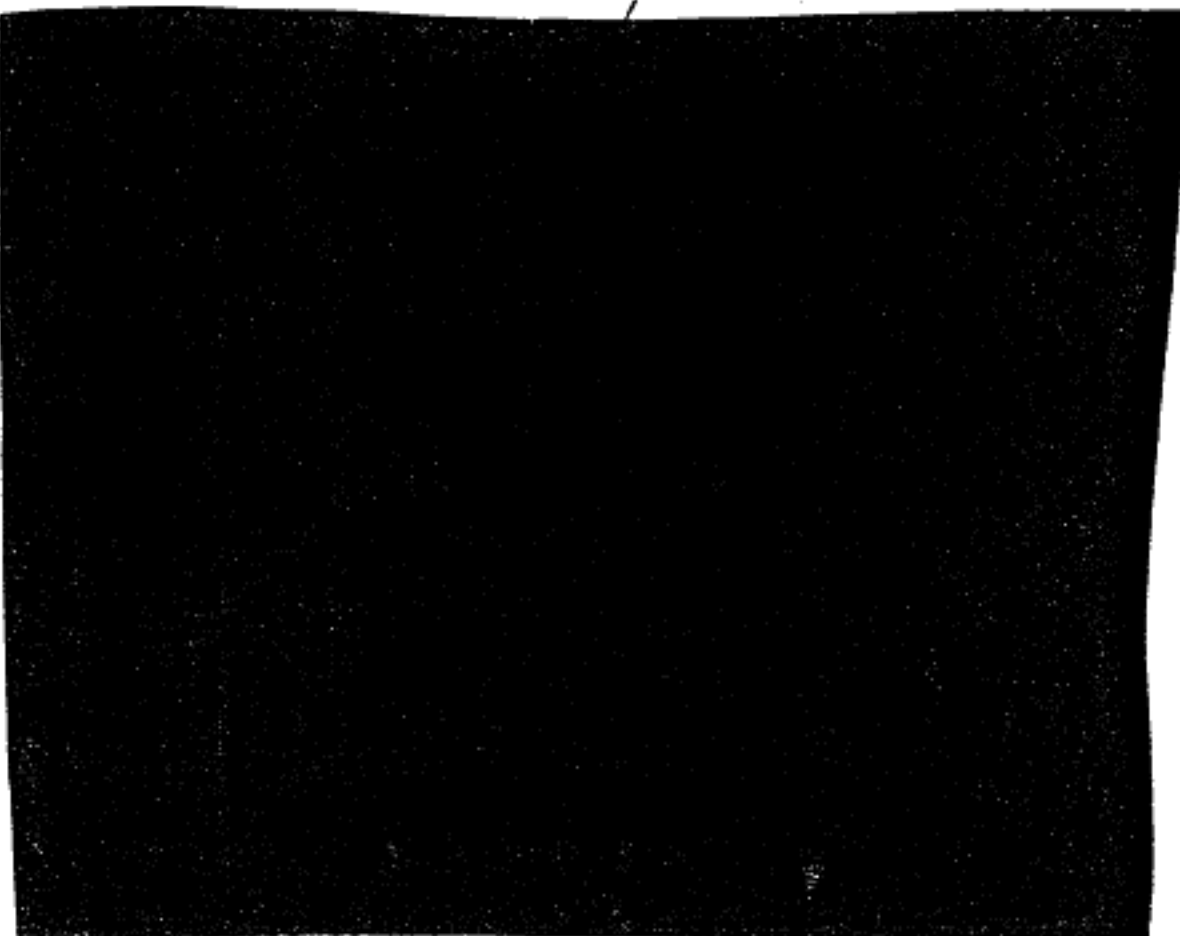


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ISRAEL'S LAUNCH OF A SMALL RESEARCH SATELLITE IN SEPTEMBER 1988 HEIGHTENED THE ARAB STATES' CONCERNS OVER ITS TECHNOLOGICAL PROWESS AND REINFORCED THEIR DETERMINATION TO PURSUE THEIR OWN SATELLITE DEVELOPMENT PROGRAMS. THE ARABS ARE UNLIKELY TO PRODUCE A SATELLITE FOR AT LEAST THE NEXT DECADE.

*14 Nov 89*



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