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Notes of a Meeting

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Nota de Archivo: *Valparaiso. Source: National Archives, RG 59, Central Files 1970–73, POL CHILE–US. Secret. The meeting took place in the President's Office Rotunda. A handwritten notation on the first page reads: "Reconstructed from rough notes—not verbatim."*

Admiral E.R. Zumwalt, Jr., USN

Mr. A.I. Selden, DASD (ISA)

Rear Admiral E.H. Tidd, USN

President Allende

Admiral Montero, Chilean CNO

Rear Admiral Webber

Captain Lopez, plus 4 other members of the President's immediate staff (all military).

3. The meeting came as a surprise and with very little notice during our scheduled inspection of a Chilean Navy facility in Valparaiso. It was so short-fused that apparently Admiral Montero did not have confirmation of the meeting until the morning tour started. This did not provide Admiral Zumwalt an opportunity to alert Ambassador Korry of the impending meeting.

4. The meeting opened with the usual brief amenities of welcome and was marked by the most cordial tone by President Allende which prevailed throughout the meeting. He is a man of great personal charm, dynamic, charismatic, dramatic in his change of moods from soft sell to hard and naked statements of intentions.

5. President Allende commented on the condition of his Navy and alluded to needing the continued services of our Navy Mission. Admiral Zumwalt commented on President Allende's past ties with the Navy. Allende then stated that the Chilean Navy had suggested it might be possible for the Enterprise to be available on her way up the West Coast to stop in Valparaiso. President Allende then stated, "It is not possible, it is necessary." Admiral Montero then explained that this was an old Chilean joke, to which the President added he would be most highly pleased with such a visit. "It would be a great pleasure to have Enterprise visit Valparaiso and I would like to go aboard." "I know it is an advanced design and feel that it is important to have the presence of such U.S. Navy units for the Chileans to see." Admiral Zumwalt then stated he would send a message to Admiral Moorer before leaving Chile. (The Chilean CNO later commented that this visit would strengthen the Chilean military prestige and non-political tradition.)

6. President Allende stated the importance of visits by maximum numbers of U.S. citizens so that they can get a true feeling of conditions today in Chile and of the people.

7. Admiral Zumwalt stated the importance for Admiral Zumwalt and Mr. Selden to come on this trip and see Chile for themselves, so that they could separate fact from fiction. Admiral Zumwalt stated that we have a political problem regarding the continuation of economic and military assistance because of conditions that have been reported in our press.

8. President Allende said he hoped that all of this type assistance will continue in the same way as before. He stated that, "This country will never become non-democratic or Sovietized."

9. Admiral Zumwalt stated that this was most valuable news, that he was sure Allende was aware of previous methods and moves by the Soviets on gaining control in other countries.

10. President Allende: "I am not just telling you this for diplomatic talk. We have a sense of dignity; we are proud to be small but we are a nation with dignity. We want our country to be for Chileans. We will return the wealth to the people. Every day the gap is wider between the industrialized nations and the undeveloped ones. In Chile there are people that cannot work the land due to hunger. We must ensure that every child has milk to drink and enough to eat. I do not want the military to make politics. I want them to understand politics but to stay professionals. This is why we are happy with your visit."

11. Admiral Zumwalt: "I understand what you say you want to accomplish for your people. If I may speak frankly about our own political situation regarding past aid and Mr. Selden understands this well with his 16 years in Congress (President Allende interrupted and said, "I have spent 25 years as a senator and understand these things too.").

12. Admiral Zumwalt then continued that he believes the problems have been caused because there are reports in our newspapers which carry the statement that the reforms, which every country has a right to carry out, might be carried out by Chile without adequate compensation for nationalization of private enterprise.

13. President Allende: (Speaking very seriously) "What is their basis? I do not know how they reach these conclusions because we are still studying these things ourselves." A country that has had a Congress for 123 consecutive years (or, since 1923?) how could it fail to provide fair and just compensation."

14. Admiral Zumwalt: "I understand that by the law a British firm will be used to estimate a fair price for nationalized forms?" (Here the interpreter explained to Admiral Zumwalt that he had misunderstood a previous conversation with the Minister of Defense and that it had not been implied that an outside firm would make such an estimate in the law but perhaps as an initiative by Chile.)

15. President Allende then explained in some detail their congressional procedure and legal appeal procedures for arriving at the prices in compensation for nationalized firms and stated that if a company does not agree, they can go to the courts of the land and appeal. "We do not want to create for the U.S. artificial profits nor do we want these firms free of any arbitrated price."

16. President Allende: "We have stated that we are prepared to provide for U.S. needs for a certain number of tons, 100,000 to 200,000 tons (of copper) and a contract for 20 to 30 years and we guarantee to provide the supplies needed. We export raw material and import manufactured goods. We cannot continue to be exploited as an underdeveloped nation. We intend to develop industry. We import goods from the U.S. at relatively high prices while the U.S. is paying low prices for our raw material. We are not making an aggression against your people. We are defending our responsibility to our country. Do not forget these numbers: From this country over the past years you have taken 9,400 million dollars, the equivalent of the entire social capital of Chile. We have allowed in the past this unfair exploitation. In this, we have

permitted $9.4B, the whole of Chile in terms of its current social capital, to go away. There are 600,000 children mentally weak because they do not eat enough. In the past, when I was Minister of Welfare, we were lacking 340,000 teachers, we now lack 440,000 teachers. A country cannot prosper that does not work hard. Our people need housing, vocations, industry and agriculture."

17. Admiral Zumwalt stated that it was 100% feasible to support a nation's right to improve these things. The problem the U.S. faces is the future support of our traditional allies. There will be much importance attached to working out the nationalization problem in a way that will motivate other U.S. companies to help Chile further in other fields and it must be clear that there is no communization or Sovietization of Chilean institutions if military aid is to continue.

18. President Allende: "We are working on all aspects of this and feel that it can be done." He discussed the interest of the Japanese to take over the iron ore interests in Northern Chile to process it into nodules in Chile and then ship it to their islands to manufacture finished steel. The trouble is that capital is looking for insured and very high profits. To the North the Americans have earned very high profits on our copper and have paid very high salaries to Americans here while not improving the education or pay of their Chilean workers very much. We are the only country in the world with natural fertilizer. During World War II the U.S. had a vital interest in these supplies. But then and since, the benefits to Chile have been inadequate. After 30 years, Chile has taken over this operation. The mines have been nationalized. They are in very poor and deplorable condition.

19. Then President Allende led Admiral Zumwalt and Mr. Selden to a table top scale model for the development of Valparaiso harbor that contained a number of modern deep water piers, cargo handling equipment, new breakwaters and various harbor developments such as a modern commercial and naval shipyard, modern highways, a railroad to Argentina. He stated this is a project for American help. This is a terminal port. It could be used for export. We need quick ways of handling cargo. We need to do it in the shortest time so that ships will stay in port a minimum of time and reduce the prices. To the North of the city only poor roads carry 48,000 cars each day. These must be improved. We need to build several railroads from Argentina to Chile. These railroads can bring out fruit for Argentina. It is 3,000–5,000 miles less than to New York by the Atlantic Ocean. We wish to build these roads. We will never utilize them for military problems with Argentina. These roads are for the best for all nations. If it is necessary to give concessions (e.g., free ports) we will do this because it will mean jobs for people of Chile. (Pointing to the table top model again—I want these facilities for our warships and also for a fishing port for people fishing by hand. I want to make the port bigger and to protect the ships from the high winds. I want to open the roads into and out of Valparaiso for visitors. I want to make a jetty for passing over (loading) fruit products. What will happen in 10–20 years when visits with nuclear powered merchant ships are made? What will happen when all ports and shipping facilities are controlled by your customers? We must get up to date. We have a need for roads for people to travel and see this land. This place is no desert. There are places like Easter Island for tourists. Other places have vast development potential. Valparaiso and other ports are available for Navy uses—Chile and U.S. I would like to tell the U.S. "Lets put these economic and military projects together and not isolate them."

20. Admiral Zumwalt: This magnificent vision that you have described could possibly become a reality by working together, and I do not mean by exploitation of the people of Chile, but to attract the necessary capital. The companies must have confidence that they can make a profit.

21. President Allende replied there are two sides to this. The private corporation and lending organization and/or the World Bank, Intra-American Bank, etc. It is more important to push the whole effort to a regional basis. In the Northern part, I would say to the North American technicians, "What would you do with it." To the wealth of the sea, I would ask, "What would you do with it?" To the deserts where a drop of water will grow fruit to the size of watermelon—it could be a paradise. The problem is, until we have mutually satisfactory arrangements, nothing can start. Copper has been taken from Chile and we have not been paid a fair remuneration. Yet we have still to develop our deposits of iron, gold and tin. These

things, neither you nor I can accept.

22. Admiral Zumwalt: As a pragmatic man, I have to look at where we are and how to get where it is mutually profitable for both of our countries. What I talk to now, I will also ask Mr. Selden to comment on, following me. It is my feeling that it ought to be possible for the apprehensions of the U.S. public and the Congress to be put aside (calmed), first by the demonstration of the fair approach of nationalization, if carried out as you described. Secondly, there could be provided motivation for these or other companies to put their capital into Chile themselves or by your setting an example of fairness, perhaps cooperation or partnership of other interests could provide and recognize the opportunity for Chile to make progress on plans for the future.

23. President Allende: We need technical help without any limitations.

24. Admiral Zumwalt: In my judgment you have to provide a fair profit and a fair agreement for the way in which these efforts can become total Chilean after investments have been repaid.

25. President Allende: In the past these agreements of the U.S. companies were on terms which exploited us. Copper is the classic example. They owned thousands and thousands of acres of great mineral fields but did not develop them. No! No! These men cannot expect compensation for their undeveloped acres. We have accepted that they should receive a fair return on their actual dollars invested. In these technical aspects, the Chilean engineers training in the usage of the copper mines reached certain levels but now they have no further knowledge on which to operate. Like Admiral Montero, he could not conduct ships without adequate professional training, our Chilean mining employees cannot run the mines without other training. This makes us ask whether we can continue to work with our own capital on these terms. The Japanese may be willing to offer certain capital. They must not allow only a certain level of knowledge. We have need not only for the raw materials but for industrial know how. If they are not paid, they will go away from Chile. There will be millions out of work. It is that kind of leverage we can understand each other. We have dignity as a nation. We must be able to find respectable ways to cooperate as nations, big or small. I can understand this.

26. Admiral Zumwalt stated that he understood, but the problems that face those who also dedicate themselves to the service of their country, the U.S., what they are searching for is some formula for solving the problems to continue the type of cooperation and assistance that we have known in the past on terms that would be mutually favorable to both our countries—politically, economically and militarily. It is worthwhile to the U.S. to have a non-communist Chile with non-political military forces. It is also worthwhile to Chile to retain her democratic way while improving the life of her people, without Sovietization.

27. President Allende: This is what I wish also. We have been so cautious so far in an effort to avoid trouble with the U.S. I have kept my mouth shut, especially when the U.S. took away navigational and meteorological equipment with no advance notice to the Chilean Air Force, even when we had an agreement that this would not be done. (Note: This refers to the 3 AFTAC (Air Force Tactical Applications Command), a unit that among other things provided meteorological information and, incidentally, provided certain utility services, electrical power to Easter Islanders. These units were withdrawn immediately after Allende was elected. It is understood from General McAlister that this withdrawal was mainly as a result of Ambassador Korry's strong urging.) Why was it done? and without knowledge of the Chilean Air Force and the government of Chile. Admiral, when they took out those stations it prevented us from knowing climatic conditions in Northern Chile. We could not warn our farmers of dry spells. We did not know how long a dry spell to expect. We request mutual respect and that was not done.

28. Admiral Zumwalt: You realize the political realities so I can speak frankly. Our newspapers report what is said that is sensational and forecasts things which may or may not happen. They report that you campaigned on an anti-U.S. position.

29. President Allende: No! Never!; I am not anti-North American.

30. Admiral Zumwalt: But the reports were made in our newspapers and this is what the people feel in the case.

31. President Allende: I am a Socialist president. Other nations have requested that the U.S. take out the Peace Corps; but not here. You have your military missions here and we have not bothered them at all and welcome continued aid. Those newspapers with government influence (here) have not printed one word about (against) the U.S. but, read what the U.S. papers say about President Allende: They say that I have hit my father so hard that he was crippled for the rest of his life. The President said it is a little embarrassing to refer to this but there has been information in the U.S. press that Allende as a doctor had raped an anaesthetised female patient, and other heinous accusations. “I was 8 years as Secretary of Public Health (?)” Would it make sense that I would do these things? (spoke with emotion) Your papers (on these reports?) have requested no interviews. I know what we want—a decent life for all our citizens. I do not want to penalize anyone. I say what I think and will be guided by what Chile needs.

32. Mr. Selden: Admiral Zumwalt has covered our position very well. Having been a member of Congress I can understand the problems you face with the press. However, perhaps our visit can correct some of the misconceptions we may have read.

33. President Allende: We want U.S. personnel to visit Chile to correct wrong ideas. We want the Enterprise to visit Chile so that they will get a correct idea of the people and of our land—and, I want to go aboard Enterprise.

34. Admiral Zumwalt: If she is able to come, you will be invited.

35. Mr. Selden: I want to be sure that we understand correctly your position and can report this position. As I understand your remarks, the Soviet port loan is to be a loan only and there will be no Soviet technicians connected with the construction.

36. President Allende: We have elected to take this $42M loan and to use it for making a fishing port. They offered us a loan of $42 million. We selected where and what it is to be used for, because we have thousands of miles of fishing coastline and no fishing port. So, it is obvious that we need one. If the U.S. lends us such funds we would use it for that and if you do not, you cannot deny us the opportunity to accept it from others.

37. Mr. Selden: We would like assurances that it will not be for the use of others, other than Chile. We would like to know that it would not be used for placing Soviet technicians in Chile.

38. President Allende: If we build a port with U.S. funds, it is natural that we would have some U.S. technicians, is it not? If the Japanese, among others, loan us funds, there would be Japanese technicians. If Japanese want to help us does that indicate that we will become a satellite of the Japanese? If the Soviets offer to help us it does not indicate that they will become permanent. You will always have priority, but if you say no, we must look elsewhere. It will take 3 years to build this port. We cannot wait longer to get started.

39. Mr. Selden: We can take this expression of your views back and it will provide an opportunity for your representative and ours to talk further on this matter.

40. President Allende: We need a shipyard. We need technicians to help us build it.

41. Mr. Selden: You have needed a special crane for your shipyard. Just before starting this trip I learned that it has been authorized for construction.

42. President Allende (speaking with a large smile): If you want to help us, exchange our submarine for us.

43. Admiral Zumwalt: These are things that I want to discuss in Washington within the ambiente (sic—spirit) in which this visit has been conducted. There are matters of economics, military, political, all to be resolved. None can be done in isolation.

44. President Allende: Your technical military help is magnificent.

45. Admiral Zumwalt: I will urge higher level discussions on this matter so that I can explore provision of military assistance and Mr. Selden can explore provision of military and economic assistance in which we both want our country to be able to play a role so political uncertainties can be resolved.

46. President Allende: I have nominated an ambassador to the U.S. He is a socialist. It is Mr. Orlando Letelier. He has many years of financial experience and he speaks perfect English as well as he speaks Spanish—and, he loves the United States dearly. He is ready to negotiate at any time.

47. Admiral Zumwalt: Mr. President you have been more than kind to give us so much of your time. (Admiral Zumwalt getting ready to rise).

48. President Allende: Admiral, it has been quite pleasant to speak to you in this fashion. If I did not have a desire to speak to you, I would not do it in this way. I would urge you to take off your uniform and travel silently in this country and you will see what a democracy this is. Your Ambassador has never called on me yet. He is very welcome any time.

49. Admiral Zumwalt: I hope that I can report your invitation to us to return some day.

50. President Allende: Not only are you both invited, but you will be my guests (with emphasis).

51. The meeting ended at 1315 with an expression of appreciation and other amenities.