

APPROVED FOR RELEASE: 2007/02/08: CIA-RDP82-00850R000200050009-5

6

1

1 OF 1

FOR OFFICIAL USE ONLY

JPRS L/8907

6 February 1980

Near East/North Africa Report

(FOUO 6/80)

FBIS FOREIGN BROADCAST INFORMATION SERVICE

FOR OFFICIAL USE ONLY

NOTE

JPRS publications contain information primarily from foreign newspapers, periodicals and books, but also from news agency transmissions and broadcasts. Materials from foreign-language sources are translated; those from English-language sources are transcribed or reprinted, with the original phrasing and other characteristics retained.

Headlines, editorial reports, and material enclosed in brackets [] are supplied by JPRS. Processing indicators such as [Text] or [Excerpt] in the first line of each item, or following the last line of a brief, indicate how the original information was processed. Where no processing indicator is given, the information was summarized or extracted.

Unfamiliar names rendered phonetically or transliterated are enclosed in parentheses. Words or names preceded by a question mark and enclosed in parentheses were not clear in the original but have been supplied as appropriate in context. Other unattributed parenthetical notes within the body of an item originate with the source. Times within items are as given by source.

The contents of this publication in no way represent the policies, views or attitudes of the U.S. Government.

For further information on report content call (703) 351-2833 (Near East); 351-2501 (Iran, Afghanistan); 351-3165 (North Africa).

COPYRIGHT LAWS AND REGULATIONS GOVERNING OWNERSHIP OF MATERIALS REPRODUCED HEREIN REQUIRE THAT DISSEMINATION OF THIS PUBLICATION BE RESTRICTED FOR OFFICIAL USE ONLY.

FOR OFFICIAL USE ONLY

JPRS L/8907

6 February 1980

NEAR EAST/NORTH AFRICA REPORT

(FOUO 6/80)

CONTENTS		PAGE
ALGERIA		
Power Struggle Reported Brewing in Algeria (AL-WATAN AL-'ARABI, 28 Dec 79-3 Jan 80)		1
Briefs		
SONATRACH-Lesotho Oil Agreement		8
Socialist Management in Banking		8
Contracts With Belgian Firm		8
Resumption of Oil Exploration		8
Liquefaction Plant Construction		9
Agreement With Cuba		9
Cement Plant Contract		9
Contract With Japanese Firm		10
SNTF Modernization		10
IRAN		
Royal Couple Review Recent Events (PARIS MATCH, 11 Jan 80)		11
Shah: Policies, Departure, Shah Mohammad Reza Pahlavi Interview Empress: Shah's Health, Farah Diba Interview		
Shari'atmadari Schism Splits Movement (Michel Gurfinkiel; VALEURS ACTUELLES, 17 Dec 79)		20
Ex-Savak General Directs Pahlavi Killings (Bruno Riviere; VALEURS ACTUELLES, 17 Dec 79)		23
MAURITANIA		
Economic, Political Affairs Dominated by Saharan War (THE MIDDLE EAST, Jan 80).....		25

- a - [III - NE & A - 121 FOUO]

FOR OFFICIAL USE ONLY

FOR OFFICIAL USE ONLY

CONTENTS (Continued)	Page
Saharan War's Effect on Economy, Foreign Aid Discussed (Muhammad Ould Zamel Interview; THE MIDDLE EAST, Jan 80)	27
French, Libyan Experts Visit (MARCHES TROPICAUX ET MEDITERRANEENS, 21 Dec 79)	30
EIB Financing of Guelbs Project, Other Participants (MARCHES TROPICAUX ET MEDITERRANEENS, 21 Dec 79)	31
 MOROCCO	
French Financial Aid Pledged (MARCHES TROPICAUX ET MEDITERRANEENS, 7 Dec 79)	33
New National Solidarity Tax Described (MARCHES TROPICAUX ET MEDITERRANEENS, 14 Dec 79)	35
Mining Office Reports Expansion of Activities (MARCHES TROPICAUX ET MEDITERRANEENS, 7 Dec 79)	37
Grain Production Lagging Behind Consumption (MARCHES TROPICAUX ET MEDITERRANEENS, 14 Dec 79)	41
Briefs	
New Mining Agreement	43
Early Products Export Drop	43
Citrus Contract With USSR	43
German Loan	43
New Sugar Refinery	44
Cooperation With Equatorial Guinea	44
New Commercial Bank	44
 SAUDI ARABIA	
Briefs	
Air Force Chief of Staff	46
 UNITED ARAB EMIRATES	
Briefs	
Pipeline Rerouting	47
 WESTERN SAHARA	
POLISARIO Allowed To Use Chega Region in Mauritania (Abdelaziz Dahmani; JEUNE AFRIQUE, 19 Dec 79)	48

- b -

FOR OFFICIAL USE ONLY

FOR OFFICIAL USE ONLY

ALGERIA

POWER STRUGGLE REPORTED BREWING IN ALGERIA

Paris AL-WATAN AL-'ARABI in Arabic 28 Dec 79 - 3 Jan 80 pp 34, 35

[Article: "Smoldering Fires on Eve of Convention of Liberation Front Party: Secrets of Struggle Between Power Centers in Algeria; Rising Fortunes of Taleb Ibrahimi Favor His Succession of Abdelghani; Director of EL-MOUDJAHID Was Fired and Director of AL-SHA'B Is on Mandatory Leave"]

[Text] Although the disagreements between the centers of power in Algeria are not yet out in the open, they are becoming more intense.

This report sheds bright light on the struggle between the centers of power on the eve of the convention of the National Liberation Front Party [FLN].

When Algerian President Chadli Bendjedid appeared on the television screen in the evening of the first of November on the occasion of the 25th anniversary of the outbreak of the Algerian Revolution to speak to the Algerian people by addressing the members of the National People's Assembly (Parliament), Algerian citizens waited for something with which their new president might surprise them. But for an hour and a half he talked about nothing but the past, affirming that he would commit himself to "continuity and [that he would] revise and not depart from" the policy of the late President Houari Boumediene. It was then that the deputies applauded him warmly for the first and the last time during that address.

Col Mohamed Salah Yahiaoui the executive coordinator of the party machinery had spoken about "continuity" on several occasions. Different agencies were reassured about the continuity of their interests if "they committed themselves to opposing all maneuvers."

Talk about "continuity" continued to be an interim front behind which different groups hid so as to attend with all their ammunition and with minimal losses the party's emergency convention that is to be held early in 1980. This would begin with the first meeting of the Central Committee which is considered the real test for the blocs that are confronting each other in various government agencies.

1

FOR OFFICIAL USE ONLY

FOR OFFICIAL USE ONLY

This session will deal with several basic questions. The economic plan, the problem of agriculture, Arabization, culture, housing and the problem of Algerians' immigration to Europe are among those basic questions.

In his recent meeting with the deputies of the National People's Assembly President Chadli Bendjedid hinted that there were other questions. He indicated that "the files of those questions will be considered at a subsequent session of the meeting of the political leadership." This session will be confined to a consideration of those files about which Algerian officials had reached a consensus following several delays in the meeting date of the Central Committee.

It is clear that the thick cloud of mystery that is prevailing over Algerian life is an indication of the ongoing struggle between the groups that are vying with each other for influence and control. Rumors abound in the wake of such struggles, and it is being said that many changes have taken place in administrative and media agencies. It is being said that some power centers have begun to fall. Mr Nooreddin Nayit Mazi, director of the French language official newspaper, EL-MOUDJAHID, was removed from his position, whereas the director of AL-SHA'B "received" a "mandatory vacation" over a month ago. It was said that some power centers were being quietly liquidated. This was indicated by the recent meeting of the Political Bureau from which five members were absent. There were some who stayed away from the meeting to protest the control that some "powerful" forces were exercising. [They were protesting the fact] that collective agreements about matters were not being implemented and that one group had given itself exclusive powers and has been managing the Political Bureau by itself.

Housing: Crisis of All Times

There is occasional impatience and tension in the mainstream of Algerian [life]. Transportation in the capital is irksome, and people wait for hours to return to their homes in the evening. Vegetables and fruits are not available in the required quantities, and prices are unbearably high. The housing crisis is the crisis of all times, and the problem in the hotel sector is acute. Universities and secondary schools are engaged in a continuing strike, and even some preparatory schools have begun to strike to show their solidarity and to defend the Arabization of the administration. The Union Agency for Algerian Transportation is on strike in the capital and is asking for a wage increase and for different changes among the governors. Two weeks ago new assemblies were installed in the communes and in the governorates. The official newspaper AL-SHA'B had focused on the notion that "the requirements of the new stage call for a new method of action that would permit the elected assemblies to become involved in the decision making and implementation process so that they can share in the responsibility in a manner that is consistent with their representative capacity."

FOR OFFICIAL USE ONLY

FOR OFFICIAL USE ONLY

This is the climate that is prevailing over the beginning of the meeting of the Central Committee. Naturally, the economic question is of prime concern. How far has Algeria gone in this area?

Algeria has a "model" experiment of its own in the Third World. After the coup of 19 June 1965 there was a sharp debate about the economic course between the members of Ahmed Ben Bella's group, who were left in power, and the [members of the] Oujda Group--and Belaid Abdesselam was among them. Ben Bella's group defended the course of persevering in the agricultural field and providing the background and the structures that are necessary for proceeding on a self-directed approach to the stage of agrarian reform and agricultural revolution. Ben Bella's group defended the initial establishment of light industries to meet needs. The two parties disagreed about basic beliefs. At that time some Algerians--and Belaid Abdesselam was among them--expressed their admiration for the French economic theorist, De Bernis. He had published during that time several significant studies on applied economics in Switzerland between 1966 and 1968 in the periodical magazine, ECONOMIE APPLIQUEE. The circumstances of "political fate" thus arranged for these studies to constitute one of the significant premises in the thoughts of Algerian minister of industry and energy at that time, Mr Belaid Abdessellam.

Today, he has a position in the Political Bureau, and he is chairman of the Economic Committee of the FLN.

And so it was that De Bernis was invited to Algeria and charged with the task of setting up a comprehensive plan to industrialize Algeria. De Bernis is one of the traditional Marxists who consider the Soviet Union's experience to be the ideal example.

Therefore, he established his Algerian plan on three centers:

1. [He wanted] to establish a heavy industry that could also industrialize the country over the long term with light and heavy industries. This industry has cost Algeria exorbitant sums of money. What the theorist did not take into account is the fact that this industry is culturally and technologically tied to the West and that it was no more than a transfer of technology. To date, this industrialization [effort] has not yielded more than 40 percent of the required production.

2. There can be no farming and no agriculture without an industry to finance [this agricultural effort] and provide it with all the necessary capabilities. These include tillers, tractors and fertilizers. This industry which was supposed to complement agriculture did not succeed in spite of the large sums of money that were spent in the agricultural revolution experiment. The results of the experiment were unsatisfactory. Recent statistics state that ever since 1970--the beginning of the agricultural revolution--Algeria's need for essential materials such as

FOR OFFICIAL USE ONLY

FOR OFFICIAL USE ONLY

wheat and meat has risen by 6.9 percent. Algeria lost in two areas:

First, large sums of money were spent on the agricultural revolution, and there was no return. The error was in the organization and in the production mechanism. Bureaucratic agencies are primarily responsible for this flaw.

Second, the agricultural revolution had a great need for fertilizers, agricultural tools and water pumping engines. These should have been provided by local industry, but they were ultimately imported along with grain and vegetables and paid for in hard currency.

It is the opinion of De Bernis that after an industrial system that would develop farming is created, the development of the agricultural sector was to become synchronized with that of the industrial sector. This would come after the state establishes its control over the means of production and carries out a collective agrarian reform [effort] based on the fact that the process would lead to raising the citizen's standard of living. But what did happen is that no industry succeeded; no agricultural effort produced; and no standard of living rose. De Bernis's product remained alien to Algerian society in its values and forms. It brought about nothing but inflation on the economic scene and absolute subservience to the western world. On the cultural and social scenes it complicated conditions and gave them the quality of a chronic crisis. It tied Algeria to France in a provocative manner.

Movement Advocating that Industry Be Ignored

There is talk amidst Central Committee circles about a struggle between two ambitious movements that are aspiring to monopolize power and control in the next 5 years.

The first movement advocates that establishment of heavy industries and also of a segment of light industries be suspended and that funds that were earmarked for industry be invested in existing projects so that these projects would yield the required results. [This policy] is to be sustained for 5 years after which radical steps would be taken.

This means that the "continuity" of De Bernis's plan is apparent and that [the notion of] closer ties to western technology are still in control of the situation. This view is ardently defended by the chairman of the FLN Economic Committee. It is expected that this view will prevail.

The second movement advocates that heavy industry be ignored and that attention be paid to light industries and to agriculture so that the consumer needs which the citizen is urgently calling for can be met. This movement advocates that the social aspect of future plans be firmly established by providing health, educational and housing facilities to the

FOR OFFICIAL USE ONLY

FOR OFFICIAL USE ONLY

citizens, increased inflation and a rise in unemployment. This is because directing investments towards the industries that have not yet met the needs which they should have met several years ago will decrease employment opportunities in the next 5 years. This view has been adopted by a group of young university professors and technocrats.

Some Algerian officials are saying that talk about continuity will not last long. [They ask], "Continuity for how long, and in whose interests?" If those who are defending continuity believe in socialism, there are 5,000 millionaires in Algeria today who are the result of the economic experiment. If those who are talking about "continuity" are among those who do not believe in the socialist solution in Algeria, they can see that the experience of the private sector in Algeria has been a failure and that it has not measured up to expectations. It is for this reason that the government began to turn to the masses asking for help. During his first meeting with the governors President Chadli Bendjedid was intent upon "the need for dialogue and discussion on all levels and especially between the executive agencies and the popular organizations. It is in this manner that the problems that can be solved locally can be separated from those in which the central government may interfere" in an effort to find a sound solution to the serious problems that are urgently thrusting themselves [on Algeria]. "We cannot import everything from abroad, including the solutions to our personal problems."

This is what one of the senior military men is saying. He adds, "The real problem that we, the Algerians, have is the fact that we are still experiencing the conditions and the legacy of French colonialism. You cannot imagine that we have ministers and senior officials in the different agencies of the state who cannot speak their own Arabic language. This is 17 years after the independence of Algeria! How can these people have a feeling for the problems and the needs of our people? It is true that they are nationalists and that they are earnestly concerned about their country, but they are in fact estranged from their people, and they did estrange industry, the administration and the economy."

The movement that is calling for intellectual, cultural and economic independence has gained strength in army agencies. It represents a force that must be taken into account in the development of future stages.

Algerian universities and secondary and preparatory schools have been on strike for weeks and are calling for resolute revolutionary action and for the complete Arabization of the administration.

Strike leaders are affirming that the strikes will not be called off before the meeting of the Central Committee ends, and unless clear decisions are issued and guarantees are given, the strike will not be called off. This is the first strike since 1971 when Algerian university students marched in a silent demonstration to call for academic reform and comprehensive

FOR OFFICIAL USE ONLY

FOR OFFICIAL USE ONLY

Arabization. But the police authorities confronted them at that time, and many university students dropped out of sight for years. At that time, the schools expressed their solidarity with the university, and some reforms did take place.

But the picture is quite different at this stage, and the situation is very sensitive. If the government does not comply with the national demands that are being made by the Algerian young people, other reactions and strikes may strengthen the youths' demands. This is what is scaring the bureaucratic agencies and is threatening their economic and political ambitions.

Col Mohamed Salah Yahiaoui is one of the supporters of the step-by-step comprehensive Arabization of all facilities. His support is based on the most important of the mobilized forces within the party and also on the Islamic expansion that is sweeping the Algerian mainstream these days.

Those who think that it is necessary to keep the French language as the language of the age, of science and of the administration are: Prime Minister Mohamed Benahmed Abdelghani, Belaid Abdesselam, Kasdi Merbah, Abdelaziz Bouteflika, Ahmed Bencherif and Rabah Bitat. They are members of the Political Bureau.

Sources close to President Chadli are saying that some thought is being given to effecting a government change after the meeting of the Central Committee. The name of Ahmed Talib Ibrahimi, the counselor to the president is being circulated as a replacement for the present prime minister, Mohamed Benahmed Abdelghani.

A university professor told AL-WATAN AL-'ARABI, "The problem of negligence in the Arabization process affects the dignity of the Algerian citizen. The Arabization process could have been carried out at the beginning of independence when the number of Algerians who had studied the French language did not exceed 10,000. But circumstances were not suitable then, and the matter remained tied up in numerous promises until the early seventies and the Arabization Conference whose articles and resolutions had remained mere ink on paper [was about to convene]. Students who were graduating from Arabic [language] departments were not getting the jobs and the responsibilities that those who had studied in French were getting. Since the administration and the majority of government facilities use the French language in their operations, the Algerian [citizen] found himself compelled to study the French language so he can find suitable employment. Anyone who does not know the French language waits for his turn and for an opportunity on unemployment row."

Differences Beneath the Surface

Observers in Algeria are saying that the differences between Algerian officials have not yet surfaced and that the group of former technocrats

FOR OFFICIAL USE ONLY

FOR OFFICIAL USE ONLY

are still controlling the agencies of the army and the economy. Different groups are pelting each other with negotiations, threatening to reveal them to the public, if their interests are affected. This situation has begun to strengthen the ranks of the group that opposes the release of former President Ahmed Ben Bella. The man in the street is now talking about Ahmed Ben Bella in terms of a man who is above suspicion, who served his country faithfully and who must be released and [allowed] to practice his rights like any Algerian citizen. This is what President Chadli had told AL-WATAN-'ARABI. But Ben Bella's opponents still consider his release from prison to pose a real threat to their interests. They are, therefore, spreading rumors against him in the street that distort his political positions.

Those who visited Ben Bella recently in the city of Tebessa are saying that Ben Bella is complaining about the harassment to which he has been subjected. A person who visits him is now subject to police observation and investigation.

This is the climate in which the first meeting of the Central Committee of the Algerian FLN is taking place. It seems that Ben Bella's shadow is haunting the conferees in all the sessions. Will the future emergency conference of the FLN take place without keeping Ahmed Ben Bella under house arrest? This is what many people expect, but Algeria is full of surprises.

COPYRIGHT: 1979 AL-WATAN AL-ARABI

8592
CSO: 4402

FOR OFFICIAL USE ONLY

FOR OFFICIAL USE ONLY

ALGERIA

BRIEFS

SONATRACH-LESOTHO OIL AGREEMENT--On 3 December, it was announced in Algiers that SONATRACH (National Company for the Transport and Marketing of Hydrocarbons) concluded an agreement with Lesotho for the direct supplying of different types of petroleum products. Deliveries will begin at the beginning of next year. Algerian sources emphasize that the accord falls within the framework of efforts made by Algeria to supply developing countries with crude oil and refined products directly. It is in keeping with the resolutions of the Sixth Summit Conference of Nonaligned Nations. Other agreements of this same type are now being drafted by SONATRACH and could soon be concluded. [Text] [Paris MARCHES TROPICAUX ET MEDITERRANEENS in French 7 Dec 79 p: 3387] 11,464

SOCIALIST MANAGEMENT IN BANKING--Socialist management of businesses will be introduced into eight organizations in the banking and financial sector on 2 February: the National Bank of Algeria (BNA), divided into 36 units; the Algerian Foreign Bank (BEA), divided into four units; the Central Bank of Algeria (BCA), divided into five units; the People's Credit Bank of Algeria (CPA), divided into four units; the Algerian National Savings and Insurance Bank (CNEP), divided into four units; the National Accounting Firm (SNC), made up of a single unit; the Central Reinsurance Fund, made up of a single unit; and the National Gold Agency, made up of a single unit. [Text] [Paris MARCHES TROPICAUX ET MEDITERRANEENS in French 7 Dec 79 p 3387] 11,464

CONTRACTS WITH BELGIAN FIRM--Transurb Consult, a Belgian railroad consulting company, has asked the Belgian firm Tractonel to handle three contracts which the National Railroad Transportation Company (SNTF) in Algeria awarded to it: a study of the rail connection between Jijel and the SNTF system (about 130 kilometers); a study of the reorganization of rolling stock maintenance units; and a study of rail service for M'Sila (about 60 kilometers). [Text] [Paris MARCHES TROPICAUX ET MEDITERRANEENS in French 7 Dec 79 p 3387] 11,464

RESUMPTION OF OIL EXPLORATION--Algeria favors increased participation of other countries and foreign companies in exploring for oil in Algeria and intends to give export priorities to countries joining in the effort. This

FOR OFFICIAL USE ONLY

FOR OFFICIAL USE ONLY

announcement was made on 10 December by Mustapha Mekerba, secretary general of the Algerian Ministry of Energy and Petrochemical Industries. Mekerba, speaking in Algiers at the opening of a conference on oil exploration in Algeria, a conference bringing together Algerian experts and representatives of foreign oil companies operating in Algeria, said that permits granted for oil prospecting do not yet total 50 percent of the country's area and that all the work covered by the permits has not yet been completed. [Text] [Paris MARCHES TROPICAUX ET MEDITERRANEENS in French 14 Dec 79 p 3453] 11,464

LIQUEFACTION PLANT CONSTRUCTION--According to a dispatch put out by the Economic and Financial Agency in Tokyo, Japanese industrial circles say that the export contract for a gas liquefaction plant signed at the end of the year by SONATRACH and Japanese firms, will soon move into the execution phase. The contract provides for the construction of a plant in Algeria and represents an investment of some 120 billion yen. AGEFI emphasizes that the contract was signed between SONATRACH, Ishikawajima-Harima Heavy Industries and C. Itoh, but execution was suspended because of political changes following the death of President Boumediene. Representatives of Japanese banks and industrial enterprises recently visiting Algeria were informed by government authorities and SONATRACH officials that the contract would soon be carried out. [Text] [Paris MARCHES TROPICAUX ET MEDITERRANEENS in French 14 Dec 79 p 3454] 11,464

AGREEMENT WITH CUBA--Last week in Havana, Minister of Commerce Abdelghani Akbi, who led the Algerian delegation in the work of the Algerian-Cuban joint committee, joined with Cuban Minister of Foreign Trade Marcelo Fernandez Font in signing an additional protocol to the commercial agreement setting the terms of trade for 1980-1982 and dealing with the intensification of bilateral cooperation in the maritime and air sectors. A list of new products that could be traded by the two countries was drawn up. In the course of 1980, Algeria and Cuba will proceed to exchange commercial delegations in order to study the ways and means of strengthening bilateral economic cooperation. [Text] [Paris MARCHES TROPICAUX ET MEDITERRANEENS in French 14 Dec 79 p 3454] 11,464

CEMENT PLANT CONTRACT--Concerning the construction of a new cement plant, briefly announced by us last week (MARCHES TROPICAUX, 7 December, p 3387), we are now able to state that the contract signed in Algiers on 26 November by Belarbi, general director of the SNMC (National Building Materials Company), was concluded with the firms FL Smidth-France and FL Smidth-Denmark for the construction of a cement plant with an annual capacity of 1 million tons. The plant will be built near Sour El-Ghozlane (in the governorate of Bouira, some 100 kilometers south of Algiers). This new unit of the SNMC, to be delivered "key-in-hand," should be finished by the end of 1982. The total amount of the investment required is an estimated 1 billion francs. In addition to construction of the plant, a professional training center will be provided where 500 to 1,000 students will receive specialized training enabling them to work in Algerian cement plants. The contract for the training center will be concluded later. [Text] [Paris MARCHES TROPICAUX ET MEDITERRANEENS in French 14 Dec 79 p 3454] 11,464

9

FOR OFFICIAL USE ONLY

FOR OFFICIAL USE ONLY

CONTRACT WITH JAPANESE FIRM--The Japanese firm Sumitomo has signed a contract with SONATRACH for the importation of 400,000 kiloliters (2,492,000,000 barrels) of fuel with a low sulfur content. The fuel will be imported over a 5-year period, beginning in January 1980, according to an AFP dispatch from Tokyo. Sumitomo has also stated that the price of the fuel, which will mainly go to thermal powerplants and steel mills, will be set annually on the basis of international prices. It added that it could pay 18 billion yen (some \$80 million) for the fuel imports during the first year of the contract. The fuel, which will have a maximum sulfur content of .3 percent, will come from the new SONATRACH refinery located in Skikda. This refinery will have a capacity of 300,000 barrels a day when it goes into service at the beginning of next year. [Text] [Paris MARCHES TROPICAUX ET MEDITERRANEENS in French 26 Oct 79 p 2877] 11,464

SNTF MODERNIZATION--The Skikda-Ramdane Djamel-Constantine-El Gourzi section of the railroad, built in 1870 in the eastern region of the country with a single track, can no longer meet the increase in freight, which in 1980 should exceed 7 million tons per year. Consequently, the SNTF (Algerian National Railroad Transportation Company) has decided to modernize the Ramdane-Djamal-El Gourzi section, so as to provide better conditions for shipping iron and steel products from the El Hadjar and Jijel complex and iron ore from the Bou-Khadra mine. FERINFOR, organ of the International Railroad Union, adds the following details: "An initial phase of reconstruction therefore concerns the doubling and modernization of the Ramdane Djamel-Constantine and El Khroub-El Gourzi sections, which will be completed by the restructuration of rail facilities in the Constantine area in a second phase. Reconstruction of the line will involve a total of 85 kilometers, with doubling of the track, improvement of the layout and the addition of numerous engineering constructions. Automatic signals are also planned. Finally, seven passenger depots will be partially or totally rebuilt. Between now and 1982, the Constantine station will also be rebuilt and a new freight depot will be located in the Oued-Hamimine area. These projects are part of the plan to restructure the system in the eastern region of the country, a plan that will be instituted under the Third Development Plan and that will enable railroad transportation to meet the industrial and mining growth in the region." [Text] [Paris MARCHES TROPICAUX ET MEDITERRANEENS in French 26 Oct 79 p 2878] 11,464

CSO: 4400

10

FOR OFFICIAL USE ONLY

FOR OFFICIAL USE ONLY

IRAN

ROYAL COUPLE REVIEW RECENT EVENTS

Shah: Policies, Departure

Paris PARIS MATCH in French 11 Jan 80 pp 44-46

[Interview with Shah Mohammad Reza Pahlavi, in Contadora, Panama, on 30 December 1979, by J. Desauois]

[Text] [Question] Two important events have occurred since 16 September, the date you completed your book, "Reply to History": the seizure of the U.S. Embassy in Tehran where "students" are holding 50 diplomatic personnel hostage, and the worsening state of your health. What can you tell us about these events?

[Answer] I can fully understand why people have tried to link the two events. And yet, the taking of the hostages occurred 2 weeks after my arrival in the United States for medical treatment. It is my belief that the hostage operation had been very carefully planned as part of a confrontation with the United States and that it would have taken place in any case, by using some other pretext, if I had not required emergency hospitalization.

[Question] What is your attitude towards this disease, this cancer of yours?

[Answer] As you know, I have always been a mystic, a person submissive to the will of God. For me, my illness is no problem. Only one thing worries me, the future of my unfortunate country and of my family. My youngest daughter, Leila, is not yet 10.

[Question] Today, oil has become a means of blackmailing the Western powers. What future, in your opinion, does this crucial problem augur for the Western world?

[Answer] Being removed from "affairs of state," I have been able to reflect on the West's energy problem. I have followed from afar the changing course of events, developments in this economic war, and the rising price of oil. In fact, some 10 years ago, I was already speaking about

FOR OFFICIAL USE ONLY

FOR OFFICIAL USE ONLY

these things. I foresaw these developments, but the West always chose to close its eyes, like the ostrich that buries its head in the sand and believes that because it can see nothing, others cannot see it. So the West did not want to see the problems of its energy future, thinking that it would thus avoid the crisis.

You are aware of the solution I advocated, namely finding alternate sources of energy so that oil could be reserved for the petrochemical industries. At the same time, the price of oil had to be raised, in increments, to a fair level, in other words to a price competitive with the other more costly sources of energy, such as oil shale, tar sands, winds and ocean tides, solar energy, and geothermal energy. Cheap oil can only encourage waste. Yet the world's oil reserves are not inexhaustible. What I wanted was to fix the price of energy by common agreement, thereby making it possible to build the world's industrial future. This was not done. Hence the crisis not only occurred, but did so in a shattering manner. Together, we and the consuming countries--the industrial countries--could have formed a large association of producers and consumers, of "northern" countries and "southern" countries.

[Question] In the mass of articles and commentaries written since your departure from Iran, there have been, inter alia, scathing attacks on the agrarian reform you initiated as part of the White Revolution, reform which some critics claim was to blame for the ruination of Iranian agriculture. What are your views on this subject?

[Answer] Much has been said and written about this, and some economic "experts" are trying to show that the agrarian reform, point one of the White Revolution, destroyed Iranian agriculture. Not only is this ridiculous, but it is a complete fabrication, because statistics show that since the agrarian reform we have had an annual growth rate of at least 5 percent. Before that reform, we were producing 3 million tons of wheat per year. In 1977, we produced 6 million tons. I don't know the figure for 1978. And that picture is equally true for rice, and equally true, if not even more so, for sugar beets. As for sugar cane, from a crop that was practically nil, we had risen to crops of hundreds of thousands of tons. Furthermore, we had several refineries, one of them with a 250,000 ton capacity, which in addition to producing sugar could also produce paper. No, the agrarian reform was not a failure. All the figures, all the statistics prove that it was not.

[Question] Yet imports of consumable raw materials did increase considerably.

[Answer] But that's altogether normal. First of all, in 15 years, the population increased considerably. At the start of the agrarian reform we had a population of 19.5 to 20 million persons. In 1978, our population was 35 million. That's an increase of 65 percent. And per capita income rose from 160 dollars to 2,540 dollars. Consequently, people began to

FOR OFFICIAL USE ONLY

consume. Especially since we were subsidizing meat, flour, wheat, vegetable oil, and rice. Thus not only were there many more consumers but they could buy these food items at a relatively cheap price. For a population having increased 65 percent, the per capita income had practically been multiplied by 16. We were able to increase purchasing power by keeping prices low. There may, however, perhaps been some distribution problems.

[Question] Nevertheless, many commentators have dwelt upon the "misery" of the Iranian people.

[Answer] You mustn't forget one thing: immediately after the war, before I assumed power, in other words, about the time of Mossadegh, small children in Baluchistan were eating grass. That cannot be said about my reign. It did happen under the government of Mossadegh's people. On the contrary, during the last 3 or 4 years of my reign, among those same Baluchis, you could see husband and wife riding on their motorcycle throughout the province where formerly a person could not take a step without fear of being attacked by bandits.

Furthermore, under my reign we not only had no unemployment, but thousands of immigrant workers were employed on construction projects in Baluchistan.

And it was not only the rich who were becoming richer. There were a million immigrant workers in our country and all workers could buy household appliances and a car. Moreover, nobody can say that those well-known traffic jams in Tehran were caused solely by automobiles belonging to the Iranian upper middle class who were, after all, not numerous enough.

[Question] You are fond of reiterating that three principles have always guided your domestic policy: participation, decentralization, and democracy. As far as participation is concerned, we are familiar with the decisions made under the White Revolution, decisions that were actually implemented. As for decentralization, nobody questions it today. But what about democratization? You are accused, in fact, of having governed your country as a chairman of the board rather than as a chief of state.

[Answer] When I did not attend to affairs of state, I was called a playboy. When I began to apply myself to such matters, I was said to be too authoritative. But critics overlook the fact that each country has its own needs, its own philosophy, its own ways of life. A leftist dictatorship is considered to be quite proper, and it is not criticized. But in a monarchy, if there is a bit of discipline, some call it fascism, or even worse, by comparing it to aberrations that I would prefer not to mention here.

[Question] In a climate of incredible hatred, you are now being accused of "genocide." Edward Kennedy referred to your regime as "the world's most despotic." Aren't you tempted to respond to such criticism?

FOR OFFICIAL USE ONLY

FOR OFFICIAL USE ONLY

[Answer] It's so utterly ridiculous. The figures speak more eloquently than anything else, as I have previously explained. Even a clandestine publication, CHRONIQUE DE LA REPRESSION, has given figures that tally with my own information, namely 3,164 persons arrested from 1968 to 1977. Of course, that is an opposition publication directed against Savak. My own figures were some 3,200. And most of those prisoners were terrorists. It was when they were released that a good number of them began fomenting riots in Tehran and setting fires in the capital and elsewhere. Well, if these 3,200 prisoners are the world's greatest crime, I should like to compare that figure with the number of persons who were eliminated in the so-called civilized Western countries during World War II.

But all of these assertions are part of the game played by self-styled "officials who will say anything, no matter what." Moreover, there are Savaks in every country, whether they be called the KGB, CIA, SDECE [in France], or the Intelligence Service.

[Question] Do you consider your regime to have been somewhere between communism and capitalism?

[Answer] Yes, if you want to put it that way. Personally, however, I basically believe that all "isms" do not exist. Everything must be based on social and human justice, on respect for man, for the individual, his beliefs and personal liberties.

[Question] In his book "L'Iran Insurge," Paul Balta dwells at great length on "corruption" and particularly on the imperial family's wealth. He mentions a certain number of companies, 120 I believe, in which he regularly found the principal stockholders to be the Pahlavi Foundation and some members of your family.

[Answer] First of all, how many companies were there in Iran? Tens of thousands. I do not want to quote a more specific figure, because I could be in error by a few hundred, more or less. I gave the Pahlavi Foundation to the country. So much the better if the Foundation owned stock in many companies, because it thus made more profit and could provide many more benefits such as scholarships or grants to charitable organizations. The Pahlavi Foundation also made up for the lack of private investors in industries vital to the country but entailing high financial risks. As for the members of my family, I believe that, like any free person in our country and many countries of the world, they had the right to own stock in a company, on condition that they obeyed the law. I see nothing unusual about this. And I want to make it clear that if anyone had had a complaint, they could have very easily submitted it to the commission I had personally established to study the problem and report to me on its findings. Legal proceedings could have been instituted against members of my family, just as they could against anybody else. And even if they had not been convicted by a court, I would have compelled them to withdraw immediately from any

FOR OFFICIAL USE ONLY

FOR OFFICIAL USE ONLY

business that would not have appeared to be above-board and ethical in the commission's opinion. In all democracies, monarchical or otherwise, all members of the royal family or of the families of political officials have activities, and I have never heard it said that they are restricted in any way. The family of a president of France does not automatically lose its rights as citizens and is not obliged to give up its business interests after the president's election.

[Question] One of your sources of income was that share of the "church offerings" you were entitled to receive as protector of the holy places at Meshed. Yet your governor, General Valian, was accused of having misappropriated part of the gifts the faithful were offering to the shrine.

[Answer] Misappropriated? How so? Imam Reza's shrine had never been as prosperous as it was under the governorship of that poor man, and what was done for Meshed's holy places was extraordinary.

I regret we were never able to make a large documentary film that would have depicted Iran in three stages: as it was in 1941, and then in 1956, and finally in 1978 before my departure.

[Question] Sire, you make frequent references to God. Do you still believe in God?

[Answer] Yes, indeed, that has been the reason for my existence. And after all that existence, I am certainly not going to change now at 60 years of age.

[Question] In your thinking, would it not be a sort of divine injustice if illness were now to deprive you of the possibility of waiting for the outcome of what may well be an "historical accident"?

[Answer] If I personally cannot see that, history at least will see it.

[Question] You once wrote: "If it is dangerous to tell the truth, it is foolhardy to defend it." Did you always tell the truth in your memoirs?

[Answer] I perhaps did not say everything against Khoneyai. On that subject, I refrained from telling the whole truth. But on the other subjects, the truth cannot be hidden. One name, however, was not mentioned in my book. It's the name of a religious dignitary who recommended to me that I do something highly spectacular in August 1978. At that time, I made the mistake of accepting the resignation of Prime Minister Amuzegar, a great servant of the state.

[Question] Your departure surprised world opinion. Did a foreign individual possibly accelerate the process?

FOR OFFICIAL USE ONLY

FOR OFFICIAL USE ONLY

[Answer] In January 1979, General Huyser came to Iran. He was an important person, the deputy commander of NATO forces, and I had had occasion to receive him in Tehran several times, because each time he came to Iran, he requested an audience with me. I was, in fact, head of the armed forces and Iran belonged to CENTO.

But this time, it was merely by chance that I learned he had arrived in Tehran. My generals had not been informed of his coming. I immediately thought of a military coup d'etat. In my behalf? Or against me? As it turned out, General Huyser's primary concern was to neutralize the Iranian armed forces. When he finally did request an audience with me, along with Ambassador Sullivan, they both were primarily concerned about the day and hour of my departure. As for General Huyser, he remained in Tehran for several days after I and the empress had left Iran on a long "vacation." Huyser had met with my chief of staff, General Ghara-Baghi. It appears that the latter had used his authority to prevent the principal military commanders from taking any action. It is hard to get close to the truth, given the fact that all of the generals were executed and General Ghara-Baghi is the only one left. I should like to refer you, however, to one sentence I quoted in my book. It was spoken by General Rabi, commander in chief of the Iranian Air Force, before his execution: "General Huyser threw the king out of the country."

[Question] Are you thus implying that this visit was part of an externally-instigated plot? Are you actually saying that your departure was organized by the American administration?

[Answer] I prefer not to answer that question, because we have had no reaction to the chapter of my book to which you refer. On this side, they have said: "No comment." Consequently it is better to wait.

[Question] Sire, if today you could turn the clock back 37 years, and knowing what you now know, would you do the same things?

[Answer] That would depend on what would be done during the same period by the countries who followed us or betrayed us.

Empress: Shah's Health

Paris PARIS MATCH in French 11 Jan 80 p 45

[Interview with Empress Farah Diba, in Contradora, Panama, on 30 December 1979, by J. Desauois]

[Text] [Question] What is the exact state of the shah's health ?

[Answer] The shah has been seriously ill since 1974, but I did not know it until 3 years later. He has Waldenstrom's disease, an extremely rare form of leukemia named after the Swedish professor who discovered it. It's a

FOR OFFICIAL USE ONLY

FOR OFFICIAL USE ONLY

form of cancer. It was first diagnosed by a French professor who had come to Tehran to give the shah a routine checkup. Professors Jean Bernard, Milliez, and Flandrin were brought in for consultation and confirmed the diagnosis. Later, the doctors requested that I see them in Paris, in private. And it was then that they informed me, naturally with a great deal of tact, about the seriousness of the shah's illness. That was on 12 November 1977. I no longer remember whether it was on our way to or from our last official visit to the United States. This was really terrible news for me, but they presented it to me in such a way that they left me some hope, while still very clearly explaining to me that the shah was not exactly aware of what he had. That was a terrible period.

Until our arrival in Morocco, the disease had not yet visibly marked the shah. It was in Rabat that he began having pains in his neck. In Tehran, he had already begun undergoing chemotherapy, taking a large number of pills every day. His spleen was also enlarged. This is related to the lymphatic system and hence to his disease. A tumor then appeared in the form of a swelling on his neck. We then went to the Bahamas where another professor was consulted. It was decided to supplement the chemotherapy by intravenous injections. This treatment weakens the patient and may have complications.

Two or three injections were followed by a month's rest. It was then that we arrived in Mexico where a whole series of indispositions unfortunately prevented continuing this treatment: malaria, amebic dysentery, and then an hepatic disorder that was initially treated as infectious hepatitis. The shah had become very jaundiced and had terrible abdominal pains. Professor Milliez was then called in, along with Professor Garcia, a Mexican. We visited a Mexico City hospital to see if, in an emergency the shah could be operated on there. But various doctors said this could be dangerous, in that the shah might possibly have a malignant tumor. They said he would have to go to the United States, the last recourse in the most serious cases.

X-rays were taken and they revealed that the shah's abdominal pain was actually caused by gallstones. As you know, he was then hospitalized in the Cornell Medical Center where surgeons successfully removed his gall bladder. But subsequently it was necessary to remove, by means of a tube-like probe, another gallstone that had not been detected earlier. At that time, doctors also located a tumor under the arm, but it was not serious. Lymphography was employed to see if there were any other tumors of the lymphatic system in the abdomen. Fortunately, this examination was negative. The spleen remained enlarged but the surgeon decided not to remove it because of the shah's weakened condition. In the meantime, his doctors had resumed chemotherapy and added a trying course of X-ray treatment in an effort to check the growth of the tumor diagnosed on his neck.

[Question] Have you been told in very specific terms how the shah's disease will evolve and what prospects for remission medical science may offer him?

17

FOR OFFICIAL USE ONLY

FOR OFFICIAL USE ONLY

[Answer] It's a slowly-evolving disease, contrary to a widespread cancer where doctors speak of weeks, or months when they want to be optimistic. In fact, its evolution depends on the patient, his morale, his physical reaction. Hence if the examinations are favorable, doctors speak of a remission period of several or even many years. Now, however, the spleen has enlarged again and the doctors think it must be removed, but other specialists believe it is still too soon, that the shah is too weak.

[Question] If there is such an operation, where will be performed? Will it be absolutely necessary for you to return to the United States?

[Answer] It is out of the question for us to return to the United States. There are excellent Panamanian doctors and surgeons, many of which, moreover, have graduated from American medical schools. If the shah does have to be operated on again, it will be done in Panama. The shah is very anxious not to create any problems for the United States and President Carter.

[Question] The shah's illness was not your only problem in New York City. During his operation, Iranian students were outside the hospital praying that he would suffer and die. What was your reaction and the shah's reaction to this outburst of hatred that beggars description?

[Answer] The shah was too weak to react. But for me it was both a distressing and incredible situation. I was in the operating room and was hearing the lies, the slander, which the radio stations were repeating, namely that the shah was not sick. Yet I could see him stretched out in front of me, covered with bile, with blood. And to think that some persons were praying for the death of a man!

[Question] Your majesty, how do you feel about all the accusations currently being made against the shah's regime, about Savak, torture, and the misappropriation of funds, an accusation made, for the first time, against you personally?

[Answer] With reference to Savak, I truly believe there has been an enormous amount of lies and exaggeration in the press for many years, at the instigation of certain opposition groups. The most incredible figures have been advanced, as if it were not a question of victims, of human beings. These lies still continue to be published. Upon leaving Iran, I realized how this campaign had been organized for some 15 years, because I saw how the press reacted along with certain foreign organizations, such as Amnesty International, the International Commission of Jurists, and the International Committee of the Red Cross.

[Question] In your present adversity, some persons have remained close to you, others snub you or want to snub you. How do you feel about this reaction?

FOR OFFICIAL USE ONLY

[Answer] When we left our country, we knew indeed that we were going to live in another world, but I do hope we will not be surrounded by hatred. People have to have courage, the courage of their friendship.

COPYRIGHT: 1980 par Cogedipresse S.A.

8041

CSO: 4900

FOR OFFICIAL USE ONLY

IRAN

SHARI'ATMADARI SCHISM SPLITS MOVEMENT

Paris VALEURS ACTUELLES in French 17 Dec 79 pp 28, 30

[Article by Michel Gurfinkiel: "The Madari Schism"]

[Text] Imam Khomeyni is no longer the absolute master of Iran by divine right. Everything happened on 11 December at noon. The state radio and television broadcast a message from Ayatollah Shari'atmadari, the primate of Qom. His speech was an indictment of the Islamic Republic, on behalf of Islam. In short, cold, ironic terms Kazem Shari'atmadari attacked the "legend," the charisma of Ruhollah Khomeyni.

"The reasons for opposing the regime are not eliminated, "the Qom primate said, "by excommunicating the opponents...The present government claims that every person who rises up against it is acting on behalf of imperialism and Zionism; well, in that case I am an agent of imperialism and a Zionist...Khomeyni has violated the agreements he concluded with me...I hope that from now on everyone in Iran will have the courage of his opinions. A benediction on you and on all Muslims."

To grasp the meaning of those few sentences, it should be noted that the Khomeynist movement had been using for a year the politico-religious idea of "dijihad," of holy and merciless struggle against the "enemies of God:" the shah, the West, the United States, Israel. And what has Ayatollah Shari'atmadari done? He has affirmed that such a "dijihad" depends on deception. By applying to himself the two most "satanic" epithets, "Zionist" and "imperialist," he has taken away their effectiveness. An exorcism.

Kazem Shari'atmadari is the principal dignitary of the Iranian schism. Several years ago he was elevated by the college of ayatollahs to the rank of "mardjaa takhlid," or "pope." But Shah Mohamed Reza then refused to ratify his appointment. Less because of personal hostility toward him than because of political calculation: the preceding mardjaa takhlid, Haqim, had shown too much insubordination. So the king preferred to leave the office vacant, and even quoted a proverb in self-justification: "There is no need for a bandage when one has no headache. If the Shi'ites have no pope, I won't have to quarrel with the Shi'ites' pope."

FOR OFFICIAL USE ONLY

The sovereign was undoubtedly committing the most serious error of his reign. Quotation for quotation, he must have been inspired by the "Chahnameh," the Book of the Kings, the Persian Iliad composed in the Middle Ages by Firdusi, in which it is said that Iran rests on two pillars: religion and the monarchy. And that if one falls the other also falls. Ayatollah Khomeyni never would have achieved his influence nor dared to usurp the messianic title of "Imam" if a regularly invested mardjaa takhlid had confronted him in 1978.

A very wise and very pious man, Kazem Shari'atmadari was hoping the Pahlavi regime would undergo a peaceful revolution toward a liberal religious monarchy. When the crisis exploded, he negotiated with the court. Those dealings had no result. Then, taking a considerable personal risk, the ayatollah ordered the clerical hierarchy to stop obeying the king; ultra-monarchist officers attempted to assassinate him, and killed several of his assistants.

During that time Ruhollah Khomeyni launched his first calls for the "djihad" from abroad, first from Iraq and then from France. Much lower in rank and in dignity than Kazem Shari'atmadari, suspected of having formerly been in league with the monarchic regime and then with a Savak leader, the exiled ayatollah quite soon became the religious backing for all milieus favoring an armed revolution: communists, Trotskyites, PLO agents, the "Islamic left." He fulfilled his role all the better because he speaks a vulgar, vernacular Persian. His sermons, recorded on cassettes, mobilized the crowds in the poor neighborhoods in the southern part of Tehran.

Shari'atmadari, kept out of sight by the royal police, of course had no way of reacting.

In February 1979 there was revolution. While Ruhollah Khomeyni is working to establish a theocratic dictatorship for his own advantage, Kazem Shari'atmadari seems to be chiefly concerned about avoiding civil war. But he does not remain inactive. His native province, Azerbaijan, Turkish in culture but profoundly Shi'ite, is endowed with a powerful party, the Muslim Republic People's Party (PRMP). This organization is implanted in Tehran, where Azerbaijanese constitute more than one third of the population.

This autumn the Khomeynist regime is dislocated. Among the factions surrounding the Imam, Mr Ghotbzadeh's pro-Soviet group then decides to take hostages in the United States embassy. The goal counted upon: to create an anti-American "national union" and win the constitutional referendum of 2 December, which would definitely create an authoritarian Islamic Republic.

But Ayatollah Shari'atmadari calls for a "No" vote. He thus becomes the declared head of the all the Iranian opposition, from the right to the Trotskyites and the "Muslims on the left." On 2 December the referendum is a failure, despite a rather crude ruse employed by Mr Ghotbzadeh: pictures of Kazem Shari'atmadari had been broadcast on television the night before, with, superimposed upon them, an appeal for a "Yes" vote by his son, who is simple-minded.

FOR OFFICIAL USE ONLY

The Khomeynists, furious, attempted to assassinate the Azerbaijani aya-tollah. Immediately, on 6 December, his province rose up. Violent collisions continued over several days. Mr Ghotbzadeh asked for the dissolution of the PRMP. The reply: the bitter message of 11 December that the official Iranian media did not dare to broadcast.

Ayatollah Kazem Shari'atmadari, no doubt, will again make some effort to prevent a "counter-djihad." It is in his temperament to do so. But he has now reminded people of what genuine religious legitimacy was in Iran. Khomeynism is in danger of collapsing in the same way it was imposed. In the name of God.

COPYRIGHT: 1979 "Valeurs actuelles"

8946

CSO: 4900

FOR OFFICIAL USE ONLY

IRAN

EX-SAVAK GENERAL DIRECTS PAHLAVI KILLINGS

Paris VALEURS ACTUELLES in French 17 Dec 79 p 29

[Article by Bruno Riviere: "Terrorism: Khomeyni's Killers"]

[Text] In all probability it was Savak, the shah's former political police, that assassinated Prince Shahriyar, the exiled sovereign's nephew, on 7 December in Paris, at the Villa Dupont.

An intelligence and counter-espionage service, Savak (State Security Police) was a rather complex organization, composed of several rival branches. At the time of the revolution of last February, many secret agents betrayed the king for Khomeyni and formed a nucleus of the Islamic political police, the Savama.

Among these renegades was Gen Ferdusi. An intimate friend of the shah, whose schoolmate he had been, he became military adviser to Imam Khomeyni, and sits on the revolutionary council. He was in charge of planning the systematic assassination of all the members of the Pahlavi family.

Why begin with Shahriyar? There are three possible explanations.

Prince Shahriyar and his sister, Princess Azadeh, masterminded the most active group of the Iranian monarchist resistance. Enjoying, unlike other members of the royal family, a reputation for complete integrity, they gathered together a number of exiles and published a periodical in French and Persian, FREE IRAN.

A former Iranian minister, Mr Nahavandi, who had recommended to the shah that he engage in a process of democratization, explains in VALEURS ACTUELLES:

These liberal monarchists want above anything else to arrive at a national reconciliation. To that end they are suggesting that once Khomeyni is overthrown the 1906 constitution be enforced, which is also being demanded by Shari'atmadari. Leaving suspended for several years the question of the chief of state. Later on, a constituent assembly could be elected

FOR OFFICIAL USE ONLY

in a calm atmosphere and if necessary a new regime could be decided upon.

Prince Shahriyar, a naval officer, apparently decided to create a "Free Iranian Radio," broadcasting from a ship anchored in the Persian Gulf, near a friendly emirate. He also envisioned clandestinely entering Iran and bringing together there in the underground, deserters from the royal army. At least 80,000 men are believed to have fled their units after the revolution, taking care to conceal part of their armament.

French authorities provided no protection for the Iranian emigres; they would have preferred to have them leave the territory. Until the drama of 7 December they were systematically refused the right to carry arms, whereas, for example, the DST [Directorate of Territorial Surveillance] supervises the protection of Ibrahim Souss, the PLO representative in Paris.

On 27 November, in a televised interview, Mr Giscard d'Estaing stated in addition that if France had not welcomed Ayatollah Khomeyni in Neauphle-le-Chateau, hostages might have been taken at the French embassy instead of that of the United States. Such words led Khomeynist agents to believe in a promise of absolution.

In the days preceding Prince Shahriyar's assassination, the presence in Paris of several leaders of the Khomeynist regime were noticed, in particular Gen Ferdusi himself and two other superior officers, Gen Farazian and Gen Kaveh.

At the Iran embassy in France a special envoy from the imam, Reza Sadr (the brother of Minister Bani Sadr), has received dozens of "Islamic students." Most of them were wearing a Castro beard and a khaki tunic. A description that corresponds to the description of the Villa Dupont murderer.

COPYRIGHT: 1979 "Valeurs actuelles"

8946

CSO: 4900

FOR OFFICIAL USE ONLY

MAURITANIA

ECONOMIC, POLITICAL AFFAIRS DOMINATED BY SAHARAN WAR

London THE MIDDLE EAST in English Jan 80 p 14

[Text] Six months after the signing of a separate peace treaty with the Polisario Liberation Front, Mauritania's economic, diplomatic and political life was still dominated by the Saharan conflict. Prime Minister Khouna Ould-Heydallah made his Government's intentions clear when he declared, "we did not come out of one war to get involved in a new one." But Mauritania's room to manoeuvre is limited by the intense hostility between its more powerful Maghreb neighbours and the pressure which Senegal can exert by exploiting racial tension between black and Arab communities.

Only in December, after appeals to the Arab League and the United Nations, did the last 1,000 Moroccan troops evacuate the strategic base of Bir Moghreïn, and fears of Moroccan ambitions increased with Rabat's annexation of the southern part of the Sahara.

Mauritania's ruling Military Committee of National Salvation (CMSN) is seeking to improve relations with Algiers. Thus diplomatic relations have been reestablished after three years.

Not surprisingly relations with Morocco seriously deteriorated, especially after Mauritania ended the military pact drawn up in 1977. The Ould-Heydallah Government expelled several Moroccan diplomats and arrested a number of politicians closely associated with the pro-Moroccan lobby. Morocco was especially upset by the imprisonment of the former Deputy from Dakhla, Muhammad Ould-Hormallah.

To counter any Moroccan threat Mauritania persuaded France to station 200 crack troops in the key port city of Nouadhibou. In exchange, ex-President Mokhtar Ould-Daddah was allowed to rejoin his family in France, although this caused considerable dissent within the CMSN, many of whose members want to bring Ould-Daddah to trial and avoid dependence on Paris. The diverse factions inside the CMSN agree on only one major point, that stability is contingent on a rapid return to peace.

FOR OFFICIAL USE ONLY

FOR OFFICIAL USE ONLY

Racial tension, which was pivotal in destabilizing the Ould-Salek regime, could be rekindled in the new school year. The CMSN has, therefore, postponed for five years educational reforms which would have made Arabic mandatory. Black students are demanding equality for the French language.

With an end to incessant guerrilla attacks against the 650-kilometre railway between Zomorate and Nouadhibou, iron ore exports--representing 85% of hard currency earnings--are expected to increase from 6.4 million tonnes in 1978 to around 9 million tonnes in 1979. If production continues at this level and iron ore prices do not fall Mauritania could register a trade surplus this year.

Continued peace is also essential for the success of the Guelb iron ore scheme, which will make Mauritania an important iron ore exporter until the end of the century. To finance the \$500 million first phase, \$360 million in soft loans have been arranged from international and Arab sources. The capital of the state mining company, Snim, has also been opened to an Amman-based Arab mining company, and the Islamic Development Bank and Iraq have purchased \$120 million of the company's equity.

A senior Mauritanian politician told THE MIDDLE EAST that the armed forces, although reduced in numbers, would be kept in a state of readiness. "Maintaining a large army drains our slim resources," he said, "but we are intent on guaranteeing our independence and sovereignty no matter what the cost."

COPYRIGHT: 1980 IC Magazines Ltd.

CSO: 4420

FOR OFFICIAL USE ONLY

FOR OFFICIAL USE ONLY

MAURITANIA

SAHARAN WAR'S EFFECT ON ECONOMY, FOREIGN AID DISCUSSED

London THE MIDDLE EAST in English Jan 80 pp 66-67

[Interview with Muhammad Ould Zamel, minister of industry and mining, by Howard Schissel; date and place not given]

[Text]

□ Now that Mauritania has ended its participation in the war in the western Sahara, will defence costs be reduced and the army cut down in size?

○ The war effort was an unbearable burden on Mauritania's fragile economy. This was all the more the case as iron ore mining - which leads to 85% of our exports - was severely curtailed. Also more than half of our budget was being earmarked for defence. We do intend to reduce our armed forces but not to prewar levels. Our army must be kept in a state of readiness because of the continuing tension in the region.

□ There has been much criticism of economic planning under the Ould Daddah regime.

○ The economic strategy of the Ould Daddah regime was one of launching prestige projects. Development efforts were being undertaken without a serious analysis of costs, long-term implications and the relationship between the financing of these costly projects and the country's ability to pay for them.

If Mauritania has experienced one of the highest rates of investment in the past few years, it has little to show for it. In spite of our many economic problems, I can assure you that the criteria used to determine investment priorities today are quite strict.

For example, we now accept only long-term loans for infrastructure projects; medium-term loans are considered only for projects which are immediately viable.

□ Will you continue measures for economic liberalism?

○ For Mauritania economic liberalism is founded on two principles. First, our major economic schemes - the Guelb iron ore project, fisheries and the Senegal River irrigation projects - are too costly for Mauritania to undertake alone.

Secondly, if the mentality of the Mauritanian people is a collective one, born of the need to survive as nomads in the harsh environment of the Sahara, it is also a highly individualistic one.

In my view, only a policy of economic liberalism can get the

Mauritanian economy out of its present trough. The Government intends to provide the necessary infrastructure while Mauritanian and foreign businessmen will be called upon to invest in productive ventures.

□ Do you think that Mauritanian businessmen are ready to participate in development projects of this nature?

○ I believe that local businessmen can play a key role in the country's economic revival if they are prepared to undertake what I call a "cultural revolution".

Until recent times most Mauritians were either nomads or subsistence farmers. Within a very few years they have been thrust into the modern world. The task of acquiring the sophisticated entrepreneurial mentality necessary to carry our economy forward is not easy if one's whole life has been as a petty trader.

□ What progress has been made in rescheduling Mauritania's foreign debt?

○ When the Ould Daddah regime fell in July 1978, our foreign debt stood at about

FOR OFFICIAL USE ONLY

FOR OFFICIAL USE ONLY

\$750mn, a sum equal to 145% of our gross domestic product. We felt that it was in the immediate interests of the country to reschedule \$204mn of this amount.

By the end of 1979 we had succeeded in rescheduling 80% of the amount outstanding. We hope to be able to reschedule the balance over the course of the next few months. I emphasise that we are determined to reduce the level of our foreign debt; to do so is one of the basic objects of our recovery plan.

□ So the austerity programme and a policy of cleaning up the country's economic life could well become permanent features of postwar Mauritania?

○ The austerity programme, dating from the coming to power of the Ould Haydallah Government in June 1979, was intended to complement the Government's economic stabilisation plan. We believed that Mauritania had been living well above its economic means. Thus our intention has been to slash government expenditure.

If Mauritania is to get back on its economic feet, then the austerity programme must be regarded in a long-term perspective. Similarly, we have to "clean up" the country economically. We must put an end for all time to sloppy behaviour in government, mismanagement, corruption and general inefficiency. We insist that as much of the state's resources as possible shall be earmarked for productive investment in mining, industry and agriculture.

□ You have rescheduled the country's debts, but you still have a debt-servicing obligation.

○ This is a heavy burden, which we have to reduce. We hope to reduce the annual

payment from \$1.5bn to \$800mn by the end of next year.

□ But you have a continuing trade deficit.

○ Even though our exports of iron ore have increased significantly, it is unlikely that our 1979 trade balance will show a surplus; the best we can hope to do is reduce our 1978 deficit considerably. This year, if the international price of iron ore remains at a satisfactory level, we have a good chance of moving into a payments surplus.

□ Is the Government planning to reopen the Akjoujt copper mine?

○ The Akjoujt copper mine was shut down for two reasons. First, the price of copper had fallen in 1978 to absurdly low levels and the mine was losing \$1mn a month. Second, the technology employed was not suited to Mauritanian conditions. It was excessively capital-intensive and used too much energy. We are now planning to reopen the Akjoujt mine using a different technology which should make it a profitable venture.

□ The war brought prospecting for uranium and oil to a halt.

○ We have already made the necessary arrangements to get exploration started again. Before the war in the Sahara, prospecting for uranium in the northern part of the country, in an area known as Dorsale Reguibat, had yielded positive results. We have just renewed the prospecting concessions of a consortium made up of the French Commissariat à l'Energie Atomique (CEA), Total Nucleaire, Pechiney-Ugine-Kuhlmann (PUK) and a Japanese firm.

As for oil, several concessions have been explored over the last few years without significant results. An offshore drilling pro-

gramme near the port of Nouadhibou should get under way this year; this will be carried out by a consortium made up of Agip, Philips, Esso and Esparoil.

□ Mauritania is essentially an agricultural and pastoral country. What are you doing to put an end to the continuing run-down of the rural economy?

○ To be honest, the rural sector of the economy has suffered. This was one of the fundamental errors of the Ould Daddah Government. Then too, of course, our agriculture was hit by the Sahel drought.

The combined effect was a major upheaval in Mauritania's social system. A majority of the population now lives in towns. The countryside has been denuded of people. This trend must be reversed.

Thus we have adopted measures to give us greater control over our scarce water resources, to provide more and better technical assistance to our farmers and herdsmen and set up a more flexible pricing structure aimed at giving a guaranteed fair return to agricultural producers. I should also mention two major irrigation schemes: the Gorgol valley and Senegal river valley projects, both of which should be under way this year.

□ Mauritania's coastal waters are considered among the richest in the world. How do you intend to put an end to what many consider as the pillage of these waters by foreign interests?

○ The term you use - pillage - is appropriate. Fishing is potentially one of the strongest sectors of our economy. We have to find ways to protect our fisheries. We also intend to introduce new strategies for the

FOR OFFICIAL USE ONLY

exploitation of our deepsea resources. This sector will be open to foreign capital, but under revised conditions.

Can you tell us about the changes you envisage?

○ The system of licences under which foreign interests received the right to fish our waters in exchange for a fee and guaranteed supplies of fish to our canning industry in Nouadhibou was unsatisfactory.

In 1979 we let the fishing agreements with the Soviet Union, Japan, Spain, Portugal, Greece, Romania and South Korea expire. Henceforth we intend to establish joint ventures in order to assure a steady supply of fish for the canning factories and a fairer return to us. We hope to reach an agreement with the EEC.

Mauritania is at once an Arab and an African country. You receive aid from both Arab and Western sources. What differences are there between the aid from these two sources?

○ Unlike aid from the Western nations, Arab aid is generally untied. When Western countries grant aid for development projects, such aid is usually also intended to help their own industry by linking the aid to the purchase of goods and services. In many cases this tends to limit the technological choices of Third World countries and to force up the cost of projects.

Arab aid donors tend to place the emphasis on the economic viability of the project and its

cost. Once Arab aid is disbursed, the recipient usually has total discretion as to how it will be spent.

I can give you an example of how tied aid works in practice. When the Government decided early in 1979 to award a contract worth \$114mn for the construction of the second section of the trans-Mauritania highway to a Brazilian firm instead of to a French contractor, we were notified that the EEC was no longer prepared to let us have a loan of \$10mn.

But doesn't Arab aid have political conditions?

○ This is unfortunately the situation in some cases. We are not prepared to accept aid that comes with a political price tag.

What about economic relations with African countries?

○ Mauritania has developed economic relations with all friendly countries in the Arab world but we have not forgotten the African dimension in our personality. We hope that our privileged relationship with the Arab nations will give us a role in building closer economic relations between the Arabs and black Africa.

For example, we have played a key role in securing finance from Arab oil-producing nations for the Senegal River development scheme in which we have Senegal as a partner. Mauritania is also a member of the West African Economic Community (CEAO) with five black African states.

COPYRIGHT: 1980 IC Magazines Ltd.

CSO: 4420

FOR OFFICIAL USE ONLY

MAURITANIA

FRENCH, LIBYAN EXPERTS VISIT

Paris MARCHES TROPICAUX ET MEDITERRANEENS in French 21 Dec 79 p 3617

[Report: "Two Experts Missions Visit Nouakchott"]

[Text] A French experts mission is visiting Nouakchott to study the situation of public establishments and mixed companies in order to suggest measures for the improvement of this state sector of the Mauritanian economy.

Last October, another mission of French experts had been asked to study the country's economic situation. The report it had submitted to the authorities included a plan for economic and financial recovery aimed at eliminating the budget deficit which was reduced this year to 3.6 billion ouguiya compared with 4.6 billion ouguiya the previous year.

On the other hand, a delegation of Libyan experts, headed by Salem Jouali, secretary general of the Ministry of Heavy Industry, began its mission in Nouakchott on 12 December. The purpose of this delegation is "to proceed to a review of projects in Mauritania which could be financed by Libya." This follows the visit which the head of the Mauritanian government, Lt Col Ould Haidalla, paid to Tripoli at the beginning of December, as a result of which he had announced that Libya was to assign a mission to study on the spot the needs of the country. The results of this review will be examined in the course of a meeting to be held in the Libyan capital in December, attended by high officials of both countries.

COPYRIGHT: Rene Moreux et Cie., Paris, 1979

5157
CSO: 4400

FOR OFFICIAL USE ONLY

FOR OFFICIAL USE ONLY

MAURITANIA

EIB FINANCING OF GUELBS PROJECT, OTHER PARTICIPANTS

Paris MARCHES TROPICAUX ET MEDITERRANEENS in French 21 Dec 79 p 3617

[Report: "Guelbs Project: European Investments Bank Loan"]

[Text] In accordance with the first Lome convention, the European Investments Bank (EIB) granted on 11 December a loan of 25 million drawing units (about 146 million 250,000 French francs) for the development of the iron deposits of Guelb El Rhein, in the Zouerate Zone in Mauritania.

The loan was granted to the National Industrial and Mining Company (SNIM), a mixed ownership company engaged in the exploitation of ferrous minerals in the country. The loan is for a 15-year term at 7.4 percent interest with a 3 percent interest payable to the European Development Fund (EDF).

Investments in whose financing the loan will be used will involve the commissioning of a strip mine and of a concentration plant: The minerals to be extracted have a lower iron content compared with the presently extracted ore. However, the modern concentration procedures planned will make their utilization equally adequate. The opening of the mine is planned for 1983. This will make it possible to gradually shift the exploitation from Kedia to Zouerate, deposits which, at the present pace of exploitation, should be exhausted by 1986. The project will create 760 additional permanent jobs. The production of Mauritanian iron ore, 80 percent of which will be sold to the EEC, will mark a substantial increase in output. The magnetic feature of the concentrates which will be obtained on the basis of the exploitation of the new deposits will be a further appreciated feature in the marketing of SNIM products.

The potential reserves of the Guelbs are estimated at one billion tons of minerals; the Guelb El Rhein should provide 285 million tons. The opening of another mine is planned for the second stage, to begin production toward 1989, thus maintaining the production capacity of the SNIM to about 14 million tons per year of marketable minerals despite the exhaustion of the richest deposits which have been exploited since 1965.

FOR OFFICIAL USE ONLY

FOR OFFICIAL USE ONLY

The project will be of major importance to the country's development. Its financing, considered model in terms of international cooperation, required the involvement of a substantial number of investors. In addition to the Islamic Republic of Mauritania and the SNIM stockholders (Islamic Development Bank, the governments of Iraq and Morocco, the Arab Mining Company, and the Kuwait Foreign Trading and Contracting Investment Corporation), the following also participated in the financing of the project whose total cost is estimated at about 350 million drawing units (or 2 billion 47 million 500,000 French francs): the World Bank, the Central Economic Cooperation Fund, the African Development Bank, the Japanese government, the OPEC Special Fund, the Saudi Fund for Economic Development, the Kuwait Fund for Economic Development, the Arab Economic Development and Social Fund, and the Abu Dhabi Fund.

COPYRIGHT: Rene Moreux et Cie., Paris, 1979

5157
CSO: 4400

FOR OFFICIAL USE ONLY

FOR OFFICIAL USE ONLY

MOROCCO

FRENCH FINANCIAL AID PLEDGED

Paris MARCHES TROPICAUX ET MEDITERRANEENS in French 7 Dec 79 p 3388

[Article: "French Financial Aid: Signature of a New Draft Agreement"]

[Text] Abdelkamel Reghai, Moroccan minister of finance, and Rene Monory, French minister of economy, signed a draft financial agreement in Paris on 29 November 1979, a communique of the French Ministry of Economy announced. It noted that under the terms of this draft agreement loans from the Treasury and guaranteed private credits will be made available to Morocco to finance its purchase in France of capital goods slated for the realization of the Moroccan development plan. The major projects approved involve the phosphorus industry, the cement industry, the merchant marine, oil and lubricants, and telecommunications.

It was indicated in Moroccan official circles, cited by the Moroccan news agency MAGHREB ARABE PRESSE, that the agreement signed on 29 November falls within the framework of economic and financial cooperation between Morocco and France for 1979 and that it bears on the granting of loans and credits for a total amount of 1.2 billion French francs.

The approved financing, it was noted in Rabat, includes long-term, low-interest government loans for an amount of 360 million francs to which should be added private credits guaranteed by COFACE [French Insurance Company for Foreign Trade] of about 840 million francs.

According to the same source these loans and credits will be allocated mainly to cover the purchase of services and capital goods and secondarily the purchase of intermediate goods of French origin. Among the projects likely to fall within the context of this financing are the realization of hydraulic, hydrogeologic, and industrial studies and improvements in radio broadcasting, television, and telecommunications.

Besides the implementation of some industrial projects (sugar mills, cement works), this financing will also involve the realization of mining projects such as drying and washing facilities for the OCP [Moroccan Phosphates Office], the outfitting of the Bleda copper mine, and the increase of

FOR OFFICIAL USE ONLY

FOR OFFICIAL USE ONLY

maritime transportation facilities through the acquisition of new craft for COMANAV [Moroccan Navigation Company] and MARPHOCEAN (see MARCHES TROPICAUX ET MEDITERRANEENS [MTM] of 9 November 1979, p 3012) and the purchase of new locomotives for the ONCF [Moroccan National Railroad Office].

COPYRIGHT: Rene Moreux et Cie., Paris, 1979

2662
CSO: 4400

FOR OFFICIAL USE ONLY

FOR OFFICIAL USE ONLY

MOROCCO

NEW NATIONAL SOLIDARITY TAX DESCRIBED

Paris MARCHES TROPICAUX ET MEDITERRANEENS in French 14 Dec 79 pp 3455, 3456

[Article: "Establishment of a National Solidarity Tax"]

[Text] On 4 December 1979 the government filed in the bureau of the Chamber of Representatives a bill amending the 1980 budget law bearing on the establishment of a national solidarity tax. This measure strives to give a permanent character to the national solidarity levy established in 1979 on an exceptional basis (see MARCHES TROPICAUX ET MEDITERRANEENS of 9 November 1979, p 3013, and of 23 November 1979, p 3264). An analysis of the amending bill was given by LE MATIN DU SAHARA under the signature of Mustapha Sehimí. We reproduce long excerpts from it below.

The national solidarity tax will be payable by both individuals and firms. The government bill defines in this regard the categories of incomes subject to the tax. It considers first "levies on salaries and wages," in other words, public and private salaries, allowances and emoluments, wages, pensions, and annuities. The tax is also to be applied to professional income, rents, and the agricultural sector. Finally, it will be levied on "potential income from unbuilt land located within urban communes and their peripheral areas." On this score exceptions are anticipated by the bill. They bear on built land belonging to the state or local collectivities and on land where construction is prohibited or subject to the urban tax.

It should be noted that there are cases in which the solidarity tax is not applicable, particularly to public offices and stores, enterprises in which state participation accounts for at least 90 percent, and waqf property with the exception of property held as a family waqf. Neither are military personnel of all ranks or personnel enjoying the special status of auxiliary forces subject to the national solidarity tax.

The amount of the tax varies according to the taxpayer's income bracket. First, on income from wages the annual amount of this tax is determined in terms of daily wages as follows:

FOR OFFICIAL USE ONLY

FOR OFFICIAL USE ONLY

1. One day's wage for an annual taxable base lower than or equal to 6,000 Moroccan dirhams (1 Moroccan dirham equals 1.10 French francs, approximately).
2. Four days' wages for an annual taxable base higher than 6,000 dirhams but lower than or equal to 60,000 dirhams.
3. Seven days' wages for an annual taxable base higher than 60,000 dirhams but lower than or equal to 120,000 dirhams.
4. Eight days' wages for an annual taxable base higher than 120,000 dirhams.

Second, as regards income subject to the tax on professional income, the urban tax, and the agricultural tax, the rate of the national solidarity tax is set at 8 percent of the amount obtained by the application of the tax schedules. The base used for the computation of this levy takes into account the expenses inherent in a position or job and deductions for family allowances. It is reduced by the taxes deducted at source or collected. However, for taxpayers subject to the real net profit schedule, the government bill provides details. It states that this national solidarity tax cannot be lower, whatever the tax status of the firm, than 1,500 dirhams (on sales under 1 million dirhams) and 3,000 dirhams for taxpayers whose annual turnover exceeds this amount.

In the third place, as regards the potential income from unbuilt land, the rate of the national solidarity tax is equal to 1.5 percent when the taxable base is below 120,000 dirhams; 2 percent when the taxable base is over 120,000 dirhams but below 240,000 dirhams; and 2.5 percent when the taxable base is above 240,000 dirhams.

Estimated revenues from the levy of the national solidarity tax for fiscal 1980 are put at 250 million dirhams. Flexible methods of payment were approved in order not to burden the finances of households or the treasuries of enterprises.

COPYRIGHT: Rene Moreux et Cie., Paris, 1979

2662
CSO: 4400

FOR OFFICIAL USE ONLY

MOROCCO

MINING OFFICE REPORTS EXPANSION OF ACTIVITIES

Paris MARCHES TROPICAUX ET MEDITERRANEENS in French 7 Dec 79 pp 3389-3390

[Text] Following publication by the BRPM (Mineral Prospecting and Investment Office) of its activity report for the 1978 fiscal year, CEDIES [Socio-Economic Research and Information Center] completed an analysis of it, which we are reprinting in its entirety. According to that organ of the CGEM (Moroccan General Economic Federation), the report shows that the Bureau's activity during the 1973-1977 5-year plan was characterized by unprecedented efforts that led to the discovery of several mining deposits and hydrocarbons and the surveying of numerous mineral deposits throughout the national territory.

This intense action during the period of the last 5-year plan was followed in 1978 by a slowdown of the Bureau's activities in the field of petroleum exploration, prospecting and specific projects. Actually, the policy of austerity and economy resulted in a substantial reduction in allocations to the Bureau for this first year of the provisional 3-year plan for 1978-1980.

Nevertheless, in keeping with the government's directives and thanks to the draconian measures that were required, the BRPM has succeeded in carrying out a program that led to many achievements in its different fields of activities.

Petroleum Exploration

Petroleum exploration was substantially reduced because of budgetary restrictions. Seismic activity was deliberately sacrificed to drilling, for which more credits were allocated, with the disadvantage that the reduction in seismic activity could have repercussions on research programs in the years to come. Seismic activity involved only 334 kilometers (compared with 3,735 in 1977) of seismic profiles on land and 322 kilometers (compared with 3,866 in 1977) of offshore seismic profiles.

Nevertheless, this made it possible for drilling activities to suffer a less severe reduction. Drilling was done at several sites on land and one offshore

FOR OFFICIAL USE ONLY

FOR OFFICIAL USE ONLY

site for a total of 13,166 meters (compared with 16,000 in 1977). The work essentially consisted of: the completion of two borings on the Karia and Essaouira permits; the completion of two more borings on these two permits; and the initiation of land-based boring on the Tissa permit and one maritime boring on the deep Cap Sim permit off Essaouira.

In addition, the project to begin working the condensate-rich gas deposit discovered at Toukint in the Essaouira region in 1975 was the subject of a feasibility study followed by a call for bids for the purchase of a processing and gas-condensate separating plant.

In 1978, expenditures for oil exploration activities amounted to 62 million dirhams (compared with 124 million in 1976 and 141 million in 1977). For their part, the BRPM's partners spent 24.1 million dirhams within the framework of existing agreements.

Crude oil production rose slightly compared with the previous year, with a total of 24,350 tons (22,000 tons in 1977), mainly taken from the Sidi Ghalem deposit belonging to the SCP (Moroccan Petroleum Company). Gas production practically remained the same, with 84.5 million cubic meters, compared with 86 million cubic meters in 1977.

Mining Exploration

Mining exploration also received fewer funds and suffered a reduction in personnel. In 1978, it was mainly oriented toward the search for solid energy substances and precious metals.

Work and drilling at the different BRPM sites included the execution of 11,700 meters of construction (wells, galleries, and so on) and 16,230 meters of drilling, compared with 13,300 and 43,750 meters respectively in 1977.

This work was characterized by the exploration of a radioactive level containing uranium at Wafaga and the discovery of uranium ore in the Zgounder silver deposit; continuation of lignite prospecting in the southern portion of the Guercif basin and initiation of coal exploration at Minizla, north of Taroudant; the startup of a sampling program on the deposit of bituminous schists at Timahdit for the purpose of technological tests; the confirmation of lead and zinc reserves at Cadnar and hydrous magnesium silicate reserves at Boudkek and the measurement of antimony reserves at Khlot and Knatar; the completion of objectives within the framework of specific project, particularly at Sidi Lahcen, Zgounder and Tizert; and the completion of exploration on sites belonging to certain subsidiaries aimed at increasing their reserves: Imiter, Jbel Aouam, Bou Azzer.

The number of geologists and geophysicists involved in mining exploration went from 51 in 1977 to 35 in 1978. An average of ten drilling crews worked at 19 different sites and 15 mining work crews at 23 different sites were active all year long.

FOR OFFICIAL USE ONLY

The expenses of the Bureau devoted to mining exploration amounted to 24 million dirhams, compared with 38.8 million in 1977.

Mining Studies

Technical and economic studies were continued and updated, particularly in connection with the execution of the Zgounder, Sidi Lahcen and Tiouit projects, development of the condensate gas deposits at Toukimt and the N'dark gas deposits, development of the Timahdit and Tarfayat bituminous schists and completion of the Meknes Central Lead Foundry.

Contract Work

This year and more than in the past, contract work represented a stabilizing factor for the BRPM because it made it possible to absorb the underemployment of personnel and material made available due to the reduction in the Bureau's activities.

The volume of such work did not increase in 1978, however, and was about the same as in 1977. It was done for BRPM subsidiaries, public administrations and private parties.

Marketing

Marketing was facilitated by the increasing demand for raw materials, whose prices generally rose. The direct intervention of the BRPM in the market resulted in the marketing of the following tonnages:

Iron ore	40,000 tons
Lead concentrates	47,816 tons
Zinc concentrates	11,328 tons
Copper concentrates	9,515 tons
Manganese ore	8,230 tons
Silver precipitates	24,442 kilograms
Barite	62,000 tons
Bentonite	750 tons

Activities of Subsidiaries

The activity of subsidiaries went hand in hand with the levels of ore prices. It was characterized by the following factors: Subsidiaries producing lead and silver once again had an exceptional fiscal year (SODIM [expansion unknown], SMA [expansion unknown], SMI [expansion unknown]). In this favorable situation, one should note the startup of the Imiter underground mine for silver mining and the end of the equipping of the Draa Sfar mine for lead and zinc. The substantial improvement in copper prices on the international market was not sufficient to allow the startup of pending operations (Talaat, Naour, Oumjerane). The remaining operations still in activity (Ouansimi, Tazalaght-Assif Imider) nevertheless continued to generate a cash flow thanks to severe restrictions. Due to the

FOR OFFICIAL USE ONLY

persistent slump on the iron ore market, SEFERIF [expansion unknown] saw its situation grow even worse and produced no pellets during this fiscal year. On the other hand, the spectacular price of cobalt enabled the CTT [expansion unknown] to double its turnover and achieve exceptional results. The quality of the fluor spar produced by SAMINE [expansion unknown] enabled the company to strengthen its position on the international market, while other competing producers encountered insurmountable difficulties. Finally, subsidiaries working the other nonferrous ores (SACEM [Moroccan Mining Studies Corporation] for manganese and COMABAR [expansion unknown] for barite) experienced normal activity resulting in a good fiscal year.

Agreements

Concerning oil and mining cooperation, several contacts were made with specialized foreign firms and led to the conclusion of agreements and accords with the following companies: the American company Phillips for petroleum exploration on the Tafrata permit (in the Guercif region) and the Ksabi permit (in the Missour region); the American company Tipco for oil exploration on the Jebha maritime permits in the Mediterranean; the Klockner Company for a program of tungsten prospecting in the Azegour mining area (exploration is underway); the Metal Mining Agency of Japan for uranium exploration in the Upper Moulouya project area (the first phase of the work is done and results are being interpreted); and a protocol with Rio Tinto Zinc, establishing the foundations for future cooperation on joint research programs involving different ores.

COPYRIGHT: Rene Moreux et Cie., Paris, 1979

11,464
CSO: 4400

FOR OFFICIAL USE ONLY

FOR OFFICIAL USE ONLY

MOROCCO

GRAIN PRODUCTION LAGGING BEHIND CONSUMPTION

Paris MARCHES TROPICAUX ET MEDITERRANEENS in French 14 Dec 79 p 3456

[Article: "Grain Production Does Not Keep Up with the Growth in Consumption"]

[Text] Morocco's production of major cereals (wheat, barley, and corn) is witnessing slow and irregular growth because of often unfavorable weather conditions, the BMCE [Moroccan Foreign Trade Bank] noted in a recent study devoted to cereals in Morocco.

In the 1960's, the bank recalled, this production, which fluctuated between 3 and 6 million tons, satisfied the needs of the market and at times made it possible to have a surplus for export. Thus, in 1960 Morocco had exported 101,041 tons of hard wheat, 29,320 tons of barley, 104,965 tons of corn, and 380 tons of soft wheat.

Beginning in 1974 the share of imports increased steadily and in 1978 it accounted for 26.5 percent of demand (as against 15 percent in 1974.) This trend, which is reflected in a sizable outflow of foreign exchange equivalent to 587 million Moroccan dirhams in 1977 and 856 million in 1978) has been known to the government which is considering a whole series of measures slated to increase the growth of cereals in Morocco. The steps are as follows:

1. Increase in productivity by a rational use of fertilizers.
2. Pursuit of the hydroagricultural program.
3. Policy of assistance for the acquisition of tractors on credit. (The 20,000 available tractors made it possible to work only 3,150,000 hectares, that is, 63 percent of the area earmarked to cereals. This stock of tractors is growing only at the rate of 2,000 to 2,600 a year whereas [total] needs are estimated to stand at 70,000 tractors).

The production of the principal cereals, the BMCE also indicated, was 4,593,000 tons in 1978, up by 13 percent compared to 1977. Particularly

41

FOR OFFICIAL USE ONLY

FOR OFFICIAL USE ONLY

favorable weather conditions underlay this increase. Wheat accounted for 40.8 percent compared to 50.6 percent for barley and 8.6 percent for corn.

The breakdown of this production reveals a steady increase by 5-year periods owing to growing mechanization and a more rational use of fertilizers. Thus, average annual production during the 1970-74 period was 4,379,000 tons, up by 13 percent and by 29.3 percent compared to the 1965-69 and 1960-64 periods, respectively.

Consumption of major cereals (from local production + imports + stocks) totaled 6,241,000 tons in 1978, up 48.5 percent compared to 1977. In that year demand was satisfied to the extent of 73.6 percent by local production while imports accounted for 26.4 percent. Consumption per capita was also up, increasing from 13.7 kilograms of wheat in the 1960-64 period to 16.7 kilograms in 1975-79, that is, a rise of 22 percent.

COPYRIGHT: Rene Moreux et Cie., Paris, 1979

2662
CSO: 4400

42

FOR OFFICIAL USE ONLY

FOR OFFICIAL USE ONLY

MOROCCO

BRIEFS

NEW MINING AGREEMENT--On 1 December, Moussa Saadi, minister of energy and mining research, presided over a ceremony in Rabat at which a new mining agreement between the BRPM (Mineral Prospecting and Investment Office) and the West German firm Klockner was signed. The agreement follows another accord signed by the two parties in December 1978 concerning mining research and development in the Marrakech region. It expands the field of application of the Azegour zone to the Sidi Azzouz regions in the Rhamma (see MARCHES TROPICAUX, 22 December 1978, p 3494). [Text] [Paris MARCHES TROPICAUX ET MEDITERRANEENS in French 7 Dec 79 p 3390] 11,464

EARLY PRODUCTS EXPORT DROP--The evolution of Moroccan early products exports to European markets during the 1978-1979 season did not totally meet Moroccan objectives for diversification of its outlets, according to the OCE (Marketing and Export Office). France remains Morocco's main customer but its share dropped by 25,000 tons. Furthermore, its share has dropped steadily since 1976, going from 81 percent in 1976-1977 to 77 percent in 1977-1978 and 70 percent in 1978-1979. Morocco's share of the French market has stabilized at around 40 percent, while Spain has enjoyed a 7-percent increase, going from 43 percent in 1977-1978 to 50 percent in 1978-1979. The diversification efforts yielded good results on the German market, which absorbed 24 percent of the Moroccan exports in 1978-1979, compared with 18 percent in 1977-1978 and 15 percent in 1976-1977, the OCE concludes. [Text] [Paris MARCHES TROPICAUX ET MEDITERRANEENS in French 7 Dec 79 p 3390] 11,464

CITRUS CONTRACT WITH USSR--Morocco, the Soviet Union's main supplier of oranges with nearly 55 percent of the USSR's total imports, will continue to furnish large quantities of citrus fruits during the 1979-1980 season. Abdellah Lahlou, general director of the OCE, signed a contract to this effect on 22 November in Moscow, according to which 300 million dirhams' worth will be delivered. [Text] [Paris MARCHES TROPICAUX ET MEDITERRANEENS in French 7 Dec 79 p 3390] 11,464

GERMAN LOAN--Loan and guarantee agreements were signed in Rabat on 28 November by virtue of which the Kreditanstalt fur Wiederaufbau of the Federal Republic of Germany grants a loan of 93 million marks to the CNCA (National Agricultural Credit Bank). Acting on behalf of Morocco, Hassan Lukash,

FOR OFFICIAL USE ONLY

FOR OFFICIAL USE ONLY

secretary of the Ministry of Finance, signed the guarantee agreement and Abdelkrim Kadiri signed the loan agreement. The accords were then signed by Dr Becker for the KFW. This is the second loan which the KFW has granted the CNCA. The first goes back to 1973 and amounts to 30 million marks. By the grant, the KFW joins with the World Bank and the International Agricultural Development Fund in providing the CNCA with substantial financial resources (580 million dirhams) to be used to grant loans to farmers, particularly small farmers and Agrarian Reform cooperatives. "Actually," it is emphasized in Rabat, "these resources will make it possible to meet credit needs of 500,000 farmers over the next 3 years. Over 85 percent of these farmers have very small operations." [Text] [Paris MARCHES TROPICAUX ET MEDITERRANEENS in French 7 Dec 79 p 3390] 11,464

NEW SUGAR REFINERY--On 30 November 1979 Morocco signed an agreement with the French firm of Fives Cail-Babcock for the construction of a sugar cane processing plant in the Charb region north of Rabat. The plant will cost 230 million Moroccan dirhams (approximately U.S. \$60 million) and will have a processing capacity of 3,500 tons of cane a day and of 420,000 tons a year. Also, an annual production capacity of 45,000 tons of white sugar. This refinery, the 11th of its kind in Morocco, is scheduled to enter into service in May 1981 and reach its maximum capacity in 1983. It will raise Morocco's annual sugar production capacity to 420,000 tons, that is, enough to cover two-thirds of the country's needs. [Text] [Paris MARCHES TROPICAUX ET MEDITERRANEENS in French 7 Dec 79 p 3388] 2662

COOPERATION WITH EQUATORIAL GUINEA--A basic cooperation agreement between Morocco and Equatorial Guinea was signed in Rabat on 7 December 1979 by the Moroccan minister of interior, Driss Basri, and his Equatorial Guinean opposite number, Felix M'Ba Mchama, on a visit to Morocco. Under the terms of this agreement the two parties undertake to cooperate, notably in the economic, commercial, and technical fields. They agreed to strive to encourage the realization of joint economic projects. To this effect organs of the two countries will determine the investments to be made in the fields of tourism, energy, transportation, communications, fishing, and forestry. The agreement also anticipates cooperation in the training of cadres, the granting of scholarships, and the exchange of experts. In the agricultural field the agreement calls for the sending of trainees from Equatorial Guinea to Morocco to complete their agronomic training. Finally, a joint committee was established to insure the coordination of the execution of the various provisions of the general agreement. [Text] [Paris MARCHES TROPICAUX ET MEDITERRANEENS in French 14 Dec 79 p 3456] 2662

NEW COMMERCIAL BANK--A Moroccan commercial bank may be opened early in 1980. This is what transpired from the report of a working meeting with officials of the SNI [National Investment Company] chaired by the prime minister, Maati Bouabid. At the announcement of this forthcoming opening and on the basis of this report CEDIES, the employers' association in Morocco, provided a few details, notably, that the commercial bank, which

44

FOR OFFICIAL USE ONLY

FOR OFFICIAL USE ONLY

would be under the jurisdiction of the SNI, will be established with the participation of several Moroccan financial organs as well as of some countries of the Middle East, the United States, and France. On the same occasion some details on the activity of the SNI were released. The capital of this public company may now reach 150 million Moroccan dirhams while its interests reportedly total some 330 million dirhams so far. These interests include every sector and more particularly cement works, mines, energy, financial organs, metallurgy, and chemicals. The SNI group would thus appear to own more than 70 different companies. In terms of future prospects, besides the establishment of a commercial bank the SNI, still according to CEDIES, will take part in the construction of two cement works (in Casablanca and Fquih Ben Salah) representing aggregate investment of 750 million dirhams, as well as the extension of the Carnaud Company (metallic packaging) and the Moroccan Fertilizer Company. [Text] [Paris MARCHES TROPICAUX ET MEDITERRANEENS in French 14 Dec 79 p 3456] 2662

CSO: 4400

FOR OFFICIAL USE ONLY

FOR OFFICIAL USE ONLY

SAUDI ARABIA

BRIEFS

AIR FORCE CHIEF OF STAFF--Lt Gen Mohammed Sabri has been appointed chief of staff of the Saudi Air Force. [Text] [Paris AIR & COSMOS in French 12 Jan 80 p 12]

CSO: 4800

FOR OFFICIAL USE ONLY

FOR OFFICIAL USE ONLY

UNITED ARAB EMIRATES

BRIEFS

■ PIPELINE REROUTING--In order to avoid the Straits of Hormuz, the UAE expects to rely upon a pipeline from the Emirate of Abu Dhabi, on the Persian Gulf, to Fujayrah, on the Gulf of Oman. Work [on the pipeline], which will begin in 1981, will take 27 months. [Text] [Paris VALEURS ACTUELLES in French 31 Dec 79 p 13]

CSO: 4800

FOR OFFICIAL USE ONLY

FOR OFFICIAL USE ONLY

WESTERN SAHARA

POLISARIO ALLOWED TO USE CHEGA REGION IN MAURITANIA

Paris JEUNE AFRIQUE in French 19 Dec 79 p 35

[Article by Abdelaziz Dahmani: "The Secret Accord of 5 August: What Is the Tension Between Morocco and Mauritania Concealing?"]

[Text] Nothing is going well any more between Morocco and Mauritania. The Nouakchott authorities have delivered an ultimatum to the Moroccans to leave Bir Moghreïn, a locality in the north of Mauritania where, it has been confirmed, a thousand soldiers of the FAR (Royal Armed Forces) are ready to start working to control POLISARIO infiltrations. Several messages have been sent to the Moroccan prime minister, Maati Bouabib, by his Mauritanian counterpart Col Khouna Ould Haidalla. The Mauritanian demand was supported in Nouakchott by popular anti-Moroccan demonstrations.

But since Rabat still has partisans, or at least friends, in its southern neighbor, the tension led to a fratricidal confrontation between Mauritanian soldiers.

It was on 18 November in Zouerate. Outcome: some 20 dead. The gravity of the affair compelled Prime Minister Haidalla to cancel his departure for the Arab Summit in Tunis at the last minute.

The Moroccans responded that they would leave Bir Moghreïn if Mauritania returned to them La Guera, the southernmost city of the former Spanish Sahara and the only one that the Nouakchott troops did not relinquish when leaving Tiris el Gharbia after the peace accord of 5 August. A little market-town of less than 500 inhabitants, an enclave of the Nouadhibou Peninsula, a village "of no importance," La Guera has the interest of being located on the outskirts of Mauritania's economic capital, its mineral port and its oil refinery (still not operational). Whoever controls La Guera has the means to choke Nouadhibou...

Morocco does not want to let the POLISARIO get in there. And Mauritania declared on 3 December through its minister of information that it did not intend to let belligerent troops install themselves in La Guera.

FOR OFFICIAL USE ONLY

FOR OFFICIAL USE ONLY

After the region's return to peace, it was added, La Guera would be returned "to whomever it may concern."

Mauritania's position would seem more than understandable. But JA [JEUNE AFRIQUE] is prepared to reveal that this "diplomatic [battle] over the restitution of Bir Moghreïn in exchange for La Guera has its origin in a secret accord between Mauritania and the...POLISARIO." Within the scope of the solemn accord of 5 August, the Mauritanian negotiators--headed by Lt Col Ahmedou Ould Abdallah, the army chief of staff--and those of the ALPS (Saharan People's Liberation Army) worked on a new map of the region. Mauritania gave the POLISARIO the use of its territory (within its 1960 borders) in the region of Chega, on the outskirts of the Algerian and Malian borders. This is a region which had already been occupied by the Saharan guerrillas for more than 2 years and where the POLISARIO, having laid out a runway there for cargo planes, puts down its essential materiel. Some say that it is in Chega that the terminal of the "Qadhafi trail," used by Libya when it does not want to have its military materiel forwarded through Algeria, is located.

In exchange for the acceptance of the occupation of Chega, the POLISARIO recognized a "security border" passing 15 km north of the southern border of the Western Sahara. This 15-km band makes it possible to insure greater security for the Zouerate-Nouadhibou railroad which runs along the border. But La Guera is located in this security zone...

While insisting on recovering La Guera and moving its troops closer to it within the framework of the "Ohoud operation," Morocco would like to put this secret accord out in the open and show that Mauritania is not "neutral" in this conflict. For its part, the POLISARIO denies any presence of the front within Mauritanian borders. It is up to the Nouakchott authorities to produce evidence that Chega is under Mauritanian administration.

COPYRIGHT: Jeune Afrique GRUPJIA 1979

9380
CSO: 4400

END

FOR OFFICIAL USE ONLY