

Conversation No. 287-007

Date October 11, 1971

Time 10:28 - 11:25 a.m.

Location: Executive Office Building

Participants: Nixon and Kissinger

Following the Chilean Government's decision to levy a retroactive excess profit tax on the American companies, Kissinger informed the Chilean Ambassador that "certain consequences" would follow if the Chileans refused to be "reasonable."

[...]

[287-007_Clip1](#) (1.3m, 1:18)

Nixon: Do you mind if I take a tough line on Chile?

Kissinger: No. But, let me tell you: I saw the Chilean Foreign Minister at the embassy, and I took a very tough line with him.¹

Nixon: Yeah.

Kissinger: He then said, "Now, look, our process is completed here, we've made our point, and what we may do is to split up the excess profits between the government, which owns 51—almost 51 percent, and you." Now, I said, "Well—?" The way I would take a tough line is to say, "The process isn't completed yet. We'll be prepared—We are prepared to be reasonable. But if they go through with it, then certain consequences follow."

Nixon: It is not fair compensation being offered here—

Kissinger: That's right. If I leave them the escape-hatch while still making—See, so far, what they've done is they've grouped the excess profits into—in—they've just determined excess profits in a way that makes it very, in practice, confiscatory, and they assessed them all against the companies. Now, if they were to, say, to split them up 51 percent to the government, 49 percent to the companies, it might be something for conversation.

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¹ Clodomiro Almeyda Medina, 1970-1973.