

THE WHITE HOUSE

WASHINGTON

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Friday - February 14, 1969
2:45 p.m.



To: The President

From: Henry Kissinger *HK*

Subject: Your Meeting with John Wesley Jones, US Ambassador to Peru

As you requested, I have arranged to meet with Ambassador Jones this afternoon at 3:15 to discuss the IPC case. Following our meeting, I will bring him up to see you briefly.

In my discussion with Ambassador Jones, I will explore the advantages and disadvantages of sending a Presidential emissary to Peru to try to negotiate settlement of the IPC problem. We may want to raise this possibility with you this afternoon.

In the event you wish to get his views on this morning's fishing vessel incident, following is some background information.

Last night, eight U.S. tuna boats hove to about 50 miles from the coast of northern Peru. A Peruvian patrol boat pulled alongside during the night. As the vessels prepared to move out in the morning, the patrol boat pulled alongside one of the tuna boats, the Mariner, possibly damaging it. A boarding party seized the Mariner and took her into port at Talara.

The Peruvian patrol boat then attempted to board another vessel, the San Juan. The San Juan pulled away however, and the patrol boat started firing on her, apparently inflicting some damage. The rest of the tuna boats, attempting to aid the San Juan, converged on the patrol boat, which ceased firing and returned to port.

The tuna boats are still in the same area and have indicated they intend to remain there. The State Department is advising the owners in California that the situation could be dangerous and suggests that it would be prudent for the boats to get out of the area.

This information comes by radio from the tuna boats and has not yet been officially confirmed. Our Charge in Lima has vigorously protested to the Foreign Office, and Secretary Rogers is calling in Ambassador Berckenmeyer at 2:30 this afternoon.

*Peru, 21 Jan - 31 Mar 69, V - 271
Pickenbaker, USC OF Peru, BX 794*

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The Peruvian actions against the fishing boats are not necessarily related to our strained relations over IPC. The Peruvians, along with several other Latin American countries, claim that their territorial waters extend 200 miles. Although we have not had a shooting incident in recent years, there have been 58 seizures of US tuna boats by Latin American countries since 1963. Peru and Ecuador have been responsible for most of these incidents.

There are three specific legal implications in the seizure of a US fishing vessel --

- Under the Foreign Military Sales Act, we must cut off all foreign military sales programmed for the country which seizes a US vessel. The foreign military sales pipeline for Peru totals about \$1.2 million.
- Under the Ship Loan Act, we must recall the destroyer U.S. Isherwood, which was provided to Peru under an expired ship loan agreement.
- Under the Pelley Amendment to the Firemen's Protective Act, the US Government can reimburse the owners of the vessel seized for any expenses resulting from the seizure (e.g., fines, licenses, repairs). The Government of Peru then has 120 days to reimburse us for those expenses. If no reimbursement is made, we then must deduct an equivalent amount from the economic or military assistance program for that country. In 1969 we have \$4.7 million programmed for economic assistance (of which \$3.4 million remains unobligated) and \$700,000 for military grant aid.

The suspension of foreign military sales has been applied in one previous case involving the Ecuadoran seizure of a US vessel, the Day Island, on December 10, 1968. State plans to invoke the Pelley Amendment provision in that case too. The ship loan act provision has never been applied.

Peru, 21 JAN - 31 MAR 69, V.I. TR. P. 1000/1000, USC OF PERU, BX 794