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Memorandum From William J. Jorden and Richard T. Kennedy of the National Security Council Staff to the President's Assistant for National Security Affairs (Kissinger)

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Nota de Archivo: *Summary: In this memorandum, Jorden and Kennedy discussed the level of foreign military sales for Chile in fiscal year 1972. They noted that the SRG members agreed that $10 million was an adequate sum for FY 1972. Source: National Archives, Nixon Presidential Materials, NSC Files, Box 776, Country Files, Latin America, Chile, Vol. VII. Secret. Sent for action. Haig signed the memorandum for Kissinger. Tab A, a May 19 memorandum from Kissinger to the Secretaries of Defense and State informing them that President Nixon reviewed the recommendations of the SRG at its April 11 meeting and approved "up to $10 million" of FMS for Chile, is attached but not published. For the minutes of the SRG meeting, see Foreign Relations, 1969–1976, vol. XXI, Chile, 1969–1973, Document 298.*

FY 1972 Foreign Military Sales Level for Chile

During the Senior Review Group Meeting of April 11, 1972, on Chile debt renegotiation, the question of FMS levels for Chile came up. The SRG members present agreed that a level up to $10 million for FY 1972 was appropriate. This would be approximately double the FY 1971 level, but would not be out of line with levels in other Latin American countries of comparable size and would be consistent with our desire to maintain some influence with the Chilean military in the face of massive credit offers from the Soviet Union. The Treasury Department concurred, but recommended that the decision be deferred until after the Paris Club meeting on Chile's debt renegotiation request. The other SRG members agreed.

The Paris Club meeting was brought to a satisfactory conclusion and Treasury has already informed the Department of Defense that it withdraws any objections it may have had to proceeding with the program at the $10 million level. With the growing opposition to Allende, the contact with the Chilean military, which this FMS credit will afford, becomes doubly important.

We have prepared a memorandum for the Secretaries of State and Defense (Tab A) indicating approval of an FMS ceiling for Chile of up to $10 million for FY 1972.

Recommendation

That you sign the memo at Tab A.