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# REGIONAL STABILITY IN NORTHERN AFRICA

## REPORT

OF A

STUDY MISSION TO NORTHERN AFRICA,  
SPAIN, AND MALTA

APRIL 4-14, 1980

TO THE

COMMITTEE ON FOREIGN AFFAIRS  
U.S. HOUSE OF REPRESENTATIVES

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## FOREWORD

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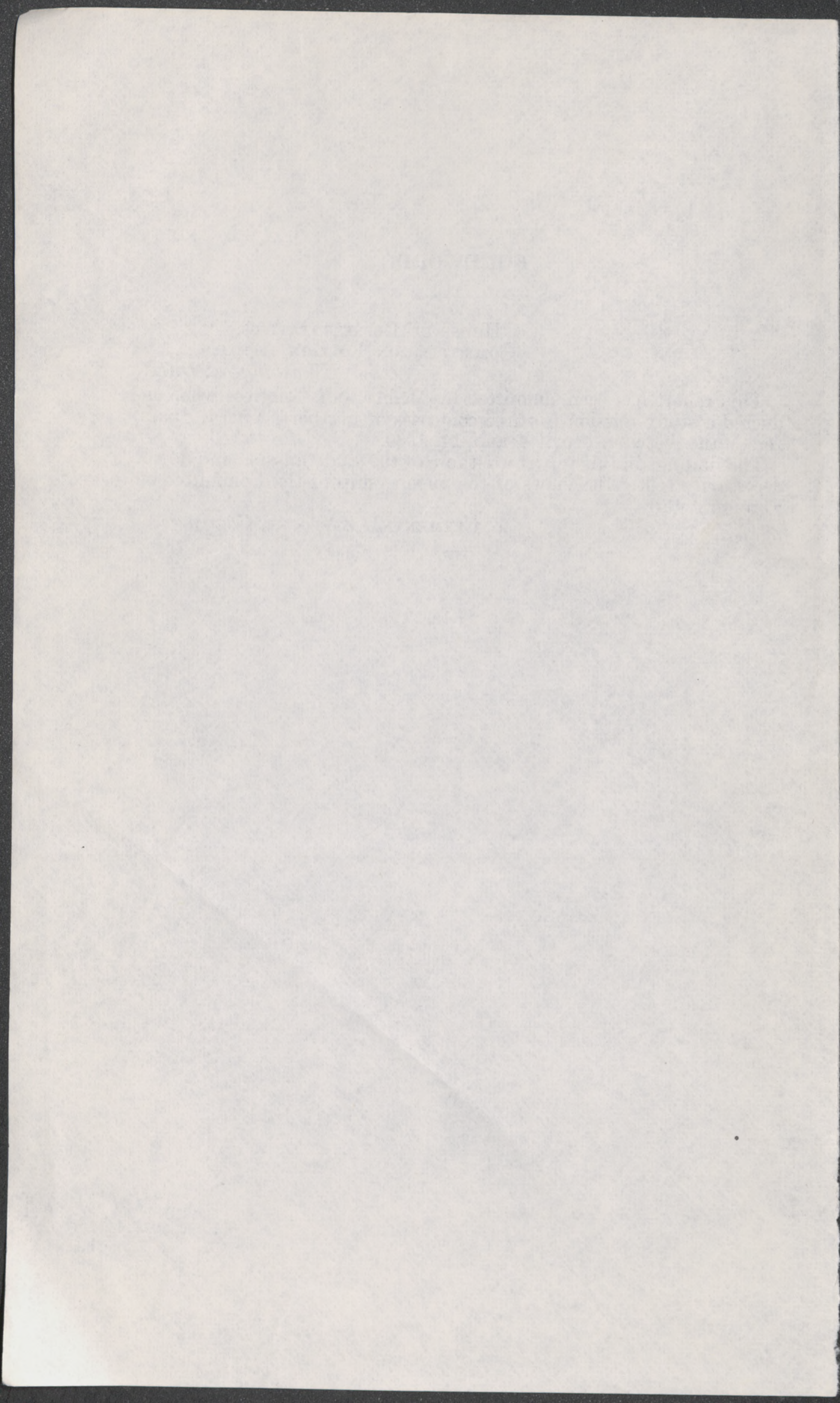
HOUSE OF REPRESENTATIVES,  
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*Washington, D.C.*

This report has been submitted by Members of Congress who conducted a study mission to three countries of northern Africa, Spain, and Malta between April 4 and 14, 1980.

The findings in this report are those of the study mission and do not necessarily reflect the views of the membership of the Committee on Foreign Affairs.

CLEMENT J. ZABLOCKI, *Chairman.*

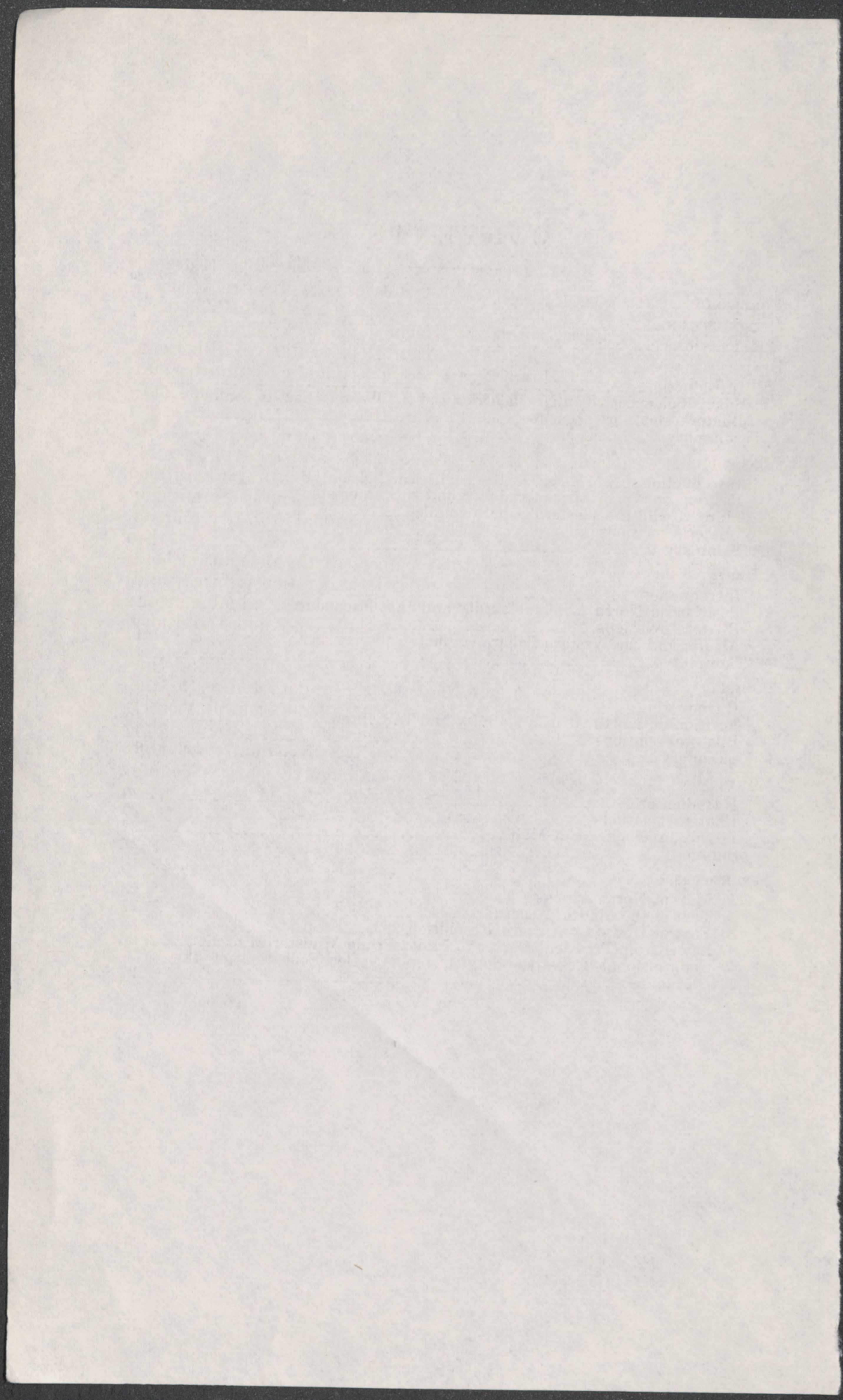
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## INTRODUCTION

From April 4 to 14, 1980, a study mission of the House Foreign Affairs Committee visited three key countries of northern Africa—Morocco, Algeria, and Tunisia—as well as Spain and Malta. The delegation, headed by Representative Clement J. Zablocki, chairman, included Representative David R. Bowen and Representative Gillis Long from the House Rules Committee and Joint Economic Committee and Representative Wyche Fowler from the House Ways and Means Committee and the Permanent Select Committee on Intelligence.

The purpose of the study mission was to review U.S. bilateral relations with each of the respective countries and to explore U.S. military and economic assistance programs as well as foreign military sales programs. In the countries of northern Africa the study mission concentrated its efforts on the question of regional stability and its implications to U.S. national security.

In pursuit of these objectives the members of the delegation held extensive discussions with ranking officials and other political and military leaders. Helpful and courteous assistance and valuable information was provided the study mission by the U.S. Ambassador and Embassy staff in each country.

In relation to the northern Africa area the delegation found this study mission invaluable in gaining a better understanding of the complex issues involved in the Western Sahara question and other related matters. It is the delegation's combined hope that the insights and observations contained in this report will prove equally valuable to our colleagues and also contribute to the dialog of the parties seeking a peaceful settlement of the Western Sahara conflict.

## OBSERVATIONS

During the study mission's 10-day visit to Spain, north Africa, and Malta, lengthy discussions were held with heads of state as well as key political and military leaders in each country. The study mission also benefited greatly from extensive briefings provided by U.S. Ambassadors and Embassy staffs. In addition, individual members of the study mission made onsite inspections of such important area as the Western Sahara region, the south of Morocco, and the Polisario refugee camps at Tindouf, Algeria. On the basis of these various meetings and contacts, the following observations can be drawn:

- It is unlikely that either Morocco or the Polisario can win an outright military victory and impose a political solution on the other;
- Morocco is willing to begin negotiating the Western Sahara issue. However, a negotiating "dynamic" must be created beginning with Algeria, which may choose to include a Polisario representation in its delegation. As negotiations ensue, with the Polisario eventually assuming a greater and formalized role, all issues would become negotiable;
- Algeria shows no enthusiasm for helping create this negotiating "dynamic." They contend that the Western Sahara conflict is a dispute between the Polisario and Morocco and must be settled by negotiations between the parties on an equal footing. Algerian officials stated that they would not neglect any possible solution in the conflict. However, the present stalemate in the Western Sahara provides Algeria with little incentive to negotiate given the fact that its support for the Polisario enhances its national prestige and leverage. The continuing military stalemate also postpones any long-range dangerous implications for Algeria's security that a Polisario victory might bring.
- Libya, with an extensive arsenal of Soviet weapons, is the primary source of political and military efforts to destabilize North Africa.
- In the wake of Libyan-inspired attempts to undermine Tunisia's stability, the Tunisians urgently desire military and economic assistance from the West and recognize that such aid must be provided on a coordinated basis.
- Malta is aggressively pursuing a nonaligned posture exemplified by efforts to broaden its relationship with Eastern Europe and the Arab States, particularly Libya.

# SPAIN

## INTRODUCTION

The study mission visited Spain on April 4 to 6. While in Madrid, the mission was briefed by U.S. Ambassador Terence Todman and his principal staff. The mission held additional discussions with Spanish foreign ministry officials on bilateral issues and questions of north African security.

### SPANISH PERSPECTIVE ON NORTH AFRICA AND THE WESTERN SAHARA CONFLICT

Spain's interest in north Africa relates to its former status as one of the primary colonial powers in the region and its continuing economic ties to the area. Its previous control over parts of Morocco and the Western Sahara and the subsequent decolonization of those areas is a central factor in the present dispute. Various zones of Spanish control were returned to Morocco by Spain in 1956, 1958, and 1969. Spain granted administrative authority over a partitioned Western Sahara to Morocco and Mauritania in 1975.<sup>1</sup>

Spain's substantial economic relations include valuable fishing rights agreements with Morocco and natural gas imports from Algeria. Because of its significant economic interests and its desire to maintain good relations with both countries, Spain is concerned about the Western Saharan conflict.

However, the Spanish seem to believe that they have relatively little influence or leverage with Morocco, Algeria, or the Polisario. The underlying preference of the Spanish regarding a possible settlement of the problem is for some limited homeland for the Polisario, presumably affiliated with Mauritania. Spain's views on the Western Sahara may also subtly reflect Spain's continuing concern that Morocco may one day force Spain to give up its last remaining enclaves in north Africa—Ceuta and Melilla—on the northern coast of Morocco.

The Spanish share a growing concern over the dangerous and disruptive role of Libya in the region. They see the U.S. decision as helping to check Libyan influence and have therefore reluctantly supported the U.S. decision to sell arms to Morocco.

Spanish officials also are concerned about the future of the Canary Islands which are provinces of Spain. Soviet use of port facilities there has increased. Suspected Soviet, Algerian, and Cuban influence with certain indigenous proindependence groups in the Canary Islands is the major Spanish concern regarding the islands.

Spain is strategically located on the Iberian Peninsula between the North Atlantic and the Mediterranean Sea and directly across the Straits of Gibraltar from Morocco. Accordingly, Spain's foreign policy

<sup>1</sup> The text of the Madrid Accord appears in app. 2, p. 24.

stresses its ties to the United States, Western Europe, and the North Atlantic Community. Exemplifying these ties are the 1976 Treaty of Friendship and Cooperation with the United States and Spain's political and economic relations with Western Europe. Spain is moving toward membership in the European Economic Community and its entry into NATO is being discussed.

#### BILATERAL RELATIONS

Relations between Spain and the United States continue to be good. American private investment in Spain totals nearly \$3 billion, more than one-third of all foreign investment. Ford Motor Co. in Spain is that country's largest exporter, and General Motors recently announced plans to invest \$1.6 billion in Spain.

The United States is Spain's largest source of imports. U.S. agricultural products are an important part of exports to Spain. Last year, the value of U.S. agricultural exports to Spain, chiefly soybeans, feed grains, cotton and tobacco, totaled about \$1 billion. Thirty percent of Spain's cotton imports come from the United States. Even after Spain's entry into the EEC, Spanish purchases of U.S. agricultural commodities are expected to continue at current levels.

A significant factor affecting internal stability is the fact that Spain still faces the serious issue of regional autonomy and how it should evolve, especially in the Basque region, Catalonia, and Andalusia. Terrorism particularly by Basque separatists continues to be a problem, too.

A principal aspect of United States-Spanish relations is the 1976 Treaty of Friendship and Cooperation, which provides the United States with access to military facilities located in Spain. Under the terms of the 5-year treaty the United States is providing a total of \$75 million in military assistance (MAP), \$600 million in foreign military sales (FMS), credits \$10 million under the international military education and training (IMET) program, and \$35 million in economic support funds (ESF) for educational, cultural, and scientific exchanges. Because of a pervasive Spanish view that the treaty was highly inequitable to Spanish interests it is likely that Spain will make stringent demands in upcoming negotiations to renew the treaty, due to expire in 1981.

#### SUMMARY

Spain continues to be concerned about stability in north Africa because of its remaining enclaves there as well as its economic and political relations with Morocco and Algeria. The Spanish recognize the strain on regional stability arising from the Western Sahara conflict, but feel they have little leverage with the parties. Spain is also concerned over Libya's extensive efforts to destabilize the region. In other areas of foreign policy concern, bilateral economic and security relations with the United States continue to be generally good and closer Spanish integration into the political and economic life of Western Europe seems inevitable.

## MOROCCO

### INTRODUCTION

During the course of its April 6 to 8 stay in Morocco the study mission met with Prime Minister Maati Bouabid; First Vice-President of Parliament Ahmed Lasky; and Moroccan Zone Commander, Col. Maj. Abdelkader Loubaris. These meetings were reinforced by briefings from U.S. Ambassador Angier B. Duke and the Embassy staff. Issues discussed covered a variety of United States-Moroccan bilateral relations, economic and military issues, and the prospects for a negotiated solution in the Western Sahara.

### POSITION ON NORTH AFRICAN STABILITY AND U.S. INTEREST

Like other nations of the Maghreb, Morocco is both an Arab and an African state. Morocco occupies a strategic position on the Straits of Gibraltar, the so-called crossroads of Europe, the Middle East, and Africa.

Due to Morocco's strategic location on the Mediterranean, and its control over the lower half of the Straits of Gibraltar, King Hassan views his country as vital to the West. He regards the conflict in the Western Sahara as an extension of Soviet aggression in the region, and therefore views its outcome as affecting the stability of north Africa and, by extension, the security of the Western World.

The stability of the Maghreb is likely to be affected by a divergent set of factors including the stability of the King's regime, the outcome of the Western Sahara conflict, and the effects of Libyan-backed aggression throughout the region.

Morocco embraces many concepts of Western democracy such as: the ability to publicly speak in opposition to Government policy, elections relatively free from fraud, and a lively press which may engage in criticism of the Government but not the institution of the monarchy. However, since 1956, ultimate political authority in Morocco has been concentrated in the monarchy. Despite opposition on other issues, there is universal support among the opposition for Morocco's claim to the Western Sahara.

Although there have been signs of a fundamentalist Moslem awakening recently, these groups do not seem to be of any major consequence. The King serves as religious leader of Morocco, a role which provides strength and legitimacy to his regime and serves to depoliticize the religious issue. King Hassan's regime appears to be stable and seems to be enjoying a large measure of support.

Longstanding U.S. interests in Morocco are based on a relationship dating back some 200 years. This relationship should be viewed within the framework of American policies in the Middle East and Africa. U.S. SAC bases were located in Morocco until 1963, and a U.S. naval

communications facility was maintained there until it was closed at U.S. initiative in 1978. Moreover, Morocco continues to permit port visits by U.S. naval vessels and provides transit rights to U.S. military aircraft.

Historically, Morocco has played a moderate role in the Middle East, Africa, and in international organizations. Though he joined the Arab bloc in breaking diplomatic relations with Egypt, King Hassan maintains a personal relationship with President Sadat. King Hassan has not enforced the Arab boycott of Egypt and supports the principle of a peaceful, negotiated solution to the Arab-Israel dispute.

In the African context, Morocco has consistently supported moderate political forces, by twice sending troops to Zaire's Shaba Province. Also, Morocco has vigorously supported the U.N. resolution opposing the Soviet invasion of Afghanistan and was supportive of U.S. positions on the hostage situation in Iran.

#### MOROCCO AND THE WESTERN SAHARA CONFLICT

The current armed conflict in the Western Sahara began in 1975 when Spain withdrew from the Western Sahara and granted administrative control to Morocco and Mauritania. This control was immediately challenged by the Polisario guerrillas who demanded independence for the territory. In a 1975 advisory opinion the International Court of Justice found that neither nation could establish territorial sovereignty over the region, and that an opportunity for self-determination through the free and genuine expression of the will of the peoples of the territory should occur.

All parties to this increasingly intense conflict claim their positions to be consistent with the objectives of self-determination, decolonization, and liberation. Morocco claims sovereignty over the Moroccan portion of the Spanish Sahara on the basis of historic ties. It views its claim as constituting an effort to reunify the Moroccan homeland seized in bits and pieces by Spain and France in the 19th and early 20th centuries. Morocco asserts that the basic dispute over the Western Sahara is with Algeria, which provides vital support and sanctuary for the Polisario guerrillas. Algeria contends that they recognize and support the Polisario because it is a genuine African liberation movement. Algeria therefore insists that Morocco negotiate directly with the Polisario, whose government in exile, Saharawi Democratic Republic—SDAR—is now recognized by 22 member countries of the Organization of African Unity—OAU—and 12 additional countries. The Polisario maintain that they are the legitimate representatives of the Saharawi people, who populated the former Spanish colony, and who have a right to an independent state.

The Western Sahara conflict is a key factor in Morocco's economic problems. War-related outlays are estimated at more than \$1 million a day since the conflict began. Moroccan military expenditures are buttressed by security assistance relationships with the United States, France, and Saudi Arabia. It is estimated that the Saudi contribution totals several hundreds of millions of dollars and covers much of the cost of the war. The Moroccan economy has also suffered a recent de-

cline as a result of lower phosphate prices and lagging agricultural production. Morocco has taken steps to redress this problem by scaling down its development plan and imposing import controls. Although phosphates are likely to provide the basis for Morocco's continued economic growth, it appears that the next several years will be difficult while the country adjusts to these newly imposed austerity measures.

In addition to serious command and control difficulties, due to the extended conflict in the Western Sahara, the Moroccan military has suffered morale problems. However, there is evidence to indicate that progress has been made to counter these problems, progress which has been aided by the recent U.S. decision to provide further arms to Morocco. The Western Sahara conflict has also put a severe drain on manpower, resulting in troop diversions from key positions on the Algerian border to southern Morocco and the Western Sahara.

#### U.S. ARMS SALES POLICY TOWARD MOROCCO WITH RESPECT TO THE WESTERN SAHARA

Present U.S. policy recognizes Moroccan administrative control but not its claim to sovereignty over the Western Sahara. This among other factors has led to a certain strain in United States-Moroccan relations over the question of whether Moroccan use of U.S.-supplied arms in the Western Sahara contravened U.S. law and U.S. bilateral agreements restricting use of U.S. arms to Morocco to legitimate self-defense purposes only. During 1979, the Polisario increased their attacks on Moroccan positions inside Morocco's internationally recognized frontiers. Partly as a result of this new factor, in October 1979, President Carter authorized and the Congress permitted the sale to Morocco of \$235 million in arms, including 6 OV-10 reconnaissance aircraft, 24 Hughes 500 MD helicopters, and 20 F-5 E/F aircraft.

The purposes of the arms sales are to strengthen Morocco's capability to defend its territorial integrity and to encourage movement toward meaningful negotiations aimed at achieving a peaceful political resolution of the Western Sahara conflict. Accordingly, barring new and extraordinary circumstances, such as the introduction of foreign troops into the Western Sahara, the sale was made on the assumption that Morocco, as well as the Polisario, demonstrate good faith efforts to reach a negotiated solution.

#### WHO ARE THE POLISARIO?

The population of the Western Sahara largely consists of nomads and sedentary populations from several different tribes. The number of Saharawi people is in dispute. Figures range from 74,000—from a census conducted by Spain in 1974—to several hundred thousand. An unknown number are living outside the disputed territory, mostly in Tindouf, a village in Algeria just across the border from Morocco.

When the Spanish Army withdrew from the Western Sahara during the signing of the Madrid Accords, the Polisario took advantage of the uncertain situation by organizing their forces and arming themselves with Spanish weapons. The Polisario appear to be drawn from ethnically related peoples from the Western Sahara as well as Mauri-

tania, Niger, Mali, Algeria, and Morocco. They are divided into many tribes that have traditionally fought among themselves in the past.

The leadership of the Polisario includes disaffected intellectuals from Morocco who have recently made public statements advocating the overthrow of the King, a fact which some suggest indicates that their aspirations may go beyond the right of self-determination in the Western Sahara. This group, despite a nomadic history, appears to be held together by an ideological sense of mission and shared experiences such as misery suffered by extended drought and hunger, severe unemployment, and a commitment to their cause.

The Polisario receive important logistical support from Algeria and military equipment primarily from Libya, most of which is Soviet in origin. It is also clear that Libya has recently provided the Polisario with increasingly sophisticated weaponry. The study mission was also told that the Libyans are paying a \$500 enlistment bonus to those who join the Polisario. There appears to be increasing Eastern bloc presence in the Polisario movement with acknowledged Cuban support. Cuban and East German advisers and technicians are reportedly participating in the training of Polisario guerrillas.

#### PROSPECTS FOR A NEGOTIATED SOLUTION TO THE WESTERN SAHARA CONFLICT

Moroccans believe Algeria is using the Polisario as a proxy for its own ambitions. In their view a weak Saharawi state, aligned with Algeria, would increase Algerian dominance in the Maghreb. Algerian "hegemony," in Moroccan words, would be assured, leaving Morocco cut off geographically from land communication with the rest of Africa. Algeria rejects the Moroccan thesis that the Western Sahara conflict is solely between Algeria and Morocco.

The crucial first step is to create a negotiating "dynamic." From the Moroccan perspective, this dynamic requires that negotiations open with the Algerians. The Algerian delegation could include Polisario representation, whose presence would not be formally acknowledged by Morocco. As negotiations continued the Polisario role could expand, and eventually all issues would become negotiable.

Clearly this position on negotiations reflects some Moroccan flexibility compared to earlier statements that Morocco will negotiate only with Algeria, that Morocco will not give up 1 inch of the Sahara, and that negotiation with Polisario "mercenaries" is out of the question.

The OAU's Committee of Wise Men recommended in December 1979 a ceasefire and a limited internationally supervised referendum. Morocco recognizes that the meeting of the OAU in July 1980 is likely to formally recognize the legitimacy of the proclaimed Polisario state—the SDAR. Such an action would lessen the prospects of a negotiated settlement.

While the U.S. arms sales to Morocco clearly demonstrates support for King Hassan, enabling him to negotiate from a position of strength, they are also intended to foster a negotiated solution to the conflict. Accordingly, the United States continues to actively urge all parties to the conflict to negotiate.

INTERNATIONAL COURT OF JUSTICE ADVISORY OPINION ON STATUS OF THE  
WESTERN SAHARA

In December of 1974, the U.N. General Assembly requested an advisory opinion from the International Court of Justice—ICJ—on two questions: (a) “whether the Western Sahara \* \* \* at the time of colonization by Spain was a territory belonging to no one—terra nullius—and (b) if not, what the legal ties were between that territory and the Kingdom of Morocco and the Mauritanian entity.” After receiving written statements from a number of countries and after 27 public sittings during which oral statements were presented by Algeria, Mauritania, Morocco, Spain and Zaire, the ICJ delivered an advisory opinion on October 16, 1975. In that opinion the Court stated that the materials and information show that at the time of Spanish colonization—regarded as beginning in 1884—legal ties of allegiance existed between the Sultan of Morocco and some of the tribes living in the Western Sahara. However, the Court continued that the information and materials presented were not adequate to establish any tie of territorial sovereignty between the Western Sahara and the Kingdom of Morocco. The Court concluded that the existence of the legal ties of allegiance, as opposed to ties of territorial sovereignty, would not effect the application of the principle of self-determination to the Western Sahara under U.N. General Assembly Resolution 1514 (XV) of December 14, 1960.

## BILATERAL RELATIONS

U.S. economic involvement with Morocco is limited. U.S. investment totals only about \$33 million. U.S. exports total about \$300 million to \$400 million a year, and involve mostly military equipment and agricultural products. The United States is Morocco's second largest supplier of military equipment. The United States is an importer of Morocco's phosphates and citrus, although the volume of imports totals only \$40 million annually.

U.S. economic assistance is modest. The Carter administration has proposed a fiscal year 1981 package of \$10.2 million in development assistance and \$13.3 million in title II Public Law 480 food assistance. The development assistance program is to be concentrated on projects to support Morocco's family planning program, for improved range management, extension and forage seed production, and for Moroccan staff training and research, development and demonstration of pilot renewable energy projects with solar, wind, and hydroelectric energy resources. In recognition of Morocco's economic difficulties, H.R. 6942, the proposed International Security and Development Cooperation Act of 1980 as passed by the House on June 5, 1980 includes an additional \$5 million in development assistance for agriculture, rural development, and nutrition projects. If enacted into law, this would bring the total fiscal year 1981 development assistance programed for Morocco to \$15.2 million. The title II Public Law 480 program will provide food assistance to be distributed by private voluntary agencies for maternal and child health centers and for food-for-work programs.

The United States has had a longstanding military assistance relationship with Morocco. In the early 1960's, grant military assistance was provided. In the late 1960's assistance took the form of military sales, credits, and training. In 1974 the United States embarked on a modernization program for two Moroccan brigades. In late 1979, the United States agreed to sell Morocco a major arms sales package totaling nearly \$235 million. The recent arms sales package has given tangible demonstration of U.S. friendship and support.

In other fields of United States-Moroccan relations, the United States has sought to expand cultural, technological, and economic ties. Following a recent visit by former Secretary of Commerce Kreps,<sup>1</sup> efforts are underway to encourage greater U.S. investment in Morocco. Increased Moroccan interest in AID assistance intended to improve the standard of living in Morocco has concentrated on agricultural practices, efforts to limit population growth, programs to provide education and training, and improved housing.

The United States has initialed a nuclear cooperation agreement, the first with an Arab country, and has provided technical advice on oil shale development which should encourage private American investment in Morocco.

#### SUMMARY

Morocco describes itself as a country with both a strong monarchy and strong democratic traditions. In addition, it is also a moderate Arab state and an African nation with political allegiances to the West. Furthermore, Morocco places great importance on its Western ties, especially their longstanding relationship with the United States.

King Hassan regards the conflict in the Western Sahara as an extension of Soviet aggression in the region, and therefore views its outcome as affecting the stability of north Africa and, by extension, the Western World. The King's domestic political position appears to be fairly solid, at least in the short term, with all political parties—even the opposition—in support of Morocco's claim to the Western Sahara. The long-term stability of the King's regime is likely to be affected by a divergent set of factors both external and internal. A central factor is likely to be the outcome of the Western Sahara conflict.

The prospects for a negotiated settlement of the Western Sahara conflict remain uncertain. While Algeria insists that the conflict is a matter between Morocco and a national liberation movement known as the Polisario, Morocco sees the struggle as one between itself and an Algerian-backed proxy, which if successful will result in Algerian hegemony of north Africa and seriously threaten Morocco's security. Morocco's position on negotiations has recently become more flexible. Negotiations with the Polisario could occur after an initial negotiating round with Algeria alone—with perhaps a nonacknowledged Polisario presence. If this negotiating "dynamic" can be created, prospects for settlement could be considerably brightened.

Already, strong bilateral relations have been enhanced by the recent U.S. decision to sell arms to Morocco, a tangible demonstration of U.S. friendship and support. Morocco's moderate role in the Middle

<sup>1</sup> Hon Phillip Klutznick succeeded Secretary Kreps at the Department of Commerce on Dec. 21, 1979.

East has been beneficial. In Africa, Morocco has consistently supported moderate forces. Morocco supported the U.N. resolution opposing the Soviet invasion of Afghanistan and supports U.S. actions regarding the hostage situation in Iran.

U.S. policy is designed to emphasize a negotiated solution to the Western Sahara conflict, which would help to stabilize the entire north African region. The recent arms sales to Morocco reinforces that policy by enabling a politically viable Moroccan position in any future negotiation.

## ALGERIA

### INTRODUCTION

During its April 8 to 10 stay in Algeria the study mission held lengthy discussions with Algerian officials including Secretary General of the Ministry of Foreign Affairs, Mohamed Salah Dembri; Minister of Planning and Land Development, Abdelhamed Brahim; Belkacem Nabi, Minister of Energy and Petrochemical Industries; and Djeloul Malaika, Vice President of the National Popular Assembly. Discussions covered the conflict in the Western Sahara, the new Algerian 5-year plan, liquefied natural gas—LNG—sales to the United States and other bilateral and regional issues. Briefings were provided by U.S. Ambassador Ulric Haynes and his staff.

### POSITION ON NORTH AFRICAN STABILITY AND U.S. INTERESTS

Located on the Mediterranean Sea, Algeria has common land boundaries with Morocco, Mauritania, Mali, Niger, Libya, and Tunisia. The Algerian perspective regarding regional stability relates to the view that stable conditions would enable Algeria to concentrate more of its resources and efforts on economic development. As the dominant military power in the Maghreb, Algeria's relatively large armed forces are heavily armed with Soviet weapons, including some of the most modern and sophisticated. None of Algeria's neighbors pose a credible military threat to Algeria.

Internally, Algeria does face some forces which are potential threats to the present regime. The Berber people, who make up about one-sixth of Algeria's population, continue to be actively resentful of the Algerian Government's Arabization program under which the teaching of the Berber's culture and language is banned. Berber opposition has recently manifested itself in serious demonstrations, general strikes, and rioting in the Kabylia area of Algeria. The Algerian Government has now denied the reports of violence and has barred foreign media and press representatives from the areas of reported unrest.

Another possible source of instability is the relatively poor performance of the Algerian economy in improving the standard of living for the people despite Algeria's resources. Algeria has generally concentrated its resources on industrialization, particularly in heavy-manufacturing industry. Algerian consumers continue to suffer serious shortages of a wide variety of consumer goods and foodstuffs, and housing is in extremely short supply. The Algerian Government is formulating a new 5-year plan designed to reorder its priorities. Reportedly, the new plan will place more emphasis on agriculture and small business development. However, Algeria will still continue its support for some large industrial programs, such as steel production.

## BILATERAL RELATIONS

United States-Algerian relations center on economic issues, particularly the question of U.S. purchases of liquefied natural gas—LNG. The largest LNG contract, with El Paso, dates from 1969 when Algeria's projected investment was estimated at \$600 million. Algeria claims the eventual cost of the liquefaction plant when completed in 1978 was 4 or 5 times the original estimate—nearly \$3 billion. The LNG plant is a bilateral enterprise utilizing American design, technology, and management. Algerian officials also point out that most of the funds spent on the liquefaction plant were spent in the United States—for equipment, services, and so forth.

The Algerian Government decided last year to reexamine its contracts in light of changing world energy conditions. Algeria considers the price terms of the El Paso contract "inconsistent" with current energy conditions worldwide. They argue that Algerian LNG is being sold at one-half of the lowest price charged by other exporters.

On January 1, 1980 the Algerian Government announced the need to "normalize" the LNG supply relationship between Algeria and the United States in light of rapid changes in the international energy situation by negotiating a new price amendment to the contract. No significant progress has been made in subsequent, sporadic negotiations. Algeria offered to let El Paso accept delivery of LNG as an advance on purchases at a price to be agreed upon later. El Paso would deposit \$3 per million Btu's in some type of escrow or trust account against that eventual agreed price. El Paso suggested instead that deliveries be suspended until the two governments could work out a price agreement. El Paso noted that regulations of the Economic Regulatory Administration—ERA—of the U.S. Department of Energy prohibit U.S. companies from accepting deliveries of gas without an agreed price.

Algeria believes it has taken a risky vanguard role among OPEC countries in developing an expensive natural gas liquefaction industry to produce LNG for the largest, but most distant market—the United States. They argue that other OPEC countries are waiting to see the results of this Algerian economic risk, and if Algeria is forced into significant price concessions, other OPEC countries will conclude that the development of LNG production is not economically justified. Algeria argues that scenario would ultimately hurt the United States when Canadian and Mexican gas reserves are exhausted.

Nevertheless, Algeria's position going into the negotiations is affected by the following factors: (1) The uncertain political position of those Algerian officials who have staked personal prestige on reaching a favorable agreement soon; (2) the absence of adequate alternative purchasers of Algerian LNG with sufficient terminal facilities; (3) because of reduced seasonal gas use in the United States in the spring and summer, this is not a particularly good time of year for the negotiations from Algeria's standpoint; (4) the customers of U.S. purchasing companies will probably not feel a significant pinch from a halt in Algerian LNG deliveries until 1982.

United States-Algerian differences over political issues, such as the Western Sahara conflict, will probably not affect the LNG negotia-

tions as Algeria usually does not mix political and economic matters in their bilateral relations. That view is reinforced by the fact that the United States is a major trading partner.

On other issues affecting bilateral relations, Algeria continues to be a prominent member of OPEC and a leader of that faction which most strongly pressed for oil price increases. About 54 percent of Algeria's oil exports go to the United States. That oil constitutes about 6.5 percent of total U.S. imports. The Algerians expressed support for the Iranian revolution and were critical of U.S. actions in Iran, including economic sanctions or prospective military actions. However, Algerian officials seem to be at least sympathetic to U.S. efforts to gain the release of the hostages.

With respect to the Soviet invasion of Afghanistan, Algerian officials spoke against the concept of interventionism in general but did not specifically condemn the Soviet invasion. The Algerians abstained on the U.N. vote condemning the Soviet invasion.

And furthermore, Algeria, a strong supporter of Palestinian self-determination, is actively opposed to the Egyptian-Israeli peace treaty and the current autonomy negotiations.

#### ALGERIA AND THE WESTERN SAHARA CONFLICT

A frank and candid dialog ensued with Algerian officials on the questions of the Western Sahara conflict and the recent U.S. arms sales to Morocco.

Algerian officials reiterated their position that the people of the Western Sahara, represented by the Polisario, have a right to self-determination. Their repeated position of strong support for the Polisario is based on the belief that the Polisario represents a genuine liberation movement similar to Algeria's own historical independence experience. Algerian officials pointed to many expressions of support for their position by the international community. They also quoted President Chadli Bendjedid's statement that Algeria will not neglect any possible solution to the Western Sahara conflict and would agree to a meeting on that subject provided that all parties concerned, including the Polisario, participated on an equal footing.

Algeria's incentives to negotiate are limited by two factors: first, they perceive their diplomatic and military support for the Polisario as enhancing their own national prestige; and second, they see little if any potential danger to Algerian security from a Polisario military victory. In fact, they see a situation in which their relative position could be enhanced. Also discussed was the idea of creating the "dynamics" of negotiation by bringing the concerned parties together, with the goal of formal inclusion of the Polisario at a later date. The Algerians expressed little enthusiasm for this idea, reiterating their conviction that the conflict can be ended only by direct negotiations between Morocco and the Polisario.

Algerian officials expressed muffled opposition to the U.S. decision to sell arms to Morocco. They insisted the decision will encourage King Hassan to keep fighting rather than persuading him to negotiate. The Algerian officials did not comment that prior to the U.S. arms sales decision, the U.S. position was considered to be one of neutrality in the

Western Sahara conflict. In their view, the arms sales decision represented a shift in U.S. policy toward direct support of the Moroccan position. However, Algerian officials seemed to accept the close United States-Moroccan relationship and understood that the U.S. decision to sell arms to Morocco was integrally tied to U.S. encouragement of a negotiated solution of the dispute.

The Algerians welcomed the recent U.S. decision to expand contacts with the Polisario. The study mission emphasized their support for a negotiated settlement to the conflict acceptable to all parties; that neither side can achieve a military victory; and finally that the Western Sahara conflict could ultimately threaten Algeria's regional security as well as Morocco's and raise the prospect of outside—Libyan— influence over the Polisario growing beyond Algerian control. It was for these reasons that the U.S. delegation stressed the importance of creating the "dynamics" of negotiation so that talks between Algeria and Morocco could avert a larger conflict and help get the negotiation process on track.

#### SUMMARY

Algeria's foreign and domestic policies are conditioned to a considerable degree by the revolutionary experience of Algeria's long and violent struggle for independence from France. Algerian officials repeatedly stressed this underlying background in discussions on a wide range of issues.

Algeria continues to be the dominant military power in the Maghreb, and pressures tending to destabilize and weaken some of the other countries in North Africa could result in a corresponding, incremental increase in Algeria's ability to influence events and conditions in the region. Despite its natural resources, Algeria faces significant problems in implementing policies to successfully translate exploitation of those resources into a process of sustainable economic development. A potential for internal disruption appears in the aspirations of minority populations which view themselves as disadvantaged by policies of the current regime.

The United States and Algeria have significant economic relations primarily centering around U.S. purchases of petroleum and natural gas from Algeria. The main area of dispute in economic matters concerns the Algerian efforts to renegotiate a substantial increase in the price paid by U.S. purchasers of Algerian liquefied natural gas—LNG.

The United States and Algeria are frequently at odds on regional and international issues including the Mideast and north-south dialog. The main point of disagreement between the two countries involve their differing approaches to the conflict in the Western Sahara. The United States has tried to take a moderate and balanced position designed to encourage all parties to the problem to seek a negotiated settlement of the conflict. Algeria recognizes the Polisario as the sole legitimate representative of the people of the Western Sahara. Algeria believes that any negotiations should include all parties to the conflict on an equal footing. It is unclear whether Algeria includes itself as a party, and Algeria's attitude toward substantive, good faith negotiations is indifferent so long as the Polisario and its government in exile, the SDAR, are gaining diplomatic ground and at least holding their own militarily.

## TUNISIA

### INTRODUCTION

The study mission visited Tunisia April 10 to 12. During its brief stay, the mission met with President Habib Bourguiba; Prime Minister Mohamed M'zali, then Minister of Education and Coordinator of Government; Habib Bourguiba, Jr., counselor to the President; Mohamed Fitouri, then Minister of Foreign Affairs; Rachid Sfar, then Minister of National Defense; Driss Guiga, Minister of the Interior; Ali Hedda, Tunisian Ambassador to the United States, and members of the National Assembly of Tunisia. The meetings were the occasion for frank discussions on our bilateral relations, economic and security matters, and the outlook for regional stability in north Africa, U.S. Ambassador Stephen Bosworth and his staff provided background briefings.

### POSITION ON NORTH AFRICAN STABILITY AND U.S. INTERESTS

Tunisia is increasingly concerned about regional stability in north Africa in the wake of the abortive Libyan-inspired guerrilla attack in January in Gafsa in the west central part of the country. Tunisia sees Libya as a primary source of aggressive efforts intended to destabilize moderate, more open, and pro-Western countries in north Africa. Although the attack was actually launched from Algerian territory the exact extent of Algeria's involvement is not clear. The Gafsa raid failed to generate any significant popular anti-Government support from the local populace. Tunisian security forces drove the raiders off and captured some of them. Fifteen were subsequently executed.

Nevertheless, it has caused the Tunisian leadership to reevaluate their policy priorities. In the past those priorities have emphasized economic development over defense needs. That emphasis on economic and social development has been based on the theory that the best defense in the long run was to foster increased prosperity and better living conditions for the people who, in turn, support a government thus committed to their welfare. In retrospect, the Tunisians feel they may have underestimated the threat to their national security inherent in their geographic position between two heavily armed authoritarian regimes whose systems are fundamentally hostile toward Tunisia's more open system. This threat originates, at least in part, from the fact that Tunisia's relative progress in economic development is an unwelcome example to the leadership of her immediate neighbors because it stands in embarrassing contrast to the failures of those regimes to significantly improve living standards and opportunities.

Despite its high per capita GNP, its steadily growing economy, and its reputation as a stable progressive nation, Tunisia faces internal as well as external threats to its well-being. The internal problems were

first highlighted by the January 1978 general strikes and subsequent riots. The fundamental and still unresolved causes of the strikes include Government controls and growing disenchantment because of rising unemployment particularly among students.

The Libyan-inspired attack in Gafsa early this year was an effort to take advantage of this latent discontent. The Libyans led the attackers to expect widespread backing from the residents of Gafsa for the establishment of a revolutionary government in the area. The promised popular support never materialized. However, Tunisian officials are concerned that the Libyans will continue the pressure with repeated attacks, particularly in light of Libya's historical desire for unification of the two countries.

Thus, a stronger Tunisia, able to resist blatant, foreign-inspired threats to its national security would enhance regional stability. A strong and stable Tunisia could become a more credible deterrent to Libya's aggressive efforts to destabilize countries friendly to the United States.

#### BILATERAL RELATIONS

Relations between Tunisia and the United States have been excellent since Tunisia gained its independence from France in 1956. Tunisia is strategically located on the Mediterranean, and while the United States maintains no military bases there, the Tunisians permit the 6th Fleet to call at their ports. Tunisia considers itself nonaligned in the strict sense, but it has often been supportive of positions favored by the United States. Tunisia has generally taken a moderate stance on Mideast issues. In the United Nations, Tunisia strongly supported the U.S. position on the hostage issue, despite pressure from some Arab countries, and on the resolution condemning the Soviet invasion of Afghanistan. In the latter case, President Bourguiba has been outspoken in condemning the invasion.

Tunisia has made significant strides in economic development. Per capita income has risen from about \$200 in 1956 to approximately \$1,000 by the end of 1979. Good communications and transportation systems have been constructed, and the adult literacy rate has improved significantly. The population growth rate has been reduced to 2.3 percent. The Tunisian Government is concerned, however, that these gains have been concentrated more in the coastal areas than in the more rural interior. Tunisia has endeavored to better distribute the fruits of development through expanding health and education programs and by subsidizing basic foods for the poor. The proportion of Tunisia's population below the poverty line has been reduced from 30 percent in 1966 to about 14 percent today.

The U.S. AID development assistance program is helping Tunisia in its efforts to improve living conditions and opportunities for the people in central Tunisia, one of the poorest areas in the country, through an integrated rural development program to be coordinated by the new Central Tunisia Development Authority. The fiscal year 1981 AID proposal for this program totals \$25,110,000. The AID program includes support for a small farmer supervised credit project, expanding irrigation coverage, providing rural potable water systems, and extension programs for range management techniques.

Tunisia is a cereals importer and is anxious that the United States will continue its Public Law 480 assistance. The proposed fiscal year 1981 Public Law 480 program is for \$10 million in title I concessional sales and \$6,852,000 for a title II food donation program to be distributed through private voluntary agencies and the world food program. Tunisia is interested in a multiyear Public Law 480 commitment which they feel would permit more efficient development planning. This assistance program is consistent with Tunisia's main development goals of achieving food self-sufficiency and helping to reduce the serious problems of unemployment and rural-urban migration.

Trade between the United States and Tunisia is modest. In 1979, U.S. exports to Tunisia, mainly food and small equipment, totaled \$175.1 million. U.S. imports from Tunisia during the same period were valued at \$95.4 million.

Tunisia is looking to the West for military assistance, primarily in equal amounts from France and the United States. Tunisian officials made repeated expressions of gratitude for past U.S. economic and military assistance. They were particularly pleased with the U.S. response after Gafsa as evidenced by the emergency military package as well as with public expressions of support exemplified by House Concurrent Resolution 282.<sup>1</sup> Prior to the study mission's visit, a military survey team visited Tunisia to assess their new 5-year military plan.

In the wake of the Gafsa attack, the Tunisians are looking for increased assistance from the United States. They expressed particular interest in FMS credit of about \$300 million over 5 years with favorable repayment terms, a large portion of which would be available in fiscal year 1981. They are interested in purchasing such items as tanks, fighter aircraft, ammunition, and ground-to-air missiles. Still strongly committed to continued economic progress, Tunisians realize that they must now devote more of their resources to defense. They see their principal threat to be Libya, whom they believe is serving as a Soviet proxy to destabilize the entire north African region.

The study mission concluded that special circumstances warrant the continuation of concessional aid to Tunisia and furthermore assured the Tunisians that all assistance requests would receive careful and sympathetic consideration when they are formally presented to the Congress. The delegation, while reaffirming close friendship with Tunisia, cautioned them not to be overly optimistic in the face of efforts to balance the U.S. budget. The delegation also encouraged Tunisia to seek assistance from other countries who should also be sympathetic to Tunisia's security needs.

#### SUMMARY

Tunisia is a nonaligned country which continues to have a relatively progressive and open society. Relations with the United States are excellent. Nevertheless, Tunisia has growing concerns about the deteriorating stability of north Africa. They feel the growing focus of destabilizing forces in north Africa is on the countries which are traditionally viewed as moderate and oriented toward mutual friendship and cooperation with the West, such as Tunisia itself and Morocco.

<sup>1</sup> See app. 3, p. 25, for text of House Concurrent Resolution 282.

Increasing pressures for regional destabilization are seen as stemming from the policies and activities of the heavily armed, radical regimes in the region, particularly Libya, supported by the Soviet Union and Cuba. In light of the Gafsa raid, the Government of Tunisia is concerned that its longtime policy of concentrating on efforts to improve economic and living conditions for the Tunisian people has been achieved at the expense of adequately maintaining Tunisia's ability to defend itself from externally supported armed threats to its national security. Tunisia now hopes, with Western assistance, to maintain its pace of economic progress and to realistically provide for its national defense needs.

## MALTA

### INTRODUCTION

During the course of its April 12 to 14 stay in Malta the study mission met with Prime Minister Mintoff, President Buttigieg, and various parliamentary representatives and cabinet ministers. These meetings were complemented by background briefings from Ambassador Joan Clark and the Embassy staff. Discussions were held on a variety of United States-Maltese bilateral issues, economic and security questions, and Malta's policy of nonalignment.

### BILATERAL RELATIONS

Malta is one of the most densely populated countries in the world. Located in the Mediterranean between Europe and Africa, Malta's strategic location and its ideal natural harbors have historically been a tempting target for powerful states. Since the closing of the British/NATO base in March 1979, the Government of Malta has reduced its ties to its European neighbors, declared itself nonaligned, and has sought to broaden its relationships with East European and Arab States, particularly Libya.

United States-Maltese relations can best be characterized as cordial. The United States has sought to encourage our European allies to continue their dialog with Malta concerning some type of security arrangement. The United States has recognized Malta's desire to develop a neutral, nonaligned foreign policy and has acknowledged Malta's view that its port and air facilities should not be made available to the military forces of the United States or the Soviet Union.

Prime Minister Mintoff continues to seek a more prominent role in the nonaligned movement. He generally has avoided support for U.S. policy positions. For example, Mintoff refused to condemn the seizure of the U.S. Embassy in Tehran. However, Malta supported the U.N. resolution on the Soviet invasion of Afghanistan, largely because of its widespread support by the nonaligned movement.

During lengthy discussions with the delegation, the Prime Minister continued to insist that he would not receive our Ambassador—who has been in Malta over a year—until the executive branch sends a high level official to Malta. Delegation members took the opportunity to stress to the Prime Minister that the American Ambassador is the representative of the President of the United States and is therefore the channel through which our bilateral relations can best be maintained and enhanced.

The United States has no defense agreement with Malta, and none is being sought. Although Malta's position is to deny its air and port facilities to either the United States or the Soviet Union, there is an extensive Libyan presence on Malta. Prime Minister Mintoff dismisses

any concern over an expanded Libyan role in Malta on the basis that he can manage the Libyan influence in Malta, and does not believe the Libyans are Soviet proxies.

Maltese officials discussed with the study mission their increased concern with defense requirements. In this regard, the Maltese discussed the desirability of purchasing patrol boats from the AID excess property program. AID has provided certain excess property to Malta and is willing to search the inventory for items that may meet Malta's needs. However, AID officials have indicated that patrol boats are not on that agency's excess property list.

The Maltese economy has changed substantially over the past decade, particularly since the closing of the British/NATO bases. The Maltese have made considerable economic progress with the reorientation of their economy toward development of new industry, shipbuilding and repair facilities, and promotion of tourism. For the past 3 years, the GNP has continued to grow, with the per capita income rising from \$503 in 1966 to \$3,000 in 1979. Despite this progress, inflation is now running at 10-12 percent. Unemployment levels are a major concern to the government of Malta, and there is widespread underemployment. Official unemployment is reported to be 2.8 percent due to extensive government job programs.

Under the direction of Prime Minister Mintoff and his Malta Labor Party, much of the social fabric of Malta has changed. Reform of higher education in Malta has resulted in the demise of the 381-year old University of Malta and the establishment of a successor institution bearing the same name. The new University of Malta offers only courses deemed of "utilitarian" value; the arts and science degree has been abolished. A worker-student program has been initiated, under which students are required to attend classes for half the year and work the other half. This program has recently been extended to secondary school students as well.

A labor conflict between government and the Maltese Physicians' Union resulted in an exodus of local medical specialists from Malta. They have been replaced by doctors from Czechoslovakia, Pakistan, Yugoslavia and Palestine.

Malta has undertaken concerted efforts to obtain financial and economic support from Western European countries in exchange for some type of security arrangement. The financial support the Europeans are willing to provide is under negotiation.

Prime Minister Mintoff discussed with the delegation the May 1978 letter from President Carter which raised the issues of U.S. private investment in Malta and the possibility of U.S. loans for Malta. The Prime Minister restated his complaint that he considers the Carter 1978 letter a U.S. "commitment" to provide loans for Malta. The U.S. Government position is that the letter makes no such commitment.<sup>1</sup>

Malta's growing economy and its \$3,000 per capita income puts it above the usual standard for U.S. development aid. Throughout the discussions with the Prime Minister and Maltese officials, no specific

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<sup>1</sup> The letter appears in app. 4, p. 26.

aid requests were discussed. However, the subject of increased U.S. investment in Malta was reviewed in broad terms. The study mission reinforced the importance of foreign investment in Malta and tried to encourage the Maltese to attract American investment.

#### LIBYAN INVOLVEMENT IN MALTA

The study mission noted with concern the extensive Libyan involvement in Malta. Libya came to the assistance of Malta during a crucial time by providing a considerable loan to Malta to meet the government payroll. Libya has provided considerable assistance to Malta in soft loans and grants, and concessionary oil supplies. Although far short of Maltese expectations, Libya has mounted an extensive investment program in Malta, as well as large land and hotel purchases. U.S. concern over this extensive Libyan involvement was raised with the Prime Minister. In dismissing these expressions of concern about Libyan activities, Mr. Mintoff felt that the Libyan presence was beneficial to Malta.

#### SUMMARY

Malta has actively sought a nonaligned foreign policy, seeking to strengthen relations with Arab States, particularly Libya. Since the closing of the British/NATO bases in March 1979, Malta has undergone many changes. Malta has thus far successfully restructured its economy, and enjoyed consistent increases in per capita income. It also maintains substantial foreign reserves. However, Malta does experience double digit inflation and widespread underemployment.

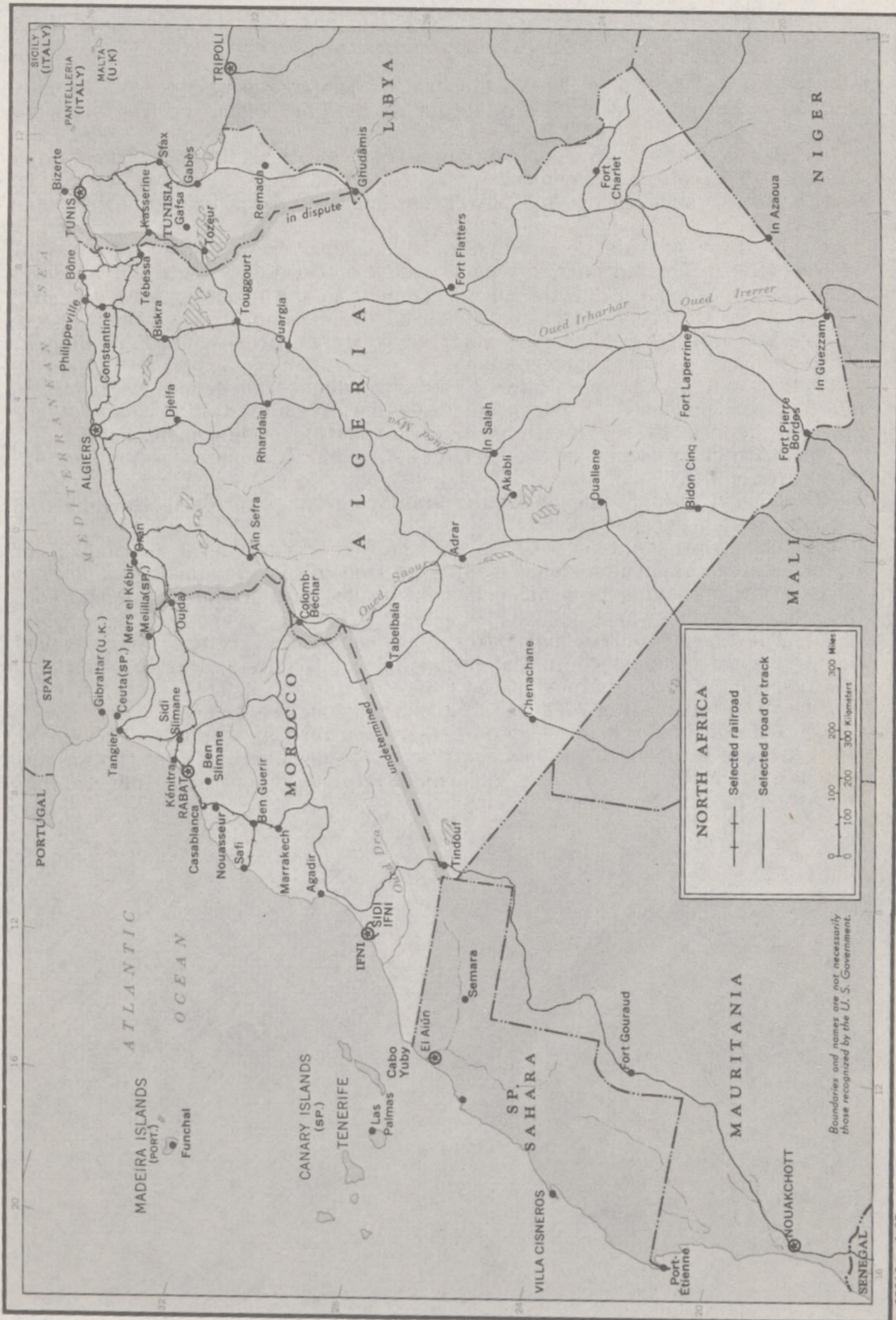
In discussions with the Prime Minister, the study mission raised its concern over Libyan activities in Malta. Although the Prime Minister rejects this concern, a critical public attitude exists in Malta over the strong Libyan presence.

United States-Maltese relations can best be served by continuing to demonstrate understanding and support for Malta's policy of non-alignment. This posture may discourage Malta from forming a politico-military relationship with the Soviet Union.

The delegation strongly encouraged the Prime Minister to formally receive the U.S. Ambassador, and hopes that he will make that effort as a part of our mutual interest in positive bilateral relations.

# APPENDIX 1

## MAP OF NORTH AFRICA



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## APPENDIX 2

### THE MADRID ACCORD

#### AGREEMENT BETWEEN MOROCCO, MAURITANIA AND SPAIN ON THE QUESTION OF THE WESTERN SAHARA

At a meeting in Madrid on 14 November 1975 the representatives of the governments of Spain, Morocco and Mauritania reached agreement on the following principles:

(1) Spain reaffirms its decision, repeated countless times at the United Nations, to decolonize the territory of the Western Sahara by putting an end to the responsibilities and powers which it holds as the administrative authority.

(2) In view of this decision, and in conformity with the negotiations between the interested parties recommended by the U.N., Spain will proceed immediately to set up an interim government in the territory with the participation of Morocco and Mauritania and the collaboration of the Yema'a. The responsibilities and powers referred to in the previous paragraph will be transferred to these governments.

To this end, it has been agreed that two deputy governors shall be appointed, one proposed by Morocco, the other by Mauritania, to assist the governor-general of the territory in the execution of his duties.

The Spanish presence in the territory will finally come to an end before 28 February 1976.

(3) The views of the Saharan population, as expressed through the Yema'a, will be respected.

(4) The three countries will inform the Secretary-General of the U.N. of the measures taken under the heading of the present document as a result of negotiations which took place in conformity with Article 33 of the U.N. Charter.

(5) The three countries party to the agreement declare that they reached the preceding conclusions in the best spirit of understanding, brotherhood and respect for the principles of the U.N. Charter and as their own contribution to the preservation of peace and international security.

(6) This document will become operative on the day of publication in the Official State Bulletin of the law relating to the decolonization of the Sahara which authorizes the Spanish government to carry out the undertakings contained in this document.

## APPENDIX 3

### TEXT OF HOUSE CONCURRENT RESOLUTION 282

[H. Con. Res. 282, 96th Congress, second session]

#### CONCURRENT RESOLUTION

Expressing the sense of the Congress with respect to the recent foreign-inspired attempts to undermine the stability of Tunisia

Whereas Tunisia has demonstrated its desire to foster and maintain close and friendly relations with the United States;

Whereas Tunisia under President Bourguiba has achieved impressive progress in economic growth and has sought to achieve, consistent with the policy of the Foreign Assistance Act of 1961, self-sustaining economic growth with equitable distribution of benefits for its people;

Whereas Tunisia, despite its policy of pursuing amicable relations with its neighbors, is now the victim of foreign subversion and possible aggression; and

Whereas Tunisia merits and needs the support of its friends and allies in facing this threat to its independence and territorial integrity: Now, therefore, be it

*Resolved by the House of Representatives (the Senate concurring)*, That it is the sense of the Congress that recent foreign-inspired attempts to undermine the stability of Tunisia constitute a serious threat to international peace and security and to United States national security interests in the Mediterranean area.

SEC. 2. It is further the sense of the Congress that the United States should take steps to help Tunisia meet this unprovoked threat to its freedom and security by furnishing appropriate levels of economic and security assistance.

APPENDIX 4

TEXT OF LETTER FROM PRESIDENT CARTER TO MALTA PRIME MINISTER  
DOM MINTOFF

THE WHITE HOUSE,  
*Washington, May 8, 1978.*

Hon. DOM MINTOFF,  
*Prime Minister of Malta,*  
*Valletta.*

DEAR MR. PRIME MINISTER: I appreciate your letter of April 18, 1978, and I am pleased that Ambassador Laingen was able to arrange the important meetings you desired for your emissary, Dr. Felice.

We have followed with understanding Malta's discussions with its European neighbors about a guarantee of Maltese neutrality. I was therefore glad to learn that the discussions have resumed and that progress has been made in recent weeks. We have encouraged the Europeans to be responsive in their talks with you because, as you know, we believe that your European friends and neighbors have direct interest in Malta's future.

We are, of course, sympathetic to Malta's efforts to assure the economic well-being of its citizens following the closing of the British/NATO base in 1979. In that regard, we favor US private investment in Malta, and we have sought to make US investors aware of possible investment opportunities there. I am glad that US investment in Malta is growing and that it is making an increasing contribution to Malta's economy.

I understand that Dr. Felice spoke to my officials about a request for loans. We will consider this request carefully, and Ambassador Laingen will give you our response. Should further questions arise in connection with Dr. Felice's visit or on other matters, please do not hesitate to raise them with Ambassador Laingen, who has my full confidence.

Sincerely,

JIMMY CARTER.

## APPENDIX 5

### DECOLONIZATION OF THE MAGHREB<sup>1</sup>

The legacy of a century of European colonialism has had a profound impact on the political development of the states of North Africa (Maghreb).

Historically, the nations of the southern coast of the Mediterranean were widely exposed to the political and commercial adventures of their neighbors to the north. The Maghreb states (Morocco, Algeria, Tunisia and Libya) were repeatedly invaded by Asian and European powers over a 2000 year period, yet proved resistant to total assimilation, in part because of the isolation provided by the Atlas mountains. In the nineteenth century, Spain, France, Britain and Italy all established presence in the Maghreb. In the early years of the century, France found in relatively uninhabited Algeria a needed colony for the rapidly expanding French population. Later French colonial efforts in Morocco and Tunisia were more limited; the objective was primarily for marketing and financial endeavors and did not involve many settlers. The Italians did send settlers to both Tunisia and Libya. Spain, having ties to Morocco dating back 1000 years, divided up portions of that kingdom with France in the 1912 Treaty of Fez.

France, the major colonial power of the region, moved into Algeria without resistance from other European states, but later competed with other nations for influence over the more urban Tunisia and Morocco. France used military force in 1830 to protect its commercial interests from attack by the Barbary coast pirates, but shortly thereafter, French settlers arrived and established a vast network of French educational and administrative institutions. In Morocco and Tunisia, where the French arrival was a diplomatic rather than military operation, local institutions were permitted to remain, and the experience of those two countries as French protectorates was less disruptive to the social fabric. The process of decolonization was also less violent for those two than it was for Algeria.

National movements existed in all three Maghreb nations throughout the twentieth century, although the French policy of "mission civilisatrice" (civilizing mission through French language and culture) was thought to thwart the drive for independence. These national movements eventually forced France (in mid-1950's decisions by de Gaulle) to grant independence to Morocco and Tunisia. France planned at that time to retain the central key,<sup>2</sup> Algeria, which was then fully integrated administratively into the Republic as a Department (equivalent of a state in the United States). But Algerian nationalism was on the rise, and was afforded a base from which to operate in the newly independent flanks to the east and west.

Tunisia and most of Morocco became independent in 1956. Algeria's revolutionary war spanned nearly a decade, from 1954 to 1962. The Spanish government did not cede its claims to its territory in the Western Sahara until 1975, when it granted administrative authority to the northern two-thirds to Morocco and the southern third to Mauritania. The international legal position, supported by the U.S. Government, is that the question of the sovereignty of that territory is still unresolved.<sup>3</sup>

#### MOROCCO

The Sahara is currently the scene of the greatest source of instability in the region. An armed struggle has been gathering momentum between the king's forces and those of the Polisario, backed by Algeria and Libya. Frontiers continue to be matters of great sensitivity in the Maghreb, since Morocco and Algeria have not resolved boundary disputes, nor have Tunisia and Libya.

<sup>1</sup> Prepared by Ellen B. Laipson, Analyst in Middle Eastern Affairs, Congressional Research Service, Library of Congress.

<sup>2</sup> A Survey of North West Africa, ed. Nevill Barbour, Oxford University Press, 1969, p. 54.

<sup>3</sup> Testimony by Harold Saunders, Assistant Secretary of State for Near Eastern and South Asian Affairs, before the House Foreign Affairs Committee, Jan. 24, 1980, p. 3.

Morocco's dynastic tradition predates the Islamic invasion of North Africa in the seventh century, and subsequent foreign powers have been challenged by Morocco's proud and highly developed urban culture and by the resistance of its mountain tribes to central authority. Spain's and Morocco's histories were intertwined from the Islamic conquest of Iberia in 711 A.D. and Spanish communities developed along the coast of Morocco and in the southern mineral rich territories. In 1884, Spain established a protectorate in the south, and later acquired larger portions of the Moroccan state to prevent total French domination of the region, a political decision that Spain made partly in the interest of its relations with Britain, which acquired Egypt in exchange for French domination of the Maghreb.

Prior to its independence in 1956, the northern and southern parts of the Kingdom of Morocco were occupied by Spain and the central portion by France. The French occupation ended, but Spain only withdrew gradually from the north (where it still occupies the enclaves of Sebta, Melilla and the islets of Velez and the Asfarines) and from the south, in the following stages: in 1958 it restored the Province of Tarfaya, in 1969 it restored the Province of Ifni, and in 1975 it restored the Sahara (Treaty of Madrid dated November 14, 1975).

The Spanish colonial experience in Morocco is considered to have achieved little, having no ideological or missionary goal like the French "mission civilisatrice." Yet the Spanish presence was appreciated by Moroccans for its lack of racialism; no distinctions were made in Spanish-ruled areas between Berbers and Arabs, and no efforts were made to replace local languages (Berber and Arabic) with Spanish.<sup>4</sup>

By contrast, the French installation of the protectorate in 1912 precipitated dramatic changes in the institutional life of the main cities. France supported the indigenous monarchy, although many historians consider this policy shortsighted; Sultan Mohammed V (who changed his title to King in 1957) became the leader of the nationalist struggle. He was sent into exile for 2 years and the nation was plagued by terrorism. While a genuine struggle among different political factions took place in Morocco, at independence (negotiated in 1954 and achieved in 1956), the monarchy took the dominant role in the nation's political institutions.

#### ALGERIA

Algeria's transition from colony of France to independent nation was painful and protracted. The French, even as late as 1954 when the decision to grant the protectorates independence was made, clung to the belief that Algeria would remain French, in large measure because of the pressure brought to bear by Frenchmen residing in Algeria (colons). The Algerian revolution up until 1960 has been described as a peasant revolt, similar to an anti-French insurrection that occurred there in 1871.<sup>5</sup> But in 1960, the town population began to rally to the revolutionary cause, and the scale of the conflict escalated, ultimately capturing the attention of other nations and international forums of diplomacy.<sup>6</sup>

The main instrument of the liberation struggle was the FLN (Front de la Liberation Nationale), which called not only for independence from France but for radical, political change once independence was achieved. 1958 was a critical year; the Fourth Republic in France fell in May, and was replaced by a government led by a stronger presidency. In September, the FLN formed a government in exile led by Ferhat Abbas, and from then on, influential people on both sides sought a negotiated settlement, although both sides were subject to pressures from extremist factions. Upon declaration of a ceasefire in March 1962, the struggle for leadership of the independent Algeria began, with the FLN discovering that its mandate lost its validity with the end of the war. The main forces in Algeria in 1962 were the army, the administration (French educated and with a large proportion of Berbers) and the trade unions.

Because of the profound sense of abandonment felt by the colons towards the French government of de Gaulle, whom they had expected to resist the FLN demands, and the degree of violence and instability that had accompanied the war, there was a massive exodus of Frenchmen from Algeria, and a wild scramble by Algerians to seize the colonists' property. This popular, spontaneous confiscation of land was legitimized in a policy called auto-gestion, or self-management,

<sup>4</sup> Nevil Barbour, *op. cit.*, p. 67.

<sup>5</sup> Samir Amin, "The Maghreb in the Modern World," Penguin Books, 1970, p. 189.

<sup>6</sup> *Ibid.*

that has subsequently proven, twenty years after independence, to be a less than satisfactory agrarian policy. Again because of the manner in which independence was obtained, the Algerian regime initially instituted a radical arabization process which has proven impractical, for ties with European nations have required the continued use of the French language. Despite tensions and occasional conflicts in policy, France has been an important ally of Algeria's and a source of aid and employment.

#### TUNISIA

Tunisia's national movement and road to independence were smoother than its Maghreb confreres because of its relatively greater homogeneity and cohesiveness, which is due in part to its smaller size and in part to the central role of Habib Bourguiba. Tunisia, like Morocco, enjoyed a long tradition of middle-class urban experience before the modern colonial days. Its strong nationalist spirit is reflected in the way in which Tunisia, during the Ottoman Empire, was able to transform the resident Turkish pasha into a national monarch. By the nineteenth century, European penetration was significant, and the government became increasingly dependent on European commerce for a source of revenue. The French officially established their protectorate in 1881, but always permitted a degree of local administrative autonomy and retained the monarchy.

The political party founded by Bourguiba, the Neo-Destour, was the only one of the North African nationalist parties to survive independence and remain a living political force. This has helped assure a degree of political stability for Tunisia far beyond that of its Maghreb neighbors.



