

* HOJATOLISLAM MAHDI MOVAHEDI KERMANI, FORMERLY A PERSONAL representative of Ayatollah Khomeini with the police force, has been named as head of the political and ideological bureau of the armed forces senior command. The appointment was made by Ayatollah Ali Khamenei, the supreme leader, in his position as commander-in-chief of the armed forces. It appears to be yet another instance of the jostling for position within the regime between revolutionary hardliners and moderates, indicating yet again that Rafsanjani's grip on power may not be as firm as widely supposed.

Iraq

* DELIVERY OF ELEVEN WARSHIPS ORDERED FROM ITALY IN 1980 may at last take place as a result of the Italian-Iraqi joint economic commission held last week. The frigates and corvettes built by Italy's Fincantieri have been retained in the Mediterranean after a weapons ban imposed by Italy during the Gulf war. Iraq has paid about half the total cost of \$2.6bn and is now reported to be asking that outstanding payments be spread over ten years. Baghdad says it is willing to pay interest on these payments, but wants backdated interest to be wiped out. It is also understood that Rome has given permission for the supply of ten naval helicopters by Agusta. Final agreement hinges on rescheduling of an estimated \$2.7bn of debt owed to Italian firms.

* TALES OF MALTREATMENT OF EGYPTIAN WORKERS IN IRAQ appear to have struck a sensitive nerve in Baghdad. The Egyptian press has been replete with accounts of assaults and even killing of Egyptian migrant labourers who are now being forced to leave the country as demobilised Iraqi soldiers return to civilian life (Gulf States Newsletter, 27 November 1989). According to Al Ahram, the semi-official Cairo daily, Iraq has agreed to pay \$50m to Egypt to meet outstanding wage remittances and claims by Egyptian firms. One of the means the

Iraqi authorities have employed to encourage Egyptian workers to return home is a severe reduction in the amount of currency they are allowed to remit to Egypt. According to the Egyptian press, Iraq owes some \$350m to Egyptian firms and guest workers, but has agreed to pay this off in instalments. The reported incidents of violence in Iraq have strained relations between Baghdad and Cairo which earlier this year formalised their relationship as founder members of the Arab Cooperation Council. The fact that Iraq is willing so readily to come up with scarce hard currency testifies to the importance it attaches to good relations with Egypt.

Kuwait

* RESTORATION OF DEMOCRACY IN KUWAIT LOOKS HIGHLY UNLIKELY after the Ruler, Sheikh Jaber al Ahmed, last month rejected a petition from leading citizens calling for a new national assembly. The ruler suspended the elected assembly for the second time in 1986, justifying his decision by saying that the war between Iran and Iraq had generated tension between the country's Shia and Sunni Moslems. About a third of the indigenous population is made up of Shias.

Sheikh Jaber reportedly refused to countenance a petition presented by 50 prominent Kuwaitis and signed by more than 25,000 people. The group were represented by two businessmen, Salah al Marzouk and Hamad Abdul Aziz al Saqr, with a leading lawyer, Mishari al Osaimi, and a university professor, Nasser al Qanoor. An investment banker who sponsored the petition was quoted as saying that "now the Gulf war is over and the security situation has relaxed, we feel it is time for the emir to restore the national assembly". It appears that repeated attempts to submit the proposal to Sheikh Jaber at an open audience were rebuffed, even though the ruler has repeatedly stressed his willingness to restore democracy when the time is right.

Sheikh Jaber's refusal is indicative of the ruling family's nervousness about giving free rein to public opinion once

again, but could prove counter-productive in the long run. If the figure of 25,000 signatories is at all accurate, it would represent a quarter of the registered electorate. The ruler is able to defy the wishes of this group with the -- not unjustifiable and widely shared -- point that the last assembly had "degenerated into factional bickering", to quote one leading businessman. "It was not a difficult task for the government to convince people that suspending the parliament was in the national interest."

Equally, however, there is widespread suspicion that the Sabah hierarchy does not want to see the national assembly re-emerge because it has shown an unwelcome interest in the past in investigating the affairs of ministries run by members of the ruling family. One minister was forced to resign after questions in parliament in 1986, which appears to have convinced the family that the assembly was threatening to emerge as a challenge to their authority.

* MORE ARMS WILL BE PURCHASED FROM EGYPT, ACCORDING TO THE defence minister, Sheikh Nawaf al Ahmad al Sabah. Visiting Cairo last month, he said that after buying some \$500m worth of Egyptian military equipment Kuwait was interested in acquiring more. He stated that Egyptian-made arms "are advanced weapons that have proved their worth". The largest single order so far placed with Egypt has been for Fahd armoured personnel carriers, of which some 150 have reportedly been delivered so far. Kuwait is also buying the Amoun air defence system which combines US-built Sparrow surface to air missiles with Swiss anti-aircraft guns and radar control. The Egyptian defence minister, Yusuf Sabri Abu Taleb, said that Egypt had a military cooperation agreement covering both arms and training and was eager to boost sales to other Arab countries (see Gulf States Newsletter, 30 October 1989).

Oman

* THE NEW BRITISH AMBASSADOR IN MUSCAT WILL BE TERENCE CLARK, formerly British ambassador to Iraq where he has served for the past four years. He will take over from Robert Alston. Clark was with the embassy in Oman previously from 1972 to 1974 and has also been posted to Bahrain, Amman, Casablanca and Dubai.

Saudi Arabia

* RIYADH IS ENTHUSIASTICALLY BACKING THE PROPOSED UNION of North and South Yemen which, after years of negotiations, at last seems to be approaching reality. The most significant development was the visit at the end of last month by North Yemen's President Ali Abdullah Saleh to Aden on the occasion of South Yemen's independence day celebrations. South Yemen's Marxist-oriented government has undertaken a series of political and economic reforms of late -- locally called "Aden's perestroika" -- and appears to have convinced the Sanaa government that it is sincere in seeking unification.

The Saudi foreign minister, Prince Saud al Feisal, visited Aden in November to chair the first meeting of the Saudi-South Yemeni joint commission. Notably, he was accompanied by Mohammed Aba al Khail, the minister of finance and national economy. It is no secret that Aden wants financial aid from Saudi Arabia, which pledged \$8m last July for victims of severe floods in the country as a preliminary gesture.

By closely involving itself in the evolving relationship between North and South Yemen, Saudi Arabia may also be trying to keep a close eye on Aden's future diplomatic orientation. South Yemen has expressed an interest in joining the Arab Cooperation Council (ACC), established earlier this year by Egypt, Jordan, Iraq and North Yemen. At the time the ACC was set up, it was met with ill-disguised scepticism in Saudi Arabia which saw it as a potential rival to the Gulf Cooperation Council, particularly given North Yemen's membership.