MEMORANDUM FOR: DR. KISSINGER
FROM: ARNOLD NACHMANOFF
SUBJECT: Lifting of Foreign Military Sales Act (FMS) Suspension and Resumption of Fishing Negotiations with Ecuador, Peru and Chile

Attached at Tab I is a memorandum from you to the President covering a memorandum from Secretary Rogers indicating that the Ecuadorean Government may be willing to resume fisheries negotiations with us, and to move away from strict adherence to their position on Law of the Sea. Secretary Rogers proposes a scenario for removing impediments to fisheries negotiations with Ecuador and perhaps Chile and Peru as well. The scenario has the concurrence of the Departments of Defense and Commerce. It requires that the President lift the Foreign Military Sales Suspension imposed on Ecuador last January for seizing US fishing vessels, and your memorandum recommends that he do so.

The willingness of Ecuador to negotiate and to take another look at its Law of the Sea position would be a major breakthrough not only from the viewpoint of resolving the fisheries dispute with the Latin Americans, but also for our overall Law of the Sea goals. However, there is a timing problem arising from the fact that we have already told the Brazilians we are prepared to negotiate on fisheries with them in the fall. As you know, the Brazilians have been asserting their leadership of the 200 mile club and trying to act as its spokesman at the Preparatory Conference on the Law of the Sea presently underway at Geneva. The willingness of Ecuador and the other CEP countries to negotiate in the near future, and the possibility that they may be willing to back off from the hardline 200 mile territorial waters position presently held by Brazil, means that we are within range of isolating and neutralizing Brazil on fisheries and Law of the Sea. Brazil may try to head off this danger by announcing its agreement with us to go to negotiations in the fall and persuading the CEP countries to let it have a shot at us before they agree to separate negotiations. (We have already told Brazil it can announce pending negotiations with us at any time.) Accordingly, we must move quickly by putting the scenario for returning to negotiations with the CEP countries into effect as soon as...
possible in order to get them committed before our agreement to negotiate with Brazil becomes public knowledge.

RECOMMENDATION:

That you sign the memorandum to the President at Tab I.

Attachment:
   Tab I - Memorandum for the President

Concurrence:  Melvin H. Levine  
               Dennis Clift  
               Col. Kennedy