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# Peru Refinery Fuss Unabated

By JOE M'GOWAN JR.

LIMA, Peru (AP) — Prospects appear increasingly dim for settlement of the dispute between the United States and Peru over the expropriation of an American oil refinery.

President Nixon's special envoy, John N. Irwin, and his aides refuse to comment on the progress of their talks with Peruvian leaders. But a deepening sense of despair is detected among American officials here.

Although the talks so far have been cordial, U.S. Embassy officials and other observers feel the military government is showing little inclination to compromise. The ruling generals each day appear to paint themselves deeper into a corner, with no face-saving way out.

The dispute between Washington and Lima results from Peru's expropriation last Oct. 9 of the refinery in Northern Peru owned by International Petroleum Co., a subsidiary of Standard Oil of New Jersey.

The Lima government announced Monday that it had complied with its legal obligation to pay for the expropriated property by depositing in the national bank a check, written

to IPC for \$71 million, the value of the expropriated refinery in northern Peru as determined by independent assessors.

However, the government immediately seized the funds as payment toward the \$690.5 mil-

lion it claims from the company.

The Nixon administration is not expected to consider the embargoed check "effective payment" for the expropriated property.

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