

DECLASSIFIED

E.O. 12958, as amended, Sect 3.5

NSE/Soubers to Smith 09/06/2008

By LJA Date 02/14/07

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THE WHITE HOUSE

WASHINGTON

December 26, 1972

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National Security Decision Memorandum No. 199

Council on International Economic Policy Decision Memorandum No. 17

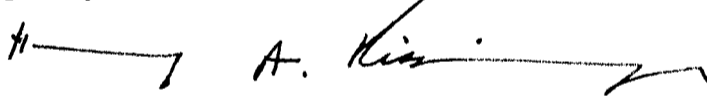
TO: The Secretary of State
The Secretary of Defense
The Secretary of the Treasury
The Secretary of Commerce
The Director of Central Intelligence

SUBJECT: U.S. Policy Toward Peru

The President has reviewed the interagency study on Peru prepared in response to NSSM 158/CIEPSM 23. He has concluded that we should pursue Option 1A, endeavoring to find a new basis for a negotiated settlement of the IPC dispute as well as other investment problems in Peru. The Assistant to the President for International Economic Affairs will coordinate this effort with support from the Departments of State and Treasury. If by the end of February 1973, development of an approach for initiating talks with the Peruvians has not proved feasible, the President directs the Senior Review Group to reconsider the Peruvian situation and make further recommendations.

During the 90 day exploratory period, the President has decided to reserve judgment on the question of the applicability of the Gonzales amendment to the IPC case. He directs that the U.S. continue efforts to maintain the cooperation of international financial institutions in deferring consideration of pending loans to Peru.

In regard to Ex-Im Bank lending to Peru, the President has decided to continue temporarily the present hold on new Ex-Im direct credits in order to preserve the possibility of using these credits to advantage in any new efforts directed towards a solution of the IPC dispute. If a solution cannot be developed, the current Ex-Im policy towards Peru should also be reconsidered by the Senior Review Group.


Henry A. Kissinger


Peter M. Flanigan

cc: Director, United States Information Agency
Administrator, Agency for International Development
President and Chairman, Export-Import Bank of the United States
President, Overseas Private Investment Corporation

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