

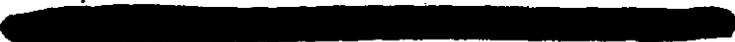
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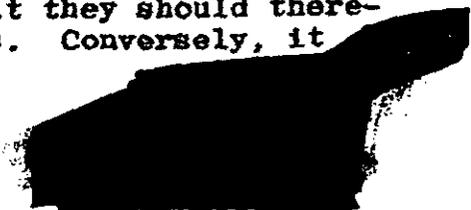
MEMORANDUM FOR: Chief, WH Division

SUBJECT: Policy Objectives for Chile

REFERENCE: 

1. The outlook for the future of Chilean democracy seems bleak, since it is difficult to be optimistic about present prospects for provoking a successful military coup or for obtaining more than a pyrrhic victory in the 1976 elections. Nevertheless, any action program must be designed either to provoke the military into action or to strengthen the democratic parties sufficiently to enable the opposition candidate - probably Eduardo Frei - to defeat the UP in 1976. The Santiago Station's recommendation in reference is essentially to proceed full steam ahead along both of these tracks. We do not believe that this policy is realistic, since it does not appear that these two tracks can be followed simultaneously to more than a limited degree without becoming mutually contradictory.

2. It is our understanding that a policy designed to provoke a military coup in the next six months to a year must seek to increase political tensions and to intensify economic suffering, particularly among the lower classes, so that a feeling of national desperation will impel the military to move. Financial assistance to opposition political parties, and particularly to the proposed mass activities of the PDC, will tend to dispel this feeling of desperation and to contribute to helping the economy. The lower classes will have reason to believe that the opposition parties still represent well-heeled capitalists who are using their financial resources to prevent the UP from carrying out programs from which the poor would otherwise benefit, while the opposition parties themselves may be lulled into believing that they can survive until 1976 without serious problems and that they should therefore avoid serious political confrontations. Conversely, it



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is axiomatic that a military coup cannot hope to succeed without the support of the political parties, especially the PDC, but the PDC is unlikely to desire or support a military coup as long as rank-and-file party members feel elections can be held and that their candidate is the likely winner in 1976.

3. If this reasoning is accepted, and it is agreed that substantial support to the PDC - and to a lesser extent the PN and the PDR/PIR - is likely to reduce the chances for a coup, then we must put primary emphasis during the coming year on one of these two possible tracks, while keeping the other open as a later option. #

4. At this time, we judge the possibility that the opposition can win in 1976 to be greater than the possibility that the military will intervene. The opposition's presidential candidate will almost certainly be a member of the PDC, and this candidate, probably Frei, would be unlikely, if elected, to attempt significantly to reverse the UP's socialization programs. If we elect to stress the political track and to work toward the election of a PDC candidate who would uphold democratic liberties even though pursuing "communitarian" policies, we should continue to support the political parties, with particular emphasis on helping the PDC to gain increased electoral support among the lower classes who have been won over by Allende and the Socialists. We should, simultaneously, increase our access to the military and provide limited support to the private sector; [redacted] monitoring developments carefully to see whether popular dissatisfaction increases to the point where military intervention becomes a practical possibility. We would not encourage any large scale confrontations, such as a general strike, unless we were convinced that such actions would actually succeed in prompting a military move against the government rather than in forcing the military to support the government in order to restore order; we would also have to be sure in advance that the military would have PDC support for their intervention. This course of action is essentially the option recommended in our earlier memorandum on this subject.

5. There is, however, an alternative option which is more in line with the recommendations made by [redacted] and also by the Station [redacted]

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[redacted] This course would call for maintaining support to the political parties at a minimum level while seeking to develop the conditions which would be conducive to military action. This course would involve large-scale support to the [redacted] the militant elements on the PN, and, possibly, to [redacted]. It would be conducted to a considerable degree through the "brain trust" represented by [redacted] and [redacted] and would be designed for implementation within a fixed time frame, perhaps six to nine months, during which time every effort would be made to promote economic chaos, escalate political tensions, and induce a climate of desperation in which the PDC and the people generally come to desire military intervention. Ideally it would succeed in inducing the military to take over the government completely; more realistically, it might prompt the military to reenter the government as a counter-force to the UP parties. If the military did not act within the time frame agreed upon, or if they merely reentered the government to insure that the 1976 elections were held, we would then fall back to our second option, increasing our support to the political parties and especially to the PDC. The adoption of this second course would be based on the assumption, [redacted] that "a political solution to the Chilean problem has become more doubtful in terms of the 1976 presidential election". It is true that the UP may well win legally in 1976, and that even the prospect of a PDC victory in the 1976 elections leaves much to be desired. The Chilean situation may thus be considered desperate, and the U.S. Government must decide whether the risks involved in desperate remedies are justified.

Attachment:  
[redacted]  
[redacted]

(17 April 1973)

Distribution:  
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