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September 4, 1963

MEMORANDUM TO: RAR - Lois Carlisle
FROM: EUR - George Lister
SUBJECT: Comments on Draft Comprehensive Policy Paper for Chile

DECLASSIFIED
E.O. 13292, Sec. 3.5
NLJ/LIS 06-28
By cbm, NARA, Date 12-8-06

The following personal comments on the draft of the Comprehensive Policy Paper for Chile have been set down rather hastily, in order to meet the deadline. Most of the comments are intended more as questions and misgivings rather than as positive assertions, since my knowledge of Chilean affairs is quite limited.

My own feeling is that the draft is very good. It is clear that a great deal of thought, work and care have gone into it. If there is one basic weakness perhaps it is that the paper may be a little too removed from political realities, and thus sometimes given to reasoning and recommendations which appear quite logical on paper but which might not stand up in the day to day, rough and tumble politics of Chile. Most of my doubts concern our thinking as to how to isolate and defeat the Communist Party. Perhaps it would help to put the paper in better focus if our Chilean experts, in recommending certain courses of action, were to provide an estimate of how likely it is that they will be successful. For example, on page IV-1 the paper urges a "medium-term strategy" based on the judgment that if a Radical supported by Liberals and Conservatives were to win the Presidency the circumstances would be "ideal" for him to "move quickly and decisively in critical areas of economic and social importance". What is our sober, professional estimate as to how likely it is such a President would really so move, even with whatever amount of prodding the experts believe we would, in the last analysis, provide? With a few such realistic estimates added to our recommendations it might be possible to attempt an educated guess as to how the Chilean political situation will, in fact, look five or ten years from now, rather than how we would wish it to look or how it ought to look if certain people were to do what we feel they should do.

Perhaps a second weakness is involved in our thinking regarding the Socialist Party and, to some extent, the Christian Democratic Party. I have discussed this at some length in the comments on the individual items. Specifically, I am worried lest, unconsciously or instinctively, we may be leaning too heavily on those political combinations which sound and/or are the most reliably anti-Communist. This may be desirable in some situations, but it also runs the risk of playing into the hands of the Communists, allowing them to increase their hold over liberals and leftists and leaving us with allies who may not necessarily be the most effective opponents of the Communist Party. I am afraid that there may be a tendency in Chile, as there was in Italy, to treat as irreconcilable enemies, or at least to ignore, those parties which, because of ignorance, stupidity, opportunism, resentment, emotionalism, provincialism, tradition, or various other reasons, are now helping the Communists.

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- 2 -

7 We may be seriously underestimating the opportunities for damaging the Communists through the Socialists. I am well aware that it would not be an easy task to separate the two parties in Chile, but frankly I doubt that it would be much more difficult than it was in Italy, where such a maneuver proved successful, resulting in the political isolation of the Italian Communists. As you know, my memorandum of January 9, 1963, discussed at some length the possibility of splitting the Chilean Socialists away from the Communists and the desirability of using Italian Christian Democrats and Socialists to influence Chilean Christian Democrats and Socialists in that direction. If we do favor attempting to split the Socialists from the Communists there are moves we could, and should, make now, without still further delay. We know that there are much better elements among the Socialists than the men around Allende, and we do not have to regard the Socialist Party as a single monolithic entity hopelessly lost to the Communists. The Socialists should be made to feel that the door is always open for them to play a significant role in the democratic area of Chilean politics and to make a major contribution to Chilean democracy, if they will break with the Communists. When we really came to know Italian Socialist leaders we found that they had the most grotesque misconceptions as to our aims and policies in Italy. For one thing, almost all of them were convinced that we had a built-in prejudice in favor of the right and were unalterably opposed to them, as Socialists, and that furthermore we were closely tied to local American financial interests and dedicated to the preservation of the economic, as well as the political, status quo. Are we absolutely certain that Chilean Socialists are better informed as to our policy goals in their country? And in this "operation education" vis-a-vis the Socialists we should remember that it is not only a question of "educating" them but also of really achieving basic economic and social reforms in Chile. Let us try to avoid giving the Communists any unnecessary opportunities for exploiting for their own purposes legitimate discontent arising out of social and economic injustice.

The following are comments on various specific statements appearing in the draft.

page 2 - Is it superfluous to include a brief statement in the second paragraph to the effect that one of our most basic and urgent problems is the reduction of Communist strength and the isolation of the Communist Party? At all events, would it not be preferable to be more specific, in the last complete sentence, as to who is included among the "extremists" of the "Marxist left"? We do not wish to place beyond the pale forever all those who are now helping our enemies.

page 7 - In the first complete sentence, do we mean by "leftist oriented" policies that they simply favor economic and social reforms, or that they also favor the Communist Party, the USSR, etc? In the next sentence would it be somewhat more exact to say that the real drama of the next few years is whether or not the democratic forces, including democratic elements inside the Chilean Socialist Party, can meet the challenge represented by the attempts of the Communists and their allies to exploit widespread discontent for their own purposes?

page 9 - Would it be useful and accurate to state that the Radical Presidential

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SECRET

- 3 -

candidate, Duran, is not really very likely to institute economic and social reforms calculated to reduce Communist power and influence?

page 14 - How does the Chilean Communist Party stand on the USSR-Chinese quarrel? Is there some opportunity for hurting the Chilean Communists in that field?

page 17 - The first paragraph refers to the Chilean Government's agrarian reform program. What do we think of that program? What do we think Chilean workers and peasants think of it?

page III - 1 - I feel strongly that our short term strategy should include attempts to weaken the ties now existing between the Communists and the Socialists and the residue of the PADENA. Since the task will be most difficult we should lose no time in getting on with it. The fact that our tactics vis-a-vis the Communist allies must be governed by discretion and common sense does not mean that we should delay still further.

page III - 2 - Should we include a statement to the effect that our short term tactics with moderates should include continual emphasis on the need for social and economic reforms?

page III - 4 - In item b)2 do we mean that Chilean achievements in social reforms have been significant or are we implying that they will be significant in the future? Does the tactic proposed under item c)1 run the risk of turning the CD against us?

7 page III - 6 - Of all the recommendations contained in the draft I feel this to be the most ill advised. I believe we should encourage the PDC to try to pull the Chilean Socialists away from the Communists without compromising basic democratic positions in domestic and foreign affairs. And, as I stated in my January 9 memorandum, I believe carefully selected Italian Christian Democrats and Socialists could be used to good effect in influencing the Chilean Christian Democrats and Socialists away from the Communists. To "warn the Chilean PDC of the dangers of dallying with the Socialists", as the draft suggests, would, I feel, play into the hands of the Communists. We do not wish to drive the Socialists towards the Communists, but away from them. And the type of Italian Christian Democrat who would be likely to give to a Chilean Christian Democrat the kind of advice the draft suggests would presumably be one of those who opposed Christian Democrat-Socialist cooperation in Italy. The draft proposes to "emphasize the difference in the Chilean situation, where the Socialists are working together with the Communists". But several years ago the Italian Socialists had a formal unity of action pact with the Communists, were consistently pro-Soviet and anti-US, and Nenni, the Socialist leader, had accepted a Stalin Peace Prize from Moscow. The Italian Socialists have since broken the pact with the Communists, the two parties quarrel constantly and publicly, and Nenni has returned his prize. Are we entirely certain that such an evolution is impossible on the part of the Chilean Socialists? Are we sure the Chilean

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- 4 -

Socialists will always prefer to work with the Communists rather than trying to form a government with the Christian Democrats based on sweeping social and economic reforms, domestic political democracy, and a pro-Western foreign policy? It seems to me that we should try to use our experience in Italy to good effect in Chile. We stand to win a great deal and, if we are discreet and skillful, we have little to lose.

page III - 6 - I do not believe item f)1 goes far enough. Why cannot we start today to try to influence Socialist thinking? Admittedly we should be careful not to be so abrupt and obvious as to have our tactics misunderstood. As regards the latter point, we might perhaps explain to persons interested that we know there are democratic elements inside the Socialist Party and that we want to understand their thinking. Incidentally, the same danger existed in Italy when we began our contact with the Italian Socialist Party. It is difficult to believe that we cannot develop fruitful relations with the Socialists now without disrupting the Chilean political scene and giving the impression we feel the Socialist Party will be in the next administration.

7 | page III - 6 - In item f)2 I assume it would be embarrassing and counterproductive for some Chilean Socialists to make direct visits to the United States, but could they not stop off here on their way back to Chile? Italian Socialists who have been brought here on leader grants over the past two years have been very favorably impressed. America's impact on them was simply terrific. In connection with this entire section, I believe the position of the Socialist Party and our relations with it should be stressed as one of the key elements in the Chilean situation.

page III - 11 - In item 4 would it not be useful to inform and seek to enlighten the less progressive American elements in Chile as regards US thinking?

page III - 17 - Is "Chile Libre" a reliable democratic instrument for improving owner control over slanted broadcasting? The recommendation regarding a possible "black list" of Marxist commentators might be a good one if we can depend upon the honesty and political maturity and sophistication of those doing the blacklisting. I can think of some right wing Italians who regard almost anyone to their left as Communist collaborators.

page IV - 1 - Item 1 may be a little naive. Do we and the Embassy feel that in such circumstances such a Chilean President would be likely to move quickly and decisively in critical areas of economic and social importance?

page IV - 2 - Does item 5 assume that Radical-PDC cooperation is necessarily desirable in all circumstances? Do we feel it would be desirable if the Radical Party were under very conservative leadership? Is it possible the PDC might be compromised, in the eyes of part of the liberal electorate, by its association with the Radicals and thus lose some of its potentiality for winning votes from the Communist-Socialist combination?

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SECRET

- 5 -

page IV - 3 - The same comment applies to item 2.

page IV - 4 - In item 3 do we see any dangers involved in a National Front? Would such a Front be helpful to the Christian Democrats? Would such a Front be likely to win votes away from the Communists and Socialists, or help to attract the Socialists away from the Communists? If voters became disillusioned with the Front might they regard the FRAP as the only alternative?

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page IV - 5 - The same comment applies to item 3.

page IV - 6 - We should start to seek to exploit differences between Socialists and Communists now, regardless of what will happen or has happened in the next elections.

page IV - 6 - In item 3, I believe that if certain Socialist leaders are willing to come to the United States we should give them grants for that purpose, or, make arrangements to have them come here under auspices which are at least ostensibly private.

page IV - 7 - As regards item 4, I believe this important activity vis-a-vis the copper companies should be conducted in the United States, including the White House, as well as by our Santiago Embassy.

page VI - 1 - In section A I feel we should be careful not to make the mistake of recommending building Centrist strength, as such. We may possibly wish to help left of center forces if, at any given moment, that appears to offer the best chance of weakening the Communists.

In conclusion, I would recommend that, once this policy paper has been approved in final form and sent to Santiago, the Embassy should be asked to report periodically on its progress in implementing it. If implementation proves difficult, as it most certainly will, the Embassy should be asked to provide the reasons for such difficulty.

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