

Conversation No. 649-001

Date: January 17, 1972

Time: 3:46 p.m. to unknown time before 6:38 p.m.

Location: Oval Office

Participants: Nixon, Connally, Haldeman

Nixon drew some satisfaction from the election reverse suffered by Allende's bloc in January 1972, but his fury was once again roused when he learned from Connally that the State Department had defied the President's instructions by informally notifying the Chilean Government that it could expect successful renegotiation of its foreign debt during the upcoming "Paris Club" meeting.

"I told Henry," Nixon fumed to Connally and Haldeman, "at the time Allende came in, we were not to do a damned thing to help him. Absolutely nothing!" Connally conceded that there was little the President could do about Chile at the moment, since, in an election year, "you're operating with your hands tied behind your back now." That said, while the President could not "do anything about it this year...with another four years you can."

Although Nixon agreed with Connally, he could not be consoled since State's end-run had robbed him of his one effective weapon against Chile: "Our major stroke in international affairs is our economics." In the wake of Vietnam, Nixon realized that stronger action was simply not feasible. "We can't send men, now, anymore. I mean, as we well know, I hate fighting these damned wars and things, and so...the major thing we can do is squeeze them economically. And, believe me, that can have one hell of an effect. One hell of an effect." Nixon then reemphasized his determination to defend his prerogatives over matters such as Chile against the meddling of "unelected" bureaucrats at State, and, if necessary, to take the blame for the consequences.

[...]

[649-001_Clip1](#) (1.6m; 1:40)

Nixon: Did you notice in the news summary this morning that Allende had a hell of a setback in his election?¹

Connally: He lost two parliamentary elections.

Nixon: What do you think of that?

¹ Juan de Onis, "Chilean Opposition Wins 2 Elections in Test of Allende's Socialist Program," *New York Times* (January 17, 1972), 14.

Connally: That's great.

Nixon: Now—

Haldeman: They were billing that as very significant. He was fighting like hell.

Nixon: We must not say anything. He wasn't—

Connally: Well, I—This brings up a point, and I've got a memorandum on the way in.

Nixon: Yeah?

Connally: We've got a meeting in Paris—

Nixon: Yeah?

Connally: —the so-called “Paris Club,” where we deal with the Chilean credit, whether or not we let them renegotiate their debts.²

Nixon: Yeah.

Connally: They've been up here talking. Now, here again—Normally, you'd think this clearly fell within the Treasury's provenance, but State's asserting jurisdiction over it. As a matter of fact, [Sidney] Weintraub at State has already told the Chilean ambassador that we're not only going to Paris, but we're gonna—we'll renegotiate, before we ever get there.³

Nixon: Well, they oughta—The son-of-a-bitch is not supposed to do that, because I've issued an order through Kissinger! You know about the order [*in the view that I gave one*]. When I say “ordered”—

Connally: That's right.

Nixon: —I told Henry, at the time Allende came in, we were not to do a damned thing to help him. Absolutely nothing! Now, is this—I don't want to get Henry involved, because he's in enough fights with State at the moment—

Connally: No, Henry shouldn't have to even fight it—

Nixon: Look, I'll just say—Let me say, John, I am totally opposed to it—

Connally: Well—

Nixon: —and we're not going to do it.

² Benjamin Wells, “Debt-Ridden Chile is Reported to Get Soviet Offer of \$50-Million in Credits,” *New York Times* (January 16, 1972), 20.

³ Deputy Assistant Secretary of State for International Finance and Development, 1969-1974

Connally: I've got a—I've got a memorandum coming to you.⁴

Nixon: Well, what—what is your—?

[Unclear exchange]

Connally: —actual memorandum, do you agree with it? I just said that, I think, Treasury ought to head the delegation to the Paris Club meeting.

[Unclear exchange; laughter]

BEGIN WITHDRAWN ITEM NO. 9

[National Security

[Duration: 4m 10s]

INTELLIGENCE

END WITHDRAWN ITEM NO. 9

[649-001_Clip2](#) (3.3m; 3:23)

Nixon: Can you imagine Weintraub going there and apologizing for the fact that the reason we should have met earlier is [that] we were busy with the Christmas holidays? Why, the son-of-a-bitch, he knows very well that we have not turned anyone on this thing. Well, we'll work on that.

Connally: Generally that's just—But that's one of the...

Nixon: Well, the McNamara—

Connally: ...little problems that you run in to. This is why you've gotta have a weak constitution in this damned place. It's because you have to have it.

Nixon: Yeah.

Connally: And you're operating with your hands tied behind your back now.

Nixon: Yeah.

Connally: And you can't do anything about it this year, but, my God, with another four years you can.

Nixon: That's right. Well, I—But the whole country, though, needs it. It's the—It's—Our major stroke in international affairs is our economics. Let's face it.

Connally: Sure—

⁴ NSDM 148 (“Expropriation Policy in Multilateral Development Institutions”), January 18, 1972, *FRUS: 1969-1976*, iv: Document 173.

Nixon: We can't send men, now, anymore. I mean, as we well know, I hate fighting these damned wars and things, and so our major—the major thing we can do is squeeze them economically. And, believe me, that can have one hell of an effect. One hell of an effect.

Connally: It sure can.

Nixon: That's why we're gonna drag our feet on the India thing—continue to.

Connally: Yeah.

Nixon: Well, my point is you would have been dragging those trade agreements that everybody else at the State Department is falling over all themselves to produce.

Connally: Well, at the World Bank, I talked to McNamara, Friday at noon. And he is firmly committed to no renegotiated Chilean debt.

Nixon: [*Hmm. On Chile?*] Good.

Connally: And he says under no circumstances. No, sir, [unclear]—

Nixon: And, and then for us then, for the Paris Group to do this—the Paris Club—is ridiculous.

Connally: Yeah. Well, they—their answer is, “Well, if they default, if we don't renegotiate, we've got to set a new maturity date.” I said, “Well, what the hell good's a new maturity date? You're kidding yourself.” I says, “If they've defaulted, they've defaulted. Let's try to impose some kind of sanction. Let's try to make 'em pay us.”

Nixon: Can I ask you to do this, Bob? As I've said, we've got Henry in too many fights with State at the moment, anyway. This is an awfully good one for [Peter] Flanigan to follow up on in every instance. Now, if Flanigan ever—In the future, if you would have such matters—I don't want him to hide them from Henry, you understand. I just don't want Henry to get his bells in an uproar and raise hell with Rogers. But Flanigan will, will, will just tow the line. Don't you agree?

Connally: I agree. That's the way to handle it.

Nixon: Yeah, and let's do it right. We'll just do it totally. See, Pete's quite aware. When you talk to Pete, he'll love this, too. He'll love getting into this kind of thing. Good heavens, this is so—such a direct violation of what I, what I've said. You know, you—I mean, basically, John, I may be wrong about Chile. I mean, many people think I am, and about Cuba, but, after all, it's what I—it's—Somebody's got to make the policy and, goddamnit, I've made it!

Connally: That's right.

Nixon: In my view, Cuba, you're not—you can't—You can't, for example—State is always trying to make end-runs on the Cuban thing, and I say, "No, we're not going to do it. I'm not going to do it there. They're different from China. We're just not going to do anything with Cuba at the present time." And we've just got to get—It's either got to be one way or the other.

Connally: That's right.

Nixon: I mean, they—they, they weren't elected. That's the point, another thing those guys forget.

Connally: That's right.

Nixon: And I take the heat. They don't.

Connally: That's right. It's your policy, and you're entitled to make it. And if it's wrong, you're entitled to the blame—

Nixon: And I'll get it, right—

[Unclear exchange]

Nixon: Get those creditors. That's all right, too.

[...]