

MEMORANDUM

5/22 PRESIDENT HAS  
SPEAK

1176

THE WHITE HOUSE

WASHINGTON

May 22, 1969

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ACTION

MEMORANDUM FOR THE PRESIDENT

FROM: Henry A. Kissinger \*

SUBJECT: Peru

The Problem

On the basis of press reports that the United States has suspended military sales to Peru, the Peruvian Government has asked, in effect, for official confirmation that sales are suspended, and has warned that if we do confirm the suspension, (a) they will ask Governor Rockefeller not to come and (b) ask us to withdraw our military missions and (c) claim a violation of the 1952 Mutual Defense Assistance Agreement. The Peruvians have been stung and are responding nationalistically. Moreover, it is possible that Velasco has siezed this issue to stir up nationalist sentiment as a means of consolidating his position from competing forces within the military.

The suspension of military sales is an automatic provision of the law. A waiver is possible on national security grounds, however. The immediate problem is to make some official response to the Peruvians. In line with our conversation this morning, I propose the following scenario.

Scenario

Ambassador Jones will:

1. indicate to the Peruvians that the suspension of military sales was an automatic and mandatory legal requirement, and will give them a memorandum which outlines the factual situation;

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2. emphasize to the Peruvians that there is a waiver provision which you are actively reviewing in terms of its applicability to this case. He will stress that we do not seek a confrontation, that we want to continue our dialogue so that we can find solutions to our current problems, and it is in that spirit that you will be very carefully reviewing the possibility of a waiver;

3. indicate that we believe that Governor Rockefeller's visit to Peru can be a very useful part of the dialogue and the search for solutions, and that we hope the Peruvians will accept his visit in that spirit;

4. note further that it would be very helpful in terms of your ability to waive the suspension of military sales if the Peruvians would agree to discuss some practical solution to the fishing problem, e. g. agree to attend a fisheries conference; and

5. express his hope that the Peruvians will not press for recall of the military missions while you are reviewing the possibility of a waiver.

If Peru agrees to accept Rockefeller, delay the recall of the military missions, and attend a fisheries conference, we should then be prepared to waive the suspension of sales. Foreign military sales to Ecuador have also been suspended and Peru will probably not agree to a conference unless Ecuador agrees. If Ecuador agrees to attend the conference, we should, of course, also apply the waiver to Ecuador.

#### Domestic Repercussions

You should be aware, however, that there are some domestic political risks you would have to accept. The Foreign Military Sales Act provides that the suspension of sales may be waived by the President when he "determines such action to be important to the security of the United States and promptly reports to the Speaker of the House of

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- 3 -

Representatives and the Committee of Foreign Relations of the Senate." Thus a Congressional report is required if you decide to waive the suspension of military sales to Peru and Ecuador. The waiver would probably produce substantial criticism from domestic pressure groups and some Congressional sources who will want a strong reaction. However, since your decision on a waiver would be contingent upon agreement to hold a fisheries conference, domestic criticism would be tempered -- the US fishing industry recognizes that a conference is the only practical solution to its problems with Peru and Ecuador.

RECOMMENDATION:

That you approve the above scenario.

Approved



Disapproved

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