

NND 969031
By CLH Date 17 Aug 98

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DEPARTMENT OF STATE

Memorandum of Conversation

10/20/72
DATE: October 20, 1972
Mr. Newsom's Office at 3 p.m.

SUBJECT: General Discussion of US-Algerian Relations

PARTICIPANTS: Abdelkader Bouselham, Chief, Algerian Interests
Section, Washington, D. C.
Sid Ahmed Hadj-Mokhtar, Councilor, Algerian
Interests Section

David D. Newsom, Assistant Secretary of State for
African Affairs
George M. Lane, Country Officer for Algeria

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Mr. Bouselham, at his request, called on Mr. Newsom
for a general discussion of US-Algerian relations.

Rogers-Bouteflika Meeting

Both Mr. Newsom and Mr. Bouselham agreed that the
meeting between Secretary Rogers and Foreign Minister
Bouteflika in New York on October 12 had been a
positive contribution to our bilateral relations.
Subjects of interest to both countries had been
frankly and fully discussed and the high-level
dialogue between senior officials maintained.
Mr. Bouselham said he hopes the U.S. Government
now understands why the GOA cannot take immediate
action on certain matters of interest to us, but
must wait for an appropriate moment to do so.

Hijacking

Mr. Bouselham said that the GOA still believes a
written exchange of letters between our two govern-
ments on the question of how to handle hijackers

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would be useful. He emphasized that the GOA wishes to deal with us on this question bilaterally. Mr. Newsom replied that the formula proposed by Bouteflika and Boussselham (forbidding a hijacked aircraft to land in Algeria) is difficult for us to accept because of the risk to the passengers, the crew and aircraft itself. Mr. Boussselham referred to the observation made by Mr. Rein in their conversation of September 14. Even though he understood that Mr. Rein's observation did not represent the official position of the USG, he wondered if we could not consider it as a point of departure in an attempt to find a formula that would be satisfactory to both countries. Mr. Newsom agreed that we would continue to examine this question.

Mr. Newsom mentioned that two of the hijackers of the Delta aircraft were escaped convicts. Although we had several times informed the GOA of their criminal records, Foreign Minister Bouteflika appeared unaware of this fact when the subject came up in the discussion with the Secretary in New York. The Foreign Minister had said, however, that we should be able to work together regarding common criminals. Mr. Boussselham asked that he be provided with a complete legal dossier on these two hijackers which would enable the Algerian judicial authorities to present a formal case against them in an Algerian court. It was agreed that the two governments would remain in touch on this question.

The Middle East

Turning to the Middle East, Mr. Boussselham referred to the discussion between Secretary Rogers and Foreign Minister Bouteflika and asked if the USG now has a plan for a Middle East settlement. Mr. Newsom replied that Mr. Sisco is much more deeply involved in this problem than he and that Mr. Boussselham might wish to call on him for a fuller explanation. Speaking personally, Mr. Newsom said that it was his impression, after having participated in some of the Secretary's bilateral meetings in New York, that the Secretary intends to continue his efforts to find a solution to the Middle East problem, beginning with a partial settlement at the Suez Canal. No one could say at the moment

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exactly what proposal the USG might make or what steps we might take, but no one in Washington is satisfied with the present situation.

Mr. Boussetham asked, "Are you thinking of the Palestinians?" and Mr. Newsom replied that we fully realize the need for a settlement that takes into account the rights of the Palestinian people. The problem, as Secretary Rogers said, is who speaks for the Palestinians? Mr. Boussetham replied that history and justice speak for them. During the Algerian Civil War not all Algerians spoke with one voice, yet there was an obvious solution--to stop the fighting and set up an interim government. Mr. Newsom replied that as far as the USG is concerned, no "solution" which threatens the existence of Israel is acceptable. Israel's exact frontiers, however, are another question. As for a Palestinian state or provisional government, each Arab country would have its own view and each would try to influence the Palestinians. Egypt, for example, had proposed a provisional Palestinian Government, but now seemed to be backing away from that proposal. If there were a clear, unified Arab/Palestinian position, it would be easier to deal with. Mr. Boussetham repeated Foreign Minister Bouteflika's remark to Secretary Rogers that the GOA does not want to frustrate any initiatives; since the Palestinian problem affects bilateral GOA/USG relations, the GOA is naturally interested in finding a solution.

Vietnam

Mr. Boussetham inquired concerning the present state of negotiations on Vietnam. He said that the GOA is convinced that Hanoi has real problems and it is now seriously looking for a solution. Mr. Newsom replied that he had the impression that the present negotiations are perhaps for the first time going to the heart of the problem. The problem is not an easy one for the U.S., which must find a solution which gives the South Vietnamese people an opportunity to determine their own future and at the same time does not give the American people a feeling that they have deserted an ally. Dr. Kissinger is searching for the right formula. Mr. Boussetham said that the GOA strongly hoped a solution could be worked out. Although he was without instructions, he was sure that his government would be willing to assist in any way that the USG thinks would be helpful. Mr. Newsom replied with thanks

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to the GOA for its previous assistance in Vietnam problems and said that everything was now in the hands of the President and Dr. Kissinger.

El Paso-SONATRACH

In a brief discussion of the El Paso-SONATRACH contract, Mr. Bouselham expressed optimism. He said that some officers of Chemico had recently gone to Algiers to discuss the construction of the liquefaction plant and that he is confident that an agreement on the assignment of proceeds issue can be worked out. Finance Minister Mahroug had reserved only the point of whether GOA should be required to pay one month in advance. Mr. Bouselham also mentioned that Mr. Kearns, in his last meeting with Mahroug, had talked of EX-IM investments of \$1.2 billion in Algeria in 1973.

Procter and Gamble Case

Regarding the Procter & Gamble (P & G) claim, Mr. Bouselham said that the GOA had never made a single lump sum settlement in previous nationalization cases and that it was extremely unlikely that it would set such a precedent in the P & G case. He felt sure that there must have been some misunderstanding if P & G had received the impression that they would get a single lump sum payment. He agreed with Mr. Newsom, however, that it was important to settle this final corporate claim quickly and said that he would do his best to work toward a mutually satisfactory solution.

In closing, Mr. Bouselham expressed great appreciation for the assistance of the USG and AFME in arranging for six Algerian ph.D. candidates to come to the U.S. to complete their studies. He said that all six (who are now studying in the U.S.) are extremely impressive and that their presence here is an important asset in the improvement of US-Algerian relations.

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