TO: THE SECRETARY OF STATE
    THE SECRETARY OF DEFENSE
    THE SECRETARY OF COMMERCE

SUBJECT: Fisheries Negotiations with Ecuador

The President has reviewed the recommendations of the Departments of State and Commerce forwarded with the Acting Secretary of State's memorandum of August 29, 1972. He has also considered the comments of the Secretary of Defense relating thereto.

In the interests of maintaining the best possible relations with Ecuador; eliminating the bilateral irritant caused by Ecuadorean seizures of U.S. fishing boats; and, at the same time, safeguarding the juridical position of the United States in the multilateral law of the sea negotiations, the President has taken the following decisions.

The President has approved and signed the Department of State's recommended waiver of suspension of military sales, credits and guarantees to Ecuador. In taking this action, the President has noted that the lifting of the FMS ban is to be conditioned on an oral understanding between the United States and Ecuador that there will be arrangements to prevent further seizures of U.S. fishing boats off Ecuador.

The President authorizes the Department of State to negotiate the terms of these arrangements and to prepare for subsequent formal bilateral negotiations on the fisheries issue with the Government of Ecuador. In so doing, he instructs the Department of State specifically to emphasize the following points of U.S. policy to the Government of Ecuador:

-- The willingness of the United States to enter into interim bilateral fisheries arrangements with the Government of Ecuador is without prejudice to the U.S. juridical position on the law of the sea.

-- The United States does not recognize any coastal state preference over highly migratory fish species such as tuna.
The United States will interpret interim fees which will be paid to Ecuador as conservation fees relating to improved multilateral management of tuna stocks within the conservation lines established by the Inter-American Tropical Tuna Commission.

The United States waiver of the Foreign Military Sales Act suspension is without prejudice to the United States position on the obstacles, including sales contract arrearages, which must be overcome before military assistance or credit sales to Ecuador can be resumed.

While recognizing the desirability of avoiding undue publicity, the United States reserves the right to make clear as required that the points outlined above represent U.S. policy. Timing and content of any public statement on this matter should be cleared with the White House.

The Department of State is requested to report to the President on the results of the talks with the Government of Ecuador authorized herein.

Henry A. Kissinger

cc: The Director of Central Intelligence