia the ability to monitor military movements within Israeli territory.

Because of opposition to the AWACS, the administration had been considering splitting the proposal into two sections.

Also included in the package are extra fuel tanks and missiles for F15 jet fighters and air-to-air refueling planes. Those elements of the proposal also displease Israel and its congressional supporters but haven't aroused as much opposition.

The delicate question of when to send the arms package to Congress is still being debated within the administration. The White House might be tempted to delay the proposal so it can muster political support in Congress and avoid making the arms deal an issue in Israel's June 30 election. Saudi Arabia might be amenable to some delay. But Saudi officials have made it clear they would be particularly angry if Israeli events influenced the handling of the arms sale.

Saudi officials in Riyadh already are expressing displeasure over the Reagan administration's handling of the arms sale. The Saudis are especially disturbed about reports that the White House might retreat from the proposal, but they also are unhappy about talk of a delay of several months.

In their criticism, the Saudis have seized upon recent disputes among Reagan advisers over inclusion of the AWACS and timing of the deal. "What disturbs us is the difference of opinion in your administration," says one Saudi official. Adds another top Saudi: "How can we work with a country that has no consensus, not even in the administration?"

The Saudis' biggest worry has been that the AWACS would be separated from the rest of the proposal. The administration's decision should somewhat ease that worry. But there still could be efforts in Congress to break up the package, and the Saudis are sure to continue resisting such moves.

"We were told by the Secretary of State that all the items would be presented as a package," says a top Saudi official. "We want the package to go through. The timing, so long as the delay isn't excessive, is up to the administration."

The State Department said it expects Congress to keep the proposal intact as it considers the deal. But privately, officials said they haven't decided how they will react to congressional moves to break out the AWACS. Further, one top State Department official said the administration isn't likely to make a decision on timing before next week.

at stake than weaponry. They view the arms sale as a test of the Reagan administration's credibility and of U.S.-Saudi relations.

"If the Reagan administration starts its relations with Saudi Arabia either by suffering a defeat in a Republican-dominated Congress or by backing down to the Israeli lobby, how can we expect it to deliver on other promises?" charges a Saudi prince. "There will be a reevaluation of the relationship," he further threatens.

The Saudis even suggest the delay and indecision by the Reagan administration on the arms package already has robbed the U.S. of any goodwill that might have been achieved by the sale. These armaments, the Saudis claim, were promised to the kingdom a year ago by the Carter administration and are being promised again by the Reagan administration. Thus, even if they do finally get the total package, they say there won't be any outpouring of Saudi gratitude. "The feeling will be we're getting what we deserve," says one official.

In a letter released this week, the Carter administration's Defense Secretary Harold Brown and Secretary of State Edmund Muskie agree they were "favorably inclined" to sell the arms to Saudi Arabia. But they add, they didn't make a commitment to the Saudis.

In an indication of the political battle facing the Reagan administration, some congressional Republicans were immediately critical of the decision to go ahead with the package. Minnesota Sen. Rudy Boschwitz, a member of the Senate Foreign Relations Committee, called it a "mistake" and predicted that the package "appears to face certain defeat in the Senate."

Sen. Boschwitz also was critical of Saudi Arabia's urging that it get the arms package. "Unfortunately the insistence on meeting litmus tests every year or two endangers efforts to reach a true regional consensus" in the Mideast, he charged. Similarly,

Memorex Corp. Posts \$7.2 Million Net Loss For the First Quarter

SANTA CLARA, Calif.—Memorex Corp. reported a first quarter net loss of \$7.2 million, compared with year-earlier net income of \$1.1 million, or five cents a share.

Revenue in the period climbed 3.5% to \$191.4 million from \$184.9 million.

C. W. Spangle, chairman and chief executive officer, noted that the loss was at the narrow end of a range the data-storage concern predicted last month. He attributed this to "high March revenues."

As previously reported, the result includes a \$4.3 million gain on the sale of land.

Mr. Spangle attributed the first quarter loss to high manufacturing costs for storage products, start-up costs for new packaging and production processes for consumer goods, high interest expenses and slower-than-expected sales of certain equipment.

Beckman Acquisition Of Itron Is Projected Through Swap of Stock

FULLERTON, Calif.—Beckman Instruments Inc. said it reached an understanding in principle to acquire Itron Inc. for an undisclosed amount of Beckman common stock.

Itron is a closely held maker of industrial temperature measurement and control instruments, based in Skokie, Ill. The acquisition is subject to definitive agreement and approval by Beckman directors and Itron holders. Beckman is a maker of analytical instruments, specialty chemicals and precision electronic parts.

Sen. Bob Packwood (R., Ore.) predicted that if the Saudi arms sale "comes up as a package, it'll be defeated" in the Senate. Both houses of Congress would have to veto the sale to prevent it.

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**FAZENDA INTERNATIONAL
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S E R V I C E S R E N D E R E D B Y F A Z E N D A

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The following company services rendered have been identified for the period 1990 and into the future years:

SERVICES RENDERED BY FIVI:

- A. To provide Consultation to Clients that are interested in the development of an Expanded International Exposure and Export Market for their products and services.
- B. To Consult with Clients and to Develop a Master International Strategy and Marketing and Business Plan.
- C. To Develop the New Foreign Markets for Our Clients and To Restore the Old Foreign Markets which were abandoned, relinquished or dropped by Our Clients.
- D. To Locate third parties satisfactory to Our Clients to act as the local (Foreign) Distributor or Agent of FIVI and/or it's Client and to Market and to Distribute Our Clients Products and Services.
- E. To Locate third parties satisfactory to Our Clients to act as the international trade partners for our clients in the formation of Partnerships and Joint/Ventures.

S E R V I C E S R E N D E R E D B Y F A Z E N D A

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SERVICES RENDERED BY FIVI:

- F. To Undertake Countertrade Arrangements for the purchase of Military, Agriculture, Food Commodities, Aviation Devices and Maintenance, Aircrafts, and Engineering and Construction Projects with Middle East Countries and Companies in return for Crude and Fuel Oil, Sulphur, Fertilizer, Refined Petroleum Products, and Petrochemical Products.
- G. Purchase of Crude, Other Refined Petroleum Products, and Petrochemical Products from the Kingdom of Saudi Arabia, Iraq, Kuwait, U. A. E., and Egypt.

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C O M P A N Y P R O F I L E

Page 1

The Company is engaged in International Trade relationships which includes all types of marketing, consulting, funding and procurement services, countertrade arrangements, contracting and other services for our clients. Our clients are from most of the major population centers of the United States, as well as England, Europe, Far East and Middle East.

Since our company is a Foreign Sales Corporation (FSC), we are granted preferential treatment by U. S. Government Agencies for financing, issuing guarantees and for tax credits. We are more competitive in the process of matching quality products and services with the demand in the Global Retail and Wholesale Markets.

Fazenda International of the Virgin Islands, Inc. provides a project team dedicated to achieving the client's goals. In addition to providing client and customer interface where scheduling is a critical requirement, we also assure compliance with client's and customer's directives and preferences.

The experience represented by Fazenda International and it's management team unite the world and much of the spectrum of the industries that the Company represents. Projects have ranged from simple one time orders to long-term multimillion dollar contracts. The unique mix of employees with many years of experience in a wide range of products enables us to offer a very diversified service and expertise in the following Divisions:

C O M P A N Y P R O F I L E

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1. MILITARY PRODUCTS DIVISION:

- A. Advanced Military Products and Services for the Air, Sea and Land.
- B. Sensitive Resources Security.
- C. Training and Support Services relating to Airports, Aircraft, E W Systems, and Combat Vehicles.
- D. Aircraft Flight Operations, Maintenance, and Storage for C-130 Aircrafts and Helicopters.
- E. Shipboard Countermeasures Systems.
- F. Training Simulators.
- G. Technical Support Services.
- H. Visual Information Technology (Hardware and Software).

2. CRUDE OIL AND REFINED PETROLEUM PRODUCTS DIVISION:

- A. Major and Independent Oil and Gas Operators whom we directly represent require Crude Oil and Refined Petroleum Products from the North Sea and the Arabian Gulf States (Iraq, Saudi Arabia, Kuwait, and U.A.E.). This requires the Purchase and Sales of a Broad Range of Petroleum Products. Establishment of Joint Ventures for the purpose of developing oil and gas projects.

C O M P A N Y P R O F I L E

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3. AVIATION PRODUCTS AND SERVICES DIVISION:

- A. Aircrafts and Helicopters.
- B. Aircraft Component Overhaul.
- C. Avionics, structures, sheetmetal, interiors, engineering, and inspection skills for all Commercial Aircrafts.
- D. Aerospace services specializing in aircraft modification, maintenance and manufacturing programs. FAA Licensed.

4. FOODSTUFF DIVISION:

- A. Our Processed Foods Division include many of the major food companies who operate both locally in the United States and on a Worldwide basis.
- B. The Foods Division has the capabilities and experience to properly advise our clients concerning export and import permits, proper Labelling of Prepackaged foods for export, Ingredients prohibitions, documentation and standardization, U. S. D. A. certifications (if required).
- C. Retail and Food Service Products are included.
- D. Commodities - Corn, Rice, Sugar, Juice Concentrates.

C O M P A N Y P R O F I L E

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5. SPECIALTY PRODUCTS DIVISION:

- A. High Density Polyethylene Pipe and Fittings (Sizes 2" to 60").
- B. Agricultural Projects -- Pumps -- Irrigation Systems with Systems Software.
- C. Packaging Materials -- Meat Products -- Floral-- Health and Medical.
- D. Oil Patch -- Downhole Drilling and Workover Tools-- Wellhead Equipment.
- E. Gas Turbine Generators and Pumps.
- F. Carpets.
- G. Textiles.
- H. Incinerators.
- I. Resins - Polyvinyl Chloride (PVC) - HDPE - LDPE.
- J. Water Purification.
- K. Computer - Hardware - Software.
- L. Manpower Recruitment.
- M. Recreational and Entertainment Projects.

6. MEDICAL PRODUCTS DIVISION:

- A. Patient Care Instrumentation -- Disposables.
- B. Biomedical.
- C. Pharmaceuticals -- Patent Medicines -- Bandages
- D. Dental Supplies.

C O M P A N Y P R O F I L E

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Additional information concerning our present and former clients by each Company Division can be found in our history section.

Fazenda International of The Virgin Islands, Inc. controls its global operations from offices in Houston, Texas, U. S. A. and other major commercial centers around the world together with the independent distributors and agents operating under agreement with the Company or directly with the Client to provide effective results.

Typically, our service is required by Companies who have a need to have a presence in the country abroad.

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COUNTERTRADE PURCHASE ARRANGEMENTS

Let me take this opportunity to introduce our abilities to secure funding of projects through a countertrade and contractual relationship.

We have had extensive experience in obtaining funds and providing funding alternatives for the required consideration of bids for major projects and the consummation of the trading transaction.

In summary, we offer our contracted services for Countertrade Activities to OUR COUNTERTRADE CLIENTS whereby we shall assist them in the terms and conditions for their international bidding proposals, which will include countertrade, when necessary, and we shall obtain the customer for the marketable commodity from the foreign government or company and consummate the contract between these two parties; we shall arrange for all of the countertrade functions of Documentation, Handling, Marketing, Shipping, Price Risk, and Insurance for the "Countertrade Products" (not OUR DOMESTIC CLIENT'S) and perform these functions by the Countertrade company for the contracted countertrade fee. The current Countertrade Fee for performing these functions average between 7 to 13 per cent of the total value of your products and services; the funds from the Countertrade Contract would be escrowed with a major U. S. or Foreign Bank (in U. S. Dollars); and the other contract shall be OUR DOMESTIC COUNTERTRADE CLIENT contract for goods and services which in turn would be funded periodically (monthly or quarterly) from the escrowed funds according to the terms of the contract.

COUNTERTRADE PURCHASE ARRANGEMENTS

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Countertrade is a term which encompasses many different types of transactions. As a method of trade, it has been used consistently throughout the twentieth century, particularly in times of economic recession. The particular economic circumstances of the 1980s, which have brought countertrade to the fore and the increasing involvement of Asian, African, Middle Eastern nations, and Iron Curtain Countries are important parts of the international equation.

At corporate levels, management may have to exchange the tranquility of paced, albeit slow, growth for the challenge of opportunistic business development. Rather than considering planning as solely a numbers game or a way to manage assets in the 1990's, corporate executives will have to be able to develop flexible strategies which will cope with emerging problems and opportunities in markets on a worldwide basis.

Any exporter of goods and services involved in trade with the Middle East, Africa, and South America at present, needs to know in what he is most likely to encounter countertrade demands and what goods he is likely to be offered if he does negotiate a countertrade deal.

FAZENDA Marketing has the ability to function as OUR DOMESTIC CLIENT'S Countertrade specialists with an established coordinating unit between the linked transactions of the exports and imports with OUR DOMESTIC CLIENT, AND OUR DOMESTIC CLIENT'S COUNTERTRADE CUSTOMER and GOVERNMENTS OF COUNTRIES such as: Iraq, Saudi Arabia, Turkey, Egypt, Jordan, Kuwait, Morocco, Qatar, United Arab Emirates, Bahrain, the Sultanate of Oman, Venezuela, Brazil, Argentina, Peru, Mexico, Indonesia, U.S.S.R., and other Countries.

COUNTERTRADE PURCHASE ARRANGEMENTS

Page 3

We at FAZENDA offer our Marketing and Countertrade Unit as the consultants which shall act at corporate level to oversee and provide expertise, services and necessary liaison to the divisions engaged in countertrade, and report directly and be responsible to corporate management. As your outside Countertrade consultants, we would identify the requirements and recommend strategies and organizational steps which require large countertrade transactions and handle these transactions under your direct contractual approval.

THERE ARE MANY ADVANTAGES TO COUNTERTRADE BUSINESS AND REASONS FOR USING A THIRD PARTY COUNTERTRADE COMPANY TO PERFORM THE COUNTERTRADE FUNCTIONS SUCH AS:

1. The FOREIGN COMPETITION has many Funding Advantages which are overcome by offering a COUNTERTRADE ALTERNATIVE in your terms.
2. When your Proposal is compared to FOREIGN COMPETITION, it will not be eliminated because of "CASH ONLY" terms.
3. You AVOID LONG DELAYS for starting up the project while awaiting for the APPROVALS and APPROPRIATIONS of CASH FUNDS, which are unavailable for years in some instances.
4. YOUR PROPOSAL RECEIVES PREFERENTIAL TREATMENT IN THE AWARDING OF CONTRACTS BY THE CUSTOMER.
5. Companies engaging in Countertrade are not always in a position to HANDLE the Countertrade GOODS DIRECTLY BY THEMSELVES

COUNTERTRADE PURCHASE ARRANGEMENTS

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6. The subject of PRICE AND MARKET CHANGES, TITLE PASSAGE, ELAPSED TIME, FREIGHT AND HANDLING AND DELIVERY, INSURANCE RISK, ESCROW OF FUNDS may be passed on to the Countertrade Company.

7. The Countertrade Company has the expertise to facilitate QUICK and EASY DISPOSAL of the RESALE GOODS for funding.

Enclosed please find a copy of the confidential listing (partial) of Countertrade Activities.

FAZENDA INTERNATIONAL

CONFIDENTIAL LISTING

PARTIAL LISTING OF COUNTERTRADE ACTIVITIES

1. IDEMITSU KOSAN CO. LTD. -- Crude Oil -- Oil Properties.
2. NIPPON OIL -- Crude Oil -- Oil Properties.
3. ENERGY COOPERATIVE, INC. -- Crude Oil.
4. KEANG NAM ENTERPRISES LTD. -- Crude Oil.
5. PETROGULF, INC. -- Crude Oil.
6. IRAQI NATIONAL OIL COMPANY (INOC-SCOP-SOMO) -- Crude Oil for U.S. manufactured Crude Topping Units, Turbines & Pumps for IPSA-II (East/West -- IRAQI -- Saudi Arabia Pipeline).
7. JORDAN PHOSPHATE MINES COMPANY (JPMC) -- Phosphate Exported to European Customer -- Purchase of Medical Equipment.
8. KUWAIT PETROLEUM CORP (KPC) -- Crude Oil for U.S. manufactured Crude Dehydrators and Desalters and Crude Distillation Units.
9. TURKIYE PETROLLERI A.O. (TPAO) -- Crude Oil from Iraq for U.S. manufactured Pumping Stations & Topping Units.
10. TURKISH MINISTRY OF NATIONAL DEFENCE --- Helicopter Training -- Simulator -- Cement.
11. IRAQ NATIONAL OIL COMPANY -- Crude Oil for Saddam Oil Field Project (Gas Gathering System).

FAZENDA INTERNATIONAL

CONFIDENTIAL LISTING

PARTIAL LISTING OF COUNTERTRADE ACTIVITIES CONT'D

12. CONSOLIDATED CONSTRUCTORS, INC., Athens, Greece -- High Density Polyethylene Pipe from USA to Kuwait.
13. IRAQ NATIONAL OIL COMPANY -- Crude Oil for Construction Contract with SPIE AND SAIPEM Joint Venture.
14. CEPE (Ecuador) -- Crude Oil for Topping Units at Lalibertad, the New Refinery and Re-construction of Pipeline (Earthquake Damage Project) from the USA (World Bank).
15. ALEXANDRIA SHIPPING AND NAVIGATION COMPANY -- Fertilizer from Kuwait --- Four Multipurpose Cargo Vessels from Egypt.

BIOGRAPHICAL SKETCH OF DONALD S. NIMMONS

Donald S. Nimmons was born in Houston, Texas, U.S.A., on October 14, 1936. Mr. Nimmons attended Baylor University, University of Houston, La Salle University, and special courses from Wharton School of Business. He has been admitted to practice before the Internal Revenue Service (1972).

Mr. Nimmons served as the International Accounting Manager and Systems Manager - Worldwide for Mandrel Industries, Inc., 1959-1965; General Manager of South America Operations and Chairman of The Board of the Brazilian subsidiary of Ampex Corporation 1965-1968; Deputy General Manager of Worldwide Operations for Mandrel Industries, Inc. (Subsidiary of Ampex Corporation) 1968-1969 until he formed the Donald S. Nimmons and Associates accounting firm where he had extensive partnership, fiduciary, and corporate government tax relations and experience 1969-1975.

Subsequently, Mr. Nimmons was a Principal and Chief Executive Officer in the fabrication, pipe bending, and service company, Houston Pipe Benders Corporation, specializing in the Pipeline, Refinery, Petrochemical, Brewery, and Gas Transmission industries in the domestic and international area 1976-1985.

Mr. Nimmons formed FAZENDA INTERNATIONAL, INC. in March 1982. This company through four of its subsidiaries was engaged in the Underground Utility Construction business during 1982-1983.

Since 1984, Mr. Nimmons has been a Principal and President of FAZENDA INTERNATIONAL OF THE VIRGIN ISLANDS, INC., an international company which provides a broad range of international consultancy services for diverse governmental and commercial markets.

The Company which is headquartered in Houston, Texas holds leadership positions and specializes in the supply of Crude,

Refined Petroleum, and Petrochemical Products; Advanced Military Products and Services for the Air, Sea and Land; Establishment of Joint Ventures for the Purpose of developing oil and gas projects and for the specific purpose of the client; and Agricultural Projects including Foodstuffs for the Retail and Foodservice businesses.

The Company offers responsiveness, confidentiality, flexibility, and other distinct advantages by virtue of our commitment, experience, position, and firm's structure. Collectively, FAZENDA has conducted over 100 assignments with a successful completion ratio in excess of 90 percent and an average completion time of less than nine months.

The majority of FAZENDA'S clients are well established in their respective industries. Specific assignments have been maintained under long-term arrangements which enable the Company to maintain results from overseas through their direct contacts abroad.

In his leadership capacity with FAZENDA, Mr. Nimmons has served as the marketing consultant to the officials of several major companies in transaction with the leaders of several governments.

As a result of the growing impact upon our clients' business due to the demand of funding of major projects, Fazenda has expanded its capabilities in order to provide an integrated base of consulting services.

Mr. Nimmons has extensive experience in representing U.S. companies in overseas markets. He also provides services to clients based outside the United States, whose activities require the expertise of a company capable of solving problems concerning local and federal government regulations.

BIOGRAPHICAL SKETCH OF HERSCHEL E. ZIRGER

Herschel E. Zirger was born in Holton, Kansas on March 3, 1926. Mr. Zirger attended Washburn University of Topeka, Kansas, The University of Kansas and Tulsa University. He was awarded a Bachelor's Degree in Petroleum Engineering from Tulsa University in 1952 and a Masters Degree in Petroleum Engineering in 1954. He is a Registered Professional Engineer in Oklahoma and Texas and is a member of the Society of Petroleum Engineers.

Mr. Zirger served five and one half (5 1/2) years in the U. S. Navy from July 1, 1944 until January 1, 1950 and was released to inactive duty as a Naval Aviator with the rank of Lieutenant (jg).

Mr. Zirger worked as a Petroleum Engineer for Texaco from June 1952 until September 1953 and for Ohio Oil Company (Marathon Oil) from June 1954 until August 1955 when he joined Arabian American Oil Company in their New York office for one year as a Petroleum Engineer. He was transferred to Saudi Arabia in September 1956 where his work included Drilling and Production Engineering duties, drilling oil and water wells, building drilling rigs, testing oil wells, specifying drilling and production equipment for oil and water wells and trouble shooting drilling and production problems.

After 15 years with Aramco, Mr. Zirger resigned to set up his own consulting service. He set up a locally registered Limited Liability Partnership in Saudi Arabia under the name of Zirger Arabia Ltd. to furnish consultants to Aramco for the supervision, inspection and maintenance of oil wells, water wells and drilling operations. This company was sold in December 1988.

He was President and owner of Zirger Engineering Co., Inc. which was incorporated in Texas in 1978. The company's main business was to sell and lease wireline fishing tools to the oil industry. Zirger Engineering was sold in December 1988.

He incorporated Zirtech, Inc. in Texas in 1977 to purchase oilfield equipment and supplies in the U. S. A. for foreign oil and oilfield service companies. The company was sold in December 1983.

During the years 1980, 1981, 1982, and 1983, he modified and updated the Oil & Gas Taxation Guide for the State of Kansas and was a Consultant to the Bureau of Property Valuation of the Department of Revenue for the State of Kansas; acted as Consultant and testified on numerous oil and gas property tax renditions for the various counties in Kansas.

Mr. Zirger joined Fazenda International of the Virgin Islands, Inc. in February 1986 as a principal and Vice President of Engineering.

C O M P A N Y P R O F I L E

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HISTORY OF OPERATIONS

MILITARY PRODUCTS DIVISION:

TRACOR, INC.

TRACOR AEROSPACE, INC.

TRACOR FLIGHT SYSTEMS, INC.

TRACOR AVIATION, INC.

TRACOR APPLIED SCIENCES, INC.

TRACOR FLIGHT SERVICE, INC.

TRACOR MARINE, INC.

ATEC, INC. (LICENSEE OF BOEING COMPANY FOR AIRCRAFT PARTS)

INTERMAR, INC.

MANAGEMENT LOGISTICS INTERNATIONAL, LTD.

CONBRACO INDUSTRIES, INC.

INTERPRO

VITEC

CRUDE OIL AND REFINED PETROLEUM PRODUCTS DIVISION:

IDEMITSU KOSAN CO. LTD.

NIPPON OIL (DELAWARE) LTD.

PHILLIPS PETROLEUM COMPANY

SAUDI ARABIAN MARKETING & REFINING COMPANY

TEXAS CITY REFINING, INC.

DOW COPP

PETROGULF

C O M P A N Y P R O F I L E

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HISTORY OF OPERATIONS

CRUDE OIL AND REFINED PETROLEUM PRODUCTS DIVISION (CONT'D):

KAENG NAM ENTERPRISES, LTD.

SOMO - IRAQ

KUWAIT PETROLEUM CORPORATION

EGYPTIAN GENERAL PETROLEUM CORPORATION

ABU DHABI NATIONAL OIL COMPANY

DELTA PETROLEUM

MAGNOLIA PETROLEUM

AVIATION PRODUCTS AND SERVICES DIVISION:

AIRCRAFT (NEW AND USED)

SEE - MILITARY PRODUCTS DIVISION ABOVE

NORRIS FLOW PRODUCTS

PARKER HANNIFIN CORPORATION

PRODUCTS RESEARCH AND CHEMICAL CORPORATION

FOODSTUFF DIVISION:

DOUBLE "B" FOODS, INC.

BLUEBELL CREAMERIES, INC.

JACKSON-MITCHELL, INC.

JOHN B. SANFILIPPO & SON, INC.

PANOLA PEPPER CORPORATION

ANCHOR FOOD PRODUCTS, INC.

GOOD OLD DAYS FOODS, INC.