DECLASSIFIED // SECRET; SENSITIVE

Analytical Summary by Viron P. Vaky of the National Security Council Staff

Identificador Archival:	frus:frus1969-76ve16/d34
Agencia Emisora:	NSC / Casa Blanca
Fecha del Documento:	1970-11-03
Colección / Serie:	FRUS 1969–1976, vol. E-16: Documentos sobre Chile, 1969–1973

Nota de Archivo: *Summary: This analytical summary of the options paper prepared for the November 6 NSC meeting (Document 33) examined the U.S. assumptions and objectives presented and provided a detailed evaluation of the various strategies introduced in the paper. Source: National Archives, Nixon Presidential Materials, NSC Files, NSC Institutional Files (H-Files), Box H–29, NSC Meeting, Chile, 11/6/70. Secret; Sensitive.*

ANALYTICAL SUMMARY OF OPTIONS PAPERFOR NSC DISCUSSION

NSSM 97—Chile

I. Assumptions

The paper assumes that the Allende Government will:

—seek to establish an authoritarian socialist state in Chile; have an anti-US bias and work against us to eliminate our influence in Chile and in the Hemisphere;

—establish linkages with the USSR, Cuba and other socialist countries, although trying to avoid dependence on the Soviets;

—face domestic opposition, internal tensions within the Marxist coalition, and economic difficulties, at least in the first two years. The paper assumes Allende will work diligently and purposefully to overcome these obstacles;

—move carefully and be pragmatic. Allende may not radicalize 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.

The paper further assumes that:

—US domestic sectors will watch the Chilean situation carefully; so far, our handling of the situation has been supported. However, if Chile becomes overtly hostile, some adverse reaction can be expected from the public, press and Congress.

—Other Latin American and European nations will not be overtly hostile; they will accept the Allende Government in regional and multilateral organizations, and generally adopt a “wait and see” attitude, though there will be private mistrust.

II. US Objectives

The State Department recommends that no objectives be set until after NSC discussion of the feasible means available to the US for influencing events in Chile.

DOD recommends the following objectives: (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 US economic interests, and (4) to protect US security interests.

III. Options

The paper suggests that there are four possible strategies which could be considered:

Option A—Treat Chile as we do communist nations that seek independence from the USSR (Modus vivendi)

The basic premises and judgments of this option are:

—There is nothing that we can do short of armed force to bring Allende down.

—The course of events in Chile will be determined primarily by Allende and internal factors.

—Internal pressures favorable to our interests can best be fostered by maintaining as much US presence and influence in Chile as possible. Therefore, we should not take initiatives which would isolate us from Chile or force Chile into dependency on USSR.

—We should react to what Allende does rather than what we fear he may do; to the extent we initiate hostile policies, we will strengthen Allende's position.

The objective of keeping a presence and relationship in Chile is the anticipation that over the long run things may mellow or opportunities may present themselves for constructive influence to be exerted.

Tactically we would maintain correct relations; we would not reduce or terminate programs or personnel except in reaction to steps by Allende. We would avoid public pronouncements and try to keep Allende uncertain about our attitude. We would maintain close consultation with other Latin American governments.

The keynote of this option is maintenance of a presence and contact as the central purpose of our policy rather than exerting pressure to force change or collapse.

Option B—Maintain outwardly correct posture, refrain from initiatives which Allende could turn to his own political advantage, and act quietly to limit his freedom of action.

The basic premises and judgments of this option are:

—The Allende Government will face significant economic and political difficulties which will be obstacles in its path toward achieving its Marxist goals.

—Overt hostile actions initiated by the US would work to Allende's political advantage both in Chile and in Latin America.

The objective of this option is to limit the Allende government's opportunities to consolidate itself but without giving it popular political issues to exploit. It would be an initial short-term policy which would be reviewed in light of developments to determine if other options are called for.

Tactically, we would maintain correct relations and would maintain the minimum official presence required to attain our objectives. We would suspend replacements for the Peace Corps unless Allende asked for a continuation of the program, continue NASA and other scientific operations unless Allende asked for their removal; we would continue disbursements

on the $30 million pipeline, but sign no new loans and generally wind down AID programs and staff, concentrating mostly on people-to-people programs. We would retain Chile in Ex-Im Bank's worst risk category, not encourage private investment, but examine Chilean loan requests in international institutions on their merits. We would continue military assistance on a selective basis unless Allende requests termination, discreetly encourage selected political opponents of the Allende Government, and while maintaining consultations with other Latin American governments refrain from acts which would unite them with Chile.

The keynote of this option would be flexibility.

Option C—Maintain an outwardly correct posture but make clear our opposition to the emergence of a communist government in South America; act positively to maintain the initiative vis-à-vis the Allende Government. (Cold, correct public posture and non-overt pressure)

The basic premises and judgments of this option are:

—A satisfactory modus vivendi is impossible and confrontations are inevitable.

—That it is in our interest to avoid overt reaction and maintain flexibility but most importantly to retain the initiative while denying flexibility to Allende.

—It is also in the US interest to make our opposition to a communist government in South America known.

The objective of this option is to hold the initiative and gear it to the situation as it develops in Chile.

Tactically we would maintain correct diplomatic relations, but make clear publicly that we would view with grave concern the transformation of Chile into a state hostile to the US. If US-owned property is nationalized, we would react by opposing rescheduling of Chilean debt, opposing Chilean loans in international agencies, discouraging private investment, and applying appropriate provisions of the Foreign Assistance Act. We would maintain military assistance and Missions if Allende reaffirms agreements, but we would be prepared to terminate if necessary. We would recall US vessels currently on loan to Chile if military ties were established with the USSR, and would provide increased military assistance to Chile's neighbors. We would support elements opposed to Allende in Chile, and encourage other Latin American nations to oppose a communist Chile threat.

The keynote of this option is to let Allende pick the public fight and to counter punch. We would exert pressure and stimulate opposition, but would try to do so in ways that avoid giving Allende an excuse to blame us.

Option D—Overtly Hostile Policy

The basic premises and judgments of this option are:

—No satisfactory modus vivendi with Allende is possible; confrontations are inevitable.

—It is necessary to act now to deny the Communists/Socialists the chance to consolidate their power.

—That we must retain the initiative while denying flexibility to Allende.

—It is essential to make clear to Chile, the rest of Latin America and the USSR our opposition to a Communist government in South America.

The objective of this option would be to seek his eventual overthrow or at least his failure, and even if that was not achieved to isolate him.

Tactically, we would be outwardly correct on the diplomatic level, but would declare and publicize our concern and opposition to the Allende Government. We would exert pressures to isolate and hamper him and to encourage opposition to him within Chile. We would on our own initiative take punitive measures—terminate economic aid; reduce our official presence; use our influence to deprive Chile of financial resources in private and international lending agencies; encourage major South American nations to oppose Chile, including use of OAS; try to maintain effective relations with Chilean military, but be prepared to terminateMAP and withdraw Missions if Allende does not reaffirm agreements; provide increased military aid to Chile's neighbors if it develops security ties to USSR.

The keynote of this option is assumption that confrontation is inevitable and we should not wait; we would punch first so as not to give him time to consolidate.

IV. Analysis of Options

There is a fundamental difference between the last option and the first three. Option A concedes Allende's continued existence and concludes that we really have no choice but to relate to that situation. The next three, on the other hand, assume a basically adversary aim—and capacity—to contain or change the situation and flow of events although they vary as to method, intensity and tactical objectives.

The basic difference highlights the importance of our basic perception about the nature of the Allende regime and its prospects. The validity of Option A necessarily depends on the validity of its implicit judgments and premises—viz., we really cannot do anything about the situation, the likelihood is that Allende will not succeed, and an adversary posture will only redound to his benefit.

If these judgments are correct, then this option has the merit of giving us the best chance of maintaining a US presence in Chile and of preserving our flexibility and our options to "play for the breaks." This strategy would also provide Allende the least excuse for seeking Soviet support and presence, and would avoid the danger of our being accused of "pushing" Chile into Russia's hands. It would also raise the least controversy and concern in the rest of the world and hemisphere.

The problem with Option A is that it is not clear that its basic premises are correct. The NSSM 97 paper concluded that the likelihood is that Allende can overcome his weaknesses and opposition and achieve his goals if he has time and room for maneuver. Allende's demonstrated "game plan" so far, in fact, is clearly aimed at gaining time to consolidate himself and to avoiding the pressures our hostility might provide. Therefore, the question is at least raised whether Option A's strategy would not play into Allende's hands, and forego whatever chance there may be for us to intensify his problems in the crucial formative first year. To the extent that Allende accepted our relationship, we might actually help entrench him.

This strategy would also leave the strategic initiative in Allende's hands. If he wants to adopt an anti-US course, the courses of action outlined in Option A will not prevent or deter him. The argument might also be made that this kind of posture may be interpreted as impotence and indifference by the USSR and other hemisphere nations respectively.

Finally, there is the question of whether we can consistently carry out this strategy. Our capacity to sidestep confrontation is limited, given mandatory legislative sanctions we would have to apply in the event of certain actions, and, therefore, we may not be able to avoid an adversary posture.

The Adversary Posture

As noted, the next three options have a basically different perception of the situation—viz., that Allende will follow an anti-US policy, has a basic anti-US bias, and will not find it in his interest to modify his goals just to get along with us; that the likelihood is that he will succeed in consolidating his power and achieving his goals if left to his own game plan; that it is possible for us to sharpen and intensify his problems and weaknesses; that confrontation is inevitable sooner or later; and

that, therefore, only some kind of adversary posture promises to best contain or limit the adverse impact on our interests of an Allende government.

The basic question raised by these judgments is: What can we realistically hope to achieve by an adversary posture?

Experience has demonstrated that we have virtually no capacity to engineer Allende's overthrow in the present situation. The last three options therefore, posit as their minimum goal the creation of pressures and circumstances which might cause or force Allende to fail or to modify his goals and as a maximum the creation of circumstances which might lead to his collapse or overthrow more easily later. A correlative objective is to contain the adverse impact of Allende's policies on our interests in the rest of the hemisphere.

The variations in the three options result from their different responses to these tactical issues:

—which strategy or posture will maximize our chances for achieving our objectives at the least political cost;

—how overt does our adversary posture have to be, and what are the liabilities if it is;

—should we initiate hostile measures or just "counter-punch"?

The value of Option D is that it is straightforward and unambiguous. It leaves no one in doubt as to our position, and avoids the risk that we will be perceived as indifferent or as supporting Allende. It would permit us to concentrate maximum pressure.

The principal disadvantage is that overt hostility initiated by us is the least effective way to project pressure. The punitive public image of this strategy gives Allende the best chance to blunt the impact of our actions by exploiting nationalism and latent fear of "US intervention" to rally domestic support in Chile and international sympathy. He can use the "foreign devil" argument as an excuse for his mistakes and a reason for taking even more radical measures. In short, this strategy is somewhat a counterpart of Option A in that it also risks helping Allende entrench himself.

The proposed courses of action would also almost surely divide the hemisphere and create opposition and suspicion of us in a number of countries. We would undercut the credibility of our claim to respect self-determination and the democratic process. Because the overt style threatens to blunt the impact of our pressure we may incur the disadvantages of public hostility and still fail to have significant impact—the worst of all worlds.

The value of Option B is that it minimizes the liabilities of overt hostility with more certainty, and provides greater flexibility to meet situations as they develop—we are in better position to harden or soften our actions as circumstances may warrant.

The disadvantage is that this strategy is essentially ambiguous and may be internally contradictory. The mixture of measures to hamper him on the one hand and to keep a flexible posture on the other threaten to undercut each other. Thus, we would appear to take measures in some instances to hamper Allende—e.g., covert pressures, reducing bilateral aid—while taking some measures in different instances—maintaining selective US programs—whose effect is to strengthen him and give him legitimacy. One could argue that this option is essentially a compromise, and that the accumulated nuances do not make clear whether it is really an adversary posture or a variation of Option A.

The value of Option C is that it promises precisely to avoid the dangers of overt hostility by maintaining a correct public posture, undertaking hostile measures publicly only in reaction to Allende (the "counter-punch"), but mounting approximately the same non-overt pressures and efforts to intensify internal problems. By thus avoiding giving Allende an excuse to use us as a credible whipping boy, it promises to maximize the effectiveness of such pressures. Moreover, by being cold and correct we maintain a relationship but with minimum award of legitimacy or respectability to Allende.

Its disadvantage is that Allende may still gain some domestic political benefit from the sheer coldness of our public posture, claiming that that is initiated hostility. We would still have difficulty gaining unanimous Latin American and European support or cooperation for our policies, and our public stand of hostility to Communism would be a letter more ambiguous than in the case of Option D. To maintain a correct relationship, moreover, we may have to forego some kinds of pressure in given instances.