

The final speaker, Dr. Abdelhamid Brahimi, a former prime minister of Algeria and author of several books on economics, presented devastating facts and figures to show how the policy followed by the military junta since 1992 has destroyed the economy utterly. Following the International Monetary Fund's Structural Adjustment Program, the Algerian government has liberalized prices internally, shifted to import-dependency for food, thrown the industrial workforce onto the unemployment lines, and debased the currency. Dr. Brahimi's carefully worked out study of the impact of these policies on Algeria, have allowed him to outline a forecast, according to which, if the same junta were to remain in power until the year 2000, the country would literally explode.

Due to the particular relevance of Dr. Brahimi's study to an understanding of the Algerian crisis, *EIR* republishes here the text of his speech, which has been slightly abridged.

## Algeria at the crossroads

by Dr. Abdelhamid Brahimi

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In 1995, Algeria, changed beyond recognition, stands on the edge of an abyss. Two possible ways lie before the country.

The first alternative is for the government to carry out on its policy of "eradication" introduced in January 1992 following the coup d'état organized by generals, former officers in the French army. In this case Algeria will plunge deeper into a crisis which is already very complex, and which will grow worse in every way in the course of a few months. This course, relying on severe repression for nearly four years, has demonstrated, however, the madness of the illusions shared by the generals responsible for the coup d'état and their isolation from the Algerian people and the representative political parties and their continuation in office by the use of force in order to protect illegal privileges, in defiance of the Constitution and the aspirations of the people, can result only in a deepening of the crisis and lead Algeria into ruin.

The second alternative, the path of wisdom, dialogue, and national reconciliation, will lead to the salvation Algeria and her entry into a new period, full of hope, with the promise of the free exercise of democracy.

We shall take a closer look at these two possibilities, starting with the situation as it exists today, and then evaluating their effect on the probable development of the economic and social situation of Algeria over the next few years.

## I. The pursuit of a repressive policy

For nearly four years, the people of Algeria have been subject to terror, hunger, injustice, humiliation, arbitrary arrests, and summary executions. The violation of human rights by the military regime, as well as the violation of individual and collective freedom, has become the tragic daily reality suffered by Algerians since 1992.

### 1. The period 1992-95

If the policy of "eradication" is continued for several years, it will transform Algeria into a sea of blood and will ruin the country at every level. The disastrous results of the policies of the years 1992-95, are clearly demonstrated by the following facts:

1. More than 50,000 innocent Algerians have been killed.
2. The GDP (Gross Domestic Product) per head of population has sunk dramatically from \$2,500 per annum in the 1980s to \$1,100 in 1994, i.e., a drop of 56% in six years. The overall GDP has sunk from \$43.17 billion in 1992 to \$33.12 billion in 1995, in other words, a drop of 23.3%.
3. The continual marginalization of agriculture has led to a sustained increase in the import of foodstuffs. In 1995, nearly 90% of the country's agricultural and foodstuff needs depended on imports. Compared with 1992-94, there was a 25% fall in agricultural production in 1995.
4. In 1995, with the exception of the hydrocarbon sector, the State and private industry functioned at 20% of capacity, i.e., 80% of the existent industrial capacity is not used. The figure for industrial output has been constantly downward: -6% in 1992, -15% in 1993, and -10% in 1994.
5. Activity in the building and construction sector has also sunk considerably. Only about 40,000 homes were completed in 1994, compared with 130,000 in 1984, although the housing situation remains at crisis point.
6. The rate of investment (ratio of investment of GDP) has never been so low for 30 years. In 1994 and 1995, Algeria benefited by more than \$18 billion in fresh money, following two successive reschedulings of her debts. A large part of this resource was used to increase the import of foodstuffs and armaments. In fact, the imports of foodstuffs (35% of total imports) and industrial consumables (14%) alone made up 49% of total imports in 1994. This had never been seen since 1966. Military expenditure went up by 20% in 1994, and seems likely to continue at a high rate in 1995—all this at the expense of investment in production.

7. Unemployment, constantly increasing, exceeded 30% in 1995, and particularly affects the young. In fact, Algerians between the ages of 16 and 29 make up 83% of the unemployed, while constituting only 27% of the total population.

The unemployment crisis will worsen with the dismissal of more than 400,000 workers, resulting from the policy of

privatizing public enterprises, in accordance with the program of the IMF. The possibilities for creating employment are very poor, considering the low level of investment.

8. Galloping inflation, brought about by the increased cost of imported goods (following the devaluation of the dinar), and by increased costs of production, exceeded 40% in 1994 and is around 30% in 1995, levels never previously seen since Algeria gained Independence. The situation is even more serious, when one realizes that the Algerian consumer spends between 65% and 75% of his budget on foodstuffs. The prices of foodstuffs have grown at an average

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annual rate of more than 90% (200% for coffee, 110% for milk, 93% for sugar, etc.). The resulting fall in the purchasing power of money has led to a growth in poverty.

To all this must be added the widespread feeling of insecurity, the growth of corruption (estimated to run at between \$1.5 and \$2 billion annually, and denounced at the end of July 1995 by the present Minister of Restructuring and Participation), the military regime's isolation within the country, and the loss of authority by the State.

## **2. The period 1996-2000**

Pursuing the policy of repression will unfortunately increase the number of innocent civilian victims, and cause further damage to the economy of Algeria and plunge the country into despair and desolation.

External debt is a millstone which in the circumstances of present-day Algeria, will aggravate the recession even further in the course of the coming years.

The policy of debt rescheduling undertaken by the Algerian regime in January 1994, and the implementation of measures imposed by the IMF, had negative economic and social effects in the years 1994-95.

The future situation will get worse because rescheduling leads to the postponing the repayment of part of the debt to a

future date, but with extra costs.

In financial terms, this means repaying in three or five years a significantly greater sum of money than that due today.

In economic terms, the lack of a policy of economic recovery (in any case, economic recovery is not within the competence of the present regime, in view of the widespread sense of insecurity and the lack of people's confidence in those presently in control of the country), and the lack of any dynamic investment policy, will lead Algeria into long-term economic decline.

In social terms, this will lead to a high level of inflation, greater loss of purchasing power, a growth in social needs among the population, and an increase in social problems, especially in matters of health, education, housing, and transport, which will result from the reduction of public expenditure in these spheres, demanded by the IMF, although they are already underfunded.

External debt had already exceeded \$26 billion in 1994 and \$29.4 billion in 1995. Total debt will very probably exceed \$36 billion in 1998, and \$40 billion if military debt is included. Receipts from exports are not growing at the same rate. Exports of hydrocarbons (oil and gas) represent 98% of all exports. The level of receipts from exports depends on fluctuations in the price of oil, which are completely outside Algeria's control.

According to figures provided to Sonatrach, provisional receipts from the export of hydrocarbons will grow from \$8.6 billion in 1995 to \$9.8 billion in 1996, and will stabilize at around \$11 between 1998 and 2000.

On the other hand, imports of goods and services have already exceeded \$11.1 billion in 1995. Even if they remain at their present level in the year 2000 (which is very unlikely, considering the growth in consumer demand arising from population growth), financing needs will be important, and will be difficult to cover, because of increasing indebtedness and the mediocre performance by the national economy, whose productive sectors (industry, agriculture, housing, and construction) are experiencing recession, and are incapable of generating resources at an adequate level.

Neither the IMF program of structural adjustment, nor the measures adopted by the present regime, which is directing the economy on a day-to-day basis, will be able to prevent the deterioration of the economic and social situation.

In fact, if the present situation continues, the gap between available currency resources and what is needed to finance the economy will be so great between 1998 and 2000 that Algeria will be unable to continue making repayments, and will find that the IMF is less cooperative than in 1994 and 1995. The debt will have reached a very high level and the prospects of any growth in the receipts generated by exports are virtually nil, because of the state of stagnation in the international oil market. In other words, by the end of the century, Algeria's ability to repay its debts will be considerably re-

duced. Algeria doesn't even have at its disposal the means which Morocco and Tunisia have to promote agricultural and industrial exports, other than hydrocarbons. To this must be added the growth in population, which will have reached 33 million in 2000. In other words, between 1992 (when Algeria had about 26 million inhabitants) and the year 2000, the population will have grown by 7 million. It will be impossible to satisfy the needs of every kind produced by this demographic growth in the coming five years, if present circumstances continue. The financial, economic, and social tensions will be such that they can only lead to a popular explosion. The people of Algeria will not be able to tolerate for long the increase in poverty and the continual pauperization of the middle classes at a time when the corrupt minority of mediocrities who take advantage of power employ force to defend their illegal privileges and lead the country into ruin.

The present situation is abnormal and unnatural. It cannot, therefore, continue indefinitely.

That is why a return to democratic processes cannot be avoided. In these circumstances, the National Contract signed in Rome in January 1995 by seven political parties and the Algerian League of Human Rights provided a valuable basis for negotiations between the regime and the opposition. It is curious to note, in passing, that at present in Algeria, contrary to the generally admitted rule, the regime is an illegal and minority one, and the opposition is popular and represents the overwhelming majority of Algerians.

If the path of dialogue and national reconciliation continues to be rejected by the regime, the political, economic, and social situation will deteriorate to the point where honest officers will put an end to the present situation through a national uprising, and will join forces again with the democratic process, in conformity with the aspirations of the Algerian people.

A return to democracy will of necessity pass through a period of transition, in view of the extreme complexity of the present crisis, affecting so many spheres.

### 3. The period of transition

The period of transition will of necessity be limited in time. Its length, as well as the conditions under which institutions function during this period, will be determined by negotiations between the regime and representative political parties, without any of them being excluded.

The aim of this period of transition is to prepare for a return to popular sovereignty, to respect for the Constitution, and the exercise of individual and collective freedom.

The period of transition will be characterized in particular by:

- the lifting of the state of emergency and of the curfew;
- the release of all political detainees;
- the annulment of all special regulations, repressive in character;
- the annulment of the decision to dissolve the FIS [Islamic Salvation Front];

Islamic Salvation Front];

- an end to repressive practices (kidnapping, arbitrary arrests, torture, summary executions);
- an end to bloodshed;
- the effective practice of freedom of information, including access to all the media without discrimination;
- the freedom of political parties to organize public meetings.

The implementation of these measures will contribute to the creation of conditions favorable to the reestablishment of peace within the country and national reconciliation.

A transitional government, granted effective power and composed of representative political forces, will oversee the organization of free and open elections with the least possible delay. The verdict of the people must be respected by everybody. Under these circumstances, Algeria can really get out of its present crisis, because the newly and democratically elected leaders will be trusted by the people and will be able to proceed with the reforms necessary to rescue Algeria from underdevelopment and the present ruinous impasse.

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## II. Economic prospects in a democratic Algeria

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Right at the outset, it is worth recalling that the three constitutions of independent Algeria (1963, 1976, and 1989) based on the declaration of Nov. 1, 1954, state that Islam is the religion of the country. No political party contests this fundamental principle. However, differences emerge when the question arises of how this principle is to be applied. Secularists are content with the enunciation of this truth, which should be limited to a symbolic role and nothing else. For Islamists, the Islamic teachings of the Qur'an and the Sunnah should serve as the framework of reference, from which are derived the theoretical bases for proceeding to the economic, social and cultural changes necessary for the development of a modern society, where unity, a sense of responsibility, equilibrium, and social cohesion and justice will prevail.

As Algeria has been deeply attached to the belief in Islamic values for centuries, as well as to democracy, the organization of free and open elections will, under present circumstances, naturally bring Islamists to power.

Certain circles in Algeria and abroad maintain that Islamists have no economic program and that Islam is the religion of the Middle Ages, and so on. Their approach arises from intellectual terrorism based on ideological prejudices. The designs of such circles are well known. This is not my intention.

It is appropriate to recall that Algeria has tried everything since 1962, except the experience of Islam: socialism, State capitalism, unrestricted liberalism, market economy, and

monetarist and Malthusian measures, inspired by the neo-classicism of the IMF. However, it is necessary to state, that in spite of the economic and social progress achieved here and there, thanks to the manna provided by the oil exports, Algeria's economic and social situation is at the present moment the major cause of concern.

On the other hand, people often speak of the interests of European countries in Algeria and the Maghreb. Is it no longer correct to allow Algerians, in the first place, the right to identify their own [way] and to allow them to rebuild their

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country in freedom and peace? A return to democracy and to the demands imposed by revival will allow the emergence of competent and honest administrators, enjoying the confidences of the Algerian people. Under these circumstances, the implementation of a program of short-, medium-, and long-term economic measures, both internal and external, will restore the economy to a state of normality, introduce a moral element into it, and bring the economic crisis under control.

The measures put forward here are a modest contribution toward formulation of a strategy of economic and social development, both Islamic and modern in inspiration.

### **1. Short-term or urgent measures**

The first task of a legitimate government that has been democratically elected will consist of immediately drawing up practical and effective measures to improve the performance of the economy. These measures will have the effect of giving a boost to the economy, and of guaranteeing a better preparation for the future. The four following measures will serve as examples to illustrate this.

**Cleaning up the economy:** In order to succeed, measures connected with cleaning up the economy must take into consideration two fundamental principles: respect for social justice, and bringing back into favor hard work and effort. Against this background, specific and effective measures

must be decided upon to ensure:

- a revision of the tax system (war on fraud and tax evasion, taxing obvious signs of wealth, etc.), while awaiting the evolution of a wholesale reform of the tax system;
- the reintroduction of networks and the techniques and mechanisms of management, all performed openly, in order to suppress "undeserved privileges";
- a vigorous struggle against "the gangrene" of corruption, unmerited wealth, illegal fortunes, etc.;
- a campaign against speculation, and recovery by the state of speculative bonds.

Measures such as these cannot fail to improve the moral standard of and normalize economic activity, and will encourage agents of the economy to redouble their efforts, and will mobilize workers and citizens of the country in tasks that will rebuild the country on solid and permanent foundations, from which they will be first to benefit.

**Supplying production units and ensuring proper maintenance:** Failure to supply the country's industrial plants between 1990 and 1995 was one of the main causes of economic decline.

The bringing back into use of units of production at full capacity, both publicly and privately owned, must be a priority task of the new government. Action can be taken in several directions at the same time:

- The encouragement of the strengthening of national economic integration. This should produce positive results very quickly;
- Guaranteeing the correct supply of inputs for maintenance and sub-contracting industries, whose varied activities cover the whole country and have a knock-on effect on many sectors;
- Adopting measures to encourage exports, other than hydrocarbons, such as processing, etc.

Activity of this sort aims at strengthening the way different units, enterprises, and sectors of the national economy work together and interact, technically and economically, in order to establish the foundations of the national economy, provided with the means that enable it to grow on a proper basis.

**Relaunching investment:** The relaunching of productive investment in particular, both public and private, is vital, if the country is to escape from this period of recession which has paralyzed it. In the first instance, this movement must be selective, in view of the scarceness of monetary resources, in order to give a stimulus to the economy and employment. This increased public and private investment must be directed toward three directions in particular:

- Stimulating the building and construction sector. This sector creates employment on a large scale and contributes to solving the housing crisis, as well as to meeting social needs (buildings for schools, universities, health purposes, economic infrastructure, etc.)
- Encouraging small and medium-scale industry. The development of this sector, making use of local raw materi-

als, creates employment, reduces imports, and strengthens the integration of the national economy.

- The use of intensive industrial investment. Experiments have been made in certain branches of industry in Algeria, where 15-20% of initial investment has led to doubling the output of existing industrial plants.

**Relaunching agriculture:** It is in the agricultural sector that consistent and tangible results can be quickly achieved. While awaiting the development and implementation of a wide-ranging program, certain immediate actions can be undertaken:

- Easing access to interest-free credit for producers and small-scale *fellahin* in order to finance their investments;
- Guaranteeing the availability of factors of production in the right quantity and quality, and at the right time;
- Encouraging technical progress;
- Helping producers to intensify their production of foodstuffs, with a view to reducing imports progressively. . . .

At the same time, thought must be given to preparing economic reforms.

## 2. Economic reforms

The State's use of institutional instruments within flexible and well-thought-out organized framework and in conformity with Islamic values, with the object of accelerating development, demands the implementation of wide-ranging reforms in planning methods, in fiscal, financial, pricing and wage policies, in regional development, and in decentralization. Two innovations deserve to be introduced: the institution of *Zakat*, and the encouragement of the private economic sector.

**Introducing *Zakat*:** It will be useful at the outset to recall several general principles relating to *Zakat*, in order to illustrate its importance;<sup>1</sup>

- *Zakat* is both an act of worship directed toward Allah, and an obligation for Muslims;
- *Zakat* is a right of the poor on [sic] the wealth of the rich; Allah has defined the eight categories who enjoy the benefits of *Zakat* (Surah al-Tauba, v.60). Distribution of sums collected as *Zakat* is not left to the discretion of the rich nor the State. It must be in conformity with what is laid down in the Qur'an and the Sunnah;

Collecting *Zakat* is the responsibility of the Islamic State;

- *Zakat* is not merely assistance intended to support the poor, its purpose is rather the eradication of poverty by creating permanent employment, economic growth and the spread of well-being;
- *Zakat*, an Islamic institution, has spiritual, moral, socioeconomic, and political aims.

This brief reminder serves to show that *Zakat* has a specific role to play in society, and is different from taxation.

The organization and administration of *Zakat*, employing modern methods (information technology, among others), and in conformity with the Shari'ah, can lead to important

results. Under these conditions, the amount collected by *Zakat* can amount to 12% of GDP. Thus *Zakat* collected in Algeria could amount to \$4 billion to \$5 billion annually, assuming a GDP of \$34 billion to \$40 billion.

**Fiscal reform:** *Zakat* is different from taxation, and cannot be a substitute for it. Fiscal reform is necessary, because the present system is inappropriate, unfair, complicated, and inefficient. Moreover, its administration is often corrupt. The burden of taxation, which favors the rich, is far from being excessive, and represents about 19% of GDP in 1995.

Since corruption, fraud, and tax evasion reduce the yield of direct taxes considerably, the burden falls upon the less well-off. Progress and social justice alike make the operation of a wide-ranging reform of the tax system vital.

**Reform of the financial system:** Finance, in fact, is a strategic sector with considerable economic, social, and political implications. The reestablishment of the general equilibrium of the economy, the development of productivity, the eradication of poverty, and general progress can become achievable objectives and not merely pipe-dreams if the financial system which operates at present is thoroughly reformed in the light of Islamic teaching. The central problem affecting Algeria, like most countries in the Third World, is the shortage of capital, and its equitable and effective allocation. This vital problem includes two aspects of the distribution of credit: supply and demand, but is mainly concerned with the question of the supply of capital.

As far as supply is concerned, banks act as intermediaries between savers and investors, while participating themselves in investment activities. The methods of mobilizing and utilizing private savings through the banking system have been exhaustively examined and analyzed. Many books have been devoted to the means of mobilizing funds, based in the sacred Islamic prohibition of *riba* (interest or usury).

Thus the Islamic banking system to be operated in Algeria will not be based on the idea of remunerating money at a predetermined rate, guaranteeing the depositor of capital an assured return, without effort or risk on his part, but will be on the basis of an agreement between the bank and the owner of the funds in a joint operation undertaken in industry, agriculture, or services. In all cases, the bank and the person who contributes the capital share profits, in accordance with the terms of their contract. Any gain produced by such operations, representing a kind of return on the investment undertaken in a specific economic activity, is regarded as profit and not as interest, since the contracting parties have accepted the risks of entering into the specific project.

On the practical level, however, two kinds of difficulty must be overcome in order, on the one hand, to reduce the risks to which commercial banks are exposed, and to make the conditions more attractive to savers on the other hand.

Regarding the first point, the risk can be reduced by State intervention. As indicated by Umer Chapra,<sup>2</sup> an Islamic bank can be protected by a form of guarantee, agreed to by itself

and the public authorities, according to which the bank can be compensated if the business in question goes bankrupt. The object of this is to give savers and potential investors security, thus freeing them from giving collateral for their contract or mortgaging their property. The State guarantee protects both the bank and depositors, thus widening the circle of the bank's clientele, including small savers.

Regarding the second point (attracting savings), statistics referring to those Islamic banks which are operating at present show that savers have a clear preference for short-term deposits (one to two years) over investments having a longer maturity, as is shown by the experience of Egypt, Pakistan, and the Sudan.<sup>3</sup> This can be partly explained by the fact that a preference of liquidity is a feature of financial instruments. However, solutions can be found to overcome this sort of difficulty. Formulas can be created to encourage banks to become more involved in the financing of long-term investment by making Islamic securities issued for this purpose negotiable. In this day and age, Islamic banks should be encouraged to offer the widest possible opportunities for financing small businesses and small-scale farmers, who constitute a considerable economic weapon in the struggle against poverty and the march toward progress.

In fact, it has been shown that small businesses have a high rate of performance in terms of profit and growth, not only in industrialized countries, but also in developing countries, in spite of more difficult circumstances.<sup>4</sup>

With encouragement, and shown the right direction to take, small industrial and commercial firms and agriculturalists could contribute to a growth in production, to the creation of employment, to the distribution of income, and to an improvement in the way goods and services are shared out. Partnership should be encouraged in these areas, following patterns such as "*Mudarabah*," "*Musharakah*," and "*Muzar'ah*," which have been tried out in several Islamic countries over a number of years. Further application of these forms of partnership toward savers will contribute to mobilizing savings, at present lying idle, toward productive ends, and thus to increasing the production of goods and services, by widening the areas of production and giving a boost to the rest of the economy.

The resulting increased activity will contribute, moreover, to accelerating the role of banks in the economy. Islamic banks will be able, on their own, to develop their network across the country, so as to be closer at hand to potential clients in small towns and rural areas. By mobilizing idle savings and directing them toward productive activities, Islamic banks would participate in restoring the economy. Since the economic cycle in agriculture and small and medium-sized businesses is comparatively short, the positive results achieved in the country in the course of a certain period will have the effect of increasing the confidence of both economic operators and savers.

The cleaning up of the economy by economic means of

this sort will allow a considerable reduction in the amassing of money; and, by recycling its considerable financial resources, it will eventually lead to the reabsorption of the informal market into productive activities through a banking system, available everywhere.

If the cleaning up of the economy and the normalization of the way it operates occur following an Islamic pattern, there is hope that markets in stocks and shares and other types of financial markets can be done away with in Algeria in a reasonable time.

**The implementation of these reforms:** Implementing all these reforms, including the reform of prices and wages policies, regional development (in order to reduce the differences between various regions), decentralization and encouragement of the private sector (reforms which only lack of time has prevented our putting forward here), will show the way to prepare for the future, by determining the speed, intensity, and impact of the effort put into economic and social development in accordance with Islamic insight, and within the framework of a strategic vision, which gives a high priority to the eradication of poverty and the improvement of economic and social well-being. The application of these reforms can contribute to an improvement in the country's economic performance, and an increase in the productivity of labor in all economic sectors. This, in its turn, will increase the motivation of managers, workers, and all citizens, and will bring about the rehabilitation of Islamic values such as effort, work, devotion, and solidarity. The sum of these factors will certainly contribute to setting free people's energies, initiative, and spirit of innovation.

### 3. Strategy for economic and social development

Short-term or urgent measures and economic reforms must be tackled according to an overall and coherent plan, taking a long-term view of economic and social development. Drawing up a strategy of this sort is unavoidable. It should be the product of wide-ranging and deep thinking about changes necessary in the future. Then it must be the subject of a national debate, open to all currents of thought, and to operators in the private and public sectors, as well as to social and professional associations.

These debates must lead to the adoption of a strategy which deals with medium- and long-term problems, such as:

- education and training;
- scientific and technical research;
- agriculture and water supply;
- industry;
- housing and construction;
- the struggle against poverty, regional differences, and unjustified inequality of wealth;
- institutional reforms linked to the functioning of the economy, with a view to improving economic and social well-being.

It goes without saying that such a strategy is secondary to

the effective democratization of political life and the restoring of confidence, as has already been stressed. Moreover, besides these internal measures of economic and social development, this strategy must also contain an external aspect in order to consolidate the action taken at the national level. . . .

## Conclusion

Algeria stands in 1995 at a crossroads. In the last four years, it has suffered too many victims, lost too much time and money, and finds itself paralyzed.

There is no possibility of economic recovery without democracy. Pursuing the present repressive policies will lead Algeria to economic ruin and will bring about a social and political explosion.

It is time for reason and wisdom replace to violence and hatred. Only the way of dialogue and national reconciliation can bring about a return to democracy and respect for liberty, both individual and collective. Only a return to popular sovereignty can give Algeria a legitimate government and honest and competent leaders. These will then be in the position to draw up a new economic, social, and cultural policy, making a complete break with the men and methods which the country has known up to the present.

Once set upon this path, Algeria can be saved and rebuilt in peace, order, fraternity, and solidarity. Moreover, it will provide an element of stability in the region by developing solid relations with its immediate neighbors within the framework of the unity of the Maghreb. And so, marching toward unity and progress, the Maghreb—Arab, Muslim, Mediterranean, and African, a crossroads of civilizations—can become a credible partner for serious dialogue between Europe and the Maghreb, between Europe and the Arab World, and between Europe and the Mediterranean, and so take part in a true dialogue between civilizations. In this way, the Maghreb will become an element of stability and progress in the Mediterranean.

### Notes

1. The question of *Zakar* has been given detailed treatment in our book, *Justice sociale et développement en économie islamique* (Paris: La Pensée Universelle, 1993), pp. 77-183.
2. Cf. Umer Chapra, *Islam and the Economic Challenge*. The Islamic Foundation & IIIT, 1992, pp. 330-331.
3. Cf. the papers presented at the seminar held in Kuala Lumpur, Malaysia, in 1986, by Mohamed Ariff and M.A. Mannan, *Developing a System of Financial Institutions*, Islamic Development Bank, IRTL, Jeddah, 1990, pp. 173-243.
4. Study by Michigan State University and report of the Select Committee on Hunger of the U.S. House of Representatives in 1986, cited by U. Chapra, *Islam and the Economic Challenge*, op. cit., p. 330.

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Calcutta . . . . .	0330*	Richmond . . . . .	0700*
Caracas . . . . .	1800	Rio de Janeiro . . . . .	1900
Casablanca . . . . .	2200	Rome . . . . .	2300
Chattanooga . . . . .	1700	St. Louis . . . . .	1600
Chicago . . . . .	1600	St. Petersburg . . . . .	0100*
Copenhagen . . . . .	2300	San Francisco . . . . .	1400
Denver . . . . .	1500	Santiago . . . . .	1800
Detroit . . . . .	1700	Sarajevo . . . . .	2300
Dublin . . . . .	2200	Seattle . . . . .	1400
Gdansk . . . . .	2300	Seoul . . . . .	0700*
Guadalajara . . . . .	1600	Shanghai . . . . .	0600*
Havana . . . . .	1700	Singapore . . . . .	0530*
Helsinki . . . . .	2400	Stockholm . . . . .	2300
Ho Chi Minh City . . . . .	0600*	Sydney . . . . .	0800*
Honolulu . . . . .	1200	Teheran . . . . .	0130*
Hong Kong . . . . .	0600*	Tel Aviv . . . . .	2400
Houston . . . . .	1600	Tokyo . . . . .	0700*
Istanbul . . . . .	2400	Toronto . . . . .	1700
Jakarta . . . . .	0500*	Vancouver . . . . .	1400
Jerusalem . . . . .	2400	Vladivostok . . . . .	0800*
Johannesburg . . . . .	2400	Yenisei . . . . .	2300
Karachi . . . . .	0300*	Warsaw . . . . .	2300
Kennebunkport . . . . .	1700	Washington . . . . .	1700
Kiev . . . . .	2400	Wellington . . . . .	1000*
Khartoum . . . . .	2400	Wiesbaden . . . . .	2300
Lagos . . . . .	2300	Winnipeg . . . . .	1700
Lima . . . . .	1700	Yokohama . . . . .	0700*
Lincoln . . . . .	1600	Yorktown . . . . .	1700
Lisbon . . . . .	2300		* Mondays