

~~Classification~~ POL

ALG-40
064991

NND 969031
By CLH Date 17 Apr 98

Department of State
TELEGRAM

INDICATE:
 COLLECT
 CHARGE TO

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Henderson

ACTION: USINT ALGIERS

STATE:

REF: Algiers 592, 595

9-25-70

1. Department continues to favor expansion commercial relations with Algeria. It has become increasingly clear, however, that our ability to encourage this relationship by positive acts is likely to lack of progress toward settlement of be limited by/outstanding claims of American nationals against Algeria and disputes with American corporations. We have on several occasions tried to make this clear to GOA, most recently in Secretary's message to Bouteflika (State 032269). We wish to avoid giving only Algerians impression our moves are related to El Paso project or that we are pressing them too hard. At same time, we consider Bouteflika's request that the Secretary facilitate El Paso project an important initiative to which we are attempting to be responsive.

2. We are hopeful that SONATRACH President Ghazali's recent statements to Gibson (Algiers 592 and 595) indicate Algerian awareness of desirability of reaching settlement with oil companies. Department suggests you seek early meeting with Ghazali to explore his approach including status of disputes with American oil companies mentioned refuels. further. You should make clear to Ghazali that statement which

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DRAFTED BY: AF/N:ALLowrie:pw	DRAFTING DATE: 4/28/70	TEL. EXT.: 22622	APPROVED BY: AF - Mr. Smith
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CLEARANCES:

E/ORF/FSE - Mr. Clark	L/C - Mr. Henderson	AF/N - Mr. Blake
L/AF - Mrs. Verville (info)	L/E - Mr. Carter (info)	S/S - Mr. Brown
E/IMA/FOD - Mr. Duncan (info)		

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ACTION:

appeared in "International Commerce" that settlement of disputes will probably have to await Govt to Govt negotiations after resumption of relations does not represent Department policy. We believe the sooner progress can be shown toward settlement of claims and disputes the better. Absence of diplomatic relations need ~~not delay~~ this effort. Recent communications from Department (Blake-Newsom memo of April 16 on status of nationalizations and restrictions on US-owned property) and copies of Phillips and Sinclair interventions in Distrigas case before FPC should provide you with most recent info available to Dept. As you noted in Algiers 592, USG is unable to speak for oil companies. In any case, we envisage your first meeting with Ghozali as exploratory and largely for purpose of assuring that Gibson conveyed ~~them~~ Ghozali's statements accurately. We leave to your discretion whether or not to have Bray accompany you to see Ghozali.

3. Concurrently, you should seek appointment with Ould-Rouis or equivalent level Foreign Ministry official to initiate talks on claims arising from GOA 1963 nationalizations, eleven of which ~~eleven private claims that~~ were submitted to GOA in late 1965

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ACTION:

4. AF/N officers (Blake and Lowrie) made strong ~~XXXXX~~ pitch
of Algerian Interests Section Ben-Allou on April 28 covering
most of above points.

END

[ROGERS]

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