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Memorandum From Arnold Nachmanoff 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 776, Country Files, Latin America, Chile, Vol. VI. Secret; Eyes Only. Haig initialed the memorandum. A covering memorandum by Nachmanoff states that the Soviet Ambassador and possibly two Ambassadors from the Eastern Bloc would be present at the October 6 dinner at the Chilean Embassy. Members of the press corps, specifically representatives from the New York Times and the Washington Post, would "probably" also be in attendance. (Ibid.)*

Dinner at Chilean Embassy on Wednesday, October 6, 8:30 p.m.

You are scheduled to attend a dinner at the Chilean Embassy Wednesday evening in honor of the Chilean Foreign Minister Clodomiro Almeyda. The dinner begins at 8:30, and I have informed the Chilean Ambassador that you will have to leave early. As we discussed this afternoon, Ambassador Davis and I will ride over with you so that you will have an opportunity to get acquainted with Davis.

Detailed biographic data on Almeyda is at Tab A. I have marked the most interesting points.

As I mentioned to you, I think it would be useful for Ambassador Davis to be present at any discussion you may have with Almeyda, because he can interpret or monitor Ambassador Letelier's interpretation. It would obviously also enhance Davis' status with the Chileans. Davis has worked on the White House Staff (under Rostow) and understands clearly that he would be at your service only if you want him to be present for your conversation with Almeyda.

It is not at all certain that Almeyda will seek to have a private conversation with you, or that he would have anything substantive to say. However, it is conceivable that if the Chileans are interested in a negotiation or understanding (which appears very unlikely at this point), Almeyda might make an approach to you. (You will recall Ambassador Letelier's suggestion to you that Allende would welcome a "fundamental discussion" with you.)

Ambassador Davis who was present at Secretary Rogers' meeting with Almeyda Monday, indicated that Almeyda did not make any approach or significant response with Secretary Rogers. Rogers was very frosty with Almeyda and made clear his strong disapproval of Allende's recent determination setting "excess profits" of the copper companies at $774 million, a figure higher than any conceivable figure which might be set for compensation. (This determination was solely within Allende's discretion, was based on arbitrary criteria applied ex post facto, and apparently is not subject to appeal.) Almeyda's reac-tion reportedly was simply to repeat the standard Chilean arguments about following constitutional requirements. No other subjects were discussed.

If you have an opportunity to talk privately with Almeyda, your purpose should be: (1) to emphasize that we regard Allende's recent action as a political decision to move toward confrontation and (2) to give Almeyda an opening, in the

unlikely event he wants one, to seek a pragmatic way to avoid confrontation. Following are some suggested talking points:

—Note that, as the Foreign Minister knows from his talks with Ambassador Korry, we have always been ready to seek pragmatic, mutually acceptable solutions to any differences which may arise.

—We are, therefore, disappointed that President Allende has chosen a course with regard to compensation (by his discretionary decision on excess profits) which appears to eliminate any hope for a pragmatic settlement in accordance with international norms.

—Ask whether it is correct to assume that President Allende's decision represents a desire to move toward confrontation with the U.S., whose consequences the Chilean Government undoubtedly has considered.

If Almeyda maintains that Allende had no choice under Chilean law, you should quickly:

—Indicate that it is our understanding that President Allende had discretion and did not have to make the sweeping judgment he did with respect to excess profits. We can only assume, therefore, that this was a political decision on his part.

Almeyda may indicate that his government does not want a confrontation and that he does not believe that the U.S. Government's relations with the GOC should be determined by a matter affecting private interests. If so, you should:

—Note that our Government has very clear legal and moral obligations with respect to the rights of U.S. citizens. These obligations are well known to the Chilean Government, and we therefore must assume that the GOC understands the consequences of its actions.

You should avoid reference to any specific sanctions which might be applied, so as not to give Almeyda any pretext for claiming that you threatened economic coercion. If Almeyda expresses any interest in finding a pragmatic solution to the copper compensation problem, you should:

—Note that Ambassador Korry has offered some proposals, and that we would be prepared to consider any counter-proposals which the GOC might wish to offer. Note that Ambassador Davis will soon be in Chile and would be prepared for further discussions.

I am attaching for your background information the talking points prepared for Secretary Rogers' meeting with Almeyda (Tab B) and Korry's suggestions for the Secretary's meeting (Tab C). I have sent Korry a back-channel message soliciting his thoughts and suggestions for your meeting with Almeyda, and I will provide his response to you before the dinner Wednesday evening.