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Analytical Summary of an Options Paper

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Nota de Archivo: *Washington. Source: National Archives, Nixon Presidential Materials, NSC Files, NSC Institutional Files (H-Files), Box H–48, Senior Review Group, Chile (NSSM 97), 10/29/70. Secret; Sensitive. Vaky drafted this analytical summary of the State–Defense Options Paper. In an October 28 covering memorandum to Kissinger, Vaky noted, "You do not need to make any substantive decisions at this meeting, and I would recommend that we not spend too much time trying to 'perfect' the paper. It has too many problems. The main purpose of the meeting is to see whether there are any major disagreements in the assumptions and objectives and that the major proponents of the two options presented feel they have had a fair hearing. It would also be useful to point out some of the hard questions that can be asked and have not been." (Ibid.) The full text of the Options Paper is published in Foreign Relations, 1969–1976, vo*

Analytical Summary

Options Paper for NSC Discussion

NSSM 97—Chile

The State/DOD paper posits assumptions about an Allende government and its future course, states U.S. objectives in the light thereof, and then describes options for achieving them.

I. Assumptions

These do not vary greatly from previous papers. The judgment is that Allende will seek a socialist state; will have an anti-U.S. bias and will work against us to eliminate our influence; will establish linkages with the USSR, Cuba and other socialist states.

The paper assumes that he will have domestic opposition, internal tensions within his coalition, and economic difficulties. It further assumes Allende will work diligently and purposefully to overcome all of these obstacles.

It assumes that Allende will be pragmatic in his tactics and will move carefully. He may not radicalize very fast. He will, at the outset at least, wish to maintain his international credibility as a responsible debtor and borrower, and as a responsible sovereign power.

It assumes that U.S. domestic sectors will watch the Chilean situation carefully; so far our handling of the situation has been supported. If Chile becomes overtly hostile, there will be no adverse reaction in some areas of the public, the press and Congress.

The judgment is that other Latin American and European nations will not be overtly hostile; they will accept the Allende government in regional and multilateral organizations; and will generally adopt a "wait-and-see" attitude, although there will be private mistrust and suspicion.

II. U.S. Objectives

The following objectives are listed by the paper:

1. The prevention of establishment by the Allende government of an authoritarian Marxist regime, prevention of the regime's falling under Communist control, and prevention of its influencing the rest of Latin America to follow it either as a model or through its external policies;

2. To act as a counterpoise to Soviet influence;

3. To protect U.S. economic interests; and

4. To protect U.S. security interests.

The foregoing is the exact excerpt. There is no elaboration of what 2, 3 and 4 mean precisely.

III. Options

The paper poses as general propositions that:

—we should have a "restrained, deliberate attitude" toward Chile, in order "to keep our influence" in Chile and maintain "flexibility and initiative" to exploit opportunities;

—events in Chile will be determined principally by internal Chilean forces; therefore, we can have only marginal effect;

—the skillful exercise of our influence, nevertheless, can be important in complicating Allende's task;

—the negative use of our influence—by which the paper apparently means unprovoked hostility—would enable Allende to rally support;

—on the other hand, a passive attitude would discourage and confuse Allende's opponents, leave the initiatives in his hands, and risk adverse U.S. domestic reaction.

The paper then lists two options:

Option A: (State) Outwardly correct, no hostile initiative which Allende could turn to his advantage; act quietly to "limit the Allende government's freedom of action."

This option is premised on the hypothesis that (a) domestic obstacles and difficulties will be great, and (b) that overtly hostile acts initiated by us will work to Allende's advantage. The paper argues that by depriving Allende to the extent of the benefit of blaming us for his problems we will limit his prospects of consolidating power.

This option is illustrated by an extensive list of courses of action. These would:

—involve hostile covert activities (see below);

—reducing presence but maintaining activities such as Peace Corps and NASA, if Allende requests it;

—apparently no bilateral economic aid, except food for peace and the Ambassador's discretionary development fund, but handle Chilean requests through international institutions on their merits;

—apply the same criteria to debt renegotiation we would apply to others;

—discourage private investment;

—react firmly to expropriation and seek compensation;

—maintain military assistance;

—publicize weaknesses of communist system; and

—"quietly maintain consultations" with other countries, but avoid actions to unite them with Allende.

Option B (DOD) Act deliberately and not over-react; maintain flexibility; but let everyone know we are opposed to communism and to Allende.

This option is also illustrated by a list of courses of action. These are not very different from Option A. It would utilize covert action, apply specified legal sanctions and pressure if Allende takes acts such as trade with Communist countries or expropriates U.S. property with-out compensation; and continue military aid.

It proposes some other actions, whose relevance is hard to see, such as maintain surveillance on Chilean ships going through the Panama Canal, sell F–4's to Argentina, seek NATO's support for our Western Hemisphere "security interests".

One major difference is that we would publicly state our hostility in a general statement, and assume publicly from the outset that the Allende government is a Communist government.

The above two options are essentially the same ones that we considered at the last SRG meeting.

In addition, there is a CIA annex, outlining a covert action program to hamstring Allende and "play for the breaks." These are essentially tactics aimed at splitting Allende's coalition, strengthening domestic opposition, keeping influence with the military. This "game plan" could be used with either Option A or B.

Option A is clearly concerned primarily with avoiding overt hostility and "triggering" stronger anti-U.S. reactions. It is designed to provide a framework within which Allende can make his own mistakes and not find an excuse to escape their consequences. It is premised on the belief that if left to operate, domestic obstacles will probably be too great for Allende to overcome. A good question is whether this premise is correct; it was judged in the assumption section of both this paper and NSSM 97 that Allende had the capacity to overcome his problems if left to his own game plan.

While Option A poses pressure on Allende to exacerbate his problems, this is largely on the covert side. The question can be asked whether the overt action programs—which largely accept and accommodate to his actions—do not contradict the purpose of the covert actions. Essentially, Option A seems to be an accommodation posture which would "play things by ear." It also assumes that Allende should prove his unacceptability rather than prove his acceptability, and give him the benefit of the doubt.

Finally, it is not clear that we could avoid confrontation anyway. Any move by Allende toward recognition of North Viet Nam or confiscation requires us to react in some way. We may therefore be required to confront, the only question being whether he sets the pace or we do.

Option B seems likely to be even more ineffective. Its courses of action are not really much tougher—they only sound that way. Almost everything suggested is a reaction to something Allende does. It does not pretend to be tough when it touches on DOD interests—military assistance—[1 line not declassified]. The trouble with Option B is that it would have us talk tough. Hence we risk the worst of both worlds—none of the advantages of a cool, correct posture and all of the disadvantages of a hostility based on words.

IV. Issues For Decision

It seems to me that the questions that should be asked are the following:

A. Do we have to be hostile?

No one pretends that Allende is going to change his goals voluntarily or that he would negotiate their modification to get something from us. A U.S. policy of trying to reach a modus vivendi with him will not deter Allende from his anti-U.S. policies if he wants to pursue them. We are therefore led to conclude that only some kind of adversary strategy promises to contain or deter the adverse impact of Allende policies.

B. What kind of an adversary strategy do we have to have and what degree of hostility?

It is generally agreed that we do not have the leverage or capacity to engineer his overthrow—at least under present circumstances. The question therefore is whether we can take action—create pressures, exploit weaknesses, magnify obstacles—which at a minimum will lead to his failure or force him to modify his policies, and at a maximum might lead to circumstances where his collapse or overthrow may be more feasible. This appears to be the most indicated tactical objective to serve the larger conceptual objective described in II above.

C. How overt should our hostility be? Should we take the initiative or should we react to his actions?

This is the real issue between the two options. The disadvantages of overt hostility are persuasive. A hostility made visible and initiated by us would clearly benefit Allende and blunt the effect of other pressure. It is therefore fair to conclude that we are in a much better posture if we maintain a “correct” public posture and avoid public hostility.

D. What constitutes overt hostility?

This is the issue as regards the various action programs. State’s propensity is to regard any measure which is cold as hostile, and these are not necessarily the same. For example, State argues that not to send a Presidential congratulation is overtly hostile. The trouble with this position is that this plays to Allende’s game plan and legitimizes him. This is surely a useful distinction between coldness and actively hostile measures, such as freezing Chilean assets. Moreover, we should note that we are not going to kid Allende if we act nicely on the surface and try to overthrow him covertly.

My own personal conclusion is to come down once again in between A and B for a policy that maintains an overtly correct policy, avoids initiating actively hostile acts, and maximizes pressures. The purpose is not to try and fool him into thinking we like him—he knows better; it is to give him no excuse to retaliate and no political benefit from a publicly hostile U.S. posture.