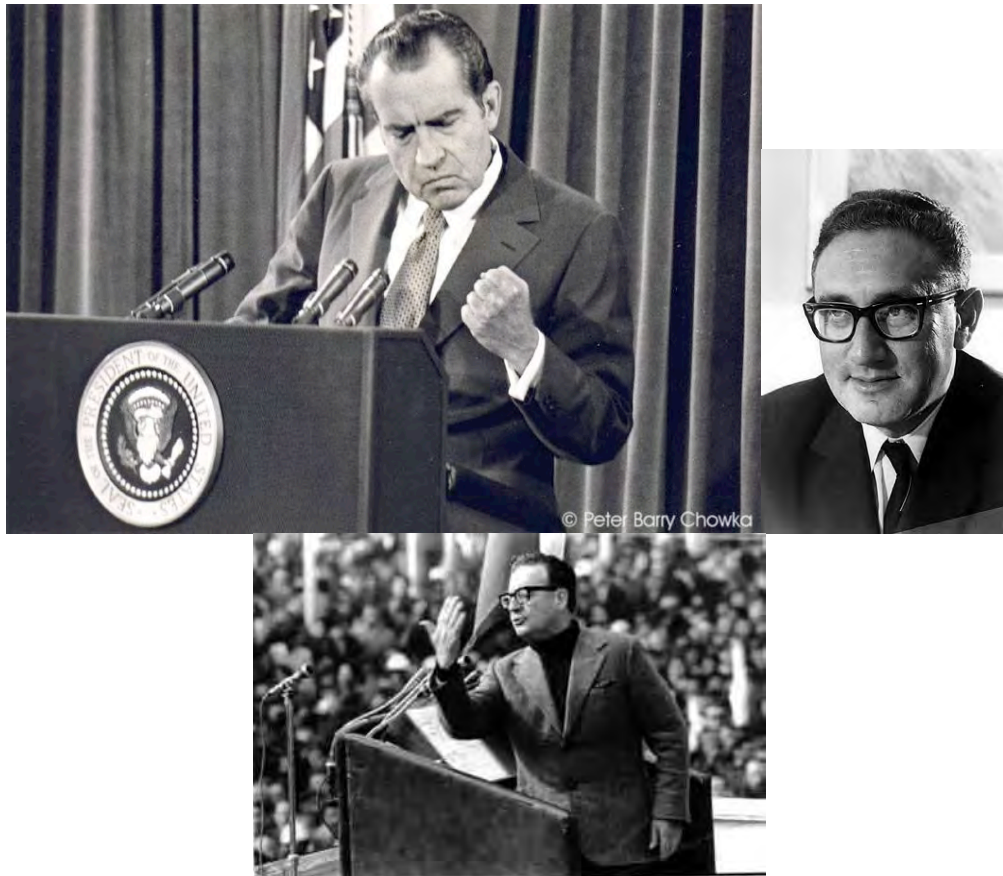


# THE UNITED STATES AND CHILE, 1970-73

The Secret CIA Plot to Overthrow a Democratically Elected Leader

*An Exercise in Historical Reconstruction*



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## MID-SEMESTER ESSAY

Due: Friday, 24 April, 11:59pm  
1,500 words (submit via LMS)

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### *Essay Question:*

From 1970 to 1973, the Nixon administration responded to the election of Salvador Allende in Chile and then to Allende's presidency with specific actions and policies. Based exclusively on the sources in the Chile packet, explain why it chose the course of action it did. (Note that in order to do this, you must explain what that course of action was.)

The sources in the packet will offer a variety of sometimes conflicting motives and aims. Your job is to develop a coherent explanation that pinpoints the most important reasons for U.S. actions and supports that explanation with reference to specific sources.

Your paper should be based on the sources in the Chile packet. You are not required or advised to do any additional reading or research. Note that because the paper is relatively short, you will need to make every word count.

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### *Background and Aims:*

This essay requires you to write a historical analysis of a key event in U.S. foreign relations based primarily on primary sources. You are provided with the full extent of the documents that will form the basis for the essay. The aim is to recreate the environment of incomplete and contradictory sources that every historian faces—to learn through experience how historians interpret the past based on fragmentary evidence. The point is *not* to answer all possible questions. Resist the temptation to go to the library or the Internet to find out more! Write the essay based only on the materials provided.

More specifically, the aim is to provide an account of *and explanation for* the Nixon administration's choices that is as clear and as accurate as possible. In other words, you must answer “what happened?” and “why?” – explaining why Nixon and his main deputy, Kissinger, chose the policies they did. Try to see the world the way they saw it. What assumptions and perceptions did they bring to events in Chile? What kind of advice were they getting from other officials in the CIA, the NSC, and the State Department? Why did they choose one course of action and not another? Remember that they are looking at the whole world, not just Chile. What else was going on at the time that might have influenced how they saw events in Chile?

Your job is not to decide whether what Nixon and Kissinger did was moral or immoral, but implicitly part of your task is to assess whether the choices Nixon and Kissinger made best served U.S. interests. You must, at least implicitly, weigh the other options they had, determine what consequences their actions produced, and compare those with the outcomes other options might have produced.

## Requirements:

**Your essay should be 1,500 words, typed and double-spaced, in a standard 12-point font such as Times New Roman.** It must include page numbers, and it must include standard footnotes in Chicago Manual style. For obvious reasons, there is no need to include a bibliography. The paper should include a title that encapsulates your interpretation of the events. **Please refer to the Essay Assessment Criteria for further details.**

The essay must be based only on the Chile packet. You may do outside reading (say, in a textbook) if you are extremely gung-ho or if you are confused about a particular issue, but you may not cite any material outside the packet in your essay. In other words, you may not *use* any external materials in the essay. It is not prohibited to do external reading that enhances your general knowledge of what happened, but what you write in the essay must come from the sources in the packet. Essays that do not meet this requirement will be heavily penalized and may fail.

Your analysis should include a thesis statement (that is, an argument), and your essay should be aimed at making an effective case in support of that thesis. See the resources on the LMS for further information.

## *General Advice:*

- As always, write for an intelligent audience that knows nothing about the events.
- Try to achieve a proper balance between generalization and specifics. You want to have an overall argument that provides the big picture and makes the overall policy comprehensible. You also want to marshal enough concrete details to provide a solid account of what actually happened.
- Try to achieve a balance between quoting and paraphrasing. You'll want to quote especially memorable or telling phrases from documents and to let the participants speak for themselves once in awhile. It's a way of bringing history to life. But much of what you'll be doing will be using your own voice to summarize, paraphrase, and analyse. Avoid long quotations from secondary sources.
- When you mention a name for the first time, be sure to identify the person's position (i.e., "CIA director Richard Helms").
- Frame the essay around a clear central argument, but without oversimplifying. Grapple with the complexity of factors that went into U.S. policy and with differences among government agencies.
- Footnotes should include, where available, the type of document (e.g., memorandum), the author (person or agency), title of document, date, and the document number as given in our packet. You need not provide more information than is given in the List of Documents. Please include the relevant packet page number. For example:

<sup>1</sup>CIA Directorate of Operations to William Broe, "Chilean Crisis," 29 September 1970, Chile Packet, Doc. 5, p. 10.



## LIST OF DOCUMENTS

*The documents listed below come from memoirs, newspapers, a Congressional investigation, and some recently declassified government documents. The latter are among tens of thousands of documents, totaling hundreds of thousands of pages, of U.S. government records relating to Chile in the late 1960s and early 1970s. Most of the documents below were once top-secret: classified SECRET/SENSITIVE, "EYES ONLY," NODIS [no distribution to other agencies], NOFORN [no foreign distribution], and ROGER CHANNEL [high urgency, restricted dissemination].*

**NOTE:** *I have retyped the first few documents as the quality of some of the originals is poor. I have indicated in brackets where redactions or handwritten notations occur.*

Doc. #, begins on p.:

- Doc. 1, p. 11      National Security Study Memorandum 97 [NSSM 97], mid-August 1970 – [Excerpt]
- Doc. 2, p. 12      CIA, Notes on Meeting with the President on Chile, 15 September 1970  
*Handwritten notes taken by CIA director Richard Helms*
- Doc. 3, p. 12      CIA, Memorandum, Genesis of Project FUBELT, 16 September 1970
- Doc. 4, p. 13      Action Memorandum for the President from Henry Kissinger on Chile, 17 September 1970
- Doc. 5, p. 15      CIA Directorate of Operations to William Broe, "Chilean Crisis," 29 September 1970 – [Excerpt]
- Doc. 6, p. 15      Committee Meeting, Monday—September 14," 14 Sept. 1970 – [Excerpt]  
*Viron Vaky was Kissinger's top NSC aide on Latin America*
- Doc. 7, p. 16      CIA, Operating Guidance Cable on Coup Plotting, 16 October 1970  
*Secret cable from CIA deputy director of plans Karamessines, with orders to CIA station chief in Santiago, Chile, Henry Hecksher*
- Doc. 8, p. 18      National Security Council, [Revised] Options Paper on Chile (attached to National Security Secret Memorandum [NSSM] 97), 3 November 1970  
*A comprehensive secret/sensitive option paper prepared for Kissinger on the day of Allende's inauguration. Nixon ultimately chose "Option C." CIA operations and options are **not** included in this document.*
- Doc. 9a, p. 32      Memorandum for the President from Henry Kissinger, "NSC Meeting, November 6--Chile," 5 November 1970
- Doc. 9b, p. 40      Memorandum of Conversation, NSC Meeting – Chile (NSSM 97), 6 November 1970
- Doc. 9c, p. 45      Henry Kissinger, National Security Decision Memorandum 93, "Policy Towards Chile," 9 November 1970

- Doc. 10, p. 47     CIA, Report of CIA Chilean Task Force Activities, 15 September to 3 November 1970, 18 November 1970  
*Head of Task Force = David Atlee Phillips; Col. Paul Winert = U.S. Army Attache detailed to the CIA for this operation*
- Doc. 11, p. 53     “Fulbright Panel Sets I.T.T. Inquiry,” *New York Times*, 25 March 1972
- Doc. 12, p. 54     “Chile, Copper and the United States Interest,” by John C. Dreier, *SAIS Review*, Winter 1972 – Excerpt
- Doc. 13, p. 56     “Can We Do Business with Radical Nationalists? Chile: No,” by James F. Petra and Robert LaPorte, Jr., *Foreign Policy*, Summer 1972 - [Excerpt]
- Doc. 14, p. 60     CIA, Meeting Minutes, “Meeting on Current Chilean Situation at Department of State, 1630-1830, 17 October 1972,” 18 October 1972
- Doc. 15, p. 62     CIA, Memorandum from William Colby, “Proposed Covert Financial Support of Chilean Private Sector,” 25 August 1973
- Doc. 16, p. 63     CIA, Memorandum to Jack Kubisch, 11 September 1973
- Doc. 17, p. 64     CIA, Memorandum from CIA Director William Colby to Kissinger, “CIA’s Covert Action Program in Chile since 1970,” 13 September 1973
- Doc. 18, p. 66     “U.S. Expected Chile Coup But Decided Not To Act,” *New York Times*, 14 September 1973
- Doc. 19, p. 68     Telcon, Kissinger and Nixon, 16 September 1973
- Doc. 20, p. 70     *Hearings before the Select Committee to Study Governmental Operations with Respect to Intelligence Activities of the United States Senate; Volume 7: Covert Action* (Washington, D.C.: U.S. Government Printing Office, 1976): “Covert Action in Chile, 1963-1973” – [Excerpt]  
*Senator Frank Church’s Senate Select Committee to Study Government Activities with Respect to Intelligence, known as the Church Committee, conducted the first major Congressional investigation into clandestine operations and published the first case studies (of which this document is one) detailing those operations abroad.*
- Doc. 21, p. 83     *Alleged Assassination Plots Involving Foreign Leaders: An Interim Report of the Select Committee to Study Governmental Operations with Respect to Intelligence Activities, United States Senate* (Washington, D.C.: U.S. Government Printing Office, 1975), pp. 253-4 – [Excerpt]
- Doc. 22, p. 85     Henry Kissinger, “The Autumn of Crises: Chile,” from *White House Years* (Boston: Little, Brown, 1979) – [Excerpt]  
*1,500-pg. memoir covering years as National Security Adviser, 1969-Jan. 1973*
- Doc. 23, p. 101     Henry Kissinger, “Chile: The Fall of Salvador Allende,” from *Years of Upheaval* (Boston: Little, Brown, 1982), p. 374  
*A shorter (1,200-page) memoir covering his years as Secretary of State*

## THE UNITED STATES AND CHILE, 1970-73: A SUMMARY\*

*I don't see why we need to stand by and watch a country go communist due to the irresponsibility of its people.*

—Henry Kissinger

*It is not a part of American history that we are proud of.*

—Secretary of State Colin Powell, 2003, responding to a question on the morality of the U.S. role in Chile

On September 11, 1973, General Augusto Pinochet led a military coup in Chile that overthrew the democratically elected Popular Unity government of President Salvador Allende, a Socialist. Because of CIA covert intervention and the repressive nature of the military dictatorship that Pinochet established, the coup became the most notorious military takeover in the annals of Latin American history.

In the mid-1970s, revelations that President Nixon had ordered the CIA to “make the economy scream” in Chile to “prevent Allende from coming to power or to unseat him” generated a series of political and intelligence scandals. A major Congressional investigation by the Church Committee led to a serious overhaul in the CIA’s conduct of covert operations. At the same time, Secretary of State Henry Kissinger was providing unabashed support for Pinochet’s dictatorship, despite clear evidence of atrocities. To curb White House support for Pinochet, Congress passed precedent-setting legislation curtailing foreign aid to the dictatorship and mandating human-rights criteria for all U.S. military and economic assistance.

The findings of the Church Committee and widespread public distaste for Washington’s association with Pinochet’s brutality came at a time when the country was mired in the Watergate scandal and was still reeling from revelations of government deception about the Vietnam War. In this context, American involvement in Chile produced considerable soul-searching. In 1975 the State Department wrote in an internal memo that “Chile is just the latest example for a lot of people in this country of the United States not being true to its values.” Writing in *The New Yorker* in 1979, Richard Harris wrote that the debate around U.S. misconduct in Chile raised the fundamental question, “How did we become such a nation?”

In 1989 Pinochet’s dictatorship was replaced by a civilian regime. In 1990 Pinochet was arrested and charged with crimes against humanity for the brutal killings and abuses that were committed during his rule. Ultimately the Chilean government decided that Pinochet could not be put on trial due to age-related dementia, and he was released. His arrest, however, prompted the release of massive new materials from secret U.S. government archives. Under the Clinton administration, tens of thousands of additional documents on the U.S. role in Chile have become declassified, in part thanks to a special Chile Declassification Project mandated by Congress. But because many thousands of other CIA, National Security Council, and Defense Department records are still classified secret, the full story will not be known for many years.

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\* Drawn in part from Peter Kornbluh, *The Pinochet File: A Declassified Dossier on Atrocity and Accountability* (New York: New Press, 2003), xiv-xx.

# CHILE FACTS

Population c. 1970: 10 million



# CHRONOLOGY

## **Background**

|                 |                                                                                                                                                                                                                                                                                                                                                                        |
|-----------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1959            | Revolution in Cuba: Fidel Castro comes to power and eventually establishes a communist dictatorship.                                                                                                                                                                                                                                                                   |
| 1961-4<br>Frei) | The Kennedy administration begins covert operations in Chile to ensure the election of its favored candidate (center-rightist in the Chilean elections of 1964, including a \$3 million anti-Allende campaign.                                                                                                                                                         |
| 1964            | Roberto Frei wins presidential election.                                                                                                                                                                                                                                                                                                                               |
| 1964-70         | The U.S. embarks on a massive program of economic, military, and covert political assistance, funneling to Chile what were then enormous sums: \$1.2 billion in grants and loans in the 1960s, \$400 million in “political risk insurance” to encourage American companies to expand operations in Chile, \$91 million in military aid, and \$2 million on propaganda. |

## **Key Events**

|                    |                                                                                                                                                                                                                                                                       |
|--------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| September 4, 1970  | Salvador Allende wins a plurality of votes in the Chilean presidential election. Because no candidate received a majority, constitutional procedure mandated that Congress decide between the two top candidates on October 24.                                       |
| October 24, 1970   | The Chilean Congress votes Allende president.                                                                                                                                                                                                                         |
| November 3, 1970   | Allende is formally inaugurated as president. Chile becomes the first Latin American nation to democratically elect a socialist president.                                                                                                                            |
| September 11, 1973 | General Pinochet overthrows Allende’s government in a coup and establishes a military dictatorship that will last until 1989. During this time Pinochet’s regime killed several thousand political opponents and arrested and tortured an estimated 30,000 “enemies.” |

## GLOSSARY

|                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
|--------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Project FUBELT     | Codename for U.S. covert operations to destabilize the Allende government in the Fall of 1970                                                                                                                                                                                                                                                                                                                                                                          |
| "memcon"           | Memorandum of conversation                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| "telcon"           | Transcript of telephone conversation                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| 40 Committee       | A secretive high-level interagency group with responsibility for international clandestine operations. (Its earlier names include the 303 Committee and the Special Group.) It included the National Security Adviser, the CIA Director, and representatives of the Departments of State and Defense. In the early 1970s it was chaired by Kissinger and was the main body that oversaw efforts to overthrow Allende.                                                  |
| Export-Import Bank | "Ex-Im Bank" is a government agency intended to promote international trade while serving U.S. foreign policy interests. Its goal is to help finance U.S. exports, mainly by lending money to foreign buyers of U.S. goods and services. It does so typically by offering credits to foreign banks and governments in connection with development projects.                                                                                                            |
| IBRD<br>IDA        | International Bank for Reconstruction and Development<br>International Development Association<br>These organizations together are known today as "the World Bank," a specialized agency of the United Nations that provides loans to developing countries. Its agenda has long been dominated by the United States.                                                                                                                                                   |
| NSC                | Founded in 1947, the National Security Council is the President's principal forum for considering national security and foreign policy matters with senior national security advisors and Cabinet officials. The Council advises and assists the President on national security and foreign policies and serves as the President's principal arm for coordinating these policies among various government agencies.                                                    |
| OPIC               | Overseas Private Investment Corporation, a quasi-governmental organization that offered "political risk coverage" to American companies to encourage them to invest abroad, especially in Chile.                                                                                                                                                                                                                                                                       |
| OAS                | Organization of American States: the premier multilateral forum in the Western Hemisphere. Its 35 members are countries from North, South, and Central America, the Caribbean, and Canada. Its basic objectives include strengthening peace and security; promoting the effective exercise of representative democracy; ensuring the peaceful settlement of disputes among members; and promoting economic, social, educational, scientific, and cultural development. |

## KEY PLAYERS

### Chileans

|                         |                                                                                                                                                                  |
|-------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Allende, Salvador       | A Socialist who was elected president of Chile in September 1970; leader of the Popular Unity (Unidad Popular or UP) coalition                                   |
| Frei, Eduardo           | The outgoing Chilean president in 1970                                                                                                                           |
| Schneider, General Rene | Commander-in-chief of the armed forces; he was opposed to military intervention in the affairs of government                                                     |
| Viaux, Roberto          | An anti-Allende, pro-U.S. retired general; in 1970 he led a group that murdered General Rene Schneider because of Schneider's opposition to an anti-Allende coup |

### Americans

|                      |                                                                                                                                             |
|----------------------|---------------------------------------------------------------------------------------------------------------------------------------------|
| Colby, William       | CIA director, March 1973-1975                                                                                                               |
| Hecksher, Henry      | CIA station chief in Santiago, Chile                                                                                                        |
| Helms, Richard       | CIA director, 1966-February 1973                                                                                                            |
| Karamessines, Thomas | CIA deputy director of plans; appointed in October 1970 as head of special task force on covert "Project FUBELT" operations against Allende |
| Kissinger, Henry     | President Nixon's National Security Adviser, 1969-1973; Secretary of State, 1973-1975                                                       |
| Korry, Edward        | U.S. Ambassador to Chile                                                                                                                    |
| Nixon, Richard       | President                                                                                                                                   |

## **Document 1**

National Security Study Memorandum 97 [=NSSM 97]

mid-August 1970 [excerpt]

*[NSSMs are major strategic documents that guide American policymaking, and NSSM 97 was a major "review of U.S. policy and strategy in the event of an Allende victory" written on Kissinger's orders by CIA, State, and Defense Department analysts. This document is still classified; small parts were released to the Church Commission in 1975.]*

... Regarding threats to U.S. interests, we conclude that

1. The U.S. has no vital national interests within Chile. There would, however, be tangible economic losses.
2. The world military balance of power would not be significantly altered by an Allende government.
3. An Allende victory would, however, create considerable political and psychological costs:
  - a. Hemispheric cohesion would be threatened by the challenge that an Allende government would pose to the OAS, and by the reactions that it would create in other countries. We do not see, however, any likely threat to the peace of the region.
  - b. An Allende victory would represent a definite psychological setback to the U.S. and a definite psychological advance for the Marxist idea.

...In examining the potential threat posed by Allende, it is important to bear in mind that some of the problems foreseen for the United States in the events of his election are likely to arise no matter who becomes Chile's next president....

...

SECRET ANNEX: Extreme Option — Overthrow Allende

...This option assumes that every effort would be made to ensure that the role of the United States was not revealed, and so would require that the action be effected through Chilean institutions, Chileans, and third-country nationals....Successful U.S. involvement with a Chilean military coup would almost certainly permanently relieve us of the possibility of an Allende government in Chile....Were the overthrow to be successful—which we cannot assure—the United States would become a hostage to the elements we backed into the overthrow and would probably be cut off for years from most other political forces in the country.



## **Document 2**

CIA, Notes on Meeting with the President on Chile, 15 September 1970

Handwritten notes taken by CIA director Richard Helms

Meeting with President on Chile, September 15, 1970

Present: John Mitchell and Henry Kissinger

1 in 10 chance perhaps, but save Chile!  
worth spending  
not concerned risks involved  
no involvement of embassy  
\$10,000,000 available, more if necessary  
full-time job—best men we have  
game plan  
make the economy scream  
48 hours for plan of action

## **Document 3**

CIA Memorandum for the Record, "Genesis of Project FUBELT," 17 September 1970

17 September 1970

MEMORANDUM FOR THE RECORD

SUBJECT: Genesis of Project FUBELT

1. On this date the Director called a meeting in connection with the Chilean situation. Present in addition to the Director were General Cushman, DDCI; Col. White, ExDir-Compt; Thomas Karamessines, DDP; Cord Meyer, ADDP; William V. Broe, Chief WH Division; [REDACTED], Deputy Chief, WH Division; [REDACTED], Chief, Covert Action, WH Division; and [REDACTED], Chief, WH/4.

2. The Director told the group that President Nixon had decided that an Allende regime in Chile was not acceptable to the United States. The President asked the Agency to prevent Allende from coming to power or to unseat him. The President authorized ten million dollars for this purpose, if needed. Further, The Agency is to carry out this mission without coordination with the Departments of State or Defense.

3. During the meeting it was decided that Mr. Thomas Karamessines, DDP, would have overall responsibility for this project. He would be assisted by a special task force set up for this purpose in the Western Hemisphere Division.

...

5. The Director said he had been asked by Dr. Henry Kissinger, Assistant to the President for National Security Affairs, to meet with him on Friday, 18 September to give him the Agency's views on how this mission could be accomplished.

William Broe  
Chief, Western Hemisphere Division

## Document 4

MEMORANDUM

THE WHITE HOUSE  
Washington

~~SECRET/SENSITIVE~~

ACTION  
September 17, 1970

MEMORANDUM FOR THE PRESIDENT

FROM: Henry A. Kissinger

SUBJECT: Chile

Unless we establish tight control and professional guidance, the covert action program approved by the 40 Committee for Chile will not work. It is going to be a long-shot as it is; if we have to face the additional handicaps of well-meaning but unprofessional activism, of lack of coordination and of bureaucratic resistance, we will be dangerously exposed.

The situation is as follows:

-- State is timid and unsympathetic to a covert action program; it will not be able to provide either the imaginative leadership or the tight coordinated overview we need.

-- Ambassador Korry is imaginative, but he is an "unguided missile." He is acting now as his own project chief and is trying to construct an operation all by himself. This is dangerous from a professional intelligence-operations point of view, and inefficient because there are so many inhibitions on his capacity to operate. He is too exposed and visible to do this kind of thing, and it may even affect his objectivity and analysis.

-- But Korry does not trust his staff and will not use it; most of his key officers, including the CIA Station Chief, have been cut out of the operation.

-- Only Korry is doing any real reporting, and while it is voluminous, it is inconsistent and contradictory. We cannot be sure of what the situation really is and how much Korry is justifying or camouflaging [*sic*].

-- CIA is unhappy at the *modus operandi*, but does not feel that it can impose discipline on Korry; it certainly cannot do it through its present Station Chief.

-- There is no consensus among agencies here concerning the full scope of operations and some lack of enthusiasm for overall planning. Hence, the bureaucracy is simply reacting to what happens in Santiago.

-- The 40 Committee does not have the time for this kind of close, detailed supervision, and the time-lag would make it impossible anyway.

~~SECRET/SENSITIVE~~

DECLASSIFIED  
Authority State, CIA, NSA, NSC By Initials NARA Date 8/28/00

SECRET/SENSITIVE

- 2 -

Thus, in effect, although no one particularly wants him to, Korry has the operational ball and is running, with everyone just hoping there are no leaks or exposures. We are not really sure if what is happening is professionally sound as possible or what more we might do technically to improve the effectiveness of our actions. Thus our risks of being "found out" are maximized, and our efficiency is cut.

To rectify this situation, I recommend the following:

1. Establish an action task force here in Washington to run the program. This would meet daily, make decisions, send out directives, keep tabs on things. It would coordinate activities, and plan implementing actions. It would work fast and in secrecy--not through normal bureaucratic procedures. It will need your authority to do this, and to be able to instruct the Ambassador.

2. Send to Santiago an expert professional to take over the operational program under the Ambassador's and the task force's broad guidance. This would enable the Ambassador to draw back from personal operations and involvement. In addition, it will help with the time-lag problem. In fast-moving situations some operational decisions may have to be made on the spot.

RECOMMENDATION:

That you authorize the establishment of this kind of mechanism.

Approve   RN  

Disapprove       

SECRET/SENSITIVE

## **Document 5**

“Chilean Crisis”

From CIA Directorate of Operations to William Broe

9-29-70

[excerpt]

...Allende will be hard for the Communist Party and for Moscow to control...[Allende] is no blind follower of Fidel Castro nor do they and their followers agree on everything by any means...[Covert operations to stop Allende from becoming president] would be worse than useless. Any indication that we are behind a legal mickey mouse or some hard-nosed play will exacerbate relations even further with the new government. I am afraid that we will be repeating the errors we made in 1959 and 1960 when we drove Fidel Castro in the Soviet camp. If successful for the moment in denying the UP its candidate, we would bring upon ourselves a much more dangerous civil war in Chile...and a much worse image throughout Latin America and the world...

## **Document 6**

NSC Action Memorandum [Non Log], Viron Vaky to Kissinger, “Chile—40 Committee Meeting, Monday—September 14,” 14 Sept. 1970 – [Excerpt]

*Viron Vaky was Kissinger's top NSC aide on Latin America*

SECRET/SENSITIVE

...Military action is impossible. We have no capability to motivate or instigate a coup and any covert effort to stimulate a military takeover is a nonstarter....

[Blocking Allende could] lead to widespread violence and even insurrection.... [Failure] would be this administration's Bay of Pigs....

What we propose is patently a violation of our own principles and policy tenets. Moralism aside, this has practical operational consequences.... If these principles are to have any meaning, we normally depart from them only to meet the gravest threat to us, e.g. to our survival. Is Allende a mortal threat to the U.S.? It is hard to argue this.

...

**Document 7**  
**TELEGRAM**

DATE: 16 October 1970

RESTRICTED HANDLING

---

CITE HEADQUARTERS 802

IMMEDIATE SANTIAGO (EYES ONLY)

1. TRACK TWO POLICY, OBJECTIVES, AND ACTIONS WERE REVIEWED AT HIGH USG LEVEL AFTERNOON 15 OCTOBER. CONCLUSIONS, WHICH ARE TO BE YOUR OPERATIONAL GUIDE, FOLLOW:

2. IT IS FIRM AND CONTINUING POLICY THAT ALLENDE BE OVERTHROWN BY A COUP. IT WOULD BE MUCH PREFERABLE TO HAVE THIS TRANSPIRE PRIOR TO 24 OCTOBER BUT EFFORTS IN THIS REGARD WILL CONTINUE VIGOROUSLY BEYOND THIS DATE. WE ARE TO CONTINUE TO GENERATE MAXIMUM PRESSURE TOWARD THIS END UTILIZING EVERY APPROPRIATE RESOURCE. IT IS IMPERATIVE THAT THESE ACTIONS BE IMPLEMENTED CLANDESTINELY AND SECURELY SO THAT THE USG AND AMERICAN HAND BE WELL HIDDEN. WHILE THIS IMPOSES UPON US A HIGH DEGREE OF SELECTIVITY IN MAKING MILITARY CONTACTS AND DICTATES THAT THESE CONTACTS BE MADE IN THE MOST SECURE MANNER, IT DEFINITELY DOES NOT PRECLUDE CONTACTS SUCH AS REPORTED IN SANTIAGO 544 WHICH WAS A MASTERFUL PIECE OF WORK.

3. AFTER THE MOST CAREFUL CONSIDERATION IT WAS DETERMINED THAT A VIAUX COUP ATTEMPT CARRIED OUT BY HIM ALONE WITH THE FORCES NOW AT HIS DISPOSAL WOULD FAIL. THUS, IT WOULD BE COUNTERPRODUCTIVE TO OUR [WORDS DELETED, HANDWRITTEN ON TOP: "TRACK TWO"] OBJECTIVES. IT WAS DECIDED THAT [WORD DELETED, HANDWRITTEN ON TOP: "CIA"] GET A MESSAGE TO VIAUX WARNING HIM AGAINST PRECIPITATE ACTION. IN ESSENCE OUR MESSAGE IS TO STATE, "WE HAVE REVIEWED YOUR PLANS, AND BASED ON YOUR INFORMATION AND OURS, WE COME TO THE CONCLUSION THAT YOUR PLANS FOR A COUP AT THIS TIME CANNOT SUCCEED. FAILING, THEY MAY REDUCE YOUR CAPABILITIES FOR THE FUTURE. PRESERVE YOUR ASSETS. WE WILL STAY IN TOUCH. THE TIME WILL COME WHEN YOU TOGETHER WITH ALL YOUR FRIENDS CAN DO SOMETHING. YOU WILL CONTINUE TO HAVE OUR SUPPORT." YOU ARE REQUESTED TO DELIVER THE MESSAGE TO VIAUX ESSENTIALLY AS NOTED ABOVE. OUR OBJECTIVES ARE AS FOLLOWS: (A) TO ADVISE HIM OR OUR OPINION AND TO DISCOURAGE HIM FROM ACTING ALONE; (B) CONTINUE TO ENCOURAGE HIM TO AMPLIFY HIS PLANNING; (C) ENCOURAGE HIM TO JOIN FORCES WITH OTHER COUP PLANNERS SO THAT THEY MAY ACT IN CONCERT EITHER BEFORE OR AFTER 24 OCTOBER. (N.B. SIX GAS MASKS AND SIX CS CANNISTERS ARE BEING CARRIED TO SANTIAGO BY SPECIAL COURIER ETD WASHINGTON 1100 HOURS 16 OCTOBER.

4. THERE IS GREAT AND CONTINUING INTEREST IN THE ACTIVITIES OF TIRADO, CANALES, VALENZUELA ET AL. AND WE WISH THEM OPTIMUM GOOD FORTUNE.

5. THE ABOVE IS YOUR OPERATING GUIDANCE. NO OTHER POLICY GUIDANCE YOU MAY RECEIVE FROM STATE OR ITS MAXIMUM EXPONENT IN SANTIAGO, ON HIS RETURN, ARE TO SWAY YOU FROM YOUR COURSE.

6. PLEASE REVIEW ALL YOUR PRESENT AND POSSIBLY NEW ACTIVITIES TO INCLUDE PROPAGANDA, BLACK OPERATIONS, SURFACING OF INTELLIGENCE OR DISINFORMATION, PERSONAL CONTACTS, OR ANYTHING ELSE YOUR IMAGINATION WILL CONJURE WHICH WILL PERMIT YOU TO CONTINUE TO PRESS FORWARD TOWARD OUR [REDACTED WORD] OBJECTIVE IN A SECURE MANNER.

END OF MESSAGE



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## DEPARTMENT OF STATE

Washington, D.C. 20520

Doc. 8

November 3, 1970

~~SECRET/SENSITIVE~~MEMORANDUM FOR MR. HENRY A. KISSINGER  
THE WHITE HOUSESubject: NSC Meeting on Chile, Thursday,  
November 5, 1970

Enclosed is a revised options paper on Chile for consideration by the National Security Council at its meeting on November 5, pursuant to your request at the meeting on October 29 of the Senior Review Group.

*Theodore L. Eliot, Jr.*  
Theodore L. Eliot, Jr.  
Executive Secretary

Enclosure:  
Chile Options Paper.

Declassified on 12-1-95  
for provisions of E.O. 12958  
under, National Security Council

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OPTIONS PAPER FOR NSC

CHILE

I. Assumptions

A. Regarding Events Within Chile

1. The Allende government will seek to establish in Chile as soon as feasible an authoritarian system following Marxist principles. To that end it will move (a) to bring all significant economic activity under state operation including nationalization of basic industries; (b) to gain control over the security and armed forces; and (c) to dominate public information media. Allende is a Marxist, and will be faithful to his Marxist goals, but in his tactics may be a pragmatist who, for as long as it suits his purposes, might tolerate less than radical solutions.

2. The Allende government will, at least in its first two years, encounter some political opposition from anti-Communist forces including the military, and will suffer from internal tensions, especially between Socialists and orthodox Communists, as well as between opportunists and ideologues within the UP. It will work deliberately but purposefully to eliminate that opposition and those tensions. Opposition within the military will act as both an incentive and a deterrent to Allende's attempting to establish absolute control over the military and security forces through key appointments, retirements, and other legal measures. The pace at which Allende will proceed to obtain this control will be dictated by opportunity and circumstances, but assuredly will be as rapid as possible without inciting a dangerous reaction from the military.

3. The Allende government will encounter serious economic problems which could exacerbate tensions within the governing coalition and increase

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the potential of anti-government forces. The Allende government will confront these problems cautiously but with determination and without changing its ultimate goal.

4. An early test of Allende's acceptance will be the nation-wide municipal elections scheduled for April 1971. Allende will use this occasion to seek to consolidate his power.

B. Regarding Chile's External Posture

1. The Allende government will, despite possibly reassuring gestures, have a profound anti-American bias and will work to extirpate U.S. influence from the country and in order to do so may find it useful politically at some time to confront the United States. The Allende government may be expected to work against U.S. interests in the hemisphere and the rest of the world.

2. The Allende government will remain in the OAS, but will seek to use it as a forum for advancing its interests principally at the expense of the United States.

3. The Allende government will seek to maintain normal relations with the other Latin American governments and to influence other countries of Latin America to emulate the Chilean example. At the same time, Chile will probably become a haven for Latin American subversives and a staging ground for subversive movements in other countries despite Allende's desire to maintain normal relations within the hemisphere. The Chilean Communist Party will exploit its new-found respectability to strengthen its ties and influence with its collaborators in the hemisphere.

4. The Allende government will establish diplomatic relations and resume full trading ties with Cuba, although it may proceed cautiously to these ends.

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5. The Allende government will most likely eventually carry out its expressed intention to recognize and establish diplomatic relations with all other "Socialist" countries including North Vietnam, Communist China, North Korea, and East Germany.

6. A Marxist-Allende government in power would represent a potential danger to Western Hemisphere security, to the extent that it develops military ties with Communist powers, and is actively hostile to inter-American security organizations. Full realization of these potentials could threaten U.S. security interests specifically.

7. The Allende government will have close relations with the Soviet Union but will seek to avoid dependence on it.

8. At least at the outset, the Allende government will wish to maintain its international credibility as a responsible debtor, as a trusted borrower, and as a sovereign nation that fulfills its international obligations independent of any great power. It is unlikely, however, that it can complete its announced program of nationalization with "fair compensation" to U.S. investors.

C. Regarding Attitudes in the United States

The U.S. Congress and knowledgeable sectors of the public will follow with interest the political course which Chile takes internally and its attitudes and actions with regard to the United States. The realism, finesse and effectiveness of the U.S. posture toward Chile will receive equivalent interest.

To date, coast to coast editorial comment has generally supported the manner in which the United States has handled developments in Chile. As the actions of the Allende government become more overtly hostile to U.S. interests, however, we may expect adverse reaction by some sectors of the U.S. public, press, and Congress to the "establishment of another communist government in the hemisphere," with consequent pressures on U.S. policy.

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#### D. Regarding Attitudes of Other Countries

1. Allende's assumption of power will provoke little overt hostility, at least initially, from Latin American or Western European governments, and these governments will publicly accept it in regional and multilateral organizations. To date, the results of our consultations with the other American Republics indicate concern on their part over developments in Chile but general endorsement of adopting a "wait and see" attitude on their and our parts. There will, however, be substantial official but privately expressed mistrust of and hostility toward the policies of that government as they develop along their expected lines.

#### II. U.S. Objectives

The Department of State recommends that U.S. objectives with respect to Chile be set after full discussion by the National Security Council of the feasible means available to the U.S. for significantly influencing the course of events in Chile.

The Department of Defense recommends that the following be considered as the U.S. objectives toward Chile: (1) The prevention of establishment by the Allende government of an authoritarian Marxist regime, prevention of the regime's falling under Communist control, and prevention of its influencing the rest of Latin America to follow it either as a model or through its external policies; (2) to act as a counterpoise to Soviet influence; (3) to protect U.S. economic interests, and (4) to protect U.S. security interests.

#### III. Options

The United States should maintain a restrained, deliberate attitude toward Chile. In this manner we would maintain and exercise our influence in Chile, and have considerable flexibility and initiative while exploiting opportunities for pursuing our objectives.

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Although events in Chile will be determined principally by internal Chilean forces and therefore U.S. influence can have only a marginal effect, the skillful exercise of our influence could be an important factor in complicating Allende's task, both by exacerbating the friction between the moderate and radical elements in Allende's coalition and by bolstering those forces opposed to the establishment in Chile of a Marxist-Leninist regime. The negative use of our influence--e.g., taking measures from the outset that manifest U.S. hostility toward the Allende government--would serve Allende's purpose of rallying the Chilean people around him in the face of the "foreign devil." On the other hand, failure to take any steps to achieve our objectives would leave the initiative in his hands, discourage opposition to Allende in Chile, weaken our hemisphere leadership, and create serious problems with public and Congressional opinion in the United States.

The principal targets of our courses of action with Chile would be the Allende government, the Chilean security and military forces, the non-Marxist political forces, and the Chilean public. Additional targets would be other Latin American countries and the OAS.

#### Option A

Treat Chile as we do Communist Nations that Seek Independence of the USSR

This option would be posited upon the belief that: (1) U.S. capabilities short of the use of armed force are insufficient in themselves to prevent the Allende government from maintaining itself at least over the short run; (2) for the foreseeable future the main course of events in Chile will be determined primarily by the Allende government and its reactions to internal pressures; (3) those internal pressures favorable to our interests can best be fostered and encouraged by maintaining as much U.S. presence and influence with the Chilean people as is possible; (4) thus we should not take the initiative in actions that would isolate

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us from Chile nor should we take the initiative in actions that would tend to force Chile into dependency on the Soviet Union; (5) we will be in the strongest position within Chile and the hemisphere if it is clear that sanctions that we take against Chile are in reaction to what the Allende government does rather than to what we fear it may do; (6) conversely to the degree that it is interpreted that the U.S. has taken the initiative in actions isolating itself from and creating a condition of hostility with Chile, Allende's domestic and international position will be strengthened.

This option looks, therefore, to the longer run when, as we have experienced elsewhere in communist countries, internal developments in Chile may produce policies less hostile to our interests than the short-run "revolutionary" period is likely to do. Such a development should provide us with new opportunities for influencing the course of events in Chile.

#### 1. Courses of Action

##### (a) Regarding the Allende Government

1. Maintain correct official relations with the Allende government in accord with established diplomatic practice.
2. Maintain the minimum official presence required to attain our objectives, headed by an Ambassador.
3. Keep the Allende government uncertain as to our attitude by refraining from public statements. Diplomatic actions in Chile would be limited to responding to situations as they emerge in Chile.
4. With respect to all other U.S. official activities relating to Chile, signal our reaction to any steps that may be taken

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by the Allende government that adversely affect U.S. interests in Chile by reducing or cancelling our programs, keeping in mind, however, our long-run objective of seeking to avoid a situation in which our influence would be entirely closed out.

5. Continue close consultation with Latin American governments regarding developments in Chile to ensure that our actions are understood and to ascertain whether we are moving in the directions generally consonant with the views of our friends in the hemisphere.

Option B

Maintain an outwardly correct posture, refrain from initiatives which the Allende government could turn to its own political advantage, and act quietly to limit the Allende government's freedom of action.

This option would be posited on the beliefs that (a) while the Allende government will vigorously pursue its Marxist goals, the economic and political difficulties facing it will place significant obstacles in its path toward achieving those goals in the foreseeable future, and (b) overt hostile actions initiated by the United States would work to his political advantage. While we may not be able to avoid a confrontation, this option would deprive the Allende government to the extent possible of the important political benefit of putting on us the onus for any confrontation. In this manner we would limit the Allende government's opportunities to consolidate its position internally as well as in the hemisphere through mobilization of emotional nationalism and "latin-americanism" against the United States.

At the same time we would continue to make our concerns over developments in Chile effectively felt through quiet diplomacy and carefully measured actions which would weaken the Allende government's position and support its opposition without giving the government popular political issues to exploit.

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Option C

Maintain an outwardly correct posture, but making clear our opposition to the emergence of a Communist government in South America; act positively to retain the initiative vis-a-vis the Allende government.

This option would be posited on the belief that a satisfactory modus vivendi is ultimately impossible; that confrontations are, sooner or later, inevitable; that it is in the U.S. interest to act in a deliberate, positive way that avoids over-reaction and maintains flexibility; that most importantly we work to retain the initiative while denying flexibility to Allende; that it is also in the U.S. interest to make U.S. opposition to a Communist government in South America clear to Chile, the rest of Latin America, the USSR, and the world. This option is to be considered in the framework of the introductory paragraphs to this section (III. OPTIONS). It is based on the occurrence of the probable developments in Chile (I. Assumptions). It differs from other options in that it provides for a public position by the U.S., and also holds the initiative on the actions to be taken with the Allende government, the Chilean security forces and political forces, the Chilean public and the OAS.

This option does not recommend that the U.S. take the full range of the courses of action immediately after Allende's inauguration, nor without provocation on his part. It does recommend that U.S. initiative be geared to the situation as it develops in Chile.

1. Courses of Actiona. Regarding the Allende Government

- (1) On the diplomatic level, deal with the Allende government in a manner consonant with established diplomatic practice.

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- (2) Early in the Allende administration, declare at a very high level that we would view with grave concern adoption of policies, alliances or courses of action by the Allende government that transformed a friendly country into a state hostile to the United States or that violated or denigrated the honored principles upon which cooperation and peace in the hemisphere are based.
- (3) Express this view in statements by appropriate Administration officials and members of Congress, possibly in a Congressional Resolution, and in diplomatic contacts.
- (4) If U.S.-owned property is nationalized by Chile, insist on adequate compensation. If the Allende government does not adequately compensate for expropriated U.S.-owned properties:
  - Do not support rescheduling of Chilean debt.
  - Veto Chilean requests for loans in IBRD, IDB, Eximbank because of Chilean expropriations and economic policies.
  - Discourage U.S., third country, and multilateral private investment in Chile.
- (5) Invoke as soon as applicable appropriate provisions of the Foreign Assistance Act, e.g. (paraphrased):
  - 620(3)(b): No assistance to country dominated by international Communist movement.

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- 620(3)(c)(A): Suspend assistance to country that nationalizes, expropriates or seizes property owned by U.S. citizens, and fails within six months to agree to adequate compensation.
- 620(3)(F): No assistance to any Communist country without Presidential waiver.
- 107(b): No economic assistance to countries trading with Cuba or North Vietnam.
- (6) Encourage U.S. labor organizations to take active role in effort to prevent Communist control of Chilean labor movement and the Chilean government, and to oppose them if this eventuates.
- (7) If anti-U.S. hostility is evident, discourage tourism and travel to Chile, on the grounds that we could not lend assistance in case of trouble.
- (8) If Chile enters into commercial air traffic with Cuba, provide no assistance to Chilean airlines, no new equipment or routes.

b. Regarding the Chilean Security Forces

- (1) Maintain effective relations with the Chilean military, letting them know that we want to cooperate but that our ability to do so depends on Chilean government actions.
- (2) Inform Allende that we plan no change in military cooperation, but that U.S. public and Congressional reactions will be dictated by his government's actions.

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- (3) Based on Allende's response to this position, and on his subsequent actions, take the following steps:

- Military Assistance Program: Continue monitoring of training; MAP pipeline deliveries, and Foreign Military Sales pending Allende reaffirmation of:

-- The Mutual Defense Assistance Agreement of 1952,

-- The Military Mission Agreement of 1964.

If he reaffirms, continue the programs on a minimum basis; if he does not reaffirm, terminate.

- Military Group: Continue military mission operations if the Military Mission Agreement is reaffirmed within a reasonable time; be prepared to withdraw the missions unilaterally if this is not forthcoming.

- If Chile enters into trade with Cuba, maintain surveillance of Chilean Ships Transiting the Panama Canal (boarding guards, etc.).

- Impress on NATO Allies their need to support our Western Hemisphere security interests.

- Ship Leases/Loans: If U.S. security interests are affected by Chilean-Soviet military ties, inform Chilean military that we will have to recall the nine U.S. vessels (two destroyers, two submarines, five support ships) on lease/loan.

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- If Chile develops security ties with the USSR, dramatically increase security cooperation with other South American countries:

- Offer to sell F-4's to Argentina on favorable terms,
- Provide selective MAP material for Argentina and Brazil,
- Support the Argentine position in Beagle Channel controversy if not settled.
- Increase internal security assistance (MAP and Public Safety) to Uruguay, Paraguay, and possibly Bolivia, based on the threat of Chilean-exported subversion.

c. Regarding the Non-Marxist Political Forces

- (1) Give articulate support, publicly and privately, to democratic elements in Chile opposed to Allende regime by all appropriate means.
- (2) In contacts with non-Marxist politicians, emphasize our desire to continue cooperation but that our ability to do so depends on Chilean government actions.
- (3) Publicize on a continuing basis the restrictions to personal freedom and weaknesses of the Allende regime.

d. Regarding Chilean Public

- (1) Publicize on a continuing basis the restrictions to personal freedoms and weaknesses of a Communist regime.

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- (2) For the short term, continue the Title II, PL 480 program and utilization of the "Ambassador's" special development fund.
- e. OAS and Other Latin American Countries
- (1) Maintain consultations.
  - (2) Encourage major South American nations to effective opposition to a Communist Chile threat.
  - (3) Inform the Chilean military of our support for their actions as staunch defenders of a democratic Chile and suggest to the governments of Argentina, Brazil and Paraguay that they also convey their support to the Chilean military.
  - (4) Utilize OAS to oppose Chilean violations of OAS charter and resolutions.
  - (5) Consider exclusion of Chile from classified proceedings of IADB and in hemispheric military conferences and exercises.

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Option D

Maintain an outwardly correct but adversary posture, make clear our opposition to the emergence of a Communist government in South America; adopt without delay economic, political and diplomatic measures designed to prevent Allende from consolidating his position; act positively to retain the initiative vis-a-vis the Allende government.

This option would be posited on the belief that a satisfactory modus vivendi is impossible; that confrontations are inevitable; that it is necessary to act without delay to deny the Communists/Socialists the chance to consolidate their power; that we must retain the initiative while denying flexibility to Allende; that it is in the U.S. interest to make U.S. opposition to a Communist government in South America clear to Chile, the rest of Latin America, the USSR, and the world.

This option reflects the reported evaluation of the situation by ex-President Frei (Santiago 4637) that Chile is dead, without any future except as a fully Marxist state, and that the only miracle that might save it would be the incapacity of the government to handle the economic situation.

## THE WHITE HOUSE

WASHINGTON

SECRET/SENSITIVE

November 5, 1970

## MEMORANDUM FOR THE PRESIDENT

FROM: Henry A. Kissinger

SUBJECT: NSC Meeting, November 6 -- Chile

This meeting will consider the question of what strategy we should adopt to deal with an Allende Government in Chile.

A. DIMENSIONS OF THE PROBLEM

The election of Allende as President of Chile poses for us one of the most serious challenges ever faced in this hemisphere. Your decision as to what to do about it may be the most historic and difficult foreign affairs decision you will have to make this year, for what happens in Chile over the next six to twelve months will have ramifications that will go far beyond just US-Chilean relations. They will have an effect on what happens in the rest of Latin America and the developing world; on what our future position will be in the hemisphere; and on the larger world picture, including our relations with the USSR. They will even affect our own conception of what our role in the world is.

Allende is a tough, dedicated Marxist. He comes to power with a profound anti-US bias. The Communist and Socialist parties form the core of the political coalition that is his power base. Everyone agrees that Allende will purposefully seek:

- to establish a socialist, Marxist state in Chile;
- to eliminate US influence from Chile and the hemisphere;
- to establish close relations and linkages with the USSR, Cuba and other Socialist countries.

The consolidation of Allende in power in Chile, therefore, would pose some very serious threats to our interests and position in the hemisphere, and would affect developments and our relations to them elsewhere in the world:

- US investments (totaling some one billion dollars) may be lost, at least in part; Chile may default on debts (about \$1.5 billion) owed the US Government and private US banks.

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- Chile would probably become a leader of opposition to us in the inter-American system; a source of disruption in the hemisphere, and a focal point of support for subversion in the rest of Latin America.
- It would become part of the Soviet/Socialist world, not only philosophically but in terms of power dynamics; and it might constitute a support base and entry point for expansion of Soviet and Cuban presence and activity in the region.
- The example of a successful elected Marxist government in Chile would surely have an impact on--and even precedent value for--other parts of the world, especially in Italy; the imitative spread of similar phenomena elsewhere would in turn significantly affect the world balance and our own position in it.

While events in Chile pose these potentially very adverse consequences for us, they are taking a form which makes them extremely difficult for us to deal with or offset, and which in fact poses some very painful dilemmas for us:

- a. Allende was elected legally, the first Marxist government ever to come to power by free elections. He has legitimacy in the eyes of Chileans and most of the world; there is nothing we can do to deny him that legitimacy or claim he does not have it.
- b. We are strongly on record in support of self-determination and respect for free election; you are firmly on record for non-intervention in the internal affairs of this hemisphere and of accepting nations "as they are." It would therefore be very costly for us to act in ways that appear to violate those principles, and Latin Americans and others in the world will view our policy as a test of the credibility of our rhetoric.

On the other hand, our failure to react to this situation risks being perceived in Latin America and in Europe as indifference or impotence in the face of clearly adverse developments in a region long considered our sphere of influence.

- c. Allende's government is likely to move along lines that will make it very difficult to marshal international or hemisphere censure of him--he is most likely to appear as an "independent" socialist country rather than a Soviet satellite or "Communist government."

Yet a Titoist government in Latin America would be far more dangerous to us than it is in Europe, precisely because it can move against our policies and interests more easily and ambiguously and because its "model" effect can be insidious.

A. Dimensions of the Problem (continued)

Allende starts with some significant weaknesses in his position:

- There are tensions in his supporting coalition.
- There is strong if diffuse resistance in Chilean society to moving to a Marxist or totalitarian state.
- There is suspicion of Allende in the military.
- There are serious economic problems and constraints.

To meet this situation, Allende's immediate "game plan" is clearly to avoid pressure and coalescing of opposition prematurely, and to keep his opponents within Chile fragmented so that he can neutralize them one by one as he is able. To this end, he will seek to:

- be internationally respectable;
- move cautiously and pragmatically;
- avoid immediate confrontations with us; and
- move slowly in formalizing relations with Cuba and other Socialist countries.

There is disagreement among the agencies as to precisely how successful Allende will be in overcoming his problems and weaknesses, or how inevitable it really is that he will follow the course described or that the threats noted will materialize.

But the weight of the assessments is that Allende and the forces that have come to power with him do have the skill, the means and the capacity to maintain and consolidate themselves in power, provided they can play things their way. Logic would certainly argue that he will have the motivation to pursue purposefully aims he has after all held for some 25 years. Since he has an admittedly profound anti-US and anti-capitalist bias, his policies are bound to constitute serious problems for us if he has any degree of ability to implement them.

B. THE BASIC ISSUE

What all of this boils down to is a fundamental dilemma and issue:

a. Do we wait and try to protect our interests in the context of dealing with Allende because:

-- we believe we cannot do anything about him anyway;

-- he may not develop into the threat we fear or may mellow in time;

-- we do not want to risk turning nationalism against us and damaging our image, credibility and position in the world;

AND thereby risk letting Allende consolidate himself and his ties with Cuba and the USSR, so that a year or two from now when he has established his base he can move more strongly against us, and then we really will be unable to do anything about it or reverse the process. Allende would in effect use us to gain legitimacy and then turn on us on some economic issue and thereby cast us in the role of "Yankee imperialist" on an issue of his choice.

OR

b. Do we decide to do something to prevent him from consolidating himself now when we know he is weaker than he will ever be and when he obviously fears our pressure and hostility, because:

-- we can be reasonably sure he is dedicated to opposing us;

-- he will be able to consolidate himself and then be able to counter us in increasingly intense ways; and

-- to the extent he consolidates himself and links to the USSR and Cuba the trend of events and dynamics will be irreversible.

AND thereby risk:

-- giving him the nationalistic issue as a weapon to entrench himself;

-- damaging our credibility in the eyes of the rest of the world as interventionist;

-- turning nationalism and latent fear of US domination in the rest of Latin America into violent and intense opposition to us; and

-- perhaps failing to prevent his consolidation anyway.



### C. OUR CHOICES

There are deep and fundamental differences among the agencies on this basic issue. They manifest themselves in essentially three possible approaches:

#### 1. The Modus Vivendi Strategy:

This school of thought, which is essentially State's position, argues that we really do not have the capability of preventing Allende from consolidating himself or forcing his failure; that the main course of events in Chile will be determined primarily by the Allende government and its reactions to the internal situation; and that the best thing we can do in these circumstances is maintain our relationship and our presence in Chile so that over the long haul we may be able to foster and influencing domestic trends favorable to our interests. In this view actions to exert pressure on Allende or to isolate Chile will not only be ineffective, but will only accelerate adverse developments in Chile and limit our capacity to have any influence on the long-range trend.

In this view the risks that Allende will consolidate himself and the long-range consequences therefrom are less dangerous to us than the immediate probable reaction to attempts to oppose Allende. Its perception of Allende's long-term development is essentially optimistic and benign. Implicit is the argument that it is not certain he can overcome his internal weaknesses, that he may pragmatically limit this opposition to us, and that if he turns into another Tito that would not be bad since we deal with other governments of this kind anyway.

#### 2. The Hostile Approach:

DOD, CIA and some State people, on the other hand, argue that it is patent that Allende is our enemy, that he will move counter to us just as soon and as strongly as he feels he can; and that when his hostility is manifest to us it will be because he has consolidated his power and then it really will be too late to do very much--the process is irreversible. In this view, therefore, we should try to prevent him from consolidating now when he is at his weakest.

Implicit in this school of thought is the assumption that we can affect events, and that the risks of stirring up criticism to our position elsewhere are less dangerous to us than the long-term consolidation of a Marxist government in Chile.

2. The Hostile Approach (continued)

Within this approach there are in turn two schools of thought:

a. Overt Hostility.

This view argues that we should not delay putting pressure on Allende and therefore should not wait to react to his moves with counter-punches. It considers the dangers of making our hostility public or of initiating the fight less important than making unambiguously clear what our position is and where we stand. It assumes that Allende does not really need our hostility to help consolidate himself, because if he did he would confront us now. Instead he appears to fear our hostility.

This approach therefore would call for (1) initiating punitive measures, such as terminating aid or economic embargo; (2) making every effort to rally international support of this position; and (3) declaring and publicizing our concern and hostility.

b. Non-overt Pressure, Cold, Correct Approach.

This approach concurs in the view that pressure should be placed on Allende now and that we should oppose him. But it argues that how we package that pressure and opposition is crucial and may make the difference between effectiveness and ineffectiveness. It argues that an image of the US initiating punitive measures will permit Allende to marshal domestic support and international sympathy on the one hand, and make it difficult for us to obtain international cooperation on the other. It further argues that it is the effect of pressure not the posture of hostility that hurts Allende; the latter gives him tactical opportunities to blunt the impact of our opposition.

Implicit in this approach is the judgment that how unambiguous our public position is and making a public record are all less important in the long run than maximizing our pressure and minimizing risks to our position in the rest of the world.

This approach therefore calls for essentially the same range of pressures as the previous one, but would use them quietly and covertly; on the surface our posture would be correct, but cold. Any public manifestation or statement of hostility would be geared to his actions to avoid giving him the advantage of arguing he is the aggrieved party.

D. ASSESSMENTS

As noted, the basic issue is whether we are to wait and try to adjust or act now to oppose.

The great weakness in the modus vivendi approach is that:

- it gives Allende the strategic initiative;
- it plays into his game plan and almost insures that he will consolidate himself;
- if he does consolidate himself, he will have even more freedom to act against us after a period of our acceptance of him than if we had opposed him all along;
- there are no apparent reasons or available intelligence to justify a benign or optimistic view of an Allende regime over the long term. In fact, as noted, an "independent" rational socialist state linked to Cuba and the USSR can be even more dangerous for our long-term interests than a very radical regime.

There is nothing in this strategy that promises to deter or prevent adverse anti-U.S. actions when and if Chile wants to pursue them -- and there are far more compelling reasons to believe that he will when he feels he is established than that he will not.

The main question with the hostile approach is whether we can effectively prevent Allende from consolidating his power. There is at least some prospect that we can. But the argument can be made that even if we did not succeed -- provided we did not damage ourselves too severely in the process -- we could hardly be worse off than letting him entrench himself; that there is in fact some virtue in posturing ourselves in a position of opposition as a means of at least containing him and improving our chance of inducing others to help us contain him later if we have to.

In my judgment the dangers of doing nothing are greater than the risks we run in trying to do something, especially since we have flexibility in tailoring our efforts to minimize those risks.

I recommend, therefore that you make a decision that we will oppose Allende as strongly as we can and do all we can to keep him from consolidating power, taking care to package those efforts in a style that gives us the appearance of reacting to his moves.

E. THE NSC MEETING

Contrary to your usual practice of not making a decision at NSC meetings, it is essential that you make it crystal clear where you stand on this issue at today's meeting. If all concerned do not understand that you want Allende opposed as strongly as we can, the result will be a steady drift toward the modus vivendi approach. This is primarily a question of priorities and nuance. The emphasis resulting from today's meeting must be on opposing Allende and preventing his consolidating power and not on minimizing risks.

I recommend that after your opening remarks you call on Dick Helms to give you a briefing on the situation and what we might expect. I would then outline the main issues and options along the above lines, after which you could call on Secretaries Rogers and Laird for their views and observations. Your Talking Points, which are appended, are written along these lines.

Also included in your book are:

- A State/DOD options paper.
- An analytical summary of that options paper.

~~SECRET/SENSITIVE/XGDS~~MEMORANDUM OF CONVERSATION - NSC MEETING - CHILE (NSSM 97)

## PARTICIPANTS:

The President  
The Vice President  
Secretary of State William P. Rogers  
Secretary of Defense Melvin Laird  
Director of Emergency Preparedness George A. Lincoln  
Attorney General John N. Mitchell  
General William Westmoreland, Acting Chairman,  
Joint Chiefs of Staff  
Director of Central Intelligence Richard Helms  
Under Secretary of State John N. Irwin II  
Deputy Assistant Secretary of State Robert A. Hurwitch  
Assistant to the President for National Security Affairs  
Henry A. Kissinger  
General Alexander M. Haig, NSC Staff  
Mr. Arnold Nachmanoff, NSC Staff  
Col. Richard T. Kennedy, NSC Staff

## PLACE:

The Cabinet Room

## DATE &amp; TIME:

Friday - November 6, 1970  
9:40 a.m.

The President opened the meeting by asking Director Helms to brief.

Director Helms read from the briefing paper which is attached at Tab A. The President interrupted to review what Director Helms said about the makeup of the Allende Cabinet. [See page 9] He wished to emphasize the degree to which the Cabinet ministries were controlled by Marxists.

The President then asked Dr. Kissinger to brief.

Dr. Kissinger: All of the agencies are agreed that Allende will try to create a socialist State. As for our response to this, the SRG came up with four options. But really basically it amounts to two choices: (1) seek a modus vivendi with the Allende Government, or (2) adopt a posture of overt and frank hostility. In between is a third possibility: adopt what is in fact a hostile posture but not from an overt stance, that is, to move in hostility from a low-key posture.

~~SECRET/SENSITIVE/XGDS~~

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| DECLASSIFIED |                       |
| Authority    | State, CIA, DOD, NSC  |
| By           | JAL NARA, Date 7/1/00 |

11/6/70  
76A

A modus vivendi has the risk that he will consolidate his position and then move ahead against us. A posture of overt hostility gives strength to his appeal of nationalism and may not work anyway. As for in between -- the problem is that he will know we are working against him and he can expose us anyway even though we maintain a correct and cool posture.

All of these options have advantages and disadvantages. There is no clear choice.

Secretary Rogers: Dr. Kissinger has spelled it out well. There is general agreement that he will move quickly to bring his program into effect and consolidate his position. We are also in agreement that it is not necessary to make a final decision now.

Private business and the Latin American countries believe that we have done the right things up to now. If we have to be hostile, we want to do it right and bring him down. A stance of public hostility would give us trouble in Latin America. We can put an economic squeeze on him. He has requested a debt rescheduling soon -- we can be tough. We can bring his downfall perhaps without being counterproductive.

The Christian Democratic Foreign Minister thinks we are doing the right thing. He sees two possibilities: that his economic troubles will generate significant public dissatisfaction, or second, that his difficulties will become so great that there will be military moves against him. I think the U.S. military should keep in contact with their Chilean colleagues and try to strengthen our position in Chile.

We have severe limitations on what we can do. A strong public posture will only strengthen his hand. We must make each decision in the future carefully in a way that harms him most but without too much of a public posture which would only be counterproductive.

Secretary Laird: I agree with Bill Rogers. We have to do everything we can to hurt him and bring him down, but we must retain an outward posture that is correct. We must take hard actions but not publicize them. We must increase our military contacts. We must put pressure on him economically. He is in the weakest position now that he will be in; we want to prevent his consolidation.

Moorer [to Rogers]: What is the reaction of the Congress?

Secretary Rogers: There is very little, but if he consolidates his position the criticism will build up. Attitudes are therefore favorable to our policy.

Moorer: What would be the reaction if he resorts to expropriation later, after we have given more aid?

Secretary Rogers: We shouldn't give any more credit guarantees. We should do everything we can to show hostility without publicizing it.

Vice President: China and USSR are watching our approach to Argentina. If we show undue interest before anything happens; for example if we sell F-4s to Argentina, it could trigger massive support to Chile from the USSR and China. We should act principally inside Chile.

Director Lincoln: Copper accounts for 80% of Chile's exports. They are expanding production rapidly. Other producers (Zambia, Australia, etc.) are also going up in production. So there could be a price decline in the future, with an adverse economic impact in Chile. They blame us. We have a stockpile. If we are adopting a hostile posture, maybe we have to increase the stockpile or alternatively to sell if the market eases in the future.

The President: I want something in a week on how we can sell from the stockpile. Now we can do it. Cutting the stockpile would hurt Chile and also save on the budget.

Director Lincoln: We'll do this. We've been studying this on a priority basis.

The President: This is very important -- will it hurt anyone else? I want State and Defense and everyone to study it. It could be the most important thing we can do.

Director Lincoln: The law says we can't sell from the stockpile unless we do it to stabilize the price. The copper price is down in the world market. We've already sold 50 million tons before the prices dropped.

Secretary Rogers: Can we help others build up their production, to help our friends?

The President: We should do this if we can.

Director Lincoln: If we sell anything too fast it will destabilize the price. Most things don't sell fast.

Mr. Irwin: The problem is how to bring about his downfall. I would question our capability to do it. Internal forces in Chile are the only way. The question is how best to influence the internal forces to create the conditions for change. He will need to consolidate his position and probably he will move slowly for the sake of respectability as he moves. It will be soon that dissatisfaction

begins. As he tries to consolidate he will inevitably have strains. If we move too quickly in opposition to him we will help him consolidate quickly. As we move to consider specific issues either overt or covert, we should be hostile only if we can be sure it will have a significant effect on the internal forces there in a way that will hurt Allende and prevent his consolidation. This may mean we may have to do things we would not want to do -- it depends on the effects on the internal situation in Chile. Graham Martin would like to see us move along as we have.

The President: It is all a matter of degree. If Chile moves as we expect and is able to get away with it -- our public posture is important here -- it gives courage to others who are sitting on the fence in Latin America. Let's not think about what the really democratic countries in Latin America say -- the game is in Brazil and Argentina. We could have moves under the surface which bring over time the same thing.

I will never agree with the policy of downgrading the military in Latin America. They are power centers subject to our influence. The others (the intellectuals) are not subject to our influence. We want to give them some help. Brazil and Argentina particularly. Build them up with consultation. I want Defense to move on this. We'll go for more in the budget if necessary.

Our main concern in Chile is the prospect that he can consolidate himself and the picture projected to the world will be his success. A publicly correct approach is right. Privately we must get the message to Allende and others that we oppose him. I want to see more of them; Brazil has more people than France or England combined. If we let the potential leaders in South America think they can move like Chile and have it both ways, we will be in trouble. I want to work on this and on the military relations -- put in more money. On the economic side we want to give him cold Turkey. Make sure that EXIM and the international organizations toughen up. If Allende can make it with Russian and Chinese help, so be it -- but we do not want it to be with our help, either real or apparent.

We'll be very cool and very correct, but doing those things which will be a real message to Allende and others.

This is not the same as Europe -- with Tito and Ceaucescu -- where we have to get along and no change is possible. Latin America is not gone, and we want to keep it. Our Cuban policy must not be changed. It costs the Russians a lot; we want it to continue to cost. Chile is gone too -- he isn't going to mellow. Don't have any illusions -- he won't change. If there is any way we can hurt him whether by government or private business -- I want them to know our policy is negative. There should be no guarantees. Cut back existing guarantees if it's possible.



No impression should be permitted in Latin America that they can get away with this, that it's safe to go this way. All over the world it's too much the fashion to kick us around. We are not sensitive but our reactions must be coldly proper. We cannot fail to show our displeasure. We can't put up with "Give Americans hell but pray they don't go away." There must be times when we should and must react, not because we want to hurt them but to show we can't be kicked around.

The new Latin politicians are a new breed. They use anti-Americanism to get power and then they try to cozy up. Maybe it would be different if they thought we wouldn't be there.

We must be proper on the surface with Allende, but otherwise we will be tough. He is not going to change; only self-interest will affect him.

**Document 9c**

TOP SECRET / SENSITIVE / EYES ONLY

November 9, 1970

National Security Decision Memorandum 93

TO: Secretary of State  
Secretary of Defense  
Director, Office of Emergency Preparedness  
Director of Central Intelligence

SUBJECT: Policy Towards Chile

Following the discussion at the meeting of the National Security Council on November 6, 1970, the President has decided that the basis for our policy toward Chile will be the concept underlying Option C of the Inter-agency paper submitted November 3, 1970 by the Department of State for the consideration of the National Security Council as outlined in the guidelines set forth below.

The President has decided that (1) the public posture of the United States will be correct but cool, to avoid giving the Allende government a basis on which to rally domestic and international support for consolidation of the regime; but that (2) the United States will seek to maximize pressures on the Allende government to prevent its consolidation and limit its ability to implement policies contrary to U.S. and hemispheric interests.

Specifically, the President has directed that within the context of a publicly cool and correct posture toward Chile:

- vigorous efforts be undertaken to assure that other governments in Latin America understand fully that the U.S. opposes consolidation of a communist state in Chile hostile to the interests of the United States and other hemisphere nations, and to the extent possible encourage them to adopt a similar posture.
- close consultation be established with key governments in Latin America, particularly Brazil and Argentina, to coordinate efforts to oppose Chilean moves which may be contrary to our mutual interests; in pursuit of this objective, efforts should be increased to establish and maintain close relations with friendly military leaders in the hemisphere.
- necessary actions to be taken to:
  - a. exclude, to the extent possible, further financing assistance or guarantees for U.S. private investment in Chile, including those related to the Investment Guarantee Program or the operations of the Export-Import Bank;

- b. determine the extent to which existing guarantees and financing arrangements can be terminated or reduced;
  - c. bring maximum feasible resistance to bear in international financial institutions to limit credit or other financing assistance to Chile (in this connection, efforts should be made to coordinate with and gain maximum support for this policy from other friendly nations, particularly those in Latin America, with the objective of lessening unilateral U.S. exposure); and
  - d. assure that U.S. private business interests are having investments or operations in Chile are made aware of the concern with which the U.S. Government views the Government of Chile and the restrictive nature of the policies which the U.S. Government intends to follow.
- no new bilateral economic aid commitments be undertaken with the Government of Chile (programs of a humanitarian or private social agency character will be considered on a case by case basis); existing commitments will be fulfilled, but ways in which, if the U.S. desires to do so, they could be reduced, delayed or terminated should be examined.

The President has directed that the Director of the Office of Emergency Preparedness prepare a study which sets forth the implications of possible developments in world copper markets, stockpile disposal actions and other factors as they may affect the marketing of Chilean copper and our relationships with Chile.

The President has also directed that the Senior Review Group meet monthly or more frequently as necessary to consider specific policy issues within the framework of this general posture, to report actions which have been taken, and to present him further specific policy questions which may require his decision. To facilitate this process the President has directed the establishment of an Ad hoc Interagency Working Group, comprising representatives of the Secretaries of State and Defense, the Director of Central Intelligence, and the President's Assistant for National Security Affairs, and chaired by the representative of the Secretary of State, to prepare options for specific courses of action and related action plans for the consideration of the Senior Review Group and to coordinate implementation of approved courses of action.

[signature of Henry Kissinger]

Henry A. Kissinger

cc: Secretary of the Treasury  
Administrator, A.I.D.  
Director, Office of Management and Budget  
Chairman, Joint Chiefs of Staff

## Document 10

18 November 1970

SUBJECT: Report of CIA Chilean Task Force Activities, 15 September to 3 November 1970

### 1. General

a. On 15 September 1970, CIA was directed to try to prevent Marxist Salvador Allende's ascent to the Chilean presidency on 3 November. This effort was to be independent of concurrent endeavors being undertaken through, or with the knowledge of, the 40 Committee, Department of State, and Ambassador Korry.

b. Briefly, the situation at that time was the following:

-- Allende had attained a plurality of only some 40,000 in the Chilean popular vote for president. Jorge Alessandri, a conservative and the runner-up, would face Allende in a Congressional run-off on 24 October. The run-off winner would be invested as president on 3 November.

-- Allende's designation as president by Congress was very probable given all known factors in the Chilean political equation.

-- Given the dismal prospects of a political formula being worked out to prevent Allende's designation as president by Congress, remaining alternatives centered around overcoming the apolitical, constitutional-oriented inertia of the Chilean military.

-- U.S. Government intentions were highly suspect, particularly in Allende and certain government sectors. Suspicions extended to all Americans in Chile for whatever declared purpose. In addition, the Chilean military were being monitored quite closely by the Allende forces for warning signals of any interventionist proclivities.

### 2. Special Organization

a. A Chilean Task Force was assembled and functioning three days after CIA was assigned the mission. It was headed by [several words deleted] and highly-qualified CIA [several words deleted] recalled from their [several words deleted] posts specifically for this purpose. A special communications channel was set up simultaneously to Santiago, Chile, and Buenos Aires, Argentina, to handle sensitive cable traffic for the Task Force.

b. [1 line deleted] It consisted of four CIA officers with the appearance, language, and experience to sustain the fiction of various foreign nationalities. They were recalled from the overseas posts to Washington, briefed, and inserted individually into Chile [1 line deleted] nationals. In Santiago, their only U.S. contact was a CIA officer who had resided in Santiago [1 line deleted] established contact with Chilean intermediaries or principals interested in promoting a military coup.

c. By a special (and unique) arrangement requested by CIA, the U.S. Army Attache in Santiago was placed under operational direction of the CIA Chief of Station there. His assistance and Chilean military contacts were invaluable in this program.

### 3. The Dual Approach: Constitutional and Coup

a. Prospects for inducing Congress to vote for Alessandri rather than Allende were never bright and, they all focus on inspiring a reluctant, indecisive President Frei to assume an out-of-character role: dynamic leadership within his own party, with the "persuadables" in Congress, and with the military. Frei was under no illusions about Chile's fate under an Allende regime. "Chile has a very short future," he said, "and after 4 November it will only have a past."

b. Initially, Frei was willing to consider and even advocate a constitutional solution: the so-called Frei election gambit. The question was whether he would be willing to commit his prestige completely in following through on such a difficult political maneuver with the outcome, at best, unassured. The basic gambit consisted of marshalling enough Congressional votes to elect Alessandri over Allende with the understanding Alessandri would resign immediately after the inauguration and pave the way for an election which Frei could legally become a candidate. As a preliminary step, Frei coordinated Alessandri's post-election statement that if he were selected for the presidency by Congress, he (Alessandri) would resign. The thrust of CIA's endeavors, then, was to use every plausible pressure combined with inducements to move Frei down this path. To this end, virtually overnight CIA mobilized an interlocking political action and propaganda campaign designed both to goad and entice Frei into following through on the re-election gambit.

c. At the same time, recognizing the fallibilities of Frei, CIA focused on provoking a military coup. This undertaking was segregated from that of the Frei re-election gambit with the intention that it be pursued independently of Frei if necessary, but with his acquiescence if possible. [4 lines deleted]

### 4. Propaganda Campaign

a. The propaganda campaign was tailored to generating concern about Chile's future in terms which would condition the thinking and actions of the three key elements in the Chilean political equation:

Frei himself, the Chilean political elite, and the Chilean military (the latter two of which could well bring collateral influence to bear on Frei). Each of these elements had hastened to rationalize its acceptance of an Allende presidency. Their palliative was the built-in checks and balance of Chile's demonstrated reverence for democracy and constitutionality, sweetened by Allende's promise to honor these traditions.

b. After the 4 September popular vote, the world press had tended to treat the prospect of witnessing the first freely-elected Marxist head of state take office as a curious aberration of democracy rather than a politically significant event. Press interest and coverage was relatively light until the Allende forces fortuitously provided an attractive issue which could be exploited. By 15 September, it became apparent that Allende was conducting a rather blatant campaign to intimidate the Chilean information media through threats of assassination and violence, takeovers by so-called worker organizations, and ultimatums to the management of newspapers and radio stations. Allende's purpose was to smother any opposition to this election by

Congress and to take advantage of that peculiarly Latin, and pronounced Chilean, propensity to jump on an accelerating bandwagon -- ideals and the country's welfare to the contrary. A major target of Allende was "El Mercurio", the most prestigious newspaper in Chile and the major opposition voice to Allende up to that time. CIA mounted a propaganda campaign centered around "El Mercurio" and the issue of Allende brazenly taking his first step in "communizing" Chile by attacking freedom of the press and, worse, with the election still unsettled. Covert action resources were used to launch

- Cables of support/protest from leading newspapers throughout Latin America to "El Mercurio".

- A protest statement from the International Press Association [3 lines deleted] "Freedom of the press in Chile is being strangled by Communist and Marxist forces and their allies.")

- World press coverage of the International Press Association protest and on the details of the Communist efforts to seize control of the Chilean press.

- A program of journalists -- actual agents and otherwise -- travelling to Chile for on-the-scene reporting. (By 28 September, CIA had in place in, or enroute to, Chile 15 journalist agents from 10 different countries. This cadre was supplemented by 8 more journalists from 5 countries under the direction of high level agents who were, for the part, in managerial capacities in the media field.)

As a result of the ensuing furore, Allende -- sensitive to world opinion and attempting to project the image of a moderate, non-dogmatic socialist -- decided to become more circumspect. By 25 September, heavy-handed intimidation of the press had virtually ceased.

c. Allende's show of strength had made its point however; the Chilean press, including "El Mercurio", never did regain its resiliency and remained thoroughly muted from thereon out. Lacking the usual forums for spontaneous generation and replay of propaganda inside Chile, CIA had to rely increasingly on its own resources:

- an underground press dependent upon direct mail distribution;

- placement of individual news items through agents against the resistance of a cowed management;

- financing of a new, albeit small, newspaper;

- subsidy of an anti-Allende political group and its radio programs, political advertisements, and political rallies; and

- direct mailing of foreign news articles to President Frei, Mrs. Frei, selected military leaders, and the Chilean domestic press.

This effort did not, and could not, replace a Chilean press, fully operative and free of restraint. Virtually alone, it did keep the voice of public opposition alive inside Chile for coup purposes during the final weeks of this period.

d. The magnitude of the propaganda campaign mounted during this six week period in the Latin American and European media -- aside from the U.S., the two "outside" areas with, by far, the greatest influence on Chile -- is evident from the fact that only partial returns show 726 articles, broadcasts, editorials, and similar items as a direct result of agent activity. Just how many of these items were replayed is not known [2 lines deleted] Nor, has CIA any idea of the scope of the immeasurable multiplier effect -- that is, how much its "induced" news focused media interest on the Chilean issues and stimulated additional coverage -- except that, even by conservative standards, this contribution must have been both substantial and significant.

e. Special intelligence and "inside" briefings were given to U.S. journalists in deference to the international influence of the U.S. media. Particularly noteworthy in this connection was the *Time* cover story which owed a great deal to written materials and briefings provided by CIA. The *Time* correspondent in Chile who was providing much of the background material for the story apparently accepted Allende's protestations of moderation and constitutionality at face value. CIA briefings in Washington [1 line deleted]

changed the basic thrust of the story in the final stages according to another *Time* correspondent. It provoked Allende to complain on 13 October, "We are suffering the most brutal and horrible pressure, both domestic and international," singling out *Time* in particular as having "openly called" for an invasion of Chile.

## 5. Political Action

a. The political action program had only one purpose: to induce President Frei to prevent Allende's election by the Congress on 24 October and, failing that, to support -- by benevolent neutrality at the least and conspiratorial benediction at the most -- a military coup which would prevent Allende from taking office on 3 November. Realistically, the task was one of attempting to recast Frei, as a political personality, in a role demanding decisiveness and "machismo" to a degree that, thus far, had eluded him. Pressures from those whose opinion and/or approval he valued -- in combination with adequate propaganda orchestrations -- represented the only hope of converting Frei.

[4 lines deleted]

-- Allende as president would be an unparalleled disaster for Chile (Frei agreed).

-- Frei had both the power and obligation to prevent this.

-- [5 lines deleted]

-- [3 lines deleted]

-- In the event Frei's re-election gambit succeeded, the U.S. Government would be prepared to provide substantial support for Frei's presidential campaign.

[6 lines deleted]

c. In Europe and Latin America, prominent and influential members of the Christian Democratic movement as well as the Catholic Church were prompted to visit Frei or send personal messages to him urging that he save Chile. Some of these endeavors were the following:

-- [8 lines deleted]

-- The West German Christian Democratic Party -- which enjoyed special equities with Frei by virtue of generous support to the Christian Democrats in Chile over a range of many years -- dispatched several top-level emissaries to Chile. They contacted Frei and other Christian Democratic leaders in Chile [several words deleted]

-- [5 lines deleted]

-- [3 lines deleted]

-- [3 lines deleted]

-- [several words deleted] one of the international figures in Catholicism most respected by Frei, sent a personal message indicating that Frei and his party must oppose Marxism.

-- [several words deleted] of the Italian Christian Democratic Party -- which had good fraternal relations with Frei and his party -- refused to intervene. (He said it was a hopeless situation and he saw no point in risking his reputation in a lost cause.)

Collateral efforts were made to influence Frei or those close to Frei, such as:

-- Influential lay Catholics sent messages to or visited the Vatican.

-- [several words deleted] through a series of lay and clerical pressures from other countries, was dissuaded from ceding an Allende victory prior to his Congressional election actually taking place.

-- Telegrams were sent Mrs. Frei from women's groups in other Latin American countries.

-- Foreign press items were mailed directly to Frei, Mrs. Frei, and Christian Democratic Congressmen in Chile.

-- Intelligence was surfaced indicating that, once in power, the Communists intended to denigrate Frei as the first step in the dissolution of his party.

d. In spite of everything, Frei never asserted himself. Indeed, he failed to attend or to influence otherwise the 3-4 October Congress of his party at which time it was decided by a substantial margin to make a deal with Allende. With that decision, the Frei re-election gambit died and constitutional alternatives had been exhausted. Subsequently, Frei did manage to confide to several top-ranking military officers that he would not oppose a coup, with a guarded implication he might even welcome one. Yet, when a coup opportunity and situation presented itself upon the assassination of Army Commander in Chief Schneider, Frei moved quickly away from it.

## 6. Military Coup

a. After early October -- absent any evidence that Frei was responding, politically speaking, to artificial respiration -- a military coup increasingly suggested itself as the



only possible solution to the Allende problem. Anti-Allende currents did exist in the military and the Carabineros, but were immobilized by:

- the tradition of military respect for the Constitution;
- the public and private stance of General Schneider, Commander in Chief of the Army, who advocated strict adherence to the Constitution;
- fear of the reaction of non-commissioned officers who tended to harbor pro-Allende sympathies; and,
- a strong propensity to accept Allende blandishments to the effect that the military had little to fear from him.

Although individual officers among the top leadership of the military and Carabineros were pre-disposed to take action, they felt the Army was central to a successful coup, and, as long as General Schneider remained the head of the Army, the Army could not be counted upon. General Schneider's attitude could only be changed through the personal intervention and forceful advocacy of a coup by President Frei: something, it became obvious, the latter was most unlikely to bring himself to do.

## FULBRIGHT PANEL SETS I.T.T. INQUIRY

Investigation to Open Wider  
Study of Corporate Roles  
in U.S. Foreign Policy.

By JOHN W. FINNEY  
Special to The New York Times

WASHINGTON, March 24 — The Senate Foreign Relations Committee decided today to conduct a major inquiry into the influence of multinational corporations on United States foreign policy.

It decided to start with an investigation of assertions that the International Telephone and Telegraph Corporation sought to enlist the cooperation of the United States Government in preventing Dr. Salvador Allende Gossens from taking office as President of Chile in 1970 and then proposed policies designed to bring about the Marxist leader's downfall.

### To Go Beyond I.T.T. Case

As as first step, the committee voted to obtain—by subpoena if necessary—all I.T.T. internal documents concerning Chile between Sept. 4, 1970, when Dr. Allende was elected; and Nov. 3 of that year, when he took office.

To a certain extent, the Senate committee's inquiry was precipitated by the reports of I.T.T.'s attempts to influence the politics of Chile, where it has extensive holdings.

But as outlined by Senators J. W. Fulbright of Arkansas, the committee chairman, and Frank Church of Idaho, who proposed the inquiry, it will go far beyond that particular case to a broad examination of the role of multinational corporations, their influence on foreign policy and their economic impact.

The rise of such corporations — mostly American concerns with extensive operations overseas — has accelerated greatly since World War II. A sizable proportion of the profits of many large American companies now comes from their foreign affiliates.

The reports on I.T.T. and Dr. Allende appeared this week in

Continued on Page 6, Column 4

## I.T.T. Inquiry Is Set by Fulbright Panel

Continued From Page 1, Col. 5

two articles by Jack Anderson, the syndicated columnist. They were based on what he said were letters and memorandums from the company's files.

He made copies available to news media on Wednesday, Senator Fulbright said the committee had already obtained copies through newsmen.

An I.T.T. spokesman said that until a formal request was received from the Senate committee for all company documents concerning Chile during the two-month 1970 period, it would have no comment on whether they would be furnished.

### No Comment on Authenticity

I.T.T. has denied that it sought to interfere in Chile's politics but has declined comment on the authenticity of the Anderson documents.

The State Department said yesterday that the Nixon Administration had rejected any ideas of blocking the inauguration of Dr. Allende in 1970 or of subsequently ousting him. At the same time, the department refused to deny specifically an assertion in one of the purported I.T.T. documents that the United States Ambassador in Santiago, Edward M. Korry, had received a "green light" from Washington to do everything possible short of military intervention "to keep Allende from taking power."

Senator Church's proposal that a major inquiry be held was accepted without objection by the rest of the committee, including the Republican members. His motion was that the committee "undertake an in-depth study of the role of multinational corporations and their relationship to the foreign policy of the United States."

### Board Inquiry Promised

Senator Hugh Scott, the Senate Republican leader, said he had "no misgivings" about the inquiry "so long as it is conducted on a constructive basis and on a bipartisan basis." Senator Jacob K. Javits, Republican of New York, described the study as "a very constructive development."

The expectation, according to Senator Fulbright, is that the committee's study will extend over one to two years. One of the immediate problems confronting the committee, Senator Fulbright acknowledged, is assembling a staff to carry out the study.

Senator Church said that he envisioned that the study would go into "all aspects" of the multinational corporations, in-



United Press International  
Senator J. W. Fulbright  
discussing Chile study.

cluding the nature and extent of their investment abroad, the extent to which their investments are in the interest of the United States, and the effect of United States tax incentives and guarantees on foreign investments.

While the original emphasis in the committee's study may be upon the political influence of the corporations, both with-

in the United States and abroad, it was apparent from comments by Senators Fulbright and Church that the committee also planned to explore the economic impact of the corporations upon foreign countries as well as upon domestic concerns.

In effect, Senator Fulbright observed, the committee will be examining the validity of the commonly held assumption of recent years that foreign investments by American concerns were "a good thing, not only for the United States but for other countries."

Both Senator Fulbright and Senator Church emphasized that the investigation of I.T.T.'s activities in Chile was unrelated to the current inquiry by the Senate Judiciary Committee on the relationship between I.T.T.'s pledge of financial support for the Republican National Convention this summer in San Diego and the Justice Department's decision to drop an antitrust case against the conglomerate.

At some point, according to committee aides, the committee plans to call I.T.T. officials for public testimony on the company's activities in Chile, but not until after the Judiciary Committee has completed its inquiry.

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from foreign domination of any kind. In specific, immediate terms, this means that our major interest in dealing with Chile is to avoid having that country forced into dependency upon the Soviet Union. (It means also, of course, the avoidance of U.S. domination as distinguished from collaboration and an acceptable influence.) While it can be argued that another Soviet satellite in Latin America would not necessarily involve a direct threat to the United States' vital interests, the potential of such an eventuality for further complicating our relations with the Soviet Union, for heightening the possibility of armed conflict in South America and ultimately for introducing military consequences that could affect the overall balance of power, is too great to permit its easy acceptance.

Equally as important as the aforementioned interest, and of major significance in our relations with the other countries of the Latin American area, is an interest in preventing a further erosion of our badly damaged political standing and influence in the area. The weight of this interest must be measured not only in regional terms, but also in the light of our diminished political influence in the world at large as demonstrated in the United Nations. Again speaking in specific application to the case under discussion, this means that we should so handle our part in the incipient copper controversy as to prevent its exploitation by those in Chile and elsewhere in Latin America who are seeking to stimulate nationalist hostility towards the United States through confrontations and acts of provocation.

Nationalism is the most powerful force affecting the politics of the Latin American countries at this juncture, and the greatest political threat which the United States faces is the further growth of hostility based on indigenous, nationalistic resentment at United States domination. Such hostility is not equivalent to communist influence, although the two are often associated. Present indications suggest that the Soviet Union is by no means enthused over the prospect of acquiring any more economically dependent clients in Latin America, and is not, therefore, now pressing for the rupture of normal relations between Latin American countries and the United States. This is borne out by the performance of the Moscow-dominated Communist Party of Chile which has supported President Allende in his deliberate and constitutional route towards the establishment of socialism and in his foreign policy of avoiding an open break with Uncle Sam. The principal potential dangers for the United States thus emanate from within the Latin American countries themselves rather than from the outside.

One more point should be mentioned in this necessarily inadequate discussion of U.S. interests. It is of course the desire of every government to protect its citizens against confiscatory or discriminatory treatment in other countries insofar as a respect for sovereignty makes that possible. This interest must be recognized in the present case if necessary. However, it has long been recognized that the national interest of the United States goes far beyond the protection of private enterprises in foreign lands. In policy decisions clear priority must be given to the broader interests mentioned above than to the exaction of payment for the expropriated properties.

The foregoing is particularly important because controversies of this sort are never as simple as they may at first seem to be. A government like that of Chile, backed by widespread popular endorsement of a revolutionary program, is hardly committed to outright banditry; its expropriation and reluctance to pay what the unfortunate victims consider a fair compensation usually respond to powerful social forces whose role in shaping the future must be recognized. Over the basic right of a sovereign government to expropriate property there is, of course, no argument. The issue arises over what is "fair" compensation, and since there is no international code of either law or accounting that authoritatively determines equity in such matters, it is in the last analysis a subject for political negotiation, as has been noted with respect to the two important precedents cited above.

Let us now turn to the political situation within Chile and see how it bears upon the problem of United States policy in the case under discussion.

President Salvador Allende was elected president in 1970 by a political coalition called "Popular Unity" on a ticket calling for the establishment of socialism in Chile but promising at the same time a respect for constitutional procedures and the maintenance of political liberties. Prominent in his coalition were the Socialist Party, to which he belongs, the Communist Party and a few assorted splinter groups from the left-center and left. He was opposed by the conservative National Party, and by the Christian Democrats. Allende won with a plurality but less than a majority of the vote. In accordance with the constitution, the election was thrown into the opposition-controlled Congress which, bowing to tradition,

[Article From SAIS Review, Winter 1971]

## CHILE, COPPER AND THE UNITED STATES INTEREST

(By John C. Dreier)

In keeping with one of its major preelection pledges, the Marxist government of Chile, under President Salvador Allende, nationalized the large copper companies of which the principal owners were three American corporations. To accomplish this purpose, a special constitutional amendment was adopted authorizing the nationalization of the mines and providing that any compensation that might be owed to the companies should be reduced by the amount of excess profits found to have been earned since 1955. Last October it was announced by the government of Chile that the amount of excess profits was found to exceed the appraised book value of the properties owned by the two larger companies, Anaconda and Kennecott, and that those two firms would therefore receive no cash compensation. While at this writing the question is still awaiting the decision of the special court established to hear the companies' appeal, it has already become an issue at controversy between the two governments.

This is not the first time that the United States has been faced with a controversy over compensation precipitated by nationalistic and revolutionary expropriations in Latin America. The expropriations following the Mexican Revolution—including the seizure of the U.S.-owned oil companies in 1938—constituted the first major case. Bolivia expropriated Standard Oil Co. property in 1937. Then in the last ten years have come three major cases: Cuba's expropriation in 1960 of all American property; the highly publicized International Petroleum case in Peru; and, finally, the nationalization of the copper mines by Chile.

Of the five major cases mentioned above, the question of compensation has been settled in two: those involving Mexico and Bolivia. A review of the process through which such settlement was reached leads to some observations that may be instructive.

1. In each case, the settlement involved long, drawn-out negotiations over a considerable period of time. In the Mexican case, the process extended over 25 years. The Bolivian expropriation of the Standard Oil Co. was not settled for almost five years.

2. While the controversy in both cases initially focused on legal principle involving the asserted requirement under international law to provide prompt, adequate and effective compensation, the final settlement was reached on an essentially political basis.

3. In no case has the attempt of the United States to coerce or pressure a Latin American government into the settlement of an expropriation claim been successful. Such efforts have, indeed, sometimes backfired.

4. In the process of political accommodation, a major factor was the clarification of what the United States national interest in the controversy was. In cases of sudden seizure of large properties, the initial reaction tends to identify the national interest with the simple demand for compensation. The successful resolution of conflicts over expropriations has usually been preceded by a reassessment of the national interest in broader political as well as economic terms, including considerations of world politics.

What is the essential United States interest in the present Chilean controversy? Any full discussion of this question is obviously beyond the scope of a short article. However, we may approach the subject on the assumption that the long range objective of the United States in general remains that of promoting a world order which will minimize conflict and maximize the opportunity for the peoples of the world to share equitably in the enjoyment of the earth's resources.

With more specific relation to Chile and the Latin American area, we may suggest two closely associated interests as having top priority. The first is to encourage the existence in Latin America of indigenous, independent nations free



Allende is thus a minority president in terms of electoral results. However, several pertinent details should be noted. He is not the first minority president to be elected under the Chilean political system. Moreover, his election reflected the unquestioned fact that a considerable majority of the Chilean electorate favored the broad purposes of an increasing socialization of the economy and of radical reform of the social system—a process which has been underway in Chile for many years. Support for Allende was to some extent confirmed by the municipal elections held in April, 1971, when parties constituting Popular Unity on the national level totaled only slightly less than fifty percent of the balloting for local officials—a considerable increase over their previous count.

Nationalization of the copper industry was the major plank in Allende's campaign platform and has probably been from the Chilean point of view the outstanding accomplishment of his first year in office. To accomplish this it was necessary to amend the constitution and adopt special legislation. Illustrative of the wide popular support for the copper expropriation was the fact that while authorization for nationalizing other elements of the economy was not granted, the opposition-dominated Congress finally put through the copper nationalization measures by unanimous vote. There is probably no single issue which so quickly commands the support of Chilean nationalism as the need to "recapture" that basic resource upon which the entire economy of the country depends.

Opposition to Allende does exist on other issues, but his political position, while in some ways precarious, is by no means about to collapse. Allende is an astute and skilled politician, and has shown a traditionally Chilean preference for avoiding critical confrontations. Ironically, his major political problem at this time derives from his own more radical Socialist and their extremist associates on the far left who appear to favor direct confrontation with the United States as a means of mobilizing revolutionary nationalism and pressing forward towards more rapid socialization with or without constitutional procedures.

In the context of this situation, the development most damaging to United States interests would be a strengthening of the influence of the extremist left in Chile. Such an eventuality would tend to increase the hostility towards the United States and reduce the opportunity of keeping open channels of communications and subsequent collaboration. Conversely it would render more likely an increasing dependence of Chile upon the Soviet Union, as was the case of Cuba. It would appear at this juncture that the best that can be hoped for from the United States viewpoint is a small increase in the moderating forces that oppose leftist extremism in Chile and that would insist upon Allende's adherence to the path of deliberate and constitutional change for the remainder of his term. It should be emphasized that such a restraining influence can only come from within Chile, and that any attempts by the United States or any other outside power to stimulate such a development would be strictly "counterproductive."

The principal guidelines for United States policy in the present context of the Chilean controversy would therefore appear to be clear: (1) a careful abstention from acts or statements that imply a coercive or punitive approach and that would inevitably further inflame Chilean nationalism and strengthen its extremist partisans; (2) a clear indication that the U.S. recognizes that the critical issues now facing the Chilean nation must be resolved by the Chilean people without outside interference; (3) a readiness and will to work out a mutually acceptable relationship with Chile as we have with other socialist states. If the Chilean situation dictates such an attitude of restraint on the part of the United States, so does the political temper of Latin America as a whole. While governments might refrain from official statements, the predominant popular reaction to any threats or acts of coercion against Chile would be marked by great sympathy for the threatened sister republic and an outpouring of hostile criticism of the Colossus of the North. The substance of the Chilean policy of nationalizing the copper industry finds a warm response in most Latin American countries; they strongly backed the UN resolution supporting the right of peoples to permanent sovereignty over basic natural resources. Furthermore, they attach fundamental importance to the specific treaty obligation of Article 13 of the Charter of the Organization of American States which bans—

"... the use of coercive measures of an economic or political character in order to force the sovereign will of another State and obtain from it advantages of any kind."

Finally, it must be recognized that while the United States and other developed countries have long claimed that the payment of prompt, adequate and effective compensation for expropriated properties was an accepted principle of international law, many Latin American countries have refused to concede any absolute

rule to that effect which would conflict with their constitutional provisions or basic national policy. Efforts by the United States to include such provisions in regional treaties have consistently been rejected or emasculated by reservations.

Drawing a perspective on the Chilean copper controversy, it becomes clear that like earlier cases mentioned at the beginning of this article, the United States is faced with a political rather than a strictly legal problem. The simple question of compensation for expropriated properties is complicated by deeply divergent concepts of law, equity, social justice and sovereignty, which arouse passionate feelings. It may be recalled that a similar controversy promoted a serious crisis in Mexican-United States relations in the 1920's to the point where the likelihood of armed conflict for a moment loomed large. Yet positive forces were also present and eventually led both countries to conclude that a settlement was in the best interests of both. The high degree of mutually beneficial cooperation which now characterizes Mexican-American relations, both private and official, forms an encouraging example of what constructive and patient diplomacy can accomplish when long range interests are thus clarified.

Positive factors are also present, though for the moment submerged, in the situation involving Chile and the United States. President Allende has stated on several occasions that he is ready to conduct relations with the United States on whatever level of cordiality the latter wishes. There are obvious practical economic and other reasons underlying this desire, despite its conflict with extremist nationalism. Moreover, there would seem to be, from the United States standpoint, and in the light of historical, political and economic considerations, every bit as much—if not far more—reason for maintaining friendly relations with a socialist Chile as with any other socialist state—such as Yugoslavia, for example. Only on the basis of maximizing the possibilities for mutual accommodation can specific disputes such as the copper issue, and others that will undoubtedly have to be faced by the two governments, be brought to satisfactory resolution.

If Chile's present efforts to establish socialism through non-violent, constitutional means, while preserving political liberties and her national independence, comes to nought, and if that country unhappily degenerates into a second Soviet satellite in the western hemisphere, neither the United States nor the affected companies will profit thereby. If, however, the Chileans successfully avoid the extremist path and achieve their presently stated end, they may serve a highly constructive and hopeful purpose in a world plagued by violent revolution. The prospects for success, to be sure, are not of the best. But the United States will do well to avoid sharing responsibility for any tragic outcome that may ensue. The fundamental interests of this country indicate the desirability of reaching an accommodation with the government of Chile as it struggles to maintain its long tradition of political liberty while responding to the groundswell of socialization so evident throughout Latin America.

## APPENDIX H

## SELECTED ARTICLES ON CHILE DURING THE ALLENDE YEARS

[Articles from Foreign Policy, Summer 1972]

## CAN WE DO BUSINESS WITH RADICAL NATIONALISTS? CHILE: NO

(By James F. Petras and Robert LaPorte, Jr.)

The I.T.T. documents and memoranda which Jack Anderson has published raise a number of critical issues in assessing the true nature of U.S. policy toward economic nationalists. In the Chilean case covert political action was an element of U.S. foreign policy—although there were substantial tactical differences between the C.I.A., the State Department, and the White House over the measures to be adopted and over the timing of events. Nixon's position and the measures, speeches, and behavior of the lame-duck Frei administration were intended to create economic collapse over a *protracted* period of time—while the C.I.A. and I.T.T. seemed to see that as their *immediate* goal. The political assessment in Washington of the relationship of forces in Chile appears to have been more realistic than the C.I.A.'s. The prudent course chosen—limited to economic pressure—was based on a long term strategy of political and economic attrition. Key U.S. policy-makers were and are firmly opposed to the Allende government. However they firmly rejected the "adventurist" proposals to upend Allende because they felt that a coup was premature and its failure would trigger a move to the left. This assessment was essentially correct: the abortive rightist coup leading to the assassination of the Commander in Chief of the Chilean army, General Schneider, contributed to the increase of leftist support from 36 percent in September 1970, to 50 percent in April 1971.

While the extreme "military" measures proposed by the C.I.A. and I.T.T. to policy-makers were rejected, many of the economic proposals were put into practice by private businessmen and public policy-makers. Banks have not renewed credits and/or are delaying any new decisions. Companies are not making new decisions. Companies are not making new investments. Delays of deliveries and shipping of spare parts have occurred. Technical assistance has been withdrawn. In a word the Anderson Papers provide us with further evidence to substantiate the thesis of this paper (written before the I.T.T. memos were released) that U.S. policy was and is trying to do everything possible short of military intervention to keep Allende from succeeding.

The Chilean decision to nationalize U.S. property is the most recent direct confrontation with U.S. business interests and the most significant challenge to U.S. policy since the Cuban revolution. What happens to U.S.-Chilean relations as a result of the struggle over the Chilean copper industry will have repercussions for U.S.-Latin American relations during the rest of the decade. The Chilean situation can be viewed as a "test" of U.S. commitment to defending U.S. investors or as an "opportunity" to develop a new set of relationships with nations in Latin America as well as the rest of the world.

The recent measures taken by the government of Chile in nationalizing the Anaconda and Kennecott mining properties emerge from and are a logical extension of a pattern followed throughout the region by regimes with significant social, political, and economic differences. Rather than viewing the Chilean government's actions as sinister ideological moves engineered by Marxists, their actions should be seen as part of the regional response to deep-seated national needs to direct and control their own resources. What we are seeing in Chile is much more than the action of a single government; it is a Latin-American phenomenon with both long and short range implications for the industrialized nations of both East and West.

A great variety of regimes, with differing approaches to internal problems, have adopted nationalist measures in recent years. The modernizing Peruvian

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The State Department's influence over Administration decisions affecting Latin-American affairs appears to have been greater prior to the rise of Secretary John Connally in the Nixon Administration. Latin America was a low priority area in the eyes of most officials in the Nixon Administration. Apparently the Nixon Administration was fairly satisfied with the configuration of regimes in Latin America, in part the product of the Johnson Administration. The nationalization of U.S.-owned copper interests in Chile coincided with a shift in the Nixon Administration decision-making structure. A major part of the responsibility for Latin-American policy shifted from the State Department to the Treasury Department and Secretary Connally. To the outsider it appeared that State and Treasury were making independent policy contributions; nevertheless, it appears that even statements by Rogers were agreed upon by Connally and the Treasury officials.

While legal forms of opposition existed and while the United States can effectively apply "diplomatic pressures," U.S. officials did not feel that irreversible changes would be brought about. Not all officials interviewed agree in their evaluations of present and future prospects for Chile. Allende, or U.S.-Chilean relations. Privately, officials express a range of attitudes toward all three subjects. The negative appraisal of some State Department officials is not shared by others. Some reject the idea that the United States should "write off" Chile as a result of the nationalization of copper.

However, the "hands-off" viewpoint carries little weight in policy-making circles. The input of the State Department to the making of U.S. policy toward Chile under Allende has not been great. By their own admission, other executive department officials have "the ear of the President" and the State Department has not been frequently consulted since the copper nationalization crisis.

#### THE DEPARTMENT OF TREASURY

It appears that the decisions as well as the decision-makers in the U.S. Department of Treasury are more closely linked to U.S. corporate and business interests than is the Department of State. In any case Treasury is more likely to articulate and defend U.S. private economic interests than other agencies within the executive branch. This is all the more significant in light of the above observations that in critical moments involving conflicts between U.S. private interests and Latin nationalist governments it is Treasury that emerges as the spokesman of U.S. policy.

According to a *Business Week* writer who interviewed Secretary Connally (July 10, 1971):

"The Secretary is especially miffed when foreign nations expropriate U.S. assets. Under his orders, U.S. representatives have taken to abstaining from votes on World Bank and other loans to expropriating countries, and Connally is forcing the reopening of debate at top levels on what U.S. policy should be. He is particularly bitter about Latin-American hostility toward U.S. investment...."

What has emerged publicly is a business-oriented Secretary of the Treasury who has not been reticent about expressing opposition toward Latin-American nationalist leadership and the Chilean leadership in particular. Once policy has been defined through Connally's initiative, the State Department has moved toward the more extreme position, shedding its reservations and "flexibility."

The input of the Treasury Department to executive policy-making regarding U.S.-Chilean relations does not end with Connally's access to the President. Treasury Department officials claimed Treasury control over other public institutions (Export-Import Bank, the World Bank, the International Monetary Fund, and the Inter-American Development Bank) in carrying out their anti-Chilean position. According to one high Treasury official we interviewed:

"... Treasury is having an input (to U.S. foreign policy) that it hasn't had in the past. The National Advisory Council passes [on] credit programs. Export-Import Bank loans, [the] whole range of Federal Government financial activities abroad. Connally [has an] increasing input in financial aspects which other agencies sometimes tend to play down. Executive Directors of the IMF and the World Bank are both under the Secretary of the Treasury so we have a considerable punch in both of those...."

Treasury control over the international public lending agencies was claimed by Treasury officials interviewed and substantiated by State Department officials.

gence reports, and medical supplies to aid the Bolivian army in its overthrow of the nationalist-populist Torres government. The United States now has a loyal government in Bolivia led by Hugo Banzer which can increase border pressures on Chile as well as provide a passageway from Brazil through Bolivia to Chile. Regarding Peru, the United States has moved in the direction of closer relations—there are agreements on most issues which have been pending, especially since the "nationalist" Peruvian military has come around to seeing the "need" of foreign investment for economic development. If U.S.-Peruvian differences narrow, the United States may be able to push the Peruvians into a more distant relationship with Chile.

The over-all purpose of U.S. policy is to create economic dislocation and provoke a domestic social crisis that could lead to either the overthrow of the Allende government by a civil-military coalition made up of the Army, the Christian Democrats, and the extreme right-wing National Party, or the discrediting of the government and its defeat in the 1973 congressional elections, thus undercutting the basis for future changes.

#### THE COPPER ISSUE

The U.S. dispute with Chile over the copper issue must be viewed within this hostile atmosphere of U.S.-Chilean relations. The copper issue itself is not new—the Frei government felt compelled to begin to "Chileanize" copper—and the idea of nationalization of copper was no surprise to U.S. policymakers. Furthermore, the notion of uncompensated expropriation has precedent in other Latin contexts. The reaction of the U.S. government toward Chile can best be understood through a discussion and analysis of the attitudes of congressmen, State Department and other Administration officials, as well as policy advisers.

These include two executive agencies (Treasury and State), the Congress (Senate and House Committees and Subcommittees and individual members), the "international" banks. Also, the actions of the Chilean government trigger, in turn, further U.S. actions. Finally, the policy inputs of U.S. business—the individual firms (commercial/financial as well as extractive and manufacturing) who do business and/or have financial investment or other economic ties with Chile and other Latin American countries—have very important consequences for U.S. policy.

#### THE DEPARTMENT OF STATE

On October 13, 1971, Secretary of State William P. Rogers stated:

"The Controller General of Chile announced his findings on October 11 that no compensation would be paid for the U.S. copper mining investments expropriated on July 16 except for modest amounts in the cases of two smaller properties."

"The U.S. government is deeply disappointed and disturbed at this serious departure from accepted standards of international law. Under established principles of international law, the expropriation must be accompanied by reasonable provision for payment of just compensation. The United States had made clear to the government of Chile its hope that a solution could be found on a reasonable and pragmatic basis consistent with international law...."

"Should Chile fail to meet its international obligations, it could jeopardize flows of private funds and erode the base of support for foreign assistance, with possible adverse effects on other developing countries...."

This statement, the official policy of the Department of State, is an explicit endorsement of the position of the U.S. copper companies. The State Department's claim that it holds a "position of moderation" is hardly convincing. This policy statement also obliquely refers to and warns against other countries following the Chilean example. This was the first officially stated concern not so much about Chilean actions *per se* but concerning action that might be taken against all U.S. business holdings in Latin America. Thus, the statement is clearly directed not only at Chile's ability to garner U.S. public and private loans and investment but is also directed toward other Third World countries. By wielding the weapon of economic sanctions and exhibiting the capacity to manipulate international financial funds the U.S. can, in the Secretary's words, produce an "adverse effect on the international development process."

Despite the blunt language and obvious threats explicitly stated, officials continued to argue that the State Department is the voice of reason and moderation between both Chile and U.S. decision-makers.

could generate a "ripple effect" in other areas—a point of view taken up and supported by others during the discussion. A spokesman for the State Department suggested sanctions against uncompensated expropriation, fearing the "demonstration effect" of Peruvian and Chilean actions on the rest of Latin America." Most government advisors—public and private—felt that the Latin Americans perceived the United States as "wavering as to whether it will take up the cause of private investors." An executive from Standard Oil called for the U.S. government to "make its position clear before incidents arise."

On January 19, 1972, Nixon announced the tough U.S. stand on expropriations, backing the strong position advocated by the overseas investors and their supporters in the Treasury and State Departments. The Nixon announcement terminated loans and aid to countries nationalizing U.S. property. The proviso calling for "prompt, adequate and effective compensation" is a euphemism for opposition to nationalization since few, if any, underdeveloped countries have large sums of hard currency available to divert from socio-economic development to U.S. corporations. The key passage of Nixon's speech reads:

"When a country expropriates a significant United States interest without making reasonable provision for such compensation to United States citizens, we will presume that the United States will not extend new bilateral economic benefits to the expropriating country unless and until it is determined that the country is taking reasonable steps to provide adequate compensation or that there are major factors affecting United States interests which require continuance of all or part of these benefits."

The gradual escalation of U.S. pressures against economic nationalism in Chile took a new turn when a U.S. court in New York blocked the bank accounts of 14 Chilean agencies. Despite Chile's agreement to pay over 90 percent of the Kennecott debt which had purportedly caused the attachments, the Federal judge refused to lift attachments against nine Chilean enterprises. Chile's agreement to pay the enormous debts incurred by past regimes has led to efforts to renegotiate the payments schedule. Once agreeing to renegotiation, Chile has become increasingly vulnerable to external pressure which may have adverse internal social, economic, and political effects on the Allende government. For example, part of the price Chile has to pay to obtain refinancing of her debt is the agreement to allow the International Monetary Fund to periodically "review" Chile's monetary, credit, and trade performance. Part of an IMF "review" are "recommendations" that usually include credit and wage freezes, which if not heeded by the host country can result in an unfavorable "review" and new credit restrictions. If past experiences are any indication, Chile's acceptance of IMF recommendations could lead to undermining the Allende government's social basis of support. The involvement of the IMF in Chilean politics along with the blocking of the Chilean accounts in the U.S. reinforce the notion that the Chilean government is being economically encircled in order to create the necessary and sufficient conditions for the internal opposition to take power.

#### WHAT LOW PROFILE?

Dominican-style "gunboat diplomacy" has been replaced by "credit-diplomacy"—for now. The low profile approach suggests that U.S. policy-makers will give increasing importance to indigenous military elites and oppositionists in dumping the economic nationalists; this has already occurred in Bolivia and more recently in Ecuador. By confining themselves to maintaining credit pressure from the outside, U.S. policy-makers allow their national allies inside the country to mobilize on internal issues—a strategy which appears to be paying off in Chile.

The more immediate experience concerning U.S. policy and overseas investment suggest that when a crisis situation emerges—when a major U.S. investor group in a Latin country is endangered—there is an increasing convergence of U.S. government and business responses. Once the crisis passes the two major interests may diverge. The overlap in policy is largely a result of the career patterns and prior socialization of many of the leading policy-makers; individuals who have come from corporate or corporate-related careers and/or who may be headed for such a career, but who in any case share many of the key beliefs associated with business enterprise ("foreign private investment is essential for the development of underdeveloped countries"—and similar beliefs).

Whatever the value of any particular enterprise affected by economic nationalism, it has been shown how U.S. policy-makers have a tendency to view the par-

ticular problem from the standpoint of the impact on the whole overseas investment community. Hence, the constant preoccupation not only of high Administration officials but of seemingly "parochial" congressmen with the so-called "ripple effect."

U.S. policy-makers perceive the real challenge to be neither the Soviet Union nor China but economic nationalism and social revolution in these Third World areas under U.S. hegemony. Thus, while the U.S. policy-makers propose an opening to China they heighten pressures on Chile and the rest of Latin America. While the U.S. "opening" toward China is a major new development in U.S. foreign policy, the objectives are not very different: recognition of a Great Power is the first step toward mutual agreement in defining traditional spheres of influence. It is within this framework that we can understand why the United States can open relations with the major Asian Communist power, China, but not with revolutionary Cuba. We can also understand why the United States plans to increase trade with an authoritarian Communist regime in Asia while limiting credits and eliminating loans to a parliamentary, Democratic Socialist government such as governs Chile.

Despite the hostility of U.S. policy-makers and private investors toward economic nationalism, there are important factors which should encourage some restraint on U.S. public activities. The large foreign debt which Latin nations (including Chile) owe to U.S. financial institutions is a double-edged sword; while it provides the creditor nation leverage to pressure for favorable policies, it also provides the debtor nation with a bargaining weapon which can be expressed in the form of a threat to repudiate the debt and thus induce important financial interest groups in the creditor country. Conservative but prudent bankers who still have hopes of recuperating their loans may wish to moderate the extremist demands of U.S. private investors whose properties have been nationalized. While the non-nationalized U.S. economic groups continue to have an economic stake in Chile and feel that there is some hope for partial or total recovery, it is to be expected that bargaining, negotiation, and some agreements can be reached regarding specific areas. More specifically, it is likely that Chile will be allowed to refinance the debt in exchange for guarantees that the Allende government will make prompt, complete payment. Thus, within a framework which locks U.S. private interests and government in combat with Latin-American economic nationalists, the possibility of short-term arrangements are possible and probable, given the loss of U.S. omnipotence in this hemisphere and the emergence of somewhat "durable" nationalist regimes in Latin America.

MEMORANDUM FOR THE RECORD

SUBJECT : Meeting on Current Chilean Situation at Department of State, 1630-1830, 17 October 1972

ATTENDEES: Assistant Secretary of State for Inter-American Affairs Charles A. Meyer  
Deputy Assistant Secretary of State for Inter-American Affairs John H. Crummins  
Mr. William J. Jordan, Senior Staff Member of the National Security Council  
Mr. John W. Fisher, Director of Bolivian/Chilean Affairs, Department of State  
Mr. James R. Gardner, Chief, Operations Policy Staff, Department of State

Chief, WH Division

1. Mr. Meyer's purpose in calling the meeting was to consider as a contingency, what the U.S. Government's response should be if the opposition to Allende were to approach the Embassy in Santiago with a request for (a) support in toppling the Allende Government, or (b) an assurance of post-coup support as a prior condition for undertaking a coup, or, (c) U.S. Government commitment to post-coup support for a coup already arranged and decided upon. Since time would probably be a factor in responding to any such request, the Department of State felt it was necessary to have at least some preliminary discussion of the problems and options involved in this type of contingency.

2. [redacted] noted that, earlier in the day, appropriate CIA elements had brainstormed the current Chilean situation from every conceivable angle. This had resulted in the conclusion that the most likely outcome in the current crisis was that a coup would

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not develop within the next few days. This conclusion was based on the estimate that the country would have to suffer a little more under Allende before the kind of consensus which would provoke the military into deciding on a coup would be reached among the main elements of the opposition -- that is, the military, the political parties, and the private sector. It was stressed that up to 17 October, there had been absolutely no indication that General Carlos Prats, the Chilean Army Commander-in-Chief, was ready to do anything except maintain law and order and, in the process, support the constitutional Allende government. The point was also made that it was fairly obvious that the opposition political parties were reluctantly caught up in this wave of strikes and other actions against the government; essentially they started out supporting the strikes in order to preserve their credentials in the opposition. The private sector, in instigating the strikes which led to the current situation, had, and have, no clear goals but felt this was the only way to create a situation in which the military and the political sectors would be forced to consider a coup against the Allende regime. [redacted] concluded his assessment by stating that it is, of course, always possible that some action which could not be reasonably anticipated might take place and act as a catalyst for moving the military into a coup effort. As an example of this type of unforeseen occurrence he mentioned a clash between the security forces and students in which a number of students were killed. Short of that, however, the coup probabilities seemed quite low at this juncture. [redacted] noted that in the course of the CIA brainstorming session, various courses of action had been examined to see if it were in the net interests of the United States to accelerate current Chilean events leading toward a coup. The conclusion was that no course of action which could be taken would help in a decisive manner to achieve the objective of removing Allende from power.

3. It was conceded by all that, in the final analysis, the Chilean military were the key to any coup that might develop now or in the future.



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6. The group finally did agree on the following:

a. If and when the Chilean military decided to undertake a coup, they would not need U.S. Government assistance or support to do so successfully nor are they likely to seek such support. Further, given the Chilean military capabilities for an unaided coup, any U.S. intervention or assistance in the coup per se should be avoided.

b.



1422

CENTRAL INTELLIGENCE AGENCY  
WASHINGTON, D.C. 20505

25 AUG 1973

MEMORANDUM FOR: The Assistant to the President  
for National Security Affairs  
Mr. Jack B. Kubicch  
Assistant Secretary of State for  
Inter-American Affairs

VIA: Mr. William J. Jordan  
Senior Staff Member  
National Security Council

SUBJECT: Proposed Covert Financial Support  
of Chilean Private Sector

1. On 20 August 1973, the 40 Committee approved the expenditure of \$1,000,000 through June 1974 for support to the Chilean opposition political parties and the private sector.

40 Committee specified in its approval that the contingency fund [redacted] allocated to the private sector could only be spent with Ambassador Davis' approval.

2. Chile continues in a state of crisis and the pressures on President Allende and his government are increasing. Allende and his forces appear to be on the defensive, fearing a military coup and unsure of their ability to deal effectively with it if it comes. It is a crucial period in the revolutionary process being pursued by the Allende government. While the key to the situation undoubtedly lies with the military, the left and Allende, the opposition pressure is an essential element of the picture and encourages the military in its resistance to Allende and the left.

[redacted]  
Classified by signer. Exempt from General Declassification Schedule of E. O. 11652. Exemption Category 5B (2). Impossible to determine date of automatic declassification.

Declassified and  
approved for Release  
July 2000

3. Given this situation, the CIA Chief of Station in Santiago on 24 August recommended that covert financial support be given to the opposition, beginning with a [redacted] to the private sector, in order to keep the pressure on Allende and sustain some of the present strikes. The Chief of Station discussed his recommendation with Ambassador Davis with the latter indicating that he could not endorse his proposal, particularly support to the private sector, because such a course of action could lead to a de facto U. S. Government commitment to a coup which was a policy issue that only Washington could decide. The Ambassador did agree that soundings should be made in Washington on this matter.

4. The Santiago Station would not be working directly with the armed forces in an attempt to bring about a coup nor would its support to the overall opposition forces have this as its objective. Realistically, of course, a coup could result from increased opposition pressure on the Allende government. However, the broad consensus of the opposition appears to have the massive entrance of the military into the Allende government with real power as its present objective.

/s/ W. E. Colby  
W. E. Colby

CENTRAL INTELLIGENCE AGENCY  
WASHINGTON, D.C. 20505

11 Sept 73

491

MEMORANDUM FOR: The Assistant to the President  
for National Security Affairs  
Mr. Jack B. Kubisch  
Assistant Secretary of State for  
Inter-American Affairs

VIA: Mr. William J. Jordan  
Senior Staff Member  
National Security Council

SUBJECT: Possible Request for U.S. Government Aid  
from Key Officer of Chilean Military  
Group Planning to Overthrow President  
Allende

1. Late 10 September 1973 [REDACTED]

[REDACTED] contacted an officer [REDACTED] and advised that early 11 September 1973 a significant part of the Chilean military planned to move to overthrow President Allende. He then asked if the U.S. Government would come to the aid of the Chilean military if the situation became difficult. He did not further explain exactly what he desired from the U.S. Government.

2. In response to [REDACTED] query, the [REDACTED] officer said that he could not comment on the matter; that the planned action against President Allende was a Chilean operation, and he could only promise that [REDACTED] question would promptly be made known to Washington.

3. [REDACTED]

Approved for Release  
July 2000



You may also recall discussion

of a Track Two in late 1970 - which has not been included in this summary.

Declassified and  
Approved for Release  
July 2000

|                                                                                                              |  |                                                                                                                                                                                                                                                             |  |
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**CENTRAL INTELLIGENCE AGENCY**  
WASHINGTON, D.C. 20505

Approved for Release  
July 2000

MEMORANDUM FOR: Dr. Henry A. Kissinger  
The Assistant to the President  
for National Security Affairs

SUBJECT: CIA's Covert Action Program  
in Chile Since 1970

1. This Agency did not conduct covert action operations in support of either of the two democratic candidates who opposed Salvador Allende in the 1970 presidential election. Our role in the election was limited to an effort to denigrate Allende and his Popular Unity (UP) coalition during the campaign. Since Allende's inauguration, U.S. policy has been to maintain maximum covert pressure to prevent the Allende regime's consolidation. Under this policy the 40 Committee has approved since January 1971 financial support totaling \$4,761,166 for Chilean political parties, media, and private sector organizations opposed to the Allende regime. The attachment provides a summary of the amounts approved by the Committee and the purposes for which these funds were used.

2. Funds [redacted] channeled to opposition forces in Chile through our Santiago Station enabled the three opposition political parties -- Christian Democratic Party (PDC), National Party (PN) and Democratic Radical Party (PDR) -- to improve their internal organizations [redacted] to compete successfully in a number of congressional by-elections.

These congressional elections were considered by both the UP and the opposition as a form of plebiscite to determine whether or not the government had a popular mandate to continue the implementation of its revolutionary program.

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[REDACTED] Limited support was also made available to private sector organizations, but because some of these groups began to try to provoke a military coup, our funding was confined to specific activities in support of the opposition coalition in the March congressional elections.

3. After the March 1973 elections, it became increasingly apparent that three years of political polarization had strained the fabric of Chilean society to the breaking point. Various U.S. policy options were considered, and on 20 August 1973 the 40 Committee approved an additional \$1,000,000 to support opposition political parties and private sector organizations through June 1974; support to the private sector, however, was made contingent on the concurrence of Ambassador Davis and the Department of State. Since this concurrence was not given, no support was provided to the private sector, whose initiative in launching and maintaining a series of crippling strikes was instrumental in provoking the military coup of 11 September 1973. Thus, while the Agency was instrumental in enabling opposition political parties and media to survive and to maintain their dynamic resistance to the Allende regime, the CIA played no direct role in the events which led to the establishment of the new military government.

W. B. Colby  
Director

Attachment:  
Summary of 40 Committee Approvals

SECRET

## U.S. Expected Chile Coup But Decided Not to Act

By BERNARD GWERTZMAN

Special to The New York Times

WASHINGTON, Sept. 13—Administration officials said today that President Nixon had received numerous reports in the last year of an impending military coup in Chile, and had decided against taking any action that would either encourage or discourage the overthrow of the Government of President Salvador Allende Gossens.

The White House and the State Department both sought to counter a view widely held in Latin America that the United States knew in advance of the plans for Tuesday's coup, which resulted in Dr. Allende's death. They also denied again that the United States was involved.

"The Administration had been receiving rumors of unrest in the Chilean military for more than one year," Gerald L. Warren, the White House spokesman, said. "Sometimes they mentioned specific dates and sometimes they did not."

### Instructions to Embassy

Mr. Warren said that "aside from these rumors, the President had no advance knowledge of any specific plan for a coup."

"Our embassy had instructions in the event that any elements in Chile came to them with any plans for an uprising not to have anything to do with it," Mr. Warren said. "And these instructions were followed carefully."

The Administration, which made no comment yesterday about the coup, seemed nettled by a spate of articles that appeared in the United States and overseas today. The articles suggested some kind of American involvement in the overthrow of Dr. Allende, who was

**Continued on Page 8, Column 1**

# U.S. Expected a Military Coup in Chile

Continued From Page 1, Col. 6

second in Latin America only to Premier Fidel Castro of Cuba in criticism of the United States.

Of particular concern to the Administration was the receipt by the embassy in Santiago of a report that the coup would take place on the day it did. The White House and State Department said that this report, one of several in the same vein, did not reach the desks of responsible officials until after the coup was actually under way a few hours.

At the United Nations, John A. Scali, the United States delegate, held a news conference to say that "anyone who alleges that the United States or any of its agencies participated in this coup directly or indirectly does not speak the truth."

"And as a member of the Cabinet, with access to sensitive intelligence information, I know what I am talking about," he said.

Paul J. Hare, the State Department spokesman, said that Washington had been informed that a coup would take place on Sept. 8. When no coup occurred, Washington was informed by the embassy of a report of a coup on Sept. 10. Finally, around midnight on Sept. 10, the embassy "did receive reports that Sept. 11 was to be the date and this, as you know, turned out to be correct," Mr. Hare said.

"It was the best-advertised coup in history," a senior official said.

"There was absolutely no way of knowing beforehand," Mr. Hare said, "that on any of these dates, including the Sept. 11 date, a coup attempt would be made."

Mr. Hare said that no effort was made to contact the Allende Government about the coup rumors or to meet with military men to discourage them from carrying out the coup.

Mr. Hare also repeated denials that an American task force of four ships had been ordered before Sept. 11 to turn

around without entering Chilean waters for a scheduled joint exercise.

The task force was told on Sept. 10 of rumors of a coup that day, a State Department official said, but when it did not occur, the ships set out the next day from Peru, only to be turned around at midmorning, after the coup began.

## The Ambassador's Trip

Mr. Hare also sought to deny that the coup had any special connection with the two-day visit to Washington last week-end of Nathaniel Davis, the Ambassador to Chile.

He repeated that Mr. Davis had been summoned to Washington at the end of August by Secretary of State-designate Henry A. Kissinger along with other Ambassadors for a discussion of State Department policy and problems.

"The purpose of the visit was not to report on any coup attempt," Mr. Hare said. "He returned to Chile immediately after seeing the Secretary of State-designate because of the tense situation there and the desirability of having an Ambassador in the country during this period."

The embassy in Santiago has been sent a note by the new military junta, asking that diplomatic relations be continued,

State Department officials said. They said they expected that once Latin-American countries responded favorably to the junta, Washington would too.

## Chilean Embassy: No One Quilt

The Chilean Embassy here said through a spokesman, Patricio Rodriguez, that the embassy officers were "career diplomats" and therefore barred from making any comments about the government change. He said that nobody in the embassy had resigned over the actions in Santiago.

The Nixon Administration's attitude toward Dr. Allende was always cool and this did not change on his death. After refusing to comment about his reported suicide, or to issue any condolences yesterday, Mr. Hare said: "I do want to express regret over the loss of life in Chile, particularly of the Chief of State, President Allende."

The Administration resisted all efforts to persuade it to comment on the morality of the coup, in which a democratically elected government was overthrown. One official said that "we will have to work with the generals and it makes no sense to issue some moral statement about democracy."

TelCon:9/16/73 (Home) 11:50  
 Mr. Kissinger/  
 The President:

K: Hello.

P: Hi, Henry.

K: Mr. President.

P: Where are you. In New York?

K: No, I am in Washington. I am working. I may go to the football game this afternoon if I get through.

P: Good. Good. Well it is the opener. It is better than television. Nothing new of any importance or is there?

K: Nothing of very great consequence. The Chilean thing is getting consolidated and of course the newspapers <sup>are</sup> and bleeding because a pro-Communist government has been overthrown.

P: Isn't that something. Isn't that something.

K: I mean instead of celebrating - in the Eisenhower period we would be heros.

P: Well we didn't - as you know - our hand doesn't show on this one though.

K: We didn't do it. I mean we helped them. \_\_\_\_\_ created the conditions as great as possible(??)

P: That is right. And that is the way it is going to be played. But listen, as far as people are concerned let me say they aren't going to buy this crap from the Liberals on this one.

K: Absolutely not.

P: They know it is a pro-Communist government and that is the way it is.

K: Exactly. And pro-Castro.

P: Well the main thing was. Let's forget the pro-Communist. It was an anti-American government all the ~~wide~~ way.

K: Oh, wildly.

P: And your expropriating. I notice the memorandum you sent up of the confidential conversation \_\_\_\_\_ set up a policy for reimbursement on expropriations and cooperation with the United States for breaking relations with Castro. Well what the hell that is a great treat(?) if they thing that. No don't let the columns and the bleeding on that

K: Oh, oh it doesn't bother me. I am just reporting it to you.

P: Yes, you are reporting it because it is just typical of the crap we are up against.

K: And the unbelievable filthy hypocrisy.

P: We know that.

K: Of these people. When it is South Africa, if we don't overthrow them there they are raising hell.

P: Yes, that is right.

K: But otherwise things are fairly quiet. The Chinese are making very friendly noises. I think they are just waiting for my confirmation to make a proposal.

P: When you say their noises are friendly, what do you mean?

K: Well their newspapers have stopped attacking us. They are blasting the Russians like crazy. And they have blasted them so much with Pompidou there that he is embarrassed. And Sy Sultzberger(?) had been denied a visa so we called them ~~xxx~~ to say that he was not like Reston. And within 24 hours he got a visa.

P: That is good.

K: You know that they wouldn't do unless they wanted to ingratiate themselves.

P: Right, right.

K: And I told you from the European front that is going along very well but I think they ought to play it cool until next spring. ~~xxx~~



**INTELLIGENCE ACTIVITIES**  
**SENATE RESOLUTION 21**

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**HEARINGS**  
**BEFORE THE**  
**SELECT COMMITTEE TO STUDY**  
**GOVERNMENTAL OPERATIONS WITH**  
**RESPECT TO INTELLIGENCE ACTIVITIES**  
**OF THE**  
**UNITED STATES SENATE**  
**NINETY-FOURTH CONGRESS**  
**FIRST SESSION**  

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**VOLUME 7**  

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**COVERT ACTION**  
**DECEMBER 4 AND 5, 1975**



Printed for the use of the Select Committee To Study Governmental  
Operations With Respect to Intelligence Activities

**U.S. GOVERNMENT PRINTING OFFICE**

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## COVERT ACTION IN CHILE: 1963-1973

### I. Overview and Background

#### A. OVERVIEW: COVERT ACTION IN CHILE

Covert United States involvement in Chile in the decade between 1963 and 1973 was extensive and continuous. The Central Intelligence Agency spent three million dollars in an effort to influence the outcome of the 1964 Chilean presidential elections. Eight million dollars was spent, covertly, in the three years between 1970 and the military coup in September 1973, with over three million dollars expended in fiscal year 1972 alone.<sup>1</sup>

It is not easy to draw a neat box around what was "covert action." The range of clandestine activities undertaken by the CIA includes covert action, clandestine intelligence collection, liaison with local police and intelligence services, and counterintelligence. The distinctions among the types of activities are mirrored in organizational arrangements, both at Headquarters and in the field. Yet it is not always so easy to distinguish the effects of various activities. If the CIA provides financial support to a political party, this is called "covert action"; if the Agency develops a paid "asset" in that party for the purpose of information gathering, the project is "clandestine intelligence collection."

The goal of covert action is political impact. At the same time secret relationships developed for the clandestine collection of intelligence may also have political effects, even though no attempt is made by American officials to manipulate the relationship for short-run political gain. For example, in Chile between 1970 and 1973, CIA and American military attaché contacts with the Chilean military for the purpose of gathering intelligence enabled the United States to sustain communication with the group most likely to take power from President Salvador Allende.

What did covert CIA money buy in Chile? It financed activities covering a broad spectrum, from simple propaganda manipulation of the press to large-scale support for Chilean political parties, from public opinion polls to direct attempts to foment a military coup. The scope of "normal" activities of the CIA Station in Santiago included placement of Station-dictated material in the Chilean media through propaganda assets, direct support of publications, and efforts to oppose communist and left-wing influence in student, peasant and labor organizations.

In addition to these "routine" activities, the CIA Station in Santiago was several times called upon to undertake large, specific projects.

<sup>1</sup> Moreover, the bare figures are more likely to understate than to exaggerate the extent of U.S. covert action. In the years before the 1973 coup, especially, CIA dollars could be channeled through the Chilean black market where the unofficial exchange rate into Chilean pesos often reached five times the official rate.

When senior officials in Washington perceived special dangers, or opportunities, in Chile, special CIA projects were developed, often as part of a larger package of U.S. actions. For instance, the CIA spent over three million dollars in an election program in 1964.

Half a decade later, in 1970, the CIA engaged in another special effort, this time at the express request of President Nixon and under the injunction not to inform the Departments of State or Defense or the Ambassador of the project. Nor was the 40 Committee<sup>2</sup> ever informed. The CIA attempted, directly, to foment a military coup in Chile. It passed three weapons to a group of Chilean officers who plotted a coup. Beginning with the kidnaping of Chilean Army Commander-in-Chief René Schneider. However, those guns were returned. The group which staged the abortive kidnap of Schneider, which resulted in his death, apparently was not the same as the group which received CIA weapons.<sup>3</sup>

When the coup attempt failed and Allende was inaugurated President, the CIA was authorized by the 40 Committee to fund groups in opposition to Allende in Chile. The effort was massive. Eight million dollars was spent in the three years between the 1970 election and the military coup in September 1973. Money was furnished to media organizations, to opposition political parties and, in limited amounts, to private sector organizations.

Numerous allegations have been made about U.S. covert activities in Chile during 1970-73. Several of these are false; others are half-true. In most instances, the response to the allegation must be qualified:

Was the United States *directly* involved, covertly, in the 1973 coup in Chile? The Committee has found no evidence that it was. However, the United States sought in 1970 to foment a military coup in Chile; after 1970 it adopted a policy both overt and covert, of opposition to Allende; and it remained in intelligence contact with the Chilean military, including officers who were participating in coup plotting.

Did the U.S. provide covert support to striking truck-owners or other strikers during 1971-73? The 40 Committee did not approve any such support. However, the U.S. passed money to private sector groups which supported the strikers. And in at least one case, a small amount of CIA money was passed to the strikers by a private sector organization, contrary to CIA ground rules.

Did the U.S. provide covert support to right-wing terrorist organizations during 1970-73? The CIA gave support in 1970 to one group whose tactics became more violent over time. Through 1971 that group received small sums of American money through third parties for specific purposes. And it is possible that money was passed to these groups on the extreme right from CIA-supported opposition political parties.

The pattern of United States covert action in Chile is striking but not unique. It arose in the context not only of American foreign policy, but also of covert U.S. involvement in other countries within and outside Latin America. The scale of CIA involvement in Chile was unusual but by no means unprecedented.

<sup>2</sup> The 40 Committee is a sub-Cabinet level body of the Executive Branch whose mandate is to review proposed major covert actions. The Committee has existed in similar form since the 1950's under a variety of names: 5412 Panel, Special Group (until 1964), 308 Committee (to 1969), and 40 Committee (since 1969). Currently chaired by the President's Assistant for National Security Affairs, the Committee includes the Undersecretary of State for Political Affairs, the Deputy Secretary of Defense, the Chairman of the Joint Chiefs of Staff, and the Director of Central Intelligence.

<sup>3</sup> This matter is discussed extensively in the Committee's interim report entitled, *Alleged Assassination Plots Involving Foreign Leaders*, 94 Cong., 1 sess. (November 1975), pp. 223-234.

## B. Issues

The Chilean case raises most of the issues connected with covert action as an instrument of American foreign policy. It consisted of long, frequently heavy involvement in Chilean politics; it involved the gamut of covert action methods, save only covert military operations; and it revealed a variety of different authorization procedures, with different implications for oversight and control. As one case of U.S. covert action, the judgments of past actions are framed not for their own sake; rather they are intended to serve as bases for formulating recommendations for the future.

The basic questions are easily stated:

(1) Why did the United States mount such an extensive covert action program in Chile? Why was that program continued and then expanded in the early 1970's?

(2) How was this major covert action program authorized and directed? What roles were played by the President, the 40 Committee, the CIA, the Ambassadors, and the Congress?

(3) Did U.S. policy-makers take into account the judgments of the intelligence analysts on Chile when they formulated and approved U.S. covert operations? Does the Chilean experience illustrate an inherent conflict between the role of the Director of Central Intelligence as a producer of intelligence and his role as manager of covert operations?

(4) Did the perceived threat in Chile justify the level of U.S. response? What was the effect of such large concentrated programs of covert political action in Chile? What were the effects, both abroad and at home, of the relationships which developed between the intelligence agencies and American based multinational corporations?

## C. HISTORICAL BACKGROUND TO RECENT UNITED STATES-CHILEAN RELATIONS

1. *Chilean Politics and Society: An Overview*

Chile has historically attracted far more interest in Latin America and, more recently, throughout the world, than its remote geographic position and scant eleven-million population would at first suggest.

Chile's history has been one of remarkable continuity in civilian, democratic rule. From independence in 1818 until the military *coup d'état* of September 1973, Chile underwent only three brief interruptions of its democratic tradition. From 1932 until the overthrow of Allende in 1973, constitutional rule in Chile was unbroken.

Chile defies simplistic North American stereotypes of Latin America. With more than two-thirds of its population living in cities, and a 1970 per capita GNP of \$760, Chile is one of the most urbanized and industrialized countries in Latin America. Nearly all of the Chilean population is literate. Chile has an advanced social welfare program, although its activities did not reach the majority of the poor until popular participation began to be exerted in the early 1960's. Chileans are a largely integrated mixture of indigenous American with European immigrant stock. Until September 1973, Chileans brokered their demands in a bicameral parliament through a multi-party system and through a broad array of economic, trade union, and, more recently, managerial and professional associations.

## *2. U.S. Policy Toward Chile*

The history of United States policy toward Chile followed the patterns of United States diplomatic and economic interests in the hemisphere. In the same year that the United States recognized Chilean independence, 1823, it also proclaimed the Monroe Doctrine. This unilateral policy pronouncement of the United States was directed as a warning toward rival European powers not to interfere in the internal political affairs of this hemisphere.

The U.S. reaction to Fidel Castro's rise to power suggested that while the Monroe Doctrine had been abandoned, the principles which prompted it were still alive. Castro's presence spurred a new United States hemispheric policy with special significance for Chile—the Alliance for Progress. There was little disagreement among policymakers either at the end of the Eisenhower Administration or at the beginning of the Kennedy Administration that something had to be done about the alarming threat that Castro was seen to represent to the stability of the hemisphere.

The U.S. reaction to the new hemispheric danger—communist revolution—evolved into a dual policy response. Widespread malnutrition, illiteracy, hopeless housing conditions and hunger for the vast majority of Latin Americans who were poor; these were seen as communism's allies. Consequently, the U.S. undertook loans to national development programs and supported civilian reformist regimes, all with an eye to preventing the appearance of another Fidel Castro in our hemisphere.

But there was another component in U.S. policy toward Latin America. Counterinsurgency techniques were developed to combat urban or rural guerrilla insurgencies often encouraged or supported by Castro's regime. Development could not cure overnight the social ills which were seen as the breeding ground of communism. New loans for Latin American countries' internal national development programs would take time to bear fruit. In the meantime, the communist threat would continue. The vicious circle plaguing the logic of the Alliance for Progress soon became apparent. In order to eliminate the short-term danger of communist subversion, it was often seen as necessary to support Latin American armed forces, yet frequently it was those same armed forces who were helping to freeze the status quo which the Alliance sought to alter.

Of all the countries in the hemisphere, Chile was chosen to become the showcase for the new Alliance for Progress. Chile had the extensive bureaucratic infrastructure to plan and administer a national development program; moreover, its history of popular support for Socialist, Communist and other leftist parties was perceived in Washington as flirtation with communism. In the years between 1962 and 1969, Chile received well over a billion dollars in direct, overt United States aid, loans and grants both included. Chile received more aid per capita than any country in the hemisphere. Between 1964 and 1970, \$200 to \$300 million in short-term lines of credit was continuously available to Chile from private American banks.

## *3. Chilean Political Parties: 1958-1970*

The 1970 elections marked the fourth time Salvador Allende had been the presidential candidate of the Chilean left. His personality and his program were familiar to Chilean voters. His platform was simi-



lar in all three elections: efforts to redistribute income and reshape the Chilean economy, beginning with the nationalization of major industries, especially the copper companies; greatly expanded agrarian reform; and expanded relations with socialist and communist countries.

Allende was one of four candidates in the 1958 elections. His principal opponents were Jorge Alessandri, a conservative, and Eduardo Frei, the candidate of the newly formed Christian Democratic Party, which contended against the traditionally centrist Radical Party. Allende's coalition was an uneasy alliance, composed principally of the Socialist and Communist Parties, labeled the Popular Action Front (FRAP). Allende himself, a self-avowed Marxist, was considered a moderate within his Socialist Party, which ranged from the extreme left to moderate social democrats. The Socialists, however, were more militant than the pro-Soviet, bureaucratic—though highly organized and disciplined—Communist Party.

Allende finished second to Alessandri in the 1958 election by less than three percent of the vote. Neither candidate received a majority, and the Chilean Congress voted Alessandri into office. If Allende had received the votes which went to a leftist priest—who received 3.3 percent of the votes—he would have won the election.

The Alessandri government lost popularity during its tenure. Dissatisfaction with it was registered in the 1961 congressional and 1963 municipal elections. The FRAP parties made significant gains, and the Christian Democratic Party steadily increased its share of the electorate until, in the 1963 elections, it became the largest single party.

The 1964 election shaped up as a three-way race. Frei was once again the Christian Democratic candidate, and the parties of the left once again selected Allende as their standard-bearer. The governing coalition, the Democratic Front, chose Radical Julio Duran as their candidate. Due in part to an adverse election result in a March 1964 by-election in a previously conservative province, the Democratic Front collapsed. The Conservatives and Liberals, reacting to the prospect of an Allende victory, threw their support to Frei, leaving Duran as the standard-bearer of only the Radical Party.

After Frei's decisive majority victory, in which he received 57 percent of the vote, he began to implement what he called a "revolution in liberty." That included agrarian, tax, and housing reform. To deal with the American copper companies, Frei proposed "Chileanization," by which the state would purchase majority ownership in order to exercise control and stimulate output.

Frei's reforms, while impressive, fell far short of what he had promised. Lacking a majority in Congress, he was caught between the FRAP parties, which demanded extreme measures, and the rightists, who withheld support from Frei in order to force a compromise on the agrarian reform issue. Like its predecessor, the Frei government lost popularity during its tenure; the Christian Democrats' portion of the vote in congressional elections fell from 48 percent in 1965 to 31 percent in 1969. During the Frei years the internal strains of the Party became more evident, culminating in the 1968 defection of the Party's left-wing elements.

Frei's relations with the United States were cordial, although he pursued an independent foreign policy. His government established diplomatic relations with the Soviet Union immediately after taking power and in 1969 reestablished trade relations with Cuba.



## II. The Range of Covert Action in Chile

### A. COVERT ACTION AND OTHER CLANDESTINE ACTIVITIES

This study is primarily concerned with what is labeled "covert action" by the United States government. Covert action projects are considered a distinct category and are authorized and managed accordingly. But it is important to bear in mind what the category excludes as well as what it includes. The Committee's purpose is to evaluate the intent and effect of clandestine American activities in Chile. Some secret activities by the United States not labeled "covert action" may have important political impacts and should be considered.

The CIA conducts several kinds of clandestine activity in foreign countries: clandestine collection of positive foreign intelligence; counterintelligence (or liaison with local services); and covert action. Those different activities are handled somewhat differently in Washington; they are usually the responsibility of different CIA officers in the field. Yet all three kinds of projects may have effects on foreign politics. All three rely on the establishment of clandestine relationships with foreign nationals.

In the clandestine collection of intelligence, the purpose of the relationship is the gathering of information. A CIA officer establishes a relationship with a foreign "asset"—paid or unpaid—in a party or government institution in order to find out what is going on inside that party or institution. There is typically no attempt made by the CIA officer to influence the actions of the "asset." Yet even that kind of covert relationship may have political significance. Witness the maintenance of CIA's and military attaches' contacts with the Chilean military after the inauguration of Salvador Allende: although the purpose was information-gathering, the United States maintained links to the group most likely to overthrow the new president. To do so was to walk a tightrope; the distinction between collecting information and exercising influence was inherently hard to maintain. Since the Chilean military perceived its actions to be contingent to some degree on the attitude of the U.S. government, those possibilities for exercising influence scarcely would have had to be consciously manipulated.

Liaison relationships with local police or intelligence services pose a similar issue. The CIA established such relationships in Chile with the primary purpose of securing assistance in gathering intelligence on external targets. But the link also provided the Station with information on internal subversives and opposition elements within Chile. That raised the difficulty of ensuring that American officials did not stray into influencing the actions of Chileans with whom they were in contact. And it meant that the CIA was identified, to some degree, with the internal activities of Chilean police and intelligence services,

(6)

whether or not the U.S. government supported those actions. That became a matter for great concern in 1973 with the advent of the Pinochet regime.

The purpose of this case study is to describe and assess the range of covert U.S. activities which influenced the course of political events in Chile. Most of the discussion which follows is limited to activities labeled and run as "covert action" projects. That category is itself broad. But it excludes other clandestine activities with possible political effects.

## B. COVERT ACTION IN CHILE: TECHNIQUES

Even if the set of activities labeled "covert action" does not include all clandestine American efforts with possible political effects, that set is nonetheless broad. U.S. covert action in Chile encompassed a range of techniques and affected a wide variety of Chilean institutions. It included projects which were regarded as the framework necessary for covert operations, as well as major efforts called forth by special circumstances. The following paragraphs will give a flavor of that range.

### 1. Propaganda

The most extensive covert action activity in Chile was propaganda. It was relatively cheap. In Chile, it continued at a low level during "normal" times, then was cranked up to meet particular threats or to counter particular dangers.

The most common form of a propaganda project is simply the development of "assets" in media organizations who can place articles or be asked to write them. The Agency provided to its field Stations several kinds of guidance about what sorts of propaganda were desired. For example, one CIA project in Chile supported from one to five media assets during the seven years it operated (1965-1971). Most of those assets worked for a major Santiago daily which was the key to CIA propaganda efforts. Those assets wrote articles or editorials favorable to U.S. interests in the world (for example, criticizing the Soviet Union in the wake of the Czechoslovakian invasion); suppressed news items harmful to the United States (for instance about Vietnam); and authored articles critical of Chilean leftists.

The covert propaganda efforts in Chile also included "black" propaganda—material falsely purporting to be the product of a particular individual or group. In the 1970 election, for instance, the CIA used "black" propaganda to sow discord between the Communists and the Socialists and between the national labor confederation and the Chilean Communist Party.

Table I—Techniques of Covert Action—Expenditures in Chile, 1965-73<sup>1</sup>

| Techniques                                                                                                           | Amount      |
|----------------------------------------------------------------------------------------------------------------------|-------------|
| Propaganda for elections and other support for political parties.....                                                | \$8,000,000 |
| Producing and disseminating propaganda and supporting mass media .....                                               | 4,300,000   |
| Influencing Chilean institutions (labor, students, peasants, women) and supporting private sector organizations..... | 900,000     |
| Promoting military coup d'etat.....                                                                                  | <200,000    |

<sup>1</sup> Figures rounded to nearest \$100,000.

In some cases, the form of propaganda was still more direct. The Station financed Chilean groups who erected wall posters, passed out political leaflets (at times prepared by the Station) and engaged in other street activities. Most often these activities formed part of larger projects intended to influence the outcomes of Chilean elections (see below), but in at least one instance the activities took place in the absence of an election campaign.

Of thirty-odd covert action projects undertaken by Chile by the CIA between 1961 and 1974, approximately a half dozen had propaganda as their principal activity. Propaganda was an important subsidiary element of many others, particularly election projects. (See Table I.) Press placements were attractive because each placement might produce a multiplier effect, being picked up and replayed by media outlets other than the one in which it originally came out.

## *2. Support For Media*

In addition to buying propaganda piecemeal, the Station often purchased it wholesale by subsidizing Chilean media organizations friendly to the United States. Doing so was propaganda writ large. Instead of placing individual items, the CIA supported—or even founded—friendly media outlets which might not have existed in the absence of Agency support.

From 1953 through 1970 in Chile, the Station subsidized wire services, magazines written for intellectual circles, and a right-wing weekly newspaper. According to the testimony of former officials, support for the newspaper was terminated because it became so inflexibly rightist as to alienate responsible conservatives.

By far, the largest—and probably the most significant—instance of support for a media organization was the money provided to *El Mercurio*, the major Santiago daily, under pressure during the Allende regime. That support grew out of an existing propaganda project. In 1971 the Station judged that *El Mercurio*, the most important opposition publication, could not survive pressure from the Allende government, including intervention in the newsprint market and the withdrawal of government advertising. The 40 Committee authorized \$700,000 for *El Mercurio* on September 9, 1971, and added another \$965,000 to that authorization on April 11, 1972. A CIA project renewal memorandum concluded that *El Mercurio* and other media outlets supported by the Agency had played an important role in setting the stage for the September 11, 1973, military coup which overthrew Allende.

## *3. Gaining Influence in Chilean Institutions and Groups*

Through its covert activities in Chile, the U.S. government sought to influence the actions of a wide variety of institutions and groups in Chilean society. The specific intent of those activities ran the gamut from attempting to influence directly the making of government policy to trying to counter communist or leftist influence among organized groups in the society. That most of these projects included a propaganda component is obvious.

From 1964 through 1968, the CIA developed contacts within the Chilean Socialist Party and at the Cabinet level of the Chilean government.

Projects aimed at organized groups in Chilean society had more diffuse purposes than efforts aimed at government institutions. But the aim was similar: influencing the direction of political events in Chile.

Projects were directed, for example, toward:

- Wresting control of Chilean university student organizations from the communists;

- Supporting a women's group active in Chilean political and intellectual life;

- Combating the communist-dominated *Central Unica de Trabajadores Chilenos* (CUTCh) and supporting democratic labor groups; and

- Exploiting a civic action front group to combat communist influence within cultural and intellectual circles.

#### *4. Major Efforts To Influence Chilean Elections*

Covert American activity was a factor in almost every major election in Chile in the decade between 1963 and 1973. In several instances the United States intervention was massive.

The 1964 presidential election was the most prominent example of a large-scale election project. The Central Intelligence Agency spent more than \$2.6 million in support of the election of the Christian Democratic candidate, in part to prevent the accession to the presidency of Marxist Salvador Allende. More than half of the Christian Democratic candidate's campaign was financed by the United States, although he was not informed of this assistance. In addition, the Station furnished support to an array of pro-Christian Democratic student, women's, professional and peasant groups. Two other political parties were funded as well in an attempt to spread the vote.

In Washington, an inter-agency election committee was established, composed of State Department, White House and CIA officials. That committee was paralleled by a group in the embassy in Santiago. No special task force was established within the CIA, but the Station in Santiago was reinforced. The Station assisted the Christian Democrats in running an American-style campaign, which included polling, voter registration and get-out-the-vote drives, in addition to covert propaganda.

The United States was also involved in the 1970 presidential campaign. That effort, however, was smaller and did not include support for any specific candidate. It was directed more at preventing Allende's election than at insuring another candidate's victory.

Nor have U.S. involvements been limited to presidential campaigns. In the 1965 Chilean congressional elections, for instance, the Station was authorized by the 303 Committee to spend up to \$175,000. Covert support was provided to a number of candidates selected by the Ambassador and Station. A CIA election memorandum suggested that the project did have some impact, including the elimination of a number of FRAP (leftist coalition) candidates who might otherwise have won congressional seats.



### *5. Support For Chilean Political Parties*

Most covert American support to Chilean political parties was furnished as part of specific efforts to influence election outcomes. However, in several instances the CIA provided subsidies to parties for more general purposes, when elections were not imminent. Most such support was furnished during the Allende years, 1970-1973, when the U.S. government judged that without its support parties of the center and right might not survive either as opposition elements or as contestants in elections several years away.

In a sequence of decisions in 1971 through 1973, the 40 Committee authorized nearly \$4 million for opposition political parties in Chile. Most of this money went to the Christian Democratic Party (PDC), but a substantial portion was earmarked for the National Party (PN), a conservative grouping more stridently opposed to the Allende government than was the PDC. An effort was also made to split the ruling Popular Unity coalition by inducing elements to break away.

The funding of political parties on a large scale in 1970-73 was not, however, without antecedents, albeit more modest in scale. In 1962 the Special Group (predecessor to the 40 Committee) authorized several hundred thousand dollars for an effort to build up the PDC in anticipation of the 1964 elections. Small authorizations were made, in 1963 and 1967, for support to moderate elements within the Radical Party.

### *6. Support For Private Sector Organizations*

As part of its program of support for opposition elements during the Allende government, the CIA provided money to several trade organizations of the Chilean private sector. In September 1972, for instance, the 40 Committee authorized \$24,000 in emergency support for an anti-Allende businessmen's organization. At that time, supporting other private sector organizations was considered but rejected because of the fear that those organizations might be involved in anti-government strikes.

The 40 Committee authorized \$100,000 for private sector organizations in October 1972, as part of the March 1973 election project. According to the CIA, that money was spent only on election activities, such as voter registration drives and get-out-the-vote drives. In August 1973, the Committee authorized support for private sector groups, but with disbursement contingent on the agreement of the Ambassador and State Department. That agreement was not forthcoming.

### *7. Direct Efforts To Promote A Military Coup*

United States covert efforts to affect the course of Chilean politics reached a peak in 1970: the CIA was directed to undertake an effort to promote a military coup in Chile to prevent the accession to power of Salvador Allende. That attempt, the so-called "Track II," is the subject of a separate Committee report and will be discussed in section III below. A brief summary here will demonstrate the extreme in American covert intervention in Chilean politics.

On September 15, 1970—after Allende finished first in the election but before the Chilean Congress had chosen between him and the



runner-up, Alessandri,<sup>1</sup>—President Nixon met with Richard Helms, the Director of Central Intelligence, Assistant to the President for National Security Affairs Henry Kissinger and Attorney General John Mitchell. Helms was directed to prevent Allende from taking power. This effort was to be conducted without the knowledge of the Departments of State and Defense or the Ambassador. Track II was never discussed at a 40 Committee meeting.

It quickly became apparent to both White House and CIA officials that a military coup was the only way to prevent Allende's accession to power. To achieve that end, the CIA established contact with several groups of military plotters and eventually passed three weapons and tear gas to one group. The weapons were subsequently returned, apparently unused. The CIA knew that the plans of all groups of plotters began with the abduction of the constitutionalist Chief of Staff of the Chilean Army, General René Schneider. The Committee has received conflicting testimony about the extent of CIA/White House communication and of White House officials' awareness of specific coup plans, but there is no doubt that the U.S. government sought a military coup in Chile.

On October 22, one group of plotters attempted to kidnap Schneider. Schneider resisted, was shot, and subsequently died. The CIA had been in touch with that group of plotters but a week earlier had withdrawn its support for the group's specific plans.

The coup plotting collapsed and Allende was inaugurated President. After his election, the CIA and U.S. military attaches maintained contacts with the Chilean military for the purpose of collecting intelligence. Whether those contacts strayed into encouraging the Chilean military to move against Allende; or whether the Chilean military—having been goaded toward a coup during Track II—took encouragement to act against the President from those contacts even though U.S. officials did not intend to provide it: these are major questions which are inherent in U.S. covert activities in the period of the Allende government.

### C. COVERT ACTION AND MULTINATIONAL CORPORATIONS

In addition to providing information and cover to the CIA, multinational corporations also participated in covert attempts to influence Chilean politics. The following is a brief description of the CIA's relationship with one such corporation in Chile in the period 1963–1973—International Telephone and Telegraph, Inc. (ITT). Not only is ITT the most prominent and public example, but a great deal of information has been developed on the CIA/ITT relationship. This summary is based on new information provided to this Committee and on material previously made public by the Subcommittee on Multinational Corporations of the Senate Foreign Relations Committee.

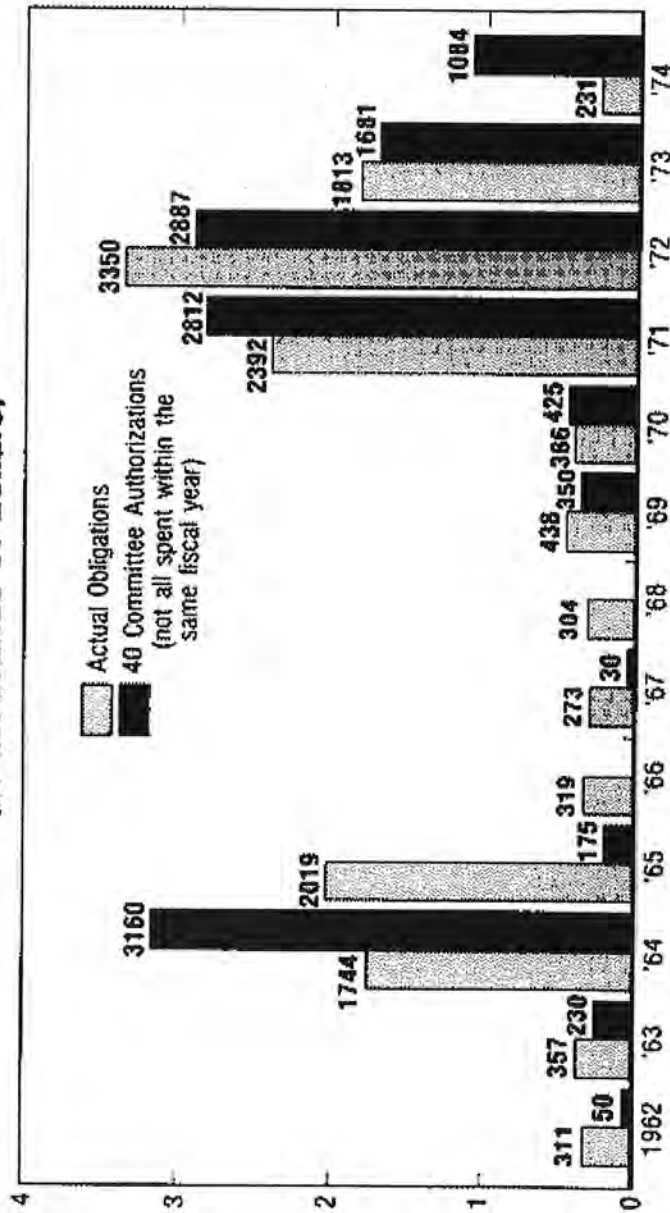
#### *1. 1964 Chilean Elections*

During the 1964 presidential campaign, representatives of multinational corporations approached the CIA with a proposal to provide

<sup>1</sup> Allende received 36.3 percent of the vote, Alessandri 34.2 percent. Radomiro Tomic, the PDC candidate, finished third with 27.8 percent.

EXHIBIT 6

**COVERT ACTION EXPENDITURES AND  
40 COMMITTEE APPROVALS IN CHILE, FY 1962 - 1974**  
(in thousands of dollars)



*October 20*

A cable to the Station indicated that "while awaiting word on whatever events may have occurred 19 October, please let us know what you can on interim basis. \* \* \* Headquarters must respond during morning 20 October to queries from high levels." (Cable 883, Hq. to Sta., 10/20/70) Karamessines testified that the references to "high levels" in the cable of the 20th meant White House officials, probably Kissinger. He felt quite certain that Kissinger would have been briefed in advance about Valenzuela's plan for the 19th and so would have been expected to ask what happened on the morning of the 20th. (Karamessines, 8/6/75, p. 73) In contrast, Kissinger interpreted that cable in precisely the opposite light. He felt it indicated that he had *not* been informed of the Valenzuela plan in advance. When news of the Schneider kidnap reached the White House, Kissinger believed he would have had "somebody pick up a telephone and say, 'What is this all about?'" (Kissinger, 8/12/75, p. 68)

*October 22*

Karamessines met with Haig at the White House. (Karamessines calendar) General Haig remembered that word of the shooting of Schneider came as "a great shock" to him, and he believed that Karamessines had told him about it in their meeting on the 22nd. He thought that Kissinger either was present at the meeting or that he, Haig, had gone immediately in to Kissinger's office to relate what Karamessines had told him. (Haig, 8/15/75, p. 36)

*(c) December*

*December 2*

A memorandum, dated December 2, 1970, from Helms to Kissinger stated that Helms had given a recapitulation on Track II to Attorney General Mitchell, who would deliver it personally to Kissinger. A handwritten note on the memorandum read: "sent to Kissinger via DCI [Helms]." (Memo, Helms to Kissinger, 12/12/70) The report, which was dated November 18, 1970, contained a full account of CIA activities during Track II, including the several plans to kidnap Schneider and the passage of weapons to the Chilean conspirators. (Report on CIA Chilean Task Force Activities, 15 September to 3 November 1970, 10/18/70)

In his testimony to the Committee, Kissinger did not recall receiving the report, although he doubted that he would have read such an "after action" report in any case. He testified that he could not find it in his files, in contrast to his finding a CIA report on Track I, dated November 19, 1970. Kissinger was puzzled by a number of aspects of the memorandum and report: why there were two reports, why the report of the 18th apparently was only called to his attention on the 2nd of December, and why it was to be delivered through Mitchell. (Kissinger, 8/12/75, pp. 71, 74)

*(d) Did Track II end?*

The Committee also received conflicting testimony about whether Track II ever ended, formally or in fact. As noted above, Kissinger indicated that Track II was supposed to have ended, as far as he was

concerned, on October 15. It was formally terminated, according to Kissinger, by a new Presidential marching order issued prior to the October 24 vote of the Chilean Congress. The Committee does not have this new "marching order" in its possession. However, CIA officials from whom the Committee took testimony believed that there had been no such definitive end to Track II. It merely tapered off, to be replaced by a longer-term effort to effect a change of government in Chile. Karamessines' testimony was most explicit:

Mr. KARAMESSINES. I am sure that the seeds that were laid in that effort in 1970 had their impact in 1973. I do not have any question about that in my mind either. (Karamessines, 8/6/75, p. 26)

Q. Was Track II ever formally ended? Was there a specific order ending it?  
Mr. KARAMESSINES. As far as I was concerned, Track II was really never ended. What we were told to do in effect was, well, Allende is now President. So Track II, which sought to prevent him from becoming President, was technically out, it was done. But what we were told to do was to continue our efforts. Stay alert, and to do what we could to contribute to the eventual achievement of the objectives and purposes of Track II. That being the case, I don't think it is proper to say that Track II was ended. (Ibid., pp. 128-129)


When informed of Karamessines' testimony that Track II was never ended, Kissinger testified:

The CHAIRMAN. Would you take issue with that, with the [Karamessines] testimony?

Secretary KISSINGER. Totally. \* \* \* It is clear that \* \* \* after October 15th that there was no separate channel by the CIA to the White House and that all actions with respect to Chile were taken in the 40 Committee framework. There was no 40 Committee that authorized an approach to or contact with military people, no plots which I am familiar with, and all the covert operations in Chile after Allende's election by the Congress were directed towards maintaining the democratic opposition for the 1976 election. And that was the exclusive thrust, and if there was any further contact with military plotting, it was totally unauthorized and this is the first that I have heard of it. (Kissinger, 8/12/75, pp. 75-77)

## XVII

### The Autumn of Crises: Chile

 ON September 4, 1970, Salvador Allende Gossens achieved a plurality in the Chilean presidential election, with a bare 36.2 percent of the popular vote, leading the next candidate in a three-man field by 39,000 votes. Ironically, this was a *decline* from the 38.9 percent he had received in the 1964 elections when he had lost to Eduardo Frei Montalva. But in 1970 the popular Frei was barred by law from succeeding himself, and the even higher anti-Allende vote (62.7 percent) was split between two candidates. The Chilean Congress would hold a runoff vote as required when no candidate received an electoral majority. Traditionally, it backed the candidate who received the plurality; it was expected to do so in this case and name Salvador Allende President of Chile.

Edward Korry, our Ambassador in Chile since 1967 and originally a Kennedy appointee, reported:

Chile voted calmly to have a Marxist-Leninist state, the first nation in the world to make this choice freely and knowingly. . . . *His margin is only about one percent but it is large enough in the Chilean constitutional framework to nail down his triumph as final.* There is no reason to believe that the Chilean armed forces will unleash a civil war or that any other intervening miracle will undo his victory. It is a sad fact that Chile has taken the path to communism with only a little more than a third (36 percent) of the nation approving this choice, but it is an immutable fact. *It will have the most profound effect on Latin America and beyond; we have suffered a grievous defeat; the consequences will be domestic and international; the repercussions will have immediate impact in some lands and delayed effect in others.*

The italicized sentences were underlined by Nixon when I sent him Korry's report. Korry was convinced that "Chile alone in the western and democratic world had the objective conditions to permit a unique constitutional transition to a communist state by an Allende government." He cited the strength and organization of the Marxist parties, the extensive powers of the presidency in Chile, the already advanced and



growing trend toward state intervention in the economic sector, and the disarray among the democratic forces in Chile.

The Chilean election results came in just as Moscow and Cairo were rejecting our protests of Middle East cease-fire violations; Jordan feared an imminent move by Iraqi troops against the King; a Soviet naval force was steaming toward Cuba. By September 8, the day the Chilean developments were first discussed by an interagency committee, several airplanes had just been hijacked in the Middle East and the Soviet flotilla was nearing the port of Cienfuegos. Six days later, on September 14, when Chile was next considered, the Jordan situation had deteriorated, and Cuban MiGs intercepted a U-2 flight seeking to photograph Cienfuegos and the mission had to be aborted. In the weeks that followed, our government pondered Chilean events not in isolation but against the backdrop of the Syrian invasion of Jordan and our effort to force the Soviet Union to dismantle its installation for servicing nuclear submarines in the Caribbean. The reaction must be seen in that context.

In any circumstances, Allende's election was a challenge to our national interest. We did not find it easy to reconcile ourselves to a second Communist state in the Western Hemisphere. We were persuaded that it would soon be inciting anti-American policies, attacking hemisphere solidarity, making common cause with Cuba, and sooner or later establishing close relations with the Soviet Union. And this was all the more painful because Allende represented a break with Chile's long democratic history and would become President not through an authentic expression of majority will but through a fluke of the Chilean political system. Thirty-six percent of the popular vote was hardly a mandate for the irreversible transformation of Chile's political and economic institutions that Allende was determined to effect.

Two previous American administrations had come to the same conclusion. Two administrations had judged that an Allende government in Chile would be against fundamental American national interests. Our conclusion in 1970 was substantially the same.

### *Salvador Allende*

ALLLENDE's later martyrdom has obscured his politics. Socialist though he may have proclaimed himself, his goals and his philosophy bore no resemblance to European social democracy. Allende had founded the Socialist Party of Chile, which set itself apart from the Communist Party by being more radical in its program and no more democratic in its philosophy. He was willing enough to come to power by an election *before* undertaking the revolution; but the social and political transformation he promised afterward did not differ significantly from the Communist platform. It was a central tenet of the party's program that

"bourgeois" democratic practices would be made irrelevant; by definition his would be the last democratic election.

In any case, Allende was the candidate of a coalition of the Communist Party and his own Socialist Party, called Popular Unity; it was joined by other radical splinter parties. The program of Popular Unity pledged to destroy the present system and bring about "revolutionary" and "profound" changes; it denounced "imperialist exploitation" and the "American monopolies." It called for wholesale expropriation of land, basic industries, and the commercial and banking system, and for a "radically transformed" educational system and a "national system to promote popular culture." Major portions of the Popular Unity program were drawn verbatim from the platform of the Chilean Communist Party,<sup>1</sup> whose subservience to the Moscow line was shown by the fact that it was one of the few Communist parties outside of Eastern Europe to welcome the Soviet invasion of Czechoslovakia. Among the planks borrowed from the Communists was one calling for a unicameral legislature and for subordination of the judiciary to this "Popular Assembly"; the purpose was to break down the traditional checks and balances and separation of powers provided by the Chilean constitution's bicameral legislature and independent judiciary. The Socialist Party's contribution to the program of the Popular Unity included the passages opposing "imperialism," condemning American "aggression" in Vietnam, calling for "active solidarity" with North Vietnam, and declaring "solidarity with the Cuban Revolution, which is the vanguard of revolution and construction of socialism in Latin America." Another notable passage denounced the Organization of American States as an "agent and tool of American imperialism."

In 1967 Allende had been one of the founders of the Organization of Latin American Solidarity, a Havana-based group whose political creed, in the words of Régis Debray, an idolatrous chronicler of revolutions, was "based on the conception of continental armed struggle against North American imperialism. Its basic functions are solidarity with, coordination of, and support for national liberation struggles throughout the continent. The declaration of the closing session of the conference made a frontal attack on the reformist positions of some of the left-wing parties in Latin America, pointing out that 'the revolutionary armed struggle constitutes the fundamental line for the Latin American revolution.'"<sup>2</sup> During the election campaign of 1970, Allende stated as his personal conviction: "Cuba in the Caribbean and a Socialist Chile in the southern cone will make the revolution in Latin America."

Indeed, there is no epithet that Allende would have rejected more indignantly than the notion that he was a democratic reformer. One should not needlessly insult the integrity of a man who spent his life dedicated to revolution by claiming him to be something he always emphatically

denied. In his 1971 conversations with Régis Debray — at a time when he was, in fact, the constitutional President of Chile — he insisted that the democratic guarantees to which he had agreed in 1970 in order to persuade the Chilean Congress to ratify his election and the military to accept his accession to office were a 'tactical necessity'<sup>3</sup> that did not affect his basic commitment to a revolutionary upheaval: 'At the time the important thing was to take control of Government.'<sup>4</sup> Allende pointed out. He compared this tactic with Mao Tse-tung's decision to permit private enterprise for a few years after the Chinese Communists took power in 1949 or with Fidel Castro's restraint with respect to Guantanamo.<sup>5</sup>

The only inference one can draw is that the democratic guarantees Allende accepted reluctantly and, by his own account, for the sake of temporary expediency would be dismantled at the first opportunity. He explicitly distinguished his government from the earlier Popular Front government in Chile (like those in Europe in the 1930s), which had included democratic parties; these he disparaged as 'bourgeois'.<sup>6</sup> 'In the Popular Front, Régis,' he said to Debray in 1971, 'there was a dominant Party, a majority party, the party of the bourgeoisie, the Radical Party. Today, there is no dominant party in the Popular Unity, but there are two parties of the working class, revolutionary parties, Marxist parties. Finally comrade, the President of the Republic is a socialist. Things are different, then, and I have reached this office in order to bring about the economic and social transformation of Chile, to open up the road to socialism. Our objective is total, scientific, Marxist socialism.'<sup>7</sup>

Debray, still unconvinced, asked, 'Who is using who? Who is taking who for a ride?' Allende replied: 'The answer is the proletariat. If it wasn't so, I wouldn't be here.'<sup>8</sup> At another point Allende expostulated: 'As for the bourgeois State at the present moment, we are seeking to overcome it. To overthrow it!'<sup>9</sup>

What worried us about Allende was his proclaimed hostility to the United States and his patent intention to create in effect another Cuba. It was his explicit program and indeed long-standing goal to establish an irreversible dictatorship and a permanent challenge to our position in the Western Hemisphere. And in the month of Cienfuegos it was not absurd to take seriously the military implications of another Soviet ally in Latin America. Our concern with Allende was based on national security, not on economics.

Nationalization of American-owned property was not the issue. We never challenged the principle of international law that permits nationalization for public purposes, although we did emphasize our interest in prompt, adequate, and effective compensation (also required by international law). Every postwar administration in the United States

had sought to discourage the expropriation of foreign companies by the developing nations and, where nationalization was unavoidable, to encourage its being done in a way that limited the adverse impact on the general investment climate. There existed a Congressional mandate, moreover, to terminate economic assistance under the Foreign Assistance Act of 1961 if American property was expropriated without compensation (the Hickenlooper Amendment).

But we had taken great pains not to let the expropriation issue interfere with the foreign policy objectives of the United States. Thus, in Chile in 1969, before Allende, Ambassador Korry had cooperated in what amounted to the negotiated nationalization of the Anaconda Company. And with Peru that same year, the Nixon Administration stretched our legislation almost to the breaking point to reach an equitable settlement of the nationalization of the International Petroleum Company's mining operations without having to invoke restrictive legislation. We repeatedly sought pretexts to postpone application of the Hickenlooper Amendment and made clear that we were prepared to accept a compensatory payment for IPC of less than full value, so as to maintain friendly relations with an important country — even though Peru was governed by a left-wing military junta that was aggressively nationalistic and leaning toward the more radical elements of the Third World. After patient and sustained efforts, we worked out a *modus vivendi* with the Peruvian government.

The challenge to our policy and interests posed by Allende was fundamentally different. He was not just nationalizing property; he avowed his dedication to totalitarian Marxism-Leninism. He was an admirer of the Cuban dictatorship and a resolute opponent of 'American imperialism.' His stated goal for over a decade before he became President had been to undermine our position in the entire Western Hemisphere by violence if necessary. Because it was a continental country, Chile's capacity for doing so was greater by far than Cuba's, and Cuba had already posed a substantial challenge; in fact, we were in the midst of the confrontation over Cienfuegos when Allende was elected. Chile bordered Argentina, Peru, and Bolivia, all plagued by radical movements. Allende's success would have had implications also for the future of Communist parties in Western Europe, whose policies would inevitably undermine the Western Alliance whatever their fluctuating claims of respectability. No responsible President could look at Allende's accession to power with anything but disquiet.

There was no dispute in our government about what Allende stood for. No one challenged Korry's first cable predicting the consequences of Allende's election. The only disagreement concerned Allende's capacity to achieve his aims in the face of indigenous resistance, and what the United States could do about it if Korry's prediction came true.



### *Influence and Intervention: The 40 Committee*

WHETHER and to what extent the United States should seek to affect domestic developments in other countries is a complicated question, the answer to which depends on a variety of elements, including one's conception of the national interest. Presidents of both parties have felt the need for covert operations in the gray area between formal diplomacy and military intervention throughout the postwar period. I find it distasteful to discuss covert operations in print. But the material has already been published by the Senate Select Committee to Study Governmental Operations with Respect to Intelligence Activities (the so-called Church Committee) in a tendentious report in 1975 on Chile. There is no evidence that the authors of the report tried to weigh the concerns about an Allende victory that we felt so acutely at the time.

It is ironical that some of those who were vociferous in condemning what they called "intervention" in Chile have been most insistent on governmental pressure against Allende's successors. The restrictions on American aid to Chile have been far more severe against the post-Allende government than during Allende's term of office. The measures have admittedly been overt but overt does not change the inconsistency with the principle against outside intervention on which at least part of the assault on covert operations was based. Paradoxically, American intervention in the domestic affairs of other countries has multiplied and become less discriminating since the covert operations of the CIA have come under attack. The earlier "Cold War" period of CIA activities observed certain limits: Its criteria were foreign policy and national security dangers to the United States, of which there were not that many. The new doctrine justifies unlimited intervention to promote internal change in countries that are both friend and foe; it has been directed against countries that do not threaten our national security and that may indeed be allies of the United States.

Of course, covert operations have their philosophical and practical difficulties and especially for America. Our national temperament and tradition are unsuited to them. Our system of government does not lend itself spontaneously to either the secrecy or subtlety that is required. We lack the elaborate conspiratorial apparatus of our adversaries. Those eager to dismantle our intelligence apparatus will have little difficulty finding examples of actions that were amateurish or transparent. But the men and women who have been prepared to carry out assignments in secret, with resources usually ridiculously inferior to those of our adversaries, under inhibiting restrictions, deserve better of their country than the merciless assault to which they have been exposed — assaults that threaten to leave us naked in a vital area of our national security. For we face an unprecedented problem. We live in an age of ideological con-

frontation; through every phase of coexistence the Soviet leaders have insisted that it did not imply any lessening of the ideological struggle. Soviet-line Communist parties around the world occasionally differ with their senior partner in Moscow on questions of internal Communist policy — as one would expect from strong-willed, power-oriented men who have reached eminence by a ruthless political competition. They almost never differ on international issues; even the most apparently "independent" Communist parties of Western Europe and Latin America follow the Soviet lead in foreign policy without significant exceptions, and those exceptions are as often as not on the side of greater radicalism than the Kremlin considers expedient.

Nor is the problem simply a matter of Communist parties. Radical politics in today's world encompasses a network of sympathetic organizations and groups that cover the globe, carrying out terrorist outrages or financing them, transferring weapons, infiltrating media, seeking to sway political processes. How funds are transferred from formal Communist channels to these front organizations is difficult to trace. Our Ambassador in Chile, for example, reported in September 1970 that one of the reasons why he was convinced Allende would succeed in establishing a totalitarian state was that "of the three TV channels in Santiago, in a still free society, one is totally controlled by the Marxist-Leninists of the University of Chile, another is controlled by a combination of Marxists and very left wing Christian Democrats of the Catholic University and the third is the State's." (The state's, of course, would also become dominated by radicals after Allende's accession to power.) And throughout 1970 we received credible reports that substantial covert funds and assistance from Cuba and other Communist sources were being funneled to Allende.

In these circumstances it was neither morally nor politically unjustified for the United States to support those internal political forces seeking to maintain a democratic counterweight to radical dominance. On the contrary, no responsible national leader could have done otherwise. There was nothing sinister about the desire of the United States to make it possible for democratic parties to maintain competing radio or television outlets or newspapers. These considerations had induced the Kennedy and Johnson administrations to make available over \$3 million between 1962 and 1964 to the campaign of Allende's opponent, the reformist and able Eduardo Frei (though apparently without Frei's knowledge); and they became particularly acute in the light of Allende's relentless campaign of harassment, intimidation, and economic pressures to drive opposing media and democratic parties out of business once he came into office. This I will discuss at greater length in the next volume.

What the reader is entitled to know, however, is briefly how in a

democratic society we maintained supervision over covert activities to ensure that they remained consonant with our national ethic and purposes.

When we came into office, covert operations were supervised by the so-called 303 Committee, named after a June 1964 Presidential Directive (National Security Action Memorandum 303) that affirmed its composition, functions, and responsibilities. Such an interagency coordinating mechanism has existed under various designations ever since the 1947 National Security Act, which created the CIA and the NSC. Early in the Nixon Administration the 303 Committee was identified in a news story. In those faraway days of innocence this was considered enough of a breach of security to require a change of name. National Security Decision Memorandum 40 reaffirmed the functions of the committee on February 17, 1970; it was given a new label, named after this directive.<sup>10</sup>

At that time, the 40 Committee was composed of the Attorney General, the Deputy Secretaries of State and Defense, the Director of Central Intelligence, the Chairman of the Joint Chiefs of Staff, and the Assistant to the President for National Security Affairs, who acted as chairman. (The Assistant Secretary of State for the area in which the covert activity was proposed would almost invariably sit in. In other words, except for the Attorney General,\* the composition of the 40 Committee was identical to that of the Senior Review Group and the WSAG; it comprised the senior officials responsible for the day-to-day conduct of our national security affairs. It was the group most likely to be sensitive to all the ramifications of our foreign policy. (The principal difference from the Senior Review Group was that staff members were excluded.)

The agenda was generally put forward by the Central Intelligence Agency in consultation with my office. The CIA usually cleared the agenda informally with the State Department and had a tendency to defer items until it had resolved State Department objections; this happened, for example, with Chile. (Since the Ambassador in the field was technically the supervisor of the CIA station chief, the CIA had learned that it needed State Department support to operate effectively.) A CIA officer familiar with the project under discussion would brief the Committee. Additional staff was not present except for the State Department expert on the area under discussion. Notes were kept by a CIA official assigned to the NSC for the purpose.

The overwhelming majority of covert activities were first suggested by the CIA or by our ambassadors abroad; while I was in office only in the rarest of cases did the White House propose agenda items. Chile was one of these, and even there the President only gave impetus to what the

\*The Attorney General had participated in the committee supervising covert actions at least since the Kennedy Administration; he is today a formal member.

40 Committee was already doing on its own. The only change I made in the procedures I inherited was to require that each approved covert or reconnaissance operation be reviewed at least once a year by the 40 Committee; this was to prevent its continuation by bureaucratic inertia after the need had passed.

Subject to Presidential blessing, once the 40 Committee approved a covert activity — usually by authorizing the expenditure of a given amount of money — the CIA was responsible for its execution. The 40 Committee did not supervise the day-to-day conduct of what it had approved. It would ordinarily be briefed on a particular program only on completion or at the annual review or when more money was required, although in critical situations such as the first month after Allende's victory there were more regular briefings. In fact, the principal procedural weakness in our covert operations was that while they were initiated with full foreign policy review they were not thereafter controlled with the same attention to detail by the highest levels in our government; there was no subgroup to monitor operations. The 40 Committee authorized but did not supervise. Theoretically, the American ambassadors in whose countries covert activities were being conducted were supposed to supply the supervision. But they rarely had the time or the expertise.\* With respect to Chile, the key question was whether the advent of an Allende government in Chile was of sufficient concern to our national security to justify the involvement of the 40 Committee.

### The Chilean Election of 1970

As already noted, two previous administrations had concluded that Salvador Allende and the forces behind him posed a sufficient threat to our interests to warrant our opposing him in the 1964 election, to the extent of nearly \$3 million; as late as 1968 several hundred thousand dollars were appropriated covertly by our predecessors to help defeat the Allende forces in the Chilean congressional elections scheduled for March 1969. Our official foreign assistance to Chile during the Frei Administration totaled well over \$1 billion, the largest per capita program by far in Latin America — partly to strengthen the democratic forces against Allende. That an Allende government threatened our national interests was conventional wisdom when Nixon entered office.

Strangely enough, the Nixon Administration was initially less active

\*In reading some of the internal communications of the Agency, which were published by the Church Committee — especially those after October 15, 1970 — I have come to believe that we should have insisted on the same clearance for those cables by the office of the President's national security adviser as that to which key State Department cables were subjected.



against Allende than its Democratic predecessors had been, partly because of its preoccupation with so many other crises; partly from a wrong estimate of the likely outcome of the Chilean election. The mistaken estimate was readily accepted because it led to the most comfortable conclusion; it made it unnecessary to face up to the hard choices we would be compelled to make in the conditions of 1970.

The United States government had for years actively supported Frei because he was the most popular and able man in Chile. It was a morally simple decision because it enabled us to be both anti-Communist and on the side of reformist and progressive forces supported by the vast majority of Chileans. But in 1970 we were not to be so fortunate; a choice would have to be made. President Frei was barred by the Chilean constitution from succeeding himself. His Christian Democratic Party had lost ground in the 1969 congressional election; its vote had been reduced by 11 percent. The conservative National Party had gained correspondingly. The Christian Democrats were splintering; the most leftist members deserted when the party rejected their demand for a "popular union" with the Marxist parties, and the party machine fell into the hands of anti-Frei forces much more strident, less committed to the traditions of an open society and democracy, less truly reformist, more hostile to the United States.

The polarization of Chilean political life was evidenced when Frei, in spite of the generous US aid program, felt obliged by leftist pressures in early 1969 to take two significant steps. In the face of radical student protests, he canceled a visit by Governor Nelson Rockefeller, whom Nixon had sent on a tour of Latin America to help chart a new approach to the Western Hemisphere. Almost simultaneously, Frei insisted on renegotiating an agreement with the American copper companies concluded by his own government and put into effect only two years before, by which Chile had acquired a substantial, though not in every case controlling, share of the ownership of the copper mines. He now demanded an immediate majority interest and the progressive acquisition by Chile of the remaining American stock. Yet the desire to strengthen what we and our predecessors considered the best hope for moderate democracy in Chile was so strong that Ambassador Korry was instructed to be helpful in arranging mutually satisfactory terms. "Satisfaction" in this context was a relative concept, given the companies' knowledge that the alternative would be outright expropriation. (With a lack of political foresight characteristic of many multinational companies, Anaconda had permitted its expropriation insurance to lapse in reliance on the earlier agreement, in order to save insurance fees, which undermined its bargaining position further.)

There were thus plenty of storm warnings in 1969. The increasing leftward trend of the Chilean Christian Democrats and their shrinking

popular base made it unlikely that the nonrevolutionary parties could unite on a single candidate as they had done in 1964. The prospect was for a close three-way race among a conservative candidate, a weak Christian Democrat, and the radical leftist Allende — and a final decision by the Congress, in which Allende's grouping was not far from a majority. But the White House in 1969 was preoccupied with Vietnam and its domestic turmoil, Soviet relations, Western Europe, the Okinawa negotiations with Japan, and the beginnings of the China initiative. I knew too little about Chile to challenge the experts.

No agency called our attention to the gravity of the situation. Those that might have favored a more active American role were hesitant to challenge a State Department predisposition against an active covert role. Chile, indeed, is a classic example of how major events can unfold without the White House's knowing because the line agencies cannot agree on their significance: The "nonaggression treaty" by which agencies seek to avoid a contest in which a decision might go against them prevented Chile from being raised to the White House level throughout 1969. To be sure, the CIA on a number of occasions pointed out that if a serious effort were to be mounted in 1970, preparations for it had to begin in 1969. And in April 1969 the Agency had reckoned that the radical left stood an even chance of winning the presidency. But this was a practical judgment of what would have to be done if there were a decision to repeat our involvement of 1964; it was not a recommendation for action. Moreover, any such recommendation was certain to face the adamant opposition of the Latin American Bureau of the State Department, which could not bring itself to face Chilean political realities. In 1970 there was no viable reformist Christian Democrat to support; the party was divided; its candidate was weak and playing with the radical left. If Allende was to be stopped, it would have to be by the conservative Jorge Alessandri. Though he had impeccable democratic credentials — indeed, he had preceded Frei in the presidency — the Latin American Bureau disliked him, ostensibly for being too old, in reality because he was considered insufficiently progressive. Some in the Latin American Bureau, confusing social reform with geopolitics, did not consider an Allende presidency dangerous enough to overcome their ideological prejudices against Alessandri.

Ironically, the American tendency to identify politics with technical economic development had unintentionally contributed in the last years of the Johnson Administration to the weakening of the reformist political forces whom our officials really preferred and who were essential to resist the revolutionary parties. In 1968 — two years before the presidential election that brought Allende to power — the United States terminated grant economic aid to Chile on the ground that the Chilean economy had become largely self-sustaining. This may have been tech-



nically correct, but it is a clear example of the error of taking essentially political decisions on economic grounds. The cutoff of American aid was unpopular in Chile; it undercut the moderate element represented by Frei; it was exploited by the more radical anti-American wing of the governing party, which advocated an economic program substantially similar to that of the radical parties, thus further confusing the electoral situation.

The technical approach to development flourished side by side with a doctrinaire antimilitarism. In 1967 United States policy turned increasingly unfriendly to the Chilean military (and that of other friendly hemispheric nations). The theory was to encourage a shift of resources from military expenditures to social and economic development, on the premise that these countries had no need for a defense establishment. Ceilings were placed on our sale of arms; grant military aid programs were terminated; Frei was encouraged to sponsor various demilitarization and disarmament schemes for Latin America. By October 1969 discontent in the Chilean military about lagging professionalism and inadequate pay erupted into an abortive coup against the government. In response Frei instituted a state of emergency; rumors of military unrest continued. The Nixon Administration inherited in Chile both a radicalized Christian Democratic Party and profound resentment on the part of the Chilean military against the United States as well as against the Christian Democrats. This almost certainly enhanced Allende's ability to "buy off" or neutralize the military in the first years of his term.

Nothing illustrates more clearly — even tragically — the danger of applying the abstract theories of our better graduate schools to the domestic complexities of foreign societies than the policy toward Chile in the 1960s. The notion that social reform and economic development automatically produced political stability — drawn from the experience of our own New Deal — had only the most limited relevance in a country where two radical parties were determined not to reform but to overthrow the system. Our refusal to face the reality that what was going on was a deadly political struggle and not a debate between economics professors transformed us by 1970 from the dominant element of 1964 into a sort of mother hen clucking nervous irrelevancies from the sidelines.

To complete the process of self-stultification, the Latin American Bureau chose this moment to attack the very concept of covert support for foreign democratic parties, which had for so long been a central feature of our Chilean effort. The resources for any effort to block the Socialist-Communist climb to power, so the argument ran, could and should hereafter be found entirely *within* Chile. A great college term paper could have been written on that subject, but to raise it suddenly in 1970 was to run the kind of unacceptable risk that policymakers are

hired to avoid. Such a policy was bound to demoralize the very forces we wanted to encourage; those who had benefited from American support would infer from it a new indifference. In a close election the resultant subtle change in the psychological balance could be decisive.

I was only dimly aware of these trends in 1969. In fact, the 40 Committee considered the subject only four times during the entire twenty-one months before Allende's victory on September 4. In April 1969 it decided to defer any decision on the possible need for action; in March 1970 it allocated a negligible sum for propaganda in support of democratic candidates five months before the election; in late June 1970 it allocated a somewhat larger sum for the same purposes — but in total a sum still only 15 percent of what the United States had spent covertly in 1964; and the funds reached Chile much too late, barely four weeks before the election. In August 1970 the 40 Committee decided that nothing further could now be done before the election. In other words, two of the four meetings took no action. The others approved a token effort.\* At first the inaction was rationalized because there were not yet any candidates; hence, it was said, there was no basis on which to form a judgment or launch a strategy. By early December 1969, however, this excuse vanished. The conservatives nominated the venerable septuagenarian Alessandri, a former President of Chile. The Christian Democrats nominated Radomiro Tomic, a representative of their left wing whose program differed from Allende's largely on procedural points and in his sincere dedication to the democratic process. The Communists joined in a coalition with Allende's Socialists and chose Allende as the coalition candidate. I have already described the virulent anti-Americanism and radicalism of Allende's 1970 program. Now that there was a three-man race, the agencies comforted themselves with the fact that the polls showed Alessandri far in the lead; hence there was no need for an American role.

Until well into 1970 I did not focus on the dangers largely because the agencies with operational responsibility went through a complicated three-cornered minuet that kept the problem from high-level attention. Ambassador Korry took the position that an Allende victory was tantamount to a Communist takeover; it would be imprudent to act as if an Allende government would be anything but another Castro government; it might, in fact, be worse. But State's Latin American Bureau disagreed; it disparaged both the likelihood and the danger of an Allende victory. It wanted to do nothing to help the conservative Alessandri. The CIA tended to side with Korry but not to the point of asking the White House to resolve the difference; it knew it could not effectively

\* On the basis of four meetings over eighteen months — only two of which made a decision — the Senate Select Committee charged darkly that Chile had been "for more than a year . . . on the 40 Committee's agenda." 111

operate without strong State Department support. Thus the nonaggression treaty among the agencies caused me to be unaware for four months that in December 1969 the Embassy and the CIA station in Santiago had jointly submitted a proposal for a campaign to head off Allende; or that the upshot of the resulting interagency conference was agreement that a status report embodying the conflicting points of view was to be prepared for the 40 Committee. The Department and the Agency did not exactly expedite the process. It took them another two months to agree on a report; on March 25, 1970, they managed to submit to the 40 Committee a joint program for a "spoiling" action against Allende. It consisted of American assistance for the preparation of posters, leaflets, and advertisements opposing Allende without supporting Alessandri. The grand sum of \$135,000 was recommended — and approved.\* But the State Department circumscribed the expenditure of these funds even further by a strong caveat to the effect that if any of the covert activities tended to endorse Alessandri, State Department support would be withdrawn forthwith. The concept of defeating one candidate without helping his principal opponent was rather original; it was not obvious how Allende could be defeated without benefiting Alessandri. The appropriation and the caveat canceled each other out.

In retrospect it is clear that I should have been more vigilant. A security adviser serves his President best by never simply ratifying the bureaucratic consensus; he should always be the devil's advocate, the tireless asker of questions, the prober of what is presented as self-evident. But Latin America was an area in which I did not then have expertise of my own. I was lulled by the polls that predicted an Alessandri victory and by the consensus of the agencies — a consensus I would never have accepted so readily in an area where I had firsthand knowledge. And in the spring and summer Cambodia claimed most of my attention.

It was June 27 before Chile returned to the agenda of the 40 Committee, too late for an effective role in the remaining two months of the Chilean presidential campaign. Ambassador Korry's uneasiness about an Allende victory had multiplied because we now faced another danger: both CIA and State Department experts suddenly and unexpectedly concluded that Allende's supporters in the Chilean Congress might prevail even if Allende lost, unless Alessandri's margin of victory in the popular election — still confidently assumed — was more than 5 per cent. Korry therefore recommended a two-phase program: an increase in expenditure for spoiling activities already approved, and funds to influence the congressional vote.

The State Department opposed both proposals; the only argument it

\* All these figures have already been published by Congressional committees.

had found even partially persuasive was a query from Korry: "If he [Allende] were to gain power, what would be our response to those who asked what we did?" Expenditures were approved for the brief period remaining in the campaign and these were, as indicated, minor by the standards of 1964. For students of bureaucratic lore it should be noted that the vote was unanimous; the Latin American Bureau chose not to be recorded as holding the views it was advocating, thus preserving its flexibility whatever the outcome and protecting itself should Korry's question be raised again after an Allende victory. A decision on Phase II — seeking to influence the Congress — was deferred until after the election. The Latin American Bureau made sure that Ambassador Korry was not misled by the approval of funds. It informed him by backchannel that it opposed both pre-election (Phase I) and post-election (Phase II) programs on philosophical grounds, and it reiterated in the strongest terms its objection to using any of the approved funds to help Alessandri. There was no danger of our getting into trouble in Chile through an excess of enthusiasm or through a clear-cut strategic plan. Opposing Allende without helping Alessandri meant strengthening the weak Christian Democrat Tomic, thus reducing the vote of the only alternative to Allende who had a chance. A case can thus be made for the proposition that the anti-Alessandri bias of our bureaucracy ensured an Allende victory.

If the funds approved in March were much too little, those reluctantly voted at the end of June were far too late. (They were also too little.) The June 27 meeting took place barely two months before the election. Given the need for formal Presidential approval and the subsequent paperwork, it is unlikely that any of these funds reached Chile before the second half of July. And then the Embassy was constrained by instructions that made their effective use almost impossible.\*

Despite the optimistic polls — which at the June 27 meeting still were said to show a comfortable margin for Alessandri — I was becoming increasingly uneasy. Accordingly, in late July I issued a directive to analyze our options in case Allende won in defiance of all predictions. I requested urgent answers to the following questions:

1. What policies and goals is an Allende administration likely to espouse? What probable alternative courses are developments in Chile likely to take under an Allende government?
2. What is the nature and degree of threat to U.S. interests of these alterna-

\* I learned later that some representatives of the CIA had informally advised some American business interests in late July and August where to channel funds during the election. This was not known at the White House or in the State Department; at any rate, it also was too late. My own attitude was that any covert action in Chile should be carried out exclusively by our government; this was not a field for private enterprise. Accordingly, I turned down ITT's offer of \$1 million to help influence the election. I may have agreed with the objective, but certainly not the vehicle.



tives, both in immediate terms and in terms of impact on our long-range goals and position?

### 3. What options are open to the U.S. to meet these problems?

Meanwhile, the 40 Committee met again on August 7 to review Chilean developments and reaffirmed its decision of June 27. It was now too close to the election for *any* decision to make a difference. The only issue was whether exploratory contacts with the Chilean Congress should be authorized in case Phase II was required. The risks of exposure seemed to outweigh the marginal benefits and the decision was held in abeyance.

Since my policy questions did not involve covert operations, they were considered by the Senior Review Group, which as I have already pointed out had the same membership as the 40 Committee except for the Attorney General. Staff members were permitted to attend and papers were much more widely circulated. The response to my request was a paper prepared by an interagency group chaired by the Department of State. Its conclusions reflected a strange ambivalence. On the one hand, it stated that the United States had no vital national interests "*within* Chile." The meaning of "*within* Chile," however, was not otherwise explained; nor was the conclusion supported by the subsequent analysis. For in answering my question of what threat Allende's accession might pose to American interests in the hemisphere, the interagency group came up with a conclusion which as summarized by my staff made it difficult to understand how our national interest was not affected:

An entrenched Allende Government would create considerable political and psychological losses to the U.S.:

- (a) hemispheric cohesion would be threatened;
- (b) a source of anti-U.S. policy would be consolidated in the hemisphere;
- (c) U.S. prestige and influence would be set back with a corresponding boost for the USSR and Marxism.\*

The Senior Review Group met on August 19, but no conclusions were reached or indeed could be reached until the election of Sep-

\* Ambassador Korry had no illusions about the consequences of an Allende victory. Responding to a query whether a *modus vivendi* might prove possible, he replied: "A conscious effort to work out *modus vivendi* is a theoretical hypothesis without relation to reality. While Allende government would move internally with initial prudence to seek to maintain a framework of constitutionality and legality, it would be committed, as Allende has stated, to policies that treated US imperialism as 'public enemy number one' in the hemisphere. Aside from [specific actions including nationalization of US industries, recognition of Cuba, North Vietnam, etc.] which in themselves would make a *modus vivendi* a practical impossibility for the US, the profound changes in the structure of Chile would probably necessitate an external 'enemy' to justify an accelerating revolution. . . . The Allende forces cannot escape the conclusion that if he is inaugurated the United States has admitted its impotence."

tember 4. We could only wait with growing foreboding for the Chilean voters to go to the polls.

I have discussed our government's deliberations at such length because they have been substantially neglected in previous investigations of the subject — perhaps because they run so counter to preconceived conclusions. They leave no doubt that the United States acted in only the most minimal and ineffectual fashion prior to the Chilean election. Not only were the funds insufficient to have any significant impact, the insistence on not supporting the sole candidate with a chance of defeating Allende caused us to divide the resources in a way that probably increased the fragmentation of the anti-Allende vote. There was reluctance to become involved and even greater resistance to the possibility of being identified with a candidate of impeccable democratic antecedents whose principal liability in the eyes of our bureaucracy was that he was conservative. (That this opinion could be held at all — much less prevail — in a Nixon Administration shows once again how difficult it is even for a President to impose his views on the entrenched bureaucracy.)

By the time of the election, I had come to the view that I had been maneuvered into a position incompatible with my convictions — and, more important, those of Nixon. Had I believed in the spring and summer of 1970 that there was a significant likelihood of an Allende victory, I would have had an obligation to the President to give him an opportunity to consider a covert program of 1964 proportions, including the backing of a single candidate. I was resentful that this option had been foreclosed without even being discussed, first with the argument that a substantial program was unnecessary and later because it was then too late. If the unanimous analysis submitted to the Senior Review Group on August 19 spelling out the implications of an Allende victory was even partially correct, the failure to examine other options earlier was inexcusable. The philosophical bias of our bureaucracy, the confusion between economic development and foreign policy objectives, had produced paralysis. The prevalent view in our government was apparently that it was acceptable for a radical candidate to receive substantial funds from Cuba and other Communist sources, but improper for the United States to assist the democratic candidate with the best chance of success, even if his program was less reformist than some might have wished. As I later summed up for the President:

The net effect of the State Department's position was that nothing could be done to stop Allende if it meant strengthening Alessandri. In view of the fact that the election came down to a very close race between Allende and Alessandri, with the Christian Democrat Tomic trailing far behind, the State position against strengthening Alessandri neutralized us. While it is not certain that

a less circumscribed covert action program would have given the marginal victory to Alessandri, Helms feels the odds for success of an expanded program would have been reasonably favorable. An Alessandri victory might have presented some problems for us, but it clearly would not have been as threatening to our interests as Allende's victory; at a minimum, the serious problems we now face in dealing with a Marxist Government in Chile could have been postponed for perhaps six years.

Any fair assessment of our later conduct regarding Chile must start with this prologue.

### *The Coup That Never Was*

IN the election of September 4, 1970, as already noted, Allende's percentage was a *decline* from the percentage he had received in 1964 when he lost to Frei, except that in 1970 the even higher anti-Allende vote was hopelessly split. According to Chile's constitution, since no candidate had received a majority, the Congress in joint session would decide between the top two candidates fifty days later, on October 24.

Maneuvering for the congressional runoff began immediately. On September 5, Allende at a press conference hailed his victory and pledged to enact the radical Popular Unity program on which he had campaigned. But to ease congressional fears he began to trim some of his pledges. He asserted that he would "never" favor a one-party system in Chile; he said he would retain Chilean membership in the OAS (despite the commitment in the Popular Unity program to "denounce" the organization); he also announced he would ask for a rescheduling of Chile's outstanding debt of \$800 million to the United States. (He explained later to Régis Debray that he stayed in the OAS to neutralize American reactions while his real convictions lay with the revolutionary Havana-based Organization of Latin American Solidarity, which he had helped found.)<sup>12</sup> Next day Alessandri's supporters indicated that they would not accept the Allende victory; but their statement was not signed by Alessandri, who had declared during the campaign that he would recognize the candidate winning the most votes. On September 7, Allende met with President Frei, who agreed to set up a consultation arrangement with Allende (as he did also with Alessandri) on economic matters. While refusing Allende's request for a similar liaison on political matters, Frei did agree to take measures aimed at preventing economic panic in Chile.

The reaction in Washington, where during the summer everyone had taken refuge in consoling polls, was stunned surprise. Officials tend to react to unpleasant prospects by ignoring them in the hope that they will

go away. And frequently they do; not all catastrophes predicted do in fact occur. But when conventional wisdom encourages inaction, it leaves no margin for the irrevocable. And it was the irrevocable that loomed before us so unexpectedly in September 1970.

Nixon was beside himself. For over a decade he had lambasted Democratic administrations for permitting the establishment of Communist power in Cuba. And now what he perceived — not wrongly — as another Cuba had come into being during his own Administration without his having been given the opportunity to make a decision. This explains the virulence of his reaction and his insistence on doing something, *anything*, that would reverse the previous neglect. Since he blamed the State Department and the Ambassador (incorrectly in the latter case) for the existing state of affairs, he sought as much as possible to circumvent the bureaucracy. That attitude was, in fact, quite unnecessary. For now that it was nearly too late, all agencies threw themselves into a frenzied reassessment. Some felt rather sheepish about their earlier sanguine evaluations or procrastinations; all felt frustrated; now at last there was unanimity that something should be done — spurred on by a likewise determined President. Unfortunately, it was now very late. A fraction of the effort behind one candidate before September 4 might well have prevented the new situation. Now we were forced to improvise while being confronted by a tight deadline and with no real preparations. With time running out our actions were inevitably frantic.\*

When the 40 Committee met on September 8 to consider Chile, it was apparent that a congressional decision against Allende was unlikely — after all, we had been concerned only four weeks before that the Congress might vote for Allende even if Alessandri gained a plurality. It was not absurd to hope that the Chilean Congress *might* exercise its independent choice and deny the presidency to a minority candidate with a radical, almost certainly antidemocratic, program when there was still an overwhelming moderate majority in the country. But we knew this to be unlikely. Without real conviction we decided to instruct Ambassador Korry to prepare a "cold-blooded assessment" of the likelihood and feasibility of a military coup and of the pros and cons involved in "organizing an effective future Chilean opposition to Allende."

The possibility that Allende could be stopped received new life when on September 9 Alessandri announced that he would not withdraw from the congressional race after all. He announced that if elected by the Congress, he would resign and force new elections, which could then repeat the 1964 contest between Frei and Allende. Another presi-

\* My interest here is in discussing White House knowledge, attitudes, decisions, and participations — not to give a complete account of all the CIA communications. I find publication of the 40 Committee deliberations against the public interest. Unfortunately, all the 40 Committee documents referred to here have already been published by the Church Committee.



dency having intervened, however briefly, Frei would be constitutionally eligible to run. He would almost certainly win. As for the military, on September 10 the army Commander-in-Chief, General Rene Schneider, reportedly told a group of Chilean officers that the army would not intervene in the electoral process. The army would, however, demand "guarantees" from Allende that it would remain a fully professional institution and not be politicized. Ambassador Korry reported his own conviction that such guarantees would be virtually worthless.

I had scheduled a 40 Committee meeting for September 14. On September 12, at the President's request, I solicited by backchannel Korry's candid recommendations as to "feasible courses of action available to the US in the present circumstances." Nixon was increasingly restive about what he considered bureaucratic foot-dragging and a State Department propensity to do business as usual, which reminded him of what he always considered our early complacency toward Castro. (This was in fact unjust. Whatever the State Department's procrastination before the Chilean election, it strongly supported and actively implemented each subsequent 40 Committee decision.) Korry responded hopefully. Frei was reported to be alarmed by the prospect of an Allende takeover and interested in possible ways to avert it.\* Ambassador Korry suggested to me a deep backgrounder by a high official in Washington to bring the facts on Chile to the American public and to convey to hesitant Chileans the depth of our concern.

On September 14 the 40 Committee considered what we had by now nicknamed the "Rube Goldberg" gambit: the election and subsequent resignation of Alessandri, leaving Frei constitutionally free to run again in an immediate special election. It was agreed to authorize Korry to explore this possibility and to set aside \$250,000 for projects in support of it. On September 15 Korry was told of this decision by cable from Under Secretary of State Alexis Johnson; he was also asked to intensify contacts by all appropriate members of his Embassy with the Chilean military "for the purpose of assuring ourselves that we have the requisite intelligence to enable independent assessment of the military determination to back the Frei reelection gambit."

On September 16 — the day on which we were informed that King Hussein was about to initiate a showdown with the fedayeen and on which it was becoming clear that Cienfuegos was being turned into a submarine base — I gave a background briefing to a group of Midwest editors and broadcasters in Chicago to put on record, among other subjects, our view of Allende's accession to power as Korry had requested:

\* Frei has since emphatically denied that he would have lent himself to any circumvention of the Chilean constitution. Korry's information came from Frei's lieutenants, who may well have acted on their own authority. We at any rate had to act on the basis of what our Embassy considered to be the facts.

The election in Chile brought about a result in which the man backed by the Communists, and probably a Communist himself, had the largest number of votes by 30,000 over the next man, who was a conservative. He had about 36.1 percent of the votes. So he had a plurality.

The two non-Communist parties between them had, of course, 64 percent of the votes, so there is a non-Communist majority, but a Communist plurality. I say that just to get the picture straight.

Now, it is fairly easy for one to predict that if Allende wins, there is a good chance that he will establish over a period of years some sort of Communist government. In that case you would have one not on an island off the coast which has not a traditional relationship and impact on Latin America, but in a major Latin American country you would have a Communist government, [ad]joining, for example, Argentina, which is already deeply divided, along a long frontier, [ad]joining Peru, which has already been heading in directions that have been difficult to deal with, and [ad]joining Bolivia, which has also gone in a more leftist, anti-U.S. direction, even without any of these developments.

So I don't think we should delude ourselves that an Allende take-over in Chile would not present massive problems for us, and for democratic forces and for pro-U.S. forces in Latin America, and indeed to the whole Western Hemisphere.

By then Nixon had taken a personal role. He had been triggered into action on September 14 by Augustin Edwards, the publisher of *El Mercurio*, the most respected Chilean daily newspaper, who had come to Washington to warn of the consequences of an Allende takeover. Edwards was staying at the house of Don Kendall, the chief executive officer of Pepsi-Cola, who by chance was bringing his father to see Nixon that very day. (I met with Edwards and Mitchell for breakfast and had asked Helms to see Edwards for whatever insight he might have.)

After meeting Kendall, Nixon asked Helms, Mitchell, and me to his office in the early afternoon of September 15. In a conversation lasting less than fifteen minutes Nixon told Helms that he wanted a major effort to see what could be done to prevent Allende's accession to power. If there were one chance in ten of getting rid of Allende we should try it; if Helms needed \$10 million he would approve it. Aid programs to Chile should be cut; its economy should be squeezed until it "screamed." Helms should bypass Korry and report directly to the White House, which would make the final decisions. The operational objective at the time was still the "Rube Goldberg" scheme. Nixon did not in fact put forward a concrete scheme, only a passionate desire, unfocused and born of frustration, to do "something."

This conversation is now treated as the inception of what was later



called Track II — as opposed to the formal 40 Committee decisions, which in retrospect became Track I — so gleefully exposed by Congressional committees. But there was always less to Track II than met the eye. As I have shown many times in this book, Nixon was given to grandiloquent statements on which he did not insist once their implications became clear to him. The fear that unwary visitors would take the President literally was, indeed, one of the reasons why Haldeman controlled access to him so solicitously. In the case of Track II, for example, not only was there no expenditure of \$10 million; no specific sum was ever set aside. The expenditures, if any, could not have amounted to more than a few thousand dollars. It was never more than a probe and an exploration of possibilities, even in Helms's perception.

Moreover, while the Presidential outburst undoubtedly gave impetus and urgency to approaches to the military as well as to the "Rube Goldberg" scheme, it only paralleled conclusions toward which the departments were coming on their own. Through the regular machinery of the 40 Committee (Track I), the Embassy received instructions closely paralleling the CIA activities growing out of Helms's conversation with Nixon. Track II was an expression of Nixon's profound distrust of State Department machinery, which he suspected would foil consideration of his wishes. In this case he was wrong, because after Allende's election there was no significant difference between the agencies.

Nixon was briefed at various times on Track II by Tom Karamessines, head of CIA's covert operations, always pessimistically. All the CIA reports to Haig and me were similarly negative. The effort was terminated by me on October 15, as I shall show, after one month; Nixon approved. Track I, with full State Department backing, sought to encourage a military move to produce a new election very much along the lines desired by the President. It was similarly unsuccessful and abandoned at the same point — this time by the 40 Committee.

Whatever the focus, whether Track I (the formal 40 Committee approach) or Track II (the unilateral CIA approach), deliberations were turning increasingly to the role of the Chilean military. By September 21 it was becoming clear that Frei was not pursuing any scheme that would result in his own reelection. Korrry's fertile mind now turned to a maneuver — apparently cleared by associates of Frei — whereby key Cabinet members would resign and induce their colleagues to follow suit. This would give Frei, if he were willing, a pretext to replace them with military officers. In other words, Frei was to be given the means to trigger a constitutional crisis — designed, as in every other scheme, to lead to another election so that the country could choose between Frei and Allende, between democracy and potential dictatorship. There was doubt about Frei's willingness to do this. The principal obstacle, however, was perceived to be the Commander-in-Chief of the Army, Gen-

eral Schneider, who took the position that the politicians having put Chile into this mess, it behooved them to extricate her. Another stumbling block was reported to be the fear of the Chilean military that if they acted they would be treated like the Greek junta — that is to say, deprived of military aid by the United States and harassed by the left globally.

The 40 Committee therefore authorized Korrry to approach selected military leaders. They would be given to understand that their involvement would not jeopardize American military assistance; I cannot determine from my records whether, when, or to whom these messages were passed.

From September 26 to October 5 I was absent from Washington, going first to Paris to meet with South Vietnamese Vice President Nguyen Cao Ky and a secret meeting with the North Vietnamese, and then joining Nixon in Rome for his trip to Mediterranean countries on the evening of September 27. At every opportunity Nixon encouraged friendly governments to use their influence in Chile to prevent the accession of Allende or at least not to treat his victory as foreordained. He found he was not alone in his concern about Chile's future.

On September 29 the 40 Committee met, in my absence, under the chairmanship of Under Secretary of State Johnson and concluded that the Chilean military would move toward a new election only if they feared an economic crisis and the cutoff of United States military aid if they did not move. Steps to inform the Chilean military that these risks were real were approved in my absence; to lend emphasis, pipeline shipments of military aid were interrupted. After the President's return, a 40 Committee meeting on October 6 left us with exactly the perplexities that had existed before our departure. Frei not only did not move; he did nothing to prevent the Christian Democratic Party congress on October 5 from conditionally endorsing Allende's election by the Chilean Congress. The "Rube Goldberg" gambit was now definitely dead; the Congress would surely vote for Allende. Time was also running out on the Cabinet resignation route to a constitutional crisis. The sole remaining possibility for forestalling the accession of Allende was a military takeover as a prelude to new elections. Reflecting the consensus, Alex Johnson and I sent a joint backchannel to Korrry — in Track I — asking him to reinforce with the military the serious consequences of an Allende presidency and authorizing him to reiterate the assurances of continued American military assistance if they moved.

Track I and Track II were, in fact, merging. On October 10 the Central Intelligence Agency reported to General Haig — as part of Track II — that the prospects for a military coup were even dimmer than before. On October 14 the CIA representative, Tom Karamessines, reported to the 40 Committee — as part of Track I — that "a coup cli-

mate does not presently exist." I observed to the group that there appeared to be little that we could do to influence the Chilean situation one way or another. On October 15 I received a similar briefing from Karamessines as part of Track II. The only remaining possibility was an amateurish plot organized by a General Roberto Viaux to kidnap General Schneider and take him to Argentina. I reported to Nixon: "I saw Karamessines today. That looks hopeless. I turned it off. Nothing would be worse than an abortive coup." Nixon agreed. He was now resigned to an Allende presidency. His major concern was to keep State from pressuring him to resume aid relationships with an Allende government; if Allende expropriated American property, the Hickenlooper Amendment should be applied immediately, he ordered.

Karamessines carried from his October 15 meeting with me an instruction to turn off General Viaux's coup plot and a general mandate to "preserve our assets" in Chile on the (clearly remote) chance that some other opportunity might develop. The CIA passed this instruction to the Viaux group on October 17; our station in Santiago advised them that their scheme would fail, would thus backfire, and should not be carried out.

The Senate Select Committee, supposedly investigating assassination plots by the United States government, spent a great deal of space in its 1975 report mulling over whether Al Haig or I was misleading the Committee when we testified that coup planning had been ended on October 15 or whether the CIA proceeded without authority. The facts are these. The Senate Select Committee discovered a second group of plotters, in addition to the Viaux group, with whom the CIA was in contact and who also planned to kidnap General Schneider. Neither Haig nor I was ever aware of their existence for the very good reason that they never did anything. When I ordered coup plotting turned off on October 15, 1970, Nixon, Haig, and I considered it the end of both Track I and Track II. The CIA personnel in Chile apparently thought that the order applied only to Viaux; they felt they were free to continue with the second group of plotters, of whom the White House was unaware. They even provided them with three submachine guns on October 19 without informing anyone in the White House. Military plotters that needed foreign weapons should not have been regarded as serious. For they were not. In a comedy of errors worthy of the Keystone Kops, the plotters were set to kidnap Schneider in his car after a dinner party on October 19; they missed him because he left in a different car. The next day they tried again but lost sight of Schneider's car in Santiago traffic. The guns were returned unused to our CIA station. The plotters returned to a well-deserved obscurity which they mercifully enjoyed until their exploits were given great notoriety by the Senate Committee.

Then on October 22, the Viaux group, which had been explicitly told to desist by the CIA on October 17, proceeded on its own in defiance of

CIA instructions and without our knowledge. It attempted to abduct General Schneider, and bungled it. Schneider drew his pistol in self-defense and was mortally wounded by gunfire. The death of General Schneider, caused by the bungling of a kidnapping plot which we had ordered called off and to which we gave no support, no endorsement, no assistance, and no approval, is one of the featured events in the Senate Committee's investigation of *US government plots to assassinate foreign leaders*. Amid all its insinuation the Senate Committee did find that there was no US plot to assassinate General Schneider. Indeed, no one intended assassination, not even General Viaux. Assassination was never discussed or implied in any 40 Committee meeting on any subject during my tour of duty, nor was it ever considered as part of Track II. Viaux planned a kidnapping — and we told him not to do it; the second group of plotters did nothing. And all the schemes of either Track I or Track II, even the convoluted schemes involving the military, were designed to produce a new election that was to test in a two-man race whether the Chilean people wanted a democratic President or an avowedly Leninist one. It is a virtual certainty that in a two-man race the Chilean people would have chosen the reformist democrat, Eduardo Frei.

After October 15 our attention turned to the post-Allende period. I called a meeting of the Senior Review Group on October 17 to discuss our options after Allende's inauguration. On October 18 — before any of the various coup attempts were made — I sent a memorandum to the President that can leave no doubt that at the highest level all thoughts of coups had been abandoned: "It now appears certain that Allende will be elected President of Chile in the October 24 Congressional run-off elections."

I believe we were right in our assessment of the perils to our interests and to the Western Hemisphere of Allende's accession to the presidency. The solution we sought was to promote a clear-cut popular choice between the democratic and the totalitarian forces. To assist such efforts seemed right to me then and seems right to me today. I cannot accept the proposition that the United States is debarred from acting in the gray area between diplomacy and military intervention, a shadow world in which our adversaries have as instruments a political party, their own infinitely greater foreign resources, and innumerable front organizations to mask their role. The effort was amateurish, being improvised in panic and executed in confusion. The "covert operations" never got off the ground; in contrast to 1964 we did too little and acted too late. Allende was inaugurated; there was no coup; we had no further contacts aimed at organizing one after October of 1970 (despite some false and misleading innuendos in the Senate report). When Allende was finally overthrown, it was by his own incompetence and intransigence; military leaders without consulting us moved against him on their own



initiative because they were convinced that he was intent on taking over total power and about to organize his own coup to that end. They had good reason to think so — but that is for my second volume.

### *Allende Inaugurated*

AFTER OCTOBER 15 the impossibility of preventing Allende's accession to the presidency was acknowledged, and senior officials increasingly turned to the problem of relations with an Allende government. Ambassador Korry, who had urged earlier that a *modus vivendi* with Allende was an illusion, changed his mind and recommended the immediate opening of negotiations with the President-elect. Since Allende wanted international respectability and legitimacy, Korry now argued, and since this required our acquiescence, we should offer our nonhostility in return for Chilean restraint, especially on expropriation issues. I gave Korry an opportunity to present his views to Nixon on October 15. Nixon was reconciled to Allende's accession but not to cooperation with him. He replied evasively and thereafter unfairly classified Korry as a "softhead."

Korry's recommendation illustrated our policy dilemma. I outlined it to the Senior Review Group on October 17:

If we are publicly or prematurely hostile, our attitude may rally Chilean nationalists behind Allende. If, on the other hand, we are accommodating, we risk giving the appearance of weakness or of indifference to the establishment of a Marxist government in the Hemisphere.

What I got out of the meeting the other day is that no one believes a long-term accommodation is possible. We are faced only with a choice in tactics. The question is whether it would be better if a confrontation were seen to result from Allende's actions or whether the US should move immediately to a position of militant hostility.

Next day I outlined the state of play for the President. Allende's inauguration, I wrote him, as indicated above, now appeared certain.\* The US government was unanimous that he was a tough, dedicated Marxist with a strongly anti-American bias who would seek close relations with Cuba and the Soviet Union, lead opposition to US influence in the hemisphere, and systematically promote policies hostile to ours. He would almost surely expropriate American investments and probably without adequate compensation. The very existence of such a government was bound to encourage elements hostile to us in other Latin American countries. To be sure, Allende started from a weak position. The coalition supporting him was fractious; the economy was deteriorating; Chile's democratic tradition would for a time inhibit moves to establish a totalitarian state; the military distrusted him. "To meet these weaknesses,"

\* Leaving no doubt that we had no foreknowledge of Viaux's plot of October 22.

I wrote Nixon, "Allende's 'game plan' will almost certainly seek legitimacy and respectability; to reassure the apprehensive or concerned and to move carefully to avoid coalescing opposition to him prematurely; to keep his opposition fragmented and then slice their power bit by bit as he is able. Left to his own game plan and pace he probably has the capacity and skill to consolidate his power and neutralize his opposition in a year or two."

Thus we faced the dilemma that a policy of accommodation would not work: "Allende is not voluntarily going to modify his goals, nor is he likely to have any interest in negotiating such a modification just to get along with us. A U.S. policy of seeking accommodation with him, therefore, is unlikely to deter him from an anti-US course if he wants and is able to take it." In other words, our real choice was that defined by the Senior Review Group: whether we should adopt an openly hostile attitude or whether it would be better to pursue a "correct" but "cold" posture, leaving it to Allende to force the confrontation. I urged the President to have this issue deliberated at a National Security Council meeting. I made clear my preference for avoiding a confrontation and adopting the "cool but correct" stance.

A number of specific protocol questions had, however, to be decided immediately. They concerned our formal response to Allende's now imminent inauguration. I proposed that Ron Ziegler should declare that we had taken note of Allende's election and our future relationship was up to Chile to determine; that we send a small, low-key delegation headed by Assistant Secretary of State Charles Meyer to attend the ceremonies; that pipeline shipments to the Chilean military be resumed. I recommended that we close our Air Force atmosphere-testing station in Chile (since Allende was certain to request it), and that we consult with key Latin American governments to attempt to coordinate policies toward the new Chilean President throughout the hemisphere.

Nixon approved all my recommendations. They were conveyed to the agencies on October 21. The Chilean Congress voted Allende President on October 24. On October 30 I supported State's recommendation that Assistant Secretary Meyer be authorized to convey a message of congratulation, to the effect that President Nixon was cognizant of the great honor and responsibility accorded to Allende by the Chilean people. It was not an exuberant message, and I urged that it be conveyed orally rather than in writing, but it observed the appropriate courtesies and left the way open for a conciliatory response should Allende choose such a route.

On October 30 Allende announced the makeup of his new fifteen-strong Cabinet. All key economic and patronage posts were given to the Communist Party (Finance, Public Works, and Labor); the Ministry of Economy went to an independent very close to the Communists; four posts went to Allende's own Socialist Party (Interior, Foreign Relations,

Housing, and Secretary of the Presidency); seven others went to various other radical and splinter parties. The new Minister of Foreign Relations, Clodomiro Almeyda, was so far to the left that in the past he had opposed Soviet positions out of admiration for the more radical Chinese Communists and Cubans.

In his final address to the nation on October 31, outgoing President Frei stated his intention to remain politically active as a constructive opponent of the Allende Administration. He urged Chileans to defend democracy, warned against converting the universities into political battlegrounds, and appeared to reflect the widespread concern about the future of political liberties under Allende.

Allende was sworn in before a Joint Session of Congress on November 3. He pledged "to maintain the integrity and independence of the nation and keep and obey the constitution." He also called for "work and sacrifice" from Chileans as necessary for the construction of socialism. Attending the inaugural ceremonies were representatives from more than sixty foreign nations, including unofficial delegations from North Vietnam, the People's Republic of China, East Germany, and Cuba (the latter led by longtime Communist Party leader Carlos Rafael Rodríguez). As a foretaste of Allende's anti-US bias, the leaders of the Puerto Rican independence party were also invited to the inauguration. In public remarks related to the festivities, Allende was quoted as saying he planned to hold national plebiscites if the Congress (in which his Popular Unity controlled only 90 of the 200 seats) rejected the "new forms" of government he might propose.<sup>13</sup> On November 5, in a speech at a rally climaxing the three-day celebrations, Allende pledged a "republic of the working class" and blamed the capitalist system for social and economic inequities. He hinted at a major nationalization program.

Charles Meyer was received by Allende and delivered Nixon's message. Allende gave no evidence of a conciliatory approach. The tenor of his administration was set. A few days later, for example, a statue of Che Guevara was unveiled in a working-class district of San Miguel. Latin American revolutionary militants, including the Secretary General of the Cuban Workers Federation, were present for the dedication, which was marked by crowds singing the national anthems of Chile and Cuba.<sup>14</sup>

This was the atmosphere in which the National Security Council met on November 6 to review our policy toward Chile. And it was scarcely improved by a reliable report that day which described a clandestine meeting between Allende and members of the Chilean National Liberation Army, a radical group created to promote revolution in Bolivia. Allende was said to have pledged that once his administration was firmly in power, Chile would become a center of assistance and training for Latin American revolutionary organizations seeking to "liberate" their countries through armed struggle.

Nixon accepted, nevertheless, the consensus supporting a "cool but correct" posture. He expressed concern that Allende's successful consolidation of his power would encourage all our opponents throughout Latin America and might move many sitting on the fence into opposition to us. But he agreed that overt hostility might play into Allende's hands. He therefore decided on a policy that was embodied in a directive issued on November 9. It affirmed that the public posture of the United States would be "correct but cool, to avoid giving the Allende government a basis on which to rally domestic and international support for consolidation of the regime." But it also called for assembling pressures to prevent the consolidation of "a communist state in Chile hostile to the interests of the United States and other hemisphere nations." The President ordered that no guarantees of new private investment be issued, that old ones, if possible, be terminated, and that we use our influence in international financial institutions to limit credit or other financing assistance to Chile. No new bilateral economic aid commitments were to be undertaken for the time being. However, an exception was made for humanitarian programs. Existing commitments would be fulfilled.

The directive was stern but less drastic and decisive than it sounded. (It was, for example, much less so than the policy later pursued against Augusto Pinochet of Chile or Anastasio Somoza of Nicaragua.) With the Chilean government's new policy of expropriation without compensation designed to discourage any private investment, with government-fueled inflation reaching a level of some 350 percent (on the day of Allende's death) and destroying the middle class, and with default on its international debt repayments in 1971, the credit-worthiness of Chile would have dropped drastically between 1970 and 1973 whatever policy the United States pursued in international lending institutions. It would have been an imprudent financial institution, national or international, that extended substantial credit to someone who, in his 1970 campaign declaration ("The Popular Government's First Forty Measures") had pledged to "renew the commitments with the International Monetary Fund," or who in his 1970 Popular Unity program had proclaimed the intention of "expropriating imperialist capital and . . . increasing our capacity to self finance our activities" and who had regarded it "absolutely necessary to review, denounce or renounce, as befits each case, those treaties or agreements which involve commitments limiting our sovereignty, and, in particular, treaties of reciprocal assistance, pacts of mutual aid or other pacts which Chile signed with the U.S.A."

As for bilateral United States aid programs, grant aid, as has been mentioned, was terminated in 1968 while Frei was still President. The loan programs had dropped to some \$40 million in 1969 and \$70 million in 1970. Even under Allende the exception for humanitarian programs resulted in authorization of \$16.8 million in Food for Peace programs, some \$250,000 in special disaster relief, and favorable US



action on Inter-American Development Bank loans of \$11.5 million to two Chilean universities in January of 1971. And the Peace Corps remained. While Allende was in office, the United States also authorized over \$42 million in military assistance, agreed to the rescheduling of around \$250 million of Chile's debt, participated in \$82.3 million IMF loans, and honored previous aid commitment amounting to some \$25 million. Thus Chile under Allende remained one of the largest recipients of official American aid per capita in Latin America. Altogether, Allende received new credits of nearly \$950 million from all sources, including well over \$600 million from Communist sources.<sup>15</sup> Painful as it may be to admit for those who seek some extraneous reason for Marxist-managed economic disasters, it was not American economic pressure but Allende's own policies that brought him down.

Allende did not wait long to implement his program. On November 12 he announced reestablishment of diplomatic relations with Cuba, in contravention of the OAS resolution of 1964, which Allende denounced as lacking "juridical and moral basis"; the new agreement was negotiated by Carlos Rafael Rodríguez during Allende's inauguration. The State Department reacted the following day with a statement which "deplored" that Chile had acted without resort to the OAS consultative framework. The Allende government also moved rapidly to sign a pact with the North Korean delegation. While not mentioning diplomatic ties, it nonetheless constituted *de facto* recognition. Chile promptly withdrew from the UN Commission on Korea.

Allende's first move against American industry occurred on November 20, when he ordered an administrative takeover, under provisions of a 1945 labor law, of two Chilean companies controlled by Northern Indiana Brass and Ralston Purina. Allende charged that the companies had intentionally deprived Chileans of jobs. This was followed by a speech on November 26 — to the Communist Party plenum — in which he declared that his government would shortly propose legislation to nationalize US interests as well as Chilean and foreign banking, insurance, and unidentified industrial properties. It was reported that the legislation would probably be accompanied by a proposal to alter the guarantees of private property in the constitution to enable the government to take over working installations (such as industrial and mining plants), as well as privately owned land (already authorized). This speech was followed by disclosure of plans for large-scale nationalization of basic industry and central planning and direction of industry, banking, trade, and agriculture, as pledged in his 1970 program. Allende's Finance Minister, who outlined the economic program to a committee of the Chilean Congress, placed the blame for Chile's economic problems on the "capitalist system" and on foreign, especially United States, investors.

Within a month Allende had amnestied hundreds of revolutionary ter-

rorists belonging to MIR — an organization to the left of the Communists dedicated to seizing power by violence. Within a year — in 1971 — dramatizing the breach in hemispheric unity, Fidel Castro paid a visit to Chile that lasted for nearly a month. The trip concluded with a joint communiqué affirming the "common struggle" and "common outlook of both governments and peoples in analyzing the world situation," condemning the "imperialist intervention" in Vietnam, hailing "the crisis of the capitalist monetary system" and "the gradual, substantial increase of the economic, political, social and technological power of the socialist camp."

In time Allende's Cuban son-in-law, Luis Fernandez de Ona, who had been actively involved in planning Ché Guevara's Bolivian expedition, was given an office in the presidential palace in Santiago. Allende organized his own private security force, made up largely of extremist members of the terrorist MIR group, outside the existing army and police structure. He clandestinely imported large quantities of Cuban weapons to arm supporters for street fighting — an interesting procedure for a "constitutional" President. Between ten and fifteen thousand visalless foreigners came in to help organize the guerrilla left within Chile and terrorist activities in neighboring countries. Attempts were made to overthrow the military structure; noncommissioned officers staged a coup to take over the navy with the tacit approval of the President in 1971.

The myth that Allende was a democrat has been as assiduously fostered as it is untrue. The fact is that various measures taken by Allende's government were declared to be unconstitutional and outside the law by the Chilean Supreme Court on May 26, 1973, by the Comptroller General on July 2, 1973, and by the Chamber of Deputies on August 22, 1973. It is the opposition he aroused *within* Chile that triggered the military coup of 1973, in the conception, planning, and execution of which we played no role whatever.

In November 1970 all this was still far in the future. We had been unable to prevent Allende's accession to power. We were open to accommodation should Allende, against all expectations, be prepared for one. But we were also prepared to defend our own interests in the more likely event that Allende was as good as his word.

So Chile took its own place in our autumn of crisis. We had prevailed in Jordan and Cienfuegos, but we were to face a continuing challenge in the Western Hemisphere. Our deliberations had honed our own capacity to deal with other, future crises. We had endured trials all the more complicated because they occurred practically simultaneously and followed so closely on the wrenching experience of Cambodia. Having grappled with challenges imposed upon us, we could now seek to shape events in the light of our own purposes.



**Doc. 23**

Henry Kissinger, *Years of Upheaval* (Boston: Little, Brown, 1982)

**Kissinger writes of Chile policy c. September 1973**

pp. 404-405:

We were aware of what was well known to every Chilean, including Allende: that the military who already controlled key positions in the government were seriously considering [a takeover]. But we were unaware of any specific plan or date. And we were party to none.

... I have described Allende's fall in some detail as a case history of political mythology. In some quarters our alleged "destabilization" of Chile has become the code word for all that they consider baleful in American policy. The only difficulty is that nothing of the sort took place. ... What we did was fund free newspapers and political parties that sought our help against a heavy-handed, calculated campaign to suppress them before the next election.

The United States was hardly the crucial determinant of events. ...

**Kissinger concludes**

pp. 410-413

All of these maneuvers obscured the fundamental problem: How was the United States to reconcile its geopolitical interests and its concern for human rights? It would be idle to deny that we felt a sense of relief at Allende's collapse. The new Chilean government [under Pinochet], whatever its faults, would not assault our interests in every international forum as its predecessor had done. It would not be a haven for terrorists from all over the world threatening to solidify totalitarianism in Chile and to subvert neighboring Western Hemisphere governments. We could not convince ourselves that undermining the new government would serve either the cause of human rights or our own security. Yet there was no blinking the fact, either, that the very opposition parties and newspapers that we had attempted to keep alive under Allende were suppressed by the junta. The imposition of an authoritarian regime in a country with the longstanding democratic tradition of Chile was a special pity—but the circumstances that brought it about were extraordinary, too.

Unfortunately, the issue arose in America at the worst possible time. In the aftermath of Vietnam and during Watergate, the idea that we had to earn the right to conduct foreign policy by moral purity—that we could prevail through righteousness rather than power—had an inevitable attraction. There was a mood of resignation from the world of hard tactical choices, reinforced by the historical American animus toward the concept of equilibrium. It was not the first time in our history that the aversion to power politics took the form of a moral crusade. And the fetid climate of Watergate endowed the charge of the Administration's moral obtuseness with a certain credibility.

Chile thus became caught up in a domestic debate transcending it; it had to carry the burdens of Watergate as well as of Vietnam. The Nixon Administration was not so insensitive to the Chilean junta's clumsy and occasionally brutal practices as our critics alleged. But we considered that the change of government in Chile was on balance favorable—even from the point of view of human rights.