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Minutes of a Meeting of the Senior Review Group

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Chile

Chairman—Henry A. Kissinger

State

Mr. John Irwin

Mr. U. Alexis Johnson

Mr. Charles A. Meyer

Defense

Mr. David Packard

Mr. G. Warren Nutter

Mr. Armistead I. Selden

B/Gen. Robert C. McAlister

Justice

Atty. Gen. John Mitchell

CIA

Lt. Gen. Robert E. Cushman

Mr. William Broe

Mr. Thomas Karamessines

JCS

Adm. Thomas H. Moorer

B/Gen. Joseph Belser

NSC Staff

Mr. Arnold Nachmanoff

Col. Richard T. Kennedy

Mr. D. Keith Guthrie

SUMMARY OF CONCLUSIONS

1. Bilateral Consultations. The United States will advise other OAS Governments that it considers Chilean recognition of Cuba unwarranted and will seek to discourage them from following the Chilean lead. The Ad Hoc Group will prepare a factual rationale to support this US position, which should be conveyed to the OAS Governments through both Embassy and military channels. The rationale should also lay the basis for future opposition to Chile in the OAS. It was agreed that the US approach should be varied as appropriate with each of the Latin American governments. It was also agreed that all messages would be cleared with the White House.

2. OAS Strategy. The Ad Hoc Working Group will prepare a study of US strategy on Chilean participation in the OAS. The study should be submitted for the next SRG meeting on Chile.

3. Inter-American Defense Board (IADB). The Defense Department will review the security implications of Chilean participation in the IADB and will bring any potential problems to the attention of the SRG.

4. Military Mission. The United States will not take the initiative in raising the status of the US Military Mission with the Chilean Government but will continue to maintain the Mission on the current basis pending a specific request from the Chilean government for reduction or discontinuance.

5. Military Sales. The United States will delay a decision on whether to go forward with delivery of M–41 tanks already contracted for by the Chilean Government and will also defer action on export licenses for commercial purchase of C–130 and F–5 aircraft for the Chilean Air Force. The subject is to be reviewed at the next SRG meeting on Chile.

6. IDB Loans. The United States will continue seeking to delay action on Chilean loan applications pending before the Inter-American Development Bank (IDB). White House approval must be obtained before the US representative on the IDB Board agrees to approval of any loan to Chile.

7. IBRD Loans. The State Department will undertake working-level consultations with the IBRD with a view to enlisting IBRD cooperation in restricting loans to Chile.

8. Export-Import Bank. The State Department will consult with the Export-Import Bank about discontinuing all new credits and guarantees for Chile. If possible, such action is to be justified on the basis of banking risk alone.

9. Public Statement. The SRG approved the text of a public statement on Chile to be used by US officials on an if-asked basis.

10. Congressional Consultations. The SRG agreed that efforts to generate Congressional support for Administration policy on Chile should be focused on the new Congress which is to convene in January 1971. The subject is to be reviewed at the next SRG meeting on Chile.

11. Peace Corps Volunteers. The United States will seek confirmation of the Chilean Government's approval prior to proceeding with assignment to Chile of the seventeen Peace Corps volunteers currently in training.

12. Ad Hoc Working Group. A JCS representative will be added to the Ad Hoc Working Group on Chile established under NSDM 93.

13. Chilean Trade with Communist Countries. The SRG at its next meeting on Chile will review policy options for application of provisions of US law that may relate to Chile's establishment of trade with Cuba, North Korea, and North Vietnam.

14. Expropriation. The SRG at its next meeting on Chile will consider policy options for the US Government in the event that the Chilean Government nationalizes US-owned firms.

Dr. Kissinger: We have two related subjects to discuss. First, we will try to outline the basic elements involved in implementation of NSDM 93. Then, in a more restricted session, we can discuss the 40 Committee aspects.

We have a State Department paper that outlines various diplomatic steps we might take. Why don't I run through these?

The first one has to do with approaches to the OAS. This was specifically triggered by Chilean restoration of relations with Cuba in violation of an OAS Resolution and by the lukewarm response of the Latin American states to our overtures on the matter.

There are two issues: how we handle the Cuba question and, more fundamentally, how we deal with Chile in the OAS. The other day I had lunch with three Latin American ambassadors at their request. Precision of thought was not an outstanding attribute of those gentlemen. They seemed totally baffled about how to deal with Chile in the OAS. At the same time, they didn't see how the OAS could function if the Chilean involvement in the OAS develops in the way they fear. I want to discuss both issues.

Mr. Meyer: With regard to the first, we should be prepared for an approach at the foreign minister level within the OAS to reconsider Cuba's exclusion under the resolution of the Ninth Meeting of Foreign Ministers. Carrillo Flores of Mexico spoke approvingly in public recently about Chilean recognition. The Colombian Foreign Minister has said he wants to bring the Cuba question to a Meeting of Foreign Ministers. He has said the OAS position should be changed if there is a change in Cuba's own position on exportation of revolution. We need to get together with CIA to see if there is any information we could share with the Latin Americans that would serve to counter the "Oh-Cuba-is-all-right" attitude.

Dr. Kissinger: This raises two problems. Is there nothing we can do to get a tougher Latin American response to Chile? And is there something we can do to prevent the Chilean action from having worse consequences?

Mr. Packard: If we don't take some action, we will find ourselves in a worse position. We could provide some leadership to get the other Latin American countries not to accept Cuba and perhaps to move against Chile. In addition to the help CIA can provide, we might be able to do something through our military contacts all over Latin America. We should move as quickly as possible. If we let things drift, we will wind up with everyone recognizing Cuba, and we will be left alone. I think we can bring the other Latin American countries along.

Dr. Kissinger: Should we make clear that we oppose Chilean recognition of Cuba on its own merits? Or because it is a violation of an OAS resolution?

Mr. Packard: We ought to do both. The two aspects are linked together. The merits of the issue are required to support the OAS position [on Cuban exclusion and non-recognition].

Mr. Irwin: I agree with both Charlie [Meyer] and Dave [Packard]. It is no use bringing up the issue in the OAS or with other Latin American countries unless we can provide some information [about the dangers of Cuba] on background. As Charlie said, the other countries may raise the question of Cuban recognition in the OAS.

Dr. Kissinger: Nobody thinks we should go on the offensive against Chile? (to Meyer) What you are talking about is a tactic to prevent the Chilean recognition from having a multiplier effect in the OAS.

Mr. Irwin: We sent a cable on Chilean recognition of Cuba but got very lukewarm replies from the Latin Americans.

Mr. Packard: What we need is personal contact, not just a cable.

Mr. Meyer: There was contact. The Ambassadors saw the Foreign Ministers.

Mr. Packard: We need to give them some ammunition to use in presenting our position.

Mr. Meyer: I don't believe it is very profitable to attack the Chilean position on recognition. The OAS has been a little bit pregnant ever since 1964. Mexico never broke relations with Cuba; Jamaica was admitted to the OAS even though it had consular relations with Cuba; and Chile voted against the resolution, although it did comply by breaking relations.

Mr. Selden: That is right. Something worth remembering is that it took a two-thirds vote to adopt the resolution and that a two-thirds vote is required to repeal it. That puts us in a strong position.

Dr. Kissinger: (to Meyer) Do you think we are not on strong ground if we seek to attack Chile in the OAS?

Mr. Meyer: That's right, because there is no penalty for failing to carry out an OAS resolution.

Dr. Kissinger: The other day these three Latin American ambassadors talked on all sides of the question. I could quote you remarks to support any position. But, looking at just one aspect of their remarks, how do you interpret their expressions of concern about Chilean participation in the OAS?

Mr. Meyer: I am sure the three Ambassadors are sincere in being willing to fight the issue to the last North American.

Dr. Kissinger: They would not support us if we raised the issue of Chile?

Mr. Meyer: That's right. In the case of either Chile or Cuba, anything we do in the way of consulting within the Hemisphere has to be backed up by factual information. It cannot be just hortatory.

Dr. Kissinger: But the information we make available would be in the context of persuading them not to follow Chile's lead rather than of convincing them that the Chilean action in recognizing Cuba was unjustified.

Mr. Meyer: Yes.

Dr. Kissinger: (to Cushman) What do you think?

Lt. Gen. Cushman: I think we can work on both objectives together. We can give information about support for guerrilla activities, and this will lead other countries to take a strong stand against both Cuba and Chile.

Mr. Packard: If the Latin Americans know what we think about the situation, their own views may be strengthened.

Mr. Meyer: The Cuba question in the OAS requires us to go to work right away. The issue of Chile has a longer fuse.

Dr. Kissinger: Then the consensus is that we go back to the Latin American governments with the argument that Chilean recognition of Cuba is not warranted because of various facts which we will cite. We also say that the Chilean example should not be followed by other governments. All of this can be used as a platform for eventual condemnation of Chile. Do

we all agree? Then let's get a cable prepared.

Mr. Irwin: We would plan to operate not only through Embassy but also military channels?

Dr. Kissinger: Yes.

Mr. Meyer: It is interesting to note that General Martinez of Argentina was originally very strong about having Chile thrown out of the Inter-American Defense Board. Then after Allende took office he changed his position, apparently after consulting with General Lanusse.

Dr. Kissinger: Will we employ a differential approach in passing information to the Latin Americans? I assume, for example, we would not want to give as much information to Figueres as to some others.

Mr. Meyer: We will have to do it that way.

Mr. Nutter: We have to develop the line that the Cuban danger is magnified by the Cuba–Chile axis. (to Irwin and Meyer) Perhaps you would not want to play this strongly right now.

Dr. Kissinger: Yes, we want to emphasize that now.

Mr. Meyer: That's right.

Mr. Karamessines: We have been laying the foundation by passing information through intelligence contacts.

Dr. Kissinger: We are clear about the general strategy. The details can be worked out in the Ad Hoc Group.

What about the general issue of Chile and the OAS?

Mr. Meyer: This is part of the slower process. We have to convince the Latins. We have to make them see what Chile is—and not what they hope it is. For years the OAS has been saying that a Marxist-Leninist regime is incompatible with the Inter-American system. The Latins don't want to face this. They say, "We have known Allende for years."

Dr. Kissinger: If they know him, they ought to be concerned.

Mr. Meyer: Yes, but logic doesn't play much of a role here. We have to play Chile with a longer fuse. We should let Chile build the case against itself and keep reminding the OAS what is happening. We should inform them if Chile is harboring revolutionaries and link one fact with another. We should not let their wishful thinking color their outlook. I don't think now is the time to make an issue of Chile's continuance in the OAS.

Mr. Packard: I agree. You have to build your case.

Dr. Kissinger: What about the question of the IADB [Inter-American Defense Board]? Does this involve classified information?

Adm. Moorer: Not particularly. I think most of what they deal with is at the confidential level. They do not do too much. To my knowledge, they have only been active during the Dominican Republic incident. They don't get into very deep subjects. The IADB is principally a way of increasing our contact with the Latin American military.

Mr. Meyer: The IADB is related to the problem of what sort of links we maintain with the Chilean military.

Dr. Kissinger: It would be useful if Dave [Packard] and Tom [Moorer] could review what the Chilean military representative will learn from being on the IADB and could check into the classified information problem if there is one. If special measures should be adopted, these should be brought to our attention.

Mr. Packard: I believe the problem can be handled. The subject matter in each case will determine what we should do.

B/Gen. Belser: The IADB found it necessary to exclude Cuba.

Dr. Kissinger: (to Meyer) It would be helpful if your group could prepare for our next meeting (in two or three weeks) a paper on the strategy we should follow in the OAS.

Mr. Meyer: This also relates to the IADB and to the Inter-American Defense College, both of which are OAS organs.

Adm. Moorer: One of the objectives of the Ad Hoc Group is to maintain close relations with friendly military leaders in Latin America; yet, there is no JCS representative on the Group. I think the JCS should have a representative and would like to propose General Richard Shaefer as the JCS member.

Dr. Kissinger: I agree. Does anyone have any objection?

Mr. Meyer: I don't. Armie Selden brought this up at the last meeting of the Group.

Dr. Kissinger: Then I see no problem.

Mr. Irwin: What about giving Charlie [Meyer] the authority to call in USIA where appropriate in connection with the Ad Hoc Group's work? I think this is important. USIA can have a big impact.

Dr. Kissinger: I agree.

We have taken care of the questions of spreading the word about Chile and consulting with key Latin American governments. Now let's discuss military steps. There are two related issues: our military mission and whether or not to raise its status with the Chilean government, and military assistance. The Chileans are awaiting delivery of some M–41 tanks we are providing under a credit sale, and they also want to purchase on a commercial basis C–47, C–130, and F–5 aircraft.

With regard to the military mission, the argument in favor of raising its status with the Chilean Government is that the Chilean military want to retain the Mission and if Allende refuses, it will create strain between him and the armed forces. Or if Allende is reluctant to create such strain, he will agree to continuing the Mission and will thus get locked in. The argument against is that access to the Chilean military, which is the only significant institution with an independent command system, is one of our greatest assets and that by raising the issue of the Mission's status, we run the risk of triggering a negative response from Allende. As I understand, State leans toward raising the matter.

Mr. Irwin: I think that if Allende is disposed to get rid of the Mission, it will be only a question of time until he does so. There is, however, a risk of precipitating a break.

Adm. Moorer: The Chilean military are constitutionalists; they are very conservative. We have close relations with them; I know several of them myself. They have participated in the UNITAS exercises.

Dr. Kissinger: Are you in favor of asking whether our Mission should continue? Or should we simply assume that it is to be maintained?

Mr. Packard: I think we should do the latter. That way it is more likely we will be able to stay longer.

Dr. Kissinger: Suppose that in our judgment Allende wants to get rid of the Mission but doesn't feel strong enough to do so now. If we get him to say that he wants the Mission continued, will we thereby prolong the Mission's likely tenure beyond the point when he becomes strong enough to ask for its removal?

Mr. Irwin: I don't think what he says now will have any effect on what he does later.

Mr. Nachmanoff: There is one other consideration. We may be more vulnerable to charges of engaging in improper activities, if we are operating the Mission without affirmation from Allende that he desires it to continue.

Adm. Moorer: Raising the matter will force Allende to take action.

Mr. Meyer: If we go to the military and tell them to prod the boss and he says no, we will thereby have crystallized the separation between Allende and the military.

Mr. Selden: There is a double issue. Is it possible for us to continue MAP without continuing the MAAG?

Mr. Packard: But taking the initiative in going to Allende will raise this issue.

Dr. Kissinger: My smell says that he will get rid of the Mission as soon as he feels strong enough. Whenever he does it, it will be annoying to the military.

Adm. Moorer: He could waffle his answer to the military.

Mr. Nutter: Perhaps there may be some political problems in this country if we continue military assistance after he has ousted the Military Mission.

Dr. Kissinger: The thing that impresses me is that the Mission gives us a channel of communication and some normal means of contact with the one element in Chile that has the best chance to move against Allende.

Mr. Packard: And it also gives us an opportunity to get across to the military the impression that we might support them if they moved against Allende.

Dr. Kissinger: I understand Charlie's [Meyer's] point that taking the initiative to raise the issue might force a break between Allende and the military. I also think Tom [Moorer] has a point in suggesting that Allende might give them a waffly answer.

B/Gen. Belser: This would be a two-part approach. We would first go to the military and then to the civilian government leadership.

Dr. Kissinger: Is it possible to approach the military on this?

Mr. Packard: The question is whose answer do you accept?

Dr. Kissinger: Let's go around the table on this.

Mr. Irwin: I lean toward trying to clarify the matter by going through the military. But I don't feel strongly about it.

Adm. Moorer: I agree with Dave [Packard]. It will be difficult to get a definite answer from the military.

Lt. Gen. Cushman: If we approach the military, the word will get to the civilian leadership. This will give them options that would not otherwise be available to them.

Mr. Meyer: I should point out that this question would not have come up if the Minister of Defense had not stated that all military agreements will be reviewed and that continuation of the US Military Mission depends on the agreement of both governments. At the moment our Embassy has instructions not to talk to Allende about anything.

Dr. Kissinger: Couldn't we just say that we are operating on the assumption that the Mission will continue?

Mr. Meyer: That is what we were planning to say.

Dr. Kissinger: Can't we follow past practice?

Mr. Packard: That has been to assume that the Mission is to continue.

Dr. Kissinger: Can't we handle this by planting a question in a press conference?

Mr. Irwin: In that case I am inclined to do nothing.

Mr. Packard: I agree.

Mr. Irwin: (to Meyer) Has the issue [of the Mission's status] come up [between us and the Chilean Government]?

Mr. Meyer: Only that the Defense Minister said on November 10 that the Government would be reviewing all military agreements. We can just wait until they start their review.

Dr. Kissinger: That would be my inclination.

Mr. Packard: I agree.

Dr. Kissinger: If we raise the matter, they will kick us out or will waffle. Should I raise this with the President?

Mr. Packard: No, it is not worth bothering him.

Dr. Kissinger: Then we will continue to operate the Mission. Now for the question of military assistance.

Mr. Packard: I think we should act as though we plan to continue. We should not stop MAP.

Dr. Kissinger: What about the new stuff?

Mr. Selden: The tanks have already been contracted for. They are stored down in Anniston, Alabama.

B/Gen. Belser: The Chileans have been told that the tanks will be ready for shipment on December 31. They are not aware that they are ready now.

Mr. Packard: Let's hold off on this as long as we can.

Mr. Irwin: I hate to go ahead or, at this point in time, to break off the deal. It would be better to delay.

Mr. Packard: We can continue with other things such as spare parts.

Adm. Moorer: Anything we want to sell, they will buy.

Mr. Selden: They want to buy F–5s.

Adm. Moorer: The sales help to maintain contact with the military. If we don't sell to them, they will get what they want elsewhere.

Dr. Kissinger: What we do depends on their policy. If Cuba wanted to buy military equipment, what would we do? Have the Chileans made a formal request for F–5s and C–130s?

B/Gen. Belser: Only to the company representatives in Santiago.

Mr. Packard: This sort of thing takes time. We will need to review these requests.

B/Gen. Belser: These are new requests. The Chileans have $86 million available which they want to spend.

Dr. Kissinger: Then we think that after December 31 we might give them the M–41 tanks they have already paid for unless they do something outrageous in the interim. We should wait on the other requests until they become more real. That is, if we won't have to start talking with the companies.

Mr. Irwin: (to Meyer) Do you have to go back to the companies?

Mr. Meyer: Lockheed has been in touch about export licenses.

Mr. Nachmanoff: The new Air Force Chief of Staff talked to our Military Mission.

B/Gen. Belser: The C–130s are an old request; the interest in F–5s is post-Allende.

Mr. Packard: If they get these aircraft, they will be dependent on us for spare parts.

Adm. Moorer: That's just the point.

Mr. Meyer: Selling to the Chileans will raise the question of what we are going to do for our friends.

Dr. Kissinger: Will they do without the planes if we refuse to sell to them?

Adm. Moorer: They have tried everywhere else.

Dr. Kissinger: The question is whether we gain additional leverage by selling the planes. We can't avoid the question of the reaction of our friends.

Mr. Irwin: Selling does give extra leverage. They will need to get spare parts from us. The key issue is the effect on surrounding countries. We tell them how bad Allende is; and as a New Year's present, we sell him planes we have refused to sell to the others.

Dr. Kissinger and Mr. Packard: That is a strong point.

Mr. Irwin: We also need to consider the internal reaction here both with the public and on the Hill.

Mr. Packard: That indicates that we should drag our feet.

Dr. Kissinger: I agree with that.

Mr. Packard: We should just follow our normal pace.

Dr. Kissinger: (to Kennedy) Put this on the agenda for succeeding meetings so that we can review where we stand.

Mr. Meyer: Then the instructions to the Embassy are that it is to be business as usual as far as military relations are concerned.

Dr. Kissinger: Let's turn to economic steps. There are two loans for Chilean universities before the IDB Board. We have been delaying action on them. I don't know exactly where we go from here. My impression of the President's views is that we are under instructions to see that no new loans are approved "to the extent possible."

Mr. Irwin: If that is taken literally, it means no loans. If we don't take it literally, it could mean no loans "to the extent desirable."

(Attorney General Mitchell and Under Secretary Johnson joined the meeting at this point.)

Dr. Kissinger: I am sure that “to the extent desirable” was not the meaning intended. The directive means to make no new loans unless there are overwhelming reasons to do so. The burden of proof is on those who are proposing the loan. Even that interpretation may be stretching the meaning beyond what the President intends. Where does this leave us on the two loans?

Mr. Meyer: Felipe Herrera has said they will not come up until the end of the year.

Mr. Irwin: I would like to leave this for as long as possible. There is no overwhelming reason to approve the loans. On the other hand, this would be our first overt move hostile to Allende. The loans were previously set. If we back off now, the presumed reason for such a decision must be the Allende government. Such a step could, of course, serve to carry out the President’s decision that we should clearly signal our attitude toward Allende to other countries. It is doubtful to what degree he could make a case of these loans; they do not amount to much money.

Dr. Kissinger: If it gives him the rub, he must never be able to make a case against us.

Mr. Irwin: The question is do we move against him in relatively small increments or do we do something substantial?

Dr. Kissinger: If we don’t do something significant somewhere along the line, we will be lending support to his line that there is no penalty for going against the United States.

Mr. Irwin: I think he will eventually show his true stripes.

Dr. Kissinger: Let us leave it that no loans are to be approved without coming back to this group.

Mr. Irwin: (to Meyer) Then you should press for further delay [on the loans].

Mr. Meyer: There are two other institutions involved. The World Bank has in the hopper several hundred million dollars worth of projects. None of them are coming up immediately except one for $25 million for Santa Gertrudis cattle. This one was deferred during the election period. It has already been favorably recommended to the Board and should be coming up within the next few weeks. There is also a $50 million loan for electric power that will be coming up early next year.

Dr. Kissinger: Do we have any means to block them?

Mr. Meyer: No.

Dr. Kissinger: Then how would we stop them?

Mr. Selden: With some help from others.

Mr. Meyer: Perhaps Bob McNamara might be able to exert some influence.

Dr. Kissinger: My sense is that the President really means for us to try to cut off economic assistance to Chile.

Mr. Mitchell: How does the Bank vote? By stock interest?

Mr. Meyer: Yes, by stock interest.

Dr. Kissinger: I wonder whether McNamara would be disposed to cooperate. Probably he would not.

Mr. Irwin: Someone ought to talk to him.

Dr. Kissinger: Let me explore it with McNamara.

Mr. Meyer: Let us explore it first at the working level.

Dr. Kissinger: I would prefer that—on the assumption that nothing happens in the meantime.

Mr. Irwin: I would rather go ahead on the University loans but not on the economic loans.

Mr. Selden: Is either of these universities the one that Felipe Herrera is going to be rector of?

Mr. Meyer: I agree with Jack [Irwin] that the two university loans are less important.

Dr. Kissinger: (to Meyer) You explore it at the lower level. I am not sure what McNamara's reaction would be on this.

Mr. Irwin: I had lunch with him the other day, and we had a general discussion about loans to countries that expropriate without compensation.

Dr. Kissinger: I see him from time to time. I will not raise this with him till I hear from Charlie [Meyer].

Mr. Meyer: The Export-Import Bank can place Chile in Category D. Normally there would be $2 million per month in credits going to Chile. If there were no Export-Import Bank loans or guarantees at all, we would give the biggest signal to Chile. Export-Import Bank action would cover the entire commercial banking network in the United States. It is easy to tell Henry Kearns to get the word out.

Mr. Packard: That is a good signal. It is clear as a bell.

Mr. Johnson: It is pretty dramatic. Will this cut off most commercial exports to Chile?

Mr. Meyer: Yes.

Mr. Irwin: It is a very clear signal. I am uncertain about the impact. It will cut off a lot of commercial retailers here. There could be a political problem here.

Dr. Kissinger: As I understood Ambassador Korry when he was here, one of his principal arguments was that between now and next March we ought to maximize economic pressures on Allende. What does Category D cut off that isn't covered under Category C?

Mr. Meyer: Going from C to D means that the Board has to review each of the applications for Chile.

Mr. Irwin: On this we have got to make a decision quickly.

Mr. Johnson: Putting aside all political considerations, isn't this really primarily a banking question?

Mr. Meyer: Yes.

Mr. Irwin: If we do it that way, there would be no problem.

Dr. Kissinger: Do you want to do that?

Mr. Meyer: I think so.

Dr. Kissinger: Then we can assume you are going ahead unless we hear from you.

Mr. Irwin: We will come back only if they won't do it on a banking basis.

Mr. Nutter: The university loans require an affirmative vote.

Mr. Selden: What if we don't vote?

Mr. Irwin: This tactic will last only as long as the IDB President wants.

Mr. Nutter: Surely we can get other people to support us.

Mr. Meyer: This is all part of the longer-range question of building a case against Chile.

Dr. Kissinger: I favor foot-dragging. We need a few months to see how things come out. There are other questions which perhaps we could consider at the next meeting; for example, Chilean trade with North Korea and when to implement legislative restrictions. There is also the question of what policy we follow on nationalization of American properties. (to Meyer) I understand you have briefed American businessmen on Chile.

Mr. Meyer: We talked to David Rockefeller's Council of the Americas, and I will be talking to the Blue Ribbon Committee in Pittsburgh next week.

Dr. Kissinger: No investment in Chile is taking place?

Mr. Meyer: I know of no plans for any.

Mr. Mitchell: Is there any resistance in the business community to the policy of clamping down?

Mr. Meyer: There doesn't seem to be much interest. They understand our careful approach. Some are decapitalizing. I have put together an inventory of all ties of any sort which the United States has to Chile. The private debt owed to the United States is $800 million exclusive of the copper companies. Everybody is hoping to get out before the situation collapses.

Mr. Irwin: What worries me about all of this is that it looks like we are engaging in economic warfare.

Dr. Kissinger: Are you content with the present position of administrative delay?

Mr. Irwin: Yes.

Dr. Kissinger: State has provided a recommended public statement on Chile, and we have an amendment submitted by Defense. These say roughly what we had intended to say originally. Is there any need to say anything now?

Mr. Meyer: This came up in the Ad Hoc Group. It is clearly preferable to say nothing until Allende's colors become evident.

Dr. Kissinger: Is there any objection to this? The last time we considered a statement, we found it was difficult to strike a balance between appearing too provocative or too conciliatory.

Mr. Irwin: We don't need to say anything. The problem is that various people may very well get asked.

Dr. Kissinger: We had thought there might be a Presidential press conference this week and had drafted a response which could be used. Let me read it: "The new President has taken office in accordance with Chilean constitutional procedures. We have no wish to prejudge the future of our relations with Chile but naturally they will depend on the actions which the Chilean Government may take toward the United States and the Inter-American system. We will be watching the situation carefully and in close consultation with other members of the OAS."

Mr. Irwin and Mr. Johnson: That's good.

Dr. Kissinger: We will distribute it to all of you.

Mr. Irwin: Should we let the President use it first?

Dr. Kissinger: This should be the substance of our position. Whoever comes to bat first should say it. The Presidential press conference may not be for two weeks.

On Congressional consultations, I think it would be better to defer anything we can to the new Congress. The Chairman of the Foreign Relations Committee is fully occupied trying to tear the Cambodian section out of the foreign aid supplemental.

Mr. Meyer: Consultations with Congress would involve making the point that if we are to counter Chile, we need to build ties with our friends and right now we are not in a position to offer our friends anything.

Mr. Packard: I think it would do good to begin talking with our friends on the Hill. We can build a case for enabling us to do something.

Dr. Kissinger: Can't we tell them what we have been telling the Latin Americans?

Mr. Packard: We should be careful whom we talk to.

Mr. Mitchell: Yes, one of them will find himself before a microphone and start talking. You won't need an Administration position because they will provide one for you.

Mr. Packard: There is nothing that has to be done tomorrow.

Dr. Kissinger: Let's leave this till our next meeting. We can focus our efforts on the new Congress.

Mr. Irwin: Has anyone had an opportunity to talk to anyone in Congress on this?

Dr. Kissinger: I haven't.

Mr. Irwin: I have taken the line that we face a dilemma, that there are two difficult sides to this question, and that we hope that Allende, now that he has responsibility, will turn out differently than what we are inclined to expect from his record.

Dr. Kissinger: I understand that 17 Peace Corps Volunteers are ready to go to Chile in December. Our policy has been that we should maintain people-to-people contact. The issue is whether we should stop the Volunteers from going or ask the Allende government what it wants to do.

Mr. Johnson: Can't we treat each Volunteer on an individual basis, depending on where he is going, what he is doing, and what sort of an individual he is?

Mr. Meyer: There are ten who will be working in forestry and seven in fisheries. These are not kids; they are the middle-level manpower types.

Dr. Kissinger: What is your view?

Mr. Meyer: I sort of like the idea of going ahead and sending them.

Mr. Packard: If they are not kids, they might be useful in helping to maintain contacts.

Mr. Mitchell: When were they recruited?

Mr. Meyer: Early in the spring.

Dr. Kissinger: (to Irwin) What do you think?

Mr. Irwin: I would like to have them there. I am not sure the argument we used in the case of the military applies here. It may be different just to send them off if they are not wanted. I lean to asking.

Dr. Kissinger: Why not ask? It is not a question of a vital contact. If the Chileans turn them down, it will show that they are hostile.

Mr. Selden: There is also the question of the Volunteers' safety. If the Chilean Government has asked to have them there, we will have a better case if something happens to them after they get there.