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THE SITUATION IN THE MAGHREB

Note by the Chairman of the Expert Group

The Expert Group on the Maghreb, comprising Representatives of Belgium, Canada, France, Germany, Greece, Italy, the Netherlands, Norway, Portugal, Turkey, the United Kingdom and the United States, met at NATO Headquarters on 19th April, 1971.

2. The present Report, drafted by the Chairman at the request of the Experts and reflecting the views they expressed, covers the period October 1970 to April 1971.

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N A T O C O N F I D E N T I A L

THE SITUATION IN THE MAGHREB

Report by the Chairman

1. The Experts unanimously agreed that the prospects of Maghreb unification had dimmed and that the idea itself had lost much of its impetus. The recent decision in Benghazi to set up a federation comprising Egypt, Syria and Libya is bound to contribute to this trend. On the other hand, bilateral relations have been strengthened and improved, especially between Algeria and Morocco, Libya and Tunisia. However, Col. Boumedienne's régime is still viewed with some suspicion in Tunis. Although Libya's recent rapprochement with Egypt had an adverse impact on its ties with the three North African countries, Algeria succeeded in taking a common stand with Libya on all questions bearing on oil interests. None the less, Col. Khadafi is still anxious that his country should act as a "bridge" between the Maghreb and the Middle East.

2. As yet, it is no easy matter to weigh the chances of the federation linking Egypt, Syria and Libya and the failure of previous Arab attempts at federation gives good grounds for caution. At the economic level, the Union is kindling Egyptian and Syrian hopes, and even covetousness, for these two countries are counting on Libyan resources to boost their economic development and make a greater contribution to the military effort against Israel.

3. There has been a marked increase in nationalism in each of the Maghreb countries. A notable instance of this was the recent crisis in Franco-Algerian relations. In so far as their domestic policy is concerned, the three North African countries' régimes appear to be stable, but the Libyan régime is showing signs of weakness.

4. Col. Khadafi has to reckon on some opposition, both among the public and in the Revolutionary Council; also, notwithstanding its extensive oil resources, the country's economic position is far from brilliant. As a result, the head of the Revolutionary Council is inclined to seek after prestige-building achievements and this probably accounts for the decision to form a federation with Egypt and Syria. Col. Khadafi is doing his best to steer a middle course between East and West. In his dealings with the Soviet Union, he has taken an independent stand which he will no doubt strive to maintain in view of his aversion for Communism, stemming from deep-rooted Islamic convictions. He has thus declined an offer of Soviet military advisers and rejected a request to provide bases for the Soviet fleet in the Mediterranean.

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It has again been confirmed that the contract with France for the supply of Mirage aircraft comprises various provisions governing the use to be made of them. The French Government has indicated that, should there be any alteration in the interpretation of this commitment as a result of the establishment of the new federation, this could give rise to a reaction on its part. Libya's relations with Tunisia have improved (Col. Khadafi's visit to Tunis, labour agreement). Libya and Algeria have shown close solidarity in upholding their oil interests. However, on the whole, the Libyan Government has taken a pragmatic attitude in its relations with Western countries.

5. In Algeria, Col. Boumedienne has the situation well in hand. However, he has been unable to win over the students - Marxist-Leninist in outlook - who are the only remaining opposition force. The students' association (Union des Etudiants) has been banned and the FNL has restored order in the university, not without some brutality. Yet, at the same time, the Algiers Government continues to provide hospitality for any revolutionary group wishing to set itself up in the city (Black Panthers and African liberation movements, especially those directed against Portugal).

6. Following the crisis in Franco-Algerian relations as a result of the unilateral decisions taken by the Boumedienne Government, France has terminated its "special relationship" with Algeria and decided that relations between the two countries will henceforth be conducted on a normal bilateral footing. However, the French Government has left the door open for a subsequent improvement in relations and has taken no action prejudicial to current aid, and especially that provided for in the cultural and technical co-operation agreement and the labour agreement. The root cause of the Algerian attitude appears to be the nationalistic outlook of the Government, which is trying to stamp out everything which, in its view, savours of "neo-colonialism". There are no grounds for concluding that this attitude was Moscow-inspired. The French oil companies will now have to negotiate directly, and in difficult circumstances, with the Algerian Government, which is offering them only a quarter of the compensation to which they deem themselves entitled. Similar difficulties are being experienced by other countries, such as the Netherlands with Unilever and Philips. However, one positive element is that the Algerians are anxious to retain some credibility vis-à-vis other countries, and especially the World Bank, as was recently demonstrated by an official announcement that compensation is being awarded to two United States oil companies which were nationalised several years ago; the purpose of this decision is no doubt to facilitate the signature of Sonatrach's contract with the

United States company el Paso for the supply of natural gas. It will therefore be interesting to see what form of compensation the nationalised foreign companies are eventually awarded by the Algiers Government.

7. A number of experts referred to a report that the Soviet Union had recently undertaken to supply Algeria with 50 mig 21 aircraft and 5 helicopters and that the Soviet fleet had been given staging facilities in the ports of Annaba and Oran. However, there does not appear to have been any increase in overall Soviet aid.

8. In Morocco, there is some political unrest, which can be ascribed to the prevailing unemployment, several cases of corruption and perhaps also the extravagant royal expenditure. However, opposition forces are at loggerheads and the King has no difficulty in keeping them in check with the assistance of a very active police force. None the less, Hassan II himself has recently come in for criticism, not only in the towns but also in country districts. In a vain effort to cover up these difficulties, he has embarked on a prestige-building policy (Arab summit meetings). Should there be an open break with the present régime, the decisive factor would be the attitude of the armed services; however, little information is available on where their sympathies lie.

9. Rabat is still on the alert for Communist subversion and its police activities are co-ordinated with those of Algeria (visit by General Oufkir to Algiers). Relations with the Soviet Union have made no headway and, in recent months, the closest contacts have been with the East European Socialist countries (Bulgaria, Rumania, Yugoslavia, trade agreement with the GDR). Soviet influence is still negligible and meets with hostility on the part of most Moroccans.

10. Morocco wants a direct settlement with Madrid on the Rio de Oro question but there is no prospect of an agreement for the moment. Spain has still a good case, since a referendum in this territory would not necessarily go against it.

11. The main issue in so far as the domestic situation in Tunisia is concerned is that of finding a successor to President Bourguiba. The prospects seem bright in view of the wide range and ability of the possible candidates; Mr. Masmoudi, Mr. Nouira, Mr. Ahmed Mestiri and - just possibly - Mr. Bourguiba's son, together with Mr. Bahi Ladgham, whose standing has temporarily declined. The Nouira Government is managing the country efficiently; the liberal régime is making satisfactory headway under its direction and there has been some improvement in the economic situation. Oil output is still low (2 to 3 million tons), but may increase following

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the discovery of deposits in the South. The outlook for the Tunisian economy is still mediocre and the country still needs as much foreign aid as possible. The provision of such aid is felt to be particularly appropriate since Tunisia is still very Western-oriented and is one of the West's best partners in the Arab world.

12. The Maghreb countries continue to take a radical line on the Arab-Israeli conflict, although this finds expression in words far more than in deeds. However, there has been a hardening in the position of Morocco, whose Foreign Minister has called for the establishment of a multi-national Palestinian state, which would entail the end of Israel as a Jewish state. However, in assessing this extremist position, allowance should be made for Morocco's anxiety to keep up with other countries in demonstrating its enthusiasm for Arab nationalism, this being a matter about which most of the domestic opposition forces are especially susceptible. It should also be noted that although Libya still has ambitions to take the lead in the anti-Israel crusade, it has aligned itself on the position taken by Egypt. Thus, the Arab-Israeli conflict still appears to be something relatively remote in the eyes of the Maghreb states, who would have neither the means nor, perhaps, the wish to counter an attempt to achieve a peaceful settlement.

13. In the final analysis, the Maghreb countries seem to be primarily intent on their own economic development. The Alliance would be well-advised to assist them in these efforts. Consequently, notwithstanding recent unfortunate experiences, it is desirable that private investment should not be channelled away from North Africa. Similarly, co-operation with the Western countries should continue to be developed, both at the bilateral level and through international organizations.

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