

Conversation No. 584-003

Date: October 5, 1971

Time: 9:12 a.m. – 1:11 p.m.

Location: Oval Office

Participants: Nixon, Haldeman, John Connally, and Henry Kissinger

In the wake of the Chilean Government's decision to effectively reject paying compensation to either Kennecott or Anaconda by retroactively applying \$774 million in excess profits taxes, Nixon and Connally decided to take the gloves off.¹ Connally derided Allende's actions as a "farce" and advised Nixon that the Chilean President had "thrown down the gauntlet to us. Now, it's our move." "I have decided," Nixon replied, "You give us a plan, we'll carry it out." Nixon then vowed that "we're going to play it very tough with him [Allende]," and that he had "decided we're going to give Allende the hook." Connally egged the President on, admonishing him to take tough action against the "enemy" Allende: "The only thing you can ever hope is to have him overthrown, and, in the meantime, you will make your point to prove, by your actions against him, what you want, that you are looking after American interests." When Nixon promised to make an example of Allende, Haldeman observed that, "It would earn a bit with the right-wing in this country." After Connally left, Nixon provided a recap for Kissinger's benefit: "I said, 'All right, you give us a plan. I'm goin' to kick 'em. And I want to make something out of it.' That's my view." When asked for Kissinger's opinion, the national security advisor replied, "I would go to a confrontation with him; the quicker the better...Maybe not in a brutal way, but in a clear way." He also agreed to work with Connally in order "to figure out the confrontation."

[...]

[584-003_Clip1](#) (1.7m, 1:45)

Connally: Now, I figure—I had something, another thing to tell you: You have to really—The gauntlet's been thrown down to you on Chile, and we ought to move on Chile.

Nixon: What? How?

Connally: Well, this guy just—Allende—obviously, now, the columnists are all saying it strongly, even, I [*think*], the [*Washington*] *Post* or the [*Washington*] *Star* this afternoon or this

¹ Joseph Novitski, "Chile Nullifies Payments for Seized Copper Mines," *New York Times* (29 September 29, 1971), 1.

morning had an editorial that—I guess it's the *Star*, I guess that's it—just said, “Well, we thought there was some hope, but it's beyond hope now.”

Nixon: Well—

Connally: He's [Allende] gone back and said that the copper companies owe \$700 million. It's obviously a farce, and obviously, he's a—he doesn't intend to compensate for the expropriated properties. He's thrown down—He's thrown the gauntlet to us. Now, it's our move.

Nixon: Listen, and you—I have decided: you give us a plan, we'll carry it out.

Connally: So—

Nixon: Don't worry. This is a—This is one where I knew he would do it, and we're going to play it very tough with him.

Connally: Well, we've got Peru going now. We've got Peru—

Nixon: On our side.

Connally: On our side.

Nixon: That's right.

Connally: We've got Bolivia going on our side, and this guy Allende gets away with it. But it's a matter that Henry will have to get into.

Nixon: Now, well, that's right. But, but I—But I have decided we're going to give Allende the hook.

Connally: I just think it's awfully important...

Nixon: We're—

Connally: ...to drive your point home, because he's an enemy [unclear]—

Nixon: Oh, of course he's an enemy.

Connally: [Unclear] salvaged, and the only thing you can ever hope is to have him overthrown, and, in the meantime, you will make your point to prove, by your actions against him, what you want, that you are looking after American interests, and this a, this is—

Nixon: Well, it—John, it may find the guy we can kick. You know, you always said, “Let's find somebody in this world we can kick.”

Connally: That's right.

Nixon: And I think we should make a helluva case out of him. Like I just said, we're not going to take this.

Haldeman: It would earn a bit with the rightwing in this country.

[Connally left at an unknown time after 11:59 a.m. Henry A. Kissinger entered at 12:02 p.m.]

[...]

[584-003_Clip2](#) (930k, 0:57)

Nixon: Before we get into that, another subject I want to talk to you: Allende, according to Connally, is really screwing us now.

Kissinger: That's right.

Nixon: All right, I want—and I hope I proved to Connally—I said, “All right, you give us a plan. I'm goin' to kick 'em. And I want to make something out of it.” That's my view.

Now—

Kissinger: I talked to—

Nixon: —do you see any reason that I should not?

Kissinger: No, I talked—In fact, Connally and I talked about it yesterday.

Nixon: Yeah. Yeah.

Kissinger: I would go to a confrontation with him, the quicker the better.

Nixon: Fine. But the point is—

Kissinger: Maybe not in a brutal way, but in a clear way.

Nixon: Yeah. All right, will you work with Connally—

Kissinger: Absolutely.

Nixon: —to figure out the confrontation? Now, is there any—is there any—?

Kissinger: We may have to butter up the Peruvians, in order—I think we ought to make a distinction between the Peruvians, who have nationalized—

Nixon: That's right.

Kissinger: —have been, at least—

Nixon: Bolivia and Peru.²

Kissinger: And, I forgot to tell you that last night, but I'll work with Connally.

Nixon: That's right.

[...]

[584-003_Clip3](#) (90k, 0:05)

Nixon: All's fair on Chile. Kick 'em in the ass. Ok?

Kissinger: Right.

[William L. Safire entered and Kissinger left at 12:38 pm.]

[...]

² Following the nationalization of the IPC, the Peruvian *junta* adopted a softer position regarding nationalization, with the hope of encouraging domestic and foreign investment. Although the dispute with the IPC was never resolved, henceforth, the Peruvian Government sought through negotiation over compensation, as was the case when the holdings of the International Telephone and Telegraph Company were nationalized in October 1969 for \$17.9 million. Joseph Novitski, "Peru After Nationalizations, Seeks to Attract Foreign Investment," *New York Times* (October 30, 1969), 4. The dispute with the IPC was finally resolved in February 1974, when the Peruvian Government agreed to set up a special \$76 million fund to repay American companies whose assets had been expropriated, a portion of which would be distributed to the IPC's parent company, Exxon. H.J. Maidenberg, "Peru Will Repay Seized Companies," *New York Times* (February 20, 1974), 11.