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Memorandum From Viron P. Vaky of the National Security Council Staff to the President's Assistant for National Security Affairs (Kissinger)

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Nota de Archivo: *Washington. Source: National Archives, Nixon Presidential Materials, NSC Files, Box 774, Country Files, Latin America, Chile, Vol. II. Secret; Nodis. Sent for information. Kissinger wrote, "Pete—Please be sure to do outstanding book for NSC Meeting. Cold and Correct. HK" at the top of the page.*

Korry's Recommendation on Chile—Send Congratulatory Message

Attached is Korry's Nodis telegram (Santiago 4512) recommending that:

1. The President send a message of good wishes to Allende on his inauguration.

2. State press spokesman state at an early opportunity that the US looks forward to normal relations and continuation of the traditional ties with Chile.

Korry's recommendation is based on the argument that we should not "trigger reactions that are unnecessary or provoke outside forces; that the economic situation will have considerable influence on events in the immediate future and that we can keep our options open there; but that in order to have such options our public posture must be "above hostility."

Korry cites an excerpt from your New England background to bolster his reasoning (see paragraph six of the attached cable).

Korry poses the following summary assessments:

A. Immediate Future

—The Latin American reaction is that Chile continues to be democratic and friendly and should be so considered until events prove to the contrary; they are sending Cabinet-level inauguration delegations.

—Western Europeans will send minimal delegations; most will not send congratulatory messages until the inauguration; some ambassadors will call on Allende; several countries will announce loans (British, French and German).

—Soviets apparently keeping to low-key posture.

—Allende is carefully avoiding belligerent statements.

B. Longer Term

—Western Europeans are unanimous that Communists will move slowly and cautiously but that Allende should not be written off. West should avoid overt hostility.

—Soviets also playing down possibility of meaningful trade and aid; they are urging Allende to maintain best possible relations with the West.

—US companies are beginning pre-negotiation talks with Allende's representatives. They have no illusions about long-term prospects but are out to get the best deal they can for the present.

—Allende likely to move very slowly with regard to recognition of socialist states unless he becomes convinced that West is "implacably hostile."

Korry says he remains convinced that Allende has not changed skins, that he is as unreconstructed a socialist as before with a convinced anti-US and anti-capitalist bias; that his long term goal is a state-controlled economy like Eastern Europe. However, the realities of the Chilean economy and the hard facts of Chilean dependence on Western capital markets and technology are seen differently from the President's chair than the candidate's platform. Korry believes that internal tensions within the governing coalition and economic problems are going to present Allende with some very difficult obstacles. This, then, leads him into the conclusions summarized above in the first paragraph.

Comment: I do not know if this recommendation from Korry was elicited or not. It is the current State position. It strikes me that what is happening is that people are being convinced by Allende's game plan. As you recall my previous memos spelled out a game plan whereby Allende would seek to convince everyone he is legitimate and acceptable and reassure everybody who is apprehensive. This is precisely what he is doing. The question is do we get "convinced" by this game plan, or play along with it, or remain "cold and correct."