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Peru Oil Grab Seen No Factor In Recognition

Associated Press

The State Department said yesterday the expropriation of U.S. oil properties in Peru should have no effect on its consultations with other nations on whether to recognize Peru's new military regime.

But the Department said most U.S. aid programs to Peru would have to be terminated unless the International Petroleum Corp. is compensated for its expropriated properties.

Robert J. McCloskey, State Department spokesman, said the United States is seeking further information on the subject and expressed hope that "a mutually satisfactory and just solution can be worked out."

Under the Hickenlooper Amendment of 1962, suspension of most U.S. aid is required in the event American property is expropriated by a country without adequate compensation.

Exceptions under the amendment include the Peace Corps, cultural and educational exchange programs and Export-Import Bank activities.