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MEMORANDUM OF CONVERSATION

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September 29, 1975

SUBJECT: Secretary's Meeting with
Foreign Minister Carvajal

PARTICIPANTS: Chile
Foreign Minister Patricio Carvajal
U.N. Permanent Representative
Ismael Huerta
Ambassador to the U.S. Manuel Trucco
Foreign Ministry Political Advisor
Enrique Bernstein
Foreign Ministry Economic Advisor
Thomas Lackington

US
The Secretary
Assistant Secretary William D. Rogers
Chile Desk Officer Robert S. Driscoll

COPIES TO:

Foreign Minister: I want to thank you for giving us this opportunity to talk to you.

The Secretary: Well, I read the Briefing Paper for this meeting and it was nothing but Human Rights. The State Department is made up of people who have a vocation for the ministry. Because there were not enough churches for them, they went into the Department of State.

Foreign Minister: We would like to leave these documents with you.

The Secretary: My God! What's that? One of your speeches?

Foreign Minister: It consists of several documents. One explains the current status of the economy. Another explain

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the requirements of the armed forces. Another is the state of the laws under the new level in the state of seige; one concerns the new Council of State, and the final one explains the legal dispositions the government is thinking of taking.

The Secretary: My view on the question of human rights is that it is on two levels. One is that it is a total injustice. Nobody goes around making statements regarding what is going on in Kampala or the Central African Republic or hundreds of other countries around the world. The other is the problem of helping your government under the present conditions, which we did not create, but which make it difficult for us. It would help enormously if something can be done. We will study the documents. We understand the problem. It is not in the interest of the United States to turn Chile into another Portugal. (I'll be in great trouble when this is leaked to the papers.) However this is my personal conviction, and I stand behind it.

What can be done visibly to bring about a change in Congressional attitudes? We do not need to discuss it now. However it is our problem. Otherwise, Congress will place restrictions upon restriction against U.S. interests. Look at Turkey-- the restrictions there do not serve any U.S. interest.

This is the issue we face. (I have not read fully all the Briefing Papers.) I do not know what can be done. Anything to alleviate that situation, and in a somewhat visible way,

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would be enormously helpful. This is the basic orientation, but the solution has to be a Chilean one. We don't know the details of what you can do.

*From
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We have a problem with the Turks. They so adhered to principal that they withdrew 15,000 troops without telling us. This is something we could have used with our Congress. But they were intent on showing they could not yield to pressures. It would have ended the whole thing if we could have issued a communique stating the reduction. They had 35,000 troops, and now they only have 20,000. This is not exactly analogous.

Foreign Minister: Regarding Human Rights, first I am convinced that the alleged violations of Human Rights are absolutely false. I have conducted my own personal investigation in my own country to be absolutely convinced in my own conscience to make sure they are not taking place.

The Secretary: Why did you cancel United Nations group?
You shouldn't have invited them in the first place.
Why did you invite them?

Foreign Minister: We had to cancel because there was a bad aphere to begin with. They started badly. Both here in New York and in Lima they talked to people regarding the situation. They were supposed to investigate the present situation. However, were hearing old testimony. And the atmosphere inside and outside the country was being artificially made into a commotion(sic). The commotion made impossible a thorough and impartial

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investigation, and I think the government was right in not authorizing the visit. The Working Group has prepared a report which is not fair. My President left the door open for a later visit of the Working Group, but with the report I feel the door is closed. It was unfortunate. We have admitted the Inter-American Human Rights Commission, and the International Committee of the Red Cross has been there since 1973.

The Secretary: Why did you invite the group to begin with?

Foreign Minister: They created artificially a very bad atmosphere. The Government of Chile has followed a plan to liberalize emergency measures, but the Government of Chile must take measures to control terrorism. Terrorism is a very serious problem all over the world.

The Secretary: That does not happen in the United States. In this country they only shoot at the President.

Foreign Minister: I have asked David Popper whether he would prefer to live in Buenos Aires or Santiago. He answered "no" because his colleague in Buenos Aires lives like a prisoner in his Embassy.

The Secretary: I have no precise suggestions to make. I don't know the conditions. Our point of view is if you do something, let us know so we can use it with Congress.

I see in this document you paroled 200 people, and they have gone to Panama.

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Ambassador Trucco: We have authorized more than 200 people to leave the country, and they have no place to go because no one will allow them in. The President of Colombia said he would have to take measures against the Chileans already there. And Facio says some are creating trouble in Costa Rica. Costa Rica is not willing to accept any more Chileans. They are creating problems.

The Secretary: You will know what to do. We cannot go beyond what we have said. What other problem do we have to discuss?

Ambassador Trucco: One problem we are having is with the Ex-Im Bank limitation of the \$500,000(sic).

The Secretary: Why?

Ambassador Trucco: The previous listing on Chile has not changed with circumstances. This situation dates from the Popular Unity Government.

The Secretary: It took me two years to get our institutions to reduce credit to your country. (To Rogers) Will you call Casey?

Assistant Secretary Rogers: I'll call today. Everything is fine with the IDB and the World Bank?

Ambassador Trucco: With the World Bank we are experiencing certain delays, but we are not pressing the World Bank.

Assistant Secretary Rogers: We should have no problem. We are leaning hard on the bureaucracy.

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The Secretary: Bill, talk to the Ex-Im Bank. These are vestiges of the previous government.

Your situation with the private banks?

Assistant Secretary Rogers: Do you need any help?

Ambassador Trucco: No, we don't. Our Finance Minister is coming next month, and presently their offers have doubled.

The Secretary: As I understand it, with commercial sales you're alright--the problem's with FMS.

Ambassador Trucco: The problem with commercial sales is that no export licenses have been approved since 1974.

Assistant Secretary Rogers: It is cleared now for purchases made prior to June 1974.

The Secretary: How about the \$10 million of sales you are talking about. We could go forward in Congress with a proposal for \$20 million in credit, but Congress would throw it out. Our tentative judgment is not to do it. Do you have any problems with that? On cash sales, could we do more?

Assistant Secretary Rogers: The original figure was \$6 million, but we changed it to \$10 million.

Foreign Minister: On our list here we have items which are in excess of \$10 million.

The Secretary: Why do we have to say no commercial sales? Why don't we go through with it? If \$10 million are not

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enough, we could add a few millions.

Assistant Secretary Rogers: We are prepared to be responsive

The Secretary: If \$10 million is not enough, add more.

What next, part of south Peru or part of western Bolivia?

Foreign Minister: The new government in Peru is improved.

We have hope for better relations with this President.

And with Bolivia we are working earnestly to resolve our problems, but we have made no commitments regarding the form of the solution.

The Secretary: Thank you. That would be very helpful.

Foreign Minister: Regarding Peru, we still have Soviet influence. They are receiving a Soviet training vessel in Callao with over 100 "cadets."

The Secretary: But how many Soviets are there now?

Assistant Secretary Rogers: In southern Peru?

The Secretary: What is our position? Soviets in the north are alright; but in the south, they are bad?

Foreign Minister: We have just heard that the Soviets are on board a ship. But this just proves the continued close relation between the armed forces and the Soviet Union.

The Secretary: The new Government of Peru has not been in office long enough to make any changes yet.

Foreign Minister: On the day of the coup--August 29--at 8:00 a.m., the Peruvian colleague of the Chilean military commander in Arica called him to say that they were going

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to take over the government, "and we are going to eradicate communism and Marxism from Peru." That morning I sent a cable to my Embassy in Lima. The Embassy said it was 9:30 a.m. and all was normal. We hope to have better relations, but there is still some Soviet influence.

The Secretary: We will treat these requests sympathetically. On PL 480 I understand Chile is getting 2/3 of the total for Latin America.

Ambassador Trucco: Yes, this is going well.

The Secretary: How is the economic situation? Is it improving?

Foreign Minister: Yes, it is improving. I believe the economic measures to be sound. The Finance Minister is very strict. I have never seen a Finance Minister like this one in Chile. Traditionally, after the budget was approved, we used to ask the Foreign Minister for more money. But this is not the case with this government. Now he asks for cuts. He has cut us to 80% of the original budget. The measures are very strict, but they are good for the country. I am convinced that next year it will be better. We have been expanding our nontraditional exports, and next year we may not have to renegotiate the external debt. The measures are very good and the people willing to cooperate.

Ambassador Trucco: The Balance of Payments deficit is wiped out and completely financed.

The Secretary: (To a whispered exchange in Spanish between Trucco and Carvajal about a copper producer-consumer conferen-

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We have agreed to do it.

Ambassador Trucco: We are attending a copper exporters meeting in Lima.

The Secretary: Stay in touch with us. We can set up some sort of ad hoc group which can set objective criteria to define the interests of the producers and the interests of the consumers. This might be according to a percentage of production and consumption.

Ambassador Trucco: Ambassador Popper has had recent meeting with the three Financial Ministers to discuss the Chilean position.

Foreign Minister: Our impression is very good regarding your speech on the matter.

The Secretary: As I stated in my speech we favor this. Why don't you coordinate among the producers? We will set this up.

One other thing: I have heard that you want to invite the OAS General Assembly to Santiago.

Foreign Minister: Yes, in April of next year.

The Secretary: Do you think that would be alright with the other countries?

Foreign Minister: Nobody had made any statement against it.

The Secretary: How about Mexico?

Ambassador Trucco: I have spoken to Colina (of Mexico).

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He was skeptical. He said that the situation had passed. But I do not know what situation he was referring to.

The Secretary: Maybe Echeverria?

Ambassador Trucco: I also talked with President Lopez of Colombia.

The Secretary: We won't oppose.

Ambassador Trucco: I have talked with Burelli Rivas of Venezuela; and he talked to President Perez; and Perez thought it had some merit. Panama also is in favor. I believe a meeting of the OAS General Assembly would do a lot of good.

The Secretary: I would rather like it.

Ambassador Trucco: It would show the real situation and how it has been distorted. They would see the effect of the social programs and the economic programs to bring the country back to normalcy.

The Secretary: Would I have to stay the whole week? I would have to listen to too many speeches.

Assistant Secretary Rogers: Last year the meeting was good. It only lasted two days.

The Secretary: Last year was outstanding. It was the best I ever attended. The Foreign Ministers met for two days, and the other sessions were left to the experts. I would be in favor of such a meeting.

Ambassador Trucco: The only country with which we might have some problems is Mexico, but they can be assured

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they would receive all courtesies.

The Secretary: Do you have the facilities?

Assistant Secretary Rogers: They are excellent.

Foreign Minister: I am sure they are better than those (OAS) in Washington.

The Secretary: That is not hard to do.

Ambassador Trucco: They would be the same facilities arranged for the 1972 UNCTAD.

The Secretary: If you can get your Latin American friends to support it, the U.S. will have no difficulties.

Ambassador Trucco: (Handing over another document) This is on the talks in Santiago among the countries of the Andean Pact on the limitation of armaments. Ambassador Bernstein presided over these talks.

Assistant Secretary Rogers: Should we make a public statement on these talks?

Ambassador Trucco: Nothing at this time.

This version was agreed upon by Ambassador Lackington, Desk Officer Driscoll, and interpreter Hervas.

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