FOREIGN REPORT #1962 April 2,1987

work to "purposeful research" without defining what that means. Although Shevardnaze several weeks ago said the development of prototypes would be acceptable, that comment has not been turned into a proposal in Geneva.

Is there a way out? The two sides have held negotiations in a special sub-group at the Geneva talks on what kinds of research, development and testing would be acceptable. In this sub-group, the American side is represented by Henry Cooper, deputy to the chief American negotiator, Max Kampelman. The sub-group is said to be the brain-child of America's most experienced arms-control negotiator, Paul Nitze.

It had been thought that the work of this sub-group would come to a halt after Reagan issued his order not to negotiate any limits on the ABM treaty. This has not happened. The negotiators are not discussing limits but "refinements" to the treaty to take into account high-technology developments since 1972. This is good news for the supporters of arms control in Washington and Western Europe.

There is a precedent for such an effort. After the ABM treaty was signed in 1972, the two sides began talking about an explanatory statement of the treaty's phrase, "testing equipment in an ABM mode." The American side eventually issued a "unilateral statement" of its understanding and asked the Russians to sign as well. They refused. Later, as the Americans see it, the Russians violated the terms of the American statement. Eventually, after negotiations in 1977 and 1978, both sides signed a complicated clarification. Could another clarification be worked out now?

The view of a top American official is that the broad interpretation of the ABM treaty allows the two sides to "create" ABM components made with new technologies. That appears to mean that they can to develop and test them. The official adds: "The question is: what kind of testing is allowed?"

If the Russians are prepared to work out such an "agreed statement" and the Americans are prepared to make some acceptable "clarifications", a breakthrough is possible. At present, the two sides are far apart. However, the mechanism is in place to work something out.

There is another glimmer for arms-control supporters. It is that although the Reagan administration has said it favours the broad interpretation of the ABM treaty, it is still keeping to the narrow interpretation. This will change only if the administration adopts new guidelines for the SDI testing programme. That vital decision will come before Reagan in the coming weeks.

The Nile needs a canal

Egypt has been holding high-level talks with Sudan and Ethiopia about restarting work on the 220-mile Jonglei canal in southern Sudan (see map). This is Egypt's seventh year of drought. The level of Lake Nasser is the lowest ever, below 20 billion cubic metres of usable water. This is a big drop from 1979, when the lake held 132 billion cubice metres, and amounts to less than a third of Egypt's annual consumption of water. Only unusually good rains will remove the need for water rationing in 1988, which could stir up political trouble for **President Mubarak**.

Egypt's attitude to the Nile was summed up by the minister of state for foreign



affairs, **Boutros Ghali**, who said: "The nation security of Egypt is not a question of Israel but question of water." The Nile has two massources: the White Nile, which draws on the waters of Lake Victoria and then flows nor through Sudan, and the Blue Nile, which riss in the Ethiopian highlands and joins the White Nile in Khartoum, the Sudanese capital, on it way north to Egypt and the Mediterranean.

About 85% of the Nile waters in Egypt come from the Blue Nile. Egypt is worried th. Ethiopia, a Marxist state, may try to use it position to exert political pressure on the Cain government. It is also worried about the White Nile, which passes through land in souther Sudan controlled by the Ethiopian-backed Stadan People's Liberation Army (SPLA).

The Egyptians would like to complete construction of the Jonglei canal. This bypasses swamp as big as Ireland, where millions of gallons evaporate. The Egyptions reckon that use of the canal would increase their water supply by 15%.

Work on the canal started in 1976, but wa stopped in 1984 after construction sites were

attacked by the SPLA. Work can be resumed only after the SPLA is drawn into a political settlement or is defeated. The SPLA claimed it attacked the sites on the ground that the project was designed exclusively for the Arab northerners and the Egyptians rather than the black majority in south Sudan.

Egypt's needs, and its desire to help the Sudanese prime minister, **Sadiq el Mahdi**, to achieve a political settlement, have impelled it to try to work out a dear with Ethiopia and the SPLA. This does not seem to be getting anywhere. Efforts by El-Mahdi have already failed. It is not in the Soviet interest to support El Mahdi's elected government, which is basically pro-western.

• In an added complication, we have heard reports that Kenya is also supporting the SPLA by allowing supplies to reach the rebels across Lake Turkana. This is firmly denied by the Kenyan foreign ministry. The Sudanese observe, however, that SPLA statements are increasingly being released in Nairobi, the Kenyan capital, rather than in Addis Ababa.

Argentina and Iran

Confidential talks between Argentina and Iran about a nuclear energy partnership have alarmed American officials in Washington and at the American embassy in Buenos Aires. They have strongly urged the Argentines to suspend their talks with the **Khomeini** government.

At first, the subject of teh talks was completion of Bushehr-1, a nuclear power