

DECLASSIFIED

E.O. 12958, as amended, Sect 3.5

*NSC/Soubers to Smith 09/06/2002*  
By *lt* Date *06/27/07*

NATIONAL SECURITY COUNCIL  
WASHINGTON, D.C. 20506

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June 10, 1974

National Security Decision Memorandum 257

TO:                   The Secretary of the Treasury  
                      The Secretary of Defense  
                      The Secretary of Agriculture  
                      The Secretary of Commerce  
                      The Under Secretary of State for Political Affairs  
                      The Assistant to the President for  
                          International Economic Policy  
                      The Special Representative for Trade Negotiations

SUBJECT:            Latin American Initiatives

The President wishes to give full and prompt effect to the initiatives introduced by the United States at the Foreign Ministers Conferences earlier this year in Mexico City and Washington. To this end, he has directed that the following policies guide the actions of United States Government agencies in our relations with Latin America and the Caribbean countries.

The President has directed that the U. S. will:

I. Attempt to resolve outstanding differences in the Hemisphere by:

- engaging promptly in discussions with Ecuador and Peru aimed at resolving our fisheries disputes with these countries;
- giving close attention to negotiations with Panama, continuing them in the spirit characterized by the negotiation of the Statement of Principles signed on February 7.

II. Attempt to avoid new disputes by:

- continuing to explore the possibility of creating a mechanism for assisting in settlement of investment disputes through the Meeting of the Foreign Ministers Working Group on Principles Applicable to Transnational Enterprises and elsewhere, as appropriate;

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- pursuing agreement in the UN on an acceptable Charter of Economic Rights and Duties of States;
- pursuing discussion with the Latin Americans relating to the concepts of "collective economic security" and "integral development";
- participating in the Meeting of Foreign Ministers Working Group on Principles Applicable to Transnational Enterprises to develop principles relating to the behavior of corporations and governments which are responsive to Latin American political needs and U. S. concerns for legal protection;
- engaging in discussion with the Latin Americans directed towards identification of common fiscal and tax problems with a view towards conclusion of bilateral or multilateral income and estate tax treaties.

III. Increase its consultation with nations of the Hemisphere by:

- undertaking discussions at a high level in order to adjust and coordinate U.S. positions with those of Latin America in the multilateral trade negotiations to the greatest extent feasible;
- establishing mechanisms for regular meetings of equivalent U.S. and Latin American policy bodies;
- engaging in broader consultations with Latin American countries on global problems in general and particularly before major international conferences on such subjects as Law-of-the-Sea, World Food, and World Population, including the exchange of viewpoints, the establishment of coordinated positions and, where appropriate, the creation of consultative machinery;
- discussing with the Latin Americans coordinated approaches to the worldwide problems of access to markets and supply of raw materials;
- cooperating closely with the Latin Americans in discussion of monetary reform in the Committee of 20 and on other appropriate occasions.

IV. Cooperate in the development of the nations of the Hemisphere by:

- supporting as a minimum the current level of bilateral and multi-lateral assistance to Latin America, at least through FY 1975; and promptly addressing the FY 1976 program in the context of these policy guidelines;

- encouraging the Meeting of Foreign Ministers Working Group on Science and the Transfer of Technology to stimulate useful transfers of technology drawing on the private as well as the government sector;
- consulting before any action is taken by the U. S. Government which would substantially affect in a direct and specific way the economies of the nations of Latin America, except when prevented by overriding considerations;
- making every effort within statutory limitations to avoid imposition of new restrictions on access to the U. S. market by Latin American nations;
- continuing efforts for rapid passage of the Trade Bill, including provision for generalized preferences and supporting items the Latin Americans request for inclusion in the U. S. product list wherever possible;
- preparing concrete proposals for sharing research for development of energy resources with Latin American nations;
- supporting arrangements in the IDB and other international financial institutions for recycling oil producers' surplus funds and providing development assistance to cushion the impact of the energy crisis on the developing nations of the Hemisphere;
- pursuing within appropriate inter-American and other bodies proposals for study of the needs, priorities and modalities of resource transfers;
- working with the Latin Americans in the Committee of 20 and the IDB to resolve problems and impediments connected with access to capital markets of industrialized countries.

V. Encourage reshaping of the Inter-American System by:

- taking a positive posture in meetings of the Special Committee to Restructure the OAS with regard to Latin American proposals for new principles;
- seeking simplification, modernization, and a more even balance of responsibilities in OAS institutions, including the Special Committee for Consultation and Negotiations.

The President has directed that the appropriate agencies prepare implementing steps to give effect to the foregoing decisions. The President also directs that the NSC Under Secretaries Committee establish a watching brief to assist in the coordination of these steps where necessary and that it report its progress to the President not later than September 30, 1974. In carrying out these functions, the NSC Under Secretaries Committee should coordinate closely with the CIEP Operations Group.

  
Henry A. Kissinger

cc: Director, Office of Management and Budget  
Counsellor to the President for Economic Policy