

Authority EO 12958

By JB NARA Data 5-9-01

*Return to Anne 31679
Hachmoff*

31679

THE WHITE HOUSE
WASHINGTON

30 August 71

Dr. Kissinger:

*(Anne has answered in memo)
Thru Kennedy*

The letter to Mr. Rockefeller has been dispatched.

What is your desire regarding distribution of the memorandum of your meeting with the Anaconda executives?

No distribution AK

Distribute to State _____

Coleman

What does Hachmoff think?

*HACHMHOFF AGREES
(See P 2 of memo)*

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✓

MEMORANDUM

NATIONAL SECURITY COUNCIL

CONFIDENTIAL/Exdis Attachment

ACTION
August 17, 1971

MEMORANDUM FOR: DR. KISSINGER

FROM: *Tom Kennedy* ARNOLD NACHMANOFF *[Signature]*

SUBJECT: *Letter* Mencon of Your Meeting with Anaconda Officials

(Return memo and I will send it in again (ASH))

Attached at Tab A is a brief reply to David Rockefeller's letter to you of August 10 (Tab C) suggesting that you meet with John Place of Anaconda.

Attached at Tab B is a memorandum of your meeting with Place and Quigley. I do not see any reason to send it to State.

RECOMMENDATIONS:

1. That you sign the letter to David Rockefeller at Tab A.
2. That you not distribute the memorandum of your meeting with Place and Quigley.

Approve _____ Disapprove, prefer to distribute to State _____

Attachments:

- Tab A - Letter to Rockefeller
- Tab B - Memorandum of Meeting
- Tab C - Letter from Rockefeller

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By JB NARA Date 5-9-01

31629

THE WHITE HOUSE

WASHINGTON

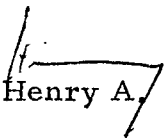
September 2, 1971

Dear David:

Thank you for your letter of August 10 suggesting that I meet with John Place of Anaconda. I met with him and one of his colleagues Tuesday, August 17, and appreciated the opportunity to hear their views. We will do whatever we can to help Anaconda receive fair compensation for its properties, though as Mr. Place recognizes, this is a very difficult problem in which broader U.S. Government interests are involved.

I hope you have had a pleasant vacation. I will look forward to seeing you before long.

Warm regards,


Henry A. Kissinger

Mr. David Rockefeller
Chairman of the Board
The Chase Manhattan Bank
1 Chase Manhattan Plaza
New York, New York 10015

9/2/71 Sent to Stripping Desk
cc: Nachmanoff

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By JB NARA Date 5-9-01

MEMORANDUM

NATIONAL SECURITY COUNCIL
CONFIDENTIAL/EXDIS

August 17, 1971

MEMORANDUM OF MEETING

Held August 17, 1971 at 12:00 noon
in Dr. Kissinger's Office

PARTICIPANTS: John Place, President of Anaconda Company
William Quigley, Vice Chairman of the Board
of the Anaconda Company
Henry A. Kissinger, Assistant to the President
for National Security Affairs
Arnold Nachmanoff, National Security Council Staff

SUBJECT: Chile

Mr. Place and Mr. Quigley expressed concern over the deteriorating situation in Chile. They noted that the radical left within the UP coalition was gaining power and restricting Allende's maneuverability. They also commented that President Allende apparently does not believe that the US intends to do anything drastic if he doesn't reach fair settlements with the copper companies. Mr. Quigley suggested that the US might send an envoy, perhaps someone like Robert Anderson or Tom Mann to indicate that we are aware that the GOC's procedures will not result in fair compensation, and to reiterate our position that if they do not reach fair settlements, we will make every effort to cut off their access to international credit, but if they do reach fair settlements, and live up to their international obligations, we would be willing to have normal relations.

Dr. Kissinger asked what they meant by normal relations. Mr. Quigley replied that this meant that we would not object to Export-Import Bank loans on a justifiable commercial basis, or World Bank and IDB lending for legitimate projects.

Dr. Kissinger suggested that this meant in other words that the US would finance the compensation for the companies. Mr. Place and Mr. Quigley objected, and indicated they would not want to put it in that light since it would set a bad precedent.

Dr. Kissinger stated that we are, of course, interested in seeing Anaconda receive fair compensation and that we will take a strong stand on this question. However, he suggested that if we agree to open up international

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- 2 -

credits, we may just be speeding up the process of establishing a communist regime in Chile, and that in the end Allende might still find a way out of paying compensation. He indicated that Ambassador Korry had been authorized to explore this possibility in a non-committal way, and that we would look carefully at any concrete proposals he submits. He noted that this was a very difficult problem: we cannot buy Allende off, and in any event, the balance of forces in Chile would not permit that any way. He noted that it seemed improbable to him that Allende would be a normal debtor.

Mr. Place expressed his approval of Henry Kearns' position on the Boeing loan. He suggested that we should take a tough line and not "give away" the planes.

Dr. Kissinger noted that there is a real question of whether we should keep the pressures on Allende now, while there is still a chance that Allende might be overthrown before he consolidates his position, or whether we should go slow and avoid a confrontation. There is some question about whether the latter course does not serve Allende's purposes rather than ours. He noted that he favored a tough line. Mr. Place and Mr. Quigley reiterated their approval of a tough line.

Mr. Nachmanoff suggested that there might be some misunderstanding of the term "tough line". Mr. Place and Mr. Quigley apparently meant that the US should keep the economic pressures on Chile until compensation was paid, but that credits might be opened up after that. He noted that another interpretation of "tough line" was that we should not open up credits at all in order to maximize the pressure on Allende.

Dr. Kissinger stated that he leaned toward the position that we not open up credits no matter what Allende does with regard to Anaconda. Mr. Place said he could understand that position but thought that if Allende agrees to reasonable settlements with the copper companies, we might be willing to see certain commercial transactions by say the European banks and the World Bank. Mr. Place suggested that perhaps there was still some possibility that Allende would not inevitably consolidate a communist regime in Chile. Mr. Quigley commented that the only hope for democratic elections is closer cooperation between the PDC and the Nationalist Party. He suggested that the US Government might promote a more unified approach by the two parties. Dr. Kissinger assured them that we would give careful consideration to their proposal.

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David

THE CHASE MANHATTAN BANK
National Association



1 Chase Manhattan Plaza, New York, New York 10015

August 10, 1971

DAVID ROCKEFELLER *Chairman of the Board*

Dr. Henry Kissinger
The White House
Washington, D. C.

Dear Henry:

As you may know, John Place, who was Vice Chairman of the Chase Manhattan Bank, left us a couple of months ago to become President and Chief Executive Officer of the Anaconda Company. I need not tell you that the assignment he took on is not an easy one. Nevertheless, John is a very able citizen, and does not shrink from a challenge. If anyone can handle the job, I am sure he can.

John tells me that the situation in Chile appears to be deteriorating and that there are now rumors that the government is talking of defaulting on and payment to Anaconda for the 51% they expropriated only a year or two ago. Up until now, these payments at least have been coming in although there has been no settlement on the remaining 49% which they have now expropriated as well. John would very much appreciate having an opportunity to discuss this situation with you so that you might have a full understanding of Anaconda's position and the background of the negotiations. He would be happy to go to Washington any time you could arrange to see him, and will be in touch with your office to find out when you might be able to make an appointment. Both he and I would be grateful if you could take the time to meet with him at your convenience.

I am in Seal Harbor on vacation which I must say I am thoroughly enjoying. I wish you could get up. Best regards.

Sincerely,

David