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Near East/North Africa Report

(FOUO 21/81)

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INTER-ARAB AFFAIRS

ACTIVITIES OF GERMAN ROCKET FIRM IN LIBYA, SAUDI ARABIA OUTLINED

DK121117 Hamburg STERN in German 11 Jun 81 pp 206-209

[Article by Guenther Barth: "German Rockets for Al-Qadhdhafi"]

[Text] Secret agreements prove: the Munich company "OTRAG" is building missiles for the delivery of nuclear warheads in Libya. More customers from the Third World have already been baited.

The "thing" was nearly 12 meters tall and had a diameter of 90 plus centimeters. It shone silvery in the morning sun. "Fly," murmured Dr Walter Ziegler. Then the engineer from Munich pressed a red button in the safe concrete bunker. A gigantic blast flame erupted from the bottom part of the glittering object. To begin with it lifted off very slowly, then it gained velocity, and a few minutes later it was just a tiny dot in the brilliantly blue sky.

This happened in the morning of 1 March 1981. The scene was a small Sahara oasis, just about 800 kilometers south of the Libyan capital, Tripoli. The "thing" was a rocket of the Munich "Orbital Transport and Rocket Joint Stock Company" (OTRAG). The Bavarian company has always claimed to build rockets which would orbit satellites for peaceful purposes.

To the Federal Government, however, the activities of the Munich rocket builders are "cause of particularly deep concern"--as government spokesman Lothar Ruehl put it.

For after the liftoff in the desert this is clear for experts: OTRAG is constructing military missiles for Libya. The test missile covered a distance of just about 300 kilometers.

But Libya's fanatic chief of state Nuammar al-Qadhdhafi wants more: medium-range and long-range missiles which will be able to carry bombloads weighing tons over distances of up to 7,000 kilometers--missiles of domestic production, built in the desert country rich in oil, conceived by German scientists.

To achieve this end the "madman of Tripoli" (as the London OBSERVER calls Qadhdhafi) intends to pay heavily. For a 5-year program he has earmarked \$1.5 billion. Libya and OTRAG came to terms on this in a secret agreement concluded in Zurich in January 1980. The desert state has already shelled out \$100 million for initial test series part of which also was the rocket launching of 1 March.

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The ultimate objective is a gruesome plan. For al-Qadhafi, who dreams of an Islamic empire and the destruction of Israel, concluded the pact with the German depreciation company only under one condition. A high-ranking Libyan Government official explained it to STERN thusly: "OTRAG promised us to deliver rockets which can also transport nuclear warheads."

Everything had started in July 1978. At the time rocket designer Lutz T. Kayser, 43, still experimented in the African Zaire with rockets designed to carry Cicilian satellites to space at low cost. He had leased from dictator Mobuto a highland plateau in the copper province of Shaba as a rocket-launching site, an area as big as the GDR. But the rocket launches scared neighbor countries such as Angola. There were international protests. The charge: the Federal Republic is carrying out illegal missile tests in Africa. Bonn promised Mobuto more development aid if he would kick OTRAG out. Thereupon Mobuto terminated the agreement in 1979. For this reason it was very expedient that the Libyans had paid Kayser a visit in Zaire shortly before.

A three-member delegation disembarked from the plane from Tripoli, headed by 'Abd al-Majid al-Qa'ud, intimate friend of Libyan chief of state al-Qadhafi and now his minister for nuclear affairs.

The OTRAG people set up a special rocket for the Libyans. They had to scrape their last pennies together. For in view of the international protests the money sources of the Kayser empire no longer welled as abundantly as before. The investors in the depreciation company--tax-fatigued FRG citizens--had become suspicious. Besides, the boss himself had reached deeply into the company's coffers: he had sold his patents to his company for a total of DM150 million and cashed DM20 million right away.

Prior to the visit by the Libyans OTRAG boss Lutz T. Kayser had been restlessly flying around the world--always in search of suitable launching sites for his rockets. He negotiated with Brazil on launching bases, he lobbied in Indonesia. But he had to realize that nobody in the world was seriously interested in his satellite plans. At that time, a former intimate friend of Kayser said, the missile designer worked himself up to the decision to step into the big arms business. The first nation was Syria.

He suggested to Syrian President Hafiz al-Asad to supply for a total of \$714 million--according to a contract offer--production places for the construction of 15 missiles annually. They were supposed to have a range between 300 and 2,000 kilometers, and they should be able to carry half a ton of explosives each to their target. The Syrians were interested, but they had no money.

Al-Qadhafi's envoys had no financial problems. They were deeply impressed by the Kayser demonstration on the occasion of their visit in mid-1975. Further negotiations followed sometimes in Zurich and sometimes in Munich. In early 1979 al-Qadhafi gave a check of \$1.5 million to permit OTRAG to move from Zaire to Libya and to buy new material.

Kayser still continued to look for other potent sponsors in the rich oil states. But the Saudi princes first did not take the missile constructor very seriously.

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That changed when Kayser followed the mediation of his bank, Merck, Finck and Company, involving the Frankfurt businessman Klaus-Dietrich Nickel, who was experienced in Mideastern business. On 26 March 1979 Nickel and Kayser agreed on "absolute secrecy" and concluded an option contract on the sale of missile technology to Saudi Arabia. In order to dodge German law prohibiting not licensed exports of arms, missiles and armament know-how, Kayser signed as the boss of an "OTRAG holding" located in Zurich. Nickel said to STERN that he was supposed to get "5 percent of the total volume" as a provision once a contract was successfully concluded with the Saudis.

On 22 May 1979 Kayser and Nickel concluded another "option contract" on the sale of missile technology and the setup of missile factories in Pakistan. This time Kayser signed as president of the "OTRAG Holding International" located in Panama.

Pakistani President Ziaul Haq was most interested in obtaining carrier missiles for his nuclear explosives which were under construction. But he did not have any money because of the expensive nuclear program.

Nickel was just the right man for the OTRAG business. The 56-year-old man had built up an artistic setup of firms in the main river metropolis, with Nickel holding the position of either chief representative or chairman of the board of directors. There were such firms as "MEAPLAN," "INTERTAEC" and "MEDEA." The owners of the capital are either his third wife Ursula or his fourth wife Lieselotte, or men of most noble families--such as Meinrad von Hohenzollern, a businessman specialized in the Mideast, or the Saudi Prince Abdul Aziz Nawaf, who holds 25 percent of MEAPLAN.

Through his mediation Nickel achieved access to the highest authorities in Saudi Arabia. But because the Saudis did not consider the OTRAG as too serious a depreciation firm, experts and German firms of world renown had to be involved.

Again the bank, Merck, Finck and Company knew the right agent. Nickel told STERN that director Rolf Huhn of the Frankfurt branch established "contacts with General Wust." He had just quit as Bundeswehr inspector general after a quarrel with Defense Minister Apel. The first meeting in summer 1979 was most conspiratorial, as usual if one is involved in prohibited arms deals. "We met on half the way at the Montabaur Autobahn Inn," reports Nickel. Both agreed quickly on the deal.

The general "straightened up the shop," as a MEAPLAN employee remembers. And he brought along serious partners. "I know old man Diehl quite well," said Wust, thus involving one of Germany's greatest arms firms in the business, the Nuremberg armament and computer combine Diehl Ltd and Company. Then the firms AEG-Telefunken, whose radar equipment is in worldwide demand, became involved, as well as the Frankfurt firm Polensky and Zoellner. The latter does not just build the subway in Dusseldorf, but also highways and public buildings in Libya.

Because the missile installations are supposed to be built in enormous subterranean bomb-proof halls in Tihamah mountains at the Red Sea, the Swiss engineering firms Godeplanning (Zurich) and Blanchut and Bertrand (Geneva) were also involved. They had experience in building subterranean ammunition depots in the Swiss Alps.

The partners in this project worth billions met nearly weekly in the winter of 1979/80 --sometimes in Zurich, sometimes at Diehl's in Nuremberg or in Frankfurt.

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On 8 February 1980 the MEAPLAN board of directors approved DM100,000 for the further preparations. The money was used, among other things, for paying for an expensive presentation album with which the missile project--code name "Delta"--was to be presented to the Saudis. A magnificent book, bound in green leather, gilt-edged, 8 centimeters thick, size 40 x 30 centimeters and weighing nearly 4 pounds, produced in Zurich for a price of exactly 37,243.55 Swiss francs. Quite unlike a man of the world the Nuremberg arms forge later sought to dodge payment of its share of 4,656.82 Swiss francs. An internal note for Diehl director Dr Gerd Gassner, chief of the company division for arms technology, laments the fact that not even "one copy is in the possession of the Diehl Company."

Well, this was impossible, for only three copies were printed. One was given to Prince Nawaf, another remained with the MEAPLAN company, the third having been carried to Riyadh by ex-General Harald Wust on 5 June 1980 who negotiated on the Delta project there with the Saudi defense minister. While in the capital of Riyadh Wust stayed at the Intercontinental Hotel, room number 503, the room having been booked by the Saudi Government.

Upon his return from the desert Wust dictated to his MEAPLAN secretary that his impression of the negotiations with Defense Minister Prince Sultan and deputy chief of the general staff Habbam was "positive on the whole." STERN is in possession of the travel report of the general who denies his military involvement in Arabia--as is a copy of the minutes of the meeting of the Delta consortium in Frankfurt on 20 June at which the general reported on his desert trip once again.

Wust said in his travel report that it was the presentation album, above all, which impressed the Saudis. This album contains, for example, a "military study" which specifies which missiles should be stationed and where, where subterranean command staffs should be set up, and how the missile brigades should be organized militarily. All told the companies participating in the Delta project were supposed to produce in Saudi Arabia 1,943 missiles "for the fields of short, medium, and long-range deterrence" as well as for air defense. Of this total, 1,346 should be distributed over mobile or subterranean bases and 597 held in reserve in mountain shafts.

The deal came to naught, at any rate for the time being. According to Nickel the Saudis cut off the negotiations in the fall of 1980. The discreet oil princes had found out that the "strictly confidential" Delta scheme had ended up with the Israeli intelligence service Mossad. Meetings of the consortium had been photographed by Mossad. Nickel also caught his driver copying teletype messages after duty, and he found out that one of his secretaries had just married an Israeli. Nickel and his friends, however, did not have trouble with Mossad alone. The Munich prosecutor's office is investigating them, the Delta partners and General Wust "on suspicion of violation of the war-arms control act."

The interest of the Saudis has awakened again after the successful test launching in Libya, Kayser's friend Frederick Weymar confirms. Weymar is a money broker with headquarters in Monte Carlo and had already negotiated the Zaire agreement for OTRAG. Now the Saudis, too, believe in the military usability of the OTRAG rockets again. According to an OTRAG spokesman the next test phase in Libya will be rocket launch "under military conditions." This means: liftoff out of a silo, with the launching preparations having to be wound up "in less than half a day."

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AFGHANISTAN

USSR GRADUALLY ABSORBING AFGHAN ECONOMY

London 8 DAYS in English 11 Apr 81 pp 24-25

[Article by Jamal Rasheed: "Russia and the Kabul Pay-off"]

[Text] AFGHANISTAN'S economy, battered by civil war and already one of the poorest in the world — with a per capita income of a mere \$160 — is having to struggle to survive, in spite of Soviet cash and aid. Now there are indications that a complete restructuring of the economy is taking place, geared towards mineral exploitation and industry. The obvious question is who stands to benefit from these developments.

The Afghan economy depended upon Soviet aid even before the April 1978 revolution. The subsequent Five Year Plan drawn up by Soviet economists under former President Tarraki in 1979 aimed to allocate more than 40 per cent of total investment to mineral extraction and industry, in order to raise industrial output by 65 per cent over the period 1979-84. Coal production was to be doubled from 223,000 tonnes to 523,000 tonnes, cement production tripled and natural gas production raised by one third.

The proposed extraction of other minerals was not specified, but a secret World Bank report published in 1978, before the revolution, stated that Afghanistan was rich in iron ore, copper, uranium, coal, gas and oil. The only comprehensive mineral surveys had been done by the Soviets, and under this plan the predominantly agricultural basis of the economy was to be neglected, ensuring Afghanistan's dependence on the Soviet Union for all basic foodstuffs. Previously it had imported these from Pakistan, India and Canada.

The plan went into abeyance after

Tarraki's murder by Amin, Amin's own death at the hands of the Parcham faction of Babrak Karmal and the subsequent intensification of the civil war. Foreign trade declined drastically. The sale of fruit and nuts via Jalalabad and Peshawar in Pakistan was curtailed because of rebel ambushes, there was a drop in the number of karakul skins sold abroad, and foreign exchange reserves fell. Only natural gas sales to the Soviet Union remained constant. An estimated 2.6bn cubic metres of natural gas goes to the Soviet Union from the Afghan gas fields at Sherberghan, close to the Soviet border. Reserves are put at 120bn cu m. According to the Kabul government, the Soviets are paying \$100 for every 1,000 cubic metres. In 1976 the price was \$16.

Abdul Latif Aurah, a senior official at the ministry of mines and industry who recently fled to Pakistan, told a press conference there that the Soviets were taking 3.5bn cubic metres to meet energy needs in Soviet Central Asia, at \$80 per 1,000 cu m. However, verification of this allegation is difficult to come by.

Afghanistan has always received all its petrol by road from the Soviet Union. Prices have been kept low, (20 cents a litre) but Afghanistan is anyway one of the world's lowest energy consumers. The USSR announced recently that it is to provide a \$106.4m credit, to build an oil refinery at Kabul which will make the country self-sufficient in oil, and to develop two small oil fields. Afghanistan has oil reserves of 10m tonnes according to the

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World Bank, but there are reports from Kabul of huge new oil finds in the north, adjacent to the gas fields.

However it is Afghanistan's mineral deposits which are attracting most attention. The West knew about them during President's Daoud's time but failed to develop them because of the inaccessible terrain, the lack of a railway system and the absence of a coastline — problems which do not limit the Soviets to anything like the same extent.

Copper reserves at Ainak, south of Kabul, are described as colossal. An estimated \$1bn is being sunk into developing these mines over the next five years, in order to produce 95,000 tonnes of concentrated copper a year by 1988. Iron ore deposits in Bamiyan province in central Afghanistan, inhabited by the Hazara people, total 1.7bn tonnes according to Latif Aurah, but they are situated in a highly underdeveloped region torn by civil war due to the Hazaras' fierce resistance. Two governors of Bamiyan province have already been killed. However, the Soviets are investing in mines at Hajigak, closer to Kabul.

The World Bank report stated that Afghanistan had 100m tonnes in proven coal reserves, with another 400m tonnes probable. Domestic demand for coal is less than 200,000 tonnes a year. Soviet efforts

to double coal production mean that most of it will be exported to Soviet Central Asia. However, a number of coal mines outside the major population centres have been closed since the war, and reopening them will be hazardous.

The government has announced a development budget of Afghani 14.5bn (\$329m) for 1981 — compared to Afghani 17.5bn (\$397m) the previous year — and a total budget of Afghani 33.7bn (\$766m). This will include Afghani 8.5bn (\$193m) worth of loans and grants from the Soviet Union and Afghani 700m (\$16m) worth of aid from the Comecon countries. Recent export figures show a rise due to increased exports of natural gas, but all other exports are down. Government revenue has also declined due to the complete halt in tourism, which in 1977 brought in \$15m. Remittances from Afghan workers in Iran, the Gulf and Pakistan have also ceased, resulting in a shortfall of \$200m a year.

The food supply system has broken down completely except for the major cities, which are dependent upon Soviet handouts. The Soviets recently provided 10,000 tonnes of grain and 20,000 tonnes of rice free of charge.

Afghanistan is slowly being drawn into the Soviet economic orbit. Its mineral and industrial development is geared towards turning the country into a storehouse of raw materials for the USSR.

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ALGERIA

ALGIERS HESITANT ABOUT SUPPORT OF POLISARIO

Paris JEUNE AFRIQUE in French 6 May 81 p 21

[Article by Abdelaziz Dahmani]

[Text] How to temper Qadhdhafi's ambitions in the Sahara without harming the interests of POLISARIO is the question being asked in Algiers. So the failure of the union between Mauritania and the SDAR [Saharan Democratic Arab Republic] proposed by Qadhdhafi is not regretted in the Algerian capital. But any strict neutrality by Mauritania would also diminish POLISARIO's opportunity to take action against Morocco. How to get out of this vicious circle?

POLISARIO understood the dilemma the Algerians were confronting, and reacted by intensifying its most recent attacks. These were targeted on Guelta Zemmour and were launched from Mauritania; Sidi Ambara, from Algeria; Squem and Douay in the Smara region, from the Haouza base which POLISARIO continued to control after the building of the famous "wall" by the Moroccan army.

Those very hard battles were primarily fought for diplomatic objectives, with the 18th OAU [Organization of African Unity] Summit scheduled just a few weeks ahead (Nairobi, June 1981). In reality, the SDAR has received no additional recognition since the last summit (Monrovia, July 1980)--recognition that would reinforce the clique of those who want to see "the Saharan Republic" take its place in the pan-African organization.

What has happened is that Qadhdhafi's ambitions have excited intense concern in black Africa since he put Chad under his guardianship. Concern which could be damaging to the POLISARIO cause. Chadli Bendjedid, Algeria's president, during his recent trip (J.A. No. 1058) therefore took pains to distance himself from the Libyan leader.

Another curious incident: the mid-April attack of an Algerian food convoy by a (pro-Libyan) POLISARIO unit. The skirmish, though denied by the Algerian authorities, left fatalities on both sides. The engagement was followed by an attack in undisputed Moroccan territory north of the former Western Sahara. And Morocco reportedly exercised the right of hot pursuit into Algeria to go after the POLISARIO combatants.

This serious incident was revealed by Algerian sources, while the Moroccans categorically denied...It puts an end to the truce negotiated more than 7 months ago which had obliged the POLISARIO not to utilize Algerian territory to launch attacks against "undisputed Morocco."

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This rupture was reportedly due to the failure of Algerian-Moroccan negotiations conducted in several capitals in Europe. What is happening is that each side is beginning to doubt the good faith of the other's desire to reach an honorable solution to the conflict.

We are now far removed from that handshake--however forced it may have been--at the Taif Islamic summit. Since that time, the Reagan administration and some European countries have taken positions more clearly favoring Morocco. And Qadhafi, for his part, went to Moscow on 27 and 28 April in order to buy new arms for the Steadfastness and Resistance Front.

So one can understand Algeria's hesitation. "The Second Era of the Conflict" was even the headline used by the Moroccan newspaper LIBERATION to explain that the Sahara war had reached a dangerous new threshold. Since Qadhafi believes he is within reach of achieving a heartfelt dream: to put Algeria and Morocco face to face in order to establish his own leadership in the entire northern and northwestern region of Africa.

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IRAN

WAR SEEN BANKRUPTING COUNTRY

London 8 DAYS in English 11 Apr 81 pp 14-15

[Article by Tim McGirk: "Iran's Poor Feel the War Pinch"]

[Text] A soaring deficit, plummeting reserves, rip-roaring inflation: Iranians didn't need telling by their president recently just how much the Gulf war has cost the country.

HEADS OF GOVERNMENT are usually less than frank about their economic mistakes. Not so with Iran's president Abol Hassan Bani Sadr, whose recent review of his country's free-falling economy leaves no gruesome detail unturned.

Bani Sadr, a Sorbonne-educated economist, warned that the war with Iraq and Iran's government crisis has propelled inflation into unprecedented orbits, emptied the treasury and caused a panicky run on Iranian banks. In addition, there is no sign of a let-up: a staggering 40 per cent increase in money supply means that, even if Iran remedies its other ills, it will be stricken with a high inflation rate for several years.

In the first six months of the Gulf war, Iran's Central Bank Markazi — the financial fortress of Bani Sadr's Quran-inspired economic policies — printed \$5.4bn worth of new currency to cover what the president called a 'chronic budget deficit'. Over the same September-March period, government deficit spending soared to \$10.6bn. Iran's only option, said Bani Sadr, was 'to increase production and to gain the people's confidence so that they discipline their demand for goods.'

Achieving this will not be easy, say eastern economists watching Iran. Under new Islamic banking laws, Iran's financial institutions cannot offer any interest on savings — the usual sweetener for inducing less consumer spending. A succession of

misfortunes — military coup attempts, the hostages affair, Kurdish uprisings, near-civil war between pro-clergy and secular factions, and finally, the conflict with Iraq — have prompted nervous Iranians into making massive cash withdrawals from banks. Since March 1980, Iranian banks have lost around \$8.9bn in a flight of funds from private deposits — a Central Bank figure. Tight foreign exchange controls make it difficult to get private money out of the country, and the choice facing most people is whether to hide their cash or spend it. As one Tehran resident lamented: 'The climate of arbitrary arrests and nationalisation isn't exactly conducive to long-term investment'.

Hardest hit by Bani Sadr's sweeping nationalisations have been the bazaar merchants. An Iranian businessman visiting Paris told *8 Days* that by the end of April the government's takeover of foreign trade will be '100 per cent complete'. He added: 'Next the government will set their sights on the chain stores. The bazaaris aren't going to like that.' It was the bazaar merchants of Tehran, Tabriz and Mashad who bankrolled the general strikes in late 1978 that led to the Shah's overthrow, and a squeeze on their profits by the current government might provoke a similar reaction. For now, however, the bazaar merchants have simply turned to black market trading and are passing on the added cost to the poor. Officially, inflation has hit an annual rate of 27 per cent, but

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Central Bank authorities admit privately that cost-of-living increases have hit the lower income groups much harder.

Government control of foreign trade has long been on Bani Sadr's agenda, but the Gulf war offered the chance for him to enact nationalisation swiftly and meet little opposition. Acting under Tehran directives, Iran Air employees ripped the seats out of their Boeing 747s, and now the converted cargo carriers are winging to and from Europe daily carrying everything from military hardware to frozen lamb for the Iranian daily staple of Chellah kebab and rice.

The bazaaris, denied the private letters of credit needed for foreign transactions, are now dealing in black market goods on a no less grand scale. Arriving either by dhow from the nearby Gulf states or by rail from the Soviet Union, food and luxury items are slipping the government ban and finding their way into Iran's shops. Last year, in fact, despite the Gulf war and six months of economic sanctions by Europe and Japan, imports actually rose 12 per cent over 1979, according to reports from Tehran's customs office.

Iranian authorities are also alarmed at the speed with which the country's comfortable cushion of foreign reserves — \$16bn before the start of the Gulf war last September — has dwindled. Western diplomatic sources said that military bills and calls on outstanding bank loans have shrunk Iran's cash reserves to \$4bn.

Bani Sadr's efforts at weaning Iran from the late Shah's dependence on oil revenues

have made no progress. Trade figures show that 95 per cent of Iran's income results from crude, a far greater portion than under the Pahlavi regime. Despite repeated Iraqi attempts to destroy Iran's Kharg Island loading terminal, the National Iranian Oil Company reports that oil exports are steady at 1m b/d. Both the state-run oil company and European diplomats in Tehran denied a recent press report that Iran was unable to meet its commitment of 200,000 b/d to a consortium of 12 Japanese trading companies. They admitted that bad weather in the Gulf delayed loading at Kharg Island, but one diplomat in touch with the consortium said that during March the Japanese moved three months' supply of oil — around 600,000 barrels — from Kharg.

The real reason for Bani Sadr's grim economic report is this: it is for use as ammunition against his government foes, the fundamentalists led by Premier Mohammed Ali Rajai, who control the cabinet and a Majlis majority. Bani Sadr's one ally in the cabinet is Central Bank Governor Ali Reza Nobari, who is often a target for fundamentalist intrigues. *8 Days* has learned that several weeks ago Nobari narrowly escaped a fundamentalist plot to have him fired. A Bani Sadr supporter says: 'The Central Bank has the rescue programmes but it can't count on Rajai's ministries to carry them out.' However, the few economic policies Bani Sadr has managed to implement — nationalisation of foreign trade and the printing of massive sums of new money — seem only to have set back Iran's painful economic recovery.

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MAURITANIA

QADHDHAFI EFFORTS TO GAIN INFLUENCE VIEWED AS FAILURE

Paris JEUNE AFRIQUE in French 6 May 81 pp 20-21

Article by Abdelaziz Dahmani--passages enclosed in slantlines printed in italics

Text Qadhdhafi was the victim of "indigestion" in Mauritania, because a few months after Chad he wanted to put that country under his thumb. On 10 April, he invited Mauritanian prime minister Sid Ahmed Ould Bnejara and his Saharan "counterpart" Mohamed Lamine to Tripoli to propose a union between Mauritania and the SDAR Saharan Democratic Arab Republic and to ask them to adhere to a pact with Algeria and Libya.

"I am in agreement. But it is necessary to convince President Khouna Ould Haidalla," he was told by Ould Bnejara. As for the POLISARIO official, he invoked the necessity of a preliminary accord with Algeria...Well, never mind about that! Qadhdhafi went to Algiers on 19 April. But he did not succeed in convincing President Chadli Bendjedid that his initiative is opportune. Next he went to Nouakchott (20 and 21 April), where he had three sets of talks with Lt Col Haidalla. His stay was embellished by several incidents including a skirmish at the airport between Mauritanian officials and a number of Qadhdhafi's bodyguards who came in two Boeing 727's, and a public demonstration, organized with the blessing of certain officials and which brought together pro-Iraqi Baathists, pro-Saudi fundamentalists, and opponents of the AMD (Alliance for a Democratic Mauritania).

But the most important events took place in the corridors. Several officers of the CMSN (Military Committee for National Salvation), including Col Maouia Ould Taya (chief of the general staff), Maj Gabriel Cimper (his deputy), Sidina Ould Sidya (the head of the air force), Lt Col Yall Abdoulaye (commandant of the police) and Capt Sid Ahmed Lekhal (commandant of the Nouakchott post) met unbeknownst to the head of state and his prime minister.

Then their spokesman, Maj Gabriel Cimper, communicated to President Haidalla and his guest Qadhdhafi their decisions: 1. No union with the POLISARIO, in order not to compromise Mauritania's neutrality; 2. No defense treaty, in order not to offend the sensitivities and interests of neighboring countries.

The group of recalcitrant officers did not stop there. On 24 April it insisted on an emergency meeting of the CMSN. After 2 days of deliberations, Prime Minister Sid Ahmed Ould Bnejara was cashiered and replaced by Lt Col Maouia Ould Taya. Who also would control the defense ministry, which up to then had been under Haidalla's direct authority. The new chief of the general staff would be Lt Col Yall Abdoulaye.

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But the most significant event was the relieving of Lt Col Moulaye Ould Boukhreiss of his command of the Nouadhibou region (where the POLISARIO has strongly fortified positions). He was replaced by Capt Cheikh Sid Ahmed Babamine, known for his moderation.

Another important victim of this "coup" which almost swept away Haidalla himself was Mokhtar Ould Zamel, who fell from his position as minister of foreign affairs. A Libyan sympathizer, he had committed the indiscretion of arguing for the union with POLISARIO. LCDR Dahane Ould Ahmed Mahmoud, 29, replaced him.

Five other soldiers are back in power in the government /"to lead the country toward democracy."/ Among them: Maj Gabriel Cimper in interior and Maj Sidina Ould Sdya, who will be both "permanent" secretary of the CMSN and minister of information. If there is one sensitive point it is this: there has been so much instability since 10 July 1978 that the CMSN has already had seven permanent secretaries. So has the ministry of the interior.

The new experiemnt also appears doomed to serious problems because of the heterogenous ideological and political make-up of the membership of Maouia Ould Taya's government.

The latter, who enjoys a reputation for integrity, gave his approval after the fact to the putsches which have followed each other over the last 3 years. He was taken "hostage" on 16 March 1981 by the commando team of Lt Col Kader. Other members of the new government had been arrested and charged with complicity in the putsch of 16 March.

Today, they are in the government while the "pro-POLISARIO" people such as Bnejara and Ould Zamel are stuck in technical positions.

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SAUDI ARABIA

ELECTRONIC, TRADITIONAL METHODS USED FOR INTERNAL SECURITY

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[Article by Jerome Dumoulin: "Arabia: The Electronic Desert"]

[Text] Security above all and on all levels: domestic, diplomatic, military. From the royal palace to the oil fields, the Riyadh regime has armed Arabia with ultramodern "guards."

It was just a short little item in the press: "King Khaled ben Abdulaziz has returned to the desert." A short respite between the visit by Carl Gustav, King of Sweden, and Crown Prince of Japan Akihito. A rather astonishing scene, the symbol of our time: the son of Emperor Hirohito amid the ruins of Diriyah, the cradle of the Saud dynasty.

"Every Saudi must have a piece of land and a home," Fahd, the crown prince, had just proclaimed. Population settlement and urban development--nomadism is reaching its end. Just the same, King Khaled, seated under his tent in company of his falconers, still pays homage to Bedouin tradition. In the city, cane in hand, the old king conscientiously performs the duties of his office. "Khaled reigns and Fahd governs," it is said here. This is perhaps a somewhat hasty judgment: the monarch really likes affairs of state; his religious conservatism is an ace in dealing with the ulemas and the tribal chiefs. But the deterioration of his health is quite visible and rumors of an abdication soon are taking shape.

Riyadh: it is the court and the record of the kingdom. But there are some subtle changes here: the portrait of Prince Abdallah, who is slated to become the crown prince when Fahad ascends the throne, is now to be seen everywhere side by side with the portraits of Khaled and Fahd. In spite of the failure of the Bedouins of the National Guard, whose commander he is, during the events at Mecca, in spite of his serious speech impediments, Abdallah is, at least in appearance, now confirmed in the order of succession. Here are some of the up and coming men: Salman, the governor of Riyadh, a giant in the image of his father Abdulaziz (it is said that he reconciled Fahd and Abdallah after the Mecca crisis); Nayef, the interior minister, guardian of order in a sorely shaken country.

Mecca, 20 November 1979: Just 16 months have passed but people here are still in the "after Mecca" phase. On that day, a group of fanatics seized the Grand Mosque and the Kaaba, the holiest of holy places of Islam. These religious fanatics denounced the corruption of the royal family, the decadence of mores, the westernization

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of society. The authorities realize that this affair was above all a Saudi affair even though the conspirators had the benefit of certain foreign complicities.

The Mecca coup did not change anything and yet it changed everything in the kingdom. Nothing has changed because, after the shock, the massacres in the corridors of the Grand Mosque, the capital executions and the replacement of a certain number of governors and general officers, life resumed its usual course.

But everything has also changed because the event, in the eyes of everybody, crystallized the violence of tensions running through a Saudi society torn between the law of Islam and the requirements of a modern age, between nostalgia for the rigor and the temptations of abundance. In addition to this dramatic awareness of internal frailty--"there will be other Meccas, I am afraid," sighed a high official--we have the keen feeling of the foreign threat, strengthened by the invasion of Afghanistan and by the war between Iraq and Iran.

Security--that is the key word now. Security, increase in the number of princely trips throughout the land and accent on development of "difficult" regions, such as the southwest--most of the conspirators at Mecca had come from that province of Asir--and the northeast, the petroleum region, where the Shiite minority a few days after the events at Mecca had gone out into the streets booing the name of the Saud family.

Rise in Hypocrisy

More security, following concessions made to the religious. The time has come "to tighten the screws." The wives, the first wives, are paying the price. Female announcers have been banished from the little screen; meetings of women in public places have been prohibited. At Riyadh, the most important women's clubs, which meet in a big hotel, have been closed down. The ulema who presides over the League for the Promotion of Virtue and the Eradication of Vice has been given the rank of minister. The police powers of the Committee of Public Morality have been extended. "It is better to go along with the fundamentalists than to be run over by them," remarked a young Saudi with irony. But how far can the regime go without triggering the anger or simply the discouragement of the modernist elite in view of the rise of hypocrisy?

Security, finally, involves the subtle but effective diplomatic game ceaselessly played by Saudi Arabia and the strengthening of the military and police establishments.

The Saudis recently created a Security Council consisting of the ministers of defense and of interior, princes Sultan and Nayef, and the top officials of Petromin. Each of them is thinking primarily of the vulnerability of the petroleum installations in a province where the Shites are numerous: on the other side of the Gulf, Khomeyni has not ended his inflammatory radio propaganda against the Saud family.

Among the very discrete organizations which, within the framework of the Arab League, are already conducting the fight against the threat of destabilization, we have the Arab Center for Security Studies and Training, established at Riyadh. It is directed by Farouk Mourak, the man in charge of the fight against crime in the Ministry of Interior. Last November, Christian Bonnet, the French interior minister, negotiated a contract with Nayef for the supply of sophisticated equipment,

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such as card files, listening devices, and electronic detection equipment. Specialists from the DST [Directorate of Territorial Surveillance] were dispatched to the kingdom.

The showplace in the midst of the desert, the new international air terminal at Jidda, opened by the king on 12 April, will also be very important from the viewpoint of internal security: a special, isolated terminal with a receiving capacity for 20 "big airliners" per hour and 80,000 persons per day, will at last make it possible to check on the almost 1.5 million pilgrims who each year come in to the west coast on the occasion of the Mecca pilgrimage.

In this country, where 4.5 million citizens exist alongside with 3 million foreigners, internal security hereafter rests on two pillars: the deterrent effect of ancient and terrible forms of punishment called for under the laws of Islam and the most sophisticated "electronic prevention"--a typically Saudi cocktail.

The thinking of the princes regarding the future of their armed forces is much more hesitant. Of course, the deliberate division between the National Guard--20,000 men, recruited from among the Bedouin tribes--and the army as such will be maintained. The Guard has been assigned internal security missions and so far is seriously underequipped; but it is now undergoing rapid modernization. In particular, it is getting armored vehicles. But on the occasion of the Islamic summit at Taif, in January, the Saudis considered it a good idea to call upon Jordanian and Moroccan contingents for reinforcement. The massive presence of South Koreans, draftees at the end of their military service, at construction sites throughout the kingdom, has produced politics-fiction scenarios here which undoubtedly are quite fantastic but quite revealing also. All of these revolve around the idea of intervention by the Korean contingent in a domestic crisis situation.

High-Grade Mercenaries

Foreign assistance is more than ever before important for the army (35,000 men), the air force (8,000 men), and the navy (1,500 men) whose equipment and fighting capabilities remain modest in spite of an annual defense budget of \$20 billion. There are undoubtedly no alternatives for the Saudis. A draft bill has been ready for more than 2 years. But the royal family must first of all convince several thousands of young princes to agree to serve and that is no easy thing. On the other hand, why take the risk of having a numerous and irreverent army?

After savings on the domestic working class through the importing of foreign manpower, which is closely watched, the establishment is also making savings in the services. But, in spite of the spending in support of the living conditions of military personnel, the authorities have not managed to recruit, to train, and above all to retain enough qualified Saudi personnel. It is after all now necessary to call for foreign (American, British, French, Pakistani) assistance and to get high-grade "mercenaries," that is to say, disciplined and Muslim men. According to a high Saudi official, the Pakistani military personnel "assigned" to Saudi Arabia for the next several years will number something like 50,000 on the basis of a long-term agreement signed last December during the visit of Prince Fahd Islamabad. A Pakistani brigade is already supposed to be based in the northern

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part of the country, at Tabouk, and military technical assistance reportedly has been stepped up tremendously. According to certain western observers, this influx is beginning to cause some friction between Saudi and Pakistani military men.

The military choices of the Saudis, who are basically distrustful of the Soviet Union, could be facilitated by the in-depth development of common strategic thinking between the Westerners and the Gulf States. The Saudis say that they are ready for that and even the idea of military cooperation with Israel--in case they accept a settlement to that conflict--seems natural to them, according to a Saudi source. But Riyadh above all wants to get Washington to understand a certain number of "truths" tied to the specific situation of Saudi Arabia.

Last September, the American magazine ARMED FORCES JOURNAL published an article with the rather provocative title "The American Threat to Saudi Arabia," signed by an Arabic pseudonym.

Whether the drafting of that text was supervised by John West, the United States ambassador at Jidda, or by one of the more important princes and Saudi ministers, according to a rumor in Riyyadh, one thing is sure: the document "really pins down" the reality of Saudi attitudes toward the United States.

The erosion of American military credibility, the reserve manifested by Washington yesterday in supplying Saudi Arabia with sophisticated armaments, the pressure in support of a high petroleum production level--10.4 million barrels per day right now--and the constant doubts expressed regarding the domestic stability of Arabia, the process of Camp David--all of these are complaints formulated by the Saudis against Washington. The Reagan administration has already "straightened the situation out" somewhat in their eyes. But this warning remains timely: "An awkward American policy in the Gulf would force the Saudis to dissociate themselves even further from the United States." This is what United States Secretary of State Alexander Haig found out early in the month at Riyadh where they maintain that the deadlock on the Palestinian issue, blamed upon Israel, entails the risk of playing into the hands of communism in the region, much more so than the direct threat from the Soviets.

While the kingdom, on the eve of General Haig's arrival, broke diplomatic relations with occupied Afghanistan--a gesture toward Ronald Reagan--Prince Saud al Faisal, minister of foreign affairs, at the same moment revealed, in the weekly magazine AL MAJALLAH, that Saudi Arabia and the Soviet Union are maintaining semiofficial and regular relations--the warning to Washington is clear.

Prince Saud furthermore never misses an opportunity to assert that "the defense of the Gulf is the exclusive concern of the countries along the Gulf." This is a rather striking exaggeration but it is undoubtedly necessary politically.

It was the incursions of Iranian Phantoms along the Saudi coast, early during the war between Iraq and Iran, that persuaded Saudi Arabia to deploy four American flying radar systems, the AWACS. Their capacity to detect any movement in the air extends over a radius of 400 kilometers. Two of these aircraft are permanently on station. It is said in the capital that a Saudi officer, invited on board on one of those AWACS aircraft, observed the incursion of an unidentified aircraft on the

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video console and immediately ordered an investigation on the ground; it turned out to be a rich Bahreini who had come to picnic in the desert with his family aboard a small private aircraft. If the United States Congress does not oppose the idea, the Saudis will become the owners of these aircraft in 1985, to the great consternation of Israel.

On the other hand, the ground radar detection network, along the entire coastline, has been reinforced along considerable sections since the start of the war with the help of French and American radar stations. There appears therefore to be little probability of a surprise air raid on the oil region.

The Saudis and their allies on the Gulf realize that their survival depends partly on this kind of military cover. But they want to be protected with hypocrisy and discretion: the publicity given to the American RDF project irritates them. And General Haig had promised them to review the initial concept of the Carter administration, giving priority to naval air forces and dropping the idea of asking for bases.

The Saudis are happy to cite the example of France by virtue of its discrete but real military presence: seven warships permanently on station in the Indian Ocean, including three in the Sea of Oman and, since the end of last year, five minelayers and minesweepers based at Jibuti, the only mine warfare force in the region.

"Guarding the Guardian"

The Saudi Arabian "sensitivity" in the matter of security--and the effectiveness of the Saudi Arabian diplomatic game--are illustrated by the creation, on 4 February, in Riyadh, of the Cooperation Council of the Gulf States. The war between Iraq and Iran furnished good reason for keeping the Iraqis temporarily away from a council--while consulting them, nevertheless--whose six members (Saudi Arabia, Kuwait, the United Arab Emirates, Bahrain, Qatar, and Oman) are all traditional monarchies. The council's major objective, although it has not been officially stated, is to strengthen cooperation in the matter of domestic security and defense --under the American military umbrella, regardless of the "neutralist" rhetoric of this new body.

The position of the conservative monarchic, rich and pro-Western state in the midst of a feverish and radicalized Muslim world is not an easy one. Will the Westerners manage to reassure Saudi Arabia and, to paraphrase the Latin adage, "guard the guardian?"

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