

Conversation No. 650-012**Date: January 18, 1972****Time 12:34 – 2:29 p.m.****Location: Oval Office****Participants: Nixon, Ehrlichman and George P. Shultz.**

The day after his meeting with Connally, Nixon reiterated his determination to have the Texan or his deputy, Paul Volcker, lead the U.S. delegation to the “Paris Club” meeting, with the responsibility for ensuring “total reciprocity” from the Chilean Government. Nixon was also unimpressed with the arguments of “soft-headed bastards” who claimed that Allende was “just a reformer” (like Castro before him). “Now, that he [Allende] is elected,” Nixon declared, “and he is expropriating, and he is taking an anti-American attitude in foreign policy, to hell with him, at this point, on renegotiating loans!” A tough stance at the “Paris Club” was the “easy way to take him on,” Nixon judged, because “I’m not taking him on personally; not taking him on rhetoric; we just drag our feet at the negotiation.”

[...]

BEGIN WITHDRAWN ITEM NO. 1

[National Security]

[Duration:56s_]

[Subject: Intelligence]

END WITHDRAWN ITEM NO. 1

650-012_Clip1 (1.2m; 1:14)

Nixon: Well, in the first place, he didn’t clear it. It was not cleared at all with Connally. After all, this is a Treasury matter; that’s, goddamnit, not the State Department’s matter.¹ The second point is I’ve said it at least once—I said it to Secretary Rogers; of course, Kissinger; and others in his field. [Did] the expropriation statement ever get out, or not?² Put that out. I’ve told ‘em.³

Anyway, that’s something [Peter] Peterson was saying.⁴ [Laughs] [Unclear] got through 18 pages

¹ For details of the intense interagency wrangling surrounding the drafting and issuing of the President’s statement on expropriation of January 19, 1972, see *FRUS: 1969-1976*, iv: Document 170 (“Editorial Note”).

² “Statement Announcing United States Policy on Economic Assistance and Investment Security in Developing Nations,” January 19, 1972, <http://www.presidency.ucsb.edu/ws/?pid=3385>.

³ See *FRUS: 1969-1976*, iv: Document 172, fn 4.

⁴ Peterson to Nixon, “Policy Statement on Expropriations,” January 14, 1972, *FRUS: 1969-1976*, iv: Document 172.

[unclear] and he said, “Ok.” But anyway—Well, what happened was that it’s totally against my policy. Now, I may be—As I told Connally yesterday, I may be wrong about Allende, but my policy with regard to any country that expropriates American enterprises is to do unto them as they do unto us, and that you’ve got to play a tough line. We’re not going to renegotiate any goddamn loans, we’re not going help ‘em at all as long as—particularly when he’s in trouble now. He just lost a couple of parliamentary elections. And here’s the State Department, without telling Connally, without informing me—

BEGIN WITHDRAWN ITEM NO. 6

[National Security]

[Duration:15s]

[Subject: Intelligence]

END WITHDRAWN ITEM NO. 6

[650-012_Clip2](#) (1.5m; 1:35)

Nixon: So I said, “Where the hell is that memo I asked for on Saturday?”⁵ So I asked Alex [Haig], and he said, “Well, it’s over in the—being staffed at the NSC.” This is Tuesday. This was Saturday at this time. It was goddamned inconvenient. Well, I said, “Get it the hell in here.” So I dictated my own answer. Henry will go up the wall, because he thinks he should handle it, and so forth, but he would handle it in a brutal way with Rogers. He’d call him and say, “What the hell are you doing?” which is not the way to do it. [Laughs] So I just sent the memorandum to Connally and said, “You’re the chairman of the group that represents us with renegotiation, and you are to remember that there’s to be total reciprocity in our dealings with the Government of Chile.” He said, “I got the message.” Now, around here, you’re going to find a lot of soft-headed bastards that’ll say, “Oh, well, that’s not the right way to do it.” And, “Allende is not really a Communist.” And, “He’s like”—just like they used to say about Castro—I mean, “He’s just a reformer,” and this. And, “He’s the wave of the future. He’ll do this, and this will have a reaction against us in other Latin American countries.” And, “People will go up the wall,” and so forth. But I’m probably wrong—may be wrong—I always will guess that. I happened to be right about Castro when I recommended a very different course, and Eisenhower wouldn’t follow it, due to the fact that Allen Dulles was dead wrong, and State Department totally wrong, in their

⁵ NSDM 148.

evaluation of him. But in this instance, you see, when I have decided something, goddamnit, the State Department shouldn't run around and do it a different way. Now, that's just exactly what they were doing here. Do you agree with that? See my point?

BEGIN WITHDRAWN ITEM NO. 7

[National Security]

[Duration:18s]

[Subject: Intelligence]

END WITHDRAWN ITEM NO. 7

[650-012_Clip3](#) (745k; 0:46)

Nixon: The next—That's, that's, that's not the point. Now, that he [Allende] is elected, and he is expropriating, and he is taking an anti-American attitude in foreign policy, to hell with him, at this point, on renegotiating loans! It's such an easy way to take him on. I'm not taking him on personally; not taking him on rhetoric; we just drag our feet at the negotiation. See what I mean? And Connally—Who better to do that Connally? He'll send Volcker, or somebody else. But, here, this son-of-a-bitch Weintraub is over there cuttin' the rug right out from under what is—I have covered a number of times.⁶

Ehrlichman: State doesn't have any monopoly on that. We've had our problems since the last week or so.

[...]

⁶ The United States and the other members of the "Paris Club" finally reached an agreement with Chile that effectively reduced the latter's \$3 billion worth of debt by approximately \$600 million, while the Chilean Government promised to make "just compensation for all nationalizations, in conformity with Chilean and international law." John L. Hess, "U.S. Joins in Credit Accord with Chile," *New York Times* (April 20, 1972), 3.