

"WHAT IS TO BE DONE" - IN CHILE

If I use the title of Lenin's famous pamphlet "What is to be Done?" (1902), it is not because I suggest similar solutions! It is only that I feel the words reflect best the coordinated, imaginative activist approach which will be essential if we are to achieve our primary objectives in future relations with Chile. This paper, prepared as a contribution to our current in-house thinking on the subject (including NSSM 97), does not discuss the many specific vexing problems which will soon be facing us in Chilean affairs. Rather, it notes some relevant aspects of previous U.S.-Chilean relations and recommends certain improvements in our basic approaches, policies and tactics in dealing with those problems.

The paper is divided as follows: I - Our Success in Relations with the Italian Socialists; II - Our Failure to Use Similar Tactics with the Chilean Socialists; III - Subsequent Events and the Resulting Present Situation; and, IV - Some Recommended Approaches and Tactics in Chile. As will be noted below, the recommendations reflect an uninterrupted personal interest and involvement in our relations with Chile, and particularly the Chilean left, since early 1963, including the unique experience of participation in extensive political discussion with a large number of Chilean Socialists and other leftists since that time.

ABSTRACT

Despite successful implementation of many well motivated and intelligently conceived U.S. policies in Chile, we have hurt ourselves badly by deliberately avoiding meaningful contact with the Socialists and other forces of the traditionally anti-American left. Experience in developing close personal friendships with the Italian (Marxist) Socialists, who were also allied with the Communists and were traditionally anti-U.S., indicates that such contact can be extremely useful (and in some cases essential) for achieving U.S. policy goals and inflicting a political defeat on the Soviets and their local Communist allies.

Our deliberate decision (in 1963 and afterwards) not to develop such contact with the Chilean Socialists, or to attempt to attract them away from the Chilean Communists, reflects two basic weaknesses in our overall performance in Latin America (and elsewhere): lack of effective political dialogue with the left, and particularly the anti-American left; and, lack of attention to potential leaders. Both of these traditional U.S. weaknesses reduce our ability

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to wage effective political warfare (as well as to negotiate with leftists when they come to power). These weaknesses also play into Communist hands and are energetically exploited by them. Unfortunately, ideological dialogue is not in the U.S. tradition, at least not in the U.S. diplomatic tradition.

We are now confronted with a much more difficult and dangerous problem than faced us in 1963, a triumphant Socialist-Communist coalition run by people who know little or nothing of us and of whom we are abysmally ignorant. Yet we must rapidly develop the ability and experience necessary for dealing with them on such delicate and high priority issues as nationalization of U.S. properties, U.S.-OAS policies towards Cuba, etc.

In general, our NSSM 97 recommendation of allowing the Allende government to set the tone and pace of its relations with us, and to respond in kind with dignity, seems sound - so far as it goes. But there is much latitude within that policy, and our day to day tactics will exert a major, if not decisive, influence on the course of future U.S.-Chilean relations. As drafted, NSSM 97 Options A and B are not mutually exclusive, and it is essential to maintain maximum flexibility without closing out any options prematurely. Much will depend on our approach, style, and implementation.

In its recommendations on policy and tactics, this paper calls for a politically sophisticated approach to our relations with the Allende regime. That includes, among other things: interpreting the present U.S.-Chilean relationship in the perspectives of world history and the overall international situation; pursuing U.S. political and economic objectives in a realistic order of priority; working against Chilean and Latin American political polarization; and, waging effective political warfare on behalf of our major objectives. It is recommended that these policies and tactics be coordinated and implemented by an informal, off the record inter-agency Task Force, which might also address itself to the even broader and more important problem of growing Soviet-Latin American Communist strength in Latin America.

Although the basic thrust of this paper calls for frequent contact with the Chilean Socialists and other leftists, that recommendation is not based on any illusions or wishful thinking as to the current views and intentions of the Allende regime, and the great danger the recent Chilean Marxist victory poses for us. On the contrary, it is assumed that the future course of our relations with Chile may very well result not only in undermining our entire Latin American policy, but could also have very serious repercussions on relations between the Nixon administration and the American people.

I - Our Success in Relations with the Italian Socialists

Because this paper discusses some similarities and differences between our relations with the Italian and Chilean Socialists, a brief outline of our experience with the Italian party may be useful.

For many years the Italian Socialists, avowed Marxists led by Pietro Nenni, maintained a close, formal political alliance with the Communists. Nenni had even accepted the Stalin Peace Prize (the first time I heard him speak, in late 1957, he was gloating over our humiliating failure to match the Soviet Sputnik success, while his Socialist audience hooted in derision). The Christian Democrats, including many factions of the politico-economic right, center and left, kept power either by themselves or through temporary coalitions with the Liberals, Social Democrats, etc. Although post-war Italy achieved economic gains the progress was unevenly distributed. Most business interests were conservative. The Communist-Socialist left remained united and strong, and there was growing demand for change. Class consciousness was profound, ingrained through the centuries. Since 1946 official U.S. views had carried great weight in Italian politics. Our policy was to work with the Christian Democrats (mainly the conservative wing) and to maintain contact with all parties, including the Fascists, except the Socialists and Communists.

A few Socialists occasionally showed signs of restiveness with the Communist alliance, and Nenni disagreed with the Communists over the Soviet repression of the 1956 Hungarian revolution. Left of center Christian Democrats and Social Democrats hoped the Socialists would break with the Communists, but even many of these remained skeptical (and quite rightly so) regarding such a possibility. Those in the center and further to the right hoped that the Socialists would stay put, and alleged that "Marxists" were never to be "trusted" in any circumstances.

I made our first contact with the Socialists in early 1958 (and shortly afterwards our tactics were changed to having relations with all parties except the Communists and Fascists). I found the Socialists extremely suspicious, if not hostile, thoroughly provincial in international affairs, aggressive in spouting their "Marxist" dogma, and filled with startling misconceptions regarding the U.S. and its objectives (e.g., they saw us as reactionary and imperialistic). Absolutely none of the leaders had ever been in this country, and, of course, there had been no Embassy contact for years. They assumed (unfortunately correct) that we had been opposed to them as Marxists, regardless of whether they broke with the Communists. Some of them eventually cautiously admitted to thinking of breaking, but they first wanted to be certain they would have another alliance prepared (the Christian Democrats and possibly the Social Democrats). Many planned to come to power with the Communists as the Italian electorate became more disillusioned.

As the Embassy's contact with the Socialists (and other parties), I spent much time developing close personal friendships with them. I emphasized that we were not opposed to all Marxists and Socialists, as such, that we hoped they could assist the democratic development of Italy, that we would not be opposed to a center-left (Christian Democratic-Socialist) regime if the Socialists would break with the Communists, would modify their strong anti-U.S. position, would not oppose Italian membership in NATO, etc. I also agreed with them whenever I thought they were right. Almost all of these conversations were reported in detail. Meanwhile, the Socialists' reluctance to leave the Communists diminished noticeably as their assessment of the overall situation indicated that the possibilities of a center-left government were increasing. Most important to us, the Socialists actually began breaking openly with the Communists, they publicly accepted Italian membership in NATO, and they became less critical of the U.S. as well as more critical of the USSR. (Socialist leaders later admitted off the record that the change in our policy and attitude towards them was one of the major factors contributing to their own shift).

The Embassy viewed the center-left possibility with growing concern (as did the Italian right) and there were even some who strongly urged that we deliberately drive the Socialists back towards the Communists. In 1960 I drafted a lengthy analysis of the risks and opportunities which a center-left coalition would involve for us, and urged that we neither oppose nor advocate an attempt to form such a government. The Embassy did not endorse the analysis, but agreed to send it to the Department as a personal memorandum. Fortunately, it was finally decided in Washington that we would not oppose the center-left. We had already arranged leader grant visits to the U.S. for the Socialist leaders (on the night I took the first one to the Howard Theater, he expressed amazement at seeing his first negro policeman.)

The Socialists broke with the Communists. The Socialists gave parliamentary support to the first center-left combination, in 1962. And in December, 1963 the first center-left government with actual Socialist participation took office. The Nenni Socialists proved very cooperative in foreign affairs, Italy remained a staunch ally of the U.S., and the largest Communist Party in the Free World had sustained a sharp defeat.

More details on this subject appear in some of the attached documents.

II. Our Failure to Use Similar Tactics with the Chilean Socialists

On returning from Rome, I became interested in the possibilities of our helping to attract the Socialists away from the Communists in Chile, always making full allowance for the many differences in the Italian and Chilean situations. Several documents have been attached and discussed below as relevant to that objective during 1962-64.

1. A 1962 conversation between the British Ambassador and Allende

In early 1963 we had little first-hand information regarding

Allende and the Chilean Socialists in general. One of the most revealing documents obtainable at that time was an August, 1962 British Embassy despatch, reporting a conversation between the Ambassador and Allende (enclosure 1). It included the following points: 1) the British regarded contact with Allende as useful, and although he did not circulate much in diplomatic circles, he was readily accessible and seemed well disposed towards the British (pps. 1-2); 2) Allende expected his first move after winning in 1964 would be to take over the banks and control credit (p.2); 3) he anticipated trouble with the U.S. but would not seek it, preferring not to become dependent upon Communist countries (p. 3); 4) he gave the impression of not loving the Communists, and he claimed to have sought a united front with the Christian Democrats before turning to the Communists as the only means of attaining power (p.3); 5) Allende described himself as a "Chilean Marxist", rather than as a "Moscow Marxist" or Fidelista, and claimed to see no danger of a Communist regime in Chile (p.4); 6) Frei had told the British that he was more pessimistic than Allende about the latter's chances of avoiding Communist control (pps. 4-5); 7) many Chileans were supporting Allende because of the Alessandri government's foot dragging on reforms, and the Ambassador had the impression that the Socialist leader thought of his brand of "Marxism" as more of an "economic technique" than as a "political goal"; and, 8) Allende's wishful thinking about standing up to the Communists could well prove unrealistic, particularly if there were an almost immediate rupture with the U.S. following his election (p.6).

Comment:

The despatch is revealing even though the conversation occurred eight years ago and despite the obvious fact that Allende would hardly be completely frank with the British.

2. One U.S. analysis of the Chilean political situation in October, 1962.

Another interesting document available in early 1963 was Norman Pearson's analysis of the Chilean political situation (as he ended a four-year tour as Political Counselor there), transmitted by Santiago A-371 of October 17, 1962 (enclosure 2). Pearson had made a point of developing contact with the Socialists. Among other things, he stated: 1) in order to achieve basic reforms the Christian Democrats were considering combining with the FRAP (Socialist-Communist alliance), preferably without the Communists but with the Socialists, "who are much more pragmatic and less doctrinaire in their Marxism than the Communists and not instructed from abroad" (pps. 2, 7, 8, and 9); 2) the U.S. should be prepared for the possibility of a FRAP regime, but our anti-FRAP feeling was so strong that, "for lack of attention to our primary objectives and flexibility of policy with respect to them", we might miss opportunities to avoid Chile's slipping into the Soviet orbit (pps. 3-4); 3) most Christian Democrats did not envisage democracy as ending if the FRAP won, but they did fear that termination of U.S. aid would force the FRAP to seek Soviet help (p.9); 4) the Embassy was in danger of being identified with Chilean conservative

interests (p.15); 5) we should develop contacts with the Socialists and encourage them to work within the Chilean democratic framework, thus weakening Communist influence in the FRAP (pps. 16-17); 6) direct overt intervention in Chilean affairs must be avoided, and covert intervention should be kept to an absolute minimum (p.18); and, 7) some wealthy Chileans were referring to Christian Democrats as "beasts" and Alessandri had criticized an American businessman to his face for even inviting one to dinner (p.21).

Comment:

In the covering airgram Ambassador Cole noted that he was transmitting the memorandum with some reservations, indicating that he was more optimistic than Pearson about the possibility of reform under the Alessandri government and more pessimistic than he was about the possibility of working with a FRAP regime.

I was struck by the similarity between Santiago Embassy's handling of Pearson's analysis in 1962 and Rome Embassy's handling of mine in 1960. Some additional background on Santiago Embassy thinking became available during subsequent personal conversations with Pearson, as reported in enclosure 5.

13. A suggested attempt to attract the Socialists away from the Communists

On January 9, 1963, after reading over available material and consulting with knowledgeable officers (including Mr. Pearson), I prepared a memorandum (enclosure 3) on various tactics which might possibly be effective for attracting the Chilean Socialists away from the Communists. Due allowance was carefully made for differences between the Italian and Chilean situations. It was suggested only that some aspects of the Italian experience might possibly be relevant in Chile. Heavy emphasis was placed on the need for patient, coordinated, low-key efforts aimed at gradual change over the long haul.

The memorandum briefly outlined how our relations with the Italian Socialists had been developed and improved, and how the Socialist positions had changed. It then suggested various specific tactics which might be effective in Chile, such as increasing Embassy contact with the Socialists, arranging for non-governmental invitations to Socialists to visit the U.S., etc. It was also noted that in mid-1961 Frei had talked with Fanfani, the Italian Christian Democratic Prime Minister, and that they had also discussed the desirability of separating the Socialists from the Communists in Chile as had been done in Italy.

As might have been expected, Toby Belcher (then in charge of Chile and Bolivian Affairs) was most receptive to this proposal and invited me to a meeting with him and others, including a CAS representative. I recall the latter gave me a long lecture on how much more radical the Chilean Socialists were than the Western European variety. I emphasized once again that I fully realized as much, although of course,

the Italian (Nenni) Socialists had also been extremely radical (their emblem was still the hammer and sickle!). Toby sent the memorandum on to Santiago.

4. Santiago Embassy's Reaction

Ambassador Cole's January 29, 1963 letter of reply (enclosure 4) makes interesting reading. It rejected "the basic premise advanced by Mr. Lister" that it would be in the U.S. interest for the Socialists to be encouraged away from the Communists at that time. The Ambassador also noted that our most recent policy paper had favored "a continuation in power of the present forces" (that is, an Alessandri-type regime) as best for us. The letter reasoned that if the Socialists left the Communists they would turn to the Christian Democrats, who would much prefer to be allied with the Socialists rather than with the Radicals. Such a coalition might well win in 1964, and possibly might even receive covert Communist support. Of special interest is the Ambassador's observation that if the Socialists left the Communists, the former might be persuaded to support Frei, whereas so long as they were united with the Communists the Socialists would be intransigent in their demand that all "progressive forces" support Allende.

The Embassy's reply then emphasized that the Chilean Socialists were far more Marxist and fierce in their class struggle doctrine than the Communists, and were in no way as democratic as the Western European Socialists (neither were the Nenni Socialists, of course). ~~Still more depressing, Cole's reply assumed that our attempts to influence the Socialists would have to be covert. It is noteworthy that the Ambassador even referred in passing to Allende efforts to establish contact with him and the Embassy staff, adding that "such dealings with the Left would upset our working relations with the GOC."~~ The letter ended with a Clausewitz maxim on the evils of changing agreed upon battle plans once the fighting starts.

Comment:

ARA would have found sounder guidance from Napoleon's famous maxim "one engages and then one sees". I recall that even in 1964 policy meetings, ARA was still favoring Duran's presidential candidacy as "a continuation in power of the present forces". Frei's policies and objectives were regarded with grave misgivings. All that quickly changed with Duran's fortunate route in the Curico by-election, when it became painfully clear that Frei was our only hope against the FRAP.

It is also revealing that the Embassy made a much more pessimistic assessment of the Socialists than had Pearson, even though it is doubtful whether many of those consulted had ever had a serious political discussion with a single Chilean Socialist. At the very most, their combined contact was certainly far less than Pearson's. In any event, my January 9 proposal had envisaged a sustained, sophisticated, overt, low key, long-range effort, not aimed at any specific date or election.

The sad fact is that such an effort was never made, neither then nor during subsequent years.

5. A February, 1964 Background Memorandum

On February 12, 1964, I sent a background memorandum (enclosure 5) on this subject to Ben Stephansky at his request (I had entered ARA shortly before). It provides further details on the relevant situation at that time, both in Washington and Santiago Embassy.

6. A February, 1964 Conversation with Socialists

At about this time the Chilean Desk sent me a copy of Santiago's A-574 of February 5, 1964, reporting a conversation between Rudy Fimbre and two Chilean Socialists (enclosure 6). Along with other useful information, it included some interesting background on Deputy Clodomir Almeyda, now the new Foreign Minister. Two of the airgram's most striking observations were: a) "...the Socialists have not hesitated to make alliances with the devil in an attempt to..." "achieve power (p.5); and, b) "we know practically nothing about the Socialist leaders as individuals, what stamp has been put on them in their 30 year struggle for power, which ones have come out or are beginning to move in the direction of the European Socialists, what their attitudes are on a third-position regarding the U.S. and the USSR, etc." (p.6). My February 13 memorandum (enclosure 7) praised A-574, noted similarities with the Italian experience, and urged specific follow-up tactics.

Comment:

Our ignorance of the Socialist leaders "as individuals" remains about as total today as it was in early 1964.

7. An April, 1964 Memorandum on Tactics

My April 20, 1964 memorandum on "Tactics Toward Chilean Socialists (enclosure 8) discussed the question of whether it was preferable to try to influence the party as a whole, or to split it, or to win over a few right wing Socialist leaders. As indicated, the memorandum was written with the thought that our instinct often is to try to split or defect Marxist Socialists, so as to reduce them to impotence. And often that is not the best tactic.

III - Subsequent Events and the Resulting Present Situation

The main subsequent events are well known. Frei defeated Allende in September, 1964. We poured aid into Chile and Dungan worked closely with Frei. In general, we were no longer identified with the conservatives, but rather with the Christian Democrats. We developed little or no contact with the Socialists. Meanwhile, much of the

Chilean right remained anti-change and entrenched, and tenaciously opposed Frei's programs. In 1970, instead of one strong man running against Allende, as in 1964, both the Christian Democrats and the right put up serious candidates. The Socialists-Communists won with less vote percentage than in the previous election.

If we had developed regular contact in depth with the Socialists, and had begun a coordinated effort to attract them away from the Communists several years ago, it is entirely possible that they still would have remained with their present alliance. If they had broken with the Communists, it is reasonable to suppose that there might have been a Christian Democratic-Socialist alliance in the recent elections, and that it would have been successful. One can easily imagine the defects of such an administration, but surely it would have been preferable to what we have now. Even a Socialist-Christian Democratic-Communist government would have been conceivable, and possibly preferable.

At all events, regardless of the outcome, overt sophisticated contact with the Socialists was in our interests. Our failure to develop such relations reflects two of the basic defects in our overall performance in Latin America: lack of contact with potential leaders; and, lack of effective political dialogue with the left. This at a time when the pressures for changes, including changes in national political leadership, are growing. That failure also reflects a tendency to make sweeping negative assumptions about self-proclaimed "Marxists" we have never bothered to cultivate.

Now we are faced with a much more difficult and dangerous problem in Chile than heretofore: a Socialist-Communist government. Now we are going to have a dialogue with representatives of both parties whether we wish it or not. To all intents and purposes, they are total strangers. It was almost touching to read a recent cable from Santiago which mentioned with mild surprise the discovery that Allende has, in fact, actually visited this country on one occasion! A rapid check of information available thus far on the new Chilean cabinet indicates that, other than Allende, none of the Socialists and Communists have ever been in the U.S., although they have visited the USSR, Cuba, etc. Chilean Socialist (and Communist) misconceptions regarding the U.S. and its objectives are incredible. And our ignorance of them is abysmal.

Obviously, it is much more difficult to try to influence the Socialists once they have come to power, in an alliance with the Communists, than when they are out of power and looking around for ways to win. Nevertheless, what the U.S. does and does not do from now on can have some, and possibly very much, effect on Allende's relations with the Soviets, the Chilean Communists, the Cubans, etc.

IV - Some Recommended Approaches and Tactics

1. Keep the Allende Government and the Chilean Political Situation in Perspective

In formulating our policies and tactics it is important to see the Allende Government and the overall Chilean political situation in the perspective of: our past experience with some hostile regimes; and, the opportunities, as well as the risks, which we now face in Chile. With respect to the first point, historical perspective, it may be useful to recall that in 1946 Tito was extremely anti-U.S. and our relations were strained to the breaking point. Both his and our policies have changed considerably since then and our relationship has greatly improved, even though Tito remains a Communist. We have had a number of such experiences around the world, and it is noteworthy that while we were privately deploring the Chilean Marxist victory, and with good reason, we were also warmly greeting a Romanian Communist visitor.

With respect to the second point, without minimizing in any way the ugly problems facing us in Chile, we should also keep in clear view Allende's limitations, vulnerabilities, and needs, and the opportunities still available to us for maneuver. So long as the Socialist-Communist coalition remains in power there are many possibilities for disaster. But there are also some possibilities for improvement. Even though he may have the very worst of intentions, Allende may be forced by circumstances to modify his policies. It is at least conceivable that a Socialist-Christian Democratic coalition might replace the present regime in 1976, and that on balance we would welcome such a change - or even a Socialist-Communist-Christian Democratic coalition. We are dealing here with possible realities, not preferences or hopes. In view of the spread of polycentrism in the international Communist movement we should not even dismiss the slight possibility of serious strains eventually developing between the Soviets and the Chilean Communists, notwithstanding the latter's consistent fidelity to Moscow, thus far.

Keeping our perspective in Chile will help us to avoid the blunder of closing out any of our options prematurely or needlessly.

2. Pursue U.S. Objectives in Their Order of Priority

In the trying days ahead it will be imperative to maintain a clear set of U.S. policy priorities in Chile. As regards extensive U.S. investments and other economic interests, we may well be faced with the very tricky problem of deciding how much of our political relationship with Chile should be sacrificed in their defense. For example, even if we do sustain a heavy investment loss presumably we would still

prefer that the country not slip into the Soviet orbit. Yet heavy U.S. domestic pressure may make it very difficult to keep our objectives in a realistic order of priority.

We should also bear in mind that, although we disagree profoundly with Marxist economic theory, our concern is mainly with the Chilean Government's political policy abroad and, to some extent, at home. Economic policies have clear political repercussions. But we must not fall into the trap of opposing the Allende Government on the grounds of its domestic economic policies (except as they directly involve U.S. property). To do so would play into the hands of Soviet Marxist propaganda (generally accepted by the Chilean Socialists) which portrays us as imposing "capitalism" on others to perpetuate "capitalist" exploitation of the poor by the rich, U.S. colonialist exploitation of Latin America, etc. We must not be, or seem to be, in the position of disputing the right of Chile's duly elected government to advocate a Socialist economic system.

Two quotations from recent speeches are relevant in this connection. In his foreign policy message to Congress the President stated that: "As elsewhere in the world, our basic role is to persuade and supplement, not to prescribe. Each nation must be true to its own character." And in a policy speech earlier this year, John Crimmins emphasized that point even more strongly, as follows: "Experience has shown us that attempts to impose our own cherished standards and preferences are not only unproductive but also resented as interventionist and arrogant by even those in Latin America who share our democratic principles."

Our no. 1 priority must be to avoid Chile's falling under extensive Soviet influence or outright control (with a Communist dictatorship). On that issue, in contrast to the controversy of Chilean socialism vs. capitalism, we can depend on the agreement of the overwhelming majority of the Chilean people.

3. Work Against Chilean and Latin American Left-Right Polarization

One of the dangers in the present Chilean political situation is the possibility of a left-right polarization. Allende may not wish polarization now, or ever, but the Communists may very well see it as useful once they have consolidated their strength. An all out confrontation between left and right, "poor" and "rich," could be used to impose and justify (to many) what would amount to effective Communist dictatorship. And even if the left were sooner or later defeated, such a confrontation might easily serve to polarize and radicalize political sentiment in Chile and much of Latin America. Our dedicated, experienced enemy, the Communists, have little chance of gaining the support of the majority of the Chilean people so long as the latter are not forced to choose between them and the conservative "right."

Of course there are many possibilities and conceivable patterns of an all-out confrontation in Chile. But if the confrontation comes it is in our interests: that the issues be as unfavorable as possible for the Communists (e.g., regime prevention of free speech would be a better issue for our purposes than would vigorous implementation of a sweeping agrarian reform program); and, that the split in the political spectrum be far over to the left, to include as many Socialists and other leftists as possible on the anti-Communist side. That is one important reason why it is in our interests to develop friendly personal relations with a good many of the Socialists.

It would also be unfortunate for our purposes if Latin American governments were to polarize over the Chilean issue. Some of the regimes likely to be enthusiastically anti-Allende bear right wing labels, are at least somewhat repressive, and are fairly unpopular at home and abroad. The governments which go in for left-wing "revolutionary" rhetoric and programs, regardless of actual performance, may well tend to be pro-Allende. Once again the Communists probably would stand to gain from such a polarization.

4. Wage Effective Political Warfare with Sophistication and Flexibility

In general, our NSSM 97 policy recommendation of allowing the Allende Government to set the tone and pace of its relations with us, and to respond in kind with dignity, seems sound enough so far as it goes. But there is much latitude within that policy, and our day to day tactics will exert a major, if not decisive, influence on the course of future U.S.-Chilean, and possibly even inter-American, relations. I believe we can assume that there is at least some chance of reaching a modus vivendi with Allende (NSSM 97 - Option A) without feeling that we must try to set the pace ourselves. We can also assume that there will be confrontations (Option B), but confrontations need not rule out all possibility of a modus vivendi (Option A). Nor is it necessary at this stage to decide that, in the absence of requests for removal of our existing aid programs, we will simply let them wind down (Option B). That decision would be premature and deprive us unnecessarily of badly needed flexibility. Even if we failed to do so in 1963, now at least we can try the Napoleonic maxim: "one engages and then one sees." As drafted, Options A and B are not mutually exclusive.

The following recommendations reflect the assumption that it is only common sense to try to use every appropriate opportunity available to us for exerting our influence skillfully in pursuit of our primary objectives in Chilean relations. Despite all of our handicaps there is no reason why we cannot employ to our advantage the activist approach and political warfare tactics which are routine with the Communists.

To achieve maximum effectiveness and coordination it is recommended that an informal, off the record inter-agency Task Force be created to work out policy instructions along the following lines, for both Washington and the field, and to ride herd on long-range implementation. Preferably such a Task Force would also address itself to the larger and more basic problem of growing Soviet and Latin American Communist activity and influence in Latin America.

a) Effective political dialogue

There is no question but that we can exert some influence on the Chilean Socialists through extensive contact and effective dialogue. It would be disastrous to continue our policy of ignoring them (except for unavoidable contact with government officials) because of hostility, or contempt, or because we have written them off as inflexible fanatics, or because we fear that contact would seem to give the new regime our stamp of approval. Surely we are skillful, resourceful, and articulate enough to handle such contact without it being too widely misinterpreted once the initial surprise is over.

Nor should we make the mistake of assuming that because Chilean Socialists are self-proclaimed Marxists they are the equivalent of the Soviet or Chilean Communists. Chilean Socialists (like most Latin American Marxists) are far more superficial and provincial in their Marxism than are Soviet Communists, who have an entirely different background and experience. And regardless of all the descriptions of the Chilean Socialists as standing to the left of the Chilean Communists and despite all their fierce Marxist rhetoric, the essential fact is that the Socialists are not tied to Moscow and are more susceptible to non-Marxist influence.

Indeed, much of Chilean "Marxism" is not based on any profound understanding and acceptance of the basic tenets of that ideology, but rather is a reflection of national pride, inferiority-superiority complexes vis-a-vis the U.S., little or no comprehension of the differences between U.S. and Latin American "capitalism" or between Soviet and Israeli "socialism," a conviction that "capitalism" means exploitation of the poor by the U.S. and Chilean oligarchies, whereas "socialism" means justice, etc. Despite the special factors which complicate U.S.-Latin American relations, the difficulties involved in talking with Chilean Socialists are not substantially greater than those I experience in establishing rapport with the Italian Socialists in 1958.

The foregoing statements are not mere theory; they are based on extensive personal experience. During the past several years I have been involved in many political discussions and debates with literally hundreds of Chileans, of whom many were Socialists, as well as some Communists, Trotskyites, etc. Their arguments abound with cliches

regarding U.S. desire to preserve the status quo in Latin America, our intention to keep Latin America in colonial subservience, our determination to impose capitalism on the world, our Dominican intervention, etc. Some of this criticism is professional gringo-baiting for obvious political objectives, but much of it is absolutely sincere.

Yet my experience with the Chilean Socialists has been that the great majority of even the most aggressive and bitter are open to reason and debate, once credibility and sincerity have been established, so long as the discussion is conducted in the leftist ideological terminology to which they are accustomed, and providing we do not try to put them down with clever one-upsmanship. One of the most exhausting sessions I have ever conducted was with an intense, and very attractive, Chilean Socialist group. At the end they presented me with the copper ash tray which now sits on my desk.

The Chilean Communists are a different matter, of course, if only because the Party is tied to Moscow there is less chance to make headway with them in discussion. But they are by no means unavailable to reason, and it would be in our interest to talk with them, as well.

One final, elementary reason for political dialogue with the Socialists and Communists is that it is simply an excellent means of finding out more about them, their psychology, motivation, and sophistication, their factions, their hard and soft liners, etc. We badly need such first hand information and judgments if we are to be prepared for economic and political negotiation. Overt first-hand contact is often far more effective and reliable than is covert for this type of intelligence work. In Moscow, Warsaw or Budapest we work hard to establish such overt contacts. Yet in Latin America we usually depend on covert reports and assessments.

b) Visits to the U.S.*

Another way of reaching the Chilean Socialists, and to some extent the Communists, is to arrange for them to visit the U.S. As noted in my January 9, 1963 memorandum (enclosure 3), since there is reluctance to accept official U.S. invitations (and since some invitations would also pose a rather awkward problem for us) it would be preferable to arrange for some of these visits through non-official channels, such as foundations, private associations, etc. That tactic will be more difficult than it would have been in 1963. And unfortunate the temper of this country is more likely to mislead and confuse a visiting Chilean leftist than would have been the case several years ago. Nevertheless, the general impact of the U.S. on most visiting Latin American and European leftists coming here for the first time is overwhelming, and usually favorable on balance. Sometimes such visitors

* This proposal refers to invitations to specific Socialist leaders, rather than to the Socialist party members and supporters who happen to have visited this country as part of educational travel grant groups of secondary school teachers, technicians, students, etc.

are invited or monopolized by leftist U.S. groups, with very unfavorable results. It would be necessary to arrange for Chilean Socialist visits with considerable care and tact.

c) Chilean contact with the Socialists

A good many Chilean sources are also available to us for contact with, and indirect influence on, the Socialists. Some Christian Democrats and Radicals can be used for that purpose. The Chilean Church will certainly be playing a key role and should be able to exert a beneficial influence in some instances. Various individual Chileans can also make a useful contribution in this respect. We should not neglect any Chilean vehicle available to us for low key, indirect influence designed to attract the Socialists away from the Communists, or at least to prevent their falling completely under Communist domination.

d) Foreign contact with the Socialists

The Italian Communists have long played a "special" role in Latin America, in some cases as a conduit for Moscow. I am certain the Italian Communists are extremely anxious to see the Allende coalition do reasonably well and remain in power legally for its full term. That would greatly strengthen the Communist hand in Italy; if a Socialist Communist coalition wins popular approval in Chile, why not in Italy?

~~We, on the other hand, should try to play the cards available to us. The Nenni Socialists will certainly be having contact with the Chilean Socialists. The former might well exert some beneficial influence; some of the Italian Socialist leaders are close personal friends of mine. The British Laborites and the Yugoslavs might also be helpful to us in one way or another with the Chilean Socialists. Our appropriate Embassies in Europe should be kept informed of our thinking and activities in these matters.~~

Individual leaders of other Latin American countries may also be helpful for our purposes. Belisario Betancur, the former Labor Minister of Colombia, has known Allende for 25 years.

e) Possible U.S. assistance to some Allende programs

There is no question but that many trials and tribulations lie ahead in our relations with the Allende Government. It is also quite possible that his regime will bring economic chaos to Chile. Nevertheless, we should not dismiss entirely the possibility that U.S. aid to some Allende programs may be in our interest. For example, we might conceivably gain political benefit from aiding a low cost housing program. In this connection, it is essential to try to see the Allende

regime's performance from the viewpoint of the Chilean masses. For example, Allende may fail to improve the Chilean economy, and he may even damage it severely. But he may still achieve considerable popularity by reducing the gap between rich and poor. In deciding whether or not to help a specific Chilean project we should give full weight to the possible political results of such aid.

f) Discrepancies in Socialist words and actions

We are already noting some discrepancies in what the Allende Government says to us privately and what it says publicly, or in what it says to us and to others, or in what it says and what it actually does. Those discrepancies will continue. In some or even many cases they may reflect hypocrisy or bad faith on the part of Allende and his supporters. But we should not assume this to be invariably so. Even when the government indulges in harsh rhetoric or strong measures we should not dismiss entirely what it says to us privately, or assume that there is no possibility of developing our relations with the Socialists.

That is something that our Rome Embassy found difficult to understand as relations with the Italian Socialists progressed. No allowances were made for the fact that the Italian Socialists had a left wing electorate and were tied to their previous extreme positions and rhetoric. A rapid change in their public positions would have been difficult to explain to their followers and would have exposed them to Communist charges of betraying the working class. Indeed, it would not have been in our interest for the Socialists to have made a sudden about face (as the Embassy wished), even if they had been willing to do so. Yet many American observers assumed that because the Italian Socialists were saying one thing publicly and another privately they were "dishonest." That assumption was easy to make when one had never talked with an Italian Socialist.

Conclusion

Since the basic thrust of this paper calls for frequent contact with the Chilean Socialists and other leftists, it may be useful to conclude by re-emphasizing that such a recommendation is not based on any illusions or wishful thinking as to the current views and intentions of the Allende regime, and the great danger the recent Chilean Marxist victory poses for us. On the contrary, it is assumed that the future course of our relations with Chile may very well result not only in undermining our entire Latin American policy, but also could have serious repercussions on relations between the Nixon Administration and the American people. Although Americans usually are less interested in Latin America than in some other areas of the world, I believe the credibility gap in this country began not with the Vietnam war, but rather with the Dominican intervention (if I recall correctly it was

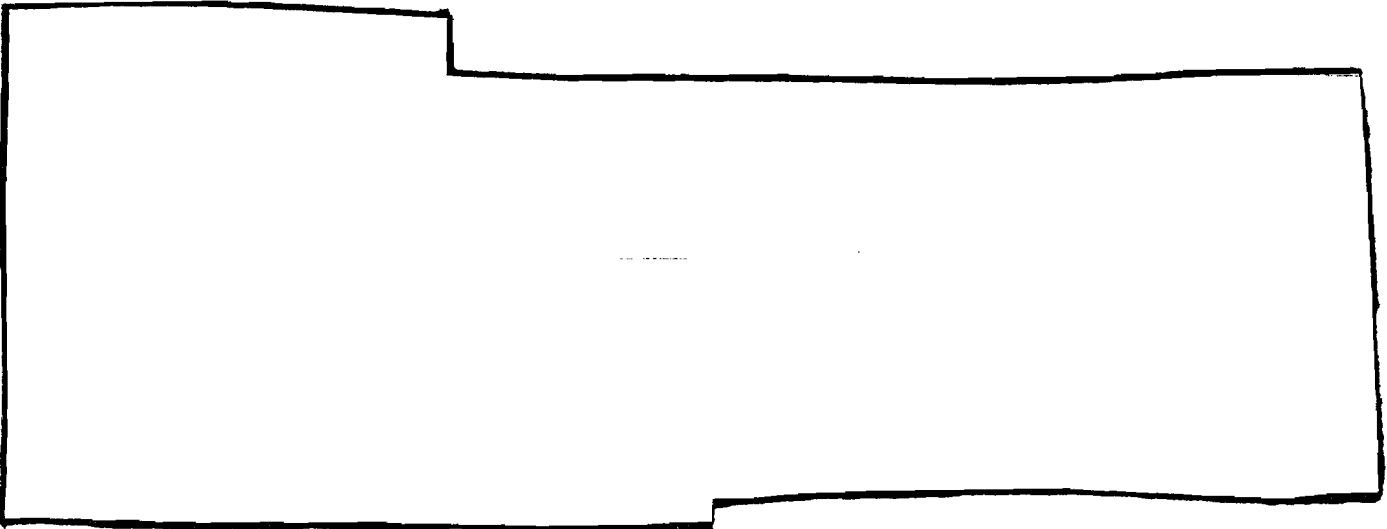
~~SECRET~~

-17-

after that that Fulbright went back and took another look at the Tonkin Gulf Resolution). Our relations with Cuba also continue to have dramatic repercussions inside the U.S. The Chilean situation has a similar potential for trouble, both abroad and here at home.

~~SECRET~~

NOTE: The following two points are entirely off the record.



h) Our low profile in Santiago

One aspect of the Chilean situation which has been most disturbing to me and others in the Department is that, despite all the official policy emphasis on the low profile theme, and notwithstanding the elaborate care lavished on our CASP "mechanism", our Ambassador and Embassy have a very high profile in Santiago. That obvious fact would seem to justify doubts as to how realistic and effective our present policy formulation system is. It may be that we are placing too much emphasis on policy papers and methodology, and not enough on coordinated policy implementation. In any event, the stakes being as high as they now are in Chile, we must in fact conduct our politically sophisticated campaign with a low profile, and with genuine modesty and tact, rather than needlessly antagonizing key Chileans with self-centered one-upmanship and glibly writing off a very complex and dangerous situation with bombastic cables filled with sweeping generalizations based on no first hand experience with Chilean Socialists. We need representatives who are willing and able to talk to, and really listen to, Socialists and other anti-U.S. leftists. Would it not be desirable to start afresh without further delay, before our relations with the Allende regime and the Socialists are damaged irreparably?