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THE WHITE HOUSE

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WASHINGTON

November 13, 1986

~~SECRET~~MEETING WITH THE NATIONAL SECURITY COUNCIL

DATE: November 14, 1986

LOCATION: Cabinet Room

TIME: 11:00 a.m. - 12:00 p.m.

FROM: JOHN M. POINDEXTER *mm*

- I. PURPOSE: To review recent developments and trends in Chile and address current policy in light of these.
- II. BACKGROUND:

From 1981 to 1984, this administration's policy for Chile generally followed the tenets of quiet diplomacy: that the US would attempt to re-establish correct relations (strained by Carter's human rights policy) with the Pinochet government; the US would use quiet diplomacy to work for human rights; the US would maintain relations with all genuinely democratic opposition groups and work to build democratic institutions and habits; and the US would avoid actions that could give the impression of weakened support for the regime (which would only encourage the communists to step up their efforts). In 1983, Pinochet was greatly pressured by internal forces protesting the lack of political freedom in Chile. Pinochet responded by allowing thousands of exiles to return and appointed an activist Minister of Interior who entered into various discussions with the democratic opposition. The talks faltered mainly because the democratic opposition did not act wisely, which they now admit was the case, and because the level of violence rose dramatically (bombings went from 139 in 1983 to 755 in 1984). Pinochet outmaneuvered all, and closed down the political opening.

This collapse led the Department of State to conduct an interagency policy review in late 1984 that resulted in a gradually more activist US policy, increasing US bilateral diplomatic pressure on both the government and the opposition to reach a consensus on the transition to democracy, accompanied by a public diplomacy strategy which led to the US taking a more critical public stance regarding the human rights situation.

Recent developments and trends in Chile follow:

Pinochet: There is ample evidence which suggests that Pinochet has lost his confidence in democracy as a system which can successfully counter the communists, and that he

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cc Vice President
Donald Regan



intends to stay in power as long as possible. His commitment to the 1980 Constitution (overwhelmingly passed in a plebiscite) mandates, however, that he promulgate a series of steps toward a transition. These include an electoral registration system (implemented in August 1986), a political parties law which would legalize parties and allow political activity (scheduled for March 1987), and that he accept the presidential candidate -- which can be any Chilean -- that the Junta names in a yes or no plebiscite scheduled for 1989. Pinochet's strategy to stay in power appears to be to polarize the country, keep the opposition weak and divided so that he can present the country with a choice between himself and the communists in 1989 and force the Junta to name him as the candidate.

The Junta: Most informed observers understand that there will be no transition to democracy in Chile unless the armed forces are active on behalf of the transition. Under the 1980 Constitution, the Junta (Chiefs of the Army, Navy, Air Force and Police) operates in a quasi-legislative role. In that light, recent statements by three Junta members (Air Force, Navy and Police) that they favor a dialogue with the democratic opposition, evidence that they are indeed meeting discreetly with opposition leaders and their reluctance to name Pinochet as the candidate in the 1989 plebiscite are important and encouraging. The Army, however, is the strongest service and most analysts believe that although there is some evidence which suggests their loyalty to Pinochet may be lessening, it is clear that they will not abandon Pinochet unless their major concerns are met. These concerns involve their assessment that a post-Pinochet government can successfully meet the threats to Chile's security posed by well-armed Soviet/Cuban supported terrorists and that there would be no witchhunts against the Army, such as human rights trails.

The Democratic Opposition: The democratic opposition presents another set of problems and considerations. They have by and large acted in undisciplined and unpragmatic ways. Cardinal Fresno, who successfully united the opposition in an August 1985 National Accord outlining steps for a transition, recently voiced his frustration about their lack of discipline and pragmatism. The opposition tend to carve out a large role for the US and some observers believe US public criticism of Pinochet may be unwittingly contributing to opposition weakness by giving them the impression that the US will destabilize Pinochet. Pinochet apparently believes the democratic opposition is so weak and ineffective that he is considering amending the Constitution so that competitive presidential elections could be held. He thinks he would win.

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- 3 -

The Communists: The September assassination attempt against Pinochet and the arms caches discovered earlier (which represent the largest amount ever provided to a terrorist group in this hemisphere by Bloc sources) indicate communist intentions to greatly raise the level of government repression and violence -- by possibly moving from terrorism to insurgency -- and to most likely move strongly against a presumably weaker post-Pinochet government. The democratic opposition has been shaken by these events and has finally distanced itself from further collaboration with Chile's Communist Party.

US Policy: Because of these recent events and trends, we need to evaluate whether our current high visibility, activist policy should be recast and refocussed to a more carefully calibrated strategy.

III. PARTICIPANTS

List of participants is at Tab B.

IV. PRESS PLAN: White House Photographer.

V. SEQUENCE OF EVENTS: I will open with an introduction, CIA Director Casey will present an intelligence assessment, and Secretary Shultz will discuss US goals and policy. A general discussion will follow after which I will provide a summation.

Prepared by:
Jacqueline Tillman

Attachments

Tab A	Agenda
Tab B	List of Participants

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