

# BAHRAIN

*A monthly newsletter issued by the Bahrain Freedom Movement*

## Gulf Sheikhs Trapped in Tribal Trenches Their Ferocious Campaign Against Democracy is Doomed

Following the Fahd Initiative, announced on 1st March 1992 by the Saudi Monarch, debates have started openly and clandestinely on the suitability of appointed councils in today's political environment in the Gulf. Of special interest is the lack of enthusiasm to the initiative within Saudi Arabia itself, let alone outside it. The preparations that had preceded the Royal Decree anticipated wider acceptance and endorsement of the idea of an appointed Consultative Council, especially that the Arabian Peninsula had little taste of democratic practices and public participation in political life. In fact, in five of the six countries making up the Gulf Cooperation Council (Kuwait excepted for the time being), citizens are not allowed to talk about politics, and any attempt to discuss political matters has always landed people in trouble, and often jail. It is known that politicising society is the last thing the tribal regimes in the Gulf want. In their endeavour to forestall any attempt to force democracy in the region by the forward looking and enthusiastic youth, the Sheikhs have repeated the idea that elections and public participation in political life through democracy are "alien to our values and traditions".

Feeling the pinch of international distaste to his latest offer, King Fahd reiterated this argument in an interview published by several newspapers in the Gulf on 30th March 1992. Again, the Saudi Monarch emphasised the unsuitability of western-style democracy not to Saudi Arabia alone but to the whole Gulf region. King Fahd was trying to prop up his floundering initiative which, he considers, has stretched the limits of his generosity by offering his people a Consultative Council consisting of 60 members appointed by himself. The King has again put himself at the forefront of the Gulf politics by trying to shield his colleagues whose style of rule is not much better than his against public demand for democratic reforms. At the same time, the Emir of Kuwait, in an address to his people at the end of the Holy month of Ramadhan, said he was consolidating the democratic practice in his country and rejected a fully-fledged western-style democracy. The Kuwaitis are going to the polls in October to elect the 50 members of the National Assembly for the first time since the Emir dissolved the last all-elected assembly in 1986. Following the liberation of Kuwait last year, the Al Sabah family came under harsh attacks from inside and outside the country for obstructing the democratic process in the past and their lack of enthusiasm for elections immediately after the liberation.

The two speeches by King Fahd of Saudi Arabia and Sheikh Jaber of Kuwait have set the lower and upper limits of the likely forms of political participation in the GCC countries. However, it is unlikely that the four other states; Bahrain, Oman, Qatar and the United Arab Emirates, will allow any electoral process to take place. They will take account of what King Fahd has said and will be relieved to follow his suit. Of the four countries only Bahrain has a written constitution and a previous experience in elections for a parliament. The other three may resort to a Saudi-style political process and forestall any public outcry because of the lack of political reforms. Oman has already formed its own Consultative Assembly which is similar to the one promised by King Fahd, with 59 appointed members. There has been a call for political reforms in Qatar two months ago but nothing has followed since. The United Arab Emirates is awaiting the outcome of the ongoing debate in the other countries and are unlikely to champion any electoral process for the time being.

Perhaps the deepest crisis is now facing the Al Khalifa ruling tribe in Bahrain. Since the dissolution of the National Assembly by an Emiri (Royal) Decree in August 1975, the country has been in a State of Emergency. The State Security Law, the rejection of which had been the kiss of death to the National Assembly, has been in force since then. That law empowers the Interior Minister to order the administrative detention of political suspects for up to three years without charge or trial. The term of detention may be renewed with a judicial order which is guaranteed if the Minister wants it. As a result, the country has been in political turmoil since then. There are more than 100 political prisoners most of whom are considered by international human rights organisations "Prisoners of Conscience". Hundreds, and possibly thousands have been prisoners at one time or other in the last 15 years for their political convictions. Hundreds have fled the country in that period and many of them have sought refuge in Europe, United States of America, Syria, Lebanon and Iran. Hundreds had their passports confiscated and were thus unable to leave the country even for medical treatment. Hundreds more were black-listed by the Ministry of the Interior and were thus unable to find jobs.

This state of affairs, which is still continuing until this moment has made Bahrain one of the most notorious countries in the region for its record of human rights abuses unparalleled except by Iraq. The Al Khalifa tribal government has shown no sensitivity

towards the numerous damning reports by noteworthy organisations such as Amnesty International, Article 19, Middle East Watch, Third World Review, etc. The opposition to the repressive regime has never ceased inside and outside the country. On its part, the government has not stopped violating human rights in its endeavour to contain the situation. The silent opposition inside was sometimes unnoticed but no observer with an insight of the situation can fail to see clearly the total rejection of the totalitarian regime. Accordingly, it is unlikely that the Al Khalifa will yield to the public demands which are the enacting of the 1973 Constitution, holding elections for a National Assembly and revoking the Emiri Decree which had suspended the electoral process, Abolishing the notorious State Security Law, and the unconditional release of all Political Prisoners. Anything short of these humble demands cannot lead to a stable situation in the country that has been shaken by the governmental policies. An appointed council similar to the one promised by the Saudi King will be rejected outright by the opposition. The only way forward is to return to Constitutional life and refrain from further abuses of human rights. It is not too much to ask for respect of the people's rights as manifested by these basic demands. The alternative is to continue the status quo which can, in no way, lead to a stable and prosperous situation. The Al Khalifa have to decide which way they want the country to proceed. The stagnant political situation can only harm the fabrics of the society, and the government is fully responsible for its consequences.

## Misinformation By Information Minister

When Tareq Al Mo'ayyad, the Information Minister of Bahrain, addressed a conference on Media in Washington last month, he was less than honest in his account. The Conference was organised by the American University and was intended to review the general trends of the news media in the world. Due to his pro-American stands especially during the Gulf War, Mr. Al Mo'ayyad was rewarded with an invitation to present his experience in the field as a Minister of Information for many years (more than 15 years!) to the delegates.

The issue he chose for his speech was, to the everybody's guess, the "Freedom of the Press in Bahrain". Although no one had expected him to provide an objective account being the man in charge of the news media of Bahrain the least that had been expected of

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# Al-Khalifa's Policy of Deportation

There is one difference between the Al-Khalifa regime in Bahrain and that in Palestine. The latter deports Palestinians and the United Nations expresses its routine concern. In Bahrain, the Al-Khalifa government deports the natives of the country also, but no international body speaks out.

In the early eighties, several hundreds of Bahraini youth went abroad for several reasons. The majority of them enrolled in religious institutions in the holy cities of Qum in Iran and Najaf in Iraq. The outbreak of the Iran-Iraq war and Al-Khalifa's support to Saddam Hussein meant that those who chose Iran were black-listed. Others left Bahrain to escape the intensive crack-down on opposition activists.

The end of the first Gulf War was taken by those people as an end to an extraordinary era and thus started packing up to return home. Their assumptions were wrong. The Al-Khalifa "British-led" oppressive intelligence service slammed the door in their faces by expelling them to their port of departure.

Historically, the Al-Khalifa often got away with it. There are large Bahraini communities in Iranian and Iraqi coast towns, such as Khurranshahr and Qusba. More over there is an Iranian port on the Gulf called Bandar Lingah with a predominant Bahraini immigrant community. This community left Bahrain early in the century when the Al-Khalifa and their tribal allies were massacring the Bahraini Shia. When the situation settled two decades later the vast majority were refused entry on their return home.

The Al-Khalifa continued their policy throughout this century by expelling and refusing entry to their opponents unless under certain circumstances, such as joining the secret service or publicly supporting the government. Examples are many. Mr. Abdul Rahman Al-Bakir was exiled together with two other national leaders to St. Helena. All opposition activists of the fifties and sixties were treated in a similar degrading manner.

Still, the hopes of the people who were refused entry after the first Gulf War rose again after the second Gulf War, when Saddam, the old ally of the Gulf sheikhdoms, turned on Kuwait. Again all these hopes were dashed on their arrival to Bahrain. The same policy was implemented, and were consequently deported that is they were deported.

The following is a sample list of some people who suffered deportation and the information about them was communicated.

1. On 5 August 1987, the family of Mr. Mahdi Al-Zuhairi returned from Iran (his wife Shaikha and children Ayyob, Ghazi, Lukman, Hesham, Hajir, Taha and Adam). Their passports were confiscated and were deported back to Iran. After the end of the second Gulf War they attempted to go back to Bahrain but were again deported to the U.A.E.

2. In March 1988, Mr. Makki Ali Marhoon, his wife Mariam and children Kamila, Rukkaya, Fatima, Isa, Mohammed Hussein and Masooma, returned from Iran via Sharjah in the U.A.E. Their passports were renewed for six months and were deported to U.A.E. Mr. Marhoon's eldest son, Jafer, was in Bahrain at the time but was not allowed to see his parents.

3. On 28 July, Mr. Mohammed Jawad

Mahdi Darwish, his wife Fatheyya and son Mohammed Baqir, returned from Iran via Dubai in the U.A.E. They were deported back to U.A.E.

4. On 25 August 1988, Seyyed Sharaf Shubbar (then 58 years old) and his wife Hashmiya returned to Bahrain from Iran. They were deported back to Iran.

5. On 24 August 1988, Mr. Abdulla Yousif Salman, his wife Zahra, and their children, Sadiq, Redha, Haifaa, Zainab and Mohammed returned to Bahrain from Iran via Dubai. They were refused entry and deported back to U.A.E.

6. In August 1990, when the Iraqi forces invaded Kuwait the following families returned to Bahrain from Kuwait via Baghdad-Jordan route: (a) Seyyed Mahdi Hashem Al-Alawi, his wife and children Mohammed, Abbas, Isam, Ali, Khalaf, and four daughters, (b) Seyyed Saleh Hussein Al-Alawi, his wife two and four daughters, (c) The family of Mr. Abbas Alawi comprising of his wife Maratib, and children Jasim, Jafer, Ahmed, Suaad, Wedad, Fatima, Khadijah and Zainab (the father could not flee Kuwait), (d) Jasim Mohammed Ubaid Al-Qassab, his wife and children Akbar, Kadhem, Abdul Aziz, Qassim, Mohammed, Talib, Jamilah and Summayya. The four families returned to Bahrain on 2 September 1990 after a risky trip from Kuwait via Iraq and Jordan and from Jordan to Bahrain by air. All were imprisoned and after thirteen days in jail they were deported to U.A.E. by boats. The U.A.E. authorities deported them to Bandar Abbas in Iran. The Iranian authorities deported them back to Bahrain. On 2 October they arrived in Bahrain and were deported to Dubai in the U.A.E. by air. They were returned to Bahrain. On 6 October the four families were deported to Shiraz in Iran by air. They were returned in the same day. On 10 October family (a) were deported to Jordan and from there they were sent to Syria. On 17 October family (b) were deported to Jordan and were returned by Jordanian authorities to Bahrain. After few weeks in jail they were deported to Syria. On 24 October families (c) and (d) were deported to Syria.

7. In January 1991, Seyyed Saleh Al-Husseini and his family returned from Iraq through Jordan. They were deported to Bandar Abbas in Iran by sea. They were refused entry by the Iranian authorities and upon their return to Bahrain they were subsequently deported to Shiraz in Iran by air. They were returned to Bahrain to be imprisoned before deciding to deport them to Syria.

8. After the end of the second Gulf War, the following families returned to Bahrain from either Syria or Iran and were given passports valid only for the U.A.E. before deportation to one of the U.A.E. emirates: (a) Mohammed Habib Mansoor Mohammed, his wife and two children Hawraa and Jasim, (b) Yasin Jumaa Salman Al-Hawi and his wife Khadeeja together with his four brothers and two sisters; Faisal, Abdul Samad, Nasir, Mohammed, Aqeela and Batool. (c) Mr. Mohammed Saleh Al-Qashaami (also known as Al-Barbari), his wife and their children Aqeel, Aqeelah and Huda. (d) Mr. Maki Al-Jaziri, his wife and nine

children. (e) Mr. Abd Ali Al-Aali, his wife and five children. (f) Mr. Mirza Isa Al-Mahroos, his wife and three children (this family went back and was deported again). (g) Mr. Abd Ali Ismail, his wife and daughter. (h) Mr. Mohammed Jawad Darwish, his wife and two children (i) Mr. Abdul Husein Al-Manwi, his wife and three children.

9. The wife of one of the political prisoners Mrs. Balqees Hashem Falah Abdulla and her children Huda, Faisal, Maher and Hasan returned to Bahrain in December 1991 from Saudi Arabia and were detained and deported back to Saudi Arabia.

10. The following people returned from different countries and were deported back to where they came from; Mr. Fuad Al-Halwachi to U.A.E., Mr. Sadeq Al-Sharakhat to Kuwait, Mr. Hamid Salman to Saudi Arabia, Mr. Husein Ali Husein to Saudi Arabia, Mr. Mohammed Jawad Barni to Saudi Arabia.

11. Mr. Abdul Aziz Rashid Khalifa Al Rashid returned to Bahrain on 6 October 1991 and was deported back to Cuba after four days of detention.

The United Nation High Commission of Refugees is the international body charged with looking into cases detailed above. No action has yet been taken to secure the civil rights of Bahraini people.

## GCC: An Organization With a Vague Mission

The Gulf Cooperation Council (GCC) encompassing Saudi Arabia, Kuwait, the United Arab Emirates, Oman, Bahrain and Qatar was established in 1981. The stated objective of the then newly formed grouping was to bring about economic coordination among the six member states. Critics and commentators alike have argued the GCC's real aim was to ensure collective security. The GCC came into being against the background of the Iraqi invasion of Iran.

Indeed, the proven goal of the GCC was anything but the economic development of the area. Main industries are competitive and not complementary. This is true for oil, the chief source of both government income and export earnings. It is likewise true of other relatively new enterprises, such as petrochemicals, cement and increasingly aluminium. The countries are not customers for each other but struggle to win more clients at the others' expense. The only exception is Bahrain's buying of Saudi crude oil; but this was part of agreement long before the GCC's inception.

Inter-GCC trade is weak. According to official statistics, exchange of goods and services among member states constituted nearly some 7% of the total GCC trade in 1986. Worse yet the figure dropped to 6% in 1987. A sizable portion of the GCC trade has to do with the oil trade between Saudi Arabia and Bahrain.

Japan represented 22% of the balance and the U.S. 12%; not surprisingly, trade with other fellow Arab countries stood at 1% only. The prospects for further GCC business are not promising as the nations are pursuing development programmes in almost the same fields.

## Misinformation by Minister

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him was to highlight the weaknesses of the local press and Television network. None of that kind was forthcoming. Instead, he talked in a language reminiscent of the electioneering campaigns in democratic countries when leaders whip the crowds about the achievements of their parties ignoring most of the shortcomings and providing a glamorous picture of the otherwise miserable reality.

Mr. Al Mo'ayyad's account satisfied no one at the congregation, and harsh questions and comments ensued thereafter. The performance of the Information Ministry of Bahrain under his directorship is shameful. Talk to editors of the dailies and weeklies, apart from that of the daily Al Ayyam, and you will realise the extent of the feelings against Mr. Al Mo'ayyad amongst newsmen. He is interventionist beyond any limit. He always talks from above....He gives orders to the editors as if they all work for him... The exception of Al Ayyam is made because it was established by the Ministry of Information directly and its Editor, Nabil Al Hamar, was nominated by the Minister himself.

The most outstanding grievance of the newsmen in Bahrain is, contrary to the Minister's account at the Washington's Conference, the lack of Press Freedom in Bahrain. He may have had a partial success in misinforming the delegates, but the people of Bahrain are well informed on the subject of their Media.

Again Bahrain represents exception because of its extremely low oil reserves and relatively more diversified economy.

There is virtually no currency fluctuation among the member states. The Omani Riyal is formally tied to the U.S dollar (the American Treasury hopes otherwise so as to raise exports level given the decline in the value of the dollar), the Kuwaiti Dinar is linked to a basket of currencies with strong dollar representation; the other four states have their currencies officially pegged to the SDR. In the absence of currency fluctuation, economic coordination makes no sense or else can't be present (the same is not true for the G7 macro-economic policy coordination).

The GCC capital flows are mostly offshore. The Gulf countries are known for their substantial investments in the U.S and Western Europe but not within the region. Only Bahrain has been able to attract some funds, thanks to its banking position, but that is also on decline. Share trading among GCC investors is poor, partly because of the Souk al Manak (Stock Market) crash in Kuwait in 1982 and partly due to under-developed equity markets.

Then again, if the genuine aim of the GCC was not economic but defensive, then the invasion and occupation of Kuwait by the forces of Saddam Hussein puts the theory at shame. The liberation of Kuwait happened at the expense of the region's human and capital resources and dignity. In fact, some critics have charged since the GCC's inception that fending off a foreign military attack is not within the domain of the organization. The reckless Iraqi leader did not fail to realize this.

The only other explanation for the GCC's establishment is safeguarding the rulers from their people. This partly explains the absence of any form of referendum of the subjects involved. But the Gulf population has not been given a chance to express their views any way.

## Fahd: Kings Are Not Democrats

King Fahd of Saudi Arabia has put the ice on his political "reform" cake. In an interview with Assiyasshal newspaper published in Kuwait last month, Fahd spelled out his long-term intentions in so far as political openness in the Gulf, is concerned.

He was quoted as saying that Western-style democracy could not work in his country or in other GCC states. He went on to clarify this "cultural" prohibition, by stating that Islam has all what is required by society. It contains political, social, economic and legal systems, and therefore, Muslims have no need to import alien regimes to their life. He did not put it in such a profound argument, but in the final analysis, he was rejecting any attempt to demoralise the Gulf region.

Having failed to attract a positive response to his "3" declarations a month earlier, the Saudi Monarch must have felt truly hurt. His so called bold initiative was greeted with rejection and dismay from within the kingdom, and cynicism and disregard from without. Indeed, those journalists and papers that rely on Saudi money for their well being halted their earlier attempt to discover any liberalisation trends in the kings initiative. For, all what it amounted to was legalisation of dictatorship.

Before the 3 declarations it was an absolute morarchy by *de facto*. Afterwards it became documented and legalised. The king merely explained how he is going to continue his autocratic rule. He did not care what others might say. However, the muted response of the Saudi public, and the angry criticism from the opposition forums in the Gulf region, prompted king Fahad to speak to the Kuwaiti newspaper.

Still, it is hard to see, how can any muslim accept the claim that Islam justifies dictatorship. The essence of the Islamic ideology is the complete surrender to God, but only to Him. The political theory of Islam, while leaving the fundamentals of the social systems and fabrics to the Quran and the prophet seerah (deeds and sayings of the prophet), the administration is allowed to evolve from the nation. As social needs and problems develop over the centuries, the human beings have also developed ways of dealing with them. Thus, "Democracy" is just the cumulative results of social experiments. It is neither West, nor East.

Also, Islam emphatically denies legitimacy to corrupt regimes. As early as the Caliph's period in the seventh century A.D, the notion of accountability was established. The first Caliph begun his rein by asking the Ummah (i.e the nation) to point out any misdirections in his rulings. The hereditary practice of the Saudi clan, can hardly be blessed by Islam. It is an insult to all its teachings. It is even a greater insult to justify the appalling dictatorship of the house of Saud by telling the world that it is Islamic.

There is, however, a good thing amongst all the shambles of the latest Saudi attempt to polish their regime. It is that, the subject has now come to the open debate, and that Al-Saud are beginning to crack up under the pressure for political reforms. The Western media and human rights watchdogs can not justify staying silent. For, anyone, the Chinese, the Muslim republics of the former USSR and many Afro-Asian countries can readily claim that Western-style democracy does not suit them. If a pres-

sure is to be exerted upon them, then the Gulf Sheikhs could not be spared. Therefore, the hitherto forbidden debate on Gulf politics, has now been opened.

Meanwhile, in the Gulf, the people do not trust or believe a hand-on king or prince to disclaim power. We are well aware, that political change can only come, and human rights can only be respected in our region, if we continue pressing head, by all possible and peaceful means, with our demands. The last one to lecture our people on Islam or democracy is the like of king Fahd or any other autocratic Sheikh.

The fact is that the king knows this very well. That is probably why, in his interview cited above, he warned against the spread of Islamic fundamentalism. Gone are the days when the monster to the Western strategic interest were Marxists revolutions. Fundamentalism is a fashionable threat at present. It is very easy to a accuse opponents of dictatorships in the Arab world of religious extremism. Alas, for the king, he can't have it both ways. Either Islamic fundamentalism, as it is accused with, is against democracy, and therefore, he is advocating the same tendency, or he is democrat against Islamic opposition. He can't be neither and both at the same time.

## Caught Red-Handed

### A PhD Course in Leeds is Al-Zayyani's Reward for Spying

Since 1983 and up until last month the position of the Registrar of the University of Bahrain was held by a hated personality: Yousif Al-Zayyani. He lacks the qualifications and morality to hold such a post for nearly a decade. However, he is one example of how Al-Khalifa regime administer the country.

He spent eight years in Saudi Arabia doing his BSc, during which years he was put in charge of distributing his fellow students' grants and managing their affairs. In 1982, 120 students were accepted by the Saudi Universities and their names were published by Saudi newspapers. However Mr Al-Zayyani didn't like the names of the students and ordered their refusal. Most of the 120 students were left unemployed and without further education.

In 1983, Mr Al-Zayyani managed to obtain his BSc and returned to Bahrain to be appointed as The Registrar of the University of Bahrain (then the Gulf Polytechnic). During all these years he implemented a sectarian policy and spied on the lecturers. This was a well-known fact, but no one dared to confront him.

However, a scandal was uncovered on 28 April 1991, and signalled the end of his spying career. On that day several lecturers and employees of the University managed to trace bugging devices in their telephones. Investigating the network closely exposed a controlling device linked to the office of Mr. Al-Zayyani. Realizing how critical the situation was to avoid the rage of the intelligence service, the lecturers called some journalists and witnesses, before breaking in the "control room". Inside there was a highly advanced communication network. . Recorded tapes of

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# Bahrain's Economy: Tough Times Are Made Harder by Widespread Corruption - Part 2

Bahrain's economy is facing significant difficulties. Oil remains a key source of national income. Oil and mining constituted only 15.5% of the GDP, but the oil and gas sector generated 57% of the state revenues as per the 1990 budget (46.6% for oil and 10.4% for gas).

In 1990, the Gulf crisis helped inflate prices for the first few months, thus bringing in extra oil income. However, oil revenues dropped in 1991 following the war. Oil prices behaved quite interestingly. Despite the fact that the Saudi oil fields were under eminent threat, the prices fell. The U.S. orchestrated the move by exaggerating the military achievements in the first two days of the conflict in January 1991. The logic was to send a message to the oil traders that there was no reason to worry about the oil supplies because Iraq was completely defeated. In a few days time, the Bush Administration was uncomfortable in explaining the war's progress to the reporters who questioned earlier claims. On the other hand, Saddam Hussein was deceived into believing that the U.S. would not go to war because military confrontation would cause a dramatic increase in oil prices and that will be too much for the U.S. economy given the on-going recession. However, the U.S. managed to design a successful plan that brought down oil prices and made the American Treasury win billions of dollars. Since oil today is a commodity traded in New York and London markets, the process of influencing the prices became much easier than otherwise.

Oil revenues are generated from two fields. Oil makes 46.6% of the "budget" income. Of this, 38% comes from the Bahrain field and 62% from AbuSaa'fa field. The Bahrain field is 100% owned by the government. Bahrain produces some 43,000 U.S. barrels per day (not enough to make it a member in OPEC). In 1990, Bahrain produced a total of 15,596,000 barrels. The oil reserves stood at 150,000,000 at the year end. Thus, Bahrain should technically run out of oil before the turn of the century, based on the current production level.

Since its discovery and production in the thirties, oil revenues have been mismanaged by the Al-Khalifa family. Oil royalty was divided into three shares. One-third was reserved to the ruling family, one-third to capital expenditure and the remaining third for investment. In 1966, the AbuSaa'fa field was discovered. The Al-Khalifa succumbed to Al-Saud by sacrificing Bahrain sovereignty and since then, the Riyadh government controlled the field but shared the revenues with Al-Khalifa. As a result revenues corresponding to 75,000 b/d have been provided by the Saudis. Revenues from this field are assumed to be Al-Khalifa's private property, who may or may not provide them to the state budget.

Since 1987, production ceased from AbuSaa'fa, but Al-Saud continued to provide what amounted to revenues of the 75,000 b/d, as a "compensation" for the abdication of Bahrain sovereignty over the island. Saudi Arabia is said to have declined Bahrain's offer for a

Saudi stamp on documents to which the Saudis promise to provide the 50% revenues to Bahrain. Saudi Arabia possibly is thinking of the future. Saudi Arabia has a great deal of influence in Bahrain's internal and external policies. For example, Bahrain established diplomatic ties with China only after Riyadh started ties with Peking. Religious circles sympathetic to the Saudi monarch win favourable treatment. Furthermore, the Emir of Bahrain greets the Saudi Defence Minister on his state visits although diplomatic protocols call for a reception by the counterpart official. To be sure, currently Bahrain is researching for oil potentials, but so far no success has been recorded. Bahrain is too small a country, and this limits the chances of finding more oil.

During 1985/86, the government's income dropped by nearly 30% because of a huge fall in oil prices. Bahrain's oil processing capacity is sizable, unlike the crude oil. Bahrain has a refinery capable of processing some 250,000 barrels per day. The country's merchandise accounts show that in 1990, the petroleum sector comprised 78.4% of the exports and 48.4% of imports. Bahrain buys oil from Saudi Arabia and then refines it into petroleum products, such as jet fuel, motor gas and diesel mainly for exports. Bahrain's own daily crude output of 43,000 barrels falls short of the refinery's capacity. The two neighbouring nations have been with an oil-pipeline since 1945. The refinery was built in 1936, making it one of the oldest in the world's oil industry, and this has raised maintenance costs. Modernisation means automation and the latter means laying people off their jobs.

Bahrain has been unfortunate in its oil income. Oil was discovered in 1932, the first in the Gulf, even prior to Saudi Arabia by the standard Oil Company of California (Socal). Bahrain sold most of its oil at times when oil prices were extremely low in the period 1932-1972. On the other hand, oil was discovered in Oman in 1968 (very late because he father of the current Sultan believed the country's soil should not be exploited). Oman sold its oil starting in the 1970s when the oil prices were quite high in nominal terms. As stated above oil plays a rather crucial role in the economy, much more than the GDP figure of 15.5% would suggest.

The profile for gas is much better than oil. Gas revenues make up 18% of the oil and gas sector of the budget (both comprising 57% of total state revenues). The country gas reserve is put at 6.5 trillion cubic feet; this is 0.5% of the total reserves for the Middle East and 0.16% for the world's reserves. Aluminium industry is of prime importance to the national economy. The world aluminium prices are not attractive today. In the early 1990s, Bahrain had to choose between making major investments for modernising the refinery or expanding Aluminium Bahrain (ALBA) capacity. It selected the latter, partly because Bahrain is the chief aluminium exporter in the Gulf and partly due to the oil affair with Saudi Arabia. Bahrain will have doubled aluminium output to 460,000 tonnes a year by 1993. International

aluminium prices are 70% below the peak of 1988. The manufacturing development has been all but successful. Jebel Ali Free Zone of Dubai is a rival that has more to offer. Most new foreign firms are increasingly choosing Dubai because of favourable business laws and the existence of attractive support services, such as transportation and utilities. In the period 1965-88, Bahrain had the lowest average annual real percentage growth in the world, 0.1% only (versus 14.5% for South Korea in the same interval). Judging by historical performance alone, the prospects then are not promising.

Members of the "Royal Family" are not well disciplined. The Royal Family is involved in business taking advantage of their special status. Suffice is to mention that members of the Family are exempted from all sorts of taxes, duties and utility charges. This gives businessmen from the royal family the comparative advantage to go further in their day to day dealings with the people, by expecting VIP treatment everywhere and from everyone. One of them, Sheikh Mohammed, who is the brother of the ruler, uses force to expand his business empire. Sheikh Mohammed has substantial investments in the country; for example, he owns four hotels. This man would like to have his hands on whatever he happens to like. He offers to purchase the property or enterprise, but if denied, he does it his way: taking the asset by force through putting his own prices tag on the enterprise. No one, not even the Emir, challenges Sheikh Mohammed's behaviour. The Sheikh avoids getting in conflict with other members of the Royal Family. He is a government within the government. Another company which never suffers any losses in any economical circumstances is Unitag Group as it is owned by the Prime Minister who is also the brother of the Emir!

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phone calls of suspected lecturers and university personnel were archived and dated. The journalists and witnesses listened to the tapes and the following day a brave article in the daily Akhbar Al-Khaleej (1/5/91) was published. The risk the journalist took saved the lecturers and himself from imminent accusation and arrest by the intelligence service.

However, people waited to see what action will the authorities take to "punish" the "Registrar". After the affair, Mr Yousif Al-Zayyani was sent to Leeds in the U.K. to secure an acceptance for a PhD research and thus provide an exit for his disappearance. Complete cover-up was imposed on the case, and on 3/3/1992 Al-Ayyam daily reported that the "Principal of the University of Bahrain has accepted the resignation of Mr. Yousif Al-Zayyani". No criminal charges were brought against Al-Zayyani and none are expected. However, the intelligence will reward his contribution to the "state security" by sending him to obtain a "PhD" in the U.K.