



“[W]e’re going to give Allende the hook”

The Nixon Administration’s Response to Salvador Allende and Chilean Expropriation

nixontapes.org | Richard A. Moss, Luke Nichter, & Anand Toprani

Almost forty years after the military coup d’état that ousted the democratically elected government of Salvador Allende, historians are still striving for a thorough and nuanced understanding of U.S.–Chilean relations between 1970 and 1973. Not surprisingly, many students of the period have focused on the more dramatic aspects of the story, namely, the role of the Central Intelligence Agency and Department of State in trying to prevent Allende’s election via the covert actions known as Track I and Track II and the complicity of the CIA and the Nixon administration in the military coup of 11 September 1973 that ushered in the Pinochet regime. Unfortunately, this emphasis has come at the expense of a thorough examination of U.S. foreign policy during the three years of Allende’s presidency.



Treasury Secretary John B. Connally was Nixon’s designated point man for dealing with Third World expropriation in general and Chile in particular. (National Archives and Records Administration, College Park, MD)

The often-overlooked Nixon Tapes, which were in operation for approximately 85 percent of Allende’s tenure in office, are one source that can help re-focus the debate on U.S. policy, particularly the Nixon Administration’s response to the Allende Government’s expropriation policy.¹ To that end, nixontapes.org is pleased to bring you a selection of nearly 100 pages of excerpted transcripts on Chile and Allende in this downloadable Portable Document Format (PDF) collection.

The excerpted transcripts appear chronologically, and we have included links to the online audio

© nixontapes.org, June 2010. Produced by Richard Moss, Luke Nichter, and Anand Toprani. The views presented here do not necessarily reflect those of the U.S. Government. This article utilizes only a portion of the tape materials on Chile. Although we have reviewed each conversation multiple times, readers are encouraged to consult the audio and come to their own conclusions.

¹As of the writing of this briefing book most of the tapes dating from February to July 1973 have yet to be declassified. Specifically, Allende was in office 1,042 days, from his inauguration on November 4, 1970 to his death on September 11, 1973. In Washington, Nixon’s taping system started in the Oval Office on February 16, 1971 and ended on July 18, 1973—883 days, all of which took place while Allende was in office.

One recent study that has utilized some of the Nixon Tapes on Chile is Lubna Zakia Qureshi’s *Nixon, Kissinger, and Allende: U.S. Involvement in the 1973 Coup* (Lanham, MD: Roman & Littlefield, 2008). The authors wish to thank Dr. Qureshi for providing draft transcripts of several conversations used here.

clips and tape summaries.² This briefing book should be considered a starting point for tapes research on Chile. We have also prepared a comprehensive list of all declassified Nixon Tape conversations related to Chile and Allende [here](#), with tape logs and the accompanying audio for complete conversations, to facilitate future research. Broadcast-quality audio clips are available by email request to nixontapes@nixontapes.org.

An article based on this briefing book will be published as the cover article in the Society for Historians of American Foreign Relations *Passport* newsletter in September 2010. For more information on *Passport*, please [see here](#).



Nixon's chief domestic advisor, John Ehrlichman, with chief of staff H. R. "Bob" Haldeman aboard Air Force One. Ehrlichman served as Nixon's intermediary on a number of intelligence matters, and Haldeman played an important role in foreign policy as a sounding board and gatekeeper for President Nixon. (National Archives and Records Administration, College Park, MD)

A Note on Editorial Practices

Bracketed Ellipses ([...]) denote material that has not been transcribed or has otherwise been omitted. Non-bracketed ellipses (...) at the end of a sentence denote a speaker's voice trailing off, while in they middle of a sentence they denote minor, non-substantive omissions. Italicized bracketed material (*[italics]*) contains what we think we hear on the tape, but are not certain, or when there was any nonconcurrence among the 3 authors. Non-italicized bracketed material ([not italicized]) denotes editorial comments or explanations. Em-dashes (—) at the end of a sentence denote interruptions, while they denote a speaker restarting a sentence or an incomplete sentence when they appear in the middle of a speaker's speech.

² We clipped the tape logs from the finding aids prepared by the National Archives and Records Administration. The authors wish to thank the archivists of the Nixon Presidential Materials Project in College Park, MD, and the Nixon Presidential Library in Yorba Linda, CA for their assistance over the years and arduous work of producing the logs—without which it would be very difficult to navigate the contents of the presidential recordings.

We have omitted uhs, ums, stuttering and other verbal problems when they distort a clear understanding of some sentences. We have made these omissions only in rare circumstances. All of the authors have reviewed each conversation, and each conversation has been reviewed a minimum of 5 times in total. To assist our transcription efforts we used noise-cancelling headphones (that block ambient noise and do not alter the audio itself) and best-quality digital audio from the analog originals. Audio quality ranges from decent to unintelligible, although we tried to focus on conversations that were relatively clear. Different listeners may hear different things, so we encourage readers to listen to the accompanying audio and draw to their own conclusions as to the meaning of the tapes. Corrections or additions are welcome at nixontapes@nixontapes.org.

Overview: List of Selected Conversations

Conversation	Date	Time	Participants*	Summaries
460-027	2/26/71	5:47 - 6:08 pm	HAK	doc
462-005	3/5/71	8:30 - 10:15 am	HAK, AMH, RMH	doc
245-006	4/6/71	10:05 - 11:03 am	HAK	doc
487-007	4/23/71	11:56 am - 12:19 pm	HAK, RLZ	doc
517-004	6/11/71	9:37 - 10:36 am	HAK, HRH	doc
517-020	6/11/71	2:05 - 2:38 pm	HAK, JBC	doc
517-022	6/11/71	2:40 - 2:57 pm	HAK, HRH	doc
523-004	6/16/71	3:40 - 4:30 pm	JDE, CBd, PGP	doc
262-005	7/19/71	3:00 - 5:05 pm	JBC	doc
584-003	10/5/71	9:12 am - 1:11 pm	HAK, JBC	doc
587-007	10/8/71	Unknown between 10:58 am and 12:12 pm	JDE, RMH	doc
287-007	10/11/71	10:28 - 11:25 am	HAK	doc
303-009	10/26/71	2:49 - 5:55 pm	JBC	doc
313-021	1/10/72	3:31 to 5:11 pm	HRH	doc
649-001	1/17/72	3:46 to unknown time before 6:38 pm	JBC, HRH	doc
650-012	1/18/72	12:34 - 2:29 pm	JDE, GPS	doc
650-013	1/18/72	2:30 - 3:42 pm	HRH	doc
652-013	1/20/72	4:52 - 5:59 pm	MRL, WCW	doc
654-001	1/24/72	Unknown between 4:55 and 6:09 pm	HRH, PMF	doc
320-028	2/8/72	3:15 - 5:06 pm	JBC	doc
022-006	3/23/72	5:33 - 5:34 pm	RLZ	doc
724-004	5/15/72	4:06 - 4:54 pm	PMF, DMK	doc
735-001	6/15/72	10:31 am - 12:10 pm	AMH, LEA, HAK, DFB	doc
026-008	6/26/72	11:45 - 11:47 am	GPS	doc
751-014	7/24/72	4:14 - 5:48 pm	RN et al	doc

* Participants in addition to President Richard M. Nixon

Abbreviated Key to Participants' Names

For the complete key to participants, please click [here](#)

AMH = Brigadier General Alexander M. Haig, Jr. USA (from March 1972, Major General), Deputy Assistant to the President for National Security Affairs
 CBd = Charles "Charlie" G. Bluhdorn, Chairman of the Board of Directors and Executive Committee member, Gulf and Western Industries, Inc., until 1972; Director of Paramount Pictures, H.C. Bohack Company, Inc., and Ward Foods, Inc. until 1972
 CWC= Charles W. Colson, Special Counsel to the President (1969-1973)
 DFB = Donald F. Barnes, State Department Spanish-language translator
 DMK = Donald M. Kendall, Chairman and CEO of Pepsi Co.
 GCS=Gordon C. Strachan, Assistant to the President
 GPS = George P. Shultz, Director of the Office of Management and Budget; from May 16, 1972, Secretary of the Treasury
 HAK = Henry A. Kissinger, Assistant to the President for National Security Affairs
 HRH = H.R. "Bob" Haldeman, Assistant to the President (White House Chief of Staff)
 JBC = John B. Connally, Secretary of the Treasury until May 16, 1972
 LEA = Luis Echeverría Álvarez, President of Mexico (December 1, 1970 – November 30, 1976)
 MRL = Melvin R. Laird, Secretary of Defense
 PGP = Peter G. Peterson, Assistant to the President for International Economic Affairs and Executive Director of the Council on International Economic Policy
 PMF = Peter M. Flanigan, Consultant to the President on Administration and Staffing from January until April 1969; Assistant to the President for Economic, Commercial, and Financial Issues from April 1969 until February 1972; Executive Director of the Council for International Economic Policy from February 1972
 RLZ = Ronald L. Ziegler, White House Press Secretary
 RMH = Richard M. Helms, Director of Central Intelligence (DCI)
 RSM=Robert Strange McNamara, Secretary of Defense (1961-1968); President of the World Bank (1968-1981)
 STA=Spiro T. Agnew, Vice President of the U.S. (January 20, 1969 – October 10, 1973)
 THM= Admiral Thomas H. Moorer, Chief of Naval Operations (1967-1970); Chairman of the joint Chiefs of Staff (1970-1974)
 WCW = General William C. Westmoreland, USA, Army Chief of Staff until June 1972

Other Resources

- 94th Congress 1st Session, "Church Report," a.k.a. "COVERT ACTION IN CHILE 1963-1973: Staff Report of the Select Committee To Study Governmental Operations With Respect to Intelligence Activities," U.S. Senate, December 18, 1975, online: <http://foia.state.gov/Reports/ChurchReport.asp>
- Hinchey Report, CIA Activities in Chile, September 18, 2000, online: <http://foia.state.gov/Reports/HincheyReport.asp>

- U.S. Department of State, “State Chile Collections,” searchable at: <http://foia.state.gov/SearchColls/CollsSearch.asp>
- Carlos Osorio ed., “NIXON: ‘Brazil Helped Rig The Uruguayan Elections,’ 1971,” National Security Archive Electronic Briefing Book No. 71, June 20, 2002, online: <http://www.gwu.edu/~nsarchiv/NSAEBB/NSAEBB71/>
- Peter Kornbluh ed., “Brazil Conspired with U.S. to Overthrow Allende,” National Security Archive Electronic Briefing Book No. 282, August 16, 2009, online: <http://www.gwu.edu/~nsarchiv/NSAEBB/NSAEBB282/index.htm>
- National Security Archive, “Chile Documentation Project” http://www.gwu.edu/~nsarchiv/latin_america/chile.htm

Conversation No. 460-027

Date: February 26, 1971

Time: 5:47 - 6:08 p.m.

Location: Oval Office

Participants: Richard Nixon and Henry Kissinger

The earliest mention of Allende on the taping system concerned the possibility of having the U.S.S. Enterprise make a port of call at Valparaiso, Chile.³ In spite of the fact that Allende had been in office for less than four months, relations between the Chilean and U.S. government were already abysmal. Nixon curtly dismissed Allende's offer to show U.S. sailors "authentic democracy" as being used for the "worst, damn propaganda purposes."
[...]

[460-027_Clip1](#) (1m, 1:04)

Kissinger: I have two item—three items, and one other thing. One is the [U.S.S.] *Enterprise*—

Nixon: Oh, yeah.

Kissinger: [Secretary of State William] Rogers—Allende went on national television yesterday saying—

Nixon: It was nonsense.

Kissinger: —it was coming—

Nixon: That son-of-a-bitch—

Kissinger: —and that he wanted to show the American sailors "authentic democracy." Rogers still feels that we ought to cancel it. And, we'll take a little flak.

Nixon: Oh! He's already been on television? "Authentic democracy?" See, it shows that he's using it for the worst damn propaganda purposes.

Kissinger: And he had, uh—Laird has already announced, today, that it would be operationally difficult. And, Laird said he'll take the heat for it this time—

Nixon: [*I'd rather Laird take the heat*]. Laird can say, "[Unclear]. We have to delay it for awhile." Why don't we put it that way? I wouldn't cancel it.

Kissinger: No, we'll just say we'll do it some other time—

³ Benjamin Wells, "U.S. Declines Chile's Invitation for Visit by Warship," *New York Times* (February 28, 1971), 3.

Nixon: Yeah. Yeah. “We will, but we—We’d be glad to do it, but we, from an operational standpoint, we’ve got some—we’ve got the various operations.” [*It’s a*] very good point, that we can’t do it, do it at this time.

[...]

Conversation No. 462-005**Date: March 5, 1971****Time: 8:30 - 10:15 a.m.****Location: Oval Office****Participants: Richard Nixon, Henry Kissinger, Alexander Haig, and Richard Helms**

Over the course of a wide-ranging discussion of political affairs in Europe and Latin America, DCI Richard Helms warned the President of the “wave” of radicalism throughout Latin America following, among other things, the election of Allende, and he advised the President against taking a softer line against Cuba. Nixon heartily concurred, lamenting the fact that the Catholic Church, both in Latin America and in the United States, was no longer serving as a bulwark of conservatism and stability in the region. Nixon also gave vent to his oft-expressed belief that “Latins” (be they European or American) required “strong leadership” in order to function effectively.

[...]

[462-005_Clip 1](#) (1.8m, 1:54)

Nixon: Now, looking at Cuba, let's turn there a moment: Do you agree—Do you still—You know, my conviction is very strong that we cannot give up in our policy toward Cuba. I think, as you know, there are arguments to the effect that, well, the Chileans recognize them, and all that sort of thing. [Unclear] The problems with Cuba are enormous. They are still, of course, bent on revolution. So, if we, we throw in the towel with the Cubans, the effect on the rest of Latin America could be massive. Encouraging that—Encouraging Communists, Marxists, Allende, or, call it what you will, will try for revolutions. Now, I have begged the question already, but I want to know what your honest opinion is to do, from the intelligence and everything else. Do you think we should hold the course on Cuba, or [should] we start being nice to Castro?

Helms: Sir, I sat at your desk about a year ago on this question, and I gave you the answer then that I was opposed to the idea of relenting on Cuba.

Nixon: Um-hmm.

Helms: I'm just as opposed today. In fact, even more so. I think what's happened in Chile makes it even more advisable to keep a tough line on Cuba. I think that if you, uh, give the impression that we're now soft on Cuba, and can live with any of these things, I think what, I'm afraid, is the wave of Latin America anyway is going to crash on the beach a lot faster.

But, it's a lot easier for this country to handle Cuba the way we handle her now, than to start these little pacifying moves—

Nixon: So, we're right about it?

Helms: —which are really cosmetic, and which just makes it—make it difficult to face the problem. Neither—

Nixon: [Unclear]. No, no—I don't want any of those. Don't let any of those pacifying things get in here now. Well, they get in, but we're going to be sure [unclear], because I've been—I've put "No" on a hell of a lot of sheets coming through this office on that, I want you to know.

Helms: I'm sure you have.

Nixon: Do this, or that, or the other thing with the damn Cubans? And to hell with them.

BEGIN WITHDRAWN ITEM NO. 10

[National Security]

[Duration: 2m 36s]

CUBA, ITALY, SPAIN

END WITHDRAWN ITEM NO. 10

[462-005_Clip2](#) (1.4m, 1:27)

Nixon: Here's the thing we have to realize, and it—The most single—The most [important] single event in terms of ideological and philosophically [unclear] that has occurred in the last ten years, in my opinion, has been the deterioration of the attitude of the Catholic Church. I am probably pro—the strongest pro-Catholic who is not a Catholic; the greatest admirer of Catholic traditions, what they've done through the years. I'll say this—I'm not going to say it to anybody else—the Catholics, at the present time, as some people have said to me, they're—in Latin America, they're about one-third Marxists, and the other third are in the center, and the other third are Catholics, now—now about that—at the present time. In the old days, you could count on the Catholic Church for many things to play an effective role on a serious question. What we see here is very cathartic. And, it—What has happened is that the American Catholic Church, finally, has condemned, I mean, an awful lot of Catholics in Latin America and everyplace else.

[...]

[462-005_Clip3](#) (877k, 0:54)

Nixon: I believe we support whoever are our friends anyplace in the world. And I believe that in most Latin countries [*you kind of need*]—not dictators; that’s a horrible word, and a reprehensible word to most Americans—but, that strong leadership is essential. De Gaulle proved that. I mean, France is a Latin country. It couldn’t—If even France, with all of its sophistication, couldn’t handle a democracy, you can’t. The Italians? That’s their problem. They can’t afford the luxury of democracy. Neither can Spain, and no country in Latin America can that I know of. They say, “[*Look at*] Colombia.” Well, heck, would we like that here? Well, the party in power wouldn’t like it worth a damn, and the party out of power would say, “Great, let’s change every four years.”

[...]

Conversation No. 245-006

Date: April 6, 1971

Time: 10:05 - 11:03 a.m.

Location: Executive Office Building

Participants: Richard M. Nixon, Henry A. Kissinger

Following the resounding victory of the Allende bloc in the Chilean municipal elections (49.5% of the total vote), Nixon and Kissinger surveyed the damage and ruminated on future developments.⁴ Although Allende had come to power legally, Kissinger opined that he would follow the “German strategy” of gradually eliminating dissent in order to create a “fascist” state. Kissinger then lamented the position of the State Department, which had doggedly supported the Christian Democrats at the expense of conservative candidate (former President Jorge Alessandri), even though the only thing that distinguished Allende from his predecessor, Eduardo Frei, was that the latter was a Catholic, i.e. a Christian Democrat. Nixon concurred and laid some of the blame for Allende’s election on the U.S. Ambassador to Chile, Edward Korry, who, Nixon charged, had allowed his “liberal Democrat” biases to color his judgment in favor of Frei.⁵ Ironically, although Korry had played no role in the CIA operation to prevent Allende’s election, the Ambassador was fanatically opposed to Allende, cabling Washington after the election that, “There is a graveyard smell to Chile, the fumes of democracy in decomposition. They stank in my nostrils in Czechoslovakia in 1948, and they are no less sickening today.”⁶ Rather than risk having Korry (a former journalist) speaking out, however, Nixon advised buying his silence by reappointing him to another ambassadorial post.

[...]

[245-006_Clip1](#) (2.2m, 2:16)

Nixon: What’d you think of the Chilean election? The local election strengthened Allende.

Kissinger: Exactly what I thought. It shows how crooked, you know—

Nixon: Well, I think he’s fixed them, too [unclear]—

Kissinger: No, but he has—This is like the German strategy.

⁴ Juan de Onis, “Allende’s Coalition Victor in Local Elections in Chile,” *New York Times* (April 5, 1971), 1.

⁵ Eduardo Frei was allegedly assassinated during the regime of Augusto Pinochet, who took over after the 11 September 1973 *coup d’état* against Allende. Alexei Barrionuevo, “6 Accused in 1982 Poisoning Death of Chilean Leader,” *New York Times* (December 7, 2009), A6.

⁶ David Stout, “Edward Korry, 81, is Dead; Falsely Tied to Chile Coup,” *New York Times* (January 30, 2003), B9.

Nixon: He's been playing it smart.

Kissinger: He controls all the media now.

Nixon: Oh, yeah. Yeah, yeah, yeah. Good.

Kissinger: He's got the television; he's got the press—

Nixon: I know. I got it. There's no press. There's no opposition press [unclear] —

Kissinger: And—And the left-wing of his—

Nixon: You, you, you—You're way ahead of me. I didn't realize that. Of course. Of course. It's a fascist state.

Kissinger: And the left-wing of the Catholic is distinguished from him only because they're Catholic. And this is—You had Frei pegged all along. I, uh—

Nixon: Has he joined him?

Kissinger: No, he hasn't joined him, but he has almost the same program, except that he's a Catholic, so that—

Nixon: [Unclear]—

Kissinger: —Frei is now on the right-wing of his party. The left-wing of Frei's party [unclear] is practically on the Allende-side. But, last year, when the State Department was trying to keep us from joining his side—I don't mean [Secretary of State] Bill [Rogers], because he was addressing this through Charlie Meyer⁷—that time they were telling us if we could string Allende along 'til the provincial elections, they could knock him down then, because the economy would be bad by then.

Nixon: Yeah. Incidentally, [*I put down this argument*] to give him a year. We're still keeping our tough policy with regard to Chile, aren't we?

Kissinger: Yeah.

Nixon: Are we?

Kissinger: In a way.

Nixon: Yeah.

Kissinger: But there's no enthusiastic support. Are we doing enough?

Nixon: [Unclear].

Kissinger: They're not getting any loans [*through the Paris Club yet*]. He's played a masterful game, that Allende—

⁷ Assistant Secretary of State for Inter-American Affairs, 1969-1973.

[Unclear exchange]

Kissinger: I—I don't know. I can have my staff pull together all the [*papers and recommend that to the Committee*][unclear]—

[Unclear exchange]

Kissinger: Because our people were almost as opposed to Alessandri as they were to Allende.

Nixon: Oh, sure.

Kissinger: And if the Soviets turned them—

WITHDRAWN ITEM

[National Security]

[Duration:13s_]

FOREIGN AFFAIRS

END WITHDRAWN ITEM NO. 2

[245-006_Clip2](#) (389k, 0:23)

Nixon: Well, wasn't that the guy—the ambassador [Korry]?

Kissinger: That was [*necessary at the time*]—

Nixon: Where's the ambassador? Look, he was for Frei, wasn't he?

Kissinger: He was for Frei.

Nixon: Well, I know. That's why I never had any confidence in him. I—With all of his damn riding around, goddamnit, he was for Frei, because he's, basically, a liberal Democrat.

Kissinger: He's been—

Nixon: He's still there?

Kissinger: He's being pulled out.

Nixon: Is he?

BEGIN WITHDRAWN ITEM NO. 4

[National Security]

[Duration:26s_]

FOREIGN AFFAIRS

END WITHDRAWN ITEM NO. 4

[245-006_Clip3](#) (262k, 0:16)

Nixon: Maybe he'll write a bestseller.

Kissinger: He writes well.

Nixon: Well—Oh, right. I'll say. All right, tell him you'll give him another post. Tell—

Kissinger: [Unclear]—

Nixon: Tell Flanigan to find any post that he can, preferably one in Asia.⁸

[...]

⁸ Peter M. Flanigan, Assistant to the President, 1969-1973; Assistant to the President for International Economic Affairs, 1972-1974. Korry was not reappointed to another ambassadorial posting.

Conversation: 487-007

Date: April 23, 1971

Time: 11:56 a.m. - 12:19 p.m.

Location: Oval Office

Participants: Nixon, Kissinger, Ziegler

Nixon's concerns regarding Korry proved well founded, when Korry wrote a letter of complaint to Nixon once he learned of the President's decision to replace him. Nixon emphasized to Kissinger that it was imperative that Korry be appointed, at least "until after the [1972 Presidential] election," since the ambassador "has a hell of a lot of information of what we did down there."

[...]

[487-007_Clip1](#) (508k, 0:31)

Kissinger: Mr. President, we have one problem with an ambassador, which you may have to step in to. It is Korry, sir. He's just written you a long letter complaining bitterly about his mistreatment.

Nixon: By whom?

Kissinger: By essentially Rogers and us.

Nixon: What did we do?

Kissinger: Second—Well, it's—He says he's tried to carry out his orders faithfully, and he's taking a beating as a result of it. [Senator James L.] Buckley (Conservative Party, NY), who was down there to see him, has written us a letter.

[Omitted here is a brief exchange with press secretary Ronald Ziegler, who entered at 11:56 a.m. and left at 11:57 a.m.]

[487-007_Clip2](#) (1.3m, 1:20)

Kissinger: I—I hold no brief for him except that he [Korry] needs the money, and that he has a hell of a lot of information of what we did down there. Bill is furious with him for something he did: for recommending that AID [U.S. Agency for International Development] be moved out of the State Department, and he's being tough. But I hold no brief for him except that I think we ought to keep him employed until after the election—

Nixon: And he's intelligent.

Kissinger: Yeah. He just knows too damn much.

BEGIN WITHDRAWN ITEM NO. 1

[Privacy]

[Duration:3s_]

END WITHDRAWN ITEM NO. 1

Nixon: I agree with you. I think it's a problem that what the hell are you going with him when he gets out and starts writing his books?

Kissinger: I'd make him an ambassador somewhere.

Nixon: Can we move him out of there?

Kissinger: Well, he is being moved out of there. That's already decided—out of [*Chile*]. It's already been announced. That can't be reversed.

BEGIN WITHDRAWN ITEM NO. 6

[Privacy]

[Duration:9s_]

END WITHDRAWN ITEM NO. 6

Nixon: Yeah. I know. I know what you mean, but, uh...

Kissinger: Let me see whether I can work something out, or—

[...]

Conversation: 517-004

Date: June 11, 1971

Time: 9:37 - 10:36 a.m.

Location: Oval Office

Participants: Richard Nixon, H.R. Haldeman, and Henry Kissinger

Following a meeting regarding U.S. policy on expropriation on the Presidential yacht Sequoia on June 10, 1971 (details of which have yet to be declassified) the Administration's hard-line position gradually began to take shape.

A number of important meetings took place the day after the Sequoia meeting. During this first meeting, Nixon and Kissinger discussed Chilean attempts to secure new loans and renegotiate their existing obligations. Nixon fumed over the unwillingness of the Congress to do more for Brazil, which, in contrast to Chile, was led by "friends" of the United States. Nixon and Kissinger also discussed the assassination of the former Chilean Cabinet Minister, Edmundo Pérez Zujovic, on June 8, 1971 by a Chilean anarchist group, Vanguard of the People. Nixon and Kissinger chuckled at the Allende's accusation that the CIA had orchestrated the assassination, noting that Zujovic was a conservative opponent of Allende, and probably the last person the U.S. Government would want to assassinate. Besides, as Kissinger noted, the CIA was too "incompetent" to pull off such an operation, recalling that the last person whom the CIA assassinated had lingered for three weeks before expiring.⁹

Rather, both Nixon and Kissinger feared that Allende was behind the assassination and would use the event as a fraudulent casus belli to declare martial law and establish a "one-party government." Kissinger brought up the example of Hitler again, asserting that Allende was gradually taking control of the media and eliminating the military as an independent actor by "building them up while neutralizing them." Although Nixon shared Kissinger's fears, oddly enough, he opposed establishing closer ties with the Chilean military, since he believed U.S. efforts to cultivate it had heretofore been an abject failure. Finally, the President instructed Kissinger to bring in Secretary of the Treasury John

⁹ It is impossible to positively identify the target referred to by Nixon and Kissinger based on the content of the conversation, although the person in question may have been the former Commander-in-Chief of the Chilean military, General René Schneider. Schneider died three *days* after a botched kidnapping attempt by right-wing elements of the Chilean military on October 22, 1970. The botched kidnapping was the third attempt by two different groups within the Chilean military, both of which had ties to the CIA. See: U.S. Department of State Freedom of Information website, "Hinchey Report: CIA Activities in Chile," online: <http://foia.state.gov/Reports/HincheyReport.asp#15> <accessed March 20, 2010>. See also: Peter Kornbluh, *The Pinochet File: The Declassified Dossier on Atrocity and Accountability* (New York: The New Press, 2004), 22–35.

Connally for meeting in the Oval Office, since Nixon was sympathetic to Connally's position of taking a hard line on expropriation.

[Underlined text denotes material that was published in *Foreign Relations of the United States*, 1969-1972, American Republics, 1969-1972, v.E-7 (2009), but for which the audio portion is toned out (i.e., the content was not declassified when the audio was released in October 1999 but the transcript was declassified for the *FRUS* volume published in 2009).]

[...]

[517-004_Clip1](#) (1.6m, 1:41)

Nixon: But, the point is, for example, in this whole economic area, Connally is taking a very strong line. I want you—I don't know whether you got my little note, the one I approved, the one that was on the bottom of one other page you sent in, with regard to the Chilean thing. Connally is against the thing regarding Chile. Last night, he explained at length why he was against it—

Kissinger: I'm—I [unclear]—

Nixon: And, he's the only department that's against it. Everybody else is for the \$10 million. Now here's his argument: His argument is that, for example, [in] Guyana, we have \$500 million worth of contracts with Guyana on bauxite and so forth.¹⁰ They're ready to expropriate if Chile gets away with it, [and] the Jamaicans—The Jamaicans are [*willing to expropriate*] and so forth and so on. His point is that if we go down the line of slapping the wrists of people who kick us in the ass, that we're going to get more and more of it. He's afraid of the virus. Bill [Rogers] took a—on this one—he took a completely soft line last night, and he said, “Well, it's the law; it's our law. We'll always give loans to people if they compensate us for expropriation.” But, the point about that [is]: maybe it is the law, but expropriation, as we find, is not a very pleasant experience for any American business. And countries—and, basically—And American businessmen aren't about to go into countries that do one or the other. The

¹⁰ Guyana was, at the time, the world's fourth-largest producer of bauxite (the raw material out of which aluminum is produced), and the local bauxite industry was dominated by two firms: the Reynolds Metals Company and the Aluminum Company of Canada (Alcan). In January of 1971, Guyana's Prime Minister, Forbes Burnham, pledged that his government would “pursue relentlessly the policy of owning and controlling our natural resources.” Thomas Johnson, “Burnham Firm on Guyana Autonomy,” *New York Times* (January 11, 1971), 2.

other thing where Bill, also, I think, needs Flanigan is his total—it seems to me, almost total lack of comprehension of the seriousness of the Peterson report thing.

[...]

[517-004 Clip 2](#) (4.2m, 4:24)

Nixon: Getting back to Guyana, and all these other things—I marked on that [Chile]—I took the, the least—as usual, the little bit pregnant option: \$5 million rather than 10 million—

Kissinger: Well, you have no choice about that, Mr. President. That’s my recommendation, because the five million has already been promised. The question was whether we would let them pyramid the 5 into 20, as State wanted, by using them as security for loans. And, then, there was an intermediate recommendation of making—letting them pyramid the 5 into 10. I feel—I’d just give them the 5 straight out, as military [*aid*]—

Nixon: I’ve asked that you call Connally on that, and you should today.

Kissinger: Right.

Nixon: Because he said he was—He said, “I’d better get over to talk to Henry,” and you know it’s—

Kissinger: Well—

Nixon: If you [unclear]—

Kissinger: —I can explain to him we have no choice about the 5 million—

Nixon: None, none.

Kissinger: —but that’s the absolute minimum.

Nixon: We have taken the absolute minimum. Now, the other point is [unclear]—

Kissinger: But on these 707s—

Nixon: [*All right,*] the 707s?

Kissinger: Whether we want Ex-Im—

Nixon: Ex-Im Bank?

Kissinger: Ex-Im Bank. Here, the argument is the following: Now, we talked to [Henry] Kearns that he could attach banking conditions to it.¹¹ The Chileans are trying to play it into a political issue and saying we are withholding it for pol—on political grounds. I’ve talked to Kearns—

¹¹ President of the Export-Import Bank, 1969-1973. The bank ultimately the Chilean Government’s request for \$21 million of loans and loan guarantees to purchase two Boeing 707s and one 727. Benjamin Wells, “U.S. Export Bank Refuses Chile Loan to Buy 3 Airlines,” *New York Times* (August 12, 1971), 1.

Nixon: Fine.

Kissinger: He can attach banking conditions, which, if they don't come across on expropriation, enable us to prevent the thing from coming through. What they will do is receive the application and process it over a period longer than the expropriation hearings.

Nixon: Connally's feeling is this: He feels—and he, his gut reaction may be right, Henry, that the effect on the rest of Latin America, whatever we hear from State and the rest, is going to be bad for us to quit screwing around and being so soft on the Chileans.

Kissinger: I have no problem with it—

Nixon: Second, he believes that, as far as American public opinion is concerned, the American people are just aching for us to kick somebody in the ass, and that he wants us to do it.

Kissinger: Well—

Nixon: Now, here I am, approving both the [unclear]—You see, State, goddamnit, they never are against anything.

Kissinger: Well, Mr. President—

Nixon: They're never been against anything—

Kissinger: —you know my view on the Chilean situation—

Nixon: —except against aiding Pakistan.

Kissinger: Yeah, and Brazil. But, on the Chilean thing, I've always been for a harder line. We have a pretty good pretext now, because they've just—there's just been an assassination of—

Nixon: I saw that.

Kissinger: —of the right-wing Christian Democrat.

Nixon: I know.

Kissinger: And the sons-of-bitches are blaming us for it. He was—

Haldeman: Blaming the CIA? [Laughs]

Kissinger: They're blaming the CIA.

Nixon: Why the hell would we assassinate him?

Kissinger: Well, a) we couldn't. We're—

Nixon: Yeah.

Kissinger: CIA's too incompetent to do it. You remember—

Nixon: Sure, but that's the best thing. [Unclear].

Kissinger: —when they did try to assassinate somebody, it took three attempts—

Nixon: Yeah.

Kissinger: —and he lived for three weeks afterwards.

Nixon: Yeah.

Kissinger: But, the—But why would we assassinate him? He's our—

Nixon: Yeah.

Kissinger: —strongest supporter there. And they have used it to impose martial law and to engage in a violent attack on us—

Nixon: Are they? Then let's give—let's let them have it.

Kissinger: So, I think we should use that as a pretext—

Nixon: Well, you—Will you take any papers I've signed on Chile and re-evaluate them? The other one that's in there is the military assistance. Now, the military, of course, here, comes up with the idea, "Well, they're our only friends," and so forth. I haven't seen the military in Chile do anything for us. I'm inclined not to help them militarily.

Kissinger: Well, the 5 million we've already told them, so that we can't withdraw—

Nixon: All right. All right.

Kissinger: But, we can prevent their pyramiding it into twenty, which is the current proposal.

[Pause] The funny thing is [that] they have twisted your instruction to keep contact with the military into a relationship where we do more for the Chilean military than for any other military in Latin America. We've had more admirals and generals in Chile than in Brazil.

[Laughs] So, they're almost [unclear]—

Nixon: They know damn well what I'm trying to get at, and they don't want to do it. Well, let's change it. Do you know what I mean?

Kissinger: Oh, they know—

Nixon: I was—Just watch those things. But, if you could give Connally a call today and be sure—

Kissinger: I'll call him in transit.

Nixon —be sure—Yeah, well, just be—sometime today, be sure he understands what we're doing, because I saw he was, he was against it and everybody else was for it, and so forth.

[...]

[517-004_Clip 3](#) (2m, 2:04)

Nixon: Well, if you would let Connally know why we are doing what we're doing on Chile. But, let me say, on all future actions toward Chile I prefer a harder line. And incidentally, on the military, I'm not for—I'm not for doing more for the Chilean military. I don't—I think this guy has got a stranglehold on that country. [Unclear]—

Kissinger: Mr. President, that man is heading for a one-party government as fast as he effectively can—

Nixon: I think this murder proves it.

Kissinger: Oh, yes. But, even before that, when we had that meeting on the Ex-Im Bank, I went around the table; I asked everyone, "Is Allende moving slower than you expected or faster?" Everyone agreed that he's moving faster. Everyone agreed that he's heading for a one-party state. He's getting control of the press. He's isolating the military.

Nixon: Right.

Kissinger: He's treating the military just like Hitler did. He's—

Nixon: Yeah.

Kissinger: —building them up while neutralizing them. And then, he'll—Once he's got—He's already taken over the police.

Nixon: Yeah.

Kissinger: They'll—There'll never be another free election in Chile.

Nixon: Now, I know all the argument, of course, is that if we get out, then we lose our stroke there. And then, the Russians will be—have to come in, and so forth and so on. The point is that he's just going to weave us in. And the point—And also, that treating him well is going to encourage others to go do likewise. That's what I'm more concerned about.

Kissinger: Right. That's the point.

Nixon: Connally's concerned about it. So, that's my line. Will you remember? And hit it—?

Kissinger: I'll remember with enthusiasm—

Nixon: Because, you see, these papers come in, Henry, and they're too far down the line, Henry. And I'll initial the goddamn things, but I want you to know whatever I initial, my view is that I don't want to do anything for Chile. Nothing.

Kissinger: I want you to know that by the time they come in here, I've already pulled them back about—

Nixon: [Unclear]—

Kissinger: —a hundred percent from what they—

Nixon: Well, what concerned me about this paper was that it said Connally was the only one that opposed it. [Commerce Secretary] Maury Stans was for it, and everybody else was for it.

Kissinger: Well, Stans is for anything that gets dollars.

Nixon: Yeah, I know. He doesn't know anything at all.

Kissinger: I mean, Stans, for a conservative Republican, he's the softest on any of these trade matters—

Nixon: I know.

BEGIN WITHDRAWN ITEM NO. 8

[National Security]

[Duration: 1m 3s]

FOREIGN AFFAIRS

END WITHDRAWN ITEM NO. 8

[517-004_Clip4](#) (2.9m, 3:01)

Nixon: Now, the Brazilians are fighting us because of some fishing thing. They say our relations are the worst in fifty years. I don't believe that. It can't be that important.

Kissinger: No, no.

Nixon: They're still coming up for their trip, aren't they?

Kissinger: Yeah. But, we haven't treated the Brazilians right, Mr. President. They've—

Nixon: How?

Kissinger: Well, they have been on our side—

Nixon: Throughout, I know.

Kissinger: Throughout. They have a government—

Nixon: The only ones who helped in World War II, Bob, you know.

Kissinger: And—

Nixon: Now, there's Brazilians living in Italy. It fought well, too.

Kissinger: That's right. And they've had a government which is essentially pro-U.S.

Haldeman: Yeah.

Kissinger: The two-hundred-mile limit, they're triggered into by all the other countries. They can't be—but, they haven't enforced it. But, State has been hacking away at them, because they're a military government.

Nixon: Who's our ambassador?

Kissinger: [William] Rountree.

Nixon: Well, he'll do what we say, right?

Kissinger: He'll do what we say.

Nixon: [Unclear].

Kissinger: But he's just gotten there. They had that jerk Elbrick there.¹²

Nixon: Well, let's change [unclear]—

Kissinger: And—

Nixon: That jackass.

Kissinger: And, now, Congress refuses to ratify the International Coffee Agreement, because of their two hundred-mile limit. And that's what's driving the Brazilians up the wall.

Nixon: Well, get the message to the Brazilian ambassador: "Forget—Don't, don't look at what our Congress does, but look at what we do. That, we are just the best friend Brazil has had in this office."

Kissinger: Right.

Nixon: "And he's pro-Brazil all the way. We'll show it when we have our, our—" Why don't you do that? Let's—

Kissinger: That's right.

Nixon: —tell him to pass the word.

Kissinger: And what—when they come up, Mr. President, we ought to set up some special—

Haldeman: [*Is that pretty soon?*]

Kissinger: September.

Haldeman: It's not 'til September?

Kissinger: We should set up some special consultation arrangement with them.

Nixon: Yeah.

Kissinger: Of course, one of the places that has to be cleaned out is that Latin American outfit.

Nixon: Sorry?

Kissinger: Uh—

Nixon: You mean [Charles] Meyer?

¹² Charles Burke Elbrick, U.S. Ambassador to Brazil, 1969-1970.

Kissinger: Meyer, and all the people below him. Meyer is just a weakling. But, this Latin American outfit is left-wing New Deal.

Nixon: That's right.

Kissinger: They were great Alliance-for-Progress men. And, the other day, when Somoza was here, Meyer told me, full of pride, that they told Somoza that if he doesn't watch out, he's going to have the fate of his father, and he's got to be more liberal.¹³ Now, who the hell are we to start lecturing—?

Nixon: For Christ sakes! What the hell are we to tell him that?

Kissinger: Exactly.

Nixon: Well, hell, I want him to survive.

Kissinger: They wouldn't tell this to Allende when he came up. Well, I'll call Connally this morning [unclear].

Nixon: [Unclear] Well, I guess that's—I think you've got to give [unclear] a call. Call in the ambassador, today, for Brazil. Tell him that we want to set up a special channel. Bring him in to shake my hand.

Kissinger: Ok—

Nixon: How would that be?

Kissinger: I'll—

Nixon: Is he a trustworthy fellow?

Kissinger: [text not declassified] I think the best way to do this—

Nixon: [Unclear]—

Kissinger: —is to send Walters down soon.

Nixon: Soon.

Kissinger: He knows Médici.¹⁴

Nixon: All right, fine. But—

Kissinger: [Unclear]—

Nixon: All right, I'd get a hold of Walters.¹⁵ We've got to go out and get that thing on that job anyway. And how is that coming? I'm sure we—

¹³ Anastasio Somoza Debayle, President of Nicaragua from 1967-1972 and 1974-1979.

¹⁴ Emílio Garrastazu Médici, President of Brazil, 1969-1975.

¹⁵ Vernon Walters, U.S. Military Attaché in Paris, later Deputy DCI and ambassador to the United Nations and the Federal Republic of Germany.

Kissinger: I think that's set. I have to check.

Nixon: Well, we've got to get Christian out of there.

Kissinger: I think it's set. But we need Walters in Paris, and he doesn't want to leave—

Nixon: Yeah.

Kissinger: —before the end of the year—

Nixon: Yeah. Fine. End of the year? Well, all right, here's what you do: get a hold of Walters now and have him fly over to the Mexican—to the Brazil meetings.

Kissinger: Right.

Nixon: Fair enough?

Kissinger: Fair enough.

[517-004_Clip5](#) (680k, 0:42)

Nixon: You call in their ambassador—

Kissinger: And express our warm feelings.

Nixon: And, and—And say, “The President wants him to know that they must not—that all this—that we are—that we—that the President feels very strongly, and he will have a special—is going to have a special emissary go down to see them.” Ok? That wouldn't be a problem, would it? Or, even if you put it in his letters.

Kissinger: Yeah.

Nixon: All right.

Kissinger: Well, I can say something about your special interests.

Nixon: Yeah, and that I brought it up this morning, and that I was terribly concerned about this. I don't want this fishing thing to get them all disturbed. That the Congress thing—just leave it alone. I consider, consider Brazil our biggest investment in the Americas.

Kissinger: Right.

Nixon: I think it's good. I think if you get Walters a text of the plan, he goes down.

Kissinger: Right. I'll write that up. [Unclear]—

Nixon: And incidentally, you know, you realize, Henry, if we get Walters in here we could use him for [unclear]—

Kissinger: Oh, Christ. We can [unclear]—

Nixon: —all over the world.

Kissinger: Oh, yes—

Nixon: And that's what we should be doing.

Kissinger: And he could set up a network for us of—where we have trustworthy fellows everywhere.

[text not declassified]

[Kissinger and Haldeman left 10:36 am]

Conversation No. 517-020**Date: June 11, 1971****Time: 2:05 - 2:38 p.m.****Location: Oval Office****Participants: Richard Nixon, Henry Kissinger, and John B. Connally**

Connally soon joined Nixon and Kissinger in the Oval Office, where he propounded at great length upon the threat posed by Allende's nationalization policy to American interests elsewhere in the region.¹⁶ Nixon shared with Connally his frustration with the IMF and World Bank, which he believed were not doing enough to use their financial leverage against Third World nations that had or were pursuing nationalization without adequate compensation.

Neither Connally nor Nixon realistically expected that the U.S. Government could use force to coerce other nations into abandoning nationalization. In that sense, their positions were not dissimilar from those expressed by State Department. The difference lay in the fact that Connally urged the President not to passively accept nationalization without compensation. Only energetic action could set an example for other nations considering following Allende's lead: "And the only thing, the only pry we have on 'em, the only lever we have on 'em, it seems to me, is at least if we could shut off their credit, or shut off the markets for the commodities they produce, or something. But we have to be in a position to impose some economic sanctions on 'em. Now, you can't impose military sanctions, but we can impose financial or economic sanctions." In light of the opposition of the State Department and its Latin American Division (which Nixon described as a "disaster area"), Connally suggested the possibility of the President "issuing a statement, a statement of policy—a White Paper, so to speak—in which he instructs all the government that as a matter of policy, this government will not vote for, nor favor, any loan to any country that has expropriated American interests, unless until that country is furnishing good and sufficient evidence that satisfactory payment has been made."

Nixon heartily concurred, adding that a failure to take tough action was "going to encourage others to go and do likewise." Consequently, it made sense to establishing a precedent and "find a place to kick somebody in the ass." Rather than indulge Allende's

¹⁶ Connally had prepared a short memorandum for the President's perusal prior to the meeting, but he apparently did not deliver it. Connally to Nixon, "Expropriations in Latin America," June 11, 1971, *FRUS: 1969-1976*, iv: Document 154. The taped conversation covered far more ground than Connally's memorandum.

excesses, Nixon was happy to let the Soviets shoulder the burden: "Let it be a drain on the Russians. I just have a feeling here that I think we ought to treat Chile...like we treat this damn Castro."

[Portions of this conversation are transcribed in *FRUS*, v.E7.]

[517-020_Clip1](#) (2.6m, 2:39)

Nixon: What I wanted to talk to you about, John, is to be sure you understand what my attitude is on the—on all the—firsthand on these various loans, and so forth, to places like Chile. Second, my attitude towards the International Monetary Fund. [Unclear] they're coming up to me with this stuff [unclear]—

Connally: I'm sure that State will.

Nixon: And, I just got Henry in this morning. He was in New York yesterday, that's why he couldn't join us last night, for his [unclear], and I reminded him, I told Henry I did this and that you would talk to him, and he obviously knew what it was. But in any event, then I says, I wanted to be sure you understood that, when I—on that Allende—on that Chilean thing, that I had not yet asked your position. I said Treasury, and Senate, and everybody else, 'cause we've got to string Agnew to get Congressmen [unclear] and all those for a variety of reasons [unclear]. The—My feelings about it are pretty—are very strong. That, first, I can't—First, I realized, let's start with this proposition: that everything we do with the Chilean Government will be watched by other governments and revolutionary groups in Latin America as a signal as to what they can do and get away with. Therefore, I tend to be against doing anything for 'em. The second thing is that I feel that, as you do, that it's—the American people will, at the appropriate time, they'll welcome our taking a goddamn strong position against one of these things. The people, I mean publicly, and, of course, there's a lot in this for us to do that. They're calm, and the only thing that confuses them from time to time is always to have this thrown up to us. It's particularly the argument that is made by the State [Department] people, and it would be convincingly said that they always make, and that is that, "Well, you're going to help 'em more than you hurt 'em by tearing 'em down." The point being that you make martyrs of them, and everybody's watching us to see whether we're being fair, and all that sort of thing. I told Henry this morning that I was a little tired of hearing that argument.

BEGIN WITHDRAWN ITEM NO. 1

[National Security]

[Duration: 1m 27s]

INDIA-PAKISTAN
END WITHDRAWN ITEM NO. 1

[517-020_Clip2](#) (5.4m, 5:38)

Nixon: Despite Allende, you know, trying to make us the goat of the assassination of the Christian Democratic Secretary of the Interior [Zujovic] down there, first, if we'd attempted it, we'd have done it. If we did anything, if we were participating, we were just doing a goddamn poor job, and I just don't think we're—we're poor at the CIA, but not that poor.

Connally: [Laughs]

Nixon: But, nevertheless, coming back to the India-Pakistan thing: you were right, and Bill was wrong on the point about the International Monetary Fund and the World Bank, particularly their staffs. Now, I don't agree with people that'll leave Schweitzer and McNamara out of it, because they have, I must say, they've gone along with their staffs.¹⁷ But, they are playing the role of God in judging not just the economic viability of loans, but whether or not loans should be made to nations that, frankly, live up to the moral criteria that we think governments should live up to. I don't think that has anything to do with a loan. The State [Department] argument there is that it does, you know, count and that affects stability and so forth. You show me—On the other hand, in my view, if a loan's to be made, maybe a dictatorship is the most stable damn country to make it to. And if it is, make it to a dictatorship. If, on the other hand, you show me some cesspool like, well, like some of these Latin American countries like Colombia, and the rest, that are trying to make it the other way, they can be very bad risks. The very fact that they are supposed to be [unclear] and all these things. I, frankly, feel that on this loan business that it's extremely important, extremely important for us to stay out of [unclear]. You know that when I say "us," for the international lending agencies to get into this whole business of political [unclear]. And now, I said some of these things last night, and I want you to know that that's the feeling. I want Henry to say a word about the Chilean thing, and where it stands, and Bolivia, and where we go from here. It is very important that you, in other words, that you keep it—and I haven't brought Pete Peterson in because he isn't yet sophisticated enough in this field, but I want to talk to him quite candidly as this—but it's very important that you know that when you've got, in my

¹⁷ Pierre-Paul Schweitzer, Managing Director of the International Monetary Fund, 1963-1973. Robert Strange McNamara, President of the World Bank, 1968-1981.

mind, this general gut reaction now, I want you to know that you're riding high. What—The way it comes to me is, see, I've got a whole stack of papers in here—

Connally: Um-hmm.

Nixon: —and the rest, and I say, well, di-di-di-di [et cetera], and my views are strong, strongly in this direction. Henry supports that position, and, I mean, and not that he'd allow his views—I mean, he naturally supports my views, but even as a matter of conviction—but I'd like for you to just tell me how John's input did get in, that we did take it into account, and what we finally did.

Kissinger: Well, first—

Nixon: Let's talk about Chile.

Kissinger: One procedural point [unclear] on the Senior Review Group.

Connally: Right.

Kissinger: When I chair these meetings, I feel what I tell the President is between the President and me.

Connally: Right.

Kissinger: I don't give the bureaucrats any inkling of what my thinking is.

Connally: Right.

Kissinger: And therefore, I play a very neutral role, except as a devil's advocate in these—

Connally: Um-hmm.

Kissinger: —meetings, but then I pass this on the President. For example, I underlined your opposition, and attached your opposition as the only background paper to the—

Nixon: The Chilean paper, right?

Kissinger: On the Chilean paper. So your man shouldn't draw the conclusion that because I play the neutral role as the chairman of these meetings that I'm out of step with what you just heard the President say.

Nixon: Sure.

Connally: Well, I got no such indication.

Kissinger: Right.

Nixon: So I support him [Kissinger]. Well, I can tell you that, that you might.

Connally: Yeah.

Kissinger: And you might just want to take a look at—This is my summing up of the issues [unclear]—

[Unclear exchange]

Kissinger: —the Ex-Im Bank should be authorized to process the loan, including providing a preliminary commitment on loan-banking procedures, and which has definitely had some easing of our value restrictions. DoD favors processing the loan, but only if we obtain assurance from the GoC that the planes will not be used for service to Cuba. Treasury, at that time, they were not in favor of processing the loan at all. And then I attached your memorandum saying why. The President wrote underneath, “Be sure Connally knows I will cut off, if given a good hand in proving this.” Now, we do have the problem that, basically, the State Department has had the view on Chile that they would like to go back to normal relations as soon as they reasonably can. Almost any issue that came-comes into the Senior Review Group on Chile has advised of under the pretext of not giving them an excuse to make an issue with us, of giving them whatever it is they’re asking for. Now, I have always had the view, if they—if it served Allende’s purpose to have a showdown with us, he would have it.

Nixon: No question there.

BEGIN WITHDRAWN ITEM NO. 2

[National Security]

[Duration:5s_]

FOREIGN RELATIONS

END WITHDRAWN ITEM NO. 2

[517-020_Clip3](#) (5.2m, 5:24)

Nixon: Oh, goddamnit, John, he’s [Allende’s] smart.

Kissinger: And very smart.

Nixon: That’s right.

Connally: Very smart.

Kissinger: So—

Connally: Even very tough.

Kissinger: —looking at the record, he—it must serve his purpose that there’s no showdown. Nothing to [unclear].

Nixon: That’s correct.

Kissinger: Now, on the two issues that are here, one is the \$5 million [unclear] credit, which it has been recommended that we use—that they be permitted to use as security on a \$20 million emergency credit. Now, the President has approved what is, in effect, actually, John's recommendation, and also Meyer's: that we don't agree with that; that we just give the \$5 million.

Nixon: And no help?

Kissinger: No. And don't let them pyramid it at all. We can't do away with the \$5 million, because we've already told them that that's what they've got. On the Ex-Im Bank, the President had approved it, but we've put a hold on it.

Nixon: That's right.

Kissinger: Because, now, with this threat—with this accusation against our being involved in the murder of a right wing politician, which is really insanity. This guy was on our side; he was an opponent of Allende.

Nixon: That's right.

Kissinger: To say that we assassinated him is just—

Nixon: They assassinated him; the Communists did.

Kissinger: Almost certainly the Communists assassinated him—

Nixon: Why not?

Kissinger: —and they're playing this like the Nazis played the Reichstag—

[Unclear exchange]

Nixon: Those totalitarians.

Connally: Sure.

Kissinger: So, I think, now, that we—The disadvantage—

Nixon: What should we do about the 707s, though? That's the—

Kissinger: Well, the problem with the 707s is that we can write credit restrictions into it that would give us a hand, but it would then open the door for every other credit application.

Don't you think?

Nixon: Yeah.

Connally: I like that. As far as I'm concerned on the 707s are—they're really immaterial.

And if there's some other purpose, [unclear] a purpose with these airplanes, I have no

argument. Now, to the extent that, in any case, we're going to continue to give 'em credit, that's where I do have some objections—

Kissinger: Well, on that, that's the heart of your argument. That one can view it as not just speaking about the restrictions on that particular loan. All the loan planes would almost certainly be used on the round way stops to Cuba.

Nixon: That's right. But I think we should turn 'em down.

Kissinger: Why don't we sit on it? We don't have to do anything.

Nixon: All right. Let's not.

Kissinger: Just don't—

[Unclear exchange]

Kissinger: Don't—don't accept the application. And now that they've accused us of assassinating their politicians, they are the ones that have made this lie. The argument that was made was that Allende had insisted that we were refusing these loans on political grounds, and the fear that State had was that we were—that might give him a pretext for a showdown with us.

Nixon: And Allende needed a pretext; you're absolutely right. He'll take his pretext to Moscow—

Connally: Or he'll make one.

Nixon: Sure he will. That's right.

Connally: If one arises, fine. If not, he'll make one.

Nixon: I agree.

Kissinger: So, I think we should neither accept it, nor reject it. If he gives us a good deal on the copper, we can then accept it.

Connally: He's not going to give you a good deal on copper. He's made a bitter speech and, in effect, told Harold [sic; Bradford] Mills of OPIC that he's going to penalize—he's going to pump Kennecott and Anaconda—he's called them by name.¹⁸ And he didn't—then he didn't denounce IT&T, but he did these two copper companies. And he said that, in effect, “They raped this state.” You know, “They've ravaged this land and taken from the people and [unclear]—”

[Unclear exchange]

¹⁸ President of the Overseas Private Investment Corporation, 1970-1973.

Kissinger: He's—

Connally: The copper companies.

Kissinger: He's a—

Connally: Well—

Kissinger: He's bad news.

Connally: Well, this is going to cost us. OPIC is charging \$1.07. We have, in Chile, \$300 million of guarantees. And it's going to cost the government \$300 million, because he's expropriating, but he doesn't pay for it. And he is now askin'—and he's this smart, you see—he's now asked what the guarantees are that cover these expropriations. So, what he's goin' to do is he's either going to get the total value of the properties now to about where the guarantees are, and let us pick up the whole tab on the American companies, so that [unclear].

[Unclear exchange]

Connally: So—Well, I've made my point, Henry. That's all I, all I—

[Unclear exchange]

Nixon: Here's what we want to do, John. What I—what I really want to do is this: Basically, this kind of a thing, normally, would be handled through the Peterson Committee. Now—And, naturally, then it would come through to me. I want to set up a procedure whereby—if you would, I want you to—and just do it on a basis of where you send your guy in, of course, with your recommendations, John. Well, where this—where these economic and political problems are involved at the highest level and you [unclear] pick up the phone and ask Henry. And, Henry, I want you, in your turn, to ask him. You understand? We have—We're interested in your economic judgment, but I'm also interested in the political judgment—

BEGIN WITHDRAWN ITEM NO. 3

[National Security]

[Duration: 1m 32s]

FOREIGN AFFAIRS

END WITHDRAWN ITEM NO. 3

[517-020_Clip4](#) (6.2m, 6:24)

Connally: Well, you see where this get to be a—where this gets to be a real problem for us. We have two general propositions: One, we have our bilateral aid, and what we do. Then we have, secondly, what we do in the multilateral field. Well, now, in Bolivia, specifically on

that subject, before the Inter-American Bank is going to come the proposition: Do we approve a \$19 million loan to Bolivia that will have to be followed by approximately a \$24 million loan from the World Bank, for a total of \$43 million, to build a pipeline from this oilfield that they had expropriated from Gulf to run in to Argentina.¹⁹ They proposed to pay us \$78 million for this expropriated oil and gas property over a 20-year period, at no interest, out of 25 percent of the oil and 33 1/3 percent of the gas that they develop and sell from Gulf's oilfield to Argentina, after we put up the money to build the line. Now, that's their proposition to Gulf, which Gulf wants it because they say, "Well, you know, this is our only hope. If we don't get this, we get nothing." Well, then we—then we give 'em a PL480 loan. We negotiated an agreement with 'em on April 30th and 31st, and the very next day, they expropriate [the Mina] Matilde [Corporation], which is a company of Engelhard Minerals and United States Steel, during that day, May the 1st, to celebrate May Day.²⁰ In the, in—In January, they expropriate the International Metals [Processing] Company.²¹ The IMPC is a little ole' company that was formed for the purpose of taking [unclear] out of one of the old Patino mines, which is waste material. They developed a little process, that they figure they can take the waste tailings from this mine and get enough tin out of it to be economically feasible. It's not a lot of money in it, but perhaps \$3 million. We've got a \$1 million guaranteed. Then we come to Guyana, and these are all pyramiding, as you well know.²² Guyana passed a legislative act through their legislature, in effect, expropriating all bauxite in the country. Ok, this first applies to Alcan. Now, they'll say, "Oh, well, where' not going to crush Reynolds." There're two companies: Alcan and Reynolds. And they're saying to our people, to United States people, "Well, we [unclear] don't worry. We're just talking about Alcan; Reynolds is going to be all right." Well, as soon as they get Alcan chewed up, well then, they'll take Reynolds, of course. [Unclear] Now, the Jamaicans, on the other hand, have—are saying to us directly that, "If Guyana gets away with it, we're going to be under great pressure from the Left to expropriate all the bauxite holdings of American companies in Jamaica." Look, between Surname, Jamaica, and Guyana, that's 80 percent of the bauxite

¹⁹ "Bolivians Seize and Nationalize Gulf Subsidiary," *New York Times* (October 18, 1969), 1; Juan de Onis, "U.S. Companies in Bolivia Uneasy," *New York Times* (May 30, 1971), F3.

²⁰ Juan de Onis, "Bolivia Seizes American-Owned Mine," *New York Times* (May 2, 1971), 27.

²¹ Edwin Dale, "World Bank Used for U.S. Protest," *New York Times* (June 28, 1971), 47.

²² *Ibid.*

produced in the world. And in Jamaica, alone, you've got the Aluminum Company of America, you've got Reynolds, you've got Kennecott Copper, you've got Kaiser, you've got all the major aluminum companies. And we've got exposure. We've got an investment of seven-hundred and roughly fifty million dollars in Jamaica. We've got insurance of \$465 million against it. We've got a billion and half dollars insurance in Latin America alone, and we're already looking at paying out somewhere between \$500 million and \$700 million, just to get things started.

Nixon: Um-hmm.

Connally: So, at some point, we haven't got an answer. Whatever your position is, that's going to be my position. But, do we vote in the Inter-American Bank next week to go for the \$19 million loan to Gulf in Bolivia, or don't—?

Kissinger: Is there no way you can delay?

Connally: Well, we'll try to delay it.

Kissinger: I think, at a minimum, we ought to delay it for a month and get it—get this whole issue looked at in the NSC procedure.

Connally: I sure agree.

Kissinger: Don't you think—?

Connally: I sure agree. Yes, sir, totally. You know, these things just come up on us. Now, I approved one the other day. It was a big one. It was \$8.6 million for Bolivia. It was a cattle deal; they're going to buy some New Zealand cattle for eight million bucks.²³

Nixon: Hmm.

Connally: And it helps them to that extent. And the only thing, the only pry we have on 'em, the only lever we have on 'em, it seems to me, is at least if we could shut off their credit, or shut off the markets for the commodities they produce, or something. But we have to be in a position to impose some economic sanctions on 'em. Now, you can't impose military sanctions, but we can impose financial or economic sanctions.

Nixon: You see, here's the thing we face in Latin America: it seems to me that if this virus spreads, we also have the problem that, looking at the State Department, one of the reasons we have [unclear] it's not Bill, it is Flan—Flanigan. Just getting somebody over there, at State, that will take a hard-nosed view on this. Henry, tell John that the disaster area that the

²³ *Ibid.*

Latin American Division at the State Department is. In fact, I'll tell you. One of the—One—
You remember old Henry Holland?²⁴

Connally: Sure.

Nixon: He was a good man.

Connally: Sure—

Nixon: He knew what this was all about.

Connally: Yeah.

Nixon: The Latin American Division of the State Department, today, is a damn disaster area. They are a disaster area. They're nice people. Meyer—Meyer couldn't be nicer, but down below him are a helluva lot—

Kissinger: Well, they have this ideological preference for the left-wing Christian Democrats. Now, the left-wing Christian Democrats very often agree with the Communists on almost everything, except certain—

Nixon: Except foreign policy.

Kissinger: —democratic procedures.

Nixon: That's right.

Kissinger: And even those—and their religion. I mean, for example, Meyer told me the other day, when Somoza was here, he told me full of pride, he had told Somoza that if he didn't liberalize his regime he'd go the way of his father. Well, you know, now—

Nixon: Well, you sure can't say this. I—Well then, frankly, I don't want him to liberalize his regime; I hope he keeps it like it is.

Connally: My God, I would hope so. He's the only friend we've got down there—

[Unclear exchange]

Kissinger: So, on issue after issue, we have had—The President has now invited the Brazilian President up here.

Nixon: Médici.

Kissinger: Médici.

Nixon: Over the violent objections of State.

Kissinger: But, we have had a hell of a time getting any sort of confidential exchange with the largest country in Latin America that's, basically, on our side.

²⁴ Assistant Secretary of State for Inter-American Affairs, 1954-1956.

BEGIN WITHDRAWN ITEM NO. 4

[National Security]

[Duration: 7s.]

FOREIGN AFFAIRS

END WITHDRAWN ITEM NO. 4

[517-020_Clip5](#) (6m, 6:15)

Nixon: The Brazilians, at the present time, are in a helluva fight with us about this fishing rights business.²⁵ Well now, on that—out of that, I mean, we've got to fight on our fishing rights thing, and some other things, but it's the last thing we need with Brazil.

Kissinger: Yeah, I know.

Nixon: But here the State Department wasn't keen on taking on some of these other countries that were kicking us around on the fishing rights, but Brazil, because it's a dictatorship, goddamnit, they want to fight it.

Kissinger: Which isn't even enforcing the regulations.

Nixon: Oh, it isn't?

Kissinger: They promulgated them.

Nixon: Oh, I see.

Kissinger: They promulgated them in a typically Brazilian way: They say that any ship that is seized after a warning—

Nixon: Um-hmm?

Kissinger: Or can be seized after a warning. They always make sure—

Nixon: Yeah.

Kissinger: —that they give the warning when the ship is ready to leave. They haven't yet—

Nixon: Um-hmm?

Kissinger: —done anything. We have told them to wait 'til October until [unclear] you and Médici can meet.

Nixon: Yeah.

Kissinger: And so far that's worked.

Nixon: We've got to play—we've got to play the goddamn Brazilian thing. We've got to keep Brazil strongly on our side, and in the hands of a strong, stable, conservative

²⁵ Joseph Novitski, "Brazil Stands Firm on 200-Mile Sea Limit and Joins Five Other Latin Nations in Conflict with U.S.," *New York Times* (June 6, 1971), 12.

government. Now, I don't care whether Médici did it. You know, they—The—Excuse me for a moment.

Kissinger: Sure.

Nixon: The problem, really, in all these loans, Henry, is that it—that I'm concerned about is that, pretext or no pretext, he doesn't need 'em, I agree. Second, it's just the fact that if you start doing it, it's going to encourage others to go and do likewise. And I think John's point is that some place along, maybe we ought to find a place to kick somebody in the ass. Now, you know, we didn't kick [Juan] Velasco.²⁶ Now, everybody says, "Now, that was great." I'm not so sure. I'm just not so sure that we—You know, a lot of our Latins said, "Wasn't it good? You handled that just right." What'd we get out of it?

Kissinger: Well, Velasco, I have to say [unclear]—

Nixon: And this time [unclear]—

Kissinger: And, I think he was a lousy case.

Nixon: Yeah.

Kissinger: But, Chile, which is a Marxist Government, the guy's going all out. I have a report from somebody who was at a—

[Unclear exchange]

Kissinger: —who was at an OAS meeting, who said that the Cubans and Chileans were working hand in—

Nixon: [Unclear]—

Kissinger: Hand in glove—Oh, no, no, it couldn't have been [at the] OAS. It was some sort of inter-American meeting.

Nixon: Yeah.

Kissinger: At any rate, the Cubans and Chileans were working hand in glove, drafting resolutions jointly, and—

Nixon: Well—

Kissinger: —and that there's no doubt whether the Chileans—I've always felt—we need to take a stand on. And if we take it from that, if they wind up being as well-off as their neighbors, what incentives do their neighbors have not to yield to the—to their domestic

²⁶ Juan Francisco Velasco Alvarado, President of Peru, 1968-1975.

Left? Argentina has a big Communist group, which, really, for operational purposes, could go on a program very similar to the Communist program—

Nixon: That's right.

Kissinger: Expropriation—

Nixon: Sure.

Kissinger: —anti-U.S. It doesn't have to be Communist, but for our interests, I don't know. What do you think John?

Connally: It's the same. It'd be the same—

Nixon: Sure.

Connally: That hurts the same—

Nixon: Internally, it will be totally expropriation and nationalist. It's what's basically more than a—basically more of the—It's—It'll be on the Right, but a completely nationalistic attitude. Their foreign policy could be a little different, that's about all.

Kissinger: Yeah. Yeah.

Nixon: Maybe. Maybe.

Kissinger: Yeah.

Nixon: Who knows?

Kissinger: It could be very anti-U.S., as Perón was.

Nixon: Sure, sure. Perón was—

Connally: Assume, once you get this studied, let me suggest to you that you get us involved, to the President, of making a statement, issuing a statement, a statement of policy—a White Paper, so to speak—in which he instructs all the government that as a matter of policy, this government will not vote for, nor favor, any loan to any country that has expropriated American interests, unless until that country is furnishing good and sufficient evidence that satisfactory payment has been made. And now, that's basically the policy of the World Bank, now; it is not the policy of the Inter-American Development Bank. [Coughs] It's a loose thing, and we operate one multinational bank one way, one S.O. [statement of] policy, and our bilateral aid is operated on still another policy. And this has the effect, it seems to me, if this—and, you see, to me, this does two things: Number one, it serves what [unclear]. And, secondly—and it's a uniform policy. Thirdly, it says to all to all these nations, "You can't expropriate our people and continue to get financial help from us until you decide how

you're gonna pay 'em." And third, it says something to the American businessman that I think is extremely important and extremely powerful.

Nixon: Right.

Connally: It says for a change, we're gonna start with McNamara.

Nixon: [Unclear].

Kissinger: Well, why don't I, if you agree, Mr. President, issue a directive? Say that pending NSC review of this subject, you want all of these applications, from countries where there is expropriation going on, held up. Wouldn't that help you?

Connally: Oh, sure. Absolutely. It'd be great.

Kissinger: And we'll put a four-week deadline on it, and that will give you a handle.

Nixon: [Unclear] and you want to be sure Peterson is—

Kissinger: Oh, yeah.

Nixon: —fully informed on it.

Kissinger: Definitely.

Nixon: Basically, it goes beyond his provenance, though, because this does involve our attitude toward these damn countries politically—

Connally: Oh, I think, basically, it's a political decision you're making—

Nixon: Yeah.

[Unclear exchange]

Connally: The economic part of it—

Nixon: Yeah?

Connally: —is purely incidental.

Nixon: That's right.

Connally: [Unclear]—

Nixon: You know, it's the—the thing is, though, we—let's, now, get this whole procedure worked out. You see, the problem is—the problem is that [unclear] some of our people and [unclear]. They're very naïve, huh?

BEGIN WITHDRAWN ITEM NO. 5

[National Security]

[Duration:51s]

CHILE

END WITHDRAWN ITEM NO. 5

[517-020_Clip6](#) (868k, 0:53)

Nixon: Goddamnit, let the Russians put out the money for it. Let it be a drain on the Russians. I just have a feeling here that I think we ought to treat Chile—begin treating them, and as we get along, and don't worry too much about it like we treat, treat this damn Castro. And, incidentally, you'll hearing be the arguments about Castro. There can't be any change on that. We're doing the right thing about Castro; we should not open up there. This fellow is in deep, deep trouble and normalizing relations with Castro at a time that he's stepping up some of his subversive activities is just the wrong thing to do.

Connally: I haven't heard anything about it, but I would, instinctively, be violently opposed to it—

Nixon: Yeah. Well, there's something you'll hear.

Kissinger: It comes up every once in a while.

Nixon: Yeah. It hasn't in the last—But we'll—We have this, we have this understanding.

[...]

[517-020_Clip7](#) (844k, 0:52)

Nixon: And, the way I would work this, John, is to just, you know, pick up the phone and say, now you're going to get the damn thing done.

Connally: Well, this—You know, this—

[Unclear exchange]

Nixon: John, Henry, the point is [unclear] I think what you ought to do is have a memo written for cosmetics, but pick up the phone, and once you have something like that, give Henry a call, say, "Look [unclear] we ought to kick 'em." If you feel it, then let us know.

[Unclear] —

Connally: Yeah.

Nixon: —we'll work it.

Connally: All right.

Kissinger: That's right.

Nixon: All right.

Connally: Thank you very much, sir.

Nixon: I got to rehearse the wedding now.

Connally: [Laughs]

[Voices trails off as Kissinger and Connally departed at 2:38 p.m. End of conversation.]

Conversation No. 517-022**Date: June 11, 1971****Time 2:40 – 2:57 p.m.****Location Oval Office****Participants: Nixon, Haldeman, and Kissinger**

Following his conversations with Kissinger and Connally, Nixon was no mood to hear about the State Department's objections. Upon being informed that Secretary of State Rogers opposed Connally's suggestion, Nixon snapped: "We sure as hell can do something about expropriation. Don't you agree, Henry? Should we just simply lie back and let them expropriate things around the world? Screw 'em." Kissinger concurred, noting that "unless we become too dangerous to tackle, there's gonna be a constant erosion of our international position." Nixon then harkened back to the days of John Foster Dulles' tenure at Foggy Bottom (i.e. the period of the coup d'états against Mossadeq and Arbenz), when "people were just too afraid to tackle us."

[...]

[517-022_Clip1](#) (1.2m, 1:12)

Haldeman: Rogers called me this morning, all concerned about the conversation last night on expropriation. He said, "You can't do anything about that. It's—Our national policy is in favor of expropriation." And he's very concerned about Connally's view on Europe, and we can't have—Any thought of not supporting the European Community would be a direct opposition to the President's position.

Nixon: Well, we're not going to do anything openly on it, but we can—

Haldeman: Yeah.

Nixon: —adjust some things behind the scenes. But on expropriation, Bill was reflecting the whole State Department attitude. We sure as hell can do something about expropriation. Don't you agree, Henry? Should we just simply lie back and let them expropriate things around the world? Screw 'em—

Kissinger: I think, unless we become too dangerous to tackle, there's going to be a constant erosion of our international position.

Nixon: Right.

Kissinger: We can say what we want about [John Foster] Dulles, but in his period, people were just too afraid to tackle us.

Nixon: They didn't monkey around with the United States.

Kissinger: And, one of the advantages the Soviets have is: anyone who wants to play domestic politics with kicking around a superpower thinks three times before he tackles the Soviets—

Nixon: That's right.

Kissinger: —'cause they hit back, and we don't.

Nixon: That's right.

[...]

Conversation No. 523-004**Date: June 16, 1971****Time: 3:40 – 4:30 p.m.****Participants: Nixon, Gulf-Western Chairman Charles Bluhdorn, John D. Ehrlichman, and Peter G. Peterson**

Charles (Charlie) Bluhdorn was Richard Nixon's kind of businessman: Self-made, confident, well-connected, dynamic, fiercely anti-Communist, and at least rhetorically committed to improving the quality of life for the people who worked for him. Bluhdorn met with Nixon, Ehrlichman, and Secretary Peterson on June 16, 1971 to deliver a personal appeal to Nixon from the president of the Dominican Republic, Joaquín Balaguer. Through Bluhdorn, Balaguer wished to draw Nixon's attention to the fact that the U.S. Congress had cut the Dominican Republic's sugar quota, while other nations that had nationalized American firms (such as Peru) had escaped a quota reduction.²⁷

Bluhdorn poured scorn on the position of State Department officials, who claimed that "we [the United States] cannot retaliate against people who mistreat Americans, because the experience of the past has been that when we retaliate against them, then they only escalate against us," caustically suggesting that, if this was to be the position of the U.S. Government, "perhaps one of the companies we should also start in the Dominican Republic is a company making umbrellas, because perhaps we can supply some of the umbrellas that Mr. Chamberlain used." Bluhdorn then warned his audience, "if it's going to become...a free-hunting session, where everybody can feel that they can take anything American away, then we're really in trouble."

Nixon expressed complete agreement, telling Bluhdorn: "I have no patience for the attitude... that, with regard to Peru, Bolivia, or Chile, gives them treatment that is the same as the Dominican Republic." According to Nixon, the State Department was "against Brazil and the Dominican Republic for the wrong reasons. They're against them because they think they're both dictatorships. I like them...not because they're dictatorships, but because they're friends of the United States." Nixon then promised that, "Friends of the United States will be rewarded! Enemies of the United States will be punished! And that includes Peru to the

²⁷ Balaguer was the President of the Dominican Republic from 1960-1962, 1966-1978, and 1986-1996. Bluhdorn, as the head of the Gulf & Western Industries, had a substantial interest in the Dominican sugar industry through the South Puerto Rico Sugar Company.

extent we can. It includes Bolivia to the extent we can. And it includes, by all means, Chile, to the extent we can. That's the way the game has to be played."

[Underlined text denotes material that was published in *Foreign Relations of the United States*, 1969-1972, American Republics, 1969-1972, v.E-7 (2009), but for which the audio portion is toned out (i.e., the content was not declassified when the audio was released in October 1999 but the transcript was declassified for the *FRUS* volume published in 2009).]

[...]

[523-004_Clip1](#) (4.9m, 5:04)

Bluhdorn: And, I felt so strongly about it, when I received this letter, and knowing how busy you gentlemen are, I was reluctant to call John, but I had to call him, because I had to convey the letter personally and to say to you that Latin America is in a tremendous turmoil. I know you were always interested. Mr. President, we've got a situation with Chile. We've got a situation with Peru.²⁸ We've got situations with Bolivia. Now, the question of the sugar situation, which concerned President Balaguer, I can understand very clearly. Let us be clear that we have a great sugar interest. And our 100,000 shareholders would certainly be greatly affected to what happens to the Dominican Republic. But, Mr. President, Peru, which has expropriated our properties, which has expropriated our properties, properties of American citizens and American companies, they have been rewarded in this act by a very small reduction. Bolivia, under this act, it will—with a pass, there'll be an increase. Now, I ask you: We, speaking—and I've discussed this with John a number of times previously—

Nixon: Um-hmm?

Bluhdorn: —I believe that American industry, today, has the most serious problem to compete with the Japanese and the Germans.

Nixon: Yeah.

Bluhdorn: The Japanese, working together in cartels, cooperating with their government, and I know—John knows this is my favorite line, but it's true—have beaten us many times out of our particular method of being able to compete with them. I have said, in a slightly joking way, that I wish of the President of the United States would lease Mr. [Richard W.]

²⁸ On October 9, 1968, the newly installed military *junta* in Peru expropriated the properties of the International Petroleum Company (IPC, a subsidiary of Exxon). "Oilfield is Seized by Junta in Peru," *New York Times* (October 10, 1968), 1.

McLaren to the Japanese to become Minister of Justice for one or two years, because why can't they have him, too, for a change?

Nixon: [Laughs]—

Bluhdorn: Now, I want to, I want to say this to you, sir, and I say this with all respect and all in good humor, because I'm not interested in acquisitions today. What I am concerned about is this: We're competing with the Germans. We're competing with the Japanese. Now, if, in countries where American firms are to invest, where there's a vested interest for our nation to have friends like the Dominican Republic, we are involved in situations where we cannot get the backing from our government, here's what can happen, and it's very simple: The nationalists, and the leftists, and they disappear under the ground, as you know, but they don't disappear completely. They're there. They will go, and they say to the President, "Well, here: these are your great friends in Washington." And, of course, the first objective is naturally a company like ours. This is the American company. It is forgotten how we have worked closely and worked closely together with them. The great compensation is: let's nationalize it. If Peru is going to be in the position that they will not lose out when they take away American property, then why can't we, in the Dominican Republic, do the same, maybe in three years? When the Sugar Act comes up, we'll be compensated for this. Now, Mr. President, let me say this to you: The Deputy Assistant Secretary of State, Mr. Katz, told the House Committee that we cannot retaliate against people who mistreat Americans, because the experience of the past has been that when we retaliate against them, then they only escalate against us. Well, Mr. President, I think that your views on these things are fairly well known. And I can only say, with all humility, that perhaps one of the companies we should also start in the Dominican Republic is a company making umbrellas, because perhaps we can supply some of the umbrellas that Mr. Chamberlain used—

Nixon: Um-hmm.

Bluhdorn: —in export—and I say it humbly—to certain people who feel the United States flag, which must have meaning abroad, can—that it must be treated in a pussy-footing manner. Now, I'm sorry to speak so candidly—

Nixon: Who was the fellow that testified to this effect? Katz—?

Bluhdorn: Well, this was Assistant—Deputy Assistant Secretary—

Nixon: Julius Katz?

Bluhdorn: —Julius Katz.²⁹ Now, the reason I say that, Mr. President, is that I really plead, as an American citizen, that I think that—I’ve have traveled widely, and I know how widely you’ve traveled around the world yourself—

Nixon: Um-hmm.

Bluhdorn: —that I think that the most important single thing for the United States, being born in Europe myself, is the respect for the Americans and for the American flag. And I don’t believe that this type of an attitude does anything, sir, except to encourage these people to go forward and forward, and to continue a trend, which, in my opinion, will destroy whatever is left of the Monroe Doctrine, because we’ve had these subversive elements moving in. The Chilean Foreign Minister has been in Moscow. You’ve been to Russia. I’ve been to Russia. I know for a fact, sir, that there’s great pride, great pride in Russia that they think they’re infiltrating the Western Hemisphere.

[...]

[523-004_Clip2](#) (680k, 0:42)

Bluhdorn: I don’t believe in the theory that we have got to sit back and let people hit us and reply by saying, “Well, we will be this model republic.” It’s—Mr. President, you’ve got a thousand acres of land, and somebody comes and takes 900 acres away from you, [and] you would respond by saying to him, “I’m going to support you for Governor next year, because one of your aides says, ‘You don’t want to lose your last hundred acres.’” To me, that doesn’t have any logic or any sense at all, because there’s more involved. We have tried to show, in our little way, in the Caribbean, a showcase of what America can be about. Mr. Castro is a joke.

[...]

[523-004_Clip3](#) (2.3m, 2:22)

Bluhdorn: The system doesn’t work in Cuba any more than in Russia, Mr. President, and it can’t work. But, when you compare two places 90 miles apart, I have to tell you that if you see the American flag waving around that place, it’s not a bunch of fellows from up North trying to take the money away from those people there. We have created jobs. We have created industry. We have created a showplace that is an example for what can be done by private initiative. And we’re willing to show it. And anybody from Washington who comes

²⁹ Deputy Assistant Secretary of State for International Resources and Food Policy, 1968-1974.

down and says, “Well, this fellow Bluhdorn came in and told the President a nice story,” I’ll tell you: I’ll—I won’t come here and apologize. I’ll lay everything down on the line here.

Ehrlichman: Well, your point is this House bill kicks our friends and punishes our—people that they’re expropriating. That is, prices are affected—

Bluhdorn: It’s my opinion that it rewards the—

Ehrlichman: It helps the expropriator.

Bluhdorn: Yes, sir.

Ehrlichman: Yeah.

Bluhdorn: And I—and I believe, I believe that if anybody—Frankly, John, I have to say that if anybody is to be punished, in my opinion, it should be countries like Peru. And I, personally, must admit to you that I felt very strongly that Peru should have received a tremendous cut, which should only be restored by presidential order when they start to have a certain degree of respect. Because, as a businessman, I would like to know from you, sir, how you feel, in the ‘70s, even aggressive companies like ours are going to compete when we have to face these facts. Now, it’s true the Japanese have now opened up a little bit for automobile industries to come in. They’ve done this and that. But it’s not an equal battle, Mr. President. It is really—is not an equal battle. And, if we are going to invest—Take it from the point of view, Mr. President, that American private industry is to invest. All right. How are we going to invest? We can compete, I think in our lifetime. I don’t know what’s going to happen to our labor rates here. That’s an entirely different problem. But I do know this: We have brought a lot of dollars back from foreign investments over the years. General Motors has done it, we’ve done it, others have done it. But, if it’s going to become, Mr. Peterson, a free-hunting session, where everybody can feel that they can take anything American away, then we’re really in trouble.

[...]

[523-004_Clip4](#) (6.7m, 6:56)

Nixon: Let me say this: That I will have this thing examined. First of all, let me be sure that I [*extend*] my position. I have no patience with those that are against the Dominican Republic. That is the attitude of the State Department, but it’s not mine. They’re against it because they consider it a dictatorship. I don’t give a damn what it is; I’m for ‘em. Is that clear? Second, I have no patience for the attitude that says we’re going to—that does—that, in any way that,

with regard to Peru, Bolivia, or Chile, gives them treatment that is the same as the Dominican Republic. Or, for that matter, Mexico; Mexico should be treated fairly. [The] Dominican Republic should be treated fairly. They're both friends of the United States. Brazil should be treated fairly for other reasons; it's too important to us. Now, these little African countries? It's silly. It's silly. Those countries should not be encouraged to get in this business, because then they'll be in this market, and then they'll be coming in for more and more and more, and they're going to be lobbying. Now, what we can get through the Congress, I do not know, but that's my attitude. I don't want any countries added. None. If we can possibly get the Senate to be smart enough to do it, no country should be added. We don't want any new people in the sugar business. And, we've got to play to our friends and punish our enemies [tapping desk] to the extent that we can! Now, having said all this, this is the part—this, at least, overrides the State Department.

Bluhdorn: Yeah.

Nixon: They've got to do what I say. But, the other thing, having said all this, we're up against a very serious problem in Congress. The Sugar Lobby's—That's the—As you know, it's the most effective, the best paid in the world, and they're murderous. They're working on all these people, out right and left. But, those are my views. I mean—But, most of all, [tapping desk] the thing that I want clearly understood—and I know that State does not approve of this. State is against Brazil, and they're against Brazil and the Dominican Republic for the wrong reasons. They're against them because they think they're both dictatorships. I like them because they are; because—not because they're dictatorships, but because they're friends of the United States. Now, that has got to be made clear to these people. [tapping desk] Friends of the United States will be rewarded! [tapping desk] Enemies of the United States will be punished! And that includes Peru to the extent we can. It includes Bolivia to the extent we can. And it includes, by all means, Chile, to the extent we can. That's the way the game has to be played. And as far as the African countries are concerned, they don't matter. Not on, not on sugar. Not on sugar. I don't want any African countries added. They're not our problem. They're the problem of Europe, and not the problem of the United States. That Africa desk, [David D.] Newsom, doesn't know anything.³⁰ It never is going to mean anything. He's gotten us his—

³⁰ Assistant Secretary of State for African Affairs, 1969-1974.

For example, that—that thing that got us embarrassed with the French—that Algerian thing—that is not to go through. Never.³¹ Where there's ever expropriation without adequate compensation, [tapping desk] the United States does never guarantee a loan, of any kind! On that Ex-Im Bank loan to Algeria, it can't be done. And that's the way it has to be done. Now, the, the arguments you hear at State on this are going to be very different, but—because they have different fish to fry. But, we—we've got to do it. We've got to play it very strong on here. Now, what will come out of this, I cannot say. You'll get some more, because the Senate will be more responsible than the House. And, [Rep. Harold Dunbar] Cooley is gone now, and he, of course, ran the [House] Floor. But, but, if you get some more, that's a, that's a great improvement. But our attitude, you see—our—we can only do so much with the Congress. Each Congressman, each Senator, has got some lobbies that he's pimpin' for. And that's what—that's a real problem. And so those votes are all counted up, and whatever we do—And you can't veto the bill. Basically, the bill comes in and you send it right back. The interests are so powerful here, but we will try to carry out these things as best we can. But, our influence with this kind of a Congress is somewhat limited, because of the enormous potency of the lobbyists. But we'll handle the State Department; don't worry about that. That's the way it's going to be.

Bluhdorn: Mr. President, I can only say that—There's nothing I can say, because I'm deeply appreciative. You said it all in a few words. I really and truly believe that what—that this is like a little thing in a, perhaps, in a teapot—a tempest in a teapot to be told what you said. I'm really deeply appreciative and grateful for it, because I don't—I completely understand the situation in Congress, sir—

Nixon: Yeah.

³¹ On February 24, 1971, the Algerian Government nationalized 51% of all French holdings in Algeria's oil and gas industry. "French Oil Assets Seized by Algeria," *New York Times* (February 25, 1971), 1. After talks between Paris and Algiers regarding compensation broke down in April, the French Government (which had owned a substantial stake in both of the companies whose holdings had been nationalized in Algeria) called for an international boycott of Algerian oil and gas. They also requested that the World Bank and Ex-Im Bank cancel any financing for a 25-year natural gas contract Algeria had signed with the El Paso Natural Gas Company. John Hess, "French Seek Embargo on Algerian Oil," *New York Times* (April 27, 1971), 3. Nixon was as good as his word. Before Nixon's meeting with Bluhdorn, the White House took action to block approval of the 1970 deal by the Federal Power Commission, and a \$250 million loan from the Ex-Im Bank to Algeria for the construction of a Liquefied Natural Gas terminal. Tad Szulc, "U.S. May Block Contract Import Algerian Gas," *New York Times* (June 16, 1971), 1.

Bluhdorn: —but I do believe that the State Department has a very powerful and tangible influence, because a number of Senators do not understand that—what has happened at all [unclear]—

Nixon: Well, we cannot encourage—We cannot encourage this virus of expropriation, and it's getting to be, Pete, is [unclear]—

Bluhdorn: He's tough.

Nixon: —a better man than Pete, and he knows it. John Connally knows it. In fact, the two of them are arguing with the State Department over that. But, you see, the moment—and they're, of course, trying to, and we've got to play games for other reasons—[tapping desk] but the moment that a country is encouraged in expropriation, and we turn the other way, we're in real trouble. Now, if they—The argument's made: If they expropriate, if they have adequate compensation and fair compensation, that's their right under international law—

Bluhdorn: That's right.

Nixon: That's the understanding.

Bluhdorn: That's right.

Nixon: But, I don't see any Latin countries ever providing it...

Bluhdorn: Sir, I tell you, this type of legislation—

Ehrlichman: In long—

Nixon: ...in 20 years—

Ehrlichman: —long-term payouts.

[Unclear exchange; laughter]

Nixon: It's unbelievable.

Bluhdorn: First, they [Bolivia] levy taxes against—

Nixon: Yeah.

Bluhdorn: —people the last twenty years, and then they give it back. But I could not have—I did—I appreciate, tremendously, that to find, to find the President in the White House who's willing to look at it from this point of view is already—

Nixon: So, we've got, we've got a very good team here. Mr. Peterson, of course, is an entirely new man in this office. He's business-oriented. He understands these things. He's a fair man. But, he realizes that you cannot continue to have American business expect to go abroad and invest if they're going to be expropriated. That's the other thing—

Bluhdorn: Sir, that's [unclear]—

Nixon: —we talked about the other day when I was talking to a State Department official—John, remember? And, and they raised the point, “Well, we can't, we can't leave the horrible countries that expropriate, because, after all, it's legal.” That's fine. Of course it's legal. But how can we expect American business to go in and do it? John Connally pointed out the other day—it was—you were in this meeting—but, but he pointed out that under this OPIC, that the United States was going to have a liability of up to a billion dollars because of expropriation.

[...]

Conversation No. 262-005**Date:** July 19, 1971**Time:** 3:00 - 5:05 p.m.**Location:** EOB**Participants:** Nixon and John Connally

In order to facilitate Nixon's policy of handling "friends" in Latin America differently than recreants such as Chile and Bolivia, Connally suggested that Nixon eventually consider a policy of divide-and-rule, whereby the United States would withdraw from the Organization of American States [OAS] in favor of establishing stronger bilateral ties with individual republics. That way, the United States could "put the screws" on expropriating nations such as Peru, Chile, and Bolivia, without "offending" other nations.

[...]

[262-005_Clip1](#) (1.7m, 1:44)

Connally: I think you probably ought to, as soon as this China thing is behind you, and the Vietnam thing, you probably ought to come with an announcement that you're withdrawing from the Organization of American States. And maybe I wouldn't put it that bluntly, but, in effect, say to all the Latin American countries that you're no longer going to deal with them as being under one umbrella. And this does them no great service; it's not in their best interests; they're great nations; and, that you're gonna develop a series of bilateral arrangements between us, and so forth. That, now, we've in effect, put all the Latin American countries in one box.

Nixon: Hmm.

Connally: And what you do to one, you do to all. When you rebuff one, you rebuff them all, because—It's because of the mechanism through which we deal with them, the Latin American policy, is through the Organization of American States. Well, Panama's interested in the Canal. You've got a crazy little colonel that runs around with a goddamn pistol on his hip down there.³² He's extremely powerful. Well, their problems with Costa Rica and Honduras are totally different from Brazil's. We ought to be really dealing directly with Brazil, directly with Argentina. Then we can—Then we can put the screws on Peru and Brazil—

Nixon: [Unclear]—

³² Omar Torrijos, Commander of the Panamanian National Guard and *de facto* dictator of Panama, 1968-1981.

Connally: We can put 'em on Chile and not offend Argentina.

Nixon: And put 'em on Bolivia [unclear]—

Connally: Right. And put 'em on Bolivia. So—But we've got to divorce, we got to start separating those countries.

Nixon: Good idea. Good idea. And, have you talked to anybody about this?

Connally: No, this is, uh—

Nixon: I like it. I like it.

Connally: But it's—

Nixon: I like it. I like it.

Connally: [*It lets us*] please the South American countries. We got to.

Nixon: The OAS, I mean, it's obviously behind the times; really, an anachronism.

Connally: So, yeah, we can move on that.

[...]

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.³³ 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

³³ 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.³⁴

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

³⁴ 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.

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.]

[...]

Conversation No. 587-007

Date: October 8, 1971

Time: Unknown between 10:58 a.m. and 12:12 p.m.

Location: Oval Office

Participants: President Richard M. Nixon, John Ehrlichman, and Richard Helms

President Nixon's hostility toward DCI Richard Helms is well known. As such, the DCI was rarely granted the privilege of a personal meeting with the President. One exception came on October 8, 1971, when, in the presence of Ehrlichman (who was there in the capacity of the President's lawyer and therefore bound by attorney-client privilege), Nixon and Helms had a wide-ranging conversation covering past and future CIA operations. Nixon had called in his DCI to find out about previous agreements that had been negotiated with the Soviet Union, such as the one that ended the Cuban Missile Crisis in 1962. Nixon had initially tried to delegate the task to Ehrlichman, who apparently served as Nixon's intermediary with the Intelligence Community. Ehrlichman had, however, been rebuffed by the Helms, who did not want to release the relevant "dirty linen" unless he had assurances about to whom they would be distributed. Over the course of their wide-ranging conversation, Nixon reaffirmed his both commitment to protect the agency, and his support for "dirty tricks": "We have got to be in a position where if the Russians or the Chinese are in a particular little country trying to screw it up, we can screw it up, too." Nixon also conceded that more should have been done to prevent Allende's election in 1970.

[...]

[587-007_Clip1](#) (2.3m, 2:24)

Nixon: Well, here's the thing: I think the real problem that I think you need to know—and I'm glad you came here, because our actual assurance is to talk to you directly, of course—the real thing you need to have from me is, first, this assurance—

Helms: That's all I want.

Nixon: —[*that*] I am not going to embarrass the CIA, because it's terribly important. Second, I believe in "dirty tricks." I think we've got to do it. As we go into this period now, Dick, with the Chinese, and, you know, with the Russian thing, Berlin, and the rest, we don't know what's going to happen there. And I am—I'm going to keep you very closely posted on what's going to happen, because as we do that, the "dirty tricks" thing may become more and more important, because all over the world, particularly if you look at Vietnam, probably,

or the rest, but there is going to be the goddamnedest bunch of, you know, of a rash of screwing up of the Chilean things—that sort of thing. And that’s why, incidentally, I want [unclear] I haven’t told you this, and I want you to talk to Henry about it, but not to state it to anybody else: [tapping desk] I want you to strengthen your department in that area where we work on elections, and so forth and so on. I think you’ve got to do it. I think it’s good, now, that [Thomas] Karamessines—or whatever his name is—

Helms: Karamessines.³⁵

Nixon: —but, can I suggest that I think that’s going to be a—intelligence gathering is terribly important, see, but I think that we’re going to have to get in with some of the others in the inept State Department fellows—who, frankly, frankly, first are not politicians, and, secondly, don’t have their heart in it, but we have got to be in a position where [tapping desk] if the Russians or the Chinese are in a particular little country trying to screw it up, we can screw it up, too. Don’t you agree?

Helms: Oh, I agree. I do, sir.

Nixon: Good. I think, and would you not agree, we could have won the Chilean [*election*]?

Helms: Yes, I think we could, and it was, it was, it was only one—

Nixon: Right. Yeah, I know you recommended more money than you got—than we gave them, too. Isn’t that right?

Helms: Yeah, we just—you know, we—

Nixon: Well, I may just—

[Unclear exchange]

Nixon: He’s just dying, because, you know, he says, “Well, Dick,” he did, but he said that [unclear] be glad to have it, but, but he was afraid that State would have [unclear] the ambassador is out and everything is fine.

Helms: But I have a message, Mr. President: Let’s—

Nixon: The point that I want is [tapping desk] that I want to know if we can do things you do. Now, the second point is, I will not embarrass the CIA, because I will defend it.

[...]

³⁵ DDCI for Plans, 1967-1973.

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.³⁶

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.

BEGIN WITHDRAWN ITEM NO. 16

[Privacy]

[Duration:30s_]

END WITHDRAWN ITEM NO. 16

[...]

³⁶ Clodomiro Almeyda Medina, 1970-1973.

Conversation No 303-009

Date October 26, 1971

Time: 2:49 - 5:55 p.m.

Location: Executive Office Building

Participants: Nixon and Connally

Nixon's anger at nations that expropriated U.S. businesses often boiled over: "I think we have got to start putting the screws on those damn things," he exclaimed to John Connally during a meeting at his hideaway office in the Executive Office Building. Nixon was tired of working with multinational organizations such as United Nations ("a total pain in the ass for us"). Despite the fact that the United States effectively bankrolled the U.N., Nixon contended, it never received any credit from nations that received international aid. Rather, these nations expressed their gratitude by, for example, defying the United States and expelling Taiwan from the United Nations.³⁷

By then, Nixon had clearly warmed to Connally's advice to restructure U.S. relations on a bilateral basis: "The United States has got to look after its own interests on a country-by-country basis. The time of a great United States multilateral interest...we aid without conditions and all that; that's gone. That is utterly gone." Nixon also expressed his support for an amendment proposed by Senator Russell Long (D-LA), which mandated that all U.S. aid to nations that expropriated American assets be cancelled (at the time, the Hickenlooper Amendment gave offending nations a six-month grace period to take "appropriate steps... to discharge its obligations under international law").³⁸

Summarizing the foreign policy situation, Nixon emphasized the need to continue the policy of triangular diplomacy, and "to stand up in various parts of the world, and stand up very vigorously for its interests. And, whether it's with Chile on their expropriation, or whether it's a vote like this [on Taiwan's expulsion from the United Nations], where we ask a lot of these goddamn stinkin' Africans...to come with us, we've got to find ways where the United States can, frankly, throw its weight around in an effective way." Nixon calculated that such a message would resonate with the American public, which wanted the government to "follow policies that keep us from getting kicked around, policies that will look after our selfish interests as against other countries." Connally shared Nixon's instincts regarding the

³⁷ Max Frankel, "End of China's Isolation," *New York Times* (26 October 26, 1971), 1.

³⁸ 22 USC 2370.

political utility of a punitive program: “In a time of frustration and uncertainty and division within the country, you frequently, and more often than not, drive home a position and a feeling and a support—you arouse a support out of a negative position much quickly than you can out of an affirmative position.”

Ironically, Connally then advised Nixon to run on a platform of “change”: “No point in you trying to defend what all is happening. No point in trying to run on your record, so to speak. You got to run in terms of how you’re going to change things. You’re going to kick the hell out of the Chileans, or you’re going to, you’re going to denounce the U.N....” Connally advised that the President to find “some real enemies,” since, in the wake of détente and the opening to the People’s Republic of China, “Communism ought not to be your battle.”

[...]

[303-009_Clip1](#) (6.7m, 6:59)

Nixon: What we really get down to here in the business factor, a point where we’ve made a convert out of Rogers is this damn thing here. He said to me last night, or yesterday, we were—we were calling on all these countries. He met with 25 foreign ministers and heads-of-government at the U.N. over the past few weeks. He said he was now convinced that our plan, our program, of going forward with supporting multilateral financing agencies was not in the interest of the United States.

Connally: Yeah.

Nixon: He said, “We do not have any stroke with these people.” He said, “They don’t give us any credit when they get money from them.” And he says, “For example, the Chinese—the Communists, for example, and the goddamned French, who are working against us—they played off Mao Tse-tung; the French were lousy as hell—but they would come in with some pipsqueak, little, you know, a tinhorn program, and these countries would think they’d be getting something from them. And when they get it from the international organization, where we furnish half the money, they didn’t they were getting anything from us.” Now, this was Rogers talking. But, by God, I believe that, too. And I think we have got to start putting the screws on those damn things, and cutting back so that we can do it. Another thing [unclear] [*the Latin monetary thing that*] may affect your own trip to the countries, I am utterly convinced that, that we—that first, as far as the United Nations is concerned, we are—I don’t think it’s ever been worth a damn.

Connally: Oh, I agree.

Nixon: I don't think it's worth a damn. I think that as we continue to—as you can, as you continue to admit these small countries, it becomes less and less an organization of any significance in the world. It's just a total pain in the ass for us. Second, it's going to get its budget cut, and I can tell you, I am not going to try to stop them. [*I'm fed up with them and now*] we're just gonna go through the goddamn motion. Understand? On that. But the third thing is that it brings us back to the point that the United States has got to look after its own interests on a country-by-country basis. The time of a great United States multilateral interest, we don't—we aid without conditions and all that; that's gone. That is utterly gone.

Connally: It oughta be gone.

Nixon: Now, another thing that came up—that came up. [Laughs] He'll tell you the same thing—Wally [Wallace F.] Bennett was in.³⁹ He's a nice fellow.

Connally: He sure is.

Nixon: He's a real gentleman, he is a real gentleman. He came in, and he told me about—He said that one thing that [Senator Russell B.] Long wanted to put on this, on the tax bill, one thing that he was going to put in is, possibly the main point of this, is an amendment on expropriation.⁴⁰ I said, “Well, that wouldn't bother me.” And he said—and Wally said, “Well, the difficulty is,” he said, “it would make it mandatory.” And I said, “Well, maybe right now, that might not be too bad.”⁴¹

Connally: Oh, sure.

Nixon: You know what I'm getting at?

Connally: Yeah—

Nixon: As you know, presently, it is not mandatory; the expropriation [unclear]. But, when we come down to it, it seems to me that we are at one of those rather critical points where, where, on the one side—Well, let's separate—let's sort out the problems. First, there is the much bigger game we've got to play. We've got to play the game with the Soviet, and the

³⁹ Senator (R-UT), 1951-1974.

⁴⁰ Senator (D-LA), 1948-1987.

⁴¹ Nixon may be referring to the so-called Gonzalez Amendment, which required that the U.S. delegation to any International Financial Institution vote against multilateral assistance to any nation that expropriated American assets. Nixon signed the bill into law on March 10, 1972. See: “Editorial Note,” *FRUS: 1969-1976*, iv: Document 148, and Shultz to Nixon, “...Contributions to International Financial Institutions,” *ibid*, Document 176.

game with the Chinese, for reasons that those who favor our going don't really understand, and those who oppose it don't understand. We've got to play one, because it irritates the hell out of the other. And it allows us to open the game up with the Japanese, and open up the game with a helluva lot of other people. Now, we play that game, however, with no illusions; they're both our enemies, and they will continue to be. But that's the way that's going to be. Second, having moved that far, in other words, in terms of our relations with other countries in the world, the United States, now, has got to, has got to stand up in various parts of the world, and stand up very vigorously for its interests. And, whether it's with Chile on their expropriation, or whether it's a vote like this, where we ask a lot of these goddamn stinkin' Africans, whose—who we've given [unclear] to come with us. We've got to find ways where the United States can, frankly, throw its weight around in an effective way. Now, this, however, having stated that position, we've got to realize that you have the international clique—

Connally: That's right.

Nixon: —the press, and the rest, who are giving us hell now, because of the—They say, “Well, look, maybe's there's going to be a depression in Europe, and we will have caused it. And we ought to get busy and immediately work out this monetary situation and go back to something [unclear] where we take great responsibilities.” And we—our concern, always—Well, we tend to put the blame on the United States for everything that goes wrong everywhere in the world. [Sighs] Somewhere in between there, there's a—there may be nothing in between, but currently, there's got to be an answer. But I think—I think that, in the context of what we have to discuss now, that domestically the American people very much want the United States to stand up for its interests around the world. Second, the American people are fed to the teeth with international institutions, too; with multilateral organizations; political organizations like the U.N.; and multilateral—multilateral finance organizations. And third, the American people not only want us to take, but follow policies that keep us from getting kicked around, policies that will look after our selfish interests as against other countries. All of them maintain—are looking after their selfish interests as against us.

[...]

[303-009_Clip2](#) (1.2m; 1:12)

Connally: But more than that, you're going to have to pick. In a time of frustration and uncertainty and division within the country, you frequently, [and] more often than not, drive home a position and a feeling and a support—you arouse a support out of a negative position much quickly than you can out of, out of an affirmative position.

Nixon: Um-hmm.

Connally: No point in you trying to defend what all is happening. No point in trying to run on your record, so to speak. You got to run in terms of how you're going to change things. You're going to kick the hell out of the Chileans, or you're going to denounce, uh, the U.N., or—You got to get you some real enemies, here.

Nixon: Haven't I?

Connally: China you can't have; Russia you can't have; 'cause they're not your enemies. Communism ought not to be your battle.

Nixon: Not at this point.

Connally: Not at this point. And that's going to be true for most of next year.

Nixon: Yeah, because, basically, that's something that we can, sort of, have going for us in a way, because it's so big that people understand it.

[...]

Conversation No. 313-021**Date: January 10, 1972****Time: 3:31 to 5:11 p.m.****Location: EOB****Participants: Nixon and Haldeman**

A brief discussion of Korry's future with the Nixon Administration offers a tantalizing, but ultimately inconclusive, hint that Kissinger may have been trying to downplay the extent of his relationship with Korry to the President.⁴² Having been informed by Chief of Staff Haldeman that the National Security Advisor was trying to have Korry appointed to a position with the Department of Health, Education, and Welfare (HEW), Nixon denied that Kissinger was "representing" the President's wishes, "unless Kissinger's got some goddamn thing that he pulled with him that he's trying to cover up."

[...]

[313-021_Clip1](#) (1.4m; 1:29)

Haldeman: He [Kissinger] asked for guidance on what your real wishes were on Korry, the, you know, the Ambassador to Chile.

Nixon: Korry's gone.

Haldeman: Well, he's gone from Chile, but Kissinger, apparently, is pushing very hard for him to receive some sort of other important appointment, like public affairs officer at HEW, or something like that. And State has fought it. They said that they won't give him any other post. They just don't want him around. And—

Nixon: What in the name of God, you know?

Haldeman: Sir, we—Pete [Flanigan] just wondered if Kissinger was representing your wishes in this, or whether it was some—

Nixon: No, unless Kissinger has got some goddamn thing that he pulled with him [Korry] that he's trying to cover up.

Haldeman: Well, it may be—

Nixon: The other thing, of course, is, you know what this is, don't you?

[Unclear exchange]

⁴² Kissinger argued that the 40 Committee that he chaired as National Security Advisor (and which "authorized but did not supervise" U.S. covert actions) had abandoned any attempt to precipitate a *coup d'état* (Track Two) nine days prior to the run-off vote in the Chilean Congress on October 24, 1971 that would certify Allende's victory once it became clear that neither the Christian Democratic Party nor the Chilean military had either the means or the inclination to block Allende. *White House Years*, 653-683.

Haldeman: There may be more to it than that, because Buckley, Bill Buckley⁴³—

Nixon: Is pushing it, too [unclear]—

Haldeman: [Unclear]—

Nixon: Well, he [Korry] is a capable man. He's erratic and all that sort of thing, but—

Haldeman: He's not ours, though. He's a newsman—

Nixon: Hell, no, he was—

Haldeman: —who was appointed by Kennedy—

Nixon: He was a *Look* [Magazine] editor, went with Stevenson places.⁴⁴

Haldeman: Hmm. So, what your feeling is on Buckley is: Reappoint him to the USIA advisory board? His having been openly opposed to us, there's a question of whether it's—makes any sense to put him back on.

[...]

[313-021_Clip2](#) (614k; 0:38)

Haldeman: Henry may want—There may be something, if they were trying to do things—

Nixon: In a little way. No.

Haldeman: Should I ask Henry?

Nixon: Yeah. Tell him, “Henry, how do you really feel about this? Is this a post [unclear]?”

We say, “If he [Korry] wants to be a convert, let him be a convert.” He has an influence in a certain liberal area, where we have no influence in. You see my point? He's an eclectic.

[Unclear].

Haldeman: We sure as hell don't want him as a PAO [public affairs officer] at HEW.

Nixon: No. God, no!

Haldeman: There, you've got to have a solid—

Nixon: A solid, solid conservative.

Haldeman: Conservative. Or, at least, a guy that we can control.

[...]

⁴³ William F. Buckley, Editor-in-Chief, *National Review*, 1955-1990.

⁴⁴ Korry had served as the European editor of *Look* Magazine from 1954-1960, while Adlai Stevenson II (Permanent Representative of the United States of America to the United Nations, 1961-1965) was a frequent contributor to *Look* during the 1950s.

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?⁴⁵

Connally: He lost two parliamentary elections.

Nixon: What do you think of that?

⁴⁵ 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.⁴⁶

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.⁴⁷

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.

Connally: I've got a—I've got a memorandum coming to you.⁴⁸

⁴⁶ Benjamin Wells, “Debt-Ridden Chile is Reported to Get Soviet Offer of \$50-Million in Credits,” *New York Times* (January 16, 1972), 20.

⁴⁷ Deputy Assistant Secretary of State for International Finance and Development, 1969-1974

⁴⁸ NSDM 148 (“Expropriation Policy in Multilateral Development Institutions”), January 18, 1972, *FRUS: 1969-1976*, iv: Document 173.

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—

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.

[...]

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.⁴⁹ 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?⁵⁰ Put that out. I’ve told ‘em.⁵¹ Anyway, that’s something [Peter] Peterson was saying.⁵² [Laughs] [Unclear] got through 18 pages [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

⁴⁹ 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”).

⁵⁰ “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>.

⁵¹ See *FRUS: 1969-1976*, iv: Document 172, fn 4.

⁵² Peterson to Nixon, “Policy Statement on Expropriations,” January 14, 1972, *FRUS: 1969-1976*, iv: Document 172.

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?”⁵³ 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 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?

⁵³ NSDM 148.

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.⁵⁴

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

[...]

⁵⁴ 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.

Conversation No. 650-013**Date: January 18, 1972****Time: 2:30 - 3:42 p.m.****Location: Oval Office****Participants: Nixon and Haldeman**

Apart from continuing the vent his frustrations over State's duplicity concerning the upcoming "Paris Club" meeting, Nixon reaffirmed his desire "to give Allende the hook." He also noted that Bill Rogers' position on expropriation seemed to have moved closer to Connally's, which had not been the case seven months before, during the June 1971 meeting on the Sequoia (the records of which have yet to be declassified).

[...]

[650-013_Clip1](#) (2.2m; 2:16)

Nixon: We had a [clears throat] a very interesting thing when I—just a small thing, but not what Connally and I discussed. You remember—You remember the thing he wrote?

Haldeman: Yes.

Nixon: Telling me about the Chilean thing?

Haldeman: Yes.

Nixon: But, Bob, either Bill [Rogers] didn't know about what was going on in his department, or he deliberately was lying. His department has screwed a policy that I had laid down. Now, everybody around here knows that I want to give Allende the hook, and that I'm against expropriation, or [*business with Chile*]—

Haldeman: This guy, Weintraub is, is—

Nixon: Yeah. All right, because—

Haldeman: Rogers, though is not—

Nixon: —my point is—

Haldeman: —not—at least, he didn't use to be with Connally, at least, and I don't think with you on the expropriation viewpoint.

Nixon: Who?

Haldeman: Rogers.

Nixon: I know that.

Haldeman: He argued that very strongly that night on the *Sequoia*.⁵⁵

⁵⁵ June 10, 1971.

Nixon: I know. I know he did. Yes, that's right, but, nevertheless, that's my view, and that's the way it's going to be. The point that I make is that we have a situation here where, where—So I got him and [unclear] Connally's memo to me.⁵⁶ I said—I asked Alex [Haig] this morning. I said, "Where is it?" I said, "It came Saturday."

Haldeman: It was over at the NSC.

Nixon: He said it was in the NSC being staffed. I said, "Get it in." Goddamnit, I was going to meet with Connally Monday, and you know damn well he was going to ask me about it. So, they brought it and nothing had been done, of course. You know, piled up with all the other things. So I answered it myself, sent a memorandum to Connally, and a copy to Rogers, and, naturally, a blind copy to Kissinger, simply saying that Connally is to be in charge of the delegation.⁵⁷ But, Bob, on that point, I mean, Bill or State had no business where it's the renegotiation of a loan, of having a State Department asshole go over to Paris and renegotiate. He knows damn well that this has to be done at the Connally-level. Would you not agree, or not?

Haldeman: Yeah.

Nixon: It's a Treasury problem.

Haldeman: I can't imagine that he'd—

Nixon: Yeah?

Haldeman: —would not know, and I just think—I would suspect that maybe it's something Bill just doesn't know, you know, that it's happening.

BEGIN WITHDRAWN ITEM NO. 1

[National Security]

[Duration:12s_]

[Subject: Intelligence]

END WITHDRAWN ITEM NO. 1

[...]

[650-013_Clip2](#) (885k; 0:55)

Nixon: You know, Bob, did—were you—weren't you told I wanted Connally to focus on that, on that damn Chilean loan thing that I put the wording—?

Haldeman: Yes. Yes.

⁵⁶ Nixon might have been referring to: Connally to Nixon, "Expropriation Policy," September 25, 1971, *FRUS: 1969-1976*, iv: Document 167.

⁵⁷ NSDM 148.

Nixon: And we—‘cause he wasn’t coloring it a bit. He read—

Haldeman: That’s right.

Nixon: —from that document.

Haldeman: Yeah.

Nixon: That document scared our Ambassador to apologize, because of his Christmas holidays were not—

Haldeman: Well, even worse: [that] it was lucky that he had—

Nixon: Yeah.

Haldeman: —had gotten the request—he had gotten the request approved before some other action was taken, because that wouldn’t have—it would have [unclear]—

Nixon: Yeah. Let me say that the reason that I’m so—I wanted to hit it if Henry raises the point off of his desk, is that it would give him a real bludgeon, in which case Rogers doesn’t know—

Haldeman: Yeah.

Nixon: —because he knows how I feel about Chile.

Haldeman: Yeah.

Nixon: And Rogers should not have let this happen, so I’ve just done it in my own—actually, because Connally came in.

[...]

Conversation No. 652-013

Date: January 20, 1972

Time: 4:52 - 5:59 p.m.

Location: Oval Office

Participants: Nixon, General William C. Westmoreland and Melvin R. Laird

During a meeting with Defense Secretary Laird and Army Chief of Staff General Westmoreland, Nixon stressed the need for more “aggressive” action with regard to arms sales in Latin America, since “with the sales...goes the training, goes everything else, and goes the stroke.” Had the United States been more effective at “playing our military friends” in places like Chile, Nixon mused, “Allende might not be there.” Most importantly, the U.S. Government needed to abandon its blanket preference for civilian governments and understand that, under certain circumstances, a military government could better serve a nation’s well-being: “You see, the fiction is that if a government is based on any kind of military support, that it’s, by definition, thereby a bad government. And, of course, the truth is that sometimes it’s bad, sometimes it good. But, if a government is solely civilian...[it] can many times be worse, and also one in which we have no influence.” Nixon also wanted to military attachés and advisers to show greater initiative in cultivating relationships with foreign governments, and follow the example of “imaginative” and “ruthless” General Vernon Walters who, besides having “had a helluva lot to do, as you know, with what happened in Brazil,” was extraordinarily well connected in the region.

[...]

[652-013_Clip1](#) (3.9m; 4:06)

Nixon: I want our military to be more aggressive than it has been in terms of military sales around the world, and that includes Latin America. I mean—

Laird: [Unclear]—

Nixon: I want you to push it. I consider to be a—it’s a disgrace for us to allow the French, and the rest, to sell to these Latin American countries. I mean, we ought to be selling it to ’em in the main. And, one of the reasons is to, just is to say that that helps them. But it’s the fact that with the sales goes, goes the training, goes everything else, and goes the stroke. And also—

Westmoreland: The French are just in there baiting us—

Nixon: And the other thing I was going to say is that we ought to ponder it, and I think, too,

that, as you know, on the Latin American proposition, I just feel very strongly that toward, you know, toward playing our military friends down there. Now, people can say, “Well, look at Peru.” Well, so you look at Peru. But, if we had—if we had, perhaps, more influence with the Chilean armed forces, Allende might not be there.

Laird: We’ve made some progress there—

Nixon: Make some now.

Laird: Yes, sir.

Nixon: Well, it’s all right. Don’t tell me about it; just do it. But, the point that I make is that, as you know, I feel quite differently from the conventional wisdom on that, and I know you do, too.

Laird: I do.

Nixon: And you—you’re talking to the fellows, with the Chiefs [unclear] Fulbright and Mansfield, and the rest, will raise hell and scream—and Church—but we are going to see to it that in this period, as we—as we are reducing our presence around the world, that we stay in the business of providing arms, support, and so forth, for regimes around the world, for them—for maintaining some military strength. The—You see, the fiction is that if a government is based on any kind of military support, that it’s, by definition, thereby a bad government. And, of course, the truth is that sometimes it’s bad, sometimes it good. But, if a government is solely civilian, without military—if you look at the numbers and the present statistics—can many times be worse, and also one in which we have no influence. Right?

Laird: [Unclear] through this, even the [coughs] in Yugoslavia right now, the military is probably much more important than it was even two years ago. I think [unclear]—

Nixon: Is that right?

Laird: —and his reorganization of the Communist Party [unclear]—

Nixon: Hmm.

Laird: —that I think it’s true not only in some of those satellite countries, it’s certainly true in Latin America—

Westmoreland: We have a military delegation going down to Yugoslavia.

Nixon: Play it all you can. I think that we talked about this once before, Bill, and I want to see that the Army, and the Air Force, and the rest, let’s have the greatest possible contact around the world, you know. I know that—I know that we’ll have that again when they say,

“Well, the military attachés and the rest, what the hell do they do?” You know very well what they do. They go to parties and the rest, but they learn a hell of a lot, and they still see if the people can be our friends.

Westmoreland: And they make friends.

Nixon: They make friends. Now, you know Vernon Walters?

Westmoreland: I know him very well.

Nixon: Well, Walters, who is aggressive, imaginative, ruthless, had a helluva lot to do, as you know, with what happened in Brazil.⁵⁸

Westmoreland: Absolutely.

Nixon: He knows every one of those people—

Westmoreland: More than any other—

Nixon: He’s an intimate friend of the President’s [*today*].

Laird: Isn’t that an asset of the United States?

Westmoreland: Absolutely.

Nixon: And I just really felt that let’s start playing these things a little bit more that way.

[...]

⁵⁸ On March 31, 1964, the Brazilian military overthrew leftist President João Goulart, while Walters was the U.S. military attaché. Declassified U.S. Government documents indicate that there was CIA involvement in the *coup d’état*, but the agency has yet to release any of the relevant documents. Peter Kornbluh (ed.), “Brazil Marks 40th Anniversary of Military Coup,” <http://www.gwu.edu/~nsarchiv/NSAEBB/NSAEBB282/index.htm>.

Conversation No. 654-001

Date: January 24, 1972

Time: Unknown between 4:55 and 6:09 p.m.

Location: Oval Office

Participants: Nixon, Haldeman, and Peter M. Flanigan

The question of what do with Edward Korry vexed Richard Nixon. On the one hand, he would have been more than willing to reappoint him to another ambassadorial posting, had it not been for the vehement opposition of Secretary Rogers. On the other hand, the Administration could not afford to leave Korry feeling disgruntled, not only because he had intimate knowledge of “how we screwed up Chile,” but also because of Korry’s powerful right-wing media friends, such as William F. Buckley and Irving Kristol. According to Haldeman, Kissinger considered it vital that Korry be reassigned at least until after the 1972 Election, after which, “he [Kissinger] couldn’t care less.”

And yet, this transcript reveals that Nixon and others in the Administration had some regard for Korry’s abilities. Korry had proven himself a valuable asset after leaving Santiago, as a part-time consultant with the Overseas Private Investment Corporation (OPIC). Rather than “waste” an ambassadorial posting on him (and risk Rogers’ opposition), Nixon suggested that Korry be detailed to assist Connally in the drafting on important study on “how do we get the raw materials of the world all lined up for the United States?” Nixon seemed genuinely eager to retain Korry on the payroll since, “You’ve got to admit that he’s smart as hell. Very imaginative...he’s articulate, and somewhat emotional, and so forth. But, he’s way above the average State Department [ambassador],” whom Nixon dismissed “as dumb as hell.” Flanigan then broached the idea bringing Korry onto his staff while leaving him on the OPIC payroll.

[...]

[654-001_Clip1](#) (209k; 0:12)

Flanigan: Do you want Korry to get a post badly enough to force it down Rogers’ throat?

Haldeman: We’ve got to force it. Korry’s got to have a job.

Flanigan: I got him a job at—as a—

Nixon: Why?

Flanigan: —a consultant to OPIC—

BEGIN WITHDRAWN ITEM NO. 9

[National Security]

[Duration:14s_]

INTELLIGENCE

END WITHDRAWN ITEM NO. 9

[654-001_Clip2](#) (3.1m; 3:16)

Haldeman: He's also, though, strongly backed by the right-wing, for some reason.

Flanigan: That's right.

Haldeman: Irving Kristol—

Flanigan: Bill Buckley.

Haldeman: Bill Buckley, and people like that.

Flanigan: Yeah.

Haldeman: A lot of the conservative intelligentsia.

Flanigan: Well, we can either do something with him like let him be a consultant to the Overseas Private Investment Corporation, which we'll just tell 'em that they got to keep him on as a consultant through the end of the year, which is a nothing-job. Or, if we wanted give him something like Ceylon, which is open, you'd have—you would just have to lean on Bill, because Henry can't do it, and I can't do it. He's just—Maybe Bob can do it, but he [Rogers] said, "No."

Nixon: You'll have to do it.

Haldeman: Bill has flatly said, "No"?

Flanigan: He's told this fellow he's out. They're not going to fight it. Time is up.

Nixon: Why? Because Korry—?

Flanigan: I guess because Korry loused this up. He thinks that since he was a Kennedy fellow and brought in by Kennedy, we don't have any obligations, and because he's—I'm told—he recommended, oh, taking some of these economic things out of State when he was asked to, some time ago, and [unclear]—

Nixon: Yeah. Well, Korry—Korry's the guy who writes memoranda, and all that sort of thing, and he raised hell when he was in Ethiopia about the State Department's Africa department; he was right.⁵⁹

⁵⁹ Korry was the U.S. Ambassador to Ethiopia from 1963-1967.

Haldeman: The problem is if he isn't given gainful employment for the next year, he's going to turn to his trade, which is writing. And the best thing for him to write is something we just—

[Unclear exchange]

Nixon: How we—how we screwed up Chile?

Haldeman: We just don't want him to write until after the election.

Flanigan: Well, if that's all it is—

Haldeman: Henry's viewpoint is we've got to keep the guy employed through the election. After the election, he couldn't care less.

Flanigan: Well, supposing I tell Brad [Bradford] Mills he's just got to keep him on as a consultant, but get him out of town?

Haldeman: Will Korry stay as a consultant? Will he? Is he willing to accept that?

Flanigan: Brad Mills runs this Overseas Private Investment Corporation—

Nixon: Yeah, I know. Yeah.

Flanigan: —and he's got him now 'til April 1st, at our request. He likes Korry; he thinks Korry's good.

Nixon: Well, Korry is [unclear]—

Haldeman: If Korry'll keep it, then, if [unclear]—

Nixon: I'd rather keep him there.

Haldeman: If he'll settle for that, that's better.

Flanigan: All right.

Haldeman: There's no point in wasting—

Nixon: Yeah.

Haldeman: —an ambassador's post on him—

Nixon: And then we don't have to press with Bill, if we can do that.

Flanigan: Right.

Nixon: And tell him to make it helpful. I'll tell you what you do. Have him make a study in there of that business of what Connally's thinking about: How do we—how do we get the raw materials of the world all lined up for the United States? Brilliant.

Flanigan: Sure.

Nixon: Why not? You ever meet Korry?

Flanigan: Never met him.

Nixon: You've got to admit that he's smart as hell. Very imaginative, very—I mean, he's articulate, and somewhat emotional, and so forth. But, he's way above the average State Department [unclear]—

Flanigan: Maybe the thing to do is—?

Nixon: Most of the ambassadors are as dumb as hell.

Flanigan: Maybe the thing for me to do is to let Brad Mills pay him and use him? Since I have to get people—

Nixon: [Unclear].

Flanigan: —detailed to me. If he's good enough, then and—

Nixon: He could be [unclear]—

Flanigan: —reliable enough, ask him to work for me.

Nixon: He could. He could. I think he could work for you. I think he can certainly come up with some grand, damned imaginative stuff.

Flanigan: All right—

Nixon: Damned imaginative stuff. But you meet him first.

Flanigan: All right.

Nixon: You get him in, and you better meet him sometime, because he's damned impressive.

Flanigan: All right.

Nixon: Korry is no slouch. I know him well.

Flanigan: Good.

[...]

Conversation No 320-028**Date: February 8, 1972****Time: 3:15 - 5:06 p.m.****Location: Executive Office Building****Participants: Nixon and Connally**

Nixon adamantly refused to relent on the economic pressure the United States was applying on Chile. As far as Nixon was concerned, “[The Chileans] brought this on themselves; they’re ruining the Chilean economy with their expropriation and everything else.” Nixon was deaf to the entreaties of Chilean Ambassador and Leteiler that a hard line on Chile would radicalize the regime.

Backing off was not a viable option, Nixon privately informed Connally, because “it means that we are subsidizing, basically, the Communization of Chile.” Connally concurred, adding that he was happy having the Soviet Union to bail out Chile, since “Russia can’t [even] support themselves...” Both Nixon and Connally had few qualms about the Soviet Union playing a similar role in Chile as it did in Cuba since, as Nixon saw things, “Cuba sucks from Russia a million dollars a day, and that’s one of the reasons we are not going to change our attitude toward Cuba. Let ‘em talk; let ‘em pay a million dollars a day. Now the same with Chile...If they want more support from us, they must come a long way.”

Both men also drew comfort from the Allende Government’s defeat in two by-elections, which was evidence for Connally that Allende was not “doin’ so well down there with his Communization.” Therefore, it was imperative that the United States press its advantage and “just hold his feet to the fire...” Nixon agreed, which was why he fighting the State Department on the issue of Chilean debt renegotiation at the “Paris Club” meeting. Accepting the State Department position, Nixon concluded, “would pull him [Allende] right out of the trouble, or help to pull him out.”

[...]

[320-028_Clip1](#) (2m; 2:05)

Nixon: Now on the Chilean thing, despite the pressure with Allende, I do—I know the argument that Chile—that the Chilean Foreign Minister made: that [unclear] so be it. I think, of course—Oh, I just don’t think [unclear]. I just don’t think you can, you can keep Allende [unclear]. They brought this on themselves; they’re ruining the Chilean economy with their

expropriation and everything else. Now, for us to step in and rescue it, means that we are subsidizing, basically, the communization of Chile.

Connally: That's right.

Nixon: To hell with it.

Connally: That's right.

Nixon: Do you agree?

Connally: Absolutely.

Nixon: All right.

Connally: Let Russia—Let Russia support 'em, if they think—
[Unclear exchange]

Nixon: Sure.

Connally: Hell, Russia can't support themselves, Mr. President.

Nixon: Yeah.

Connally: They're coming to us and saying, "We're not making [unclear]. We want to trade with you. We want—"

Nixon: That's right.

Connally: "We want your credits to develop our resources [unclear]—"

Nixon: See, Cuba sucks from Russia a million dollars a day, and that's one of the reasons we are not going to change our attitude toward Cuba. Let 'em talk; let 'em pay a million dollars a day. Now the same with Chile: If—So, the Russians have to support them, and they will have to be supported by the Russians. The way that Chile—If they want more support from us, they must come a long way. That we won't tell 'em that, but they will know damn well; they'll get the message.

Connally: Well, he's [Allende] just lost two elections. I don't know if he's doin' so well down there with his communization.

Nixon: You're right.

Connally: I think he's in trouble. And I believe, just hold his feet to the fire, and he'll be in trouble.

Nixon: And that's—And we would pull him right out of the trouble, or help to pull him out, if we got together with the Paris Group and—

Connally: Well, if we do, Mr. President, we're going to do to him, we're going to Chile what we did to Argentina 25 years ago: we let the Peróns run high, wide, and handsome there, and they destroyed Argentina for a quarter of a century.⁶⁰

Nixon: Yeah.

Connally: Argentina hasn't gotten over it yet.

[...]

⁶⁰ Juan Domingo Perón, President of Argentina, 1946-1952, 1952-1955, and 1973-1974. Eva Perón, First Lady of Argentina, Minister of Health, and Minister of Labor and Social Welfare, 1946-1952; Spiritual Leader of the Nation of Argentina, 1952.

Conversation No. 022-006**Date: March 23, 1972****Time: 5:33 - 5:34 p.m.****Location: White House Telephone****Participants: Nixon and Ronald L. Ziegler**

The Administration was forced into damage-control mode following revelations of collusion between the CIA and International Telephone & Telegraph (ITT) Company to prevent the election of Allende in 1970.⁶¹ Over the course of brief telephone conversation with Press Secretary Ronald Ziegler, Nixon confirmed that Ambassador Korry “had received instructions to do anything short of a Dominican-type [intervention].”⁶² Korry’s great sin, in Nixon’s mind, was that, “he just failed, the son-of-a-bitch. That’s his main problem; he should have kept Allende from getting in.”

022-006 (1.1m; 1:07)**Nixon:** Yeah?**Operator:** Mr. Ziegler.**Ziegler:** Yes, sir?**Nixon:** What did you—Have you said anything, Ron, with regard to the ITT and Chile? How did you handle it?**Ziegler:** The State Department dealt with that today.**Nixon:** Oh, they did? **Ziegler:** Yes, sir.

⁶¹ In a story published on March 21, 1972, columnist Jack Anderson referenced two confidential ITT memoranda, one of which stated that a CIA official had tried unsuccessfully to get members of the Chilean military to stage an “uprising,” while the other detailed a conspiracy between ITT executives to put economic pressure on Chile, presumably because they feared that Allende would nationalize ITT’s holdings in the Chilean Telephone and Telegraph Company. “Anderson Alleges Plot Against Allende By I.T.T. and C.I.A.,” *The New York Times* (March 21, 1972), 23. (ITT’s interests in the CTT were, indeed, nationalized in September 1971. Michael Jensen, “Chile Says it Will Nationalize I.T.T. Unit in Days,” *New York Times* (September 16, 1971), 13.) In a follow-up story published on March 22 (“ITT Pledged Funds in Chile”), Anderson claimed that ITT had approached both the CIA and the Nixon White House with an offer to spend as much as “seven figures” to prevent Allende’s election. Although the CIA had been receptive to ITT’s overtures, the response from the White House had been “polite but cool.” Finally, Anderson mentioned that, according to an ITT intelligence report, Ambassador Korry had “received a message from the State Department giving him the green light to move in the name of President Nixon.” “I.T.T. Said to Seek Chile Coup in ’70,” *New York Times* (March 22, 1972), 25; “I.T.T. is Accused of Having Tried to Influence U.S. Policies in Latin America,” *New York Times* (March 23, 1972), 16.

⁶² Following a *coup d’état* by “Constitutionalist” army officers in April 1965 supposedly aided and abetted by local and Cuban Communists against a right-wing dictatorship led by elements of the Trujillo regime (which had themselves come to power following a coup against Trujillo’s democratically elected, left-wing successor, Juan Bosch), President Lyndon Johnson ordered the occupation of Dominican Republic by a mixed force of U.S. and O.A.S. troops. Fighting lasted until the end of August, after which U.S. troops gradually withdrew.

Nixon: What did they do? Deny it?

Ziegler: They denied it, but they were cautious on how they dealt with the Korry statement, because they were afraid that might backfire.

Nixon: Why? What did Korry say?

Ziegler: Well, Korry said that he had received instructions to do anything short of a Dominican-type, uh—alleged to have said that.

Nixon: Korry did?

Ziegler: Right.

Nixon: To what? How the hell did that get out? He put that out?

Ziegler: Well, Anderson received that from some source. Al Haig is sitting with me now.

Nixon: Oh, yeah.

[Ziegler briefly conferred with Haig in the background.]

Ziegler: It was a report contained in an IT&T—

Nixon: Oh, yeah.

Ziegler: —thing, but—

Nixon: Well, he was. He was instructed to.

Ziegler: Well, but

Nixon: I hoped that—But he just failed, the son-of-a-bitch. That's his main problem. He should have kept Allende from getting in. **Ziegler:** Well, in any event, State has denied today—

Nixon: [Unclear]

Ziegler: —and they referred to your comments about Latin America and Chile.

Nixon: Yeah, fine.

Ziegler: And, so you just refer to that on that one.

Nixon: Fine. Ok.

Ziegler: Yes, sir.

Nixon: Right.

[End of Conversation]

Conversation No. 724-004

Date May 15, 1972

Time 4:06 – 4:54 p.m.

Location: Oval Office

Participants: Nixon, Donald M. Kendall, Flanigan

Nixon was well aware of the economic importance the Soviets attached to détente, which meant that he solicited the views of American businessmen thinking of expanding into the Soviet Union. One prominent example was his old friend and CEO of PepsiCo, Donald Kendall, who had been present at Nixon's "kitchen debate" with Nikita Khrushchev in 1959.⁶³ Kendall had visited the Soviet Union as a member of trade delegation in December 1971, and maintained contact with members of the Soviet Government, including the Deputy Minister for Trade, Vladimir Alkhimov.

Kendall shared his thoughts following such meetings with Nixon prior to the President's departure for the Moscow Summit of May 1972. Besides the Soviets' eagerness to rein in arms expenditures and, in Alkhimov's words, "stop this military shit," Kendall concluded that, although the Soviets "want to bring about economic relations just with us," they remained committed to "the spread of Communism." That said, the model the Soviets would follow in future was not that of Cuba and "confrontation" (i.e. armed insurrection). Rather, Nixon should expect "to see more of the things of the Chile-type takeover," whereby the Soviets relied on "political suasions," much like the United States did when "we go around trying to support people that are democracies."

[...]

[724-004_Clip1](#) (1.6m; 1:38)

Kendall: The other thing that I'm convinced of, and I think everybody else in the group was convinced of, and as you know, I've been back there twice since the original trip in December—this is from conversations with Alkhimov and various people when I was there—I don't think there's any question whether there is a big group in the Soviet Union today that want to bring about economic relations just with us, and they want to stop all this stuff that's been going on. That doesn't mean they're going to stop the spread of Communism. They still believe in Communism and their system. They're not going to change their system.

⁶³ President and CEO of PepsiCo, 1971-1986.

Nixon: Um-hmm.

Kendall: But I think you're going to see more of the things of the Chile-type takeover, not the Cuba. You're not going to see a Cuba. They—They're not gonna go in with force; they're going to do anything they can through political suasions, or support of that type—the same as we do. I mean, after all, we go around trying to support people that are democracies. They're going to continue that, but there's not going to be any more—

Nixon: Confrontations?

Kendall: That's right. Alkhimov said—

Nixon: [*I think*] that may be a reason that they still want to have the summit.

Kendall: Alkhimov said to me, he said, “Don.” He said, “We've got to stop this military shit.” “Every time your people go to Congress,” he said, “our military people come up.” And he said, “Then, they've got to have it.” He says, “Then ours come up,” and he says, “Then yours go back to Congress.” And he said, “We're in a cycle.” And I hit him on the thing on Vietnam, after—

Nixon: [*Hmm*].

Kendall: —the thing happened. And he made a very interesting observation. And I said, “Well, why the hell do you give 'em all this sophisticated equipment?” He says, “Well, Don,” he says, “sometimes you give people a boat, but you don't expect them to put it in the water.”
[...]

Conversation No. 735-001

Date: June 15, 1972

Time: 10:31 a.m. - 12:10 p.m.

Location: Oval Office

Participants: Nixon, Luis Echeverria Alvarez, Haig, Donald F. Barnes and Kissinger

An essential aspect of Nixon's strategy in combating the ideological threat posed by left-wing radicals such as Allende and Castro in Latin America was cultivating moderate figures such as Mexican President Luis Echeverria.⁶⁴

Echeverria's own views regarding the economic development of Latin America complemented those of Nixon. He contended that the lack of capital, technology, and research in Latin America could only be surmounted if Latin Americans "produce a system of balanced investments, with shared responsibilities, within a framework of increased and strengthened freedoms," and rejected "a policy of nationalization of the basic resources of the country," which Allende had adopted.

Throughout the conversation, Nixon referred to threat posed by Chile and Cuba using the analogy of a disease or poison. He urged Echeverria "to emphasize...in his talk with the business leaders, that they cannot look at Latin America as simply a divisible entity...and if poison afflicts one part of the body, it eventually is gonna affect the other. And, if the poison of Communist dictatorship spreads through Latin America, or the poison of unrest and violent revolution spreads through Latin America, it inevitably will infect the United States." Nixon returned the theme later in the conversation, specifically alluding to Allende, when he declared "it would be very detrimental to all of us to have the Chilean experiment spread through the rest of the continent," and become "the wave of the future."

Nixon also admonished Latin Americans to abandon policies that discouraged foreign investment, and to face up their "responsibility to provide stability in government and some guarantee for the protection of the right kind of private enterprise...just as is the case in his country." Although Nixon claimed not to "judge" Allende or to "know what his plans for Chile may be in the future," he noted that a major consequence of Allende's policies had been the flight of foreign capital from the country. Nixon conceded that the Chileans were

⁶⁴ President of Mexico, 1970-1976. Echeverria spoke with Nixon in the Oval Office in the midst of a state visit that included a speech before a Joint Session of Congress and speeches in New York, Chicago, San Antonio, and Los Angeles. Benjamin Welles, "Mexican Chief Asks for Change in Relations with U.S.," *New York Times* (June 16, 1972), 1.

welcome to live with the consequences of their actions, but he warned that, “if the Chilean experiment is repeated in varying degrees in other Latin American countries,” major American business would be loath to invest in the region, since “this instability in government, the fear of revolution, of expropriation, now makes companies hold back.”

Nixon concluded his discussion by asking Echeverria put himself forward as a moderate alternative to the Communists and radicals: “Let the voice of Echeverria, rather than the voice of Castro, be the voice of Latin America.”⁶⁵

[Paragraph breaks denote pauses for translation. A portion of this conversation is printed in *FRUS*, v.E7, American Republics, 1969-1972.]

[...]

[735-001_Clip1](#) (6.5m; 6:45)

Echeverria: And so, we have this problem in Latin America: there’s insufficient capital, there’s insufficient technology, there’s insufficient scientific research, on the one hand, and an increase in the population there, on the other [hand].

And so, the line taken by Soviet and Chinese propaganda is that, in their respective countries, they do solve these problems, whereas the capitalist system—capitalist system, with all of its traditional freedoms, do not solve the problems.

Nixon: Hmm.

Echeverria: Which means that we must produce a system of balanced investments, with shared responsibilities, within a framework of increased and strengthened freedoms.

Well, I was talking to President Allende—who, as you know, is supported by the Communist Party, the Socialist Party, and three or four other parties—and I asked him, “What is the tack that you’re going to take to promote industrial and commercial investments in your country on a medium and a small degree, because, after all, there’s a great scarcity of, at least, articles and products in Chile?”

And, leaning to one side, a policy of—a nationalistic policy, a policy of nationalization of the basic resources of the country, they have not been able to find a way, or a path, to stimulate investment in industries and businesses, businesses which they need very much.

⁶⁵ The tenor of the meeting clearly kept in line with the policy outlined in NSDM 93.

Because, only in a socialist dictatorship, can you rescind or do away with private enterprise, because all investments, at least, are attempted by the State, itself.

And so, we see that, as far as the economic problems, the dilemma faced by the countries of Latin America in the next 5, 10, or 15 years, is, on the one hand, you have the Castro solution of dictatorship, with its accompanying surrender to a Soviet—a socialist power, and serving as an anti-American base, both from the ideological and military points of view.

And so, we must think not only about what we do next year, but what we do affecting the next 10 or 15 years, because we are faced with a propaganda barrage that the United States cannot solve our problems; the solution comes from Fidel Castro.

Nixon: Hmm.

Echeverria: And so, the Soviet Union is using the Castro—the Cuban regime, and with a campaign of propaganda that completely hides the failures of—the great failures that they have had, but trying to stress and highlight the progress—some progress that has been made, whether it be real or alleged.

And in spite of the great prosperity of the United States, and in spite of the fact that American students are living in a society that permits them to be very well fed and to study under optimum conditions, for the last 8 or 10 years many of them have been going to Cuba.

And so, sir, therefore, is an urgent need for a whole new shaping, or recasting, of American policy vis-à-vis Latin America.

Because, as I've said, what happens in Latin America inevitably has repercussions in the United States.

We're an indivisible unit.

Nixon: Um-hmm. Yes, I think you can say, and I think the President should emphasize this in his talk with the business leaders, that they cannot look at Latin America as simply a divisible entity, but they must look at the whole hemisphere, and if poison afflicts one part of the body, it eventually is gonna affect the other. And, if the poison of Communist dictatorship spreads through Latin America, or the poison of unrest and violent revolution spreads through Latin America, it inevitably will infect the United States. We cannot—You cannot separate one part of the body from the rest.

[...]

[735-001_Clip2](#) (9.4m; 9:47)

Nixon: I think one thing that would be very helpful for the President to emphasize in his statements in other—in Latin America would be the fact that there is a responsibility to provide stability in government and some guarantee for the protection of the right kind of private enterprise, such—just as is the case in his country. Now this is a very delicate matter. I do know this: nobody in the United States can say that because then it looks as if we are interfering in Latin America and trying to tell them what kind of government they should have. On the other hand, I think if the President of Mexico speaks out on this subject, without, of course, trying to say that the Mexican system is the one that, well, they ought to have in Peru, but if he could simply say that, emphasize that, after he returns from his trip, that he believes this to be the case, that he finds a readiness and a willingness, too, of American private enterprise to come in on a partnership basis to Latin America. But there must be on the other side responsibility in governments in the Latin American countries to provide stability for that kind of investment.

For example, the President has been to Santiago. I do not know President Allende, and I do not judge him. I don't know what his plans for Chile may be in the future. But, on the other hand, as the President well knows, at the present time, all foreign capital is fleeing from Chile, trying to get out, and no new capital is coming in. Now, that's their choice, but if the Chilean experiment is repeated in varying degrees in other Latin American countries, there's no chance that, on it—and the big corporations that the President will be speaking—is speaking to in Governor Rockefeller's residence will go, will put their money there, because there are other parts of the world.⁶⁶ For example, countries like Indonesia, Thailand in Asia, and countries in Africa, even where they think there's a better chance for their investment to survive. What I'm saying to the President is not directed to his country; I'm using his country as the example. If the—If more countries in Latin America could follow the example of Mexico, I think the—you'd see a tremendous boon in investment from the United States, and from Europe, and Japan. But I think the problem is that this instability in government, the fear of revolution, of expropriation, now makes companies hold back.

And I want to tell the President that on my part he can count on me, and he can tell the industrialists in New York that I believe this. That he can tell them, he can urge the

⁶⁶ Nelson Rockefeller, Governor of New York, 1959-1973.

American business community to invest in Latin America. I believe this. I think it's vitally important for the United States that we not allow the Cuban tragedy to infect the rest of the Caribbean, and eventually the rest of Latin America. And frankly, to be quite candid, I think it would be very detrimental to all of us to have the Chilean experiment spread through the rest of the continent. It'll be a very unhealthy hemisphere if that will be developed as the wave of the future.

I would also like to say one other thing to the President: That I, without trotting on any of Mexico's traditional attitude toward maintaining an independent policy, I think it's very helpful that Mexico take a greater leadership role in the OAS in matters like this. I'm not speaking now that Mexico should take this role as any agent of the United States, but I think that Mexico is an ideal position to do so, and, otherwise, the leadership role may be taken by other leaders in the continent who cannot speak as effectively as him, the President of Mexico.

Echeverria: I agree with that approach.

Nixon: In other words, let the voice of Echeverria, rather than the voice of Castro, be the voice of Latin America.

[...]

[735-001_Clip3](#) (2.8m; 2:52)

Echeverria: We are kept up to date in Mexico, Mr. President, of the progress made in U.S. relations with China and the U.S.S.R.

But, there's another fact, Mr. President: We feel very deeply that whatever China and the Soviet Union can do in Chile, in Argentina, in Mexico, or anywhere else, one way or another is going to be pointed against the United States.

Nixon: That's right.

Echeverria: And, as you know, Mr. President, any problems that they can create in Latin America vis-à-vis the United States, and that may affect American relations with Latin America, would be considered a success on their part.

If they could set up another Cuba somewhere else in Latin America, they'd be very happy.

And wherever they see military dictatorships in Latin America, they're very happy also.

Because they're able to foster a great many problems underground.

And wherever there are no dictatorships, they subsidize youth groups, for example, and magazines that are clearly pro-Soviet in their line.

So, it's easier to counteract whatever they are trying to do when you have a political system that provides the social and economic solutions to economic-social problems.

We are told in certain avenues, by certain Latin American leaders, "Well, we used to have a lot of problems with our members of Congress and our Senate, so we got rid of 'em." [Laughter]

"And now, we're working better."

But, underground, they can do a lot, still.

[...]

Conversation No. 026-008**Date: June 26, 1972****Time: 11:45 - 11:47 a.m.****Location: White House Telephone****Participants: Nixon, George P. Shultz**

George P. Shultz became the secretary of the treasury after John Connally stepped down in May 1972 to head the “Democrats for Nixon” campaign. In this phone conversation, Nixon brought his new treasury secretary, Shultz, up to speed that his agency should “oppose loans to any country that expropriates” and “any country that has kicked us around.” Shultz and Nixon lamented the State Department’s noncompliance or “claws” against Nixon’s preferred policy of dealing toughly with countries that did not fall into line with U.S. interests.

[026-008.mp3](#) (1m; 1:19)

Shultz: Good morning, Mr. President.

Nixon: Just a—I’ll just take a second, George, ‘cause Pete Flanigan can fill you in. I wanted to tell you that I’ve asked him to talk to you about this situation with regard to the votes in the World Bank, where McNamara is, you know, is taking the position of making loans to Chile, to Iraq, to India after they’ve just kicked us around—she [Indira Gandhi] has—and so forth and so on. Now, I’m totally against all of those, and I just wanted you to know that I expect the Treasury Department—whoever you have—to take that line unless I give other instructions. In other words, the United States is to oppose loans to any country that expropriates. It is to oppose loans to any country that has kicked us around, as Mrs. Gandhi has. Is that clear?

Shultz: I’m just delighted to have that instruction—

Nixon: Yeah. Yeah.

Shultz: That is the position we have been on—

Nixon: Well I thought so—

Shultz: —and the State Department has been clawing at us—

Nixon: Yeah.

Shultz: —and we just say, “No, we don’t see any evidence here—”

Nixon: All right, when the State Department claws, good. I know that that’s—I know John [Connally] felt that way, but I know—and I know that you do, [*of course, but*] I just wanted

you to know so that—I told John that at one time, but I’m—now, I’m telling you, and Pete has also talked about the organization of the thing, and he will talk to you about that—about us setting up an executive committee. Pete and Henry and I are talking here now, but Pete will fill you in on the whole thing, and you work it out. Ok?

Shultz: Ok, sir.

Nixon: All right. Fine.

Shultz: Yup.

Nixon: All right.

[End of conversation.]

Conversation No 751-014**Date: July 24, 1972****Time: 4:14 – 5:48 p.m.****Location Oval Office**

Participants: Nixon, Raymond K. Price, Jr., Rev. John J. McLaughlin, John K. Andrews, Jr., David R. Gergen, Lee W. Huebner, Rodney C. Campbell, Harold J. Lezar, Jr. Vera Hirschberg, Aram Bakshian, Jr. and John B. McDonald. Stephen B. Bull and the White House photographer were present at the beginning of the meeting.

Whatever else one might say about the 1972 presidential election, the choice could not have been starker in Nixon's mind. In a private conversation with Republican aides and backers, Nixon accentuated the fundamental and irreconcilable ideological differences between himself and George McGovern in terms of foreign policy and the role of the United States in the international system.⁶⁷ According to Nixon, besides the fact that McGovern was "a man who very honestly and sincerely believes that American should withdraw from its world role," McGovern, and the political Left more broadly, were guilty of maintaining double standards, which was obvious if one studied "what he [McGovern] said about Chile, and about Allende and Castro, as compared to what he said about Greece."⁶⁸

Nixon argued that McGovern's condemnation of the Greek junta "enormously appeals to his constituency, because they are against dictators if they're on the Right, but not if they're on the Left." Besides being incredibly irresponsible, since it would deal a "body blow" NATO and "deny us the only base from which we have to have a viable policy in the Mediterranean, and in the Mideast" (especially its oil), there was the matter of "consistency": "He [McGovern] says that what we ought to do is to improve our relations with Allende, and improve our relations with Castro, despite the fact that they are engaged in activities that are very detrimental to us. So you see the double standard there."

[...]

[751-014_Clip1](#) (2.9m; 2:58)

Nixon: What it is you have here is a man [McGovern] who very honestly and sincerely believes that America should withdraw from its world role. Now, that isn't said in any—in

⁶⁷ Senator (D-SD), 1963-1981.

⁶⁸ On April 21, 1967, a group of Greek military officers staged a *coup d'état* (the so-called "Colonels Revolt") to prevent national elections that would have probably produced a center-left government (possibly including members of the Communist Party, which was banned at the time). The *junta* initially ruled Greece in concert with King Constantine II, until the King fled in December after leading an abortive counter-coup against the military.

the sense of trying to level a charge that can't be backed up, but he does believe it. His votes over the years have been that way, totally backed up by his votes; totally backed up by—Like his support of Mansfield's resolution with regard to Europe [unclear]. But, just as another very clear indication of the difference between the two [Nixon and McGovern], is what he said about Chile, and about Allende and Castro, as compared to what he said about Greece. Now, the Greek Government thing is hardly getting any play. It doesn't need to pull out, because any intelligent person knows that withdrawing—first, that saying, “Forget about the Greeks,” enormously appeals to his constituency, because they are against dictators if they're on the Right, but not if they're on the Left. But saying, “Forget about the Greeks,” is—first, it would give, give a body blow [unclear] NATO, from which it couldn't recover. The Greeks have 19 divisions. It's the southern half. It'd split off the Turks. Second, from the standpoint of the United States and its future, it would deny us the only base from which we have to have a viable policy in the Mediterranean, and in the Mideast. And that means not just Israel, but the oil-states: Iran, Saudi Arabia, et cetera, upon which the future of the U.S. and the future of Europe all depends. The—And then, on the other, the other side of the coin, if you want to take the consistency line, you have—he says that what we ought to do is to improve our relations with Allende, and improve our relations with Castro, despite the fact that they are engaged in activities that are very detrimental to us. So you see the double standard there. But the point—And the point is that here, here you have a very—as Connally pointed out and this is the distinction; this is why the choice is so much gravely greater—a great difference between any campaign since World War Two. Whatever the differences between Adlai Stevenson and Eisenhower, they were both internationalists; whatever the differences between Kennedy and I were concerned, we were both internationalists. We were arguing that you could do it, you know, really the most effective policy. And whatever the difference with Johnson and Goldwater are concerned, they were both, basically, for a strong United States and for a foreign policy recognizing that we had some responsibility in the world, and if the United States didn't carry—hadn't carried responsibility in the world, that you'd have a vacuum which only the great superpower, the Soviet Union, or the future superpower, Communist China, was certain to fill.

[...]