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Near East/North Africa Report

(FOUO 31/81)



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INTERNATIONAL AFFAIRS

ARAB INTERNATIONAL AID PROGRAMS DESCRIBED

London THE MAGHREB REVIEW in English Vol 5, No 2-4, Mar-Aug 80 pp 57-62

[Article by Abderrahman Robana, School of Business Administration, Alfred University, New York]

[Text]

Introduction

Following the massive oil revenues accruing to the Arab oil producing and exporting countries, mainly since 1974 when oil prices quadrupled, Arab aid in general, and more specifically inter-Arab financial assistance has played a very significant role in world economic and financial developments. It is worth noting here that non-oil producing developing countries will have a deficit of about 65 billion U.S. dollars in 1980 compared with the 45 billion deficit in 1979. At present total Arab aid amounts to not less than 20 billion U.S. dollars and far exceeds both the 0.7% of GNP target set by the United Nations' Second Development Decade Program and the 0.85% of GNP of the most generous countries in the Western industrial world.¹ The massive Arab aid to Arab, African and Asian countries continues to grow even although donors such as Saudi Arabia and the Arab states on the Gulf themselves need technical aid and the diversification of their future sources of income, as at present they rely solely on revenues from oil, an exhaustible and non-reproducible resource.

In addition to direct assistance to about sixty countries around the world, large commitments were made to international and regional aid institutions, such as the World Bank and the IMF.

While more than half of Arab financial assistance goes to non-Arab countries (see Table 1 below) I shall consider here only flows of Arab financial aid *within* the Arab world, whether or not it is concessional and the way it is channeled.

Table I
Percentage Distribution of Total Arab Financial Assistance (1975-1978)

	1978	1977	1976	1975
To Arab countries	40.4%	45.5%	50.0%	39.6%
To Non-Arab countries	59.6%	54.5%	50.0%	40.4%
	100.0%	100.0%	100.0%	100.0%

Source: Various Arab Funds Annual Reports

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The Channels of Inter-Arab Financial Assistance

Long before the dramatic surge in oil prices and in the revenues received by oil producing countries in 1974, two Arab countries established funds to aid other Arab countries. The funds were the Kuwait Fund, established in 1961 and the Abu-Dhabi Fund established in 1971.

Since 1974, however, several Arab Funds have come into existence in a variety of institutions: some are multilateral, others are bilateral while others are special. The overall objective of this variety of funds is to promote the process of economic development of Arab, African and Asian countries — either on a country-by-country basis or on a regional economic integration basis — by encouraging Arab joint-venture projects and economic infrastructure. The combined authorized capital of these funds is approximately 15 billion U.S. dollars and more than half has already been committed to 60 countries. Specific objectives of some well-established multilateral, bilateral Arab funds and special Arab funds are examined here.

Multilateral Arab Institutions for Financial Co-operation

The major Arab multilateral financial institutions include, the Arab Monetary Fund (AMF), the Arab Fund for Economic and Social Development (AFESD), the Islamic Development Bank (IDB), the Arab Investment Company (AIC), the Inter-Arab Investment Guarantee Corporation (IAIGC), and the Arab Fund for Technical Assistance to Arab and African Countries (AFTAAAC). The specific objectives, operations and resources of these funds are examined below:

1) OBJECTIVES

a) The Arab Monetary Fund (AMF) 2

The AMF was established on February 2, 1977 with an authorized capital of 1.3 billion dollars as of June 1979. The AMF's Articles of Agreement include the following goals:

—To correct disequilibria in the balance of payments of member-states.

—To promote the stability of exchange rates of Arab currencies, rendering them mutually convertible, and striving for the removal of restrictions on current payments between member-states.

—To establish such policies and modes of Arab monetary co-operation as will achieve the quickest pace of economic integration, and speed the process of economic growth in the member-states;

To tender advice, whenever called upon to do so, with regards to policies relating to the investment of the financial resources of member-states in foreign markets, so as to insure the preservation of the real value of these resources and to promote their growth;

—To promote the development of Arab financial markets;

—To study ways to expand the use of the Arab Dinar as a unit of account and pave the way for the creation of a unified Arab currency.

b) The Arab Fund for Economic and Social Development (AFESD)

The purpose of AFESD is to assist in financing economic and social development projects in Arab countries by means

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of loans granted on easy terms, to governments and to public or private institutions, for financing projects that are vital to the region or for joint projects among Arab countries. It is a regional development bank for the Arab world. It encourages the investment of public and private capital, promotes the development of Arab regional projects, and provides technical assistance in various fields of economic development.³

c) The Arab Bank For Economic Development in Africa (BADEA)

The purpose of BADEA is to co-operate in the economic development of African countries, encourage the flow of Arab capital to Africa and provide the necessary technical assistance. It works closely with the Special Arab Assistance Fund for Africa (SAAFA) which responds to emergency situations in Africa as well as to difficulties caused by the increases in oil prices since 1973. BADEA provided loans to national and regional development finance institutions and to finance foreign exchange components of major agricultural or industrial projects.

It also provides technical and financial aid in identifying economic development projects and acquiring technological know-how.⁴

d) The Islamic Development Bank (IDB)

The purpose of IDB is to mobilise resources to finance economic and social development of member countries and Muslim communities in accordance with the principles of the Shari'ah. It invests in economic and social infrastructure projects, makes soft loans to private and public sectors, establishes and operates special funds for specific purposes, assists in the promotion of foreign trade and provides technical assistance.⁵

Thirty four Arab and Muslim countries are members of the IDB which has capital of 2 billion Islamic Dinars (billion SDRs*). Only 45 per cent of its total loans went to Arab countries as of December 31, 1978, mostly to finance infrastructure and public utilities. As of September 1978 the IDB's subscribed capital stood at 757.5 million SDRs.

e) The Arab Investment Company (AIC)

The AIC started its operations in 1975 with an initial capital of \$255 million.

The main objective of the AIC is to promote investment of Arab capital in the economic development of member-states.⁶

To this end, the AIC encourages and promotes the financing of projects in agriculture, industry, commerce and services.⁷ Its charter empowers it to:

- a) Establish new projects or participate in equity capital in such projects and also purchase, totally or partially, projects already in operation;
- b) Undertake all business operations as may be required to achieve its objectives;
- c) Place funds in, and borrow directly from financial markets;
- d) Issue bonds and accept time deposits, as may be needed to achieve its purposes;

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- e) Undertake any project concerned with minerals, oil or other natural resources;
- f) Construct and purchase real estate;
- g) Provide technical assistance and undertake any necessary study to achieve its objectives.

f) The Inter-Arab Investment Guarantee Corporation (IAIGC)

The main objective of the IAIGC is to encourage the flow of capital, public or private, between Arab countries by providing insurance coverage for Arab investors in the form of reasonable compensation for losses resulting from non-commercial risks — such as nationalization, seizure, expropriation or the introduction of new restrictive regulations and measures affecting the repatriation of capital or transfer of profits by Arab investors. The IAIGC was established through the initiatives of both the Council of Arab Economic Unity (CAEU) and the Economic Council of the League of Arab States in 1970. In my view, the IAIGC is a prerequisite for the future success of Arab joint ventures and their multiplication.

g) The Arab Fund for Technical Assistance to Arab and African Countries (AFTAAAC)

The Arab Fund of the AFTAAAC co-ordinates and finances technical assistance programs arranged by the League of Arab States and the specialized Arab agencies, prepares surveys of development projects in Arab and African countries, provides consultancy services and experts and organizes their exchange between Arab and African countries.

It is also called upon to co-ordinate scientific and technological development, as well as the development of the means and modes of production between those countries.*

2) Operations of the Most Important Multilateral Financial Assistance Institutions

Most of the Arab multilateral financial institutions use their resources to finance economic and social development projects by means of long-term, low-interest loans. Their object is to improve living standards and promote a more balanced growth of agriculture, industry, housing, employment and education.

In addition to the financing of member countries' specific projects, the funds provide and finance technical assistance for regional development feasibility studies. For illustrative purposes, three of the most important Arab multilateral financial institutions, the AMF, AFESD and BADEA, will be examined here.

The Arab Monetary Fund (AMF)

The operations of the AMF consist of loans to finance overall balance of payments deficits. In deciding on the terms and conditions of its loans, the Bank is required to consider the following factors:

- 1) The financial position of the AMF and the programs it draws upon for its loans and financial activity.

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2) The extent of the need for the loan in the light of the overall deficit in the balance of payments of the particular member country and in the light of its reserves and economic and financial conditions.

3) The ability of the member to repay the loan at the maturity date in accordance with the lending policies of the AMF, as well as its ability to borrow from similar financial institutions and the amounts of the loans it has to repay to these institutions or to the AMF.

4) The volume of the AMF loan to the member country in relation to its paid-up subscriptions.

5) The degree of growth in the economic exchanges of the member country with other Arab countries; and

6) The degree to which the member country has used up its unconditional rights in regional lending institutions of a similar nature.

Furthermore, loans are to be made for a period of not more than seven years and may not exceed twice the amount of the member's paid-up subscription.

The AMF can also provide loans in support of a program designed to cope with a fundamental balance of payments deficit which is structural in nature. Loans are provided at concessionary and uniform rates of interest and charges.

It is worth noting that, due to its very recent establishment, the AMF has not established its rates structure and has yet to make its first loan.*
The Arab Fund for Economic and Social Development (AFESD)

The fund started its operations in 1973 with a view to giving priority in the allocation of its resources to Mauritania, Somalia, Sudan, People's Democratic Republic of Yemen and Yemen Arab Republic, all of whom were identified by the fund as the least developed nations in the Arab World. These countries were recipients of 40 per cent of AFESD commitments in 1974, but as of 1977 their share only amounted to 26 per cent. The Fund's total loans in 1977 were 221,900 Kuwaiti Dinars (KD) as opposed to 139,500,000 (KD) in 1976. These represent 70 per cent and 64 per cent respectively of the Fund's total liabilities and equities — in other words, of total assets.¹⁰

The sectorial loan distribution by AFESD amounted to 75.9 per cent in infrastructure, 15.4 per cent in manufacturing industry and industry financing and 8.7 per cent in agriculture and agricultural financing. Over the years the sectorial aid distribution of the major Arab funds is as shown in Table II below:

Table II
 Sectoral Distribution of Aid
 Given by Three Major Arab Funds

	Saudi Arabia*	Kuwait**	Abu-Dhabi***
Transport & Communication	35.1%	32.0%	16.4%
Electricity, water etc.	22.5	28.0	22.8
Mining & Petroleum	—	—	—
Education & Health	16.5	—	—
Industry & Other	18.9	20.0	22.8
Agriculture	7.0	20.0	6.0
	100.0%	100.0%	100.0%

* For the period 1975-1978

** For the period 1962-1978

*** For the period 1976-1978

Source: Various Arab Funds' Annual Reports

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The cumulative loans commitments to Arab countries from 1973 to the end of 1977 reached 295.3 MKD, while the cumulative disbursements for the same period were 56.5 MKD which represents only about 17 per cent of cumulative commitments. At present the Fund is considering financing 31 projects, including Arab joint ventures.

Out of the cumulative AFESD total commitments, 23 per cent were allocated to Egypt, mainly to finance manufacturing and irrigation projects. 52 per cent of the loan commitments went to four Arab countries; Egypt, Morocco, Sudan and Syria. These countries account for 55 per cent of the population of the Arab World.

In addition to its loan activities, AFESD is working hard on the training of skills which can be used to prepare, analyze and implement investment feasibility studies. AFESD's total technical assistance up to 1977 reached 3.4 million KD and covers 14 regional and sectoral projects.

In its search for a coherent long-term strategy for economic development assistance, AFESD, with the joint participation of the Organization of Arab Petroleum Exporting Countries (OAPEC), engaged the University of Wisconsin to prepare a comprehensive study on the economics of the natural resources of the Arab World, with specific reference to pricing, conservation, technological transfers and the impact of generalized preferential treatment.¹⁰

AFESD created a special unit to identify investment opportunities, prepare them in the form of projects, and promote them for investment purposes in the Arab countries. In 1978 this unit prepared 31 investment projects, including joint-Arab multi-national ventures in communications and telecommunications and agricultural projects in the Sudan, with the co-operation of the Arab Organization for Agricultural Investment and Development. The Fund's special unit is responsible for:

- a. the preparation of a list of investment opportunities and the main features of related projects;
- b. providing assistance in the formulation of agreements and related documents and in the acquisition of the technical know-how and qualified staff required to implement new projects;
- c. encouraging capital flows in search of investment opportunities towards member countries with liquid assets.
- d. helping national institutions in charge of development finance.

More than any other Arab multilateral financial institution, AFESD, in co-operation with international and Arab national institutions, the Arab League and the Council of Arab Economic Unity (CAEU), is actively and continuously seeking to foster closer economic co-operation and integration among Arab countries. The Fund is actively engaged in facilitating the flow of financial resources within the region. Its efforts tend to increase the capacity of Arab member countries to absorb increased investment funds productively.

The Arab Bank for Economic Development in Africa (BADEA)

BADEA's 1979 Annual Report indicates that since 1975 the Bank's operations totalled 203 million U.S. dollars. Out

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of the cumulative loans of \$203 million that BADEA made from 1975 to 1979, the Bank's sectoral financing distribution appears as follows:

Sector	Per cent of Total Loans
— Infrastructure & Power	59.73%
— Agriculture	19.84%
— Industry	20.43%
Total	100.00%

BADEA is primarily a development bank and therefore its lending activities are project-oriented, rather than financing balance of payments deficits. Particular attention is given to African projects which are well integrated into defined development plans and programs which foster employment and exports consistent with African social as well as economic development.¹¹

It is worth noting that, following BADEA's request to expand the scope of its loan activities, the Board of Governors decided, during its third annual meeting in Khartoum on December 3, 1977, to merge the 350 million dollars capital of the Special Arab Fund for Africa (SAFA) with the 392.5 million U.S. dollars total of BADEA, thus expanding BADEA's total capital as of 1977 to 742.25 million U.S. dollars.¹²

Most of BADEA's projects are co-financed with the World Bank, the African Development Bank, the African Development Fund and other joint-Arab financing sources.

Thirteen out of a total of 23 African projects have been co-financed by BADEA.

In 1977, Arab co-financing of thirteen African countries amounted to 338.34 million dollars and represented 30.7 per cent of total project costs. Cumulative joint-Arab financing and co-financing of African development projects reached a total of about 3.3 billion U.S. dollars from 1973 to April 1978 and represented 23 per cent of the total costs of Arab co-financed projects in Africa.

BADEA's assistance to African countries is in the form of loans with a high concessional element consisting of a 10-year grace period, a 25-year loan maturity and interest rates ranging from 4 to 6 per cent. The majority of BADEA's loans were made on concessionary terms having a grant element equivalent to 47 per cent.¹³

In planning its aid, BADEA aims to spread its loans over the broadest geographical range possible, while paying special attention to the poorest and least developed countries. The Bank's average loan per country for the period 1975-1977 amounted to \$9.13 million.¹⁴ With regard to project generation and planning, the Bank prepared an inventory of 410 projects in various African economic sectors including 346 national projects, 13 regional ones and 51 dealing with technical co-operation.

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The pipeline of these 410 projects that BADEA prepared gives these weightings to the following sectors:

— Infrastructure	34.6%
— Agriculture	28.6%
— Public Utilities	22.7%
— Industry	14.1%
Total	100.00%

BADEA's officials prepared a medium-term strategy for its lending operations during the 1975-1980 period. According to this plan, BADEA would, by 1980, make cumulative investments of about 1.2 billion dollars or an average of 200 million dollars a year.¹⁸

It should be noted, however, that, while projected loans for 1975, 1976 and 1977 were respectively 35.5 million, 120 million and 250 million dollars, the actual loans and grants for those respective years were only 81.6 million, 62 million and 66.29 million dollars.

3) Resources for Arab Multilateral Financial Assistance

Practically all members of the League of Arab States participated in the capital subscriptions of the major Arab Funds, particularly in the Arab Monetary Fund (AMF); the Arab Fund for Economic and Social Development (AFESD); and the Arab Bank for Economic Development in Africa (BADEA). The total authorized capital of Arab multilateral financial institutions is about 10 billion U.S. dollars and the global capital resources of all Arab funds (multilateral, bilateral and special) are approximately 20.0 billion dollars.

The AMF: Twenty Arab states are members of the AMF. This Fund has an authorized capital of 250 million Arab Dinars (AD). The AMF capital stock comprises 5,000 shares each having the value of AD 50,000. Algeria and Saudi Arabia are the largest shareholders with subscriptions of AD 38 million each.

Other major subscribers are: Kuwait, Iraq and Egypt with AD 25 million each. The Board of Governors may increase the AMF capital by a special majority decision. In addition, the AMF has to establish a general Reserve Fund.

The AFESD: Twenty one Arab countries are members of this Fund. The agreement establishing AFESD fixed its authorized capital at 800 million Kuwaiti Dinars (KD), or 2.736 billion dollars. The Fund's subscribed capital in 1977 was 370.4 billion KD or about 1.7 billion dollars. The Fund's Basic Agreement document authorized it to obtain supplementary financial resources by issuing bonds or securing loans from public and private Arab institutions and international organisations.

When it started operating in 1974, AFESD planned to undertake operations to an average annual value of 60 million KD.

The BADEA: The agreement establishing BADEA fixed the Bank's capital at 231 million dollars. This amount has been fully subscribed. In addition, following the Arab-African Summit Meeting in Cairo in March 1977 and the Arab Funds Chairmen of the Board meeting in Kuwait in

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April 1977, a decision was made to consolidate BADEA's accounts with the Special Arab Aid Fund for Africa (SAAFA). The merger resulted in BADEA's expansion of the financial resources available for assistance to 742.25 million dollars.

In addition to strengthening BADEA's capitalisation through the merger with SAAFA, the Bank received commitments in 1977 from four Arab countries (Saudi Arabia, Kuwait, the United Arab Emirates and Qatar) totalling 1.45 billion dollars.

B) Arab Bilateral Financial Institutions: Objectives and Operations

Arab bilateral aid flows are as significant as multilateral Arab aid. This might be explained by the fact that, for prestige purposes or for closer control, the setting up of Assistance Funds on a national basis is more effective than on a multilateral basis.

There are four major Arab bilateral financial institutions specializing in development assistance to both Arab countries and African and Asian developing countries.

The major objectives and operations of the four funds (the Kuwait Fund for Arab Economic Development; the Abu-Dhabi Fund for Arab Economic Development; the Saudi Development Bank and the Iraqi Fund for External Development) will be examined below.

The Kuwait Fund for Arab Economic Development (KFAED)

The KFAED is the oldest and most experienced development assistance fund in the Arab World. It started its operations in 1961 as the main agency of the Government of Kuwait for the provision of loans and technical assistance to Arab countries and has recently extended its development assistance to non-Arab African and Asian countries.

The KFAED's capital was increased manyfold, from an initial capital of KD 50 million in 1961 to KD 1,000 million, or 3.42 billion dollars, in 1977. The Fund's paid-up capital in 1977 was KD 456.3, or 1.55 billion dollars; while its total assets were KD 561.7 million — close to 2 billion dollars.

The Fund's lending in the year 1976-1977 reached KD 114.635 million (about 390 million dollars) to 22 countries. The KFAED's total cumulative loans since its creation in 1961 reached KD 434,995,000 — about 1.5 billion dollars — up to June 1977.

The latest sectoral distribution of the Fund's loans was as follows:

Industry	48%
Transport	28%
Agriculture	24%

Loans to African countries in 1977 reached a total of KD 26,130,000 or about 89 million dollars. It is worth noting that BADEA's loans to African countries in 1977 were only 66.3 million dollars.

In addition to the KFAED's lending activities, the Fund's technical aid in 1977 reached KD 1.2 million or about 4 million

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dollars, and its cumulative total technical aid since 1961 has reached 44 countries and amounted to KD 5.3 billion or about 18 billion dollars.

Due to its relatively long experience with development aid programs and projects, the KFAED is playing an important role by co-ordinating its activities with the major regional and international financial institutions and technical aid organizations. The Fund, in close co-operation with the Arab Fund for Economic and Social Development (AFESD) has embarked on a project to standardize loan procedures, loan insurances and the establishment of lines of credit.¹⁶

Abu-Dhabi Fund for Arab Economic Development (ADFAED)

This Fund was established in July 1971 to help Arab, African and Asian developing countries by means of loans, equity participation and technical assistance grants. The ADFAED capital is 72,000 million Dirhams (Dh) or about 500 million dollars.

The Fund's total loan commitments at the end of 1976 reached Dh 1635.8 million — about 410 million dollars — distributed among 42 countries. The largest share of loan commitments (79%) was received by 12 Arab countries with 34 loans amounting to Dh 1,294.6 million or about 323 million dollars.¹⁷

Abu-Dhabi Fund's sectoral distribution of loan commitments by projects in 1977 is as follows:

Project	Number of Loans	% of total	Total Amount in million Dh.
Agriculture	3	20	70.5
Electricity	4	26	160.1
Roads & Railroads	1	7	40.0
Industry	3	20	132.0
Port & Suez Canal Development	3	20	125.9
Telecommunications	1	7	47.0
Total	15	100	575.5

The Fund does not provide program loans and restricts itself to project loans and technical assistance without any preference between national and multi-national projects.

Furthermore, the Fund does not acquire more than 15 per cent of the equity participation in any single project. Direct loans may not exceed 50 per cent of the total cost of any project.

The Saudi Fund for Development (SFD)

The SFD was chartered in September 1974 in Saudi Arabia. It is empowered to participate in lending operations to developing countries in the Middle East, Africa and Asia. Its capital was fixed to 10 billion Saudi Ryals (SR), about 2.84 billion dollars.¹⁸

In 1977 the Fund participated in 33 Arab projects, which represented 51 per cent of its total lending commitments of SR 5.8 billion.

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The sectoral and geographic loan distribution of the SFD for the period of July 9, 1975 - June 27, 1976 were as follows:

Distribution by Sector	Percentage	Geographic Distribution	Percentage
Infrastructure	71%	Africa	45%
Agriculture	18%	Asia	52%
Health & Education	11%	Other	3%
Total	100%		100%

C) Special Arab Financial Assistance Institutions

It is sufficient here to briefly survey the main objectives of these joint financial ventures to reflect their importance as a source of assistance for the economic and social development of Arab countries.

Attempts to collect data on individual or aggregate loans so far made by these institutions has not been possible due to the lack of information available.

Information on Arab joint financial ventures, which have been active in facilitating inter-Arab investments and trade on a commercial banking basis, covers the following six important institutions.

Union des Banques Arabo-Françaises:

This bank has its headquarters in Neuilly in France. It was established on February 26, 1970 with a capital of 110 million French francs. Its objective is to contribute to the financing of foreign trade transactions and of development projects in the Arab countries. The majority holders of the Bank's assets are 15 Arab countries who own 60 per cent of the total shares, followed by Credit Lyonnais with about 32 per cent.

Libyan Arab Foreign Company

This Bank is located in Tripoli in Libya. It was established in 1972 with a capital of 68 million dollars. Its objective is to finance development projects and to promote Libyan investments abroad. The Fund sponsored a Conference in June 1976, attended by six Chairmen of Arab Funds which discussed methods of co-ordinating financial and technical assistance channelled through Arab Funds.

The Iraq Fund for External Development (IFED)

This Fund was established on June 6, 1974 with an initial capital of 160 million dollars. It has a borrowing capacity of twice its total capital. The Fund's objective is to achieve economic integration and development of the Arab countries as well as economic and social development of other developing countries. The IFED's operations comprise:¹⁹

- a) The provision of medium and long-term concessional loans to development projects in other Arab and developing countries, with priority given to projects vital to the development of the countries concerned;

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- b) Participation in development projects, especially those of an investment nature, priority being given to projects which help bring about Arab economic integration.
- c) The encouragement of the investment of public and private capital, directly or indirectly, in development projects.
- d) The provision of technical assistance to developing countries in all fields where problems of economic development arise.
- e) The financing of pre-feasibility and feasibility studies.

So far, the Iraq Fund has not been as active as the previous two Funds.

The International Arab Bank for External Trade and Development

This Bank has its headquarters in Cairo. It was established in 1973 with a capital of 75 million dollars. The objective of the Bank is to extend assistance to developing countries outside the Arab World. The main shareholders of the Bank are Libya, Kuwait and Egypt.

The Kuwait Investment Company

This investment company has its main offices in Kuwait. It was established in 1961 with a capital of 25 million dollars. Its objective is to invest funds directly in industrial enterprises in Arab countries — specifically in Egypt, Sudan and Syria. The total shareholding of this investment company was equally divided between the Kuwait Government and private Kuwait concerns.

The Arab Investment Company

This investment company is headquartered in Riyadh in Saudi Arabia. It was established in July 1974 with a capital of 206 million dollars. Its objective is to invest Arab funds in agriculture, industry, trade and land and sea transport.

The Arab countries — Saudi Arabia, Kuwait, Qatar, Bahrain, Iraq, the United Arab Emirates, Egypt, Syria, Sudan and Jordan — are participants in this company. Among its major achievements are the co-financing of a 600 million dollar livestock project in Syria, a 180 million dollar sugar project in the Sudan, and a 338 million dollar mining project in Jordan.

The Arab Petroleum Investment Corporation

This corporation is located in El-Dammam, Saudi Arabia. It was established in 1974 with an authorized capital of about one billion dollars.

Its main objective is to evaluate, undertake, finance and implement petroleum and natural gas projects.

The major contributors to this investment corporation are Saudi Arabia, Kuwait, and the United Arab Emirates, with 17 per cent of total participation each.

The cumulative initial authorized capital of the above six major Arab financial institutions, whose loans are subject to market conditions, amounts to about 1.4 billion dollars of which one billion is represented by only one financial institution — the Arab Petroleum Investment Corporation.

Conclusion

Arab aid is becoming vital in a world where many of the traditional donors find it more and more difficult to expand or even maintain their previous aid targets.

The multiplicity of Arab institutions for both multilateral and bilateral financial co-operation within and outside the

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Arab World since 1974, attests to the willingness of the Arab Petroleum Producing and Exporting Countries (APPEC) to play an increasingly vital role in total foreign financial assistance. This role is best reflected through the IMF's offer of a seat to Saudi Arabia on its governing body in 1977 and the latter's large contributions to both the IMF and the World Bank.

Furthermore, Arab aid, unlike most of the industrialized countries' foreign aid, does not tie in the recipient to buy goods from the donor country for obvious reasons. As a result Arab aid to developing countries generates some indirect benefits to the exports of the industrialized countries.

Since most of the financial assistance made available by Arab funds concentrates on infrastructure, transportation and communication, the funds tend to spread the burden and risk through encouraging consortium loans. As a result, the chances for a developing country to receive a major international loan for a project are enhanced if such a project qualifies for a loan from an Arab Fund.

In order for Arab aid to be more efficient, Arab multilateral and bilateral financial assistance should emphasize the need to mobilise qualified and well-trained Arab technical personnel. Arab technical assistance may capitalize on the existence of Arab skills in the Arab countries and provide the necessary incentives to attract skilled Arabs living and working outside the Arab World.

Footnotes

- ¹ OECD Development Co-operation, 1977, 1978 and 1979.
- ² IMF Survey, March 6, 1978.
- ³ See AFSED *Annual Report 1977* (In Arabic) and (Annex 2). Also see Agreement establishing AFSED; UNCTAD; TD/B/609/Add 1, Vol. V, pp. 54-72, August 24, 1976.
- ⁴ See BADEA Annual Reports 1975, 1976. Also see Agreement establishing BADEA, UNCTAD, TD/B/609/Add 1, Vol. V, August 24, 1976, pp. 54-72. The creation of BADEA took place at the Sixth Arab Summit Conference concerning the strengthening of Arab economic, financial and technical co-operation with the African countries and at the nineteenth ordinary session of the Economic Council of the Arab League who adopted resolution 586.
- ⁵ See Agreement establishing the IDB; UNCTAD, TD/B/609/Add. 1 Vol. V.
- ⁶ The original members of the AIC are: Abu-Dhabi, Bahrain, Egypt, Kuwait, Saudi Arabia, Sudan; later Iraq, Jordan, Morocco, the Syrian Arab Republic and Tunisia acceded.
- ⁷ See Agreement establishing the AIC, UNCTAD, op. cit. pp. 88-105.
- ⁸ See pamphlet prepared for the CAEU's General Secretariat on "Arab Fund for Technical Assistance to African and Arab Countries" 1977, p. 4.
- ⁹ IMF Survey, March 6, 1978.
- ¹⁰ OAPEC, News Bulletin, Vol. 4 No. 2, Kuwait, April 1978, pp. 18-23.
- ¹¹ BADEA's Annual Report, 1977 p. 9 (In Arabic).
- ¹² In March 1977, at the Afro-Arab Summit Meeting; Saudi Arabia and the Gulf States decided to provide 105 million dollars to BADEA's capital.
- ¹³ BADEA's Annual Report, 1977, p. 9.
- ¹⁴ Ibid, p. 9.
- ¹⁵ BADEA's Annual Report, 1975, p. 26.
- ¹⁶ Organisation of Arab Petroleum Exporting Countries, News Bulletin, Vol. 4, No. 3; in Arabic, p. 26; Kuwait, March 1978.
- ¹⁷ OAPEC, News Bulletin, Vol. 4, No. 5, Kuwait, May 1978, p. 13.
- ¹⁸ OAPEC News Bulletin, Vol. 4, No. 4; Kuwait, April 1978, pp. 23-29.
- ¹⁹ See Law No. 77 issued by the Iraqi Revolutionary Command Council, June 6, 1974; Baghdad; Iraq.

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INTER-ARAB AFFAIRS

MIDEAST LEADERS FOCUS ON PERSONAL SECURITY

Paris AL-WATAN AL-'ARABI in Arabic No 231, 17-23 Jul 81 pp 22-27

[Article: "Security Measures for al-Asad Terrified Ilyas Sarkis; Who Is Protecting Arab Leaders?"]

[Text] Begin is an obedient client of security agencies; orders to assassinate Palestinians come out of his private office.

Al-Sadat moves constantly between his "resthouses" and prefers the helicopter to street traffic.

Al-Qadhdhafi has surrounded himself with SAM missiles as a precaution against an Israeli air operation against him.

Security men examined the gifts brought by guests to the wedding of Khaddam's daughter.

"Life is dear," and security has become a matter of personal concern for all leaders and politicians in a world that has come to believe in violence and is teeming with conspiracies, disturbances, and assassins. The Middle East is one of the most turbulent areas of the world and one of its most dangerous to the lives of rulers and leaders. Personal protection measures there have reached unprecedented proportions with regard to tightness, scrupulousness, costs, precautions, contingencies and the use of electronic weapons and equipment as well. This report contains a review of some of the security measures that are taken by presidents and kings in the Arab area and in the world to provide safety for themselves, their families and their regimes.

There is no area in the world where disturbances and political violence abound--assassinations, demolitions and destructions--as they do in the Middle East area. In this, the Middle East resembles the European Balkans in the first half of the present century.

In view of this situation security and protection measures followed by the regimes in the area have reached a high level of tightness and scrupulousness. This applies equally to those measures whose purpose is personal

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protection, that is providing security to rulers and senior officials, and to those that seek to protect the regime as a whole.

For that purpose the capabilities of security agencies in their entirety have been marshaled. These include scores of thousands of policemen, strong security guards, undercover detectives and thousands of local and foreign officers and experts. Different kinds of weapons, including jet airplanes, helicopters, light tanks and armored vehicles, machine guns, revolvers, poisons and various chemicals are utilized.

With the progress in technology and electronics security agencies that are charged with the protection of rulers find themselves utilizing the most modern, the most advanced and the most precise telecommunications equipment, eavesdropping devices, warning devices, close circuit television and food testing laboratories where food that is offered to the rulers can be tested. The clothes they wear and the implements that are given to them as gifts or that they use are also tested.

It may be said that there is hardly a ruler in the world who has not in one way or another become the prisoner of personal protection measures and his personal bodyguards. Those rulers, nevertheless, are constantly living in fear of being attacked at every moment. It has been established that no matter how protective and scrupulous they are, security measures cannot provide 100 percent personal security. To raise the measure of security, leaders and rulers have had to minimize the number of times they go out to meet the public, shake people's hands, attend public celebrations and rallies or announce beforehand the times of their tours, visits and trips.

In palaces and presidential offices scrupulous measures are usually taken, especially in the private wing which is used by the president or ruler as a residence or an office. There, not even a president's closest personal aides may violate these measures.

This is a general sketch of the security problem as far as rulers and regimes are concerned. The dimensions of the problem become clear to the average citizen who hardly perceives more than its superficial aspects in the following examples we present of security measures that are followed in some countries of the area and the world.

Severe Measures for Begin's Protection

In Israel all the pictures that are relayed of Menahem Begin, Shimon Perez or the various other senior Israeli politicians are deceptive. They suggest that these people lead normal lives or move about in a natural fashion among people.

Begin, for example, goes nowhere unless he is surrounded by a large number of guards in their military or civilian clothing. He does not go anywhere until security experts and his personal bodyguards have visited that area and studied it carefully. They familiarize themselves with the conditions

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of its residents and look into the records of those who are considered dangerous, and they place those under house arrest during the visit.

Begin rarely visits high density Arab residential areas. When he finds himself compelled to visit the northern areas that are adjacent to the Lebanese borders, the security operation becomes a severe test for the security office that is affiliated with the prime minister's office and for military intelligence. Operations by Palestinian guerillas or professional sharpshooters are feared, and Begin usually moves around in a helicopter and is advised to wear a bullet-proof vest under his civilian suit.

Begin himself has been Israel's most responsive prime minister to the security measures, and he has been one of its most compliant prime ministers with the advice of security and intelligence officers who attribute [his attitude] to the fact that Begin has a practical history in violence and assassination. He was the one who planned the operation to assassinate Lord (Moine), the British minister of state who was residing in Cairo during World War II, and he was the one who executed the Deir Yassin massacre and the operation to blow up the King David Hotel in Jerusalem. He was also the one who planned the assassination of UN mediator Count Folke Bernadotte and charged his current minister of foreign affairs, Yitzhak Shamir to carry out the operation.

Orders for assassination and murder operations that are to be carried out against Palestinian leaders in Lebanon, in the Arab countries and in the capitals of Europe come out of Begin's security office. The most prominent of these operations whose execution Begin had ordered was that to assassinate 'Ali Hasan Salamah, the Palestinian security official in Beirut. Salamah was killed by a remote control explosive charge, and the details of this operation are still veiled in secrecy.

General Israeli intelligence, the Mosad comes almost immediately after the U.S. Central Intelligence Agency and Soviet intelligence, the K.G.B., with regard to covert activity abroad. This activity includes espionage, the purchase of operations and the assassination of Arabs or non-Arabs who are dangerous to the security and safety of Israel.

It may be that one of the primary missions of the Mosad abroad is to spy in the United States in particular. This is surprising and embarrassing to the Zionist lobby in the United States, but it is known to the Criminal and Political Investigations [division] of the FBI and to the General Foreign Intelligence [section] of the CIA.

The purpose of Israeli operations in the United States is to obtain the largest possible amount of confidential political information and to find out information about the latest advances on record in military science and technology. To do so Mosad relies heavily on the cooperation of a large number of Jews who work in these fields.

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U.S. intelligence states that when Soviet intelligence fails to obtain certain information from the United States, it gets it through its special means from Israeli intelligence.

The K.G.B. estimates that Mosad is especially active in 80 countries in the world, including the Soviet Union and the Arab countries. In its work it cooperates with various western intelligence agencies and with the agencies of NATO.

Al-Sadat Is Devoted to His Own Comfort and Personal Safety

President al-Sadat may be one of few leaders in the world who pays special attention to his security, his comfort and his health. With President al-Sadat this attention borders on paranoia and oversensitivity. He chooses his own personal security officers after long consideration and investigation. He tries to have the senior adjutant, who is a ceremonial guard, chosen from among senior, older officers whose appearance in their military uniforms decorated with military medals and insignia is awe-inspiring. He chooses his personal bodyguards from among well-built athletes who have mastered Judo, Karate, wrestling or boxing, and he instructs them to wear official, first-rate clothing.

It is very difficult even for those who are very close to al-Sadat to know his whereabouts at night or during the day. He is always moving secretly between Isma'iliyah, Alexandria, Mit Abu al-Kawm--his village--Cairo and Aswan where he stays in homes and resthouses built for him by his relative and personal friend, 'Uthman Ahmad 'Uthman. He also uses old resthouses that have been there since the royal age. The presidential staff always makes an effort to ensure that the president's various needs at these resthouses are met at any time he visits them, including having the most recent U.S. movies on hand. Al-Sadat likes to watch a movie alone before he goes to bed.

Among the security requirements [for al-Sadat] was a significant reduction in the number of his visits to Cairo International Airport to greet Egypt's important visitors. This is contrary to what President Jamal 'Abd-al-Nasir usually did. Al-Sadat also uses a helicopter that takes him from the resthouses that are close to Cairo to the presidential palace. This is because he no longer rides in an open or a closed car through the crowded streets of Cairo. He has stopped this practice since Palestinians carried out assassination operations against some of his men and diplomats in Cyprus and elsewhere.

As far as the regime as a whole is concerned, President al-Sadat relies on a network of security and military staff. The central security forces are considered tantamount to an official and a party militia that ensures the safety of the regime from disturbances and popular movements. In the armed forces President al-Sadat relies on a number of senior officers who support his policy of peace with Israel and rapprochement with the United States. As an added precaution he makes broad changes and transfers from time to time even among senior officers. He also moved large forces from

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the eastern borders of Sinai to its western borders to keep military men preoccupied in matters and areas away from the principal cities so that their movements can be easily monitored and their inclinations found out. He has also pressed what amounts to a whole division of the Egyptian armed forces into civilian operations such as repairing the telephone system, paving roads or fighting the locusts that have invaded rural areas in large numbers in the past few years.

SAM Missile Batteries Protecting al-Qadhdhafi's Residence

Ever since the Iraqi nuclear reactor was bombed last June, Libyan security agencies have been living in fear of an Israeli air operation. But since Libya does not yet have a real nuclear reactor, President al-Qadhdhafi is telling his senior aides that he personally will be the target of the operation. He quotes information from Israeli intelligence agencies indicating that Israel considers him "more dangerous than the nuclear bomb."

The Libyan president has surrounded his residence and the place where he usually works in a military area in one of Tripoli's subdivisions with strict security measures. He has recently installed several anti-aircraft SAM missile batteries and deployed a battalion of tanks in the desert area where they are camouflaged so well that only the barrels of the guns can be seen.

President al-Qadhdhafi too has completely given up what was his favorite custom in the early days of his administration when, like the Caliph 'Umar ibn al-Khattab, he used to mingle with the masses and roam the streets and roads at night either on foot or in his plain Peugeot. He does not admit that giving up on this habit was required by security exigencies, but he attributes this to the fact that he needs to spend more time thinking, theorizing and meditating. To establish this image he receives correspondents in the desert, [where they see him] reclining on the ground or amidst foliage, and he invites them to take pictures of him in this pose.

Ever since he was the target of an assassination attempt last year, President al-Qadhdhafi has made the life of his opponents inside the country and abroad unbearable. He has dispatched the men of his revolutionary committees after them to give them the choice of returning to Libya or being eliminated. Some of them did return, but others have actually been eliminated.

At the same time security precautions and measures have increased. Al-Qadhdhafi himself commands his personal bodyguards, and a number of his relatives help him protect himself and his place of work. But the security experts from Cuba, East Germany and the Soviet Union who are helping al-Qadhdhafi are overseeing general and military intelligence agencies. Those people succeeded in foiling an attempt that was about to move against al-Qadhdhafi last year to overthrow the government.

The foreign adventures of the Libyan regime and the fact that it has assembled a large arsenal of Soviet weapons have increased western fears of his policy, especially on the African scene.

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At the present time President al-Qadhafi is trying to improve his reputation and his relations with the United States following a series of warnings that were issued against him in Washington. He is also intent on clearing the name of his regime from [the suspicion of] any relationship with political violence organizations which he used to boast publicly of supporting. Al-Qadhafi refused to give refuge to the armed men who hijacked the Pakistani airplane some months ago to show that he is keeping his distance from what Washington, Paris and London describe as "international terrorism."

Sudan's president, Ja'far Numayri is no less cautious and wary than his adversary, President al-Qadhafi and his friend, President al-Sadat. But in general, Numayri says he believes in fate ever since his miraculous escape a few years ago from the conspirators who had surrounded him, taken him in custody and imprisoned him. Numayri adds that he fully believed that his life had come to an end. But the miracle occurred when the conspirators put off [their plan] to get rid of him. This led to the occurrence of differences within the armed forces after which forces supporting Numayri backed up by Egyptian forces that were stationed in Sudan moved to rescue him. The first thing that Numayri did after he was rescued was to execute the leaders of the coup.

President Numayri depends on security agencies that are directly tied to him to ensure his personal protection. He also establishes alliances with numerous networks of officers inside the armed forces to ensure the continuity of his regime.

However, in recent months Numayri appears to be extremely exhausted and despondent about the state of neglect that has beset the country. He says he intends to resign his position, but it is not known whether this is one of the maneuvers which he has mastered or whether he actually intends to resign for reasons that are due to the fact that he is diabetic and suffers from a heart condition. There are also opportunities for establishing a more popular regime, and this is the advice that is urgently and frequently given these days by the U.S. embassy in Khartoum.

In Algeria security measures for protecting the president are top secret. Usually military intelligence protects the residence and place of work of President Chadli Bendjedid who is widely respected and popular in the circles of the armed forces.

Despite the fact that the measures for protecting former President Houare Boumedienne were stricter than those that are being followed now, Boumedienne himself was the target of several assassination attempts, and there were several attempts made to overthrow his regime.

In 1967 Col Taher al-Zubayri moved in on the capital. He was the chief of staff who had personally arrested former president Ben Bella for Boumedienne 2 years earlier. Boumedienne was compelled to call on the air force to bomb the advancing troops and disperse them. Afterwards al-Zubayri escaped abroad and remained in hiding for a long time. During

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the same year Algerian intelligence succeeded in eliminating Mohamed Khider, former secretary general of the Liberation Front in Madrid after he refused to return funds that had been deposited in a Swiss bank in his personal account. Those funds were originally contributions that had been collected for the Algerian Revolution.

Boumedienne was also the target of an assassination attempt. In 1968 he was attacked by Lt Col 'Umar Mallah, one of al-Zubayri's officers, but Boumedienne escaped from that attempt as he did from another one in which he was slightly wounded. That last attempt on his life was made [shortly] before he died.

Security measures in Morocco to protect the royal palaces have been strict ever since the aborted attempt that occurred early in the seventies. The Moroccan monarch escaped two attempts against his life, thanks to his intelligence, his quick thinking and his courage.

Ever since the current liberal policy was adopted, Morocco has experienced a long period of political stability, and the various supporting and opposing forces in the country have been engaged in dialogue.

The experience of Gen Mohamed Oufkir was a lesson for the regime which no longer concentrates all its powers and authorities in one person. At present King Hasan II has the confidence and the respect of those who support the regime as well as those who oppose it.

Measures for protecting the president in Syria are considered to be the strictest and the most scrupulous of security measures that are known in the world. This is because of the political violence operations that have pervaded the country in a few years. Almost 2,000 persons who support the regime and who oppose it were victims of this violence.

The presidential offices and the presidential residence in Damascus are surrounded by several battalions of personal bodyguards. Their members wear civilian clothing (a shirt and trousers); they carry Soviet Kalashnikov guns; and they make no attempt to hide those guns.

When President Hafiz al-Asad goes somewhere or attends a public celebration--something he seldom does now--the area where he is headed is surrounded before his arrival by large numbers of individuals from the numerous security agencies and by defense company battalions who are led by his younger brother, Rif'at al-Asad, who is personally responsible for the president's security and safety. None of the senior members of the party, nor anyone from its general membership or its militias is allowed to carry his own weapons while attending a celebration. Each one has to leave his weapon in a nearby place.

When the president enters or leaves a place, he is surrounded by several cordons of guards who form a physical barrier around him to protect him from any attempt to shoot a gun or use a hand grenade. As an extra caution trained sharpshooters are stationed at important corners in the balconies and on roof tops in the area where the president is found.

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In the street the Syrian president's motorcade moves very quickly. The motorcade consists of similar Mercedes cars with curtain-covered windows that make it impossible for those who accompany the president to know in which car he rode. Streets are usually closed to regular traffic long enough before the president moves so that security measures can be checked.

Bodyguards for President al-Asad are chosen with extreme care from his most loyal supporters and friends in his birthplace in the mountains of Latakia. They undergo rigorous security, combat and athletic training and they are subjected to numerous tests before they are assigned to this arduous and painstaking mission.

When President al-Asad visits an Arab country, the same measures are followed. A private Syrian airplane carries his armored car and a large number of his bodyguards and officers as well.

When President al-Asad was the minister of defense until the late sixties, he used to live in a residential neighborhood in an ordinary building in the middle of the Syrian capital. But he changed this after he became president in 1970. Protection measures now include the members of his family, beginning with his wife and extending to his youngest sons and daughters. Their comings and goings are surrounded by absolute secrecy and full protection.

But President al-Asad has nevertheless been the target of several assassination attempts ever since he held positions of power in 1963. The most recent and the most scrupulous such attempt was that which occurred on 26 June last year in the hall of al-Diyafah Palace [for guests]. He had gone to the palace to greet a visiting African leader, and as soon as he stepped out of his car, one of the military policemen who guard the al-Diyafah Palace accosted him and threw a hand grenade in his direction. But one of the [president's] bodyguards kicked the grenade while others pushed the president inside the armored car. The president suffered only minor scratches in his foot, but the grenade exploded at a distance and injured a number of attendants.

Afterwards during a chase in the streets around the castle, there was a machinegun battle between the guards and the attackers. The incident was not announced officially, but on the following day a mass elimination operation was mounted against the Muslim Brotherhood who were under arrest at the Tudmur detention camp in the desert. It was said that the number of victims amounted to several hundreds.

The files of Amnesty International in Paris and London include provocative details about torture and the disappearance of persons in Syrian prisons and detention camps for political reasons. These files indicate that a process of mass elimination occurred last April in the city of Hamah and in the rural areas around it in the middle of the country. This area is considered one of the principal strongholds of the opposition.

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It seems that after its failure to effect a reconciliation or a settlement with its political opponents in the last 2 years, the Syrian regime gave its agencies a free hand to eliminate its opponents politically and physically. These extremely severe measures succeeded in reducing the incidents of assassination and elimination that supporters of the regime are subjected to. However, the regime is still incapable of overcoming the crisis of its domestic isolation.

As far as the regime as a whole is concerned, there are troops designated for its protection, chief among which are the defense companies. Syrians estimate the numbers of those companies to be about 30,000 soldiers and officers. These companies surround the capital and the principal cities, and they form something close to a coat of armor for the ruling class. These forces are trained in urban combat and street fighting, and they are furnished with the most modern tanks, armored vehicles and individual weapons that are necessary for such action.

These forces are reinforced by security agency networks that utilize thousands of undercover detectives who are scattered densely in cities and rural areas. Last year these agencies showed considerable interest in expanding their mission to several states in the Gulf and in Europe so they can monitor the activities of the men of the Syrian opposition.

Those who accompanied Lebanese President Ilyas Sarkis on his recent official visit to Damascus say that the Syrian security measures which accompanied the arrival of President al-Asad to the subdivisions of the capital terrified and alarmed President Sarkis. Helicopters were hovering over the Shooting Club where the reception took place, while security men were densely and noticeably scattered among the statesmen, the politicians and the diplomats who had come to greet [the two presidents]. They were also scattered all along the road that runs from the club to the palace where the guest was staying.

Protection is not confined to President al-Asad only. There are similar measures to protect his brother and right-hand man Col Rif'at al-Asad. The case is the same with regard to the senior members of the regime. When Mr 'Abd-al-Halim Khaddam, deputy prime minister and minister of foreign affairs, celebrated the wedding of his daughter about 2 months ago at the Meridian Hotel in Damascus, the hotel was surrounded by several cordons of policemen and military police.

Inside the hotel civilians carrying "walkie-talkies" were scattered throughout the building, and machine guns were in place in the hallways and on the stairs. A number of those men scrutinized the invitation cards and the gifts that the guests brought with them, while the main halls in the hotel were cleared of hotel guests.

Mr Khaddam and his wife had been the target of an assassination attempt a few years earlier. While on their way to a Damascus summer resort, Mr Khaddam was attacked by two armed men riding a motorcycle. Ever since then motorcycles have been banned in Syria.

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Husayn: Fate and Divine Decree

Jordan has enjoyed stability and security since the early seventies. There, citizens--including about half a million Palestinians who immigrated to Jordan since the 1967 setback to live in the subdivisions of Amman and in Jordan's principal cities--have considerable respect for the regime and for discipline.

The Jordanian regime follows strict security measures. These measures become more intense when the regime enters into political battles with the other Arab countries, as was the case with Syria a few months ago. A group of Syrian officers and intelligence men who had been making plans for operations against senior Jordanian officials were arrested.

King Husayn smiles as he talks about the attempts that have targeted his regime and his life ever since he ascended the throne 27 years ago. Perhaps his most painful memories are those that take him back to the year when he was 16 years old when he saw his grandfather, King 'Abdallah, assassinated in Jerusalem. That day the young prince escaped certain death when a bullet hit a medallion that had been hanging on his chest. Ever since then the Jordanian monarch has believed in fate and divine decree. Security agencies, however, say, "That's fine, but extreme precautionary and security measures must nevertheless be taken."

Security measures have undergone considerable development in the Gulf where it is no longer possible to follow the elementary tribal and Bedouin methods that used to be utilized in protecting kings, tribal chiefs and princes. Today there are special devices, a royal or public guard, experts in security and protection as well as accurate electronic devices and equipment that are used in monitoring and guarding.

It is no longer possible to enter royal and public palaces easily since the late Saudi monarch, Faysal was killed in 1975 by a Saudi prince.

In Saudi Arabia there are several security agencies headed by princes. There is also a royal guard connected directly to the king. In addition, the forces of the National Guard, which are about 50,000 soldiers, undertake the task of ensuring protection for the regime. Most of the members of these forces are from the Najd tribes that are related to the royal family and are loyal to it. Most of these forces are stationed in the eastern area of the country. They are furnished with the most modern equipment, weapons and means of communication.

In North and South Yemen suffice it to say that three presidents have lost their lives in Aden and San'a' during the last 3 years.

Reagan Prohibited from Shaking Hands with Citizens

This is how things stand in the Middle East and in the Arab world, but what about protection for presidents and kings in the [rest of the] world?

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--In the United States where four presidents have been assassinated since 1865 and several others have been injured, most recently the current president, Ronald Reagan, unprecedented measures have been taken. When Reagan attended graduation ceremonies for West Point officers, 26,000 persons who attended the ceremony were examined closely. They were all examined by X-ray devices to ascertain whether or not they carried any weapons. The president was prohibited from shaking hands with any of them, and security men used binoculars to watch the spectators from a distance.

The U.S. president is usually guarded by a secret service staff that includes 812 soldiers and 740 undercover detectives; 25,000 suspicious men who are deemed dangerous to security are under constant surveillance.

--In Britain security for the royal family has been tightened ever since a young man fired empty shells on Queen Elizabeth's procession recently, alarming her and her horse. Her bodyguards carry U.S. Ingram guns as well as Israeli Uzi submachineguns.

In France President Mitterand is protected by hundreds of policemen. He travels in an armored car and is usually accompanied by four policemen who are champions in karate and target shooting. It is said that the late President De Gaulle had escaped 12 assassination attempts.

In the Soviet Union leaders do not usually mingle with the public, and they do not appear at public celebrations. Chairman Brezhnev escaped an assassination attempt in 1969 when he switched cars. His original car was penetrated by bullets from a machinegun that was fired by a Soviet officer while the president was on his way to the Kremlin.

Palace plots are no strangers to the Vatican. Of 264 popes, 30 were assassinated. The first pope who was assassinated was Peter; he was crucified by the Romans on one of the hills of the Vatican in 64 A.D. Pope Leo VI ordered the execution of a cardinal and the imprisonment of another number of monks who were charged with conspiring against his life.

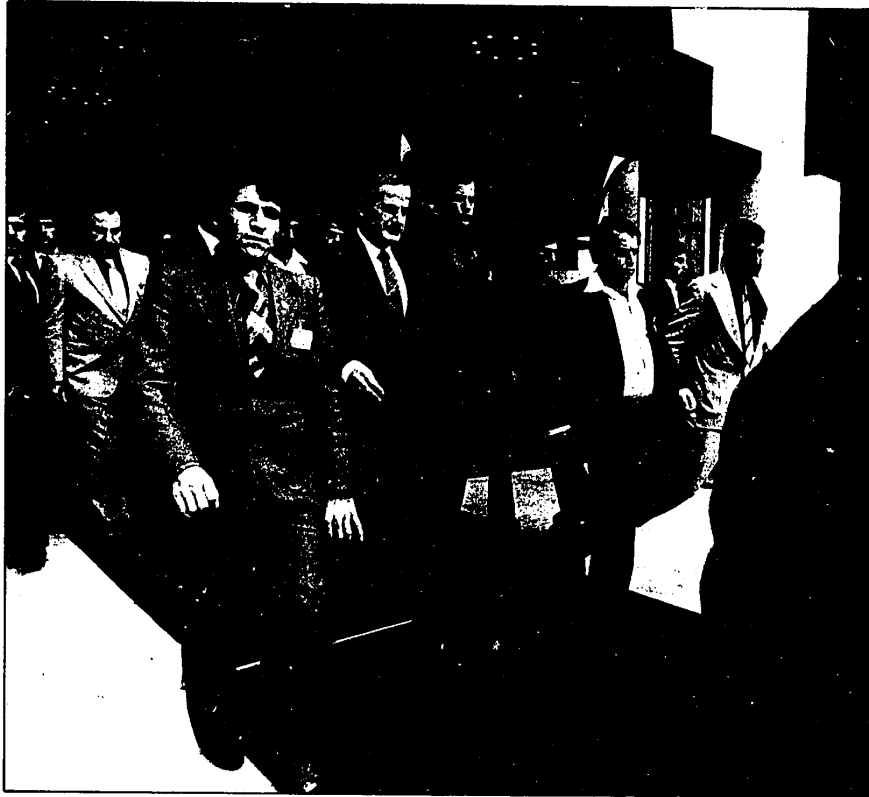
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President Sadat: Secret Service is constantly watchful

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President Hafiz al-Asad leaving his palace surrounded by 20 of his personal bodyguards.

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Col Mu'ammarr al-Qadhafi: surrounding guard of popular patrol.

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IRAN

BANI-SADR ANALYZES LATEST POWER STRUGGLE

Paris JEUNE AFRIQUE in French No 1075 12 Aug 81 pp 20-23

[Report by Serge Gozlan: "Khomeyni is not immortal"]

[Text] A Boeing aircraft of the Iranian Air Force landed at the French military airport of Evreux on Wednesday, 29 July, at 4:30 am. At the controls: Col Behzad Moevi; on board, two famous passengers: Abolhassan Bani-Sadr, the first president of the Islamic Republic of Iran, deposed since 22 June, and Mas'ud Rajavi, chief of the Iranian people's Mojahedin, an Islamic-leftist guerrilla movement.

French authorities were notified several hours beforehand by the Paris branch of the Mojahedin, which alerted the Socialist Party. Four hours after the plane landed, Messrs Bani-Sadr, Rajavi, Moevi and one of their friends were officially admitted into France as political refugees. In return, the four exiles agreed to refrain from all political activity on French soil.

Advantages

As soon as the news broke in Iran, tempers flared. Several hundred demonstrators converged on the French embassy with cries of "death to Bani-Sadr, death to Mitterrand." But for the time being, they have gone no further than these symbolic demonstrations. Actually, it was not without some relief that Islamic leaders learned of the former president's escape.

An official warrant for his arrest had been issued. Two of his closest associates had been arrested a few days before. "His crimes will earn him a triple death sentence," the revolutionary public prosecutor announced. Nevertheless, the arrest, trial and almost certain execution of the man who was considered the "spiritual son" of Imam Khomeyni for nearly 30 months was a difficult matter.

On the other hand, the escape and exile to France of the man who, 3 weeks earlier, had announced that he would never leave Iran, provided excellent arguments against the "new shah" who had sought refuge in the country of his "foreign masters." The presence of Mas'ud Rajavi at his side--although Islamic justice would have undeniably had far fewer qualms about putting him in front of a firing squad--also offered some advantages.

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The Pious Man

The departure of the best known leader of the people's Mojahedin was a severe blow to the mythical invincibility of the guerrilla movement, only a few dozen of whose supporters the various Islamic police forces have so far been able to arrest--in order to put them to death immediately. These are some of the reasons for Tehran's leaders to ultimately consider this affair a new "victory" of the "third" Islamic revolution, which began in mid-June.

The first revolution was the one that expelled the shah and installed Imam Khomeyni in power. With the second revolution, which began with the assault on the American Embassy in Tehran on 4 November 1979 and the taking of the hostages, the Islamic government got rid of the "liberals," "democrats" and other "middle-class laymen" who, by "taking advantage" of the weaknesses of Mr Mehdi Bazargan's interim government, tried to "seize control" of the revolution.

It was during the "second" revolution that Abolhassan Bani-Sadr, who had until then remained on the sidelines, was made head of the Revolutionary Council before being elected president of the republic by nearly 11 million votes on 25 January 1980.

Eighteen months later, it was Bani-Sadr who bore the brunt of the third revolution. This time it was no longer a matter of ending despotism or imperialism, but of fully achieving the velayat-e-faghih (the rule of theologians), the perfect Islamic state, as theorized by Ayatollah Khomeyni during his long Iraqi exile, the return to original Islam, that of Mohammed and Ali, the cousin and son-in-law of the prophet and the first Shi'ite imam. Under the enlightened and infallible leadership of the faghih--today Imam Khomeyni--the law of Islam would be established throughout Iran.

This would include everything, from the organization of institutions to conduct in daily life. The new society's human ideal is the maktabi, the pious man, whose thoughts, words, clothing and even his physical appearance--he is forbidden to shave--conform to Shi'ite moral standards. The men called on to occupy public office must, a fortiori, be perfect maktabi. The Islamic Republican Party [PRI] therefore nominated Prime Minister Mohammed Ali Rajai as its candidate for president of the republic to replace Bani-Sadr.

This 48-year-old elementary schoolteacher is totally different from the deposed president. Mohammed Ali Rajai has never been out of Iran and speaks no foreign language. He has experienced the shah's prisons and SAVAK torture. His enemies consider him ignorant and second-rate, to which the Islamic leaders reply that a good and faithful man is worth more than "a million experts."

Refusal

Imposed by the Islamic Republican Party on Bani-Sadr, the latter agreed to sign the decree appointing Rajai prime minister only after endless negotiations. The president subsequently refused to confirm the appointment of several ministers, including the minister of foreign affairs. It was this last, constant refusal which set off the explosion, forcing Imam Khomeyni to intervene personally to repudiate his protegee.

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On the eve of the Iranian revolution, Abolhassan Bani-Sadr was almost unknown to the general public. He was part of Khomeyni's immediate circle of associates, however, the third figure in a lay trinity which also included Ibrahim Yazdi and Sadegh Ghotbzadeh. Following the revolution's triumph, Yazdi, who set up Khomeyni's committees and founded the corps of Revolutionary Guards, entered Mehdi Bazargan's interim government as deputy prime minister and later minister of foreign affairs. Sadegh Ghotbzadeh, as head of Iranian radio and television, "islamicized" audio-visual news services with an iron hand.

Triumph

Bani-Sadr refused to accept any official position. As a member of the Revolutionary Council, he devoted all his time to agitation and propaganda, disclosing his theories of Islamic economics in endless speeches in mosques and factories.

The seizure of American diplomats as hostages sounded the death knell for Yazdi's political career. Following a period of several weeks in the Ministry of Foreign Affairs, Ghotbzadeh's last hopes crumbled with the 1980 presidential elections, in which the former television boss received only a few hundred votes. It was Bani-Sadr's hour of triumph.

A short-lived triumph. Less than 3 months later, the Islamic Republican Party, led by Ayatollah Beheshti, got its revenge at the time of the parliamentary elections, obtaining an overwhelming parliamentary majority. The political conflict between the various factions fighting for power became an institutional conflict. It would require 1 and ½ years to be settled.

On 10 June, the imam rescinded Bani-Sadr's command of the armed forces; on 20 June, the Majlis--parliament--voted to depose the president, a decision ratified by Khomeyni on the following day. Bani-Sadr was only a wanted fugitive from that time on. His supporters, who had tried one last time to demonstrate in the streets on 20 June, were massacred by the hezbollahis--the "followers of God"--under the supervision of the Islamic militia.

Executions

Since going into hiding, the former president has announced the formation of a national council of resistance with Mas'ud Rajavi and the people's Mojahedin. Supporters of the guerrilla movement have been arrested by the dozens, sentenced immediately and shot following trials which lasted sometimes less than 1 hour.

An explosion of terrorism has followed the wave of executions. Not 1 day goes by without the pasdaran--guardians of the revolution--being struck down by assassins on small motorcycles. Government officials have not been spared.

Escalation

On 26 June, Hojatoleslam Khamenei, the "imam of Friday," was seriously wounded in Tehran by the explosion of a booby-trapped tape recorder placed on his desk. Two days later, the building housing the Islamic Republican Party's headquarters collapsed, just when a meeting of the party's entire leadership was beginning. Seventy-four

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bodies were removed from the rubble, including that of the all-powerful leader of the party, its general secretary and president of the supreme court, Ayatollah Mohammed Beheshti.

But the escalation of violence and terror did not prevent the presidential elections from being held on the scheduled date of 24 July. There was obviously no doubt that Mohammed Ali Rajai would be elected. The figures furnished by the Islamic authorities, 16 million votes with more than 13 million in favor of Mohammed Ali Rajai, also cannot be verified.

The few foreign journalists still allowed to work in Iran have been able to determine, at least in the case of the 1,964 polls opened in the capital, that public enthusiasm was more than moderate and that mobilization of voters was decidedly less than that of the security forces assigned to make sure that operations ran smoothly. There was relative safety, however: on that election Friday, assassination attempts throughout Iran resulted in 13 deaths.

Be that as it may, Mohammed Ali Rajai is now president of the republic and even if his role is highly symbolic, in accordance with the constitution, this election completes the acquisition of power in Iran by the loyal followers of the "imam's policy" and under the wing of a party with supreme authority, they have access to all institutional machinery and almost unanimous parliamentary support.

Survival

But there are a few flies in the ointment. Two and ½ years of revolutionary turbulence, aggravated by domestic conflicts and, for nearly 1 year, by the war with Iraq, has drained the Iranian economy dry. If the official unemployment figures vary according to the source, the experts estimate that in reality nearly 80 percent of the employable population is today jobless, which includes those unemployed during the previous government, workers and clerks put out of work by the closing of factories, building sites or offices, or employees of companies now operating at barely one-fourth or one-fifth of their capacity.

If a foreigner in Iran notes that stores and markets are packed with goods and that nothing points to imminent shortages or poverty, the Iranian consumer is less optimistic, since in recent months he has watched the prices of several basic foodstuffs climb by 300 to 500 percent.

The purchasing systems established by mosques or certain public agencies, which resell basic products at cost price in "Islamic" stores, have of course spared the poorest classes from the immediate consequences of spiraling prices. The incomes of broad sections of the rural population have actually gone up as a result of the systematic stimulation of agricultural production to offset the reduction of food imports and a number of estates left uncultivated are being irrigated again, but these partial measures are expensive and permit only a precarious survival.

Bankruptcy

Foreign specialists estimate Iranian crude-oil exports at 1 million barrels/day on the average, or one-sixth of what they were at the end of the former government

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and with a much less favorable oil market. This is just enough to finance purchases of arms and essential food imports. Bankruptcy is threatening third-revolution Iran.

This is not the only danger which the Islamic leaders must face. The war with Iraq, more or less stabilized on the southern front, is continuing in the west: a moderately bloody positional war during this torrid summer, but one which has immobilized considerable men and resources after destroying dozens of villages, wiping out two refineries--including the one at Abadan, one of the largest in the world--and causing the exodus of 1.5 million refugees.

Optimism

There are domestic conflicts in addition to the foreign war. Armed dissidence has apparently resumed in Seistan-Baluchistan; the fighting in Kurdistan has never stopped. The radio stations of emigre opponents, broadcasting from the borders, report rebel troop movements in the northwestern part of the country under the leadership of former generals of the shah, but in this instance it is very hard to distinguish between wishful thinking and truth.

In spite of everything, the government is optimistic and serene. After appointing a government which should be led by Mr Bahonar, Ayatollah Beheshti's successor as head of the PRI, Majlis members will examine a proposed Islamic penal code which will make lex talionis the basis of Iranian jurisprudence: a further step in the total Islamization of Iranian society.

The undeniable popularity of the people's Mojahedin among the "modern" classes of Iranian society, and indeed among some more traditional sectors, is still very far from offsetting the imam's influence over the lower classes, roused to fanaticism by the mullahs, who organize the more or less informal reactions of the hezbollahis, the "followers of God" who do not hesitate to use clubs, knives or even guns against opponents.

An internal opposition that is persecuted and deprived of its leaders and an external opposition divided among royalists, supporters of former Prime Minister Shapur Bakhtiar, Islamic and Marxist leftist groups: nothing which indicates, at least in appearance, the impending destruction of the "mullarchy."

Since going into exile in Paris, Bani-Sadr will have a lot to do to make a political future for himself. Permanently cast out of the Islamic-Khomeyni orbit, the former president is hardly popular among the lay opposition, which blames him for covering up, as a result of selfish motives, incompetence or weakness during the 1.5 years of his presidency, the intrigues of the clerical dictatorship which he denounces today.

Conflicts

But the serenity of Tehran's leaders is nevertheless uncertain. They will not be able forever to channel the population's satisfaction or frustration onto scapegoats: after the shah and Bakhtiar, Bani-Sadr; after America, France

The revolutionary government's proclaimed unity on several basic slogans--"the imam's policy," "neither East nor West"--is not without flaws, either. Factions, groups

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and cliques within the PRI are in more or less underhanded confrontation and not everyone is unhappy over the sudden disappearance of Ayatollah Beheshti, who was considered "pro-Western" but was particularly accused by some of his peers of wanting to preempt all the power.

The clergy itself is becoming more and more openly divided between "conservatives" who are more concerned about order and getting the economy moving again and "radicals" preaching permanent (Islamic) revolution to benefit the "underprivileged." But for the most part, these conflicts are taking place in the shadow of the immense power of one man, ordered by God to lead the revolution. "Allah-o-Akbar, Khomeyni rakhbar," God is great, Khomeyni is our leader, the Iranian crowds repeat endlessly, perhaps to forget that God has endowed the imam with all qualities except one, immortality.

Two "Survivors" out of 16

Let us recall the date of 1 February 1979. By the force of rhetoric alone, an indomitable old man had just overthrown one of the world's worst dictatorships, supported by the United States: emerging from 14 years of exile, Imam Khomeyni landed in Tehran, in the midst of the wild fervor of an entire nation.

Five of his loyal followers were on board the plane which flew him from Paris to Tehran. Eleven others were waiting for him at the airport. Each of these 16 men would be appointed to the highest offices in the revolutionary new Iran.

What has become of them 30 months later? The results are devastating. In terms of their scale and in so short a time, they are as devastating as the results of the Stalinistic purges which wiped out almost all of Lenin's comrades in the 1930's.

On Khomeyni's plane were: Abolhassan Bani-Sadr, his "spiritual son," who would become the first president of the Islamic Republic. Deposed and threatened with death, he has just taken refuge in Paris. Sadegh Ghotbzadeh, the future minister of foreign affairs, ousted from his post and reduced to silence. Ibrahim Yazdi, deputy prime minister prior to being appointed diplomatic chief, today in disgrace and believed wounded. Abbas Amir Entezam, also deputy prime minister, assassinated. Mostafa Shamran, minister of defense, killed in the war against Iraq.

As for the "11" at the airport: 4 were killed in the attack in Tehran--Ayatollahs Beheshti, Botaheri and Bofateh, plus Majlis member Mohammed Montazeri. Ayatollah Taleghani died of a heart attack. Ayatollah Shari'atmadari, the Azerbaijani leader, is under house arrest. Former Prime Minister Mehdi Bazargan and Karim Sanjabi, the leader of the National Front, have been divested of all authority.

Ayatollah Khamenei, the intellectual leader of the "Islamic students," is in the hospital. Only Ayatollah Khalkhali, the formidable prosecutor of Islamic courts, and Hojatoleslam Rafsanjani, president of the Majlis, have survived.

Two out of 16 ... and it will be noted, of course, that several of these men were not victims of the government, but of its opponents. This is true: but what so enraged these "opponents," almost all of whom were in the forefront of the fight against the shah?

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LIBYA

ANALYSIS OF RECENT AGRICULTURAL DEVELOPMENT, HISTORICAL PERSPECTIVE

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Article by Konrad Schliephake

Text

Introduction

The agricultural sector in the Socialist People's Libyan Arab Jamahiriya is a good example of developmental constraints in an arid zone country, rich in capital but poor in natural resources. The relative inelasticity of these resources, rising food demand through population increase and changes in consumption patterns all have to be met with huge investments. The rise of the index of agricultural production from 100 (1969-1971) to 206 in 1978 point to some success for the government's policies.

Historical Development — From Antiquity to the 20th Century

Libyan agriculture has followed the ups and downs of the country's history. In the first centuries A.D., Libya was supposed to be one of the granaries of the Roman Empire, with wheat and olive oil exports feeding as much as 2.5 to 3.5 million people.¹ With the climate remaining more or less unchanged since, the following reasons may be suggested for this earlier high level of production:

- Political security without antagonism between peasants and nomads;
- More dense vegetation with patches of forest implying a more favourable micro-climate;
- Extended use of surface water through dams, cisterns and shallow wells;
- Slaves as cheap labour, undisturbed transport circuits, economic integration throughout the Mediterranean World.

With the decline of the Roman Empire in the 4th and 5th centuries and the expansion of nomadism, sedentary agriculture was restricted to parts of the coastal strip and around the major cities. The intrusion of the Eastern Arab tribes of Beni Hillal and Beni Sulaim in the 11th century virtually wiped out sedentary agriculture outside the oases, except for irrigated areas around Tripoli and Benghazi and for the orchards of the Tripolitanian Jabal.

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The reasons for this marked decline of Libyan agriculture may be more varied and may not be exclusively attributed to the advance of nomadism. In fact, production and demand were well in balance allowing the country in the 19th century to export small quantities of barley and cattle. European explorers² stated that the Tripolitanian Jifara was more fertile and productive than generally believed. Population data for 1917 (the first available) showed 755,000 Libyans (only 25% in Cyrenaica), of which 65% were settled, 19% semi-nomads and 16% nomads. No data on agricultural activities are available, but the balance between food supply and demand remained unchanged.

From Italian Colonisation to the Oil Boom

It is not known whether this 'harmonious equilibrium' between population and resources really existed or was just the typical outward image of subsistence economy. In any case, Italian colonisation from 1911 onwards changed the picture completely. Besides strategic and emotional reasons, the main goal of Italian imperialism was to resurrect an agriculture up to ancient Roman standards³. From 1925, the area of Italian 'pacification' extended beyond the major cities, and the state gave farmland to large, publicly owned agricultural enterprises. In a second stage, from the middle of the 1936's, a policy of 'demographic colonisation' aimed at settling landless peasants, especially from southern Italy, as an outlet for a presumed population pressure.

In 1940, 227,977 hectares of arable land (out of a total of approximately, 600,000 ha) belonged to Italians. This land was farmed by companies as well as by 3,900 individual farmers part of the demographic colonisation. Although self-sufficiency was a major goal besides the production of cash-crops (peanuts, olives, grapes) this was not achieved, and by 1939 about half of the 110,000 tons of wheat consumed annually had to be imported.

The withdrawal of the Italians left a typical agrarian dualism. About half of the cultivated surface was exploited by the traditional sector. The other half was used by the remaining Italian farmers (in Tripolitania up until 1970) and the National Agricultural Settlements Organisation which replaced the colonial companies. In the 1950s, all attempts to re-vitalize the stagnant production, and to reinstate settled agriculture in Cyrenaica, failed in spite of considerable support from international agencies.

In the liberal economy of the Senussi kingdom the oil boom with the first strikes in 1957 and the start of exports in 1961 had a negative impact. Non-agricultural sectors drew manpower away and production costs rose. Cheap food imports competed successfully with local products. In such a situation, nobody was willing to invest in the agrarian sector whose output (at constant prices) stagnated at 21 mill.LD between 1958 and 1967⁴. In 1964, 35.7% of the economically active population were still in agriculture, which contributed only 3% to the Gross Domestic Product.

Agriculturally Productive Areas

An agricultural survey was carried out in 1960 and gave a useful insight despite its deficiencies⁵. More recent figures are based either on this survey or on individual investigations. The historical division of the country into the

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three regions of Tripolitania, Cyrenaica (Arab.: Barqa) and Fezzan remains valid for agricultural regions.

In addition to this tripartition, one should be aware of the geographical isolation of the producers. The dispersion of productive locations or 'oases' (in the geographical and economic sense of the word) is a typical feature and further impedes the promotion of a modern agriculture based on the division of labour⁸.

Of the three regions, Tripolitania has always been the most prominent. In 1972, the *Governorates* of Tripoli and Zawiya produced between them 42% of all cereals, 97% of tomatoes and 98% of citrus fruits⁷. Tripolitania contained 78% of the arable land (in 1960), as well as 87% of the irrigated area (1960 total: 120,590 ha), as ground water was available. A coastal strip of approximately 100 km by 15 km between Khums and Tripoli receives more than 300 mm of rain annually, as do about 1,600 km² in the northern fringe of the Tripolitanian Jabal. These areas and another 11,400 km² which receive between 200 and 300 mm of rainfall appear suitable for rainfed agriculture (including permanent pasture), although high production risks are involved with the marked variability in annual rainfall.

Cyrenaica contains 21% of the arable land, but only 1.3% are irrigated. 385,000 ha of original forests are generally degraded to *macchia* and used as pastures. Although the terra rossa soils in some parts of the Jabal Akhdar are rather fertile, the calcareous rocks with their karstic phenomena prevent the formation of ground water layers. Apart from some karst springs, water is generally scarce, but rainfall may attain as much as 600 mm. The oases of the Fezzan, until recently, produced hardly any marketable surplus, and had a minimal share of both arable land (all irrigated) and production. However, as we will see below, this situation is changing rapidly.

The present cultivated area

Estimating the amount of arable and cultivated land is not an easy task, and figures put forward vary widely⁹. The agricultural census of 1960 gave an area of 3,868,700 hectares as belonging to agricultural holdings. Among them, 975,995 ha were cultivated by rainfed agriculture, and another 184,000 ha were irrigated. An additional 63,226 ha were declared as forests.

The 'Economic and Social Transformation Plan' (1976-1980) reports an agricultural area of 719,000 ha (1975) which was to be extended to 1,076,000 ha in 1980. Of these figures 168,000 and 268,000 ha respectively were irrigated. On the other hand an agricultural survey at the end of 1976 gave a total cultivable area of 1,609,588 ha of which 282,250 ha were irrigable⁹.

It seems realistic to assume that about 3.5 million ha are useable for agriculture in one way or another including permanent pasture. This corresponds to a newspaper statement¹⁰ that agricultural projects covering 3 million ha are in progress. 1 million ha are actually cultivated (half of which are under fallow) and another 200,000 ha are irrigated lands (one third being fallow) with yields 3 to 5 times higher than those under rainfed conditions. Thus, only 1.2 million ha or 0.7% of the country's surface are in fact cultivated.

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The Socio-Economic Importance of Agriculture

Agriculture provides, besides services, the means of livelihood for the major part of the population. In 1973, of the 541,192 inhabitants of more than 10 years reported to be economically active, 22.8% were engaged in the primary sector (agriculture, forestry, fishing), only producing 2.7% of the GDP (or 5.4% if the oil sector which only employs 2% of the labour force is omitted). That share of the (non-oil) GDP is supposed to remain constant, according to the Development Plan (Table 1).

TABLE 1 - CONTRIBUTION OF AGRICULTURE TOWARDS GROSS DOMESTIC PRODUCT

Year	1972*	1973*	1974*	1975**	1976**	1980**
GDP total (excl. oil) in million LD	837.0	1000.1	1195.1	1747.4	2035.7	3385.2
Share of agriculture in %	5.2	5.7	5.2	4.8	5.0	5.2
Average annual growth rate of agricultural production	← 20.0* →			← 15.8** →		

* realized constant 1972 prices
 ** planned constant 1974 prices

Source: Economic and Social Transformation Plan 1976-1980

The importance of the agricultural labour force will grow to 158,000 persons in 1980, when it will have a 17% share of the total¹¹. Table 2 shows the developments from 1964 to 1976.

TABLE 2 - PERSONS EMPLOYED ALL SECTORS AND THE PRIMARY SECTOR

Year	1964		1973		1976	
		A		A		A
Employed persons*	405,258	4.3%	541,192	21.8%	691,200	32.5%
Employed persons in Primary Sector	144,853	0.9%	123,471	10.0%	145,110	13.2%**

* In 1964 employed persons over 6 years of age were counted; in 1973 and 1976, persons over 10 years of age.

** 1975

A - Share of foreigners

Source: Federal German Statistical Services

A survey at the end of 1976 even gave a figure of 169,958 peasant holdings, 74% of which were in Tripolitania. All evidence shows that, during the last 20 years, the number of farmers has remained stable. Birks and Sinclair have explained why a large number of Libyans remain in the traditional sector. The cash income they need to sustain their improving living standards is largely derived from non-wage sources such as social security benefits for children and for their education and remittances from relatives working in the modern sector, a typical situation in oil-rich countries. However, this prevents a rapid modernisation and shift towards higher productivity. As explained in the following

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paragraphs, linkages between the traditional and the modern sector are few and the dualism inherited from colonial times persists.

Three types of agricultural producers can be distinguished at present:

1) **Traditional peasants**, who are capital-extensive and were formerly labour-intensive. Their structure of production and land ownership shows all grades of transition between individual and collective systems, and from sedentary to semi-nomadic (20% of all peasants) and fully nomadic ways of life. In the 1960s, the system of land ownership was regarded as the main constraint on development. Only irrigated land could be claimed as individual property (*melk*). All other land was collectively owned, the individual only having a right of usufruct. Today, most of the producers remain on a subsistence level, producing few or no cash crops. Most attempts to modernize the sector from within have failed so far. There has been a social and geographical shift of labour to the modern secondary and especially tertiary sectors which, in turn, hardly influence agriculture positively. The rising demand is met rather with imported goods of higher quality and often lower prices¹². The future of the traditional sector thus seems uncertain. No impulses come from within, pension type incomes distributed by the state tend to stabilize it and the new farms proposed to the peasants are often not attractive enough to induce their mobility.

2) **The modern private and co-operative sector**

As successors to Italian settlers Libyan entrepreneurs managed modern, capital-intensive and cash-crop oriented farms in those regions favoured by natural conditions. The trend towards absentee landlordship, with skilled managers running farms with predominantly foreign (Tunisian, Egyptian) manpower, has been slowed down by a law promulgated in May 1978. According to the Green Book slogan, "partners not wage workers" and "the house to whom it houses", Libyan tenants and workers are free to take over such farms, but this law does not apply to foreign workers.

On the other hand, the co-operative sector (1979:210 agricultural co-operatives) has shown quick development, as all peasants who benefit from the redistribution of land and farms have to be members¹³. No figures are available which distinguish between the two sectors, but it is estimated that about half of the agricultural surface (but normally the poorer soils) belongs to the traditional sector.

3) The state itself runs some of the farms formerly belonging to Italian companies, as well as the new projects in the Kufra and Sarir regions (see below). This amounts to about 10% of the agricultural surface. Common to both parts of the modern sector is the shortage of manpower, as hardly any shift from the traditional sector is taking place. Already by 1975, 13.2% of the 133,100 persons then employed in agriculture were non-Libyans, and the figure is expected to rise further. To implement the Development Plan (1976-1980), 157,145 skilled/semi-skilled and 76,615 unskilled additional workers are needed, of whom only 84,350 and 4,300 respectively can be supplied by the Libyan population. Of the 140,110 foreigners thus needed more than one fifth will be absorbed by the modern agricultural sector¹⁴.

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Production and Self-Sufficiency

Natural conditions and backward production methods in the traditional sector combine to produce low yields which, for the main crops in 1972, wheat and barley, attained only 3.8 and 7.1 quintals per hectare respectively. The lack of skilled labour in the new farms, administrative problems connected with the modernisation of agriculture, and natural hazards such as increasing soil salinity have since contributed to a stagnation of yields. However, with irrigation and the extension of the area cultivated, a substantial growth of production has occurred since 1970, as shown in Table 3:

TABLE 3 - DEVELOPMENT OF AGRICULTURAL PRODUCTION

Year	1960	1965	1970	1973	1975	1977	1980 (Plan)
Area cultivated in '000 hectares	976*	...	...	...	719	...	1076
Area irrigated in '000 hectares	120	...	125	130	168	...	268
Production ('000 tons) of:							
Wheat	34	57	21	67	107	205	336
Barley	117	96	53	205	200	235	245
Vegetables	71	114	170	293	620	707	825
Fruits	...	...	140	99	130	155	255
Olives	33	101	71	149	120	128	...
Meat	20	...	25	25	46	59	98
Poultry (million heads)	...	0.6	1.2	1.3	1.4	4.5	26

* figure not comparable. Source: Federal German Statistical Services. Libyan sources.

However, the more recent figures need some interpretation. On the one hand, they show a high variability which is partly due to structural changes, but also to the influences of an erratic climate. On the other hand, different figures have now been put forward by other sources¹⁵, suggesting that production in 1978 only attained the following levels (with provisional figures for 1979 in brackets):

Wheat: 98,000 tons (145,000); Fruits: 170,000 tons
 Barley: 90,000 tons (100,000); Meat: 50,000 tons
 Vegetables: 560,000 tons

In 1976 food production in Libya was evaluated at 100 million LD, while food imports totalled 164 million LD. The targets for the Economic and Social Transformation Plan suggested the following degrees of self-sufficiency for 1980.

- Barley, vegetables, eggs and milk: 100%
- Fresh fruits: 92%; Wheat: 74%; Meat: 78%
- Olive oil: 54%

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With a *de facto* consumption of, for instance, approximately 350,000 tons of wheat in 1980, these goals have obviously not been attained.

Concepts and Developments since 1969

This heavy dependence on agricultural imports is not a financial problem for a country like Libya whose oil income in 1979 was about \$15 billion or about \$5,000 per head. But the dependence on imports may become dangerous when the 'oil age' is over and still agriculture remains underproductive. At present levels of oil production, this could be the case in only 35 years.

The 'Ten Year Plan for Agricultural Development', 1973 to 1982, has proposed a first outline of the necessary 'Green Revolution' and has stressed the following problems of Libyan agriculture:

—in the modern sector these are the lack of skilled manpower, the large distances between producers and markets, the insufficiency of marketing structures; and the heavy competition from foreign products;

—in the traditional sector the same negative factors exist, together with a lack of investment capital and the loss of more qualified manpower to non-rural activities.

Pre-revolutionary Libya was rather helpless in the face of these problems. The already huge oil income was used to finance imports and to raise the general standard of living, instead of being invested in the primary and secondary sectors. Certainly, in 1963 a National Planning Council was created and this presented the Five Year Development Plans 1963-1968 (extended to 1969), and 1968-1973 (started and cancelled in 1969). But these plans were a collection of rather heterogeneous projects, with agriculture having a minor share of 10.4% and 13% respectively.

It was realized only after the revolution of 1st September 1969 that the oil resources were subject to depletion and that the survival of Libyan society at the current high standards of living had to be secured.

This would need a high self-sufficiency in agricultural products. Also, the inflated services sector and the ever growing mentality of rent receivers¹⁸ should be replaced by a production-oriented society. To achieve such a long range goal, the main strategies proposed were:

—the introduction of modern production techniques leading to a gradual change from traditional to modern sector approaches.

—the extension and intensification of the cultivated area, i.e. the more intensive use of available land through mechanization, irrigation and fertilization and the cultivation of additional lands, generally also to be irrigated.

The following actions were therefore taken:

—the allocation of sufficient funds for major projects within the Development Plans;

—the provision of subsidies and soft loans to peasants for the purchase of machinery, seeds and buildings;

—the foundation of co-operatives for production and marketing;

—the buying up of local products at subsidized prices;

—the promotion of scientific research to improve knowledge of water resources, soil and climatic conditions.

Table 4 shows the state's investments in agriculture:

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TABLE 4 - SHARE OF AGRICULTURE IN THE DEVELOPMENT BUDGETS

Fiscal Year	Funds provided for agriculture in million LD	Share of agriculture in the total budget
1971*	50	25%
1972*	64	17%
1973*	63.9	20.9%
1974	164.3	23%
1975	230.9	20.8%
1976	271.9	19.4%
1977	279.7	18.4%
1978	337.4	18.9%
1979**	358	18%
1980**	432	18%

*Starting 1st April

**Plan data

Source: Federal German Statist. Services; div. Libyan.

The Economic and Social Transformation Plan 1976-1980 had originally earmarked 1.23 billion LD (17.5% of the total) for agriculture (Agrarian reform, integral agricultural development, dams and water resources, nutrition and marine wealth)¹⁷. This amount has steadily increased since, and in 1978 it attained 9.25 billion LD in total with 1.665

billion LD for agriculture.¹⁸ Additional funds are provided by the ordinary budget, where the agricultural administration spent 21.5 million LD in 1978. Since the revolution, agriculture has always been the largest single receiver of public investments. The astonishing growth of the sums available is illustrated by the fact that the sum of 700.7

million LD earmarked for the 'Ten Year Development Plan for Agricultural Development' (1973-1982) was only 42% of the amount provided for the period 1976 to 1980.

However, only 70% to 80% of the funds available during the last plan were actually spent. As in other oil-rich and sparsely populated countries, the capital absorption capacity is lower than the financial capabilities of the State.

A Survey of Recent Projects

Press reports have pointed out that 103 agricultural projects covering 3 million hectares are under way¹⁹. On the other hand, the 'Committee for Improvement and Conservation of Soils' made a survey of all recent projects, which has been supplemented by informational leaflets on the local level.²⁰ The goal is to provide each Libyan farmer formerly in the traditional sector with a complete new farm, built according to the most modern technologies. Its size and equipment should provide its owner with an income equivalent to that in the modern secondary and tertiary sectors. Additional investments will be covered by subsidies (up to 80% of the total) from the Agricultural Bank. In fact, the Development Plan, 1976-1980, has allocated nearly 10,000 LD to each farmer. The regional survey (Table 5) and Map 1 show projects in all parts of the country where natural potentiality has been detected. The relatively low figures for Tripolitania (Jifara-plain) result from the fact that a considerable amount of arable land is already cultivated by modern farms there. The rate of achievement, however, is not always adequate, especially when cereals production is considered. For example, in Fezzan, by the beginning of 1979 only 30% of the new farms had been distributed to peasants and the Government had met difficulties in finding suitable Libyan applicants.

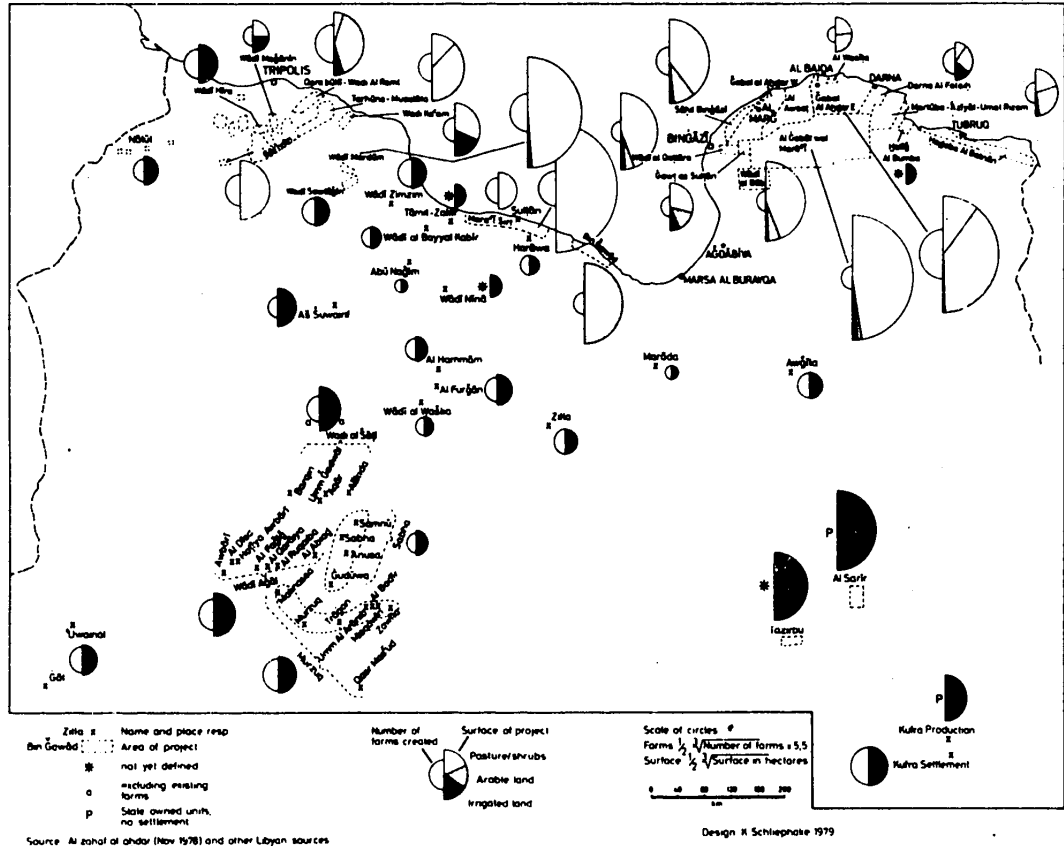
The Kufra and Sarir Projects

The most spectacular agricultural projects in Northern Africa are certainly those of Wadi Kufra and the Jalū depression, in the desert South of the country.²¹ Since the dessication of the Sahara, terminated around 6,000 BC, the isolated oases existing there are surrounded by hyper-arid, hostile desert. Kufra received, in 23 years, a total of 68 mms

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of rainfall, and average temperatures range from 38°C in August to 13° C in January. The maxima are around 50° C, while the lack of water and vegetation makes frosts possible in winter. The soils are sandy with a low clay content (3.5%), without humus or other nutritive components but, if water and fertilizers are applied, almost everything can be grown.

Agricultural Projects in Libya, Development Plan 1976 - 1980



During oil exploration, at the beginning of the 1960s, major ground water supplies were found in the Nubian sandstone sediments. Their volume is estimated at 2,000 km³ in Kufra and 15 km³ in the Jālū-depression, sufficient to irrigate 100,000 ha for 900 years and 2,000 ha for 400 years in these respective localities. The ground water level is 35 to 80 m below the surface and the water only contains respectively 2% and 5% of solids.

Due to these positive factors the American Occidental Oil Company decided, in 1966, to establish an agricultural project. The Kufra Agricultural Company, created by the Libyan Government, took over in 1969 and since then has developed the scheme and additional areas for large-scale state farms.

1) The Kufra Agricultural Project, the starting point in the region's development, covered, in its first stage, 10,000

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TABLE 5 - AGRICULTURAL PROJECTS DURING THE 1976-1980 DEVELOPMENT PLAN

Region	Area according to the Plan		Total area (a+b)** ha	ready by October 1978 ha	cultivated in 1977 ha	Number of new farms (a+b)	of which distributed by October 1978	Cereals Production 1977/78 (Wheat - Barley) tons	Average size of farm for a) rainfed agriculture b) irrigated agriculture ha
	a) rainfed agriculture ha	b) irrigated ha							
Gifara- Plain	390,797	18,923	509,720	269,274	62,298	5,301	2,019	6,486	a: 30-45 b: 10-11
Gabal al Ahdar Fezzan	528,949	14,590	543,539	242,518	161,244	3,651	1,915	47,493	a: up to 150 b: 10-12
Kufra-Sarir	—	20,615	39,610	13,173	1,927	1,711	226	3,618	12
Al Saltl al Hadra (Syrte)	—	7,150	97,150**	15,338***	9,938**	1,164	480	13,853**	b: 5-6.5
Total	405,567	13,845	422,448	136,213	6,195	5,064	1,450	724	a: 15-280 b: 5-7
Total	1,325,313	186,453**	1,612,467**	676,516**	241,602**	16,891	6,090	72,174	

* Projects finished prior to the Plan
** including Kufra and Sarir Projects

Source: Al-zahaf Al-akhdar, Tripolis, November 1978

hectares East of Al Jawf oasis. 100 deep wells (200 to 400 m), were drilled 1 to 1.3 km apart and provided with pumps raising 110 litres per second. Around the wellhead, self-propelled sprinklers on wheels move around a circle with a radius of 480 to 580 metres and irrigate 0.75 to 0.9 km² each, sprinkling 90 litres per second.

At present half the surface is planted with wheat/barley (4 yearly harvests, 40-50 quintals/hectare), and half with fodder, (Alfalfa-grass, up to 20 cuts/year, producing 230 to 280 quintals). With a fodder production of 160,400 tons/year, 260,000 sheep are to be raised and marketed annually. The first phase has been implemented and now about 4,000 people are employed. It is planned to enlarge the surface to 160,000 hectares which should sustain 1 million sheep and produce 350,000 tons of cereals. Difficulties are being encountered in marketing the sheep, as the centres of demand are far away (Tripoli : 1,800 kms) and roads are insufficient. So sheep are airfreighted.

2) The Sarir Agricultural Project is under way between the oases of Tazirbu and Jalu. 50,000 hectares are to be developed as state farms, and the target is to produce 200,000 to 250,000 tons of cereals (sorghum and maize) and 100,000 to 120,000 tons of fodder. Experiments are being made to cultivate out-of-season vegetables, fruits and flowers to be marketed in Europe. The harsh climatic conditions which influence quality and quantity of manpower, as well as structural difficulties have so far prevented the targets being fulfilled. In 1978, when the first phase was planned to be completed in Kufra, both projects reported a total production of

- wheat: 13,251 tons; sheep: 13,136 head;
- barley: 202 tons; wool: 17.7 tons;
- fodder: 7,391 tons

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3) In addition to these state farms based on salaried and increasingly foreign manpower, there are settlement projects geared to the needs of the traditional local population. The Kufra Oasis Land Settlement Project will bring together farmers from the oases of Ribiyāna, Būzīma and Tāzīrbū. Grouped into a co-operative, 864 farms each with 6.25 hectares of irrigated land are to plant cereals, fodder and a variety of products needed for self subsistence.

The Jālū-Awjīla Land Settlement Project follows a similar concept. 250 farms each with six hectares are proposed for the scattered population of the Jālū, Awjīla and Iharra oases. If another 50 farms in Marada are included, a total of 1,164 farms are planned, of which 480 had been allocated by the end of 1978.

The investments required are enormous, and with 6,225 LD allocated (1975 figures) Kufra shows the highest per capita investment of all Libyan administrative areas during the 1976-1980 Plan period (Libyan average: 3,000 LD).

However, it is not certain whether a stable agricultural community consisting of local, formerly traditional farmers and immigrant farmers can be created in the desert. Already, it is difficult to hire skilled workers, and they may receive wages up to three times higher than on the coast. With the improvement of the educational facilities young and active members of the local population tend to migrate towards the coast, where the climate and the socio-economic environment are much more agreeable. On the other hand, Libya is obliged to make the best use of its scarce natural resources in order to create a productive agriculture. Therefore the potential of its Saharan oases cannot be overlooked.

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² Cf. Heinrich Barth, *Reise in Nordafrika*, Vol I, 1857, p. 90.

³ See M.M. Smerkasi and N.A. Baryun: Industry in Libya during the Period 1911-1940, *Economic Bulletin, Bank of Libya*, 1970 No. 5, pp. 152-164.

⁴ Most of the historical data come from J.A. Allan, K.S. McLachlan and E.T. Penrose (Ed), *Libya: Agriculture and Economic Development*, London 1973.

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⁷ From *Al Majmu'a al ihsā'iya* 1392 H/1972 M. Trāblus 1974.

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⁹ Reported by *Marchés tropicaux*, 28.1.1977.

¹⁰ *Jamahirīya Mail*, 23.7.1979.

¹¹ Most useful statistics on employment are presented by J.S. Birks and C.A. Sinclair, The Libyan Jamahirīya: Labour Migration Sustains Dualistic Development, *The Maghreb Review*, 1979 No. 3, pp. 95-102.

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¹² For the interactions between agriculture and socio-economic modernization, see for instance K. Schliephake, *Oil and Regional Development*, Praeger Special Studies, New York 1977.

¹³ For its history, see K.P. Treydte, *Co-operative Societies, Agricultural Development and Social Structures in Pre-Revolutionary Libya*, in K.P. Treydte and W. Ule (ed.), *Agriculture in the Near East*, Bonn 1973, pp. 125-140.

¹⁴ See Birks and Sinclair, *op. cit.*, tables 2, 4 & 6.

¹⁵ *From Marchés tropicaux*, 12.10.1979, similar figures for 1978 in *FAO Production Yearbook*, 1979.

¹⁶ A term first used by Robert Mabro, *La Libye, un état rentier*, *Problèmes économiques* NO. 1148, 1970, pp 22-27.

¹⁷ English summary published by the Ministry of Planning and Scientific Research, Tripoli, March 1976, also in *Annuaire de l'Afrique du Nord 1976*, Paris 1977, pp. 834-845.

¹⁸ *The Guardian*, 1.9.1978.

¹⁹ *Janahiriya Mail*, 29.7.1979.

²⁰ *Al-zahaf Al-akhdar*, Tripolis (Majlis al istislāhwa ta'mir al arādi) November 1978.

²¹ See K. Atkinson, M. Bovis and D. Johnson, *Man-Made Oases of Libya*, *Geographical Magazine* 1972 No. 2, pp. 112-115; technical details from Salem A. Hajjaji, *Agricultural Development and Land Settlement in the Kufra Region of Libya*, *Land Reform, Land Settlement and Co-operative*, Rome (FAO) 1974 No. 1/2, pp. 68-88. More recent data from *Al zahaf al akhdar* and journals. The physical environment is presented by R. E. Becker, *Die tertiäre and quartäre Entwicklung im Bereich der Kufrah-Oasen Geologische Rundschau*, 1979 No. 2, pp. 584-621.

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LIBYA

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SOVIET LIBYAN BASES--[President Francois] Mitterrand is keeping a close eye on developments in the Mediterranean. He has even alerted the armed forces operations center responsible for keeping track of military problems should a crisis develop. The French intelligence services are particularly disturbed by the cooperation agreements signed by Tripoli and Moscow. The recent aerial incident [between U.S. and Libyan aircraft] will enable the Soviets to obtain military facilities in Libya. [Text] [Paris LA LETTRE DE L/EXPANSION in French 24 Aug 81 p 5] [Copyright: 1981, Groupe Expansion S.A.]

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SUDAN

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THORIUM, URANIUM DEPOSITS--Sudanese geological researchers have discovered large deposits of uranium and thorium ore, and some other rare fissionable materials, in the area of the Nubah mountains, in the northern part of the country. [Text]
[Paris AL-WATAN AL-'ARABI in Arabic No 232, 24-30 Jul 81 0 15] [COPYRIGHT: 1980 AL-WATAN AL-'ARABI] 7005

CSO: 4504/53

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