development. While the Saudi Government has attempted to increase agricultural production by, inter alia, constructing dams, irrigation networks and drainage facilities, the scarcity of water continues to severely constrain output. It is possible that at least part of the $4.0 billion allocated for water schemes is, in fact, related to agricultural development. Currently, the utilization of aquifers is being explored so that artesian wells could provide the needed water. A possible next stage would be the development of desalination plants along the coast with the water transported by pipeline. In any event, the Saudi goal of agricultural self-sufficiency is unlikely to be achieved over the next five to ten years.

While much was achieved in the way of infrastructural development under the previous plan, the Saudis have allocated some $49.3 billion for transport and communications development and public works projects. Major expenditures are slated for roads ($11.3 billion), civil aviation ($10.7 billion) and seaport development ($7.1 billion). Relatively smaller amounts have been set aside for railway ($1.4 billion) and postal development ($1.1 billion), and for Saudi Arabian Airlines ($2.6 billion).

The Saudi Government has stated that the creation of a more skilled indigenous labour force (one which is trained to meet the requirements of a more diversified Saudi economy) is a high priority. Some $30.4 billion has been allocated for this purpose. In addition to upgrading the present educational system, the Saudi Government will place increased emphasis on technical, vocational and on-the-job training programmes. Nonetheless, Saudi Arabia will continue to depend heavily upon foreign labour to carry out its economic development plans.

Some $12.7 billion is to be allocated to improving health and social services. The bulk of spending ($10.5 billion) is for health facilities. For example, the Plan envisages the construction of 36 hospitals with a total of 9,500 beds. Youth Welfare will receive $1.4 billion and emphasis will be on sports, culture and social endeavours.

4. Planned Expenditures for Fiscal Year (FY) 1982-83

According to the recently approved budget for FY 1982-83, Saudi government spending will total some SR 313.4 billion ($U.S. 92.2 billion). This represents an 8.7 per cent increase over actual expenditures of some $U.S. 84.7 billion in FY 1981-82. About 29.6 per cent of the current budget is to be reserved for defence and internal security purposes -- up from $U.S. 24 billion to $U.S. 27.4 billion. The increase probably reflects Saudi Arabia's continued general concern