

DECLASSIFIED

E.O. 12958, as amended, Sect 3.5

NSC/Soubers to Smith 09/02/2002

By *hrc* Date *02/13/07*

NATIONAL SECURITY COUNCIL

WASHINGTON, D.C. 20506

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January 18, 1972

National Security Decision Memorandum 148

TO: The Secretary of State
The Secretary of Treasury

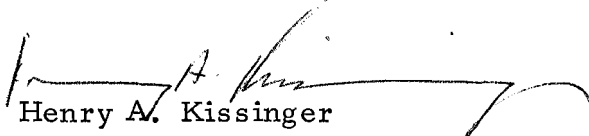
SUBJECT: Expropriation Policy in the Multilateral Development
Institutions

The President has reviewed the response to NSSM 131 and the views expressed during the Senior Review Group meeting on August 4, 1971, concerning U. S. policy in multilateral development institutions in case of expropriations. The President has decided that:

-- The Secretary of Treasury should use the influence of the United States with the management of the World Bank to induce the Bank to effectively apply its stated policy on compensation and to seek to persuade other institutions to adopt a similar policy on withholding assistance to countries not taking reasonable steps to meet compensation obligations in cases of expropriation.

-- In each case of an expropriation of a significant U. S. interest there will be the presumption that, unless and until it is determined that the expropriating country is taking reasonable steps to provide compensation or that there are major factors requiring us to do otherwise, the United States will attempt to have new loans deferred in the multilateral institutions and if a vote is necessary will abstain or vote negatively.

The provisions of this directive do not imply any change in the procedures established by Executive Order 11269 pertaining to the National Advisory Council on International Monetary and Financial Policies.


Henry A. Kissinger

cc: The Secretary of Defense
The Secretary of Commerce
The Director of Central Intelligence
The Director, Office of Management and Budget
The Assistant to the President for International
Economic Affairs

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