

NND 969031

By CLH Date 12/9/78

PADM 5

THE UNDER SECRETARY OF STATE
WASHINGTON

7119736

REPRODUCED AT THE NATIONAL ARCHIVES

[Redacted]

MEMORANDUM

② December 9, 1971
12/9/71

Dist to:

S
U
J
D
C
M
U/SA
S/IG
H
PM
CU
INR
EUR
NEA
E
AID/AA/PPC
AID/AA/AFR
RF

TO: AF - Mr. Newsom
THROUGH: S/S Tud
SUBJECT: PARA Review -- North Africa

Pursuant to the review of November 5, 1971, following are the conclusions of our meeting with respect to U.S. policy toward North Africa for the FY 72 review period.

Approach - Our dealings with the North African countries must be in a bilateral framework. The regional states are not closely bound together, and there is no overriding external issue (East-West problems, Arab-Israeli dispute) that provides scope for dealing with the region as a whole.

Interests - U.S. interests in the region, while limited and not vital, are significant.

Our most important interests relate to oil (Libya) and natural gas (Algeria) and the balance of payments benefits that we gain from oil investment. Other interests are the Kenitra facility and the location of Morocco at the entrance to the Mediterranean. Yet these strategic considerations must be kept in proper perspective; in particular, the potential threat to these interests is easily overemphasized.

Threat - Our strategic concerns are protected in reasonable degree by the nationalism of the states in the region, which acts as a barrier to Soviet attempts to

②

[Redacted]

PO2 1 AFR-25

NND 969031

By CLH Date 17 Aug 98

[REDACTED]
- 2 -

install a Soviet military presence or zone of Soviet influence along the southern shore of the Mediterranean. The same nationalism, however, also acts against our interest in maintaining special positions in the region (political in Tunisia; political and military in Morocco). Over time, these positions are likely to erode. The danger to our position in the oil industry is more substantial. While Libyan nationalism is an important threat to it, the problem must be dealt with in the over-all context of our global oil policy. (A special study on the international oil situation is now in preparation pursuant to PASM 4.) In sum, despite a fairly high level of U.S. interests, we are limited in what we can do -- or, fortunately, need do -- to protect them.

Programs - Our programs in North Africa, by and large, appear appropriate to the situation at this time. (See attached Summary Sheet). Aid is concentrated on Tunisia and Morocco and these two countries deserve continued emphasis. (The longer term future of these bilateral aid relationships is a question which we plan to look at more systematically in next year's review.) Also, we should continue to keep under review possible opportunities resulting from the changed situation in the Sudan. We recognize that within the African framework, some shift in aid allocations may be called for away from North Africa in favor of the Black African countries, assuming that Congressional cuts in economic aid appropriations compel us to reassess priorities. We need to keep a continuing close look on military supply programs lest we become too closely identified with regimes whose prospects are not too reassuring (especially Morocco). Similarly, we need to keep a rein on our rhetoric when talking of these regimes. Some increased emphasis on trade promotion, particularly vis-a-vis Algeria, is probably warranted. Current staffing patterns appear appropriate except in Libya where we are in the process of phasing down and Tangier which will be closed.

[REDACTED]

NND 969031

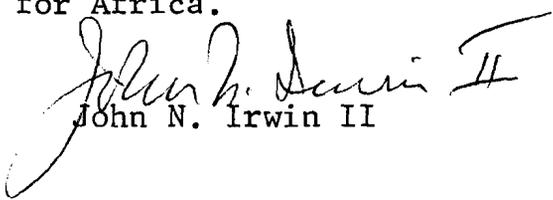
By CLH Date 17 Aug 98

[REDACTED]
- 3 -

Europe and Trade Preferences - In the most important fields our interests in North Africa are parallel to those of the Europeans and we welcome their deep and substantial involvement in the area. (In any event there is little that we could do to exclude them.) At the same time, we cannot assume that the European role will always be beneficial to our own interests, in particular in regard to issues in the trade and petroleum areas on which we must take a stand and design policies (e.g. on aid) to support these specific interests. The granting of reverse preferences is such a case. Nevertheless, we should, on balance, be flexible on preferences granted by the European Community to the Maghreb states. In cases where we feel that we should protect these, we must have very specific data on the losses that we stand to incur.

Implementation

Appropriate portions of this memorandum are intended as basic policy guidance for posts in the area and for the Department's representative in the NSC Interdepartmental Group for Africa.


John N. Irwin II

Attachment: As stated.

[REDACTED]

REPRODUCED AT THE NATIONAL ARCHIVES