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Memorandum From Arnold Nachmanoff of the National Security Council Staff to the President's Assistant for National Security Affairs (Kissinger)

Identificador Archival:	frus:frus1969-76v21/d208
Agencia Emisora:	NSC / Casa Blanca
Fecha del Documento:	1971-02-23
Colección / Serie:	FRUS 1969–1976, vol. XXI: Chile, 1969–1973

Nota de Archivo: *Washington. Source: National Archives, Nixon Presidential Materials, NSC Files, Box 774, Country Files, Latin America, Chile, Vol. III. Secret. Sent for information. The memorandum was initialed by Kissinger.*

Allende's Interests and Objectives

Attached for your information is a lengthy situation report on the current status of iron and copper nationalization efforts in which Ambassador Korry provides an interesting analysis of the Allende government's interests and objectives in both the short and the longer term. In the longer term Korry says that Allende:

—Wants access to the capital markets and technology of the U.S. and other developed countries.

—Wishes to proceed towards the integration of Chile into the socialist world gradually and without complicating its internal political and economic problems.

In the short run Korry ascribes the following motives to Allende and his advisors:

—Desire to reach a reasonable and acceptable solution in the case of the nationalization of Bethlehem, and also of two smaller American firms (NIBSA and Purina), in order to have proof prior to the April municipal elections that even US companies can come to terms with the UP Government. According to Korry, Allende expects this will have a public impact on those who continue to resist the Government and its programs.

—Desire to use a favorable outcome to the Bethlehem negotiation to bolster the Chilean mission to the US this week under the leadership of Minister of Economy Vuscovic. The purpose of the mission is to make Allende's case in the Inter-American Committee of the Alliance for Progress (CIAP), but in addition Vuscovic and the other members of the mission will be having contacts with US and international figures of importance for the Allende plan of a painless transition to socialism.

Korry adds that certain traditional modes of conduct affect the pursuit of these aspirations by the GOC. These are the desire to avoid a confrontation and a sense of inferiority. The weakness arising from these Chilean modes of conduct are balanced, Korry infers, by an agility of mind and manuever and a strong sense of nationhood.

In his message Ambassador Korry continues to counsel a more active role for himself and the US Government in seeking a negotiated solution for the US copper companies. As you know, a strategy for possible US Government actions is being developed as a result of the decision taken in the most recent SRG meeting on Chile, and should be ready for clearance by the SRG principals shortly.