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Memorandum From the Chairman of the Interdepartmental Group for Inter-American Affairs (Meyer) to the President's Assistant for National Security Affairs (Kissinger)

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Nota de Archivo: *Summary: The attached study, prepared in response to NSSM 97, discussed the international and domestic implications if Salvador Allende won the upcoming September 1970 Presidential election. Perhaps most directly, the repudiation of the Chilean Government debt of $700 million to the U.S. Government was cited as one of the key threats to U.S. interests should Allende be elected. The study concluded that while Allende would be cautious initially, he would ultimately pursue socialistic economic policies and display a strong anti-United States animus. Source: National Archives, Nixon Presidential Materials, NSC Institutional Files (H-Files), Box H–48, Senior Review Group, Chile (NSSM 97), 10/14/70. Secret; Sensitive. A copy was sent to the Under Secretary of State, the Chairman of the JCS, the Director of Central Intelligence, Packard, Haig, Lynn, Kennedy, and Vaky. For the text of NSSM 97,*

Chile—Response to NSSM 97

In accordance with the instructions of NSSM 97 of July 24, 1970, enclosed is a review of U.S. policy and strategy in the event of an Allende victory in the Chilean Presidential elections. It was prepared by the IG/ARA at the request of the Under Secretary for Political Affairs.

NSSM 97—CHILE

This paper addresses the policy and strategy questions that would arise for the United States in the event of an Allende victory in the

Chilean Presidential elections. It is not intended to suggest anything regarding the chances of such a victory.

I. LIKELY POLICIES AND GOALS OF AN ALLENDE ADMINISTRATION

A. Domestic: Destruction of the Right and Establishment of Control

The election of Salvador Allende would bring to power political forces with the ultimate goal of establishing an authoritarian Marxist state. Long-term goals of an Allende administration would thus include the suppression of free elections, the state ownership of all or almost all business enterprises, the establishment of state farms, and the imposition of police-backed labor discipline.

Allende, an adept and experienced politician who seems to share the caution of Chile's Moscow-leaning Communist Party, would almost certainly move gradually and with great care toward these goals. Within the first few years of his administration, however, we would expect to see him attempt to defuse, dismantle, or destroy various groups and institutions which currently stand between him and his objectives.

In the political sphere, his administration will waste little time in attacking the conservative National Party through its economic bases, and in attempting to split the Christian Democratic Party by wooing that portion of it which favors some of his programs. Should Allende succeed in overcoming effective political opposition, he would then move toward some of the institutional restructuring—establishment of the promised unicameral "People's Assembly," subordination of the judiciary to political control—required for the achievement of his ultimate goals.

In the economic sector, we would expect Allende first to move toward carrying out his platform's promises to expropriate basic industries, with the copper companies, petroleum distributors, and banks at the head of the list. The imposition of strict controls, focusing on consumer prices and foreign exchange, would also be part of his early program, as would a variety of tax measures and credit restrictions aimed at crippling or destroying the major private enterprises. Reasonable success in these attempts would probably be followed, still in a cautious manner, by a widening in the scope of measures to bring the economy under the complete control of the state. As governmental control of commerce and industry widened, labor freedoms would be increasingly restricted, with the long-range goal being their entire elimination.

An Allende administration would place heavy emphasis on a sharp and rapid expansion in government-provided social services, hoping thereby to win public support and disarm the opposition. Measures would include intensified housing and public-works programs, and expanded educational and public-health efforts. Agrarian reform would probably receive considerable emphasis with the dual purpose of gratifying the rural masses and destroying the political and economic power of the major landowners.

It is with regard to the security forces that Allende would exercise the greatest caution of all. Initially he would attempt to set aside suspicions, with the short-term goal of neutralizing the Armed Forces and the Carabineros. To this end, he would almost certainly move to improve military pay, benefits, and equipment. The prerogatives and traditional practices of the President as Commander in Chief would enable him not only to name a Defense Minister and service chiefs politically sympathetic to him, but to begin by careful use of promotions and assignments to remove military leaders thought to oppose Popular Unity. Over time, Allende would be attempting to achieve the support of the Armed Forces for his programs. Some restructuring of their organization could occur in the process, and an attempt to establish a counter-balancing "People's Militia," or alternatively to convert the Armed Forces into something similar, could eventually be made. The length of Allende's quest for the presidency and the Communists' almost pathological fear of a military crackdown, however, both would almost certainly lead an Allende administration to move, at least initially, with prudence in its dealings with the Armed Forces, and an Allende administration would quickly back off in this period should military sensitivities begin to appear aroused. Indications of an Allende administration's immediate intentions with regard to the Carabineros are limited to a pledge to disband the Mobile Groups, crack civil-disturbance units long targeted by the Chilean left as a primary arm of repression.

B. Bilateral: Extirpation of All U.S. Influence

Allende would waste little time in redeeming his pledge to expropriate the copper companies, and the prospects would be negligible for compensation acceptable to the companies. He is also pledged to denounce "all treaties or agreements . . . which limit our sovereignty and specifically the treaties of reciprocal assistance, pacts of mutual aid, and other pacts which Chile has signed with the United States." We would also anticipate demands for the removal of the Peace Corps and AFTAC and perhaps even NASA as well. The Ford and Rockefeller Foundations could anticipate similar treatment. Were AFTAC removed, the U.S. military presence in Chile would be limited to a small MilGroup. Although not likely, Allende might permit the MilGroup to remain as part of his policy of restraint toward his own military.

Popular Unity spokesmen, including Allende himself, have stated that they would seek no confrontation with the United States. This statement, however, beyond the fact that it has been made during the electoral campaign, could well mean

something entirely different to Allende than it does to us. Certainly the measures which he has promised to take would raise to a very high level the likelihood, and even the inevitability, of some kind of confrontation. He could well seek controversy with the United States in order to gain support at home. At the same time, we believe he would avoid provoking the United States to take serious action, and would not want to put us in the position of the aggrieved party.

C. International

The Popular Unity platform calls for Chile to “denounce” the OAS and seek a “truly representative” organization. While this could presage nothing more than an attempt to find support for the path on which Chile is already embarked, it raises the possibility of Chilean withdrawal from the OAS. Attempts to foster organizations which exclude the United States would logically follow. In any case, there can be little doubt that an Allende government would promptly establish relations with Cuba, North Vietnam, et al. Attempts to expand trade and cultural relations with socialist countries are also to be expected, and in some cases (including the USSR) would require nothing more than greater use of agreements already in existence.

With respect to intervention in other countries for purposes of subversion, an Allende government would be unlikely to go much beyond the Popular Unity platform’s expression of “solidarity” with “liberation” struggles and with attempts to build socialism. Again, Allende and the Communists are aware of the risks of solidifying hostile hemispheric opinion should Chilean support for insurgencies in other countries become discernible. Although export of revolution, then, will probably be largely verbal, at least in the first two or three years, Allende’s talk of a Cuba-Chile axis from which to “launch” revolution could foreshadow Chile’s becoming a haven and even a training ground for revolutionaries. Bolivia in particular could become a troublesome temptation: Individual Chileans have already been found within Bolivia’s main guerrilla group. This in turn could create serious problems with Argentina and Brazil.

With particular regard to the USSR, an Allende administration would almost certainly seek economic assistance, and possibly even arms (although Allende’s policy of dealing cautiously with the Chilean military would be a restraining factor, especially if Western arms also were available).

As for Allende’s seeking fairly early in his administration a major Soviet presence—military or political-economic—a number of factors make such a policy doubtful. These include Chilean nationalism, concern about possible reaction by the United States and neighboring countries—particularly Argentina—and historic apprehension by some Chilean Socialists regarding the Soviets. Nevertheless, the assumption that Chile would not offer the USSR bases or permit Soviet equipment or a presence remains uncertain.

With regard to Cuba, the Popular Unity pledge to “solidify itself with the Cuban revolution” is unlikely to result in a Chilean attempt to establish a formal military alliance with Cuba.

II. REACTION

A. Domestic

In the pursuit of his goals, Allende would have some important assets. He is a familiar figure in Chile, with a comfortingly bourgeois lifestyle. He is considered idealistic, and his honesty has never been publicly questioned. He is also an experienced and adept politician who first entered Congress in 1937, has served in both houses, was in the cabinet for a time during the first Popular Front government, and first ran for the presidency in 1952. While his relations with the hierarchy of the Socialist Party are poor, he has the backing of the larger, better-organized and better-disciplined Communist Party. The influence of both parties in the media, the labor sector, and the educational institutions is currently strong, and with the leverage and resources of government could become predominant. The sympathy of at least a portion of the Christian Democratic Party for some of his goals—including the expropriation of important industries—would

provide him initially with a congressional majority for parts of his program. As a constitutionally elected president he would enjoy not only the prestige of the office and of his legal accession to it, but also a broad range of constitutional powers and prerogatives. Furthermore, Chile has already moved a considerable distance down the path Allende would want to pursue: the Chilean economy is already heavily statist with respect to basic industry, for example, and Chile's "independent" thrust in foreign policy has already led it to closer contact with socialist countries and exports to Cuba. Timely and effective resistance to his program by the various groups opposed would be handicapped by the many divisions and uncertainties which would exist among them.

In the process of attempting to achieve his goals, however, Allende would have to contend with a variety of groups and factors. The Armed Forces and the Carabineros, for example, have been widely viewed as representing a brake on Allende's plans. We do not believe that any of the security forces would act to prevent Allende from constitutionally taking office: general acceptance of the Marxists as bona fide Chilean politicians, disparate political views within the security forces, and their traditional (if recently weakened) respect for constitutional processes lead us to this view. The Armed Forces, particularly at the higher levels, would nevertheless regard the new president with considerable suspicion and even hostility; and this would be even truer in the case of the Carabineros, who have borne the brunt of Marxist-inspired civil disorders. As we have stated in section I.A. above, we would expect Allende to combine generosity with a careful policy of assignments and promotions in order to allay these suspicions and remove the obviously hostile from key positions. Should he move with sufficient caution and skill, we believe these acts would further decrease the prospects for a cohesive, institutional military move against him.

Nevertheless, such a move, or alternatively a coup by key units banking on the support or acquiescence of the rest of the security forces, would remain a real possibility, and could be triggered should Allende act in outright violation of the constitution or move in a way clearly threatening to the military's institutional interests. The outbreak of widespread civilian opposition to Allende's program could also be a factor in determining military resolve to remove him. In sum, Allende would appear unable to move precipitously against the military or the constitution, but a gradualist approach sufficiently prudent to avoid inciting the military or the civilian political opposition could result in a steady erosion of the military's capacity and will to move against him.

The non-Marxist majority in Congress (which will legally remain intact until March 1973) would also represent a potential stumbling block to the realization of an authoritarian Marxist state. In particular, Popular Unity's call for a unicameral "People's Assembly" is most unlikely to find favor with opposition congressmen looking forward to the continued exercise of office. As a minority president, Allende would be taking a great risk in attempting to use the new plebiscite power to settle a constitutional impasse with Congress. A broad range of other powers would be constitutionally available to him as president, but any attempt by Allende to use them to do away with Congress or govern in defiance of it would be likely to arouse the kind of opposition that would stimulate the military to remove him. By itself, however, Congress might find itself out-maneuvered were Allende to become president and move skillfully and cautiously enough.

Somewhat similarly, Chile's weak and archaic legal system by itself would seem unlikely to provide effective resistance.

In Congress or out, the political parties (except the Communists, whom we expect to adhere to Allende as long as he pursues their program) would offer some potential for resistance, but would have their difficulties in bringing it effectively to bear. Within Popular Unity, the Radicals may well come to resent their minor role and doubtless do not share the more far-reaching of Allende's projected plans; but their well-known opportunism and diminishing strength make them highly susceptible to manipulation. Allende's relations with the Socialist Party hierarchy are poor, but the Socialists may find themselves tempted by the perquisites of power, and in any case are no match for the well-organized, well-disciplined Communists. Among the opposition, the Christian Democrats (PDC), Chile's largest party, could be severely strained by the sympathy with which a portion of it views some of Allende's programs. That portion could find cooperation with

Popular Unity to be a bad bargain, however, and move closer to the PDC's moderate position. The conservative National Party would be seriously weakened by an attack on its economic bases, especially were its access to the media foreclosed, and could find itself finished as an effective political force. In sum, Allende's political opposition, although a majority in the popular vote and in Congress, has lacked the cohesion and leadership to withstand the long-term and well-planned undermining of its strength.

In the labor sector, Allende would probably find that the strong influence of Communists and Socialists, coupled with a large dose of "bread-and-butter" benefits and an unhesitating willingness to use the security forces as required, would enable him to avoid or quash any serious resistance.

Allende could have problems with the economy. Chile's dependence on copper—80% of export earnings in 1969—would probably not constitute a problem, as the world market is expected to remain reasonably firm over the next few years. The principal markets for Chilean copper, Western Europe and Japan, would be unlikely to close as a result of U.S. or copper-company pressure. Furthermore, high copper prices and record Chilean production have given Chile an unprecedentedly high balance of foreign reserves, a comfortable cushion for Allende. On the other hand, action against foreign investment would tend to dry up foreign sources of investment and credit, on which Chile has been heavily dependent. Soviet assistance, were it forthcoming, could off-set this problem, if only partially. The country's decades-old inflation (currently running in excess of 30%) is Chile's most keenly felt issue. Allende can diminish the effect of inflation by total management of the consumer economy, including price control. Therefore, it is not likely that inflation as such need increase under his administration.

B. International

Many OAS member governments would feel concern at the victory for the radical approach which Allende's election would represent. They would expect the United States to take a hostile posture, but despite their concern, the great majority would probably prefer that we adopt a live-and-let-live approach that would avoid any suggestion of intervention in Chilean affairs. Some countries that might well dislike an Allende government in Chile—such as Mexico, Colombia, Venezuela, and Costa Rica—would probably resist any attempt to mobilize OAS action against Chile. Even Argentina, which clearly figures to be the most apprehensive and opposed of all, would probably not want to intervene unilaterally, and reportedly has not ruled out the possibility of a modus vivendi with an Allende government. Brazil, lacking common borders with Chile, would probably share Argentina's antipathy toward Allende but not her concern. Peruvian-Chilean mistrust is deep and of long standing, but President Velasco is publicly and categorically committed to the right of each country to "select its own model for development". Bolivia, even if still governed by a self-described "nationalist leftist" regime, would be most suspicious of Allende's calls for revolution, and should Chilean membership in Bolivia's guerrilla group reach important numbers, Bolivia could come to favor some kind of action against Chile.

Cuba would clearly welcome an Allende victory, and Fidel Castro would doubtless hope to find in Chile a useful ally in his attempts to discredit the OAS and exacerbate relations between the United States and the Latin American countries. Mutual expressions of solidarity would be accompanied by efforts to expand trade and cultural relations.

The USSR would also welcome an Allende victory, but would take a cautious approach. It would wish to avoid becoming over-committed to a coalition government of uncertain future, and would be at least as fearful as Allende and the Chilean Communists of provoking either the Chilean military or the United States. While attempting to appear responsive to the development needs of a "revolutionary democracy," the USSR would probably therefore keep any assistance to Chile at a moderate level, at least until the course of the Allende government were clearer and its continued survival reasonably assured. Nevertheless, the advantages of having a foothold in South America could be very tempting to the USSR.

III. THREATS TO U.S. INTERESTS

In examining the potential threat posed by Allende, it is important to bear in mind that some of the problems foreseen for the United States in the event of his election are likely to arise no matter who becomes Chile's next president. All three candidates have expressed unhappiness with the OAS resolutions on Cuba, and Tomic's domestic platform, including the nationalization of such basic industries as the U.S. copper companies, is quite similar to that of Popular Unity. While Alessandri has pledged to honor the existing copper accords, he is capable of reversing himself should it prove politically expedient, and further pressure in this regard is inevitable. Nevertheless, the prospects for acceptable compensation would be significantly better under Tomic or Alessandri, and neither of these two would take up the anti-U.S., pro-Soviet line foreseen for Allende.

A. Within Chile

We identify no vital U.S. national interests within Chile. Beyond our interest in the survival of democracy there, we have more tangible interests in Chile's substantial indebtedness to us, in acceptable treatment of existing private U.S. investment (notably the copper companies), in the market for $300 million per year of U.S. exports to Chile, in the AFTAC installation, and the NASA installation. As indicated in section I.A. and I.B. above we would anticipate varying degrees of danger to these interests under an Allende administration, with the copper companies most obviously threatened and our exports least jeopardized. The Chilean public's favorable interest in the space program would provide some hope for the survival of the NASA installation, and even the AFTAC installation, if properly and promptly explained, might weather the advent of an Allende government; the French nuclear tests are ill-received in Chile.

B. International

The United States has no vital strategic interest which would be threatened even by the establishment of an enlarged Soviet presence in Chile. Nevertheless, expansion of that presence could take many forms, some of which might improve Soviet strategic positions to an extent as yet impossible to judge. These would include more extensive, possibly unlimited utilization of Chile's unique geographical location in support of the Soviet space and FOBS programs. Refueling and reprovisioning of Soviet ships, already accepted as a commonplace in Chilean ports, could be expanded to support a Soviet naval presence in the area. The Soviets reportedly have started supplying informational material (much of it innocuous or unrelated to military matters, some more applicable) to Chilean Navy officers. This cultivation and increased offers of cooperation in various naval activities and in oceanographic research and fishing would be useful to Soviet maritime activities without the establishment of bases. Because of the caution which we estimate would characterize both sides of Chilean-Soviet relations, we consider the establishment of Soviet military bases unlikely, certainly in the short (2–3 years) run.

Whatever the military considerations, an Allende government would create considerable political and psychological costs. The election of Allende would certainly bring a destabilizing factor to hemispheric cohesion on such matters as Cuba, subversion, development assistance, and the role of the United States in hemispheric affairs. While, as we noted earlier, we judge the prospects for actual Chilean intervention in other countries to be quite limited, the establishment of an Allende government calling for revolution in the hemisphere, reestablishing full and close relations with Cuba, and "denouncing" the OAS would provoke the hostility of some governments and the apprehension of others. Under such circumstances the OAS could come to find itself in crisis, with some governments favoring some form of response to the Chilean challenge and others hewing to the Latin American tradition of non-intervention. Depending on the degree of Allende's finesse, some might be attracted to follow in his efforts to weaken the OAS and work through exclusively Latin American organizations. The internal stability of some countries would also be affected if, for example, Marxist elements encouraged by the Allende example (see below) were to step up the scope and pace of their efforts, as they probably would.

Were Allende to become Chile's next president, his victory would undoubtedly provide Marxists everywhere with an enormous boost in morale and in propaganda effectiveness, particularly because he would have been chosen constitutionally. An Allende victory would inevitably be seen around the world and within the United States as a definite set-back to U.S. interests and aspirations and would be exploited as such by our adversaries. As an example of a Marxist-Leninist state, Chile under Allende would doubtless inspire Marxist elements throughout the hemisphere, and the result could be an increase in pressure on the region's more moderate governments. Private foreign investment, already under attack now, would be a particular target for such pressure. We note, nevertheless, that Chile as an example would be unlikely to find any effective hemispheric imitator, at least for some time: the strength, skill, and freedom of action of Chile's Marxist sector are unique at present in the region.

The influence that Chile as a Marxist-Leninist state could wield is subject to further limitations. As we have stated, the addition of another Marxist voice to the hemispheric dialogue seems certain to increase tensions. As a regional leader, however, Chile has enjoyed influence out of proportion to her size and strength because of her credentials as a genuine democracy committed to an independent foreign policy. To the extent that Chile under Allende might become identified as just another mouthpiece for Moscow, her ability to persuade others would be correspondingly diminished. Similarly, the economic difficulties that we foresee Allende encountering in fairly short order would limit the "model effect" of Chile.

IV. THE ISSUE

In sum, we would expect an Allende government to move gradually and cautiously toward the establishment of an authoritarian Marxist state. To this end, it would seek to destroy, neutralize, or obtain the support of the various groups and institutions which might block its progress. Some groups, most notably the security forces, would be watching Allende closely, and could move to overthrow him if he were seen flagrantly flouting the constitution or threatening the military's institutional interests. Divisions and uncertainties within and among these groups, however, mean that a sufficiently gradualist and skillful approach by Allende could avoid provoking the military almost indefinitely. On this basis, time would enable Allende to entrench himself ever more firmly in power.

Internationally, we see as one of Allende's goals the extirpation of U.S. influence from Chile. While we expect him to try to avoid a serious provocation of the U.S., his promised actions, including the expropriation of the U.S. copper companies, raise to a high level the probability of some kind of confrontation with us. We take at face value Allende's platform promises to "denounce" the OAS, to intensify relations with socialist countries and to establish close ties with Cuba. Expansion of the Soviet presence in Chile could occur in many different ways, but we believe the establishment of a major permanent Soviet military presence to be unlikely but not impossible. We also believe Allende would probably—and almost certainly in the period in which he was trying to consolidate himself—avoid the risks of discernible Chilean subversion in other countries.

Regarding threats to U.S. interests, we conclude that:

1. The U.S. has no vital national interests within Chile. There would, however, be tangible economic losses.

2. The world military balance of power would not be significantly altered by an Allende government.

3. An Allende victory would, however, create considerable political and psychological costs:

a. Hemispheric cohesion would be threatened by the challenge that an Allende government would pose to the OAS, and by the reactions that it would create in other countries. We do not see, however, any likely threat to the peace of the region.

b. An Allende victory would represent a definite psychological set-back to the U.S. and a definite psychological advance for the USSR and the Marxist idea.

The issue that the foregoing analysis poses is this: what can and should the U.S. Government do to limit or to prevent the clearly negative effects of an Allende government on our interests in Chile, the hemisphere, and the world?

V. OPTIONS

A. Make Conscious and Active Effort to Reach Modus Vivendi

1. Stance—This option would assume that there is some chance for reaching a satisfactory modus vivendi with an Allende government, and would accept the will of the Chilean electorate as constitutionally expressed following free honest elections. We would take the initiative in expressing to the Chilean government our desire to have the best possible relations consistent with our legislative restraints, and our willingness to consider on their merits reasonable Chilean requests for assistance, either bilateral or multilateral. We would take no initiative to terminate or reduce any bilateral assistance programs. Recognizing differences in outlook, we would do our utmost to sidestep potential confrontations, e.g. over expropriation of the U.S. copper companies.

2. Advantages—This option would bolster the credibility of U.S. respect for the democratic process, and would emphasize U.S. willingness to try to get along with governments of different ideological viewpoints. By taking the most positive possible approach, we would be encouraging Chile to remain in the hemispheric structure and undercut those seeking to move Chile closer to the USSR. We would also avoid casting the U.S. in the role of a great power taking harsh measures against a weak, poor, and distant neighbor. This stance would show, in Chile and out, that we are prepared to give Allende a chance and that we don't have an automatically negative response to pre-electoral positions of Latin candidates for office. It would thus minimize Allende's opportunities to seek support by claiming "imperialist" pressure.

This option could blunt charges that we pushed Allende into the Soviet embrace, which could be significant in terms of our relations with the other countries of the hemisphere and in other sectors of opinion. It also could increase the chances of maintaining a U.S. presence in Chile. Finally, it does not rule out the possibility of subsequently adopting some other option should developments make such a move desirable.

3. Disadvantages—One disadvantage of this option is that there is no evidence that Allende has any interest in achieving a modus vivendi. He would not be deterred from taking measures that would force us to abandon this posture. The option might be interpreted, in Chile and out, as support for Allende, thus discouraging his opposition. In the highly unlikely event that Allende were to accept, it would make it easier for him to establish himself, and the longer he is in office, the more difficult it will probably be for oppositionist elements to move effectively against him. This option could also make the U.S. appear impotent in the face of, or indifferent to, Allende's known objectives, and equally indifferent to the possible establishment elsewhere of similar governments encouraged by the Allende model. It would be necessary (and in some instances impossible) to stretch to their limit U.S. legislative provisions restricting U.S. assistance to Chile if as we expect Allende expropriates U.S. property without compensating and if he establishes diplomatic and trade relations with Cuba, North Korea, and North Vietnam.

B. Adopt a Restrained, Deliberate Posture

1. Stance—This option would be posited on the belief that a satisfactory modus vivendi is impossible, that confrontations are inevitable, and that it is in U.S. interests to respond to them in a deliberate way which avoids over-reaction and maintains flexibility against future contingencies. Such a stance would be cool and correct and would recognize Allende's constitutional status. We would receive calmly any Chilean request for the removal of personnel or the termination of programs, and carry out the request expeditiously and as gracefully as possible. In the absence of such requests we would let existing programs wind down. Personnel connected with any program would depart when the program ended, and there would be no new starts in bilateral assistance. In our reaction to anti-U.S. measures, for example the expropriation of the

U.S. copper companies, the presumption would be in favor of avoiding in the early stages a rigid response but not to foreclose the adoption of such a response should developments warrant it. Our position in the multilateral agencies regarding Chilean requests for aid would be keyed to the foregoing factors. We would try to concert with other countries of the OAS regarding Chile, but would not forego our right to independent decisions. In every instance, the keynote would be flexibility.

2. Advantages—This option would convey the appearance of greater firmness (than in Option A) in the face of what would widely be viewed as a set-back, and at the same time would avoid, as would Option A, the political risks of intervention. Moreover, this option would afford flexibility, as it could be softened to Option A or hardened to Option C as circumstances warranted. Consequently this option is much more directly controllable by us than Option A. Additionally, it would avoid the appearance of support for Allende, and at the same time limit somewhat his opportunities for obtaining support by claiming “imperialist” pressure. Finally, consultation with our neighbors would help underscore our commitment to the collective approach whenever possible.

3. Disadvantages—This option would not deter Allende from an anti-U.S. course and would provide him some basis for increasing his support by claiming “imperialist” pressure: the stance would contrast markedly with the high level of aid given Chile during the early years of the Frei administration. It could strengthen the hand of the hardliners in the Chilean government, and might facilitate the movement of Chile into the Soviet orbit.

C. Seek to Isolate and Hamper Allende’s Chile

1. Stance—This option would be premised on the assumption that Allende’s programs could be severely hampered, leading to his possible eventual failure (but not his overthrow) through economic sanctions and other measures short of the use of force or direct intervention. This premise would subsume the desirability or acceptability to us of a frankly, explicitly hostile U.S. posture. We would on our own initiative promptly terminate military and economic aid programs, pull out aid and military missions, and sharply reduce the U.S. Embassy presence in Chile, perhaps to the point of breaking relations. We would freeze Chilean assets in the U.S. Our economic measures would follow the Cuban program, e.g. an embargo of all trade between Chile and the U.S. and the severing of transportation links. We would seek—or preferably support—an OAS expression of concern or indictment about Chile’s actions, and if the atmosphere were conducive, seek or support the exclusion of Chile from the OAS. In other international forums, we would adopt an explicit adversary position against Chile. We would use our influence in multilateral agencies and with other public and private sources of credit in order to deprive Chile of financial resources, and we would seek the cooperation of others to this end. We would also seek to deprive Chile of markets, especially for copper.

2. Advantages—This option might deter Allende in his course, might weaken him, and might even cause him to fail. It would be psychological stimulation to dissident elements in Chile, and could deter the establishment of similar regimes elsewhere. Of the activist options it is the least costly politically, and pursuing it as part of an OAS decision or in concert with some OAS members would further reduce the political costs.

3. Disadvantages—The odds are considerably better than even that this option would be ineffective in deterring Allende in his course, weakening him, or causing him to fail. It would provide him with an ideal “foreign-devil” issue with which to obtain support from Chile’s strongly nationalistic public, and would facilitate the movement of Chile into the Soviet orbit. It would both fail of OAS support and, by dividing the organization, fit Allende’s hopes of destroying its effectiveness. We would be very unlikely to obtain the agreement of Western Europe and Japan (Chile’s principal markets for copper) to an economic-denial program. The option would undercut the credibility of U.S. respect for the democratic process, and would be viewed with concern by many Latin Americans and some governments.