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THE SECRETARY OF STATE
WASHINGTON

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December 3, 1985

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PREL 2
US

Dear Mr. Ambassador:

As you take up your responsibilities as Chief of Mission in Santiago, I want to discuss our objectives in Chile and outline some specific areas for priority attention. You will receive specific issue-related instructions as required. I hope you will find this guidance useful in directing the efforts of all United States government elements in Chile.

Relations with the present government of Chile are correct and should be maintained, while we also seek to advance U.S. interests looking beyond that government. Recognizing that Chile has deviated sharply from its own democratic traditions, and that the U.S. has to remain true to its democratic values, U.S. interests are best served by 1) the orderly restoration of democracy as speedily as possible and 2) limitation of the influence of the Chilean Communist Party. U.S. interests in the long term stability of Chile require working with the present government in such basic areas as supporting the financial package negotiated this year with the World Bank, IMF and commercial banks, encouraging structural adjustment efforts aimed at renewed economic growth, as well as cooperating on regional security to the extent practicable.

It appears likely that President Pinochet will try to remain in office beyond 1989 and will not negotiate willingly with the democratic opposition. Despite the effort of the Catholic Church and the democratic opposition to pursue a peaceful transition to democracy, the government and the communists will both keep resorting to violence, justifying these actions by the actions of the other party. The Chilean economy will recover at best only gradually, thereby offering little immediate hope to much of the populace.

Principal United States objectives in Chile are (1) to seek to convince President Pinochet that the U.S. takes very seriously the need for a prompt return to democracy and therefore expects political dialogue; (2) to convince the democratic opposition of U.S. commitment to the return to

The Honorable
Harry G. Barnes, Jr.,
American Ambassador,
Santiago, Chile.

Chile Project (#S199900030)
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democracy while stressing the essentiality of non-violent and responsible behavior on their part; (3) to continue support for Chile's debt relief and economic growth efforts, but be prepared, as in early 1985, to use economic influence to press the political process forward; (4) to promote improved human rights performance, insisting especially upon the cessation of torture; and (5) to revive, within existing legal constraints, U.S. influence with the Chilean Armed Forces, which will have a key role in the transition process. Since the ultimate responsibility for the success of the transition process must be assumed by the Chileans, your role will be to encourage dialogue and consensus-building without becoming engaged in the power struggle.

If the Chilean government significantly improves its human rights performance, you should recommend ways to enhance cooperation with the Armed Forces, including setting forth for our consideration proposals to modify current legal constraints. In this context, you will want to also investigate whether there is any willingness within the Chilean government to even consider cooperation on the Letelier case.

In addition to carrying out specific objectives set forth above, we expect that you will seek to reinforce existing ways of maintaining links to ordinary Chileans and to develop new means of reaching a broader range of Chileans. Your preparation of a long-term plan for the use of Section 416 surplus agricultural commodities with development as well as relief aspects will be important to this effort, as will your study of a U.S. contribution to the alleviation of the serious air pollution problem affecting Santiago, perhaps in conjunction with the MDB's.

Actively encouraging visits to Chile by congressional delegations from a variety of committees will provide valuable opportunities to underline U.S. concerns and reinforce U.S. interests.

There are priority management concerns within the Mission beyond those dictated directly by major policy objectives. The construction of a new Chancery and the transfer of the Mission to the new facility will severely tax the post's administrative resources over the next few years, requiring effective management to maintain the maximum level of productivity during this period. The increased security threat to Americans, official and unofficial, heightens the need to maintain positive post morale. Good security is a management goal which cannot be delegated and steps should be taken to insure that all personnel are security conscious. It will be necessary to

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review carefully existing mission procedures and internal controls and to implement changes as appropriate before the move to the new facility is completed.

As Ambassador, your authority flows from the President to me, and from me through the Assistant Secretary for Inter-American Affairs to you. I look to the Assistant Secretary to issue instructions in my name and to serve as the primary communications link between us. You should channel all messages dealing with policy proposals, policy implementation, program activities and post operations to or through him, with the understanding that for extraordinary situations there are channels of direct communication with me that are available for use.

I look forward to reviewing the goals and objectives statement for your Mission. I am asking the Assistant Secretary for Inter-American Affairs to work with you on this statement, which will be forwarded to my office through the bureau.

I wish you well on the assumption of your important and challenging assignment. You have my full confidence and best wishes.

Sincerely yours,

George P. Shultz

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