LOSING A MODEL DEMOCRACY:
SALVADOR ALLENDE AND U.S.-CHILEAN RELATIONS, 1945-1970

By

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A DISSERTATION PRESENTED TO THE GRADUATE SCHOOL
OF THE UNIVERSITY OF FLORIDA IN PARTIAL FULFILLMENT
OF THE REQUIREMENTS FOR THE DEGREE OF
DOCTOR OF PHILOSOPHY

UNIVERSITY OF FLORIDA

2009
To David, whose love and support made this possible
ACKNOWLEDGMENTS

Completing any major academic effort like as a dissertation is not possible without the assistance of many people. I owe special thanks Dr. Robert McMahon who took me under his wing, urged me to strive for my best narrative and analysis, and continually provided good advice and encouragement. Dr. Louise Newman merits special thanks for her constant support, encouragement, candor, and guidance. She continually struck the perfect balance between mentor, colleague, and friend, and often transformed that which seemed distant or unattainable into something within reach. During my studies at the University of Florida, I enjoyed the friendship, collegiality, and ideas of excellent colleagues, such as Steve Ortiz, Jason Parker, James Thompson, Adam Howard, and Marixa Lasso.

I thank the Society for Historians for American Foreign Relations (SHAFR) for granting me the Michael Hogan Fellowship to study Spanish and do research in Chile for several weeks. It was also through SHAFR that I met Jeff Taffet, Kyle Longley, Stephen Rabe, Alan McPherson, and Jim Siekmeier, who offered valuable ideas, criticism, and encouragement.

I thank the John F. Kennedy, Lyndon Baines Johnson, and Gerald R. Ford Presidential Libraries for generous research grants that enabled me to pursue the larger story of Allende and the United States. I thank the archivists at the many archives and libraries where I conducted research. They include Beth Lipford and Ed Barnes (National Archives, College Park), Dennis Bilger (Truman Library), David Haight (Eisenhower Library), Stephen Plotkin and Jennifer Quan (Kennedy Library), Regina Greenwell (Johnson Library), Geir Gunderson (Ford Library), Carmen D. Duhart (Archivo de Ministerio de Relaciones Exteriores), Margarita Barraza C. (Fundación Eduardo Frei), Jorge Salinas (Benson Latin American Collection, University of Texas), Christopher Harter (Claude Bowers Papers, Lilly Library, Indiana University), Linda
Long (Wayne Morse Papers, Knight Library, University of Oregon), and Mary Carter (Frank Church Papers, Albertsons Library, Boise State University).

During the course of this project, I have gained many friends and colleagues who, in ways great and small, have assisted me in this project, as has my family. Herb and Mary Ann Bolton merit my gratitude many times over for their friendship and gracious hospitality during my extensive research at the National Archives and Library of Congress. I owe special gratitude to my friend Rick Marsden who encouraged me to take a chance and pursue a dream. I thank my parents, Lorin and Janet, and my sibling, Laurel, Carrie, and Doug for their love and support. I offer profound thanks to my early mentors Ronald Schultz at the University of Wyoming and the late Kinley Brauer at the University of Minnesota for sharing their guidance, knowledge, and encouragement. Gwen Garrison, Linda Hodson, Doug Kraft, Sara Schoo, Patrick Barr-Melej, Judy Fai-Podlipnik, Nathaniel Smith, Tom Pearcy, Kristin Ahlberg, Rick Moss, Anand Toprani, Chris Tudda, Rick and Gloria Comstock, Madeleine Matthew, Karrie Brain-Marsh and Jeff Marsh have helped me more than they realize.

Finally, I offer my deep love and gratitude to my partner David Matthew who has been a constant source of strength, love, joy, and guidance since I first considered graduate study. David, without you, I would not have made it.
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<tr>
<td>AID</td>
<td>Agency for International Development</td>
</tr>
<tr>
<td>AP</td>
<td>Associated Press</td>
</tr>
<tr>
<td>API</td>
<td>Alianza Popular Independiente / Popular Independent Alliance</td>
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<tr>
<td>ARA</td>
<td>Bureau of Inter-American Affairs, U.S. Department of State</td>
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<tr>
<td>CIA</td>
<td>Central Intelligence Agency</td>
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<tr>
<td>CUTCh</td>
<td>Central Única de Trabajadores de Chile / United Union of Chilean Workers</td>
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<tr>
<td>EXIM</td>
<td>Export-Import Bank</td>
</tr>
<tr>
<td>FECh</td>
<td>Federación de Estudiantes Chilena</td>
</tr>
<tr>
<td>FRAP</td>
<td>Frente de Acción Popular / Popular Action Front</td>
</tr>
<tr>
<td>IADB</td>
<td>Inter-American Development Bank</td>
</tr>
<tr>
<td>IBRD</td>
<td>International Bank for Reconstruction and Development</td>
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<td>IMF</td>
<td>International Monetary Fund</td>
</tr>
<tr>
<td>ITT</td>
<td>International Telephone and Telegraph</td>
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<tr>
<td>MAPU</td>
<td>Movimiento de Acción Popular Unitaria / Movement of Unified Popular Action</td>
</tr>
<tr>
<td>MIR</td>
<td>Movimiento de Izquierda Revolucionario / Movement of the Revolutionary Left</td>
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<tr>
<td>NSC</td>
<td>National Security Council</td>
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<tr>
<td>OLAS</td>
<td>Organización de Latinoamérica Solidaridad / Latin American Solidarity Organization</td>
</tr>
<tr>
<td>PCCh</td>
<td>Partido Communista de Chile / Communist Party of Chile</td>
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<tr>
<td>PDC</td>
<td>Partido Demócrata Cristiana / Christian Democrat Party</td>
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<td>Partido Liberal / Liberal Party</td>
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<td>PS</td>
<td>Partido Socialista / Socialist Party</td>
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<tr>
<td>PSP</td>
<td>Partido Socialista del Pueblo / People’s Socialist Party</td>
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<tr>
<td>UP</td>
<td>Unidad Popular / Popular Unity</td>
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<td>USP</td>
<td>Unión de Socialista Popular / Union of Popular Socialists</td>
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<td>United States Government Printing Office</td>
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<td>White House Central File</td>
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SALVADOR ALLENDE AND U.S.-CHILEAN RELATIONS, 1945-1970

By
Mark T. Hove

August 2009

Chair: Louise M. Newman
Major: History

This dissertation breaks from the scholarly focus upon Allende’s presidency and from the
1975 Church Committee’s questions about U.S. actions towards Chile and Salvador Allende. It
traces U.S.-Chilean relations from 1945 to 1970 and examines how U.S. perceptions of Chile as
a model democracy intertwined with Allende's rise as the leader of the Chilean Left to create
what U.S. officials deemed as one of the most dangerous threats of the Cold War. Drawing upon
multiple U.S. and Chilean archives and primary sources, this study shows that at the start of the
Cold War, U.S. policymakers defined Chile’s primary asset as an ally as the symbolic value that
its model democracy offered the world. They constructed the model democracy premise, which
asserted that Chile had a firmly rooted democracy, resembled a European nation, and was located
outside the immediate U.S. sphere of influence. The premise guided U.S. policy towards Chile
until 1970, defined the primary U.S. objective as preserving democracy, and enabled Chileans to
extensively shape or impede U.S. efforts.

Besides detailing the centrality of democracy in U.S. policy towards Chile, this study
shows how U.S. perception of threats shifted from the Right to the Left during the Cold War.
For U.S. officials, the initial postwar threat to Chilean democracy was rightist authoritarianism,
embodied in General Carlos Ibáñez and Argentina’s Juan Perón. During the 1954 U.S.
intervention in Guatemala, Salvador Allende criticized and led protests against U.S. policy, and then travelled to Moscow, turning U.S. officials’ focus from the Rightist to the Leftist threat.

After Allende’s near-victory in Chile’s 1958 presidential election, U.S. policymakers considered him as dangerous to U.S. interests, if not more so, than Fidel Castro, because he could achieve socialism through democratic means and serve as a revolutionary prototype. Allende’s words and actions encouraged and rarely mitigated U.S. concerns about his Cold War allegiances and aims. Beginning under President Kennedy, the United States interfered in Chile’s domestic politics to keep Allende from power, but reduced its interference in the late 1960s. With Allende’s victory in 1970 and the Nixon administration’s efforts to subvert Chile’s constitutional processes to deny him the presidency, the United States lost a model democracy. Ironically, in the aftermath of Allende’s 1973 overthrow, critics of U.S. policy and subsequent U.S. policymakers drew upon the model democracy premise as they realigned U.S. policy towards promoting democracy and human rights and assisted Chile’s return to democracy.
“We Chileans...had a long and solid democratic tradition and we were proud of being different from other countries of the continent, which we scornfully referred to as ‘banana republics,’ where every other day some caudillo took over the government by force. No, that would never happen to us, we proclaimed, because in Chile even the soldiers believed in democracy....”

Isabel Allende¹

The Model Democracy Premise. This dissertation began with a single question. While serving in the U.S. Coast Guard, I visited Chile’s capital city, Santiago, and the gentleman who served as my tour guide for the day asked: “Why did you Americans allow your government to overthrow our president?” As a 21-year-old from a Minnesota farm travelling overseas for the first time, I could only confess my ignorance of Salvador Allende Gossens, Chilean history, and U.S. foreign policy. The man’s question lingered as I pursued my undergraduate and graduate studies after my military service. The contradiction troubled me: the United States, the world’s premier democracy, whose leaders had long professed support for democracy, had acted to subvert another nation’s constitutional procedures. Other questions arose as I studied the histories of U.S. foreign policy and Chile: Were U.S. leaders truly committed to democracy? How and why did U.S. policymakers reach a point where they opted to compromise an ideological principle that U.S. citizens hold as central to their exercise of political rights? What influence did Chileans have in this process?

During my readings and research of U.S. diplomatic and Chilean history, I was puzzled by the fact that Allende is generally cast in U.S. scholarship as a man “without history,” to borrow

Eric Wolf’s phrase.² Little of his pre-1970 political career appears in English,³ and unlike other prominent Chilean leaders like Carlos Ibáñez del Campo, Eduardo Frei Montalva, and Jorge Alessandri Rodríguez, Salvador Allende does not have a scholarly biography.⁴ Even though diplomatic and Latin American scholars have noted Allende’s four presidential candidacies and near-victory in 1958, they give scant attention to his long political career or his relationship with U.S. diplomats prior to 1970. Given Chile’s political system,⁵ a prominent politician running four times for President would have merited considerable attention by the U.S. Embassy in Santiago and the Department of State throughout the post-World War II era.

This dissertation examines U.S.-Chilean relations from 1945 to 1970, exploring how and why Allende arose as a Cold War threat among U.S. policymakers and how Allende as a man with history, as well as other Chilean leaders, influenced U.S. policy and diplomacy during the period. During the research and writing of this study, the primary source documents shattered

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⁵ Federico G. Gil details the Chile’s political system as it existed prior to 1970. See Gil, *The Political System of Chile* (Boston: Houghton-Mifflin, 1966). See also Chile’s 1925 constitution, which was in effect during the period under study. *Constitución Política de la República de Chile* (Santiago: Editorial Nascimento, [1925] 1967).
my preconceptions, resulting in a narrative sharply at odds with the one that I had expected to
tell. I had anticipated writing about how and why U.S. foreign policymakers misperceived, mis-
understood, and/or were uninformed about Chile, its politic dynamics, Salvador Allende, and the
threat he posed in 1970. I had also foreseen examining the ways in which U.S. officials
described Chileans in “orientalist” terms and analyzing how and why U.S. diplomats constructed
Chileans as racially and culturally inferior. Instead, the primary source documents revealed that
U.S. diplomats constantly detailed and discussed Chile’s political system, the intricacies of its
politics and party ideologies, as well as the country’s emerging social crisis. The documents also
showed U.S. officials constantly praising the Chileans for their talents, skills, industry, as well as
their political and cultural sophistication. I further discovered that U.S. officials knew Allende
extremely well and had detailed his words, actions, and travels throughout his career.

The shock I experienced from the primary documents partly resulted from a secondary
literature that remains trapped in the framework created by the 1975 Church Committee report.
The product of a U.S. Senate committee chaired by Senator Frank Church (D – Idaho) that
investigated U.S. intelligence activities, the report traces what it describes as the “increasing”
U.S. covert intervention in Chile’s democracy from 1962, covert intervention that climaxed
under President Richard M. Nixon and his National Security Adviser Henry A. Kissinger. The
report details U.S. covert efforts to influence Chile’s 1970 presidential election, to encourage a
coup d’etat to prevent Allende’s inauguration, as well as a few clandestine efforts against
Allende during his presidency, until his overthrow on 11 September 1973. For a committee that

6 I had anticipated engaging in Robert Jervis’s work on misperception and decision-making. See Jervis, Perceptions
held hearings in the wake of the 1973-1974 Watergate scandal, U.S. activities in Chile not only ran counter to U.S. foreign policy principles and U.S. values but also were another indictment of the disgraced Nixon’s abuse of presidential power and his pursuit of a misguided foreign policy.\(^7\)

The scholarly debate and literature has remained caught up in the questions of the 1975 Church Committee: What were U.S. actions under Nixon and Kissinger towards Allende? To what degree were those actions illegal, unethical, and/or flawed? and How did those actions contribute to Allende’s overthrow on 11 September 1973? Even today, scholars studying U.S.-Chilean relations have generally approached U.S. policy and actions during Allende’s presidency (1970-1973) through those questions, creating a one-sided story about what U.S. policymakers did to Allende and Chile. One group has inquired into why Allende was overthrown and the degree to which the United States bears responsibility for his demise,\(^8\) and the other has explored how the Nixon administration formulated and conducted U.S. foreign policy.\(^9\) Furthermore, the focus on Allende’s presidency has left the trajectory of the U.S.-Chilean relationship during the early Cold War largely unexamined in English-language historical literature, although Jeffrey F.

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Taffet has partially remedied this historiographical hole with an excellent, much-needed study of the Alliance for Progress in Chile during the 1960s.\textsuperscript{10}

The general literature on Chilean history, while rich about Chile’s politics, economy, copper industry, agrarian sector, and emerging social crisis, does not offer an adequate long-term perspective on Allende and his political career. Works on Chilean politics have tended to focus on Allende’s presidency and the 1973 coup d’état led by General Augusto Pinochet Ugarte. Such accounts highlight three inter-related questions: Why did Chile’s democracy collapse and the military coup and subsequent brutal dictatorship occur? Why did the Marxist revolution in Chile not succeed? and What achievements did Allende’s Popular Unity (UP - Unidad Popular) government attain?\textsuperscript{11} Some scholars of Chilean history have examined the flaws and fragility of


Chilean democracy.¹² Other scholars have explored the weaknesses in Chile’s economy, the composition of Chilean elites, the domination by multi-national corporations in Chile’s two main export sectors (nitrates and copper), and the role that foreign economic missions had upon Chile’s economy, development, and politics.¹³

This dissertation breaks from the Church Committee’s framework and the scholarly focus upon Allende’s presidency. Instead of asking what the United States did to President Allende, and how those actions contributed to his overthrow, this study poses another set of questions. If Allende ran for president four times and nearly won in 1958, why was he suddenly deemed a dangerous threat in 1970, as so often suggested in the literature? If he was not deemed a threat by previous U.S. presidential administrations, why did he evolve into a dangerous “Communist” threat for the Nixon administration? If he was deemed a threat earlier, what initiatives did U.S. policymakers undertake to counter or reduce the Allende threat? How did the words and actions by Chileans, particularly Allende, facilitate or mitigate U.S. perceptions of Allende as a threat?

¹² For example, see Arturo Valenzuela, The Breakdown of Democratic Regimes: Chile (Baltimore: Johns Hopkins University Press, 1978); and Tomás Moulian, La forja de ilusiones: El sistema de partidos, 1932-1973 (Santiago: Universidad ARCIS and la Facultad Latinoamericana de Ciencias Sociales [FLASCO], 1993).

Through these new questions, this dissertation traces three inter-related threads to explore how Allende evolved into what U.S. policymakers deemed as one of the most dangerous threats that the United States confronted in Latin America, and how they sought to diminish and end that threat. As one thread, this study examines how U.S. diplomats and policymakers perceived Chile and its role as a U.S. Cold War ally. U.S. officials constructed an image of Chile that became an icon that, while imperfect, distinguished Chile from the many nations and multiple crises that U.S. policymakers addressed on a daily basis.\(^{14}\) Second, the work traces the development and evolution of U.S. policy towards Chile and describes how U.S. officials’ image of Chile shaped the actions and strategies that they employed to achieve U.S. foreign policy objectives. As U.S. government documents show, the mental icon that U.S. officials constructed also gave Chilean leaders considerable access to and influence among U.S. policymakers. Third, the work explores Chile’s political and economic dynamics to examine how Chileans, including Allende, shaped U.S. perceptions, policy, and actions. The study forages into Allende’s political biography, as well as his speeches and writings, in order to study how his ideas and actions resembled, shaped, and contrasted with U.S. officials’ perceptions of him and the threat he posed. To go further and offer a fully researched biography of Allende or a study of the evolution of his political philosophy would be to undertake one or two additional dissertations.

U.S. policymakers’ ideas about Chile coalesced into what I have termed “the model democracy premise” and that premise shaped and guided U.S. policy toward Chile throughout the first half of the Cold War (1945-1970). Acutely aware of the importance of symbols in

United States’ emerging ideological struggle with the Soviet Union, U.S. policymakers confessed that Chile’s primary asset as a Cold War ally was the symbolic value that its democracy offered to the global community, not its copper, nor its control of the Straits of Magellan. To the model democracy concept, U.S. officials added such ideas as Chile being a culturally sophisticated, Europeanized nation, a nation with a long tradition of constitutional rule and republican politics, and an industrializing nation nearing “developed” status. By continually citing its exceptionalism, U.S. officials located Chile in a “borderland” between Europe and Latin America, and routinely compared Chile to Italy, France, and the United States.

Although U.S. officials did not appear to notice the contradiction of casting a nation as “exceptionalist” and a model, they did recognize that Chile’s model democratic image was an effective but imperfect icon. It encapsulated the core issues and dynamics involved for U.S. policy and distinguished Chile from the many nations with whom U.S. policymakers conducted relations. U.S. officials admitted that Chile’s image as a sophisticated democracy accorded the Chileans favored treatment, respect, and measured equality. Also, Chileans effectively exploited their image as a European-like democratic model to attain their national and foreign policy objectives. In reports and memoranda, U.S. officials acknowledged that Chile’s social and economic elites wielded a majority of the levers of power and enjoyed the benefits. Yet U.S. officials also noted that Chile had a comparatively large middle class and that Chile’s middle, working, and lower classes had a larger voice in the political arena than was the case in other

15 For works that cite economics, copper, or strategic geographic sites as primary objectives of U.S. Latin American policy, see David Green, The Containment of Latin America (Chicago: Quadrangle Books, 1971); Petras and Morley, The United States and Chile; and Lars Shoutz, National Security and United States Policy toward Latin America (Princeton: Princeton University Press, 1987).
Latin American nations. U.S. policymakers did not equate their constructed image of Chile as a full representation of the country, nor did they deem it as a mask, veneer, or mere rhetoric.  

Salvador Allende also employed the discourse of Chilean models and exceptionalism, and he openly cast himself as a revolutionary and a democrat. As a Socialist Party founder and leader, Allende admitted that he adhered to the principles of Chile’s “bourgeois democracy” and unwaveringly promoted his revolutionary vision of “la vía pacífica” (“the peaceful road”) to marxist socialism. He said that la vía pacífica would serve as a revolutionary prototype for other developing nations because they could look to Chile and say, “an entire people succeeded in taking into their hands the control of their destiny in order to travel on the democratic road toward Socialism.” Although defining himself as a revolutionary, Allende rejected the road of revolutionary violence — the strategy utilized and promoted by Fidel Castro and Ernesto “Che” Guevara in Cuba — as inapplicable to Chile. Castro deemed Allende’s vision of democratic revolution as unworkable and dismissively told the Chilean that his “guerrilla suit should be made by Christian Dior.” Allende, however, stressed that he could achieve Marxist socialist revolution via the ballot box in Chile, or as Guevara wrote, “the same result by other means.”

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16 The idea that Chile received respect and measured equality from U.S. officials due to its democratic / republican image runs counter to Lars Schoultz’s claim that Latin American inferiority is the “essential core” of U.S. policy. The subject of racism and U.S. policy is discussed more fully in the Conclusion. Historical geographer J. Valerie Fifer shows that U.S. diplomatic officials, entrepreneurs, and investors have long perceived the Southern Cone as distinct from the rest of Latin America. See Schoultz, *Beneath the United States: A History of U.S. Policy toward Latin America* (Cambridge: Harvard University Press, 1998); and Fifer, *United States Perceptions of Latin America, 1850-1930: A “New West” South of Capricorn* (Manchester UK: Manchester University Press, 1991).

For U.S. officials working within the bipolar, zero-sum Cold War context, the threat that Allende posed to the United States was the model and precedent that he would offer as the first democratically elected Marxist leader of a nation — a model and precedent that Allende also sought. For a generation of U.S. policymakers who had witnessed Germany’s democracy elect Adolph Hitler and who had watched Communist members of a coalition subvert a democratically elected government in Czechoslovakia, Allende struck at a core vulnerability of democracy and threatened to blur the binary of U.S. democracy versus Soviet totalitarianism. U.S. officials believed that the “loss” of Chile would cast doubt on U.S. ideology and rhetoric about democracy, legitimate the Communists as an acceptable choice in electoral politics, provide a model for Moscow and its allies, and signify U.S. weakness. For his part, Allende, through his words and actions, often fueled and rarely mitigated U.S. concerns about his objectives and allegiances. For U.S. officials, the Allende threat was not a competing vision of democracy, one that would alter the relationship between the means of production and exercise of political rights; it was the precedent Allende would offer as the first democratically elected Marxist president.

This dissertation tells the tragic and ironic story of how the United States struggled for two and one-half decades to preserve Chile’s democracy and prevent Salvador Allende being elected President of Chile, only to lose that struggle in 1970. The narrative consists of two parts, each divided into four chapters arranged in chronological order. The first part traces the rise of the model democracy premise and the rise of Allende as a preeminent threat to the United States. Chapter 1 details the rise of the model democracy premise during the onset of the Cold War, a

rise that was facilitated by U.S. policymakers’ belief that events in Chile between 1945 and 1948 paralleled events in Europe, not Latin America. Chapter 2 tells how the Truman administration adopted the model democracy premise and bestowed favored treatment to Chile between 1949 and 1952 in order to prevent the “loss” of Chile to rightist, authoritarian General (Ret.) Carlos Ibáñez del Campo. U.S. officials were convinced that Ibáñez would impose a dictatorship, ally with Argentina’s Colonel Juan Perón, and present a propaganda coup to the Communists. Chapter 3 relates how the U.S. hostility toward and the sponsored overthrow of Guatemalan president, Jacobo Arbenz Guzman, reverberated across Chilean politics and U.S.-Chilean relations. It describes how the Left’s response to Arbenz’s demise — led in part by Allende — shifted U.S. policymakers’ attention from Ibáñez and the authoritarian Right to Allende and the Marxist Left. Chapter 4 describes how the United States sought to strengthen Chile’s democracy by aiding the Ibáñez government’s effort to enact the Klein-Saks economic program. Allende, meanwhile, built the Popular Action Front coalition (FRAP — Frente de Acción Popular), rose to be the foremost leader of the Left, and nearly won Chile’s 1958 Presidential election.

Part Two details U.S. policymakers’ struggle to preserve Chilean democracy and prevent Allende’s election as president. Chapter 5 traces the fallout of the 1958 election, from which the United States and Allende concluded that he could gain power through the ballot box. Deeming Allende a threat more dangerous than Fidel Castro, the Eisenhower and Kennedy administrations each tried to impose a reform program upon President Jorge Alessandri. Alessandri subverted both, prompting U.S. officials to embrace and extensively support Christian Democrat Eduardo Frei. Chapter 6 relates how the Johnson administration, with Frei’s victory secured, lost sight of its primary objective: strengthening Chile’s democracy. It focused upon how U.S. aid monies were spent, the mechanics of Frei’s reform programs, and obtaining a special price on copper.
Allende, meanwhile, recast himself as democrat and a revolutionary, and overtly aligned with Havana and Moscow. Chapter 7 discusses how U.S. Ambassador Edward M. Korry arrived in Santiago and found that the Johnson administration’s strategy had alienated many Chileans, including the Frei government. Korry tried to recover U.S. influence by “stepping back” and pursuing a less intrusive, less visible strategy. Allende, meanwhile, rebuilt support for a fourth presidential candidacy among a divided Left, part of which had formally rejected his vía pacífica and embraced the armed road to revolution. Chapter 8 traces how the Nixon administration initially adhered to the model democracy premise until Allende won the 1970 presidential election. Nixon and Kissinger then abandoned the premise to prevent Allende’s inauguration, only to re-embrace and re-frame it for the anti-model that they deemed Allende to be.

As a historian working for the Department of State, the ideas presented here are my own, and do not represent those of the Department of State or the U.S. Government. All sources are available to the public. All translations of Spanish language sources were completed by the author, who bears sole responsibility for their accuracy.
CHAPTER 2
RISE OF A MODEL DEMOCRACY, 1945-1948

Periphery to Battleground

Democracy, specifically Chile’s democracy, was a central concern for U.S. foreign policymakers focusing upon Latin America during the first years of the Cold War (1945-1948). This chapter traces the process by U.S. policymakers formulated the model democracy premise during the transition from World War II to the Cold War. In tracing the rise of a premise that transformed Chile from a peripheral state to a Cold War battleground, this chapter challenges the existing scholarly literature in two ways. First, it asserts that U.S. policy was not “confused and inconsistent,” nor did it focus on anti-communism. Faced with threats from the Right and the Left, U.S. officials navigated a middle, anti-totalitarian course in order to preserve democracy.

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1 This gradual transition agrees with Bryce Wood’s “dismantling” of the Good Neighbor Policy in U.S.-Argentine relations. See Wood, The Dismantling of the Good Neighbor Policy (Austin: University of Texas Press, 1985). Steven Schwartzberg posits a struggle between Cold War liberals and Cold War conservatives, with conservatives gaining the upper hand during Truman’s second term. This chapter and Chapter 2 argue that consistency, not rivalry, characterized Truman administration policy. See Schwartzberg, Democracy and U.S. Policy in Latin America during the Truman Years (Gainesville: University Press of Florida, 2003), xviii, and Chapters 1 and 7.

and political stability in Chile. U.S. officials tolerated the entrance of Communists into the Chilean cabinet in 1946 much as they had done in France. They did not impose a loan and credit embargo on Chile, nor did they pressure Chilean president Gabriel González Videla to remove the Communists from his cabinet or outlaw the Communist Party of Chile (PCCh – Partido Comunista de Chile). Concluding that the PCCh had few ties to Moscow, U.S. officials viewed the Party as strong but committed to the rules of Chilean democracy. Although acknowledging that the Communists could create political instability in Chile, U.S. policymakers considered the authoritarian Right as more dangerous because it might take advantage of political instability and Communist actions in order to install an authoritarian regime in Chile.

Second, this chapter contends that U.S. policymakers framed events and problems in Chile through a “European” lens, not a Latin American one. As Cold War tensions escalated, European developments such as the Greek civil war, the Marshall Plan, and the fall of Czechoslovakia to Communism encouraged U.S. officials to cast Chilean events in European terms. Although Chile and Europe faced different threats, the central U.S. concern was political and economic instability that would allow totalitarians of either extreme of the political spectrum

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3 Andrew Barnard asserts that the United States imposed a credit and loan embargo against Chile and pressured González Videla to “move against” the Communist Party. The documentary record does not support this claim. Barnard, “Chilean Communists, Radical Presidents, and Chilean Relations with the United States, 1940-1947,” 369.

to gain power.\(^5\) When Chile suffered coal shortages and Communist-led miners’ strike in October 1947, U.S. officials compared Chile’s situation to postwar European conditions, and rushed the much-needed coal to Chile in order to avert political and economic instability. The discovery of a right-wing plot to overthrow González Videla’s government in 1948 confirmed U.S. officials in their fears of the Right and political instability. The combined effect of the 1947 coal miners’ strike and the 1948 coup plot solidified the model democracy premise as the foundation of U.S. policy and relations with Chile during the Cold War.

During construction of the model democracy premise, Salvador Allende Gossens merited little concern by U.S. officials, even as he built foundations for his later political success. U.S. officials knew the Socialist Party leader and newly elected senator, understood his policies, and perceived him as a friend of the United States, largely due to the Socialist Party’s hostility to fascism and Communism.\(^6\) Unlike many Socialists, Allende talked to, cooperated with, and defended the Communists, which did not trouble U.S. officials, and between 1945 and 1948, he remained committed to uniting the Left into a broad, Popular Front coalition.

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\(^5\) The U.S. focus on political and economic instability helps to explain why and how U.S. policymakers transitioned so quickly from defining the enemy as Nazism (far Right) to Communism (far Left). See also Thomas Paterson, “Red Fascism: The American Image of Aggressive Totalitarianism,” *Meeting the Communist Threat*, 3-17; and H. W. Brands, *The Devil We Knew: Americans and the Cold War* (New York: Oxford University Press, 1993).

A Meeting of Two Democracies

The post-World War II relationship between Chile and the United States began with an official visit by Chile’s President Juan Antonio Ríos Morales to the White House in mid-October 1945. Ríos had long desired the state visit, and U.S. President Harry S Truman was hosting a foreign leader for the first time. Both men considered the visit a success, and years later, Truman would remember Ríos’s visit with fond memories.  

In public statements and internal documents, U.S. officials emphasized that Chile was a democracy comparable to the United States. Truman consistently read documents describing Chile as “a functioning democracy,” even “the greatest functioning democracy” in South America. His briefing papers characterized Ríos as “a self-made man along American lines” and a man who had grown up on a farm just as Truman had. The Department of State urged Truman to stress to Ríos that U.S. officials “realize and appreciate” the strength of Chile’s democracy, particularly given Chile's “absolute freedom” of the press, speech, and religion, and its “absolute honesty of elections.”

When introducing Ríos, U.S. speakers cited Chile’s “startling similarity” to the United States, asserting that Chile’s political parties “engaged as here in the give and take

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7 Letter, Claude G. Bowers, U.S. Ambassador to Chile, to Harry S. Truman, President of the United States, 26 April 1945, enclosed with Truman to Bowers, 8 May 1945, Folder – 429 (1945-1949), Box 1285, Official Files, Harry S. Truman Presidential Library, Independence, Missouri. Hereafter, cited as HSTL. “Weekly Political Report No. 72 for week ending January 6, 1945,” enclosed in Despatch 11,439, Bowers to Secretary of State, 9 January 1945, 825.00/1-945, Folder 1, Box 5353, Decimal File 1945-1949, Record Group 59, Department of State Records, National Archives II, College Park, Maryland. Hereafter cited as DF 1945-49, RG59, NA. Letter, Truman to Bowers, 19 November 1949, Folder – Chile Folder 1, Box 172, President’s Secretary’s File – Subject File, HSTL. Hereafter cited as PSF-Subject File, HSTL.

8 “Memorandum for the President from Ambassador Bowers,” James F. Byrnes, Secretary of State, to the President, 11 October 1945, 825.001 Ríos, Juan/10-1145, Folder 4, Box 5357, DF 1945-1949, NA. Letter, Bowers to Truman, 26 April 1945. Memorandum, Bowers to the President, n.d. [October 1945], enclosed with Memorandum, Byrnes to Truman, 11 October 1945, Folder 1, Box 172, PSF – Subject File, HSTL. Draft of Speech, n.d. [September 1945], enclosed with Bowers to James A. Farley, Chairman of the Board of the Coca-Cola Export Corporation, 27 September 1945, Folder – 1945, September – October, Box 6, MSS II, Claude G. Bowers Papers, Lilly Library, Indiana University, Bloomington, Indiana. Hereafter cited as Bowers Papers.
of political controversy,” that “politicians hammered each other as is the fashion with our own.” and that “the defeated accept the verdict of the people and do not sally forth with arms to launch a revolution….Chile, like ourselves, had come to the democratic solution in government.”

The repeated invocations of Chile as a stable, U.S.-style democracy were aimed at U.S. ignorance. U.S. Ambassador to Chile Claude G. Bowers lamented “the appalling ignorance” that Americans had of its Latin American neighbors: “We have acted too long on the stupid assumption that all the Latin-American Republics” were alike. He decried newspaper reporters who travelled to Chile to cover elections but wrote nothing because Chileans voted in a peaceful, orderly manner instead of engaging in coups and riots. Chile's foreign minister once asked Bowers, “Is it impossible to persuade your people that Chile is not a dictatorship or totalitarian state but one of the only two bastions of democracy in South America?”

Bowers’s advocacy of Chile as a “bastion of democracy” likely resulted from his experience as U.S. Ambassador to Spain during that country’s civil war (1936-39). A renowned historian, Bowers arrived in Spain during the last years of the Spanish Republic. He was

9 Address at the Banquet given by the Pan American Society in honor of His Excellency, the President of the Republic of Chile, Señor Dr. Juan Antonio Ríos,” Farley, 15 October 1945, enclosed with Letter, Cecil B. Lyon, ARA, to Bowers, 4 March 1946, Folder – 1946, January-April, Box 6, Bowers Papers. Farley, a friend of Bowers, asked the ambassador to write “a few remarks” to introduce Ríos. See Draft of Speech, n.d. [September 1945], enclosed with Bowers to Farley, 27 September 1945.

10 Chile as a firm democracy was the thesis of Bowers’s memoirs on his time in Chile. In the introduction, he wrote, “If I have not succeeded in making this [Chile as a democracy] crystal clear, I have failed in my purpose.” Bowers, Chile through Embassy Windows, 1939-1953 (New York: Simon and Schuster, 1957), 30-31, 30, vi.

11 Bowers, Chile through Embassy Windows, 3-4. Bowers’s most respected and influential works were Jefferson and Hamilton: The Struggle for Democracy in America (Boston: Houghton Mifflin, 1925); The Tragic Era: The Revolution after Lincoln (Boston: Houghton Mifflin, 1929); and Beveridge and the Progressive Era (Boston: Houghton Mifflin, 1932). Jefferson and Hamilton and The Tragic Era were selected for the Pulitzer Prize in History in 1926 and 1930 respectively, but the Columbia University awards committee overruled the jury’s decision both times. Peter J. Sehlinger and Holman Hamilton, Spokesman for Democracy: Claude G. Bowers, 1878-1958 (Indianapolis: Indiana Historical Society, 2000), 114-126.
shocked to find U.S. embassy personnel and U.S. citizens in Madrid “against democracy and republicanism[,] and all seem monarchist[s] of the deepest dye.” His predecessor, U.S. embassy officers, and consuls feared that the Republic, governed by a Popular Front coalition led by Manuel Azaña, would lead to the rise of Bolshevism. Bowers rejected this view and instead warned Washington about General Francisco Franco, the Nationalists, and the support Franco received from Nazi Germany and Fascist Italy. Department of State officers dismissed Bowers as a political appointee and an amateur diplomat, and ignored his warnings. When Franco and his forces defeated the Republicans in 1939, Bowers was recalled to Washington. Upon his return, President Franklin D. Roosevelt and Secretary of State Cordell Hull confessed to him that the United States had made a mistake in Spain and that he had been right all along. Bowers believed that the “great democracies” of the United States and Great Britain had erred by sacrificing the democracies of Spain and Czechoslovakia to the Fascists.12

Appointment by Roosevelt as U.S. Ambassador to Chile, Bowers hoped to have a respite after the Spanish Civil War; instead, he found a nation that, for him, resembled Republican Spain. Like the Spanish Republic, Chile had a broad range of political parties ranging from the National Socialist Movement (MNS – Movimiento Nacional Socialista) to the Communist Party of Chile (PCCh – Partido Communista de Chile). Chile’s republic had been re-established in 1932, after the seven-year dictatorship of General Carlos Ibáñez del Campo, and former

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president Arturo Alessandri Palma (1920-1924) was elected to a six-year term. Chileans closely followed the Spanish Civil War, and which side of the war one supported was an issue during the 1938 presidential campaign. The election resulted in a narrow, surprising victory by Popular Front candidate Pedro Aguirre Cerda of the Radical Party. Aguirre Cerda’s victory was aided by a failed Naci putsch that Ibáñez (also a candidate in 1938) had supported but deemed ill-timed.\textsuperscript{13}

Bowers arrived in Chile the day before Nazi Germany, led by Adolf Hitler, invaded Poland in 1939, and the new U.S. ambassador viewed events in Chile as another struggle against fascism. Many Chileans favored the Allies, due in part to Chile’s long-standing economic and naval ties with Great Britain, but German sympathies were strong. A significant German immigrant population had settled in the southern Central Valley and Lakes district during the mid 19\textsuperscript{th} Century, and their descendants had gained wealth and married into Chile’s political and economic elite. German cultural, economic, and educational ties flourished, and German military officers had trained Chile’s army since 1885. In some ways, the division of opinion within Chile in the early years of World War II might be compared to the division of opinion within the United States during the initial years of World War I.\textsuperscript{14}


What was a clear decision for the United States in 1941 – declaring war against the Axis Powers – was a muddled one for Chile. Elements with pro-German and neutralist sympathies, especially among elite circles, were encouraged by Hitler’s early victories. According to Bowers, Nazi spies and agents were entering Chile and a fifth column was being organized by a German embassy officer. A significant amount of pro-Axis propaganda was printed and aired in Chile, and the Communists added their own anti-capitalist propaganda until Hitler invaded the Soviet Union in 1941. In December 1941, the same month that the United States suffered the Japanese attack on Pearl Harbor, Chilean President Aguirre Cerda died. Aguirre Cerda’s death and the subsequent 1942 presidential campaign postponed Chile’s decision to enter the war. Ibáñez, who was again a presidential candidate, received at least $100,000 of German support, and some of his most vocal supporters were Chilean Nacis. The other candidate, Juan Antonio Ríos of the Radical Party, received support from Arturo Alessandri and a united Left, which included Salvador Allende’s Socialist Party and the Communist Party. Ríos won the 1942 election handily with 56 percent of the vote. German Nazis actively engaged in espionage in South America, and revelations of such espionage in Chile led Ríos to break relations with the Axis powers in January 1943, and enter the war two years later.15

Despite its delayed break with the Axis, Chile incurred no lingering anger or resentment from U.S. officials, and that may be a testament to Bowers’s diplomacy. Bowers knew that Washington officials were frustrated with Chile, but he framed the situation as a basic issue of

democracy versus dictatorship. Bowers asserted that those who had criticized Chile but praised dictators who quickly broke relations with the Axis “ignored the very essential fact” that as a democracy Chile could not make such an important decision by a dictator’s “scratch of a pen.”  

Bowers’ references to Chile as a democracy fell upon sympathetic ears. Throughout the first years of the Cold War, several leading Department of State policymakers had served at the U.S. Embassy in Chile. Norman Armour, Bowers’ predecessor as U.S. Ambassador to Chile and scion of the meatpacking family, served as Assistant Secretary of State for Political Affairs in June 1947 to July 1948, a position which assumed the duties of the Assistant Secretary of State for European Affairs and the Assistant Secretary for American Republic Affairs. Robert F. Woodward, Deputy Director of the Office of American Republic Affairs (ARA), was another

16 Historian Michael J. Francis asserts that Bowers avoided “bring[ing] too many unpleasant realities to the government in Santiago.” This seems to underestimate the influence that Bowers’ experience in Spain exerted upon his approach toward Chile. The Nazis were active in Chile, and while Nazi Germany was militarily successful, pro-German and neutralist sympathies were strong, particularly in some elite circles and sections of the country. Bowers sought to avoid a replay of the Spanish Republic, and it is perhaps a testament to his skill as a translator of U.S. wartime demands to Santiago and Chilean political dynamics to Washington that U.S. officials showed no ill feelings toward Chile after the war. Francis, The Limits of Hegemony, 22-23, 103-126, quote on 113; and Mount, Chile and the Nazis.

17 Ellis O. Briggs, Proud Servant: Memoirs of a Career Ambassador (Kent OH: Kent State University Press, 1998), 145. Matthew Jacobs suggests that “a loose assemblage” or network of academics, government officials, “businessmen, journalists, and members of the American educational and missionary communities” who had an intimate knowledge of the Middle East and shaped U.S. policy towards the region. This also applies to Chile. Several leading officials in the Department of State’s Division of American Republic Affairs (ARA) had served at the U.S. Embassy in Santiago and were very familiar with Chile and its political system. They also knew or read several of leading scholarly works on Chilean politics by Ernest Halperin, S. Cole Blasier, Michael Francis, Paul Sigmund, among others. This led to a highly informed cohort of policymakers for Chile and its affairs. See Matthew F. Jacobs, “Constructing the Middle East: Networks, Frameworks, and U.S.-Middle East Relations, 1945-1967,” Ph.D. dissertation, University of North Carolina – Chapel Hill, 2002, p. 7.

18 Schwartzberg claims (mistakenly) that the position of Assistant Secretary of State for American Republic Affairs remained vacant from Spruille Braden’s departure in June 1947 until Edward G. Miller, Jr.’s assumption of the office in 1949. Norman Armour was confirmed as Assistant Secretary of State for European Affairs and American Republic Affairs on 10 June 1947, and he held the position until he resigned on 15 July 1948. See Schwartzberg, Democracy and U.S. Policy in Latin America during the Truman Years, 193; Department of State Bulletin XVI/416 (22 June 1947): 1253; and Department of State Bulletin XIX/476 (15 August 1948): 213.
former U.S. Ambassador to Santiago. Sheldon Mills had served as Chief Economic Officer at the Embassy in Santiago before becoming Chief of the Division of North and West Coast Affairs in the Bureau of American Republic Affairs (ARA). Ellis Briggs had been as Bowers’ Deputy Chief of Mission before becoming an assistant to Armour, and Milton “Mike” Barall, the Chile Desk Officer and later Chief of the Division of North and West Coast Affairs, had earlier served as a political officer at the U.S. Embassy in Chile.  

Besides a cohort of officials knowledgeable about Chile in prominent policy-making positions, Bowers regularly corresponded with senior policymakers, ensuring that Chile’s affairs received a thorough, sympathetic hearing in the Department of State and the White House. He wrote President Truman on a regular basis, sending him copies of his memoranda and letters to ARA. Truman read Bowers’ letters and memoranda, noting that he “always” appreciated hearing from Bowers. Perhaps indicating the influence of Bowers’ correspondence, Truman described Chileans as “really interested in free government,” and expressed a desire to visit Chile. Bowers’ letters to Spruille Braden began when Braden served as U.S. Ambassador to Argentina and continued after Braden became Assistant Secretary of State for American Republic Affairs in late 1945. Bowers initiated a similar correspondence with Edward G. Miller, Jr., the Assistant Secretary of State for Inter-American Affairs during Truman’s second term.


20 Letter, Truman to Bowers, 19 November 1949, Folder – Chile [Folder 1], Box 172, PSF – Subject File, HSTL. The President discussed a visit to Chile and South America with Secretary of State Dean Acheson and Assistant Secretary of State Edward Miller. See Memorandum of Conversation, “Meeting with the President, Acheson, 20 October 1949, Folder – Memoranda of Conversations October-November 1949, Box 65, Dean Acheson Papers, HSTL. For Truman reading Bowers’ memoranda, see Letter, Truman to Bowers, 16 September 1946; and Letter, Truman to Bowers, 30 September 1946; both Chile [Folder 1], Box 172, PSF – Subject File, HSTL.
Bowers also exerted an influential voice when Department of State officials determined postwar policy towards Latin America. Just before Nazi Germany’s surrender to the Allies, and amid the department’s post-war planning, U.S. Ambassador to Cuba Spruille Braden strongly insisted that U.S. policy should overtly favor democracies over dictators. In a 5 April 1945 despatch titled “Policy re: Dictatorships and Disreputable Governments,” Braden asserted that not only was U.S. support for dictators and authoritarian regimes contrary to declared objectives and U.S. rhetoric, but it was also creating sympathy and converts for Communism. Braden urged that the United States demonstrate its preference for democracy by being “tolerant, patient, and generous” towards democracies. Meanwhile, U.S. officials should treat dictators with an attitude of “aloof formality,” refuse to grant them material or moral aid, and demand that dictators fulfill their agreements and commitments to the letter.  

Believing that Braden’s recommendations merited broader discussion, Under Secretary of State Joseph Grew sent the “Braden Memorandum” to other U.S. ambassadors in Latin America for comment, including Bowers. In his response, Bowers declared his “complete approval” for Braden’s recommendations, but he reminded the Department that the recent defeat of Nazi Germany and Fascist Italy did not signify an end to the threat from the authoritarian Right. He noted that four groups remained “instinctively hostile” to democracy and the United States: Latin American followers of Franco, authoritarian military elements, large landholders, and German communities in South America. The postwar era, Bowers said, gave the United States a

unique opportunity to take a clear stand against dictatorships. The Latin American middle, working, and lower classes were “craving” democracy; moreover, the Good Neighbor policy and U.S. military achievements had fostered a “better understanding and a greater appreciation of the United States.” “Not only are we in a position now to take a strong stand against non-democratic regimes and elements,” added Bowers, “but millions in South America expect our leadership.”

Bowers did not discount the threat of Communism; instead, he viewed Latin American support for Communism as less a matter of ideology and more a matter of circumstances. He blamed “overprivileged” elites who were “refusing to concede anything to the man below” and as a result, poverty and misery fostering local support for Communism. A Communist in South America, he wrote, “understands [Communism as] something extremely opposite to the system under which he suffers and he joins the communists as a protest…convinced that nothing could be worse than his present state.” He asserted that the United States could best stem Communism by assisting Latin American nations in raising the masses’ living and working standards.

Braden’s and Bowers’s comments reveal that U.S. officials perceived two threats in the Southern Cone during the postwar transition: one threat from dictators and the anti-democratic Right, and the other from the Communists, and they deemed them equally dangerous. Under Secretary Grew praised Bowers’ comments during a meeting of the Department’s principal officers, saying that the comments fit “precisely with my own thinking.” Braden, Bowers, and Grew agreed upon the dangers of the Rightist and Leftist threats, but, Bowers suggested that the


anti-democratic Right might be more dangerous, especially if the United States continued to support authoritarian regimes and show a “Pickwickian” commitment to democracy in Latin America. The Department of State had not yet shifted its focus exclusively to Communism as the preeminent danger to the region, and for this reason, the democracies versus dictators question came under “intensive consideration.”

U.S. concern for Rightist and Leftist threats in South America remained constant during 1946 and 1947. During late 1946, the Bureau of American Republic Affairs (ARA) was drafting a new policy paper for Latin America, a final version of which George C. Marshall received when he became Secretary of State in January 1947. In the paper, ARA officials stressed that the United States should continue enforcing anti-Axis measures, and avoid strengthening “cruel and corrupt” dictatorships or “permitting the United States to become identified” with them. The paper also viewed Latin American Communism as a homegrown development, not a tool of Moscow, and that “any general attack against local Communist movements or their sources of inspiration” was “undesirable.” However, the United States might act against the Communists if Communist activities “endanger[ed] inter-American solidarity or security.”

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As U.S. policy towards Latin America shifted to anti-totalitarianism, the Department of State and the U.S. Embassy in Santiago disagreed over the degree to which Argentina’s populist leader Colonel Juan Perón could exert influence in Chile. For Department officials, Perón embodied much of the Rightist threat in South America, particularly his efforts to create an anti-U.S. bloc. Bowers, however, considered Chilean authoritarian groups more dangerous, and he discounted Perón’s ability to exert political influence in Chile. “The average Chilean,” Bowers wrote, “is not friendly to Argentina and would prefer to play the United States against that country for the sole benefit of Chile.”26 In fact, Bowers noted, the Chileans were more interested in a military alliance with the United States. Chile’s Under Secretary of Foreign Affairs had suggested the idea during the war, and a Chilean official had asked the U.S. military attaché how the United States would respond should Chile “be attacked by an American nation like Argentina acting as an agent of Nazis.” Bowers did not dissuade Washington, and during their briefing of the president, Department officials suggested that should the topic of Perón and Argentina arise during Ríos’ visit, Truman should express that “we hope that Chile will not court Argentina.”27

When Ríos met Truman in October 1945, the Chilean president invoked the Rightist and Leftist threats to obtain economic and military assistance. Ríos expressed concern that the


27 Bowers Diary, 16 January 1945, Volume 8: 260-261, Bowers Papers. Memorandum of Conversation, Donald R. Heath, Counselor of Embassy, 12 June 1942, enclosed with Despatch 3598 “Transmitting Memorandum of Conversation between Chilean Under Secretary of Foreign Affairs and Counselor of Embassy,” Bowers to Department of State, 12 June 1942, Folder – Chile, Box 14, John F. Melby Papers, HSTL. Memorandum “Visit of President Ríos,” Byrnes to the President, 11 October 1945, 825.001 Ríos, Juan/10-1145, Folder 4, Box 5357, DF 1945-49, RG59, NA.
Communists might charge that the United States had taken advantage of Chile during the war: the United States had obtained Chile’s copper and nitrates at “pre-war prices” and then allowed Chile to suffer unemployment and economic recession when U.S. postwar needs for those materials declined. The United States could stem this charge, said Ríos, by providing Chile with machinery and equipment, and encouraging private capital investment in Chile. Ríos later invoked the Argentine threat to propose that Chile and the United States sign bilateral agreements to increase protection of the Straits of Magellan by placing airfields and anti-aircraft equipment in the area. U.S. officials were interested in the Straits of Magellan proposal and later assisted the Chileans with the airfields and equipment.28

Ríos’s pleas for development assistance did not receive a sympathetic hearing in Washington, primarily because of Chile’s foreign debt problems. Department of State officials opposed new loans to Chile, asserting that Chile’s nearly $62 billion of debt (approximately $2,160 pesos per Chilean) was “as much or more than Chile can be expected to service during the next few years.”29 Another impediment was a group of bonds on which Chile had defaulted in 1931, and Chilean officials had not yet negotiated a settlement. Nine months after Ríos’s visit (June and July 1946), department officials cited dim forecasts for the postwar demand for copper and nitrates as another impediment. Moreover, the U.S. Embassy in Santiago did not know if the

28 Airfields and anti-aircraft weapons were not covered by a Chilean-Argentine treaty that prevented fortification of the straits. Memorandum of Conversation between Ríos, Truman, and Byrnes, Spruille Braden, Assistant Secretary of State for American Republic Affairs, 16 October 1945, 825.00B/10-1645, Folder 3, Box 5355, DF 1945-49, RG59, NA. Telegram 81, Bowers to Edward G. Miller, Jr., Assistant Secretary of State for Inter-American Affairs, and Ames on, 9 September 1952, 725.00/9-952, Folder 2, Box 3313, DF 1950-54, RG59, NA.

29 Memorandum, “Topics for Possible Discussion with President Ríos of Chile,” Byrnes to the President, 10 October 1945, Folder – Chile [Folder 1], Box 172, PSF – Subject File, HSTL. Memorandum, D. M. Phelps to Collado, Thorp, and Clayton, 20 September 1945, 825.51/9-2045, Folder 5, Box 5366, DF 1945-49, RG59, NA. “Ahora cada Chileno debe $2,160 en el extranjero”, Ercilla, 7 January 1947, p. 8.
Chilean government had “ever drawn up a carefully-constructed over-all credit program closely relating the country’s really essential needs with its ability to pay for them.”

Ríos and Truman considered the visit a success, and the most successful aspect was the symbolic message that the visit signaled about U.S. postwar foreign policy. As Truman’s first official White House guest since taking office six months earlier (April 1945) – state visits were rare before 1950 – Ríos underlined the larger U.S. struggle against totalitarianism and postwar preference for democracies. By casting Ríos’s visit as a meeting between the presidents of two democracies, U.S. officials utilized and emphasized the symbolism offered by Chile and its political system. The visit also underscored the democracies’ victory over fascist totalitarian regimes and the wartime cooperation of the American republics. Finally, intra-administration discussions of development aid and the refusal to grant new loans indicate that U.S. officials recognized Chile’s debt problems, and sought to assist Chile in resolving its financial problems and ensuring its economic stability.

Accepting a Popular Front President

U.S. expectations for postwar political stability and normalcy in Chile were dashed by an unanticipated presidential election. In January 1946, barely three months after his White House visit, Ríos was diagnosed as having an advanced, terminal form of cancer. He named Radical Party Senator Alfredo Duhalde Vásquez as Vice-President and transferred all presidential duties.
to him. As Ríos’s health declined, Chilean political parties and leaders turned their attention away from the issues of debts, development assistance, and Chile’s postwar future, and began preparing their parties for the upcoming presidential campaign. Upon Ríos’ death on 27 June 1946, Duhalde scheduled the presidential election for 4 September 1946.

The election created a dilemma for Salvador Allende Gossens and the Socialist Party (PS — Partido Socialista de Chile). Recently elected to his first term in the Senate, Allende sought to reconstruct the Popular Front coalition of the 1938 and 1942 elections, whereby Socialists, Radicals, and Communists would join together to offer a single candidate for the 1946 election. Vice President Duhalde, however, had presidential ambitions. Even though the Radical Party, of which Duhalde was a member, had nominated Gabriel González Videla as its candidate, Duhalde announced in July 1946 that he would enter the presidential race. He soon gained support from many Socialists, which foreclosed a rebuilding of the Popular Front. Duhalde campaigned for a month but then withdrew in early August when the lack of popular support for his candidacy became apparent. Stung by Duhalde’s withdrawal, the Socialist Party met in mid-August to

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31 Between 1932 and 1973, Chile did not have a formal vice-president. If the president needed to travel outside the country or take a medical leave, he named a vice-president to assume presidential duties in his absence. Generally, this person was the Minister of the Interior. Frederico G. Gil, *The Political System of Chile* (Boston: Houghton Mifflin, 1966), 92-93. “Vuelve a La Moneda,” *Zig-Zag* XLI/2131 (24 January 1946): 5. Political Report No. 109, B. H. Garrison, 24 January 1946, attached to Despatch 13,382, Bowers to Secretary of State, 24 January 1946, 825.00/1-2446, Folder 2, Box 5353, DF 1945-49, RG59, NA.

32 Bowers, *Chile through Embassy Windows*, 325-326. Memorandum “President Ríos – Struggling with the Rightists, Chile,” J. Edgar Hoover (Director of the FBI) to Frederick Lyon, Chief of Division of Foreign Activity Correlation, Department of State, 26 December 1945, 825.00/12-2645, Folder 2, Box 5353; Letter, Bowers to Braden, 23 January 1946, 825.00/1-2345, Folder 2, Box 5353; and Memorandum “President Juan Antonio Ríos, Chile,” Hoover to Cecil Lyon, 29 January 1946, 825.001 Ríos, Juan A., Folder 5, Box 5357; all DF 1945-49, RG59, NA. Memorandum, Garrison, 25 January 1945, attached to Despatch 11,548, Bowers to Secretary of State, 25 January 1945, 825.00/1-2545; and Weekly Political Report #72, Garrison, 9 January 1945, attached to Despatch 11,439, Bowers to Secretary of State, 9 January 1945, 825.00/1-945; both Folder 1, Box 5353, DF 1945-49, RG59, NA. Military Intelligence Division [MID – Army], “Ríos’ Death Causes Increased Political Activity,” *Intelligence Review* 21 (5 July 1946): 48-49, in Folder – July, 1946 [Nos. 21-24], Box 18, Staff Member and Office Files -- Naval Aide to the President Files, HSTL.
determine which candidate they would support. As a leader of the “gabrielista” wing, Allende
advocated supporting Gabriel González Videla, which in effect, would recreate the Popular Front
because the Communists had already decided to back González Videla’s candidacy. 33

As indicated by his efforts to rebuild the Popular Front, Allende had already emerged as a
prominent Socialist Party leader, but his rise had begun two decades earlier. As a student, he had
exelled in his studies and athletics, becoming a national youth champion in the decathlon and
swimming. In 1927, he was elected president of the Academy of Medical Students, and the
following year, he led a group of students in opposition to the dictatorship of General Carlos
Ibáñez del Campo, who had been in power since 1924. Allende also collaborated with the
Communists to form the student political group Avance. In 1930, as president of the medical
students’ union, Allende was elected Vice-President of the umbrella student union, the
Federation of Chilean Students. As such, he was a leader of the 1931 student protests that helped
to bring down Ibáñez’s dictatorship during the economic crisis that was the Great Depression. 34

After Ibáñez’s fall, Allende became a “rising star” in the Socialist Party. He supported the
twelve-day Socialist Republic in 1932 and was briefly jailed when it collapsed. During his
arrest, Allende’s father became seriously ill and died, and at the funeral, the son dedicated his
life to “the social struggle.” In 1933, Allende helped found the Socialist Party and was Regional

33 Ercilla, 20 August 1946, p. 8. “El pleno nacional de Partido Socialista proclamo candidato a don Bernardo

34 Jose G. Martínez Fernández, Allende: Su vida, su pensamiento (Santiago: Ediciones Palabra Escrita, 1988), 17-
Nacional Autónoma de México, 1980), 4-6. Régis Debray, The Chilean Revolution: Conversations with Allende
Life…and Afterlife,” Socialism and Democracy 19/3 (November 2005): 130-134. Correa et al., Historia del siglo
XX chileno, 106-107. For the 1931 fall of Ibáñez’s dictatorship, see Ernesto Würth Rojas, Ibáñez, Enigmático
Caudillo (Santiago: Editorial del Pacifico, 1958), 162-171; and Monteón, Chile and the Great Depression, 44-46.
Secretary for Valparaíso. He advocated collaboration with other parties and worked to create the 
Popular Front with the Radical, Communist, and Radical-Democrat Parties. He was elected to 
the Chamber of Deputies from Valparaíso in 1937, and as a deputy, was involved in one of the 
Socialists’ several clashes with the Nacis. In 1938, Allende directed “in a magnificent manner” 
the campaign for Popular Front presidential candidate Pedro Aguirre Cerda in Valparaíso. 
Aguirre Cerda named him Minister of Health in 1939, a post that Allende held until he resigned 
in 1941, and during which he published his landmark study on public health, *The Chilean 
Medical-Social Reality*. In 1943, party members elected Allende to be Secretary General of the 
Socialist Party. During the 1940s, Allende developed ties with other popular socialist leaders in 
the region, including Peru’s Victor Raúl Haya de la Torre and Venezuela’s Rómulo Betancourt. 
Then in 1945, Allende won a Senate seat in the Ninth Agrupación, which included Chile’s 
southernmost provinces of Osorno, Valdivia, Llanquihue, Chiloé, Aysén, and Magallanes.35 

For the 1946 Presidential election, Allende and the gabrielistas did not succeed in 
persuading the Socialist Party to endorse González Videla and thereby rebuild the Popular Front. 
Some Socialists favored Fernando Alessandri Rodríguez, the Liberal Party candidate; however, 
Allende and the “gabrielistas” opposed supporting a Rightist candidate. Several anti-communist 
members threatened to leave the party if it backed González Videla, who had made an alliance

35 Letter, Pedro Aguirre Cerda to Oscar Schnake Vergara, Rolando Merino Reyes, and Salvador Allende Gossens, [5 
March?] 1941, Epistolario de Pedro Aguirre Cerda (1938-1941) (Santiago: Ediciones de la Dirección de Biblioteca 
Archivos y Museos and LOM Ediciones, 2001), Leonidas Aguirre Silva, ed., 134-135. Witker, Salvador Allende, 4- 
electoral de Chile*, 84. For clashes with the Nazis, see Deutsch, *Las Derechas*, 155-187. Allende, *La realidad 
médico-social chilena* (Santiago: Editorial Cuarto Propio, 1999 [1939]). For the book’s influence on public health, 
see Karin Alejandro Rosemblatt, *Gendered Compromises: Political Cultures and the State in Chile, 1920-1950* 
with the Communists. The party compromised by nominating Bernardo Ibáñez Águila (no relation to General Ibáñez), who had succeeded Allende as Secretary General and was President of the Chilean Workers Federation (Confederación de Trabajadores de Chile). Entering the race about two weeks before election day, Bernardo Ibáñez had little hope of winning. Allende was named “Jefe Regional” of Ibáñez’s campaign in the Los Lagos (“The Lakes”) region, which included the cities of Valdivia, Osorno, and Puerto Montt, as well as the island of Chiloé, areas which comprised the northern half of his senatorial agrupación.36

Allende’s and the gabrielistas’ inability to rebuild the Popular Front was symptomatic of the disintegration of the Right-Left framework that had emerged after Ibáñez’s dictatorship. The broad coalitions of the Left and Right were fracturing, and the Rightist parties, like the Left, had failed to unite and offer a single candidate. Two candidates, Fernando Alessandri and Eduardo Cruz-Coke, vied for votes among the Chilean Right during the 1946 election. Alessandri was the son of former president Arturo Alessandri and candidate of the conservative Liberal Party.37 Bowers considered him “a clean, decent, and fairly able youngish man” who could “make a good President,” but the general belief was that he would be dominated by his father. The U.S. Embassy deemed Dr. Cruz-Coke, candidate of the Conservative Party and progressive Catholic


37 The Liberal (right/conservative), Conservative (right/conservative/Catholic), and Radical (center-left/progressive) parties have their origins in 19th Century political debates. The debates focused upon decentralized versus centralized government, the relationship between the State and Catholic Church, and promotion of industrialization and development. Benjamin Keen and Keith Haynes, A History of Latin America, Sixth edition (Boston: Houghton Mifflin, 2000), 185-187, 207-211; Bethell, Chile Since Independence, 2-11, 34; and Collier and Sater, A History of Chile. See also Benjamin Vicuña Mackenna, The Girondins of Chile: Reminiscences of an Eyewitness (New York: Oxford University Press, 2003), Cristián Gazmuri, ed., John H. R. Polt, trans.
Falange, as “unquestionably” the best candidate. Bowers described him as “brilliant, able, progressive,” and the only Conservative who talked with the Socialists and Communists.  

Gabriel González Videla was the most problematic of the presidential aspirants for the United States, largely because he had cultivated Communist support.  

From the northern coastal city of La Serena, González Videla had served as President of the Chamber of Deputies, Ambassador to France and later Brazil, and head of Chile’s delegation to the 1945 San Francisco Conference, which created the United Nations. U.S. officials knew that González Videla had been a “militant democrat,” strongly anti-Perón, and pro-United States in the past; however, his cooperation with the Communists had caused them to reconsider. He made campaign trips with PCCh Secretary General Carlos Contreras Labarca, and adopted an “anti-American imperialist” theme for his campaign. Close friends of González Videla assured U.S. embassy officers that González Videla would not allow himself to be dominated by the Communists if he was elected, but the assurances did not ease U.S. concerns.

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38 Correa et al., Historia del siglo XX chileno, 192-193. For short biographies of the candidates, see “Biografías de los candidatos,” La Nación, 4 September 1946, p. 9. Letter, Bowers to Braden, 22 April 1946, Folder – 1946, January – April, Box 6, Bowers Papers. Letter, Bowers to Braden, 29 August 1946, 825.00/8-2946, Folder 3; and Letter, Bowers to Braden, 23 January 1945, 825.00/1-2346, Folder 2; both Box 5353, DF 1945-49, RG59, NA.

39 With many Chilean double last names -- the paternal family name then the maternal family name -- the maternal name is often dropped, e.g. Salvador Allende [Gossens]. In Gabriel González Videla’s case, this rarely occurs.

40 Letter, Bowers to Braden, 23 January 1946, 825.00/1-2346. Letter, Bowers to Nelson Rockefeller, Assistant Secretary of State for American Republic Affairs, 9 April 1945, Folder – 1945, March – May, Box 6, Bowers Papers. Weekly Political Report No. 83, 4 April 1945, attached to Despatch 11,896, Bowers (Garrison) to Secretary of State, 4 April 1945, 825.00/4-445, Folder 1, Box 5353, DF 1945-49, RG59, NA. Letter, Bowers to Braden, 22 April 1946, Folder 2, Box 5353, DF 1945-49, RG59, NA.

41 Letter, Bowers to Braden, 5 August 1946, Folder – 1946, July – August, Box 6, Bowers Papers. Letter, Bowers to Braden, 10 May 1946, 825.00/5-1046; Letter, Bowers to Braden, 29 August 1946, 825.00/8-2946; Despatch 14,351 “Political Report No. 128,” Bowers (Garrison) to Secretary of State, 22 August 1946, 825.00/8-2246; and Letter, Braden to Bowers, 9 September 1946, 825.00/8-2946; all Folder 3, Box 5353, DF 1945-49, RG59, NA.
Despite reservations about González Videla, U.S. officials did not view Communism as a serious threat in Chile. U.S. intelligence analysts and Department of State officials considered the “highly-disciplined” PCCh as probably the strongest — or at minimum, one of the three strongest — Communist parties in Latin America (Brazil and Cuba were the others). U.S. officials admitted that the PCCh possessed “the greatest potential for working against US interests” and was the only Latin American Communist party capable of paralyzing a nation’s economy. This potential, U.S. analysts and officials agreed, was mitigated by the fact that the PCCh had “few direct ties” to Moscow, would make no revolutionary bid for power in the near future, and would continue to work within the rules of Chile’s democracy. Furthermore, the U.S. Embassy admitted that working and economic conditions in Chile had warranted most labor strikes and that the Communist labor leaders had “acted with relative restraint.”

Embassy and ARA officers agreed it was essential that neither they nor U.S. companies involve themselves in the presidential election lest they create unnecessary trouble for themselves. Representatives from each of the four campaigns had solicited money from the U.S. Embassy, embassy personnel, and U.S. businesses operating in Chile. With Washington’s support, Bowers forcefully – and successfully – had directed “all of our people” to keep their

42 For quote, see Situation Report 9 “Chile,” Central Intelligence Agency (CIA), 1 September 1947, Folder - Situation Reports (9-10), Box 259, PSF -- Intelligence Files, HSTL. For State Department and US intelligence knowledge of the PCCh, see Attachment D “Communism in Latin America,” enclosed with Memorandum “Immediate Policy Matters,” January 1947, Folder - Policy-Position Papers 1945-49, Box 6, Subject File 1945-1956, Records for the Deputy Assistant Secretary of State for Inter-American Affairs, 1945-56, RG59-Lot, NA. ORE 16 “Soviet Objectives in Latin America,” Central Intelligence Group (CIG), 10 April 1947; ORE 16/1 “Soviet Objectives in Latin America,” CIA, 1 November 1947; and Enclosure B “Dissent of the Office of Naval Intelligence” of ORE 16/1; all located in Folder O.R.E. 1947 (15-17, 19-21), Box 254, PSF – Intelligence Files, HSTL. Telegram, Hoover to Cecil Lyon, 29 December 1945, 825.00/12-2945; and Letter, Bowers to Braden, 28 March 1946, 825.00/ 3-2846; and Report on Political Conditions in Chile, 31 October 1945, p. 2, enclosed with Despatch 13,005, Hugh Millard, Chargé d’Affaires, to Secretary of State, 31 October 1945, 825.00/10-3145; all Folder 2, Box 5353, DF 1945-49, RG59, NA.
hands, opinions, and pocketbooks out of the election. He threatened “drastic action against anyone” who violated his instructions and told U.S. businessmen that “if they take part or make contributions…they will forfeit their right of protection…if they get in trouble.” On the day of the election, the Department congratulated Bowers and embassy staff for the “completely disinterested” posture they had maintained during the election.  

González Videla won a plurality by a margin of 48,000 votes, but not a majority. Since no candidate received a majority, the election went to Congress, which then voted between the first and second place candidates. Congress’s vote was not in doubt because nearly all Chilean leaders, including Cardinal José María Caro, accepted and congratulated González Videla on his victory. Congress ratified González Videla as the winner by a vote of 136 to 46. The calm, grace, and orderliness by which the events transpired prompted Assistant Secretary Braden to remark that the Chileans had “impressed” him with their political wisdom and their conduct of a close, hotly contested election. Braden’s sentiments were representative of U.S. officials.

After the election, González Videla assured U.S. officials of his pro-U.S. orientation. He pledged to remain a steadfast friend of the United States, and said that Chile’s future relied upon increased investment from and closer economic ties with the United States. He also stressed that

43 Letter, Bowers to Braden, 12 August 1946, 825.00/8-1246; Letter, Bowers to Braden, 5 August 1946, 825.00/8-546; Letter, Bowers to Braden, 29 August 1946, 825.00/8-2946; and Telegram 799, Bowers to Secretary of State, 5 September 1946, 825.00/9-546; all Folder 3, Box 5353, DF 1945-49, RG59, NA. Letter, Braden to Bowers, 9 September 1946, 825.00/8-2846. For the election, see Drake, *Socialism and Populism in Chile*, 281-283.

he would not allow the Communists to dominate him or his government. González Videla emphasized these points to his friend Admiral William Leahy, who headed the U.S. delegation for González Videla’s inauguration. He told Leahy that Chile’s Communists were like French Communists: they were committed to democracy, national union, and peaceful coexistence. Leahy informed Truman of González Videla’s assurances when he returned to Washington.

González Videla further eased U.S. concerns about Chile’s political stability by forming a “national cabinet” composed of parties from the Left and Right, not just parties of his electoral coalition. The tactic was not new; Ríos had also used a “national cabinet.” Despite Communist opposition, González Videla convinced the rightist Liberal Party — the “laissez faire, ‘big business boys’” as Bowers called them — to join his cabinet. The cabinet was an odd mix: three Liberals (right), four Radicals (center-left), three Communists (left), and one technocrat.

45 Bowers Diary, 20 September 1947, Volume 8: p. 363, Bowers Papers. Telegram, Bowers to Acheson and Braden, 13 September 1946, 825.001 González Videla, Gabriel / 9-1346; and Letter, Bowers to Braden, 9 September 1946, p. 2, 825.001/9-946; both Folder 1, Box 5358, DF 1945-49, RG59, NA. Letter, Bowers to Truman, 12 September 1946, p. 2, attached to Letter, Truman to Bowers, 30 September 1946, Folder - Chile [Folder 1], Box 172, PSF -- Subject File, HSTL. Despatch 14,739, Bowers to Secretary of State, 20 December 1946, p. 2, 825.00/12-2046, Folder 4, Box 5353, DF 1945-49, RG59, NA. Letter, Bowers to Norman Armour, Assistant Secretary of State for American Republic Affairs, 14 July 1947, enclosed with Bowers to Truman, 21 July 1947, Folder - Chile Folder 1, Box 172, PSF--Subject Files, HSTL. Assurances again were made six months later. Memorandum of Conversation, Braden with del Pedregal, 18 April 1947, 825.00/4-1847, Folder 4, Box 5353, DF 1945-49, RG59, NA.

46 González Videla, Memorias, I: 519-520. Admiral William Leahy and González Videla became friends while serving as their country’s diplomat to Vichy France. Letter, Bowers to Braden, 2 October 1946, 825.001 González Videla, Gabriel/10-246, Folder 1, Box 5358, DF 1945-49, RG59, NA. Notes on Chilean Visit, Leahy, 1-6 Nov 1946, attached to “Translation of Parts of a Speech Made by President Gonzales of Chile at his Inaugural Banquet,” n.d. [Nov 1946], Folder -- Chile [Folder 1], Box 172, PSF -- Subject File, HSTL.

Salvador Allende unsuccessfully tried to persuade the Socialists to join González Videla’s “national cabinet.” The Socialists’ decision on whether to join the cabinet was soon linked to the outcome of the party’s election for a new Secretary General. As a candidate, Allende urged his fellow Socialists to join with González Videla and become an “active partner” in the government. Raúl Ampuero Díaz, the other candidate, rejected Allende’s position and asserted that the PS should support the president but stay out of the cabinet. When the votes were cast, Ampuero won by five votes. With Ampuero as Secretary General, the PS pledged its support to González Videla, but refused to accept cabinet posts.48

The fact that Communists would serve in González Videla’s cabinet bothered U.S. officials much less than one might anticipate given the United States’ escalating postwar tensions with the Soviet Union. U.S. officials recognized that González Videla owed his margin of victory to the Communists and that he would have to include them in his cabinet. They also expected the PCCh, under the leadership of Secretary General Contreras Labarca, to adhere to the Popular Front strategy. After the Communists complained about his talks with the Liberals, González Videla “bluntly told” them that he would act on his own initiative and would “make decisions…without consulting the leaders of other parties including the Communists.” Bowers concluded, “The communist danger seems to me at this moment to be very much on the wane.”49

48 González Videla, Memorias, I: 492. Despatch 14,613, Bowers to Secretary of State, 14 November 1946, 825.00/11-1446, Folder 4, Box 5353, DF 1945-49, RG59, NA. Drake, Socialism and Populism in Chile, 282-283.

49 Letter, Bowers to Braden, 4 December 1946; and Letter, Bowers to Braden, 18 December 1946; both Folder – 1946, November – December, Box 6, Bowers Papers. Bowers to Braden, 2 October 1946, 825.001 González Videla, Gabriel / 10-246, Folder 1, Box 5358; and Bowers to Acheson, 14 October 1946, 825.00/10-1446, Folder 4, Box 5353; both DF 1945-49, RG59, NA.
Adopting a posture of “watchful waiting,” U.S. officials did not fully recognize the key changes in Communist leadership and strategy that occurred when the Communists entered the cabinet. Supportive of the victorious presidential candidates in 1938 and 1942, the PCCh had refrained from requesting or accepting cabinet posts. Now, in 1946, cabinet posts created tensions between the two wings of the PCCh. The moderates, led by Contreras Labarca (who had been Secretary General since 1934), pressed for acceptance of the posts; meanwhile, the militants, led by Ricardo Fonseca Aguayo, urged a more revolutionary course. After intense debate, the Central Committee agreed to accept the cabinet posts but forced Contreras Labarca to resign as Secretary General. The committee then voted Fonseca as the party’s new leader.\textsuperscript{50}

Fonseca’s election as Secretary General signaled that the PCCh was shifting to a more confrontational, revolutionary strategy, and Gonzalez Videla admitted that he believed Fonseca “would bring difficulties.” Contreras Labarca had followed the course promoted by Earl Browder, head of the U.S. Communist Party, who had urged collaboration with political parties within the existing political framework. After the war and likely with Moscow’s approval, French Communist Party leader Jacques Duclos denounced Browderism as “self-destructive” to Communist efforts. Duclos’s denunciation discredited Browder and those such as Contreras Labarca who favored his tactics. Duclos’s criticism and the shift to a more confrontational, revolutionary strategy after the war occurred just as the PCCh accepted cabinet posts.\textsuperscript{51}


With Communists in the cabinet, several Chilean Rightists formed Chilean Anti-Communist Action (ACHA — Acción Chilena Anticomunista) in the belief that Communism now posed an “eminent danger” to Chile. ACHA fed U.S. worries of political turmoil and right-wing threats, and the U.S. Embassy maintained careful observation of ACHA and its leaders. Bowers distrusted ACHA’s leaders because he suspected that ACHA was more a fascist organization and less an anti-communist movement. One of ACHA’s leaders, Arturo Olavarría Bravo, admitted that some members had obtained arms and attacked the home of Communist Senator Elias Lafertte Gaviño. Bowers later learned that one member was an avowed “totalitarian,” and noted that during the war, Olavarría Bravo had been on the Black List of suspected Nazis or persons with ties to Nazi businesses.52

**Copper, Coal, and Foreign Investment**

During his first year in office, Gonzalez Videla faced potentially crippling crises in three sectors: copper, coal, and foreign investment, and the difficulties elevated U.S. fears of political turmoil in Chile. U.S. policymakers recognized that if Chile was to be “strong and independent” and a model to be emulated, then it needed to enjoy economic development and prosperity. During the 1940s Chile relied upon copper for export (Chile accounted for 20 percent of the world’s production), coal for energy, and foreign investment for industrial development. During his difficulties in the three sectors, González Videla not only clashed with his Communists allies,

but also pursued diplomatic alternatives and exerted pressure on Washington when U.S. officials seemed unresponsive.\(^53\)

One week after his inauguration, González Videla faced his first crisis: a strike at Kennecott Copper’s Sewell mine. The U.S.-based company’s negotiations with its copper miners had collapsed, and Kennecott’s president, E. T. Stannard, arrived in Santiago on 12 November 1946 to renew labor talks. The revived talks went poorly and stalled, in part because of Stannard’s attitude toward the Chileans. Bowers characterized Stannard as condescending and inflexible, and Chilean diplomats in Washington complained that Stannard had been “very obdurate.”\(^54\) González Videla offered to send the matter to arbitration, where judges “acceptable” to Kennecott would delete all of the miners’ illegal demands. Bowers considered this solution reasonable and advantageous to the company, but Stannard rejected it. González Videla then threatened to have the Chilean government take control of the mine through an interventor until the dispute was resolved, but Stannard hotly opposed this.\(^55\)

Without consulting the embassy, Assistant Secretary Braden tried to strong-arm González Videla into settling the strike in favor of Kennecott. Bowers had urged the Department of State to exercise caution in regards to the Sewell negotiations, and warned against doing anything such as blocking loans and credits, which he feared might push González Videla and Chileans closer


\(^55\) Telegram 1024, Bowers to Secretary of State, 22 November 1946, 825.5045/11-2246; and Telegram 991, Bowers to Secretary of State, 12 November 1946, 825.5045/11-1246; both Folder 2, Box 5366, DF 1945-49, RG59, NA. Letter, E. T. Stannard, President of Kennecott Copper, to Bowers, 29 November 1946, Folder – 1946, November – December, Box 6, Bowers Papers.
to the Communists. Unbeknownst to Bowers, Braden had decided to “hold up” action on two
loans to Chile. He claimed that the Department might have to explain to Congress and the public
why it had given Chile $10 million to build a power plant and another $4 million in credits to
buy ships “when a $50,000,000 American enterprise is being placed in jeopardy” and when
Chile’s government had not tried “to bring about a fair and satisfactory solution.”

Braden limited the hold to the power plant and merchant ship loans; he did not impose an
across-the-board, “informal embargo” on all loans and credits to Chile. Braden justified the
hold on the threat of expropriation or nationalization, not on anti-communism or the composition
of González Videla’s cabinet. Braden strongly supported the role of private enterprise in
encouraging economic development, asserting that it would enlarge the middle classes and
“fortify popular resistance to those totalitarian ideologies” of the Right and Left.

Braden’s hold had little impact on the settlement and appears to have backfired. Stannard
accepted González Videla’s proposal of arbitration. The Chilean judge reviewed the miners’ list

56 Letter, Bowers to Braden, 18 November 1946, 825.5045/11-1846; and Memorandum, Braden to Clayton, 6
November 1946, 825.51/11-646, Folder 2, Box 5367, DF 1945-49, RG59 NA. Memorandum of Conversation,
Braden with del Pedregal, 18 April 1947, 825.00/4-1847.

57 Andrew Barnard argues that Braden imposed an “informal embargo” on all loans and credits to Chile for more
than a year to force González Videla to break with the Communists. See Barnard, “Chilean Communists, Radical
Presidents and Chilean Relations with the United States, 1940-1947,” 369.

58 The embassy suggested nationalization was a possibility, and department officials expressed concern about it. See
Despatch 14,561 “Braden Copper Company Strike,” Bowers (Crain) to Secretary of State, 25 October 1946,
825.5045/10-2546, Folder 1, Box 5366; and Memorandum of Conversation, “Chilean Request for Credit…,” 5
November 1946, 825.51/11-546, Folder 2, Box 5367; both DF 1945-49, RG59, NA. Memorandum, “Chilean
Situation,” Braden to Clayton, 6 November 1946, 825-51/11-646. Memorandum, Braden to Briggs and Trueblood,
2 December 1946, 825.5045/12-246, Folder 2, Box 5366; and Letter, Braden to Bowers, 28 October 1946, 825.001
González Videla, Gabriel/10-246, Folder 1, Box 5358; both DF 1945-49, RG59, NA. Speech given to the
Executives’ Club of Chicago, “Private Enterprise in the Development of the Americas,” Braden, 13 September
1946, Department of State Bulletin XV/377 (22 September 1946): 539. Portions of the speech were reprinted in the
Chilean government newspaper, La Nación. See “Mr. Braden llamó al comercio Americano a hacer grandes
of grievances and demands, and struck out or revised all “objectionable” demands, resulting in an agreement between the miners’ union and the company that was quite favorable to Kennecott. When González Videla learned of Braden’s hold, he was infuriated. In a meeting with Bowers, he snapped, “Chile cannot be treated like a petty Central American country,” and “if this was to be [U.S.] policy he would have to change entirely his foreign policy and look elsewhere for friends.” Unaware of Braden’s decision, Bowers admitted that Washington had not informed him of the action. González Videla appeared to follow through with his pledge to “look elsewhere for friends.” On 13 December 1946, two weeks after he learned of Braden’s hold, the Chilean president signed a trade and economic development treaty with Juan Perón of Argentina. A key component of the treaty, said González Videla, was $350 million dollars in economic development loans from Buenos Aires.59

The treaty was received coolly by Chileans and U.S. officials. Many Chileans were troubled by loan terms that permitted Argentina to own one-half of the enterprises into which it invested monies. The Socialists, including Allende, were the first to express opposition to it.60

The treaty disquieted Department of State officials, as well as financial experts in New York who advised the International Bank for Reconstruction and Development (IBRD). Bowers observed that if the United States offered Chile such a treaty, every Chilean newspaper would scream

59 Bowers Diary, 26 November 1946, Volume 8: p. 376-377, Bowers Papers. Letter, Bowers to Braden, 4 December 1946, 825.5045/12-446, Folder 2, Box 5366, p. 2; Letter, Bowers to Braden, 2 January 1947, 825.00/1-247, Folder 4, Box 5353; both DF 1945-49, RG59, NA. Bowers Diary, 30 December 1946 and 31 December 1946, Volume 8: p. 382, 383, Bowers Papers. Despatch 14,925 “Conversation between President of Chile and Mr. Turton of the Braden Copper Company,” William E. Dunn (Earl T. Crain) to the Department of State, 12 February 1947, 825.5045/2-1247, Folder 3, Box 5366, DF 1945-49, RG59, NA. González Videla, Memorias, I: 524.

“imperialism.” Bowers recommended that the United States “remain absolutely silent until we know positively...what [the treaty’s] meaning may be.”

Although claiming that the treaty was of no “political importance,” González Videla likely was trying to play the United States and Argentina off of one another, and this may have contributed to Braden releasing the hold on Chile’s two loans. A month after González Videla signed the treaty with Perón (January 1947), Braden indicated that the hold on the two loans was only a temporary measure, and that he had lifted it or was about to do so. By March 1947, Braden made clear that he was no longer holding up the two loans. Meanwhile, Chile signed for and received other loans in February and April 1947, and another loan of $10 - $15 million was possible from the World Bank that same April. Eight months later, the Chilean chargé d’affaires told a senior Department of State official that the Chilean government had postponed action on the Argentine loan “for months” in hopes of getting additional loans and credits from the United States. A year after González Videla and Perón signed the treaty, the hold had long

61 Letter, Braden to Carl Ulrich, Kennecott Copper Company, 13 December 1946, attached to Memorandum, Schnee to Wells, Trueblood, Briggs, Smith, and Braden, 10 December 1946, 825.51/12-1046; and Airgram A-106, Acheson (Atterberry) to U.S. Embassy Santiago, 19 March 1947, 825.51/2-2047; both Folder 2, Box 5367, DF 1945-49, RG59, NA. Letter, Bowers to Braden, 18 December 1946; and Letter, Bowers to Braden, 23 December 1946; both Folder – 1946, November – December, Box 6, Bowers Papers.

62 Memorandum, Braden to Briggs, Wright, Smith, and Schnee, 14 January 1947, FW 825.5045/12-2346, Folder 2, Box 5366; and Memorandum, Braden to Briggs, Wright, and Mann, 18 April 1947, 825.00/4-1847, Folder 4, Box 5353; both DF 1945-49, RG59, NA.

63 Memorandum, Stenger to U.S. Embassy Santiago, 3 March 1947, 825.51/3-747, Folder 2; Memorandum, Stenger to U.S. Embassy Santiago, 9 April 1947, 825.51/5-947, Folder 3; Memorandum of Conversation, Schnee and Atterberry, 27 November 1946, 825.51/11-2746; Memorandum, Braden to Clayton and Ness, 2 December 1946, 825.51/12-246, attached to Memorandum of Conversation, Schnee and Atterberry; Telegram 129, Bowers to Secretary of State, 20 February 1947, 825.51/2-2047, Folder 2; all Box 5367, RG59 DF 1945-49, NA. For the possible $10-15 million loan, see Memorandum, Robert F. Woodward, Deputy Director of Division of North and West Coast Affairs, to Brundage, Wells, Briggs, Wright, Schee, 4 April 1947, 825.52/4-447, attached to Memorandum of Conversation “Chilean Credit Application with International Bank” 825.51/3-2047, Folder 3, Box 5367, DF 1945-49, RG59, NA
been released, and the United States was providing aid to Chile. González Videla’s need for the treaty (and Argentina’s development loans) had passed, and the treaty was not ratified.  

**Collapse of González Videla’s Coalition**

González Videla’s coalition cabinet of Liberals, Radicals, and Communists proved contentious and unstable, and less than six months after his inauguration, it fell apart, bringing the president into conflict with the Communists. All accounts agree on the three reasons why the cabinet collapsed: Communist efforts to unionize the peasants, the April municipal elections, and the Communists’ failure to work as a coalition partner. The April 1947 municipal elections triggered the collapse and González Videla’s first confrontation with the Communists. In the elections, the Radicals and Liberals suffered losses while Conservatives and Communists made gains. The Liberal and Radical Parties interpreted the results as criticism of their association with the Communists. The Liberals resigned from the cabinet, and the Radicals


65 The unionization of the farm laborers was hotly debated, and many on the Right strongly opposed it. See *El Mercurio*, January and February 1947, *in passim*. Ercilla, 17 December 1946, pp. 6-7; 25 March 1947, p. 4; and 8 April 1947, p. 4. Zig-Zag, 5 December 1946, p.26; and 13 February 1947, p.25. For a scholarly work of the unionization effort, see Brian Loveman, *Struggle in the Countryside: Politics and Rural Labor in Chile, 1919-1973* (Bloomington: Indiana University Press, 1976). For a discussion of the 1947 Municipal elections and their result, see Drake, *Populism and Socialism*, 287-288. For González Videla’s version of the cabinet collapse, see González Videla, *Defensa de la Democracia: Cartas cambiadas entre el Serenísimo Gran Maestro y S. E. el Presidente de la República* (Bogotá: Litografía y Editorial “Cahur,” 1948), 30-34; and “Acciones del Partido Comunista,” Documento #2, Volumen 98, Colección Gabriel González Videla, Archivo Nacional, Santiago de Chile. The Communists acknowledged that they made little effort to cooperate with the other parties, and said that their “only crime” during this period was that they sought to achieve their own stated objectives as set forth in their 4 September 1946 platform. See Corvalán, *Ricardo Fonseco*, 186-189. See also Letter, Bowers to Braden, 21 April 1947, 825.00/4-2147, Folder 4, Box 5353, DF 1945-49, RG59, NA.
followed. The Communists, however, refused to resign. In a tense meeting with Contreras Labarca and the Communists, González Videla pressed them for their resignations, saying that he wished to start with a new cabinet. Contreras Labarca refused, and the Communists charged that the crisis was directed by President Truman, with “the complicity of the reactionary and Trotskyite [Socialist] parties.”

González Videla then demanded their resignations, and Contreras Labarca angrily threw the resignations of every Communist government official on the president’s desk. Rejecting the set of mass resignations, González Videla said that he only wanted those of the three cabinet ministers, and he assured the Communists that their departure from the cabinet was only temporary. His assurances apparently were perceived as genuine because the Communists remained supportive of González Videla for several weeks. In a subsequent press interview, the president “categorically” denied that his request for the Communists’ resignations was “in any way due to North American influence or any such reasons.” The cabinet changes, he insisted, “were due to exclusively to internal political reasons.”

The Communists’ departure from the cabinet caused U.S. officials and González Videla to grow more worried about Chile’s political stability, not less. The resignations occurred just four weeks after Truman requested aid for Greece and Turkey from the U.S. Congress in order to

66 Letter, Bowers to Braden, 21 April 1947, 825.00/4-2147, Folder 4, Box 5353, DF 1945-49, RG59, NA. González Videla, Memorias, I: 541. For the idea of U.S. pressure upon González Videla and Chile, see “Presión y Chantaje Imperialista”, El Siglo, 14 April 1947, p. 3.

67 Bowers’ diary and Department of State documents support González Videla’s denial of U.S. influence or pressure, offering no indication that Bowers or other U.S. official ever discussed the cabinet crisis or the composition of the cabinet with the Chilean president at the time. Bowers Diary, 16 April 1947, Volume 8; p.388, Bowers Papers. Letter, Bowers to Braden, 21 April 1947, p. 2-3, 825.00/4-2147, Folder 4; and Airgram A-314, Bowers to Secretary of State, 29 July 1947, 825.00/7-2447, Folder 5; both Box 5353, DF 1945-49, RG59, NA. Interview quotes from Últimas Noticias, 7 May 1947, in Despatch 15,257 “Interview granted by the President ...”, Bowers (W. D. Robbins) to Secretary of State, 9 May 1947, 825.00/5-947, Folder 4, Box 5353, DF 1945-49, RG59, NA.
prevent the two nations from falling to Communism (the Truman Doctrine).68 Facing a strengthened Leftist threat in Chile, U.S. officials worried that the Communists might foment protests and strikes. They also knew that the PCCh was divided. Fonseca and the militants wanted to pursue a revolutionary agenda, withdraw from government entirely, and aggressively oppose González Videla. Contreras Labarca and the moderates, meanwhile, wanted to continue in government (sans the cabinet posts). González Videla feared that the Communists, who led the coal miners union, would call a strike in the coal mines and paralyze the economy. He asked Bowers to request 20,000 tons of coal from Washington in order to “prevent economic disaster,” and the request was granted. Reviewing the situation, Bowers told the Department “we now are fighting communism in South America must be prepared to support” González Videla.69

For all of their concern about political stability, U.S. officials did not appreciate how Chile’s financial difficulties, its inability to obtain new loans, and its energy (coal) shortages were fostering the instability U.S. officials wanted to forestall. The Chilean press had noted the shortage of coal reserves and the possibility of economic paralyzation. The Chilean government, however, could not pursue economic development or buy large quantities of coal to fuel that development because it could not obtain loans and credits. González Videla sent Guillermo del Pedregal to the United States to negotiate with the EXIM Bank, World Bank, and other financial institutions, but Pedregal learned that Chile could not obtain new monies until it negotiated a


69 Corvalán, Ricardo Fonseca, 181-188. Bowers to Braden, 21 April 1947, 825.00/4-2147. Braden’s comments were written in the margins of Bowers’ letter. Memorandum “Coal for Chile,” McGinnis to Brundage and Wells, 23 June 1947, 825.6362/6-2347, Folder 1, Box 5371, DF 1945-49, RG59, NA.
payment plan for its current foreign debt, including the defaulted bonds left over from the Great Depression. Pedregal also learned that U.S. institutions wanted Chile to address its severe shortage of foreign exchange. Chile’s shortage of foreign exchange had become so acute that the Chilean government at one point had to ask U.S. copper companies to pay their quarterly taxes in advance, which the companies did. Yet Chile could not adhere to a revised payment plan, much less repay defaulted bonds, if its economy was weakened by energy shortages and labor strikes.\footnote{“Otra huelga en el carbón arruinaría la industria,” Zig-Zag, 20 March 1947, p. 28. Memorandum of Conversation, Braden with del Pedregal, 18 April 1947, 825.00/4-1847. Letter, Bowers to Braden, 2 June 1947, Folder – 1947, June – August, Box 6, Bowers Papers. For the foreign exchange shortage, see Memorandum, Woodward to Brundage, Wells, Briggs, Wright, and Schnee, 4 April 1947, 825.51/4-447, attached to Memorandum of Conversation “Chilean Credit Application with International Bank,” 20 March 1947, 825.51/3-2047; and Letter, James Grafton Rogers, President of Foreign Bondholders Protective Council, to Frederick Livesey, Advisor of the Office of Financial and Development Policy, 12 June 1947, 825.51/6-1247; both Folder 3, Box 5367, DF 1945-49, RG59, NA. A few private investors expressed concern about the safety of U.S. investment in Chile with the Communists in government, but the overwhelming issue was the defaulted bonds and the amount of Chile’s current debt. For expressions of the safety of investment, see Despatch 15,273 “Radical Party, majority party in the Government…”, Bowers (Garrison) to Secretary of State, 13 May 1947, 825.00/5-1347, attached to Despatch 15,257 “Interview granted by the President…”, Bowers (Robbins) to Secretary of State, 9 May 1947, 825.00/5-947, Folder 4, Box 5353, DF 1945-49, RG59, NA. Bowers Diary, 7 September 1947, Volume 8, p. 401, Bowers Papers.}

Bowers grew frustrated with the obstacles that González Videla faced in obtaining loans from the United States, and he complained directly to President Truman. Arriving just weeks after Secretary of State Marshall proposed the Marshall Plan for European economic recovery, Bowers’ letter prompted Truman to intervene personally. In a memorandum to the Secretary of the Treasury, Truman wrote: “I hope you will take a personal interest” into why Chile could not obtain loans, and he told the Treasury secretary to make clear to the IBRD president and others that neither “the Wall Street crowd” nor “the copper interest” should control the bank’s actions.\footnote{For the Marshall Plan, see Michael J. Hogan, \textit{The Marshall Plan: America, Britain, and the Reconstruction of Western Europe, 1947-1952} (New York: Cambridge University Press, 1987). Memorandum, Truman to Secretary of the Treasury, 5 August 1947, Folder - Chile [1], Box 172, PSF – Subject File, HSTL.}
Truman’s intervention prompted an eight-page, single-spaced memorandum from J. J. McCloy, the IBRD’s president, and the memo offered two important revelations regarding Chile and its financial troubles. Sent to Assistant Secretary of State for American Republic Affairs Norman Armour, who had replaced Braden on 12 July 1947, the memorandum made clear that the IBRD was actually sympathetic towards Chile. McCloy pointed out that no Latin American country had received an IBRD loan and that Chile’s application was the only one meriting consideration by the bank. Second, McCloy detailed why the IBRD had not approved Chile’s loan application, and the reasons were exclusively Chile’s defaulted bonds, balance of payments problems, and budgetary deficits. Communists serving in the cabinet had not been a factor.\textsuperscript{72}

With McCloy’s response, the Department of State’s Chile Desk Officer, Burr C. Brundage, now urged his superiors to rethink U.S. policy towards Chile. If the United States wanted to continue future good relations with Chile, Brundage told his superiors, “we [must] reverse our hands-off attitude [on Chile’s debt problems], roll up our sleeves, wade in and get dirty.” The department, Brundage asserted, needed to stop viewing foreign governments’ debt settlements as a private sector issue, and acknowledge that private sector financial institutions such as the Foreign Bondholders Protective Council, which held Chile’s defaulted bonds, was “an arm of our foreign policy” and that they should be “politely required to do what is considered just and

proper to implement [that] policy.” The department, he stressed, must bring the Chileans and private sector representatives together and demand “concessions of equal magnitude” from both sides. This applied to U.S. copper companies too, said Brundage, because they were “the biggest hindrance to excellent” U.S.-Chilean relations due to their “disregard of the sensibilities of the Chilean people.” If the Department of State did not act, Brundage warned, Chile’s democracy and “those rights which we consider the highest expression of civilization” would be in jeopardy. Bowers was in “hearty agreement” with Brundage’s sentiments, noting that he had often been frustrated by individuals “who have tried to create the impression that their organization determines the American policy toward Chile.”

The remarkable aspect of Brundage’s August 1947 memorandum is that he linked the success of Chile’s democracy to the success of U.S. foreign policy, considering it “ideologically important that [the United States] view Chile’s problems in a sympathetic light.” Bowers had long emphasized Chile’s exceptionalism and pressed for U.S. support of Chile on the principle that democracies should assist each other. Brundage, however, was the first to assert that a successful U.S. foreign policy needed the ideological symbolism that Chile’s democracy offered. He urged his superiors to consider the “broad context,” and reminded them that there were few democracies in Latin America and “Chile is one of these rarebirds.” For Brundage, it was not the mere fact that Chile was a democracy, but rather Chile’s democracy and constitutional history was “in every sense the equal to ours.” With the future of Chile’s democracy now in

73 Memorandum “Policy Recommendations on Chile,” Brundage to Espy and Mills, 28 August 1947, 711.25/8-2847, attached to Memorandum “Possibility of Recall of Ambassador for Consultation,” Brundage to Wells, 9 June 1947, 711.25/6-947, Folder 4, Box 3450; and Letter, Bowers to Armour, 9 September 1947, 825-51/9-947, Folder 3, Box 5367; both DF 1945-49, RG59, NA.
doubt due to its “tremendous [financial] difficulties” and the “extreme temptation” of authoritarianism, Brundage deemed it essential for the United States to assist Chile.74

Brundage’s August 1947 memorandum posited the core premise that would guide U.S. policymakers in their decisions regarding Chile until 1970 – a successful U.S. foreign policy required the symbolism offered by successful democracy in Chile. Brundage and Bowers were among several U.S. policymakers who interwove the concepts of exceptionalism, “overseas territory,” and “European-ness” to give that premise particular power and relevance, creating the “model democracy premise.” The Southern Cone context – in which U.S. officials perceived right-wing authoritarianism as the regional threat in contrast to Communism as the global threat–highlighted the democratic qualities of Chile’s political system. Bowers had long insisted that Chile was “the staunchest, most inherent democracy in South America,” and Braden had described Chile as a model for the region. Analysts at the newly created Central Intelligence Agency (CIA) conceded that Chile’s democratic tradition was of “fairly recent origin,” since Chile’s 1925 Constitution. Yet certain republican practices, traditions, and institutions, despite their limitations, had existed since the 1830s, and Chile’s difference stuck in the minds of U.S. policymakers. Bowers further linked democracy and exceptionalism when he told Truman and the State Department that in “the great international battle of today…between totalitarianism and democracy…it would be rather remarkable” if the United States made “Chile our pet aversion.”

74 Memorandum, Brundage to Espy and Mills, 28 August 1947, 711.25/8-2847, Folder 4, Box 3450, DF 1945-49, RG59, NA. Letter, Bowers to Truman, 21 July 1947, attached to Truman to Bowers, 30 April 1947, Folder - Chile [Folder 1], Box 172, PSF -- Subject Files, HSTL.
Even Truman seemed to note Chile’s democratic exceptionalism, when he expressed his belief that Chileans were truly interested in “free government.”

The idea of Chile as “overseas territory” bolstered the importance of Chile’s democracy and reinforced Chile’s exceptionalism. Right-wing authoritarianism remained the primary threat, but the CIA was unequivocal: if the Communists “assume a major role” in Chile, “the resultant ‘eastern’ orientation of Chilean foreign policy would have implications far beyond those suggested by Chile’s military and strategic value.” CIA analysts divided Latin America into two zones, the circum-Caribbean and the Southern Cone, and Chile, in the Southern Cone, was outside the zone of “immediate US predominance.” Chile’s “remoteness from the centers of US power,” analysts wrote, enabled it to exercise greater independence, a fact recognized by nations within and outside Latin America. The CIA also concluded that Chile, Argentina, and Brazil possessed “a capacity to counterbalance U.S. strength,” either by joining together (as in Perón’s anti-U.S. bloc) or by employing as strong ally from outside the hemisphere.

By interweaving the concepts of democracy, “overseas territory,” and exceptionalism, Armour, Brundage, Bowers, and the CIA admitted that significant disparities existed between Latin American nations, not a rough equality. Moreover, they acknowledged that the United


76 CIA Situation Report 9 “Chile,” 1 September 1947, pp. VI-1–VI-3, I-1, i-ii. The report for Chile is Number 9, with China Number 8 and Greece and Spain Numbers 10 and 11 respectively. If the reports were completed by level of importance, degree of interest/concern to the United States, or perceived threat posed by Communism, then Chile generated a significant interest and concern among U.S. officials very early in the Cold War.
States could not exert its power and influence to all parts of Latin America equally. U.S. relations with an “overseas” nation like Chile might more resemble U.S. relations with a European nation than with a nation such as Colombia in the circum-Caribbean. In fact, Armour, Brundage, and Bowers were framing Chile’s predicament in European terms. Armour admitted that the Department was trying to provide “assistance and cooperation to Chile that would have a truly constructive result” to resolve its financial difficulties. The search for a “truly constructive result” was in line with the Truman Doctrine, in which Truman declared that “the status quo is not sacred” and that “the seeds of totalitarian regimes are nurtured by misery and want.”

Therefore, early in the Cold War, U.S. policymakers defined Chile’s importance as an ally by intangibles and perception, not on tangible, balance-of-power factors. U.S. officials determined that Chile was a necessary ally because of its political system and its role a regional leader, not its large copper reserves. In fact, the CIA overtly downplayed geostrategic factors, saying that militarily, “[e]conomically and strategically Chile is not a considerable factor in US security,” and Chile’s raw materialswere “useful” but not of “vital necessity.” This observation coincided with the view of Paul Nitze (who later wrote NSC-68), who said that U.S. copper reserves would last several decades. As a result, Chile became a “gauge by which to measure Soviet progress” and an “indicator” of Latin American support for the United States.

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A European Crisis

The October 1947 coal strike marked the beginning of the Cold War in Chile and exposed the extent to which U.S. officials framed Chilean events in European terms. The strike led Department of State officials to question whether they had misjudged the Communist threat, and Chile’s “European-ness” elevated the U.S. stakes in Chile and Chile’s importance as a Cold War ally. The strike also introduced the Cold War into Chilean politics, because González Videla clashed with his Communists allies and subsequently pursued an anti-Communist campaign. The anti-Communist campaign broke down existing political party alignments, and forced the Radical president to look to the Right for political allies.79

González Videla’s relations with the Communists soured between the April municipal elections and the October strike; meanwhile, the Communists debated whether to confront the president with a general strike or continue their cooperation with him. PCCh leader Galo González warned those seeking confrontation that a strike would only provoke a government crackdown on the workers and having the PCCh declared illegal. The June 1947 bus drivers’ strike in Santiago exacerbated tensions between the PCCh and the president. González Videla publicly accused the PCCh of starting the strike and privately admitted that he had proof of it because he had ordered the Communists’ telephones to be tapped.80 A series of strikes followed over the next several weeks in other sectors of the economy: Anaconda Copper’s smelter

79 Chapters 2 and 4 will discuss more extensively the breakdown of political parties after the October 1947 strike.
80 Galo González quoted in María Soledad Gómez, “Factores nacionales e internacionales de la política interna del Partido Comunista de Chile, 1922-1952,” El Partido Comunista en Chile: Estudio multidisciplinario (Santiago: CESOC-FLASCO, 1988), Augusto Varas, ed., 113-114. Telegram 443, Bowers to Secretary of State, 7 June 1947, 825.5045/6-647; Telegram 453, Bowers to Secretary of State, 9 June 1947, 825.5045/6-947; Telegram 484, Bowers to Secretary of State, 15 June 1947, 825.5045/6-1547, all Folder 3, Box 5366, DF 1945-49, RG59, NA.
employees, blue and white collar workers at Braden Copper, merchant marine officers, bus drivers in Valparaíso and Viña del Mar, coal miners, and postal and telegraph employees. During a meeting with E. T. Stannard of Kennecott Copper, González Videla declared that he was disgusted with the Communists and expected a general strike in September. If this occurred, he said, he would “insist on a showdown.” He then asked Stannard to help him obtain 50,000 tons of coal, and Stannard agreed.81

González Videla’s final break with the Communists occurred during an early August 1947 meeting requested by PCCh Secretary General Ricardo Fonseca. The president had just returned from Brazil, where he had endorsed a U.S. proposal for a mutual defense pact (the proposal would become the 1947 Rio Pact). González Videla and Fonseca may have viewed the meeting as a chance to create a working relationship, but the meeting devolved into a stormy affair.82 Frustrated by the strikes, González Videla asked Fonseca for PCCh support of his government and for the party to take a low profile for a time, in other words, end the strikes. Fonseca refused and proclaimed the party’s devotion to the workers and improvement of their welfare. He then pressed González Videla to align Chile with the Soviet Union and reject the U.S.-proposed

81 Despatch 15,490, Dunn to Department of State, 15 July 1947, 825.5045/7-1547; Telegram 602, Bowers to Secretary of State, 23 July 1947, 825.5045/7-2347; Telegram 612, Bowers to Secretary of State, 24 July 1947, 825.5045/7-2447; Airgram 325, Bowers to Secretary of State, 5 August 1947, 825.5045/8-547; Airgram 315, Bowers to Secretary of State, 24 July 1947, 825.5045/7-2447; Despatch 15,567, Bowers to Secretary of State, 13 August 1947, 825.5045/8-1347; and Telegram 667, Bowers to Secretary of State, 19 August 1947, 825.5045/8-1947; all Folder 3, Box 5366, DF 1945-49, RG59, NA. Memorandum of Conversation “Observations of Mr. Stannard regarding the Chilean Situation,” Brundage, 23 July 1947, 825.5043/7-2347, attached to Memorandum, Brundage to Wells, 23 July 1947, Folder 5, Box 5365, DF 1945-49, RG59, NA.

82 The absence of Contreras Labarca from the meeting indicates his loss of status in the party. González Videla’s and Luis Corvalán’s accounts differ on who accompanied Fonseca. González Videla names Communist Deputy Cipriano Pontigo; meanwhile, Corvalán cites Volodia Teitelboim and Galo González. González Videla is likely correct. Corvalán seems to have confused the April meeting when the president asked for the cabinet resignations (Teitelboim and Galo González accompanied Contreras Labarca) and Fonseca’s August meeting. Also, the quotes that Corvalán attributes to González Videla are out of context for the August meeting and more appropriate for the April meeting. González Videla, Memorias, I: 598-603. Corvalán, Ricardo Fonseca, 195.
defense pact, which would be discussed at the upcoming inter-American conference in Rio de Janeiro (Latin American nations and the United States signed the Inter-American Treaty of Reciprocal Assistance, i.e. the Rio Pact, three weeks later). González Videla dismissed Fonseca’s suggestion. Aligning with the Soviets, he said, would leave Chile isolated in the hemisphere. Chile would support the West, the Chilean president explained, and he said that he had instructed the Foreign Minister to support the United States and the defense pact. Fonseca charged that Gonzalez Videla was making a mistake and then threatened more strikes. Pounding his fist on the table, the president warned that if the Communists challenged his authority, the “feathers will fly in the scuffle.” The meeting ended.

Afterwards, the clash between González Videla and the Communists escalated. In mid-August 1947, the president publicly criticized the Communists, and the PCCh urged the masses to challenge González Videla’s government. The PCCh said that the nation confronted a choice between dictatorship and popular democracy, and to gain the latter, the party called on “the masses to mobilize to the maximum” and “give popular solutions to Chile’s problems.” Openly challenged by the Communists, González Videla removed the remaining Communists from government. He then requested and received “State of Emergency” powers from Congress. Out

83 The treaty’s formal name is the Inter-American Treaty of Reciprocal Assistance, which was negotiated and signed between 15 August and 2 September 1947. For the treaty’s text, see “Inter-American Treaty of Reciprocal Assistance,” Department of State Bulletin XVII/429 (21 September 1947): 565-572. For scholarly discussions of the Rio Pact, see Mark T. Gilderhus, The Second Century: U.S.-Latin American Relations Since 1889 (Wilmington DE: Scholarly Resources, 2000), 123-124; and Longley, In the Eagle’s Shadow, 200-201.

of government and isolated, the PCCh now backtracked, urging supporters to fight for rights and better conditions for workers but not to challenge “legitimate constitutional authority.”

While González Videla clashed with the Communists, Minister of Finance Jorge Alessandri Rodríguez and Corporación de Fomento official Roberto Vergara resolved the defaulted bonds impasse and improved Chile’s finances. In early September, Alessandri and Vergara developed a plan to repay the defaulted debt and had gained Department of State support for it. Over the next few weeks, Vergara settled the defaulted bonds issue along the terms of the plan. By the end of October, the EXIM Bank told the Department of State that it was ready to authorize a loan to Chile.

85 Telegram 679, Bowers to Secretary of State, 21 August 1947, 825.5045/8-2047, Folder 3, Box 5366; and Despatch 15,694, Trueblood, Counselor for U.S. Embassy Santiago, to Secretary of State, 24 October 1947, 825.00B/10-2447, Folder 1, Box 5367; both DF 1945-49, RG59, NA. Barnard, “Chile,” Latin America between the Second World War and the Cold War, 83-84. Sehlinger and Hamilton, Spokesman for Democracy, 232.

86 Corporación de Fomento (CORFO -- Development Corporation) was the government entity that undertook much of industrial development in Chile. It was also the entity that received many of the development loans and credits from the EXIM Bank, IBRD, and other U.S. financial institutions.

87 Andrew Barnard asserts that loans and credits were “principle instrument” the Department of State used to pressure González Videla to break with the Communists. The Communist newspaper El Siglo first leveled this charge in April 1947 when González Videla requested the Communists’ resignations from the cabinet. The documentary record does not support this claim. The trajectories of the bonds issue and González Videla’s clashes with the Communists had little influence on each other. As shown, no “embargo” on loans and credits existed, Chile’s difficulties in obtaining new loans had arisen more than a year before González Videla was elected, and Truman personally intervened to encourage loans to Chile. Except for Braden’s brief hold on two loans in December 1946, Department officials did not link Chile’s ability to obtain loans and credits to the presence of the Communist Party in the cabinet. See Barnard, “Chile,” Latin America between the Second World War and the Cold War, 85; and “Presión y Chantaje Imperialista [Imperialist Pressure and Blackmail], El Siglo, 14 April 1947, p. 3.

88 Negotiations stalled later, with a final agreement achieved on 11 April 1948; however, the September plan and Vergara’s negotiations removed a key obstacle. For the plan, Vergara’s negotiations, and EXIM Bank approval, see Letter, Bowers to Armour, 9 September 1947, 825.51/9-947; Memorandum of Conversation “Settlement of Chile’s Debt Problem”, 13 October 1947, 825.51/10-1347; and Memorandum of Conversation “Encouraging Report on Progress toward Chilean Debt Settlement,” 30 October 1947, 825.51/10-3047; all Folder 3, Box 5367, DF 1945-49, RG59, NA. For the stalled talks and final agreement, see Memorandum of Conversation, “Chilean Negotiations for World Bank and Exim Loans, and Discussions concerning Exchange Control,” 29 January 1948, 825.51/1-2948, attached to Memorandum of Conversation, 15 January 1948, 825.51/1-1548, both Folder 3, Box 5367, DF 1945-49, RG59, NA. “Plan for New Chilean Bond Service,” Department of State Bulletin, XVIII/458 (11 April 1948): 480.
González Videla’s clash with the Communists culminated in October during a coal miners’ strike. The president tried to avert the 4 October 1947 strike by offering the miners a 40% wage increase, a housing allowance, and other benefits, nearly matching the miners’ demands. The offer was rejected, and the strike went forward, although doubts exist about whether the miners learned of González Videla’s 40% wage increase offer before they called the strike. González Videla then declared the coal mines to be “emergency zones,” and military units moved into the coal mining region just south of Concepción to maintain order and ensure that coal mining continued. The president then had Communist labor leaders arrested and had “all coal technicians and specialists” conscripted into the army. Bowers considered the 40% wage increase so generous and “without precedent” that he believed that the Communists had declared the strike for “notoriously political” purposes.89

The strike threatened to create a national energy shortage, and González Videla pleaded with U.S. officials to send coal in order to keep Chile’s economy operating at a minimal level. Initially, the Department of State responded that the coal situation was “very tight” (due in part to European coal shortages for the upcoming winter), and that possibilities for obtaining coal were “extremely remote.” Exasperated by Washington’s parsimony and lack of action, Bowers scolded the Department, saying that it was “incredible that we should be indifferent” to the Chileans in their time of crisis. Chile, he said, required the United States’ attention just as much

as Greece had seven months earlier, and unless the United States made a better effort to help González Videla, “we may prepare ourselves for a grave Communist triumph in our backyard.”

Bowers’ comparison of Chile to Greece, and implicitly to the European situation at large, gained credibility, leading Department officials to question whether they had underestimated the Communist threat in Chile. Early in the strike, González Videla announced that two Yugoslav diplomats had been arrested and expelled for involvement in the strike. He claimed that documents taken from one of the men’s bags proved the strike was instigated by a Soviet satellite (Yugoslavia) and that the Communists had chosen Chile as a “test of strength” because of its extensive U.S. investments. He immediately broke diplomatic relations with Yugoslavia and a week later severed relations with the Soviet Union and Czechoslovakia.

Caught off-guard by the coal strike and pressured by González Videla, the Department of State moved quickly to aid Chile. One week after Bowers scolded the Department for its indifference, González Videla and his cabinet impatiently told the U.S. Embassy that they needed to know “positively” if they could expect any help from the United States. González Videla telephoned Chile's Ambassador to the United States, Felix Nieto del Río, and asked him to contact the Department and request Washington’s full support. That support was 105,000 tons

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90 Telegram 776, Bowers to Secretary of State, 6 October 1947, 825.5045/10-647; Telegram 453, Lovett, Department of State to U.S. Embassy Santiago, 7 October 1947, 825.5045/10-647; and Telegram 796, Bowers to Secretary of State, 13 October 1947, 825.5045/10-1347; all Folder 3, Box 5366, DF 1945-49, RG59, NA. Fifteen years later, Bowers still believed that the coal strike was ordered from Moscow and was similar to Communist efforts in Eastern Europe and Greece. See Bowers, *Chile through Embassy Windows*, 166-172.

91 The two Yugoslav diplomats were Dalibor Jakasa and Andrija Cunja. Cunja was Chargé d’Affaires at Santiago, and Jakasa was Secretary to the Yugoslav legation in Buenos Aires. “Hicieron Noticia” *Zig-Zag* XLIII/2221 (18 October 1947): 9. Despatch 15,694, Trueblood to Secretary of State, 24 October 1947, 825.00B/10-2447. Telegram 776, Bowers to Secretary of State, 6 October 1947, 825.5045/10-647, Folder 3, Box 5366, DF 1945-49, RG59, NA. Bowers was not surprised by the break with the Soviet Union, but was with Czechoslovakia. Letter, Bowers to Armour, 24 October 1947.
of coal in order to meet Chile’s energy needs for October and November, as well as credit to buy it. Nieto del Río telephoned Assistant Secretary Armour, finding him at home. After the Chilean explained the situation, Armour asked the ambassador to see him promptly the next morning.\textsuperscript{92} Nieto del Río met with Armour and several other leading department officials early the next morning, and the ambassador learned that 72,000 tons of U.S. coal would promptly be made available, that 100,000 tons were possible. Moreover, Armour said that the United States would “move ‘heaven and earth’” to ensure that Chile got enough coal for not only October and November but also for December and January. Armour requested that Nieto del Río “move heaven and earth” to find financing to purchase the coal and suggested that he try the EXIM Bank. After Nieto del Río left, Armour and the other officials decided to approach the EXIM Bank and prepare the way for the Chilean ambassador. They found the EXIM Bank sympathetic to Chile’s request, and within twenty-four hours, the U.S. Government issued export licenses enabling the Chileans to buy the coal, which was now at least 90,000 tons.\textsuperscript{93}

Department officials framed Chile’s coal strike crisis as a European crisis rather than a Latin American one. The Truman administration recognized that it needed to provide more aid to Europe, offering the Marshall Plan. Had the United States not done so, the economic, political, and social deterioration would have enabled the already-strong Communist parties to

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\textsuperscript{92} Telegram 796, Bowers to Secretary of State, 13 October 1947, 825.5045/10/1347, Folder 3, Box 5366, DF 1945-49, RG59, NA. Memorandum, Felix Nieto del Río, Chilean Ambassador to the United States, to Ministro de Relaciones Exteriores, 18 November 1947, Documento #2378/121, Volumen 2566 (1947) Tomo II Sección Confidencial Oficios Recibidos, Embajada en EE UU [Estados Unidos], Archivo del Ministerio de Relaciones Exteriores, Santiago de Chile. Memorandum of Conversation “Coal Situation in Chile,” Armour, 13 October 1947, 852.6362/10-1347, Folder 1, Box 5371, DF 1945-49, RG59, NA.

\textsuperscript{93} Memorandum of Conversation, “Chilean Coal Problem,” 14 October 1947, FW 825.5045/10-1447, Folder 3 Box 5366; Telegram 3283, Armour (Mills) to U.S. Embassy Santiago, 14 October 1947, 825.5045/10-1347, Folder 3, Box 5366; and Telegram 3576, Lovett (Mills) to U.S. Embassy Santiago, 15 October 1947, 825.6362/10-1547, Folder 1, Box 5371; all DF 1945-49, RG59, NA.
increase their power and subvert the United States’ ability to achieve its postwar aims. Assistant Secretary Armour described the Chilean coal strike crisis to Secretary of State Marshall in precisely these terms. Bowers asserted that if the United States aided Chile, it would give the Italians “proof of our moral support.” Division chief Sheldon Mills asked if Chile’s Communists were employing the same tactics against González Videla that French Communists might use against General Charles de Gaulle. U.S. officials recognized that Chile, France, and Italy had similar political systems; in fact, while Communists served in González Videla’s cabinet, French and Italian Communists also served in their nations’ governments. González Videla claimed the Communists were using the same strategy in Chile as in France and Italy: they were using their support in labor unions to create “economic chaos favorable to the interests of Russia.”

The Model Democracy Premise

For U.S. policymakers, three developments resulted from the October 1947 coal strike. First, the ideas of European-ness, democracy, exceptionalism, and overseas territory fused into the model democracy premise. Second, U.S. officials concluded that the United States needed to help Chile stabilize and develop its economy or the country could face political turmoil. Finally,

U.S. officials reverted to their concerns about political stability and the threat from the authoritarian Right.

Department of State officials soon began to doubt that the Communists posed a threat to Chile. They considered the Chilean government’s charges of Communist agitation against the two Yugoslav diplomats as dubious. The evidence that Chilean officials had presented did not demonstrate Moscow-directed agitation; instead, it showed a Yugoslav diplomat trying to build support for Yugoslav leader Marshall Tito, which likely resulted from Tito’s break with Stalin.\(^{95}\) The U.S. Embassy in Belgrade reported that similar activities were occurring in other nations that had relations with Yugoslavia.\(^{96}\) The Department asked James Bell, Labor Attaché in Santiago, to investigate the coal strike and labor conditions. Bell concluded that the strike resulted from Communist tactics, an opinion shared by Bowers and González Videla. Yet his description of the poor pay, hazardous working conditions, poor housing, and bad health


\(^{96}\) Department of State *Bulletin* XVI/416 (22 June 1947): 1253. Letter, James H. Webb and Roberts to U.S. Embassy Santiago, 5 November 1947, 825.0545/11-847, Folder 4, Box 5366, DF 1945-49, RG59, NA. U.S. officials talked with two Yugoslav exiles, one of whom had lived in Chile for some years. They learned that one of the expelled Yugoslav diplomats was “considered an active communist agent;” meanwhile, the other was probably an “innocent tool.” Chilean documents suggest that the “innocent tool” was building support for Tito among Yugoslavs in Chile. Memorandum of Conversation “Views of Yugoslavs in Exile on Communism…,” Webb, 16 October 1947, 825.00B/10-1647, Folder 1, Box 5357, DF 1945-49, RG59, NA. “Synopsis de Franjo Pirc” and “Synopsis de General Ljubomic Ilic…” in “Ruptura con Yugoeslavia,” Volumen 2622 (labelled “Ruptura con Rusia”), Archivo del Ministerio de Relaciones Exteriores, Santiago de Chile. Documents from Chile’s Director General of Investigaciones suggest a network existed among the Czech, Yugoslav, and Russian diplomats in Chile. See Informes del Director General de Investigaciones, Luis Brun d’Avoglio, 22 September 1947, 20 October 1947, and 27 October 1947, reprinted in González Videla, *Memorias*, II: 1406-1412.
conditions conflicts with his conclusion, suggesting that the miners may have struck over traditional labor issues.\footnote{Report 404 “Coal Strike – October 1947,” James D. Bell, 22 December 1947, attached to Despatch 15,823 “Transmitting Report on Chilean Coal Mines”, Bowers to Secretary of State, 23 December 1947, 825.5045/12-2347, Folder 4, Box 5366, DF 1045-49, RG59, NA. For González Videla’s certainty of the political nature of the strike, see González Videla, \textit{Memorias}, I: 653-704; and Letter, “Mi pensamiento frente a la actual posición internacional…,” n.d., Volumen 2622 “Ruptura con Rusia,” Archivo del Ministerio de Relaciones Exteriores, Santiago de Chile. This letter appears to be dictated after the events and placed among the papers as a chronicle of the president’s ideas during events. The idea that the Communists called the strike for political purposes was what the Foreign Ministry told its diplomats. See Letter, German Vergara to All Diplomatic Missions, 21 October 1947, Volumen 2622 “Ruptura con Rusia,” Archivo del Ministerio de Relaciones Exteriores, Santiago de Chile. Joann Clements Pavilack concludes that the coal miners struck over pay, working conditions, and housing and is critical of González Videla and Bowers. González Videla’s August meeting with Fonseca and subsequent call by the PCCh to confront the president with strikes and other forms of resistance predisposed him to believe that the strike was “political.” A key question remains: What were Fonseca and the PCCh leadership doing and saying just before and during the October strike? This author concludes that Pavilack is correct about the debate between Communist leaders and Chilean military and government leaders in the mining communities. However, there was probably a divergence between what Communist leaders were saying in Lota and Coronel and what the Communist Party leadership was saying in Santiago. It may be that Fonseca and the PCCh national leadership tried to use a local strike over pay and conditions to pressure González Videla. If so, the move was serious miscalculation. Pavilack, “Black Gold in the Red Zone: Repression and Contention in Chilean Coal Mining Communities from the Popular Front to the Advent of the Cold War,” Ph.D. dissertation, Duke University, 2003, p. 399-407.}

González Videla spearheaded an anti-Communist campaign that fueled U.S. concerns about political turmoil. Beginning in October 1947, the president railed against the Communists in several speeches, admitting that he had erred in trusting them. He accused them of artificially aggravating the country’s economic problems with work slowdowns and strikes, of promoting disorder and anarchy, and giving their loyalty to the Soviet Union. Communist efforts in Chile, he charged, were similar to Communist disruptions in France, Italy, Czechoslovakia, and Poland. He declared that “if Communism does not stay within the law,” he would “make it disappear.”\footnote{González Videla, “Discurso al Pueblo de Antofagasta, 20 de agosto de 1948, Documento #5; “Discurso al Pueblo de Osorno”, 3 de noviembre de 1948, Documento #7; and “Discurso en la Exposición de Los Ángeles”, Documento #8, 19 de noviembre de 1947; all Volumen 101, Colección Gabriel González Videla, Archivo Nacional, Santiago de Chile. “Acciones del Partido Comunista” n.d. [after October 1947] Document #2, Volume 98, Colección Gabriel González Videla, Archivo Nacional, Santiago de Chile. Despatch 15,796, Bowers to Secretary of State, 10 December 1947, 825.00/12-1047; and Despatch 15,818, Bowers to Secretary of State, 18 December 1947, 825.00/12-1847; both Folder 5, Box 5353, DF 1945-49, RG59, NA. Translation of Speech from \textit{La Nación}, enclosed with Despatch 41, Bowers (Trueblood) to Secretary of State, 19 January 1948, 825.00B/1-1948, Folder 2, Box 5357; and Despatch 81, Bowers (Trueblood) to Secretary of State, 4 February 1948, 825.00/2-448, Folder 6, Box 5353; both DF 1945-49,}
The fall of Czechoslovakia to the Communists in February 1948 lent credibility to González Videla’s charges that Communists sought to subvert democracy and were loyal to Moscow. As part of the governing coalition, Czech Communists overthrew the elected government and installed a Soviet-oriented, Stalinist, one-party regime. At González Videla’s direction, Chile petitioned the United Nations to investigate Czech events, citing Chile’s own experience with Communist “subversion” during the October coal strike.99

Just weeks after the fall of Czechoslovakia, and with Chile’s political parties united behind him, González Videla proposed the Law for the Permanent Defense of Democracy. The proposed law banned the Communist Party, removed Communists from voter rolls, and gave the president powers to censor the press. This was not a rash proposal; shortly before the bill was presented, Chile’s Ministry of Foreign Relations had asked its diplomats to report on what restrictions other countries had imposed on the Communists, with several diplomats responding.100

Popularly called “La Ley Maldita” (cursed or damned law), the bill generated significant debate in Congress, most notably from Senator Salvador Allende and Deputy Radomiro Tomic Romero. Both based their opposition on what they believed to be the fundamental principles of democracy. One could not “defend liberty by restricting liberty,” Allende told his Senate

 RG59, NA. In an open letter to the President of the Masons, of which González Videla was a member, the president detailed why he had turned on his former Communist allies. See González Videla, Defensa de la Democracia.


100 Telegram 54, Foreign Minister (German Vergara) to the Ambassadors, 17 May 1948, Volumen 2631 “Comunismo”, Archivo del Ministerio de Relaciones Exteriores, Santiago de Chile. The many responses appear in the volume after German Vergara’s letter.
colleagues, nor could one “combat totalitarianism and adopt attitudes similar to those” held by totalitarianists. Democracy, he said, was “more than a series of dispositions;” it was “a harvest of conscience that is constructed of principles, ideas, doctrines,” not police measures. It was “a spiritual attitude of constant overcoming” that held out the “possibility of a rebellion against injustice.” For Allende, the proposed law was a misguided measure: it “persecutes ideas, it excludes a political party, it restricts suffrage, it attacks the most basic rights of the working class, and it makes the right of organizing groups of employees a myth.”

In the Chamber of Deputies, Radomiro Tomic of the Falange Party looked to France and Italy as the examples that Chile should emulate. Banning the PCCh, he charged, was “an easy and cheap solution,” it demonstrated “a lack of confidence in every fundamental principle…that supports the institutions and methods of democracy.” In Italy, he said, the Prime Minister gave the Communists every opportunity to remain within legal limits provided that they worked within the democratic framework and did not foster revolution. The French government, Tomic noted, did not outlaw the Communist Party when it initiated a strike that paralyzed six million workers. Instead, the French government passed laws that prohibited actions that impeded the freedom to work or harmed the nation’s economy. The French broke the strike, he said, “knocked down” the Communists, and “maintain[ed] democratic norms and liberty.”


the Communist Party, Tomic declared, would encourage more “sympathy towards Communism than everything that the communist propagandists and agitators could do in ten years.”

Despite Allende’s and Tomic’s opposition, the Defense of Democracy bill passed both houses of Congress easily. González Videla signed the bill into law on 3 September 1948. Quickly implemented, Law 8987 banned the Communist Party, removed approximately 26,000 Communists from voter rolls, and gave the president considerable powers to censor the press.

U.S. officials disliked the Defense of Democracy Law because it gave Chile’s executive branch a “potentially dangerous weapon” and the law’s effectiveness or abuse relied solely upon the manner in which it was enforced. Under the new law, the Chilean government gained significant power to curtail dissent from any group, not just Communists. Government officials, if they wished, could silence investigative journalists who found corruption in high levels. The law could also be used to stifle labor union activism for better wages and conditions, as well as to sanction the breaking of labor unions. Even the anti-Communist provisions made the U.S. Embassy and ARA officers uneasy. As one ARA officer remarked, the law might reduce the number of Communist Party supporters, but it would drive the Communists “underground where


104 Despatch 265, Bowers to Secretary of State, 16 April 1948, 825.00/4-1648, Folder 6, Box 5353; Despatch 341, Bowers to Secretary of State, 13 May 1948, 825.00/5-1348, Folder 6, Box 5353; and Despatch 599 “Defense of Democracy Law,” Bowers (Bell) to Secretary of State, 14 September 1948, 825.00/9-1448, Folder 1, Box 5354; all DF 1945-49, RG59, NA. The names of those voters removed from the rolls were published in the government’s Diario Oficial, and copies of these were forwarded to the States Department. See passim, Folder 2, Box 5354; and Folder 1, Box 5355; both DF 1945-49, RG59, NA.
they will be more difficult to watch and possibly no less dangerous to the cause of democracy.”

Six weeks after González Videla had signed “La Ley Maldita,” the discovery of a right-wing coup plot in Chile confirmed U.S. fears of the authoritarian Right and led to the adoption of the “model democracy” premise. In October 1948, Chilean officials arrested several prominent civilians and military officers for plotting to overthrow the government, among them was General Carlos Ibáñez. Chilean officials discovered the conspirators early in their plans so the threat of a coup was minimal. State Department officials, however, reacted strongly, believing that Chile’s democracy was imperiled. They insisted that Chile’s democracy must be preserved to serve as a model for other nations in the Cold War. Department officials then developed six proposals to strengthen Chile’s democracy and President González Videla’s position.

The international context was crucial to the reaction by U.S. policymakers. The coup plot occurred after the fall of Czechoslovakia, during the U.S. airlift of supplies to Berlin after the Soviets closed access to the city, and after military coups in Venezuela and Peru.

105 Despatch 599 “Defense of Democracy Law,” Bowers (Bell) to Secretary of State, 14 September 1948. Memorandum “Defense of Democracy Law,” Bainbridge C. Davis, Assistant Chief of Division of North and West Coast Affairs, 29 September 1948, 825.00/9-2948, Folder 1, Box 5354, DF 1945-49, RG59, NA.

106 Airgram A-486, Bowers to Secretary of State, 1 October 1948, 825.00/10-148; Telegram 708, Bowers to Secretary of State, 1 November 1948, 825.00/11-148; Memorandum, Davis to Paul C. Daniels, Director of the Office of American Republic Affairs, 5 November 1948, attached to Telegram 708; and Memorandum, Miss Carlisle to Davis, 16 November 1948, FW 825.00/9-1248; all Folder 1, Box 5354, DF 1945-49, RG59, NA. Memorandum, Mills, Director of Division of North and West Coast Affairs, to Woodward, 17 December 1948, 825.00/12-1748, Folder 2, Box 5354, DF 1945-49, RG59, NA.

officials acknowledged that González Videla had implemented several much-needed economic reforms, renegotiated Chile’s debt, and substantially improved Chile’s credit standing. His efforts, U.S. officials admitted, had created “widespread public dissatisfaction” among Chilean elites, who could not easily purchase imported goods, and among Chile’s working classes and military personnel, who were not earning living wages. “[T]here were many in Chile who would welcome a change,” ARA division chief Sheldon Mills admitted, “some of them any kind of change.” Department officials now “regretted” their quick recognition of Peru’s military regime, and Truman admitted that the United States was “a little fast” in recognizing Venezuela’s military government. Robert F. Woodward, deputy director of ARA, said the moment was “a fine opportunity, if we are willing to seize it, to make our views regarding dictatorships and democracy abundantly clear…. [T]here are degrees of friendliness” and democracies like Chile should and would be clearly favored over military dictators.\(^\text{108}\)

The U.S. response to the preempted right-wing coup in 1948 completed the Chile’s transition from the periphery during World War II to a Cold War battleground.\(^\text{109}\) The U.S. response fused the ideas of democracy, exceptionalism, European-ness, and overseas territory into the model democracy premise. Entrenching Chile between Europe and Latin America on their ideological map, U.S. policymakers concluded that Chile was not the stereotypical Latin American country. Because its practice of democracy was deeply rooted and ought to be emulated, Chile’s symbolic value as a model and ally outweighed other considerations, raising

\(^{108}\) Memorandum, Mills to Woodward, 17 December 1948, 825.00/12-1748. Truman to Bowers, 28 January 1949, Folder - Chile [Folder 1], Box 172, PSF -- Subject Files, HSTL. Memorandum, Woodward to Mills, 17 December 1948, 825.00/12-1748, Folder 2, Box 5354, DF 1945-49, RG59, NA.

\(^{109}\) S. Cole Blasier used the term “battleground” in his 1950 article on Communism in Chile. See Blasier, “Chile: A Communist Battleground,” *Political Science Quarterly* 65/3 (September 1950): 353-375.
the Cold War stakes in Chile to European-like levels and elevating Chile to “a crucially important position” in the Cold War. If Chile experienced a Communist takeover or a right-wing dictatorship, then the blow to the U.S. position would have “implications far beyond those suggested by Chile’s present military and strategic value.” The demise of Chilean democracy would cast doubt upon Truman’s claim that, “Democracy was the objective which gave strength to the brave men and women of the underground in the enslaved countries of Europe and Asia,” and was “the rallying cry today for free men everywhere in their struggle for a better life.”

The question remaining for State Department officials was how to support and strengthen Chile’s democracy. Here, U.S. officials faced a dilemma: they wanted to help, but they did not want to intervene or give the perception of intervening. This narrowed their six proposals. ARA decided that the proposals of sending an air squadron or a cruiser would likely have a contrary effect. This left sending the Vice-President on a visit to Chile or inviting González Videla to Washington for an official visit. The Department suggested the former but the latter occurred.

In April 1950, González Videla arrived in Washington at Truman’s invitation, and the visit was portrayed as meeting between the leaders of two democracies. In a rare gesture, Truman hosted the President of Chile for a second time, but the visit was to express U.S. support for Chile and demonstrate the deep bond between two democratic nations. The two presidents held


111 Memorandum, Mills to Woodward, 17 December 1948, 825.00/12-1748. Letter, Truman to Bowers, 19 November 1949, Folder - Chile [Folder 1], Box 172, PSF -- Subject File, HSTL.
substantive discussions on several issues; however, a lighter moment punctuated the visit and the bond between the two chief executives. As a surprise, Truman played one of González Videla’s favorite songs on the piano, the waltz “Mis Recuerdos,” and he urged the Chilean to join him. After playing several renditions together, Truman pulled out sheet music for one of his favorites, “The Missouri Waltz,” and the two continued playing for some time. González Videla long afterwards spoke of Truman’s warmth, charm, enthusiasm, and constructive efforts.\footnote{González Videla, *Memorias*, II: 858-859, 851-853, and 863-866. Their discussions focused on Chile obtaining a tanker and two naval cruisers, a tax on imported copper moving through the U.S. Congress, and creation of a “corridor”/port for Bolivia. González Videla, *Memorias*, II: 863-866. Bowers, *Chile through Embassy Windows*, 295-297. Memorandum of Conversation “Call upon the President of His Excellency Señor Felix Nieto del Río, Ambassador of Chile,” Woodward, 1 June 1950, Folder – Chile [Folder 2], Box 172, PSF – Subject File, HSTL.}

**Conclusion**

Between 1945 and 1948, U.S. officials constructed the model democracy premise that served as the foundation for U.S. policy towards Chile until 1970. At the end of World War II, several ideas – democracy, exceptionalism, overseas territory, and European-ness – coalesced when U.S. officials discussed Chile. While tensions with the Soviet Union set the overall focus of U.S. foreign policy, U.S. policymakers viewed Chile as threatened more by right-wing authoritarianism and Argentina’s Juan Perón. The 1947 coal miners strike and the 1948 right-wing coup plot surprised Department of State officials. The two events mark the period during which the ideas that coalesced around Chile were fused into the model democracy premise of Chile. The premise stressed the importance of preserving Chilean democracy and posited Chile as a model whose future success or failure could sway other nations in the emerging Cold War.
Allende, meanwhile, built his own foundations for future success. He adhered to Popular Front tactics and tried to align the Socialists with other Leftist parties, including the Communists. He won Communist friends for his opposition to the Defense of Democracy law. An influential Socialist, Allende was not yet a national leader of the Left, but he would soon emerge as one.
CHAPTER 3
FAVORING A MODEL DEMOCRACY, 1949-1952

The Premise Adopted

During President Harry S Truman’s second term (1949-1953), his administration adopted the model democracy premise as the basis for U.S. policy and actions towards Chile. Formed between 1945 and 1948, the premise posited Chile as a model democracy for a world facing the Cold War, a democratic nation resembling a European state, and a nation beyond the immediate sphere of U.S. power and influence. The Department of State’s Bureau of Inter-American Affairs (ARA)\(^1\) admitted that Chile was favored over other Latin American nations, receiving greater assistance, loans, and public gestures of support to ensure that its democracy was stable and prosperous. Senior policymakers lobbied Congress to prevent measures that would harm Chilean interests. Even when angry at the Chileans, the Truman administration preferred to maintain good relations, conceding to Chilean demands. As Truman acknowledged, he was “particularly anxious that we should have the friendship of the Republic of Chile.”\(^2\)

For U.S. officials, the unique context in the Southern Cone – the United States facing a right-wing authoritarian threat in region, but confronting a Communist threat globally – entrenched the model democracy premise. Between 1949 and 1953, Cold War tensions with the

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\(^1\) In 1949, the Department of State was reorganized, and the Bureau of American Republic Affairs (ARA) was renamed the Bureau of Inter-American Affairs. “ARA” remained the bureau’s acronym. “Reorganization of Bureau of Inter-American Affairs,” Department of State Bulletin XXII/555 (20 February 1950): 302-303.

Soviet Union progressively intruded upon U.S. policy towards the region, transforming a hybrid Good Neighbor/anti-totalitarian policy into a thoroughly Cold War policy. The Southern Cone, however, followed a different trajectory because right-wing authoritarianism and Colonel Juan Perón of Argentina remained the primary threats.\textsuperscript{3} In Chile, the preeminent threat to democracy was former dictator and Perón sympathizer General (Ret.) Carlos Ibáñez del Campo.\textsuperscript{4} Ibáñez appealed to voter dissatisfaction with high inflation using a populist message during his 1949 senatorial and 1952 presidential campaigns, and he won both elections. U.S. officials feared that Ibáñez would subvert Chile’s democracy, create a right-wing authoritarian, Peronist state, and ally with Perón in an anti-U.S. bloc. When Ibáñez won Chile’s 1952 Presidential election, the Truman administration asked former first lady Eleanor Roosevelt to head the U.S. delegation to Ibáñez’s inauguration. U.S. officials used her great popularity to demonstrate special support for Chile’s democracy, build popular support for the United States, and trump any influence Perón might gain with Argentina’s prestigious delegation. The effort succeeded.


Salvador Allende Gossens, meanwhile, built the foundations of his Leftist coalition. During the period, the political parties realigned and Chile’s democracy expanded through the granting of women’s suffrage, doubling the electorate. Allende rejected the Socialists’ embrace of Ibáñez and ran for President in 1952. As the candidate of the leftist People’s Front (Frente del Pueblo), Allende cultivated Communist and dissident Socialist voters. He promised to nationalize the copper mines and repeal the Defense of Democracy law. U.S. officials watched Allende’s political maneuvers with interest and approved his candidacy, hoping it would undercut Ibáñez’s campaign. Instead, Communist and Socialist voters largely voted for Ibáñez, and Allende finished a distant fourth. Despite sympathy for Allende’s campaign, U.S. officials did not try to contact or nurture a relationship with the Socialist senator.

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5 Chilean political developments from 1938 to 1952 challenge the “postwar conjuncture” thesis offered by Bethell and Roxborough, the thesis asserts that the postwar opportunity for “significant political and social change was lost” and democratic advances were contained or reversed during the repression and illegalization of Communist Parties in Latin America from 1946 to 1948. See Bethell and Roxborough, “The Postwar Conjuncture in Latin America: Democracy, Labor, and the Left,” Latin America between the Second World War and the Cold War, 2. In Chile, the political watershed was the 1938 election of Pedro Aguirre Cerda and the Popular Front. González Videla was the third President of three Radical Party-led coalitions that won consecutive elections, and his election did not signify a political break from the past. Also, the Communists had declined earlier offerings of cabinet posts before 1946. Moreover, under González Videla, Chilean democracy expanded, with the electorate doubling due to the granting of women’s suffrage in 1949. See Simon Collier and William F. Sater, A History of Chile, 1808-1994 (New York: Cambridge University Press, 1996), 237-243; Paul Drake, “Chile, 1930-1958,” Chile Since Independence (New York: Cambridge University Press, 1993), 107-115; Sofía Correa Sutil, Consuelo Figueroa Garavagno, Alfredo Jocelyn-Holt Letelier, Claudio Rolle Cruz, and Manuel Vicuña Urrutia, Historia del siglo XX chileno (Santiago: Editorial Sudamericana, 2001), 127, 129; and Patrick Barr-Melej, Reforming Chile: Cultural Politics, Nationalism, and the Rise of the Middle Class (Chapel Hill: University of North Carolina Press, 2001), 200-201. For women’s suffrage, see Corrine Antenaza-Pernet, “Peace in the World and Democracy at Home: The Chilean Women’s Movement in the 1940s,” Latin America in the 1940s: War and Postwar Transitions (Berkeley: University of California Press, 1994), 166-186.

Mr. “Y” and Hemispheric Relations

As the Truman administration began its second term, it faced growing accusations that the United States had ignored or “lost interest” in Latin America since World War II. Raúl Ampuero Díaz, Secretary General of the Socialist Party of Chile (PS) complained that the United States was more interested in Europe than Latin America. Deputy Director of ARA’s Office of North and West Coast Affairs Cecil B. Lyon admitted, “We hear [that complaint] from all sides,” adding that whether the accusation was “true or not is really unimportant since [Latin Americans] have that impression,” and it “makes the situation as difficult as if it were true.”

The Department of State tried to demonstrate that the United States still considered Latin America of primary importance. The new Assistant Secretary of State for Inter-American Affairs, Edward G. Miller, Jr., visited nearly every Latin American nation during his first year. Secretary of State Dean Acheson gave a key policy speech before the Pan American Society, in which he defined U.S. regional objectives as hemispheric security, expansion of democracy, and economic cooperation and development. Three weeks later, President Truman met with the ambassadors to the Organization of American States (OAS) and reiterated Acheson’s points.


The Department used diplomatic gestures towards Chile to demonstrate U.S. interest in the region. Assistant Secretary Miller included Chile among the first group of nations he visited, and he emphasized that the trip should be publicized as a visit to Chile with stops in Peru and Ecuador. Department officials informed Secretary Acheson that Latin Americans had received Miller with “enthusiasm” and that his visit to Chile generated 2500 column inches of newspaper coverage. The Department also promoted Chilean President Gabriel González Videla’s April 1950 state visit as a demonstration U.S. commitment to democratic regimes. Miller described González Videla’s government was “the most effective and serious of any of the major countries of South America,” and U.S. officials were later pleased to report his visit was viewed as evidence of the U.S. commitment to democracy in the region.10

Acheson urged Miller to write an essay on U.S. Latin American policy “similar to [George F. Kennan’s] ‘X’ article,” and in July 1950, an article authored by Mr. “Y” appeared in the journal *Foreign Affairs*, just as the “X” article had done three years earlier. In 1947, Kennan, writing as Mr. X, had clearly outlined the U.S. policy of containment towards the Soviet Union, and Acheson believed that ARA might do the same for U.S. policy towards Latin America.

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Halle’s “Y” article was significant in three respects. It presented a policy and approach under which Chile received favored treatment. It responded to Kennan’s 1950 report on Latin America. Finally, it marked the transition from a Good Neighbor policy to a Cold War policy.

In the “Y” article, Halle summarized the policy that Acheson and Miller had advanced since late 1949. In September 1949, Acheson defined U.S. objectives in Latin America as promoting democracy, encouraging economic development, and maintaining regional security (anti-Communism). Miller developed each objective in three separate speeches between January and May 1950. Regarding regional security, Miller said that through the Rio Treaty and the OAS, the hemisphere’s nations agreed to maintain “our common peace and security,” which implicitly meant rejection of Communist intrusion. For economic development, Miller, and Halle in the “Y” article, asserted that “extreme social and economic misery” and inadequate

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educational opportunities hindered the expansion of democracy. Through technology exchanges, U.S.-funded development projects, and private investment, Miller said that the United States could assist Latin American nations in national development, thereby advancing the U.S. national interest. By “strengthening our friends, restoring stability, and creating a more prosperous world,” said Miller, the United States could help remove obstacles to democracy.  

Miller and later Halle divided the United States’ considerable concerns about democracy in the hemisphere into two issues: an increase the number of democratic governments, and recognition of new regimes. Miller and Halle stressed that one nation (i.e. the United States) could not “impose [democracy] by force,” “create [it] by any simple campaign of mind or matter,” or “produce it out of a hat by exhortation.” In order to expand democracy in the Americas, Miller and Halle insisted that the United States must “set the example,” although Miller confessed that the United States was “by no means the only good example that the Hemisphere has to offer,” which may have been a reference to Chile. 

Miller stressed that diplomatic recognition did not explicitly or implicitly signify U.S. approval of a regime. Recognition “should not be used as a moral force to bring about internal reform,” he said, because it constituted an intervention in a nation’s internal affairs, which he admitted was a “hotly debatable question.” Besides, he added, “nationalism distorts judgment and makes people stubborn, so that our expressions of disapproval of their government may make them cling all the more desperately to it.” Differences and disagreements required nations


to maintain open channels of communication, and Miller saw no need to lower another Iron 
Curtain if “we are to work toward international understanding.”\(^{16}\)

The “Y” article is unusual in that Halle focused upon how the United States should relate 
with its hemispheric neighbors, not policy objectives. He asserted that Latin American nations 
merited respect, tolerance, and cautious optimism, and that the United States should treat them as 
“equals,” “adults,” and “friends.” Casting the existing debate between “paternalists” and 
“fraternalists,” Halle castigated the paternalists who exhibited “impatience” with Latin America 
and acted “in the manner of a stern father…after his children have publicly embarrassed him.” 
True leadership, he said, was expressed “as what ‘we’ must do, not as what ‘you’ must do.” 
Besides, he noted, Latin American nations had made significant gains toward democratic 
government; it was a “schoolboy’s misconception” to claim that democracy was the absence of 
dictatorship or that it could be donned by a nation “as one puts on an overcoat.”\(^{17}\)

For Halle, the “moral danger” for U.S. policy – and the United States’ “national weakness” – 
was self-righteousness. Americans, he said, presumed that the United States exemplified the 
ideal; meanwhile, they expected Latin American nations to live up to that ideal or dismissed 
them as “unworthy of us.” Too often, he said, Americans claimed the United States was 
defending its “rights” while Latin Americans pursued their “selfish interests;” Americans waxed 
indignantly about corruption in Latin America as if corruption did not exist in the United States; 
and Americans complained about Latin American “discriminatory trade and employment 
practices” but ignored U.S. practices. When the United States had sought advice from its


\(^{17}\) “Y” (Halle), “On a Certain Impatience with Latin America,” 565, 577-579.
southern neighbors and had “shown a disposition to be guided by” that advice, he wrote, Latin Americans had acted “more statesmanlike.” The challenge for the United States was to live up to its ideals and to act as a nation who respects itself and the rights of others.¹⁸

Halle’s views diverged sharply from those of George Kennan, who had written a report on U.S. policy towards Latin America three months earlier (March 1950). A Russia specialist with negligible experience with the region, Kennan considered South America “the reverse” of North America. He could conceive of no place where humans had created “a more unhappy and hopeless background for the conduct of human life.” He complained that Latin Americans had “an exaggerated self-centeredness and egotism,” and had engaged in miscegenation. He believed that Latin Americans were unaware of Communism’s “reality.” Kennan also claimed that the “concepts and traditions of self-government were weak” in Latin America, and as a result, the United States would have to work with “regimes whose origins and methods would not stand the test of American concepts of democratic procedure.”¹⁹

Halle’s ideas, not Kennan’s, characterized ARA’s views in 1950.²⁰ Assistant Secretary Miller considered Halle’s article an “excellent restatement” of U.S. policy; meanwhile, Miller’s staff assistant Norman Pearson described Kennan’s report as not only “exceedingly repulsive to [Latin Americans] but…would gag most thinking U.S. citizens.” Pearson told Deputy Assistant Secretary of State Willard F. Barber that the United States could not afford to adopt Kennan’s

¹⁹ Memorandum, George F. Kennan, Counselor of the Department, to the Secretary of State, 29 March 1950, FRUS 1950, II: 600-603, 607.
“holier-than-thou” attitude. When one U.S. official echoed Kennan’s attitude, saying that Latin Americans had experienced a “lack of self-respect” after World War II, Miller shot back, “I do not…believe there is any such concept whatever in our relations with Peru, Chile, Argentina, Uruguay, Colombia, Venezuela, Cuba, and a number of other countries.”

Halle offered a transitional blend of Good Neighbor and Cold War ideas that emphasized democracy in the “Y” article, and it worked to Chile’s benefit. Rooted in the ideas of cultural anthropologists Franz Boas, Margaret Mead, and Ruth Benedict, the Good Neighbor policy had encouraged a more hands-off approach in part because the policy posited that uplift could not and should not be imposed. Halle adhered to this cultural pluralism by stressing that Latin American nations “var[ied] widely” and by reconciling U.S. regional policy with the individuality of each U.S. bilateral relationship. This conformed to the Truman administration’s focus upon cooperation, responsibility, and self-help, and its discouragement of the idea that the United States was “responsible for solving [Latin American] problems.” Truman emphasized, “We are not trying to sell them automobiles and television sets. Our purpose is to help them to grow more food, to obtain better education, and to be more healthy. That is the way they can gain the physical and moral strength to be free and to maintain their own governments.”

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With this Good Neighbor/pluralist basis, Halle offered a “progressive” approach to U.S. bilateral relations. Halle’s insistence that the United States could not offer “moral leadership” in hemispheric affairs until it first “cultivate[d] these things in ourselves” resembled Gunnar Myrdal’s contemporaneous insistence that Americans could not attain “the American Creed” of justice, equality, liberty, and opportunity unless they cultivated those ideals in their attitudes and practices by ridding themselves of racial prejudice. Halle’s insistence that the United States treat Latin Americans as “adults” and that “nothing is so stultifying to development as to be treated like a child” is not far from Thurgood Marshall arguing before the Supreme Court in the 1954 case *Brown versus the Board of Education of Topeka* that racially segregated schools imposed a psychological “badge of inferiority” upon black children.\(^{23}\)

Despite Halle’s progressivism, Cold War concerns increasingly impacted U.S. Latin American policy and created a transitional blend of Good Neighbor and Cold War ideas during the late 1940s. Victory in World War II had renewed the U.S. faith in democracy, capitalism, and the “mission to uplift,”\(^{24}\) and this was reflected in Halle and Miller’s highlighting of democracy, encouraging its expansion and strengthening, as in the case of Chile. Through the Point IV program, they promoted economic development via private investment, sought to raise economic and social levels to strengthen allies, and kept open communications with undesirable


regimes in order to maintain allies and prevent the expansion of Communism. U.S. officials tried to ensure the security of the hemisphere through the 1947 Rio Pact and the 1948 creation of the OAS. The “transitional” blend permitted Miller to assert, in a 25 April 1950 speech to the Pan-American Society (known as the “Miller Doctrine”), that non-intervention and the Monroe Doctrine were compatible concepts. He said that the 1949 OAS charter dictated that “no state or group of states has the right to intervene” but Miller then declared that the OAS could employ measures to maintain “peace and security.” Miller posited such measures as “a collective undertaking” by an “organized community” of equals, but recognized that the United States, as a superpower, would lead the community.  

U.S. officials favored democratic Chile under the Truman administration’s blend of Good Neighbor pluralism and Cold War imperatives. Miller remarked, the Chileans “should realize more than anyone else the preferential position that we accord in our thoughts and in our actions to countries which are democratic.” Miller encouraged the EXIM Bank and the International Bank for Recovery and Development (IBRD) to offer substantial development loan packages to Chile, and both institutions prepared large long-term programs for the Southern Cone nation. When a Chilean official visited Washington, Miller ensured that he did not return to Santiago empty-handed by working with the Treasury Department to have the IBRD and EXIM Bank grant Chile several targeted loans for industrial development. When a $25 million EXIM Bank loan for Chilean economic development stalled, Miller confessed that he had “worked night and

day to push the matter along.” When delivery of a tanker that Chile had purchased for its navy was delayed, Truman twice intervened personally to ensure the tanker’s delivery.26

The Truman administration tried to stop Congress from reinstating a suspended two-cent tax on imported copper because it placed U.S. domestic concerns and U.S. foreign policy priorities against each other. When the price of copper declined in 1949, several Congressmen from copper-producing states proposed a two-cent tax on imported copper as a means of helping mining communities and their reelection chances in 1950. The Chilean government, meanwhile, relied heavily on copper exports (approximately 60 percent of revenues), and the price decline had created a severe budget shortfall. At González Videla’s instruction, Minister of Economy Alberto Baltra Cortés and Ambassador Félix Nieto del Río discussed Chile’s economic plight and the two-cent tax with Truman. Miller assured Baltra and Nieto that the Department of State would make sure that “Congress is thoroughly familiar” with the tax’s detrimental effects on Chile. Besides writing to Truman and Vice President Alben Barkley on the issue, Bowers warned ARA that the tax showed “a complete disregard for the vital economic interests of a friendly country;” moreover, he noted, Communist Senator Pablo Neruda had cited it as “proof of the hypocrisy of our Good Neighbor Policy.”27


27 Bowers to Davis, 28 June 1949; and Bowers to Truman, 8 July 1949; both Folder -- 1949 May-August, Box 7, Bowers Papers. Bowers to Truman, 21 June 1950, attached to Truman to Bowers 29 June 1950, Folder -- 61 C (1950) [Folder 1], Box 354, Official Files, HSTL. Bowers to Barkley, 11 July 1949, Folder -- 1949 May-August,
The White House and the Department of State lobbied hard against the two-cent tax, urging Congress to extend its suspension. Truman told Bowers, “I’ve been doing everything I possibly can to get the copper situation straightened out so there won’t be a slap at our good friends in Chile.” When one Department officer accused the Division of North and West Coast Affairs of selling the suspension to Assistant Secretary Miller, division Director Sheldon Mills told the officer point blank that Miller “knows Chile exceedingly well” and “is personally convinced” of the necessity for permanently suspending the tax. Miller and ARA officials canvassed Congress to extend the tax’s suspension, and Miller organized an interdepartmental effort with the Department of Commerce and the Bureau of the Budget to pressure Congress during the 1950 session. When Bowers travelled to Washington in April 1950, he too visited Capital Hill and lobbied individual Congressmen to extend the two-cent tax’s suspension.28

The Truman administration favored democratic Chile, but there were limits of the Executive branch’s ability to influence and direct all parts of the U.S. Government. White House and State Department efforts defeated the copper tax bill during the 1949 Congressional term, but Congress and election year politics prevailed in 1950, and the two-cent tax went into effect on 30 June 1950. Bowers assured Miller that González Videla understood that Truman and the Department had “done all in their power” to stop Congress’s reimposition of the tax, but he later confided that some Chileans had difficulty reconciling the Good Neighbor policy with a tax that


28 Truman to Bowers, 29 June 1950, Folder -- 1950 April-June, Box 7, Bowers Papers. Memorandum “Excise Tax on Chilean Copper,” Mills to Miller, 9 December 1949, Folder 5 Box 5370, DF 1945-49, RG59, NA. Memorandum of Conversation “Farewell Call by Chilean Minister of Economy and Commerce,” Davis, 24 June 1949, 825.6352/6-2449, FRUS, 1949, II: 597; Memorandum of Conversation “Department’s position re restoration of copper excise tax …,” H. M. Randall (NWC), 6 December 1949, Folder 5, Box 5370, DF 1945-49, RG59, NA.
hurt Chile. Miller later pledged, “one of my new year’s resolutions will be to proceed with all enthusiasm to work for constantly improved relations between our two countries.”

Developing Threats Left and Right

While the United States favored Chile, U.S. policymakers feared subversion of Chile’s democracy from right-wing authoritarians, not the Communists. Chilean political developments encouraged U.S. fears and created important foundations for Salvador Allende’s future political success. Like U.S. Latin American policy, Chilean politics experienced a transition between 1948 and 1952. Suffrage in Chile expanded, Cold War dynamics increasingly impacted Chilean domestic politics, and the Right-Left axis that had dominated Chilean politics since the 1932 fall of General Carlos Ibáñez’s dictatorship was breaking down.

Women’s suffrage enhanced Chile’s image of political maturity and democratic orientation; furthermore, Allende and the Left believed that giving women the vote (and doubling the electorate) would benefit the Left. President González Videla signed legislation granting women’s suffrage in January 1949, just weeks after signing the Defense of Democracy law. Allende had long been an advocate of social programs for women and children, and he

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29 Bowers mistakenly states that the tax was not imposed. See Bowers, Chile through Embassy Windows, 295. Bowers to Miller, 12 June 1950; and Bowers to Jack K. McFall, 12 June 1950; both Folder -- 1950 April-June, Box 7, Bowers Papers. Miller to Bowers, 31 May 1950, 825.10/12-2650, FRUS, 1950, II: 798. Miller to Bowers, 8 December 1949, Folder -- Chile 1949-1950, Box 3, Miller -- Subject Files, RG59-Lot Files, NA.

30 Women’s suffrage casts grave doubt on whether the “postwar conjuncture” thesis (democracy was “contained” or “reversed” in Latin America during the early Cold War) applies to Chile. Enacted just a few weeks after the Defense of Democracy law was signed, women’s suffrage added 475,000 voters to Chile’s rolls; meanwhile, the Defense of Democracy law removed about 25,000 Communists. By insisting Chilean democracy was “contained” in 1948, one risks asserting that women’s suffrage is not important and that the votes of 25,000 Communist men matter more than the votes of 475,000 women. One also risks asserting that democracy only exists when the Communists participate but can exist regardless of whether or not women vote. Admittedly, Chilean women tended to vote more conservatively than Chilean men, but Michael Coppedge has cautioned against using the broad term
supported women’s suffrage, declaring that it was “normal” in the Socialist Party to believe that women shared the same rights as men. Leftist women, notably Communist Elena Caffarena and Radical Amanda Labarca, were instrumental in urging Chile’s Congress to pass women’s suffrage legislations, and the suffrage movement cut across party and ideological lines, with First Lady Rosa Markmann de González joining the cause. The advantage that Allende and the Left anticipated would not materialize. Chilean women would vote more conservatively than men and would consistently prefer centrist and rightist candidates to Allende.31

The clash between the Communists and González Videla introduced Cold War dynamics into Chilean politics, which in turn, fostered a political realignment that abetted Allende’s formation of a Leftist coalition. Anti-Communism and civil rights issues radiated through and fractured nearly every political party, creating ten new political parties in addition to the eight

“...”

31 Corinne Antezana-Pernet, “Peace in the World and Democracy at Home: The Chilean Women’s Movement in the 1940s,” Latin America in the 1940s: War and Postwar Transitions (Berkeley: University of California Press, 1994), David Rock, ed., 166-186. Adolfo Pardo, “Historia de la mujer en Chile: La conquista los derechos politicos en el siglo XX (1900-1952), Critica (1995), http://www.critica.cl/html/pardo_01.html. Federico G. Gil, The Political System of Chile (Boston: Houghton Mifflin, 1966), 212-214. Correa et al., Historia del siglo XX chileno, 191-192. Women’s conservative voting patterns in Chile raise thorny and difficult questions, questions which scholars have yet to devote adequate attention. Margaret Power offers a pioneering study, but scholars have not sufficiently accounted for women within Chilean domestic movements and politics. A full incorporation and consideration of women and their concerns suggests a strong strain of reformism in Chile, a centrist reformism that can both demand answers for “disappeared” children and family members and march with empty pots to demand better distribution and pricing of food. A full consideration of women’s voting patterns and activism also questions how “revolutionary” Chilean society had turned in the late 1960s, since women consistently preferred centrist and rightist candidates to Allende, and in 1970, nearly 70 percent voted for candidates other than Allende. For rightist women, see Margaret Power, Right-Wing Women in Chile: Feminine Power and the Struggle against Allende, 1964-1973 (University Park: Pennsylvania State University Press, 2002). For women’s voting patterns, see César N. Caviedes, Elections in Chile: The Road toward Redemocratization (Boulder: Lynne Rienner, 1991), 17-18.
already in existence. González Videla’s Radical Party split twice; the Conservative Party divided; and the Socialist Party rent along anti-Communist lines. Within the PS, the faction led by Allende and Ampuero opposed the Defense of Democracy law and González Videla; meanwhile, Bernardo Ibáñez Aguila (the party’s 1946 presidential candidate) and his adherents supported the president and his anti-Communist measures. Allende made “an impassionate plea” for party unity, but it failed. Bernardo Ibáñez’s group broke away, joined González Videla’s coalition, and accepted cabinet positions. The Allende-Ampuero Socialists formed the Popular Socialist Party (PSP — Partido Socialista del Pueblo).

With party fracturing, the Left-Right dichotomy broke down, and the parties began to realign in a three-way division – the Right, the anti-Communist Left, and the Marxist Left – opening the path to minority presidents. Initially the parties and factions congregated into two broad coalitions that supported or opposed González Videla. Conservatives, centrist, and anti-Communist Left (Radicals, Liberals, Conservatives, and Bernardo Ibáñez-led Socialists) comprised the Government coalition, and helped form the president’s Cabinet of National Unity (Concentración Nacional). The anti-González Videla opposition was an unstable mix of rightist


and leftist parties that became known the FRAS (drawn from the first letter of the four main
parties: Falange, Radical-Democrat, Agrarian Labor, and Ampuero-Allende Socialists). The
FRAS rejected González Videla’s pro-U.S. orientation and sought to overturn the Defense of
Democracy law. In an early version of non-alignment, the FRAS advocated “national
sovereignty and autonomy” with the superpowers and an economically and politically unified
Latin America “on a democratic, anti-imperialist, non-bellicose basis.”

The imprisonment and treatment of Communists at Pisagua fueled political tensions and
party divisions. Communists involved in the 1947 coal miners’ strike were arrested and taken to
a penal colony in Pisagua, an isolated, northern coastal town in the Atacama Desert. They joined
Communists arrested by Captain Augusto Pinochet Ugarte in the northern nitrate mines. As
commander of the Army regiment at Pisagua, Pinochet admitted that the camp suffered problems
but said the problems were soon resolved. The prisoners could walk about the village and beach,
and some apparently had their wives with them. Accusations flew (largely from Communist
sources) that the government ran a “concentration camp” at Pisagua. González Videla denied
this, insisting that the prisoners were well treated. Allende rejected the accusations twice. He
was a member of a Congressional delegation that inspected Pisagua and released a report

34 Airgram A-44, Bowers (Crain) to the Secretary of State, 24 January 1949, 825-00/1-2049, Folder 1, Box 5355;
Despatch 116 “Pre-election political activity,” Trueblood (Crain) to the Secretary of State, 16 February 1949, 825-
00/2-1649, Folder 1, Box 5355; Airgram 99, Bowers (Crain) to the Secretary of State, 8 March 1948, 825.00/3-448,
Folder 6, Box 5353; and Despatch 775 “Present status of political parties and combinations,” Bowers (Crain) to the
Secretary of State, 10 December 1948, 825.00/12-1048, Folder 2, Box 5354; all DF 1945-49, RG59, NA.

35 Eduardo Labarca Goddard, Vida y lucha de Luis Corvalán (México D.F.: Ediciones de Cultura Popular, 1976),
119. Augusto Pinochet Ugarte, Camino Recorrido: Memorias de un soldado Volume I (Santiago: Imprenta de
Instituto Geográfico Militar de Chile, 1990), 114-118. Jody (Joann) Pavilack, “Regional Social History and the
Advent of the Cold War in Chile: The Legal “Revolutionary” Coal Miners’ Strike of October 1947,” Paper
presented at the Latin American Labor History Conference, Duke University, 27-28 April 2001,

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discrediting the concentration camp claims. Bowers also issued a denial when U.S. citizens protested prisoner treatment at Pisagua. One such protest letter came from a friend of former First Lady Eleanor Roosevelt. Bowers assured Mrs. Roosevelt that the concentration camp claims were based on “thoroughly disreputable and utterly false propaganda put out by the Communists….there never was a ‘concentration camp’ in the sense understood by us.”

Pisagua, the Defense of Democracy law, and the clash with González Videla prompted the Communists to return to the Popular Front tactics and build stronger relations with such Leftist parties as Allende’s PSP. Outlawed, and with its Secretary General Ricardo Fonseca Aguayo dying from cancer, the PCCh split. One faction led by Luis Reinoso wanted to mobilize the masses and engage in violence to overthrow the “dictatorship” of González Videla. The other faction, led by Galo González and Volodia Teitelboim, rejected violence and urged a Popular Front strategy to achieve “the peaceful road to socialism.” The González-Teitelboim faction sought reclamation of their full political rights and “full bourgeois democracy” in Chile as “the first step to socialism.” As internal debate raged, Fonseca died, but before his death, he

36 Allende’s second denial occurred in Caracas when he led the Chilean delegation to the inauguration of Venezuelan President Rómulo Gallegos. Allende denied that any teachers were held in the “camp”; however, the Communist newspaper El Siglo produced a list of prisoner names and occupations that included some teachers. See Newspaper Clipping El Nacional, 22 February 1948, enclosed with Despatch 181, U.S. Embassy Caracas to Department of State, 25 February 1948, 825.00/2-2548, Folder 6, Box 5353, DF 1945-49, RG59, NA.


38 Some PCCh members accused Reinoso of committing robberies at a time when the party suffered “its greatest difficulties,” hurting public perception of the party. See Labarca, Vida y lucha de Luis Corvalán, 55. The terms “dictatorship” and “legal dictatorship” are often used by the far left to describe González Videla’s presidency. See Alejandro Chelen Rojas, Trayectoria del Socialismo (Apuntes para una historia critica de Socialismo chileno) (Buenos Aires: Editorial Astral, 1966), 121; Labarca, Vida y lucha de Luis Corvalán, 19, 55.
denounced Reinoso. After Fonseca’s funeral procession, which included such prominent politicians as Allende, Ampuero, and General Carlos Ibáñez, PCCh leaders expelled Reinoso. The PCCh became resolutely committed to coalition politics and fearful of another military crackdown, even when outflanked by more revolutionary groups.39

The Law for the Permanent Defense of Democracy was proving ineffective and opposition to it grew. The law officially removed about 26,500 Communists from the registered voter rolls, but it did not eliminate most Communist voters.40 Voters not registered as Communists or not known as party members were unaffected, and the embassy estimated this number at 55,000. Also, when the lists of Communists to be struck from the rolls were published in the newspaper, the names of several obvious non-Communists, including the wife of Socialist leader Bernardo Ibáñez, appeared. One could appeal their removal from the roll; however, Chilean newspapers published several letters from those who had been wrongly listed, further discrediting the law.41

39 Faúndez, Marxism and Democracy in Chile, 95-97. Carmelo Furci, The Chilean Communist Party and the Road to Socialism (London: Zed Books, 1984), 43-54. Despatch 528 “Death of Secretary General of Communist Party of Chile,” Bowers (Bell) to Secretary of State, 26 July 1949, 825.00B/7-2649, Folder 3, Box 5357, DF 1945-49, RG59, NA. Labarca, La vida y lucha de Luis Corvalán, 55.

40 Important registration procedures prevent one from assuming that the number of Communists removed was more than 26,500. Joann Clements Pavilack asserts that the official 26,500 figure does not count more than 16,000 voters purged from the lists after Communist voters were removed. This brings the figure closer to 40,000 voters, and Allende used this 40,000 figure during a Senate debate in 1952. However, in the 1940s and 1950s, Chile did not have permanent voter registration. Voter registrations became invalid after ten years, and voters needed to re-register. The timing of expired registrations in 1948 coincides with the registrations of literate men for the hotly contested 1938 Presidential election; therefore, many of the 16,000 are likely be expired registrations, not suspected Communists. Other reasons to purge a voter’s registration include change of address, death, failure to fulfill military service, mental incapacitation, etc. Moreover, if one is closely scanning voter rolls to remove Communists, then it is very likely that other items in the rolls such as expired registrations, death, and change of address would be noted. See Pavilack, “Black Gold in the Red Zone: Repression and Contention in Chilean Coal Mining Communities from the Popular Front to the Advent of the Cold War,” Ph.D. dissertation, Duke University, 2003, 454-455. For Chilean voter registration procedures, see Gil, The Political System of Chile, 206-208.

41 Despatch 502 “Defense of Democracy Law and present political situation,” Bowers (Bell) to Secretary of State, 19 July 1949, 825.00/7-1949, Folder 2; and Despatch 44 “Director of Electoral Register, Ramón Zafratu …,” Crain (Bell) to Secretary of State, 13 January 1949, 825.00/1-1349, Folder 1, both Box 5355, DF 1945-49, RG59, NA.

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Some minor government officials used the law to deny civil liberties to citizens who criticized González Videla or to root out Communism from the coal, copper, and nitrate miners’ unions. Reporting the abuses to Washington, the U.S. Labor Attaché called the law a “failure” that was “increasingly embarrassing” for Chile’s government. Opposition to the law grew, even among the Center and Right, and Arturo Matte Larraín, a leading Liberal party member and son-in-law of Arturo Alessandri, soon called for revisions to the law. González Videla responded that since Matte was one “whose friendship I respect,” he would consider modifications to the law but remained opposed to repealing it.  

La Ley Maldita, as the Defense of Democracy law was known, in several ways legitimized the Communists as accepted participants in Chile’s democratic processes rather than stigmatizing them. With the PCCh committing firmly to popular front tactics, the other political parties competed for Communist votes in the 1949 Congressional elections, helping to move political campaign rhetoric to the Left. The parties hoped to capitalize upon the now-illegal PCCh being unable to defend its fifteen seats in the Chamber and two seats in the Senate. Communists unaffected by the law and their sympathizers formed three new political parties that joined


43 Three Communist Senate seats were not up for reelection in 1949. The Law for the Permanent Defense of Democracy did not remove Communist parliamentarians from office but rather made it impossible for them to seek reelection, allowing them to serve out their terms.
together as the National Democratic Front (FND — Frente Nacional Democrático). A
Communist-front group, the FND tried to join FRAS, but FRAS rejected them.\textsuperscript{44}

With the Communists not eliminated and the opposition gaining strength, González Videla
asked the United States to assist his coalition during the 1949 Congressional elections, but U.S.
officials adamantly opposed any U.S. involvement in Chile’s domestic politics. During a
meeting with Bowers, González Videla said that the opposition received support from the
Communists and financial backing from Perón; therefore, he wanted contributions from the large
U.S. companies operating in Chile’s copper, nitrates, and electricity industries. Bowers told him
that Washington was “rigid” against any U.S. involvement, and he reminded González Videla
how much he had appreciated this policy during his election in 1946. The president waved this
aside. The March elections were an “international issue,” he claimed, and if the Communists
regained the power, U.S. interests would face “serious trouble.” Bowers insisted that he could
not approach U.S. companies. When Bowers informed Washington of González Videla’s
request, the Department of State instructed the embassy to continue to “discourage…any
interference or participation” in Chile’s political affairs.\textsuperscript{45}

The results of the 1949 Congressional elections deepened U.S. worries about a right-wing
totalitarian threat. FND candidates won four seats in the Chamber of Deputies; however, a
majority of the Communists’ seats went to the Agrarian Labor Party (PAL – Partido Agrario

\textsuperscript{44} Barnard, “Chile,” \textit{Latin America between the Second World War and the Cold War}, 89. Despatch 775, Bowers
(Crain) to Secretary of State, 10 December 1948, 825.00/12-1048. Despatch 502 “Defense of Democracy Law and
present political situation,” Bowers (Bell) to Secretary of State, 19 July 1949, 825.00/7-1949, Folder 2, Box 5355,
DF 1945-49, RG59, NA. Despatch 89 “Communist-front \textit{Frente Nacional Democrático} efforts to join the FRAS…,”
Bowers (Crain) to Secretary of State, 3 February 1949, 825.00/2-349, Folder 1, Box 5355, DF 1945-49, RG59, NA.

\textsuperscript{45} Bowers Diary, 18 January 1949, Bowers Papers. Telegram, Acheson to U.S. Embassy Santiago, 25 February
1949, 725.00/2-3549, Folder 1, Box 5355, DF 1945-49, RG59, NA.
Laborista), a rightist party composed of Ibañistas, southern land-owners, Nazi remnants, and leftist and rightist voters who favored a strongman. Particularly worrisome for U.S. officials was the success of Senatorial candidate retired General Carlos Ibáñez, an Agrarian Laborite who received the highest number of votes of any candidate in the elections. Bowers asserted that the far Right and far Left were “quite willing to unite” against Chilean democracy, as demonstrated by the fact that the fascists, Peronists, “dissatisfied element[s] in the army,” and Communists voted for Ibáñez. He insisted that the threat to Chile was “totalitarianism in general,” and he told Secretary of State Acheson that in the current global struggle between totalitarianism and democracy, Chile “is entitled to our most sympathetic consideration.”

Ibáñez’s authoritarianism and his ties to Perón troubled U.S. officials. Ibáñez, like the Argentine leader, based his movement on authoritarianism, nationalism, and anti-oligarchical sentiment, and he called Argentina as his second fatherland. He visited and talked with Perón multiple times, and in 1951, newsreel captured him and Eva Perón visiting social projects she had sponsored in Argentina. González Videla and Conservative senator Eduardo Cruz Coke had charged that Perón had helped finance Ibáñez’s senatorial campaign; moreover, Ibáñez,

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46 Despatch 167, Bowers to Secretary of State, 15 March 1949, 825.00/3.1549. Despatch 151 “Congressional Elections held March 6, 1949,” Bowers (Crain) to Secretary of State, 8 March 1949, 825.00/3-849; and Despatch 254 “Comment on Chilean Section of OIR Report No. 4780 (PV) …,” Bowers (Crain) to Secretary of State, 11 April 1949, 825.00/4-1149, Folder 1, Box 5355, DF 1945-49, RG59, NA. Despatch 17 “Analysis of Voting in March 1949 Elections,” Bowers (Bell) to Secretary of State, 9 January 1950, 725.00/1-950, Folder 1, Box 3313, DF 1950-54, RG59, NA.

47 Letter, Bowers to Miller, 22 August 1949, attached to Truman to Bowers, 27 August 1949, Folder -- Chile [Folder 1], Box 172, PSF-Subject Files, HSTL. Despatch 3 “Chilean-Argentine Relations,” Bowers to Secretary of State, 3 January 1949, Folder -- 1949 January-April, Box 7, Bowers Papers.

fascists, and Perón agents had been implicated the stifled 1948 coup. In a letter to Assistant Secretary Miller (with a copy to Truman) Bowers insisted that had González Videla not moved against the Communists, there would have been every reason to fear a military dictatorship like that in Argentina and Peru,” and that “the old Nazi element, represented by Carlos Ibáñez, the former dictator, would have gone into the street.”

The Korea War and a Cold War Policy

While Ibáñez’s popular appeal revived the rightist threat in Chile, the advent of the Korean War pushed U.S. Latin American policy into a Cold War framework. Whereas the “Y” article had presented a policy comprised of a transitional blend of Good Neighbor and Cold War ideas; Miller, Halle, and other ARA officials determined in October 1950, after U.S. forces had withstood the initial North Korean advance and then pushed across the 38th parallel, that the “Y” article policy had been “developed in response to a situation that no longer exists.” Asserting that a reassessment of U.S. Latin American policy as “overdue,” ARA officials invoked National Security Council Report 68 (NSC-68), a document primarily authored by Paul Nitze that served as the basic rationale for U.S. strategy during the Cold War. In a series of memoranda likely


written by Halle, ARA officials asserted that the world was divided into two camps, the United States, as the leader of the “free world,” against Soviet expansionism, and that the United States needed “to build up the strength of the free world…to frustrate Soviet imperialism.”

Viewing Latin America as central to the free world coalition, ARA policymakers considered the 1947 Rio Treaty was one of two alliance systems that constituted “the core of the [free world] coalition:” NATO was the “front lines” and the inter-American alliance was the “inner defenses.” In addition, Latin American nations had comprised the bulk of U.S. support in the United Nations. ARA officials now wished that they had treated the Latin Americans more like the Europeans, confessing that in doing so “we might have made [them] feel that they were honorably associated with us as our allies in an inspiring enterprise.” Too often, ARA admitted, the United States had told its southern neighbors that it was “too busy to talk,” had tended to “overlook their needs and sensibilities” and had “expected them to follow rather than accompany us.”

ARA offered a new policy focus and objectives in late 1950, revealing that the transitional Good Neighbor/Cold War policy blend had evolved into a predominantly Cold War framework. U.S. policymakers now sought to ensure the “positive identification” of Latin American nations with U.S. policy, to “help secure the stability and economic viability” of their hemispheric neighbors, and encourage a more effective OAS. Moreover, ARA demanded better coordination

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in the conduct of U.S. bilateral relations in order to “insure maximum consistency between what we do in Latin America and what we do in other parts of the world.” Miller, Halle, and other ARA officials proposed no consultation, demanded greater deference to U.S. leadership, and cast Latin American nations as objects of persuasion. Only the objective of encouraging a more effective OAS hinted at any remnant of the Good Neighbor. 54

The new Cold War framework placed greater emphasis upon Chilean democracy as an ideological symbol in the Cold War, and stressed Chile’s exceptionalism. ARA reassessed its policy for Chile in 1951, and that policy statement, like its 1947 predecessor, stressed that Chile constituted a crucial Cold War ally because of its functioning democracy. The 1951 policy statement acknowledged, “The basic US objective in Chile…is to obtain Chile’s full and effective cooperation in our quest for freedom and international security;” however, Chile’s contribution to that quest depended upon “maintenance of reasonable governmental stability and the continuance of Chile’s present strong adherence to democratic principles.” Furthermore, Department of State officials invoked the two spheres concept, which posited the Southern Cone as overseas territory rather than the U.S. “backyard.” It also emphasized Chile’s “borderlands” position between Latin America and Europe, in which Chile’s practice of parliamentary government was “uncommon in Latin America” and “similar to that of France.” In short, Chile was different; it was “a champion of democracy.” 55


55 In the 1951 policy statement, copper appeared as a fourth priority, below the necessity of Chile’s military forces for hemispheric defense. Policy Statement “Chile,” Department of State, 27 February 1951, 611.25/2-2751, Folder 2, Box 2760, DF 1950-54, RG59, NA, p. 1, 10, 11-13.
The 1951 policy statement firmly entrenched U.S. diplomacy in treating Chile as a respected, influential, regional ally for whom, like the European nations, the next steps of U.S. policy would be to encourage political stability, economic growth, and higher living standards. Chile obtained a “laundry list” of benefits and high-level personal attention from the United States. Assistant Secretary Miller “personally attended” to resolving Chile’s difficulties with the IBRD, and the United States had sold Chile two cruisers at “bargain prices,” delivering them to the Chileans ahead of those bought by Brazil and Argentina. The United States offered to negotiate an agreement for grants of military aid that were entirely unconditional on any Chilean participation or assistance with the Korean War. U.S. officials increased Point IV aid efforts in Chile when González Videla requested it. They also forged a copper agreement with Chile in which the United States paid Chile an additional three cents per pound more than U.S. domestic producers, the only commodity where this occurred. The Department of State successfully urged the EXIM Bank to make Chilean loans for the Huachipito steel mill and the construction of a petroleum refinery a priority. Finally, the United States had supported Chile’s bid for a seat on the United Nations Security Council and the Chilean candidate’s election as president of the General Assembly’s Committee on Human Rights.56

U.S. officials oriented their diplomatic approach towards Chile on negotiation and compromise, and U.S.-Chilean negotiations on copper serve as an example. During the Korean War, the price of copper climbed sharply, rising as high as 55 cents per pound. In June 1950, the Office of Economic Mobilization, as a measure to control inflation, froze the price that the

56 Schwartzberg, *Democracy and U.S. Policy in Latin American during the Truman Years*, 219; Miller to Bowers, 7 January 1952, Folder -- 1952 January-February, Box 7, Bowers Papers. The term “laundry list” is found in Schwartzberg, 218.
United States would pay for copper at 24.5 cents per pound. The lack of coordination within the
U.S. government and the lack of consultation with copper-exporting allies forced the Department
of State to negotiate a copper agreement with the Chileans. After a year, the United States and
Chile reached an agreement. Chile would sell 80 percent of its copper to the United States at the
24.5 cents price, and the United States agreed to pay the Chilean government an additional three
cents per pound (making the price 27.5 cents). Chile could sell the remaining 20 percent of its
production on the open market, but the Chileans agreed that such sales would not go to
Communist bloc nations. The agreement easily passed by both houses of Chile’s Congress, but
newly elected Vice-President of the Senate Salvador Allende publicly criticized it and tried
unsuccessfully to amend it.  

Department of State officials recognized that there were limits to U.S. power and Chilean
tolerance. In September 1951, just a few weeks after Chile ratified the copper agreement, the
United States, through the International Materials Conference, attempted to allocate international
sales of copper, and thereby dictate to whom copper could be sold and how much. The
allocation scheme included the 20 percent that Chile sold on the open market. Furious, Chilean
officials met with Miller and members of ARA and strongly opposed the allocation plan. They
argued that copper comprised 65 percent of Chile’s exports and was its principal source of
revenue for international payments. Chile’s Undersecretary of Foreign Affairs Manuel Trucco
reminded U.S. officials that Chile had lost “tremendous revenue” during World War II because

57 Theodore H. Moran, Multinational Corporations and the Politics of Dependence: Copper in Chile (Princeton: Princeton University Press, 1974), 87. Despatch 103, H. Gerald Smith, Counselor of Embassy for Economic Affairs, to Department of State, 22 July 1951, 725.00 (W) / 7-2651; Despatch 11, Carlos C. Hall, Counselor of Embassy, to Department of State, 6 July 1951, 725.00 (W) / 7-651; and Despatch 233, Hall to Department of State, 22 August 1951, 725.00 (W) / 8-2251; all Folder 2, Box 3314, DF 1950-54, RG59, NA.
of fixed prices and that Chile had “already agreed to ‘freeze’ 80 percent” of its copper at a “low price.” Miller assured the Chileans that the allocation was only temporary and that it was necessary because copper “was so important to mutual defense and security,” but the Chileans were not persuaded. A few days later, the Chileans warned that if discussions shifted to fixing the price of copper, they would walk out. After a week, Chile Desk Officer Milton Barall had informed Bowers that the United States was “about to yield” to the Chileans and accept exclusion of Chile’s 20 percent from allocation. The final allocation plan did so.

**Two Fronts and the 1952 Election**

Although the Korean War and NSC-68 had pushed U.S. regional policy fully into a Cold War framework, U.S. officials remained more concerned about the far Right/authoritarian threat in Chile, particularly General Ibáñez. Party splintering and the emergence of four presidential candidates fostered U.S. worries about Chile’s political stability and prompted Assistant Secretary Miller to lament, “How many times we have seen the battle go by default because of the inability of the forces for good to concentrate on the main enemy.” Chile Desk Officer Milton Barall admitted that “Chile has been keeping the pot boiling up here” with its party splintering, presidential campaign jostling, and copper allocation negotiations.

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58 Memorandum of Conversation “Chile’s Position in the IMC -- Copper, Lead, and Zinc Committee,” Milton Barall, 7 September 1951; and Memorandum of Conversation “Chile’s Position on Copper Allocation through the IMC,” Barall, 11 September 1951; both Folder -- Chile 1951, Box 4, Miller -- Subject File, RG59-Lot Files, NA.

59 Letter, Barall to Bowers, 14 September 1951; and Letter, Barall to Bowers, 25 September 1951; both Folder -- 1951 September-October, Box 7, Bowers Papers.

Department officials were rather baffled by Ibáñez’s popularity. The traditional Chilean-Argentine rivalry and the general’s close ties to Perón, Miller said, should have been “a kiss of death” for Ibáñez’s candidacy. Ibáñez announced his presidential candidacy in Buenos Aires after appearing with Perón in two well-publicized press conferences. Perón’s financial support of Ibáñez’s campaign was well known, and discovery that the Perón government had sent pro-Ibáñez campaign propaganda to the Argentine embassy and consulates for distribution in Chile led to one Argentine consul being declared persona non grata. Ibáñez lacked the support and resources of a major political party, and his National People’s Front (Frente Nacional del Pueblo) was a group of small political parties that had few representatives in Congress. Furthermore, some prominent Ibáñez supporters were tied to a staged kidnapping case that involved former Nazis and was part of a plot to overthrow González Videla.

U.S. officials recognized that Ibáñez had gained a significant following because of his stances on the central issues of the 1952 campaign: inflation, the high cost of living, and the need for strong political leadership. Ibáñez’s "strongman" credentials could not be questioned,
and his ties to Perón and the adoption of the broom as his campaign symbol (to clean out corruption) added to his appeal. With regards to inflation, a commonly seen placard at Ibáñez rallies showed two loaves of bread: the larger loaf represented the amount of bread a consumer could buy in 1931 (the last year of Ibáñez’s dictatorship), and the smaller loaf denoted the amount of bread one could buy in 1952 for the same amount of money. One U.S. Embassy officer remarked that given the large number of women at Ibáñez’s rallies, “one doesn’t have to be too politically wise to understand what their complaints about the high cost of food at the market means.” Moreover, the officer noted that many potential voters, besides enjoying the opportunity to meet with friends and neighbors, might find it hard to take a dim view of Ibáñez when “the wine flows freely and there are plenty of empanadas to eat” at his campaign rallies.63

As much as the Department of State worried that Ibáñez might undermine Chile’s democracy, Assistant Secretary Miller did not fault the Chileans; he believed that they were acting like U.S. voters. Miller compared the Chileans’ embrace of Ibáñez with the U.S. uproar over President Truman’s firing of General Douglas MacArthur, commander of U.S. forces in Korea. When Americans rushed to the defense of an insubordinate general, Miller remarked, it “must necessarily encourage tin-horn generals of the [Ibáñez] type.” Citing the extensive public criticism of Truman and the ticker tape parade given McArthur upon his return to the United States, Miller told Bowers, “We are making a very sad spectacle of ourselves indeed.”64


64 Letter, Miller to Bowers, 7 May 1951, Folder – Chile, 1951, Box 4, Miller Papers, RG59-Lot, NA.
The Popular Socialist Party was divided over whether or not to support Ibáñez, and the split led to Salvador Allende’s first presidential candidacy. Led by Raul Ampuero, the PSP endorsed Ibáñez, but not all party members favored this. When Popular Socialist Astolfo Tapia Moore, President of the Chamber of Deputies, returned from an October 1951 trip to Buenos Aires, he declared in a press conference that “Argentine fascism, whose candidate is Señor [Carlos] Ibáñez, dreams of placing Chile within its economic and political orbit,” and this made Ibáñez “the least Chilean” of the candidates. The PSP leadership condemned Tapia’s comments and expelled him from the party. In protest, Allende resigned the Vice Presidency of the Senate, and the PSP leadership expelled him as well. 65 Taking several party members with them, Allende and Tapia joined the Socialist Party of Chile (PSCh). Led by Bernardo Ibáñez, the PSCh nominated Allende as its presidential candidate amid an “enthusiastic” crowd of over 10,000 largely working class supporters. Gaining the Communist Party’s endorsement as well, Allende formed the People’s Front (Frente del Pueblo), or “Fourth Front” as he called it. 66

The embassy and ARA respected Allende, but they did not know his political ambitions. In 1950, Allende divulged, “I am going to be a candidate for President of this country. I do not

65 Despatch 449, Bowers (Hall) to Department of State, 10 October 1951, 725.00 (W)/10-1051, Folder 2, Box 3314; Despatch 556 “New Realignments of Socialists of Chile,” Smith (Stewart) to Department of State, 6 November 1951, 725.00/11-651, Folder 1, Box 3313; Despatch 114 “Popular Socialists Throw Support to Senator Ibáñez,” Hall (Stewart) to Department of State, 27 July 1951, 725.00/7-2751, Folder 1, Box 3313; all DF 1950-54, RG59, NA. Letter, Bowers to Miller, 15 October 1951. Letter, Bowers to Miller, 5 November 1951.

66 Despatch 556, Smith (Stewart) to Department of State, 6 November 1951, 725.00/11-651. Despatch 642, Smith (Broderick) to Department of State, 29 November 1951, 725.00/11-2951, Folder 1, Box 3313, DF 1950-54, RG59, NA. Letter, Bowers to Miller, 15 October 1951. Letter, Bowers to Miller, 5 November 1951. “Don Salvador Allende será proclamado hoy en el T[eatro]. Caupolicán,” El Mercurio 27 November 1951, p. 27. “Proclamación del candidato señor Salvador Allende,” El Mercurio, 28 November 1951, p. 28. The weekly periodical Nuevo Zig-Zag listed those Socialists who left with Allende and Tapia. See “Otro mas que se va,” Nuevo Zig-Zag 47/2439 (22 December 1951): 25. Nuevo Zig-Zag earlier reported that the Popular Socialist leadership had also expelled José Tohá, president of the Chilean Student Federation (Federación de Estudiantes de Chile -- FECh) and other Socialist student leaders when they questioned the party’s decision to endorse Ibáñez. See “Expulsados del P.S.P.,” Nuevo Zig-Zag 47/2437 (8 December 1951): 25.
want to be President by being President. I want to be President of this country, in order to change it. I want to be the President of Chile, and...I want to convert this country into what it should have been, into a great country.” Aiding this ambition was the fact that Allende had good relations with and was popular among both Socialist parties; and his stature outside of the Socialist circles was very high, especially among the Communists. As one conservative journalist noted and an Allende friend agreed, Allende was “un pino plantado en un macetero” (a pine tree planted in a flowerbox), a potentially powerful politician in a small political party.67

Bowers and ARA officials welcomed Allende’s candidacy largely because the Socialist senator was anti-Ibáñez, and partly because they considered him a friend. Bowers described Allende as an “able and decent” man, and “an able man of character and intelligence,” and considered him “an uncompromising foe of communism.” The fact that Communists were a part of Allende’s support did not bother the U.S. Ambassador, although he admitted that Allende would “probably go out on a limb in pursuit of the Communist vote.”68

Doubts existed as to whether the Communists would even vote for Allende because several sources indicated that many Communists would vote for General Ibáñez. PSCh leader Bernardo Ibáñez remarked, “no one knows how long the communist support of Dr. Allende’s candidacy

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67 U.S. officials believed that Allende had maneuvered himself into a presidential bid, but they did not fully know his ambition. Despatch 449, Hall to Department of State, 10 October 1951, 725.00 (W) /10-1051. Osvaldo Puccio, Un cuarto de siglo con Allende: Recuerdos de su secretario privado (Santiago: Editorial Emision, 1985), 24, 98.

Ibáñez, like Allende, promised to repeal of the Law for the Permanent Defense of Democracy, and Communist Senator and poet Pablo Neruda had endorsed Ibáñez. Neruda’s endorsement did not reflect the opinion of the Communist leadership, and Central Committee member Volodia Teitelboim made clear that the party leadership had pledged the party’s support to Allende. Allende, said Teitelboim, was the only candidate who supported the party’s aims of nationalizing Chile’s natural resources and dividing the latifundios. Teitelboim, however, strongly hinted that the Communists’ votes could be obtained at the right political price (the repeal of the Defense of Democracy law), and he noted that Ibáñez was very popular among miners in the northern Communist strongholds of Tarapacá and Antofagasta. Teitelboim’s remarks prompted the other political parties to angle for Communists votes, and the Falange, led by Senator Eduardo Frei Montalva, approached the Communists about constructing a Popular Front coalition to defeat Ibáñez. The extensive maneuvering for Communist votes led Bowers to complain that “no public man will…utter a word of criticism of the Communists.”

U.S. officials’ hopes for Allende to undermine Ibáñez’s candidacy were tied to their great distrust of Ibáñez, even as Ibáñez tried to cultivate U.S. support. At one point, Bowers reported that Ibáñez’s campaign was trying to arrange a dinner with U.S. Embassy officials. Bowers

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69 Despatch 1469, U.S. Embassy Santiago (Hall) to Department of State, 25 June 1952, 725.00/6-2552, Folder 2, Box 3313; Despatch 195, U.S. Embassy Santiago (Hall) to Department of State, 20 August 1952, 725.00 (W)/8-2052, Folder 3, Box 3314; Despatch 841 “Bernardo Ibáñez … Hedges on Communist Support for His Party’s Presidential Candidate,” 15 January 1952, 725.00/1-1552, attached to Telegram 361, Bowers to Secretary of State, 15 January 1952, 725.00/1-1552, Folder 2, Box 3313; all DF 1950-54, RG59, NA.

70 Bowers, Chile through Embassy Windows, 333. Translation of Teitelboim Interview in Las Noticias de Última Hora, C. Allen Stewart, 24 March 1952, attached to Despatch 1121 “Communist Position on Presidential Campaign,” Smith (Stewart) to Department of State, 24 March 1952, Folder 2, Box 3313, DF 1950-54, RG59, NA. Letter, Bowers to Miller, 5 November 1951, attached to Letter, Miller to Bowers, 13 November 1951, Folder -- Chile 1951, Box 4, Miller -- Subject Files, RG59-Lot Files, NA. Letter, Bowers to Truman, 12 May 1952, attached to Letter, Truman to Bowers, 26 May 1952, Folder -- Chile [Folder 1], Box 172, PSF-Subject Files, HSTL.
quashed this and any similar events, fearing that Ibáñez would manipulate it to suggest that the United States favored his candidacy (U.S. officials privately favored Pedro Enrique Alfonso, the Radical Party candidate, and Arturo Matte, the Liberal candidate). Ibáñez’s supporters, some Chilean officials, and even Ibáñez himself tried to assure U.S. officials that the former dictator was friendly to the United States, but U.S. officials doubted the assurances and their sincerity. U.S. officials remained convinced that Ibáñez was the preeminent threat to Chilean democracy.  

Whether Allende would stay in the race until election day (4 September 1952) was another question. Allende’s candidacy appeared to follow the path common for second tier presidential candidates: serving as a bargaining chip for a small party to achieve cabinet posts or action on an issue. Often once an agreement had been negotiated, the smaller party’s candidate would throw his support to the coalition candidate. In April and May 1952, rumors circulated that President González Videla and Radical Party leaders, as well as Eduardo Frei and the Falange, were negotiating with Allende’s campaign in order to swing Socialist and Communist votes to the Radical Party’s candidate, Pedro Enrique Alfonso. Alfonso and Allende reached a tentative deal in early May. Alfonso agreed to support a bill repealing the Defense of Democracy law and to assist Allende’s 1953 Senate reelection campaign; in exchange, Allende would support to Alfonso’s candidacy. González Videla wrecked the agreement two weeks later when he declared that the country “needed” the Defense of Democracy law “now more than ever before.” The

71 Letter, Bowers to Miller, 25 July 1951, Folder -- 1951 July-August; and Letter, Miller to Bowers, 2 February 1952, Folder -- 1952 January-February; both Box 7, Bowers Papers. Memorandum of Conversation, Barall, 16 June 1952, 725.00/6-1652, Folder 2, Box 3313, DF 1950-54, RG59, NA. Letter, Miller to Bowers, 15 July 1952; and Letter, Bowers to Miller, 15 July 1952; both Folder - 1952 July-August; Box 7, Bowers Papers. Telegram 58, Stewart to Secretary of State, 16 July 1952, 725.00/7-1652, Folder 2, Box 3313, DF 1950-54, RG59, NA.
comment caused Allende’s People’s Front to doubt the sincerity of the Radicals’ promise to repeal the law, and Allende remained in the race to the end.  

U.S. officials grew frustrated and resentful of how the political parties and candidates used the United States as “whipping boys,” particularly over the copper issue. Bowers reported that militants for Allende and Ibáñez, especially those of Allende, painted the catchphrase “All the copper for Chile” on walls everywhere, and Miller acknowledged that the political situation in Chile regarding copper was extremely “touchy.” Due to the Korean War and the Cold War military build-up, the United States was experiencing an “extremely critical” shortage of copper, and Miller was “very much afraid” that Chile could “maneuver” the United States “into [a] position where they [could] justify imposition [of a] substantially higher price.” The Chileans already had objected to the existing situation, which they described as “the richest country in the world, paying a low price for copper, whereas the poorer countries had to pay a higher price.”

With copper as “the most explosive political issue,” a bill moved through Chile’s Congress that proposed giving the president control over the entire production of U.S.-owned

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73 Telegram 349, Miller to U.S. Embassy Santiago, 25 January 1952, Folder -- Chile 1952, Box 4, Miller -- Subject Files, RG59-Lot Files, NA. Letter, Bowers to Miller, 24 March 1952, Folder -- 1952 March-April, Box 7, Bowers Papers. Letter, Bowers to Truman, 12 May 1952, attached to Letter, Truman to Bowers, 26 May 1952, Folder -- Chile [Folder 1], Box 172, PSF--Subject Files, HSTL. Telegram 496, Acheson (Miller) to Bowers, 9 April 1952, attached to Memorandum, Miller to Barall, 21 April 1952; and Memorandum of Conversation “Price of Chilean Copper,” W. G. Brown, 13 February 1952; both Folder -- Chile, 1952, Box 4, Miller -- Subject Files, RG59-Lot Files, NA.
copper mines. If the bill became law, González Videla and his successors would have the power to determine the percentage of copper that Chile could sell freely on the open market and the percentage that U.S. copper companies could take. The bill received almost unanimous approval in the Chamber of Deputies, and was moving to the Senate. Bowers called the bill “confiscatory,” and warned Washington that presidential campaign politics was encouraging the bill’s passage. In a meeting with Chilean diplomats, Miller equated the bill with nationalization and charged that the bill would break the 1951 copper agreement.74

Although partly a product of election year politics, the copper bill might also have resulted from a large deficit in the Chilean government’s budget, which prompted González Videla’s government to renounce the 1951 copper agreement. Government officials had sold Chile’s 20 percent of copper production at high prices and then budgeted the revenues, learning later that more than 90 percent of the sales were destined to go behind the Iron Curtain. Forced to cancel the sales, the Chilean government now faced a serious budget shortfall. Ambassador Nieto del Río met with Miller on 2 May 1952 and informed him that Chile would renounce the 1951 copper agreement and take over control over the copper production of the large U.S. copper companies. When La Moneda publicly announced the renunciation, Bowers wrote that, “There was much flag waving over Chile’s ‘declaration of independence.’”75

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75 Letter, Bowers to Miller, 10 April 1952, attached to Memorandum, Miller to Barall, 21 April 1952; and Memorandum of Conversation “Chile Denounces Copper Agreement,” Barall, 2 May 1952; both Folder -- Chile, 1952, Box 4, Miller -- Subject Files, RG59-Lot Files, NA. Despatch 1305, Smith to Department of State, 8 May 1952, 725.00 (W) /5-852, Folder 3, Box 3314, DF 1950-54, NA. Letter, Bowers to Truman, 12 May 1952. Walter Müller, the Economic Counselor for the Chilean Embassy in Washington, detailed the negotiations and implementation of the 1951 agreement and its “problems.” See “El problema del cobre desde el Convenio de Abril
Despite advance warnings, Chile’s cancellation of the 1951 copper agreement came as a “great surprise” to U.S. officials. Miller was livid, telling Chilean Ambassador Nieto del Río that “this would affect every aspect of [U.S.] relations with Chile.” Miller further charged that any further discussions of the price of copper “would mean negotiating with a gun to our head.” Truman was shocked by Chile’s cancellation, particularly when he considered Chile “our best friend in L[atin] A[merica]” and González Videla his personal friend. He told Nieto de Río that he saw “no need for Chile to denounce [the] agreement,” particularly when the U[nited]S[tates] was making great sacrifices [to] prevent [a] third World War at [the] cost [of] many US lives in Korea.” Truman added that “he was willing [to instruct] his assistants [to] work out [a] fair deal with Chile,” but negotiations would not occur “on the basis of [an] ultimatum.”

Despite their initial reaction, U.S. officials soon concluded that Chile’s renunciation of the 1951 copper agreement might be the best for all involved. If the United States conceded, it allowed the Department of State to remove itself from price negotiations for copper, and from being the arbiter between the U.S. copper companies and the Chilean government. On 20 May 1952, Miller informed Nieto del Río that President Truman had decided, despite strong objections within the U.S. government, to allow private U.S. companies to buy copper overseas at prices they (the companies) negotiated with the sellers. The United States’ only request, said Miller, was that Chile not sell its copper to the Communist bloc nor allow third parties to do so.

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In disbelief that the United States had granted Chile all that it wanted — 100 percent control of copper production, ending the two-price system [the U.S. price and the price of Chile’s 20 percent], selling all copper at market price, selling to all buyers at the same price — the Chilean ambassador asked if this was a “proposition” or a “negotiation.” Miller said it was a unilateral decision. Two days later, Nieto del Río met again with Miller and asked for “clarifications”; the Chileans still seemed uncertain about the U.S. decision. A month later, the United States was paying 35-1/2 cents per pound for Chilean copper, which was market price and eight cents above the price paid previously.77

The model democracy premise influenced the outcome of the copper agreement dispute. Although Miller and other ARA officials were bitter, the assistant secretary said that they “will try not to let this hurt our relations with Chile too much.” Chief of West Coast Affairs Milton Barall indicated that U.S. officials recognized that they needed to concede something to a fellow democracy. Truman showed little animosity, largely because González Videla had written him a long letter, concerned that a “serious misunderstanding” had arisen between them. Truman responded, “I am sincerely sorry that I conveyed [that] impression in my conversation with your Ambassador….I knew very well that that could not happen….I hope everything will work

out…and that Chile and the United States will always be friends.” A few weeks later, Truman admitted that he was “particularly anxious” to have Chile’s friendship.78

As the copper dispute revealed, U.S. officials favored Chile as a fellow democracy, but they were unprepared for all of the ramifications this entailed. Sensitive to anti-U.S. criticism, U.S. officials tried to minimize further criticism by suggesting that González Videla withdraw the Mutual Security Pact from Congressional ratification. Signed by Chile and the United States during the previous year, the Mutual Security Pact provided military training, assistance, and equipment to allies in the hemisphere. Ambassador Nieto del Río expressed doubts that Chile’s Congress would ratify it. The pact’s chances for ratification by the Chilean Congress, however, appeared mixed, because neither the Senate nor the Chamber of Deputies had moved the agreement out of committee. Assistant Secretary Miller was “vitally interested” in obtaining ratification of the pact; however, he would not do so “at the cost of inflaming anti-US sentiment and allowing the politicians to use this agreement as a political football.”79

The González Videla administration and Chilean military leaders pressed Congress to ratify the pact, even though U.S. officials were unwilling to endure “more anti-Yankee tirades.” Bowers asked Chile’s Foreign Minister to pull the pact from consideration unless there was “an absolute certainty of ratification.” La Moneda (Chile’s “White House”) sought ratification, and

78 Letter, Truman to Bowers, 19 November 1949, Folder -- 1949 October-December; and Letter, Miller to Bowers, 5 May 1952 Folder -- 1952 May; both Box 7, Bowers Papers. Letter, González Videla to Truman, 14 May 1952; and Letter, Truman to González Videla, 26 May 1952; both Folder -- Chile [Folder 2], Box 172, PSF -- Subject Files, HSTL. Letter, Truman to Bowers, 12 September 1952.

79 Miller to Bowers, 5 May 1952; Bowers to Miller, 19 May 1952, Folder -- 1952 May; and Bowers to Miller, 7 July 1952, Folder -- 1952 July-August; both Box 7, Bowers Papers. Memorandum of Conversation, Barall, 16 June 1952, Folder 2, Box 3313, DF 1950-54, RG59, NA. Barall to Bowers, 23 May 1952, Folder -- 1952 May, Box 7, Bowers Papers.
Chilean military leaders approved the pact “unanimously and enthusiastically” and lobbied Congress hard for passage. One retired Chilean military commander warned that Chile’s military needed U.S. training and assistance to confront Argentina’s armed forces and to replace military equipment that were “true museum pieces.” Bowers earlier had noted that although the Chilean Navy was the best in South America, it had deteriorated during the Depression and World War II, and needed the equipment and training.\(^80\)

Critics of the pact, including Allende and Ibáñez, voiced their opposition. Allende, as well as Communists, Ibáñez supporters, and a few Radicals, accused the United States of “bullying Chile” into the agreement, and of trying to send Chilean troops to die in Korea, even though U.S. officials had included a specific “assurance” that the agreement would not send Chilean troops to Korea. To the surprise of military leaders, Ibáñez called the pact “badly conceived” and “dangerous to our sovereignty and degrading to the armed forces.”\(^81\)

Both houses of Chile’s Congress ratified the agreement by wide margins (24-6 in the Senate and 78-21 in the Chamber), but, U.S. officials focused on the anti-U.S. criticism, not the broad support for the pact. Assuming the attitude of a scorned benefactor, U.S. policymakers momentarily forgot that Chile’s political system, not benevolence, had led the Americans to favor Chile. Barall remarked, “I am about ready to start trying to change our position to one where Chile would receive the same treatment as other Latin American countries.” Admitting


that Miller and other senior officials were bitter, Barall confessed, “From our point of view in the Department of State, we have gone all out to try to help Chile in every conceivable way….It does not seem fair that in exchange we should be faced with anti-US propaganda and the intensification of nationalistic feeling at our expense in order to win votes in the next election.”

Who Lost Chile?

As Chile’s 1952 presidential campaign drew to a close, U.S. officials remained distrustful of Ibáñez and feared the policies he might pursue if elected. Ibáñez had campaigned on nationalizing the copper mines, selling copper to all nations including the Communist bloc, revoking the Law for the Defense of Democracy, canceling the Mutual Security Pact, and reestablishing relations with the Soviet Union and its Communist allies. Ibáñez unsuccessfully tried to assure U.S. officials that he did not have “any anti-American feeling,” that he was “American-minded,” and that he would not nationalize the copper mines. He insisted that unlike many Chileans who looked to Europe for foreign capital, he saw the United States as the primary source of investment for Chile’s economic development.

For Allende, the 1952 campaign earned him respect and name recognition, although not all publicity was necessarily the kind he desired. He gained respect for his earnest campaigning


83 Translation of Ibáñez’s Platform, n.d. [July 1952], enclosed with Despatch 133 “Ibáñez Announces his Platform, Hall (Stewart) to Department of State, 7 August 1952, attached to Despatch 115, Hall to Department of State, 31 July 1952, 725.00/7-3152; and Memorandum of Interview with Ibáñez, Vebber to Hall, 15 July 1952, enclosed with Despatch 52 “Senator Ibáñez’ Attitude Toward the U.S. as Deduced from Interview with Embassy Official,” Hall (Stewart) to Department of State, 16 July 1952, 725.00/7-1652; both Folder 2, Box 3313, DF 1950-54, RG59, NA.
until the very end. Bowers observed: “Allende … has no illusions about his chances, but he hates Ibáñez and…stays in in the hope of holding the communist vote away from the old dictator.” Allende was also aided in part by monies that rightist candidate Arturo Matte had funneled to Allende’s campaign in the hope that Allende would draw votes from Ibáñez.

Allende gained additional publicity, or rather notoriety, from his duel with Radical senator Raúl Rettig. A month before election day, during a Senate debate, Allende and Rettig traded insults, and the insults led to fisticuffs. Falange Senators Eduardo Frei and Radomiro Tomic broke up the fight, but Rettig then challenged Allende to a duel. González Videla ordered Investigaciones (Chile’s FBI) to take the two senators into custody for the evening, but both senators escaped from their homes when Investigaciones officers came knocking. Later, on the “field of honor,” Allende and Rettig fired shots into the air. No one was hurt, but Allende claimed that he heard a bullet whistle by his ear. Nuevo Zig-Zag called the affair “medieval” and “an absurdity,” opining that it might have been better if Frei and Tomic had allowed the two men “to let off steam.” Bowers, however, reported that “Chileans roared with laughter” over the entire affair.84

On 4 September, Matte’s and the Department of State’s hopes that Allende would subvert Ibáñez’s candidacy evaporated; Ibáñez won easily, receiving 446,439 votes (47 percent). Matte, the Liberal Party candidate, received 265,357 (28 percent), and Radical candidate, Pedro Enrique

Alfonso, garnered 190,360 votes (20 percent). Allende finished a distant fourth with 51,975 votes (5.5 percent), indicating that many Communists and Socialists had voted for Ibáñez.\(^{85}\)

For Washington, an Ibáñez victory was the worst possible outcome. Miller lamented that Chile’s election results “have come as a severe blow to us…. [and] the crowing that is emanating from Buenos Aires is sickening.” Some U.S. newspapers expressed alarm at Ibáñez’s victory, and the *Washington Post* charged that Ibáñez’s election resulted from the Truman administration’s neglect of Latin America. At this charge, Miller threw up his arms in frustration: “[O]ur help” to Chile was “exemplary,” and “we went out of our way to give Chile’s democracy a pat on the back…. The only thing we did not do was force Matte and Alfonso to get together on a single candidacy, and I suppose someone with 20/20 hindsight will be telling us how we could have done that.” Barall drew parallels to U.S. elections, “When people ask me why Ibañez was elected in Chile, I can now avoid length[y] discussion by countering with the question “why was [Senator Joseph] McCarthy elected in Wisconsin?” \(^{86}\)

Underlying Miller’s and Barall’s comments were the Department’s fears that Ibáñez would prompt another “Who lost China?” debate in the United States or would emerge as another Dr. Mohammad Mossadegh, who was then Prime Minister of Iran. Miller worried that if Ibáñez fulfilled his promises to nationalize the mines, the Truman administration’s political opponents would charge that Department had “followed the same kind of policy towards Chile as we allegedly have had towards China.” The Republican charge that the Department has “lost”

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\(^{86}\) Miller to Bowers, 9 September 1952, Folder -- Chile 1952, Box 4, Miller -- Subject File, RG59-Lot Files, NA. Barall to Bowers, 16 September 1952, Folder -- 1952 September, Box 7, Bowers Papers.
China to the Communists and the ensuing debate had severely damaged the Department of State and contributed to the belief that Communist spies had infiltrated the Department. Miller also drew parallels to the escalating situation in Iran, where Mossadegh was threatening to nationalize Iran’s oil industry. With Ibáñez promising nationalization and opening trade with the Soviet bloc, Miller agreed with Bowers that “Chile stands much more to lose than to gain in its relations with the United States,” but as Miller remarked, “Ibáñez, like Mosadeq, may be unable to appreciate this.” One year later, in 1953, the United States would facilitate a covert operation that removed Mossadegh from power.87

U.S. officials began preparing for the worst from Ibáñez. Miller ordered Bowers not to visit the president-elect until Ibáñez took the initiative and invited him. The assistant secretary also instructed Bowers to “avoid anything that would seem like a threat or economic aggression” and to “educate Ibáñez sufficiently before he takes any drastic action.” For his part, Bowers advised Washington that until Ibáñez intentions were clear, the Department should go ahead with a loan for a pulp and paper mill, but hold up other loan applications and cease any preparations for sending military aid to Chile. Miller informed Bowers that if Ibáñez sold copper behind the Iron Curtain, the United States would likely terminate its foreign assistance programs with Chile. Furthermore, Miller began preparations for an apparent propaganda campaign “to influence Chileans to our way of seeing things before the situation deteriorates too far.”88


88 Telegram 79, Miller to Bowers, 9 September 1952, 725.00/9-652; and Telegram 93, Bowers to Department of State, 12 September 1952, 725.00/9-1252; both Folder 2, Box 3313, DF 1950-54, RG59, NA. Miller to Bowers, 9 September 1952; and Miller to Bowers, 11 September 1952; both Folder – 1952, September, Box 7, Bowers Papers. Memorandum “Proposed Special Project for Chile,” Miller to Compton, 18 September 1952, Folder -- Chile 1952.
Ibáñez began sending mixed signals in the days following his victory. Javier Lira, the Secretary General of Ibáñez’s campaign, proclaimed that the Mutual Security Pact would be renounced, relations with the Communist bloc would be reestablished, and nationalization the copper mines would begin. Popular Socialist Party leader Raúl Ampuero echoed Lira’s claims. Ibáñez then undercut both men, announcing that Lira and Ampuero had merely offered their personal opinions, not his, and then asked his “friends” to “discontinue making statements which I have not authorized and which only serve [to] confuse public opinion.” The general then assured U.S. officials that he would not nationalize the copper mines, and instead, sought ways to increase foreign private investment in Chile’s basic mining industries (copper, nitrates, and coal). Ibáñez also made clear that he would not reestablish relations with the Soviet Union, nor would he revoke the Defense of Democracy law. Bowers then learned that Ibáñez had become “furious over the attempt of the extremists, Marxists, Peronists, and extreme Nazis, to set forth in the press his program,” and that he had “ordered them to shut their mouths.”

While Ibáñez’s assurances began to ease U.S. officials’ worst fears, Bowers suggested that the United States might cultivate even greater sympathy with Ibáñez by asking former First Lady Eleanor Roosevelt to head the U.S. delegation to Ibáñez’s inauguration. Perón had announced

Box 4, Miller -- Subject File, RG59-Lot Files, NA. Barall to Bowers, 16 September 1952, Folder – 1952, September, Box 7, Bowers Papers.

89 Bowers to Miller, 8 September 1952; 15 September 1952; Bowers to Miller, 16 September 1952; Bowers to Miller, 22 September 1952; and Bowers to Miller, 25 September 1952; all Folder 1952 September, Box 7, Bowers Papers. Telegram 81, Bowers to Miller and Arneson, 9 September 1952, 725.00/9-952, Folder 2, Box 3313, DF 1950-54, RG59, NA.

90 Telegram 120, Bowers to Secretary of State, 27 September 1952; and Memorandum of Conversation “The Policies of the New Regime in Chile,” Barall, 17 October 1952; both Folder 2, Box 3313, DF 1950-54, RG59, NA. Despatch 334, Hall to Department of State, 3 October 1952, 725.00 (W)/10-352, Folder 3, Box 3314, DF 1950-54, RG59, NA; Miller to Bowers, 23 September 1952, Folder -- Chile 1952, Box 4, Miller -- Subject File, RG59-Lot Files, NA. Bowers to Miller, 22 September 1952.
that Argentina would send its Vice-President and the Foreign Minister, plus twenty other officials, a delegation which Bowers described as “impressive” in status and numbers. The U.S. ambassador proposed that Washington send former First Lady Eleanor Roosevelt and World War II General Omar Bradley to head the U.S. delegation, both of whom were well known and highly respected in Chile. Despite doubts, the Department of State warmed to Bowers’ suggestion of Roosevelt (Bradley could not attend) and justified it to President Truman on Chile’s “unusual political importance” as a model democracy. Truman agreed, and Roosevelt consented. The announcement that Roosevelt would head the U.S. delegation — she was the first woman appointed by the United States as a special ambassador for an inauguration or coronation — created a stir in official and diplomatic circles in Santiago. When the Venezuelan Ambassador to Chile heard the news, he exclaimed to Bowers, “My God, what a master stroke!”

On the eve of Eleanor Roosevelt’s arrival in Santiago, Miller told Bowers, “I have no need to emphasize to you the importance of keeping Chile on our side in Latin America,” but, Miller did not recognize that sending Roosevelt did exactly that. Washington soon learned that “enormous crowds” waited for hours and impeded traffic in order to see Mrs. Roosevelt. When she appeared in public, thundering cheers and “roars” of approval were heard as Chileans waved, scrambled to take her photograph, and gave her numerous “rousing” ovations. In addition to the usual diplomatic dinners, receptions, and ceremonies, Roosevelt visited schools, hospitals, and women’s clinics. She spoke to women’s groups and gave press conferences to reporters without

91 Bowers, Chile through Embassy Windows, 341-342; Telegram 112, Bowers to Miller, 25 September 1952, 725.00/9-2552; and Telegram 129, Bowers to Secretary of State, 2 October 1952, 725.00/10-252; both Folder 2, Box 3313, DF 1950-54, RG59, NA; Memorandum, David Bruce, Acting Secretary of State, to the President, 17 October 1952, Official Files, HSTL.
questions screened in advance. She visited one of the poorest neighborhoods in Santiago, talking with the astonished women and children, and entering their homes upon invitation. Newly inaugurated President Ibáñez warmly greeted Roosevelt, and they spoke for an extended time. Outgoing President González Videla made the unusual gesture of hosting a dinner for Roosevelt in La Moneda on the eve of the inauguration. With unrestrained pride, Bowers reported, “she stole the show.” In a last diplomatic gesture, the Truman administration once again had demonstrated its favoritism towards the model democracy that it held as a key Cold War ally.92

Conclusion

As the Cold War deepened during Truman’s second term, U.S. officials entrenched the model democracy premise as the foundation of U.S. policy and actions towards Chile. The escalating Cold War transformed a U.S. Latin American policy from a Good Neighbor/Cold War blend into a predominantly Cold War policy. During the transformation, democratic Chile’s importance as a Cold War ally and as an ideological symbol grew. Truman Administration policymakers favored Chile among Latin American nations in terms of assistance, loans, and advisors, and acceded to Chilean desires to control the sales of their copper. Rather than allowing the renunciation of the 1951 copper agreement to sour U.S.-Chilean relations, President Truman and Department of State officials used it as an opportunity to deepen the friendship between the two nations and to ensure the adherence of a key ally to the U.S. side.

92 Miller to Bowers, 28 October 1952; and Bowers to Miller, 5 November 1952, attached to Miller to Bowers, 12 November 1952; both Folder -- Chile 1952, Box 4, Miller -- Subject Files, RG59-Lot Files, NA. Bowers, Chile through Embassy Windows, 341-353.
U.S. officials worried about the threats that the authoritarian Right, not the Communist Left, posed to Chile’s democracy. Between 1949 and 1954, the Law for the Permanent Defense of Democracy weakened the Communists but did not eliminate them; meanwhile, former Nazi sympathizers, Peronists, authoritarians, and some Communists, coalesced around former dictator General Carlos Ibáñez. Ibáñez’s election to the Chilean Senate in 1949 and then to Chile’s Presidency in 1952 worried U.S. diplomats, who feared that the former dictator would overthrow Chilean democracy and join with Perón. During Chile’s 1952 Presidential election, U.S. officials cheered Salvador Allende’s campaign from a distance, hoping that Socialist-Communist candidate would undermine Ibáñez’s candidacy. They viewed the Socialist senator as anti-Communist and did not see his People’s Front as a threat.

The key concern among U.S. policymakers between 1949 and 1952 was Chile’s political stability. They recognized that Chile’s political party framework had fractured, partly due to the introduction of Cold War tensions into Chilean politics through González Videla’s anti-communist campaign. U.S. officials also recognized that the fracturing of political parties and the granting of suffrage to women created fluidity among the Chilean electorate, fluidity which fostered a sympathetic audience for “populism, personalismo, and revolutionary intents.” The senatorial and presidential campaigns of the former dictator General Carlos Ibáñez benefitted from this fluidity. Anxious U.S. officials acknowledged that Chileans were “searching for a utopia” in Ibáñez’s mixture of Peronism, populism, and an idealized past, when food and the cost of living seemed cheaper during Ibáñez dictatorship.93

93 Correa, Figueroa, Jocelyn-Holt, Rolle, and Vicuña, Historia del siglo XX chileno, 192-193. For the “search for a utopia,” see Alan Angell, Chile de Alessandri a Pinochet: En busca de la utopía (Santiago: Editorial Andrés Bello,
In the shadow of Ibáñez’s allure, populism, and 1952 victory had emerged the outlines of the three voter blocs that would dominate Chilean politics during the Cold War: the Right (Matte), the reformist Center-Left (Alfonso), and the radical Left (Allende).\textsuperscript{94} Allende brought together a streamlined Leftist coalition based upon a working relationship between the Socialist and Communist Parties, a coalition made possible by La Ley Maldita. Ibáñez’s populism would fade, and his followers would disperse among the three blocs, but Ibáñez would prove to be the threat that U.S. officials feared. By then, however, the Eisenhower administration had fostered an angry Chilean Left, which, in turn, generated new anxieties among U.S. policymakers that they could lose the Cold War symbolism offered by Chile’s model democracy.

\textsuperscript{94} U.S. Embassy and ARA officials would have agreed with \textit{Nuevo Zig-Zag}, which stated that “the whole range of national politics was represented” in the four 1952 presidential candidates Ibáñez, Allende, Alfonso, and Matte. \textit{Menos de un mes}, \textit{Nuevo Zig-Zag} 48/2472 (9 August 1952): 25.
The U.S. sponsored overthrow of President Jacobo Arbenz Guzmán of Guatemala on 27 June 1954 stunned and angered Latin Americans, and haunted U.S. relations with the region and the developing world long after Arbenz resigned and fled the Guatemalan capital. Assistant Secretary of State for Inter-American Affairs Henry F. Holland (1954-56) admitted that the United States “had paid a price in terms of prestige and good-will” for its opposition to Arbenz, whom it believed was a Communist or Communist sympathizer.\(^1\) In few places was that price higher than in Chile, where protests against U.S. intervention in Guatemala were described by the *Christian Science Monitor* and *New York Times* as the “most violent” in the region.\(^2\) Even so, English- and Spanish-language scholarly works on Chilean politics and the Left generally omit the protests of 1954 from their narratives.\(^3\)

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Chilean opposition to U.S. policy towards Arbenz was more extensive and organized than scholars have previously recognized; moreover, it fundamentally transformed U.S. officials’ perception of the political threats that it faced in Chile.\textsuperscript{4} President Dwight D. Eisenhower’s administration continued to adhere to the “model democracy” premise and to the idea that the United States needed the ideological symbolism that Chile’s democracy projected for the Cold War struggle. Chilean denunciations of U.S. policy towards Arbenz, however, led Eisenhower administration officials to shift their threat concerns from right-wing authoritarians and Peronist sympathizers to Communists and Marxist-influenced Leftists. Furthermore, the shift, combined with the individual actions of Chileans, created a new threat: Socialist senator Salvador Allende Gossens. As the Eisenhower administration’s policy grew more hostile towards Arbenz, the Chilean Left, led by Allende, Baltasar Castro Palma, and Eduardo Frei Montalva, grew more vocal, intense, and condemnatory of U.S. policy. Allende’s prominent role in the opposition and his subsequent trip to the Soviet Union and Communist China grabbed U.S. policymakers’ attention. As Allende increasingly asserted his leadership over the Chilean Left, U.S. officials began to deem him a “Communist” threat and feared that exemplary democratic Chile could become the next Guatemala. For the United States, Allende emerged as a threat not in the wake

\textsuperscript{4} Charles D. Ameringer is an exception, suggesting that Arbenz’s overthrow minimally affected the exiled democratic Left of the circum-Caribbean region. “Evidence of growing Communist influence” in Arbenz’s regime, he asserts, created dilemmas for Cuba’s Auténticos Party, Venezuela’s Acción Democrática, and the Dominican [Republic] Revolutionary Party, as well as leaders such as Rómulo Betancourt. While sympathetic to Arbenz, these parties and leaders “shunned” groups that aggressively criticized the United States for fear that they would alienate U.S. liberal and democratic groups whose support they needed. See Ameringer, \textit{The Democratic Left in Exile: The Antidictatorial Struggle in the Caribbean, 1945-1959} (Coral Gables: University of Miami Press, 1974), 199-200.
of Fidel Castro’s revolution in Cuba, as is often portrayed in scholarly literature, but in the wake of the overthrow of Arbenz in Guatemala.⁵

**New Administration, Same Premise**

During his 1952 presidential campaign, retired general Dwight D. Eisenhower criticized President Harry S Truman for “neglecting” Latin America. When the Republican Eisenhower entered the White House in January 1953, he addressed U.S.-Latin American relations with urgency. Within one month, the National Security Council (NSC) had drafted a new Latin American policy. During the NSC’s “first substantive discussion” of the region’s “deteriorating” situation, Eisenhower was “deeply disturbed by what he had learned” and asked the NSC to “move ahead” on the policy draft. The NSC expedited the revisions, finishing them two weeks later. On 18 March, Eisenhower approved NSC paper #144 (NSC-144), “United States Objectives and Courses of Action with Respect to Latin America,” and the NSC promptly circulated it. NSC 144 detailed U.S. objectives in the region: developing greater support for U.S. policy among Latin Americans, furthering political and economic development, reducing the Communist menace, and obtaining greater access to and production of raw materials.⁶

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Despite Eisenhower’s urgency and quick approval, NSC 144 continued to follow the
outlines of the Truman administration’s policy. Eisenhower administration drafters lifted the
first sentence of NSC 144 from National Intelligence Estimate 70 (NIE-70) “Conditions and
Trends in Latin America Affecting US Security,” issued in December 1952. They also cut,
pasted, and revised whole sections, including NSC 144’s courses of action, from the Bureau of
Inter-American Affairs’ (ARA) memorandum “Latin America and U.S. Policy,” written in late
1952. Several of NSC 144’s objectives, such as access to and production of raw materials and
the elimination of the Communist menace, already had been put forth in NSC 56/2 “United
States Policy towards Inter-American Military Collaboration,” approved in 1950. 7
To further demonstrate his interest in improving U.S. relations with Latin America,
Eisenhower sent his brother Milton, who was then president of Johns Hopkins University, on a
fact-finding tour of the region. Upon his return, Milton Eisenhower said that it “bothered” him
that “in L[atin] A[merica] everybody throws impediments in the way, in Iran we can find money,

NSC, DDEL. Rabe, Eisenhower and Latin America, 31. Memorandum “Discussion at the 137th Meeting of the
National Security Council on Wednesday, March 18, 1953”, 19 March 1953, Folder -- 137th Meeting of the NSC
March 18, 1953, Box 4, AWF--NSC, DDEL. NSC 144 “United States Objectives and Courses of Action with
Respect to Latin America,” 4 March 1953, and Annex to NSC 144 “NSC Staff Study on United States Objectives
and Courses of Action with Respect to Latin America,” 6 March 1953, both Folder -- NSC 144 - Latin America (2),
Series, Policy Papers Subseries, DDEL. Hereafter cited as Sp Asst -- Policy.
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NSC 144 and Annex to NSC 144, 6 March 1953. Memorandum “Latin America and U.S. Policy,” Bureau of InterAmerican Affairs (ARA), n.d. [November? 1952], attached to Thomas C. Mann, Deputy Assistant Secretary for
Inter-American Affairs, to Charles S. Murphy, Special Counsel to the President, 11 December 1952, Folder -- Latin
America, Box 182; and National Intelligence Estimate “Conditions and Trends in Latin America Affecting US
Security (NIE-70), Central Intelligence Agency (CIA), 12 December 1952, Folder -- National Intelligence Estimates
(67, 69, 70, 72, 75), Box 254; both President’s Secretary’s Files -- Subject File, Harry S. Truman Presidential

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in Bolivia we cannot even get an answer.” The one bright spot in Latin America for Dr. Eisenhower was Chile, where “we are moving toward a solution.”

Despite the U.S. Embassy in Santiago’s claim that Dr. Eisenhower’s visit was “an outstanding personal success,” Chileans appeared to have viewed it as more ceremonial than substantive, if not somewhat disappointing. Chilean leaders conducted their substantive discussions in private with Assistant Secretary of State for Inter-American Affairs John Moors Cabot, who was travelling with Dr. Eisenhower. Dr. Eisenhower may have encouraged the “ceremonial” view when he told the Chileans that the purpose of his trip was “to observe, learn and report, not to make decisions, solve problems, nor enter into negotiations.” The Chilean Foreign Minister used the moment to burnish Chile’s democratic image, telling the U.S. president’s brother that Chile’s democracy “was more firm than ever” and that the Armed Forces were “traditionally democratic” and “apolitical.” Later, Luis Melo, the Director of the Diplomatic Section of Chile’s Foreign Ministry, met privately with Assistant Secretary Cabot and expressed concern about the weak copper market and growing stocks of copper in Chile. “It would be very helpful,” Melo said, if the United States purchased Chile’s copper (presumably for the U.S. stockpile). Cabot said this “require[d] a general re-examination,” but went no further.

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8 Memorandum “Telephone Conversation with Dr. M. Eisenhower,” John Foster Dulles, 8 September 1953, Folder – Telephone Memoranda (Except to and from White House) July – Oct. 31, 1953 (2), Box 1, Telephone Calls Series, John Foster Dulles Papers, Secretary of State, 1951-1959, DDEL. For Dr. Eisenhower’s trip, see Rabe, Eisenhower and Latin America, 28-29, 65-68.

9 Memorandum of Conversation between Dr. Milton Eisenhower and Foreign Minister Fenner, Carlos C. Hall, 14 July 1953, Folder – Chile, 1953-55, Box 2, Records for the Assistant Secretary of State for Inter-American Affairs (Henry F. Holland), 1953-56, Country File, 1953-56, Record Group 59 -- Lot Files, National Archives II, College Park, Maryland. Hereafter cited as Holland Files, RG59-Lot, NA. Memorandum of Conversation, John Moors Cabot, 15 July 1953, 725.00/7-1553 CS/S, Folder 3, Box 3313, Decimal File 1950-1954, Record Group 59, Records of the Department of State, NA. Hereafter cited as DF 1950-54, RG59, NA.
After accompanying Milton Eisenhower on his tour, Assistant Secretary Cabot noted that “Chile was the first urgent item on my agenda,” but that urgency was not related to the threat of Communism. While Guatemala under Communist sympathetic President Arbenz was a “hot” political problem, Chile merited concern because its economic problems not only threatened its “solvency but also the stability of its political institutions.” Of the five most urgent economic problems in Latin America discerned by Cabot and the Department of State’s Bureau of Inter-American Affairs (ARA) in 1953, three were Chilean: a rapidly rising inflation rate (“3 per cent a month”), a decline in Chile’s market share and copper export income, and Chilean concern over the United States’ development of synthetic nitrates.\(^{10}\) Chile’s President Carlos Ibáñez del Campo (1952-1958) verged upon fueling inflation and increasing the Chilean government’s “very substantial” budget deficit by proposing additional “expenditures with no sound financing in sight.”\(^{11}\) With demand lagging, Chile’s stockpiles of copper amassed. This in turn prompted U.S. and Chilean copper companies to reduce production and lay off workers. The Ibáñez administration soon requested the United States to buy 100,000 tons of copper (then worth about $60 million) for the U.S. strategic stockpile in order “to prevent disaster.”\(^ {12}\)


\(^{11}\) Despatch 1169 “United States-Chilean Economic Relations,” H. Gerald Smith to Department of State, 16 April 1953, 611.25/4-1653; and Despatch 1216 “United States-Chilean Economic Relations,” Smith to Department of State, 29 April 1953, 611.25/4-2953, both Folder 2, Box 2760, DF 1950-54, RG59, NA. Arturo Olavarría Bravo, *Chile entre dos Alessandri: Memorias políticas* 2 Volumes (Santiago: Editorial Nascimento, 1962), II: 162-165.

\(^{12}\) Memorandum “Creeping Nationalization of Copper Mines in Chile,” Milton Barall to Thomas C. Mann, 9 February 1953, attached to Mann to Cabot and Matthews, 12 February 1953, Folder -- Chile 1947-1953, Box 1, Records of the Deputy Assistant Secretary of State for Inter-American Affairs, 1945-1956 -- Subject File, 1945-1956, RG59-Lot, NA. Hereafter cited as Deputy Assistant Secretary Files, RG59-Lot, NA. Bowers to Cabot, 28 July 1953, attached to Cabot to Bowers, 7 August 1953, Folder 1, Box 1, Records of the Assistant Secretary of State
The Eisenhower administration retained its predecessor’s preferential treatment of Chile, as well as its primary policy aim of preserving and strongly supporting Chilean democracy. Willard L. Beaulac, Claude G. Bowers’ successor as U.S. Ambassador to Chile, articulated this aim most clearly: “Our hope in the Embassy is that Chile can remain a practising [sic] democracy and that we can be helpful to her in this respect and in her desire…to improve her economy.” Milton Barall, Director of the Department of State’s Office of South American Affairs, reiterated Chile’s exceptionalism and favored status. He compared Chile’s democracy and multiple parties to France’s political system, and he acknowledged that “No country in Latin America has had more friendly cooperation or more economic assistance (on a per capita basis) from the US than Chile.” Barall underscored Chile’s favored status when he told Chile’s Ambassador to the United States that the Department considered “Chile just as good a friend as Brazil,” the Latin American nation long seen as the United States’ closest ally in the region.

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13 As Claude Bowers’ successor, Beaulac arrived in Santiago to serve as U.S. Ambassador to Chile in August 1953. Letter, Beaulac to Henry F. Holland, Assistant Secretary of State for Inter-American Affairs, 14 May 1954, attached to Holland to Beaulac, 24 May 1954, Folder -- Chile, 1953-1955, Box 2, Holland Files, RG59-Lot, NA.

14 Memorandum “Chile,” Barall, 1 April 1954, 725.00/4-154, attached to Despatch 772, William Sanders, Counselor of Embassy, to Department of State, 1 April 1954, 725-00/4-154; and Memorandum “The Situation in Chile,” Rollin S. Atwood (Barall) to Holland, 12 May 1954, attached to Despatch 878 “Foreign Minister Discounts Rumors of Military Government,” Beaulac to Department of State, 7 May 1954, 725.00/5-754; both Folder 1, Box 3314, DF 1950-54, RG59, NA.

Despite Chile’s favored status, U.S. policymakers considered President Ibáñez to be a major problem. They doubted Ibáñez’s commitment to democracy, his leadership, and his ability to address Chile’s economic problems. Ambassador Beaulac was the bluntest; he described Chile’s government under Ibáñez as “a ship without a pilot and without a rudder.” Heading a coalition of small parties and splinter groups ranging from the socialist Left to the authoritarian Right, Ibáñez had four cabinets with an “almost continuous” cycle of cabinet changes during his first eighteen months in office. He pushed the Popular Socialists, his coalition’s second largest party, out of the cabinet and into the opposition.\(^{16}\) Attempting to garner greater labor union support, Ibáñez lunched with 3000 “independent labor leaders,” and two weeks later, two Ibañista labor unions formed. The thinly veiled effort to break the Communists’ and Socialists’ control of union leadership backfired. The Communists and Socialists united their separate unions into the Central Única de Trabajadores de Chile (CUTCh), creating a more unified and potent opposition to Ibáñez.\(^{17}\)

Calling Ibáñez’s efforts a “disaster,” Foreign Minister Arturo Olavarría Bravo later cited two errors in particular that cast doubts on Ibáñez’s abilities. The first was the president’s December 1952 request for “special powers” from Congress. Ibáñez and his cabinet decided to

\(^{16}\) Despatch 543 “Possibility of Further Deterioration in Chile’s Political and Economic Situation,” Willard L. Beaulac to the Department of State, 7 January 1954, 725.00/1-754, Folder 1, Box 3314, DF 1950-54, RG59, NA. Memorandum “The Situation in Chile,” Atwood (Barall) to Holland, 12 May 1954, 725.00/5-1254. Despatch 1225 “President Ibáñez Versus Popular Socialists,” Hall (Flournoy and Broderick) to Department of State, 4 May 1953, 725.00/5-453; and Despatch 379 “Revision of Political Notebook, Chile,” Hall (Broderick) to State Department, 29 October 1953, 725.00/10-2953; both Folder 3, Box 3313, DF 1950-54, RG59, NA. Although the Popular Socialist Party did not formally join the opposition until 1954, they generally opposed Ibáñez’s efforts after their forced withdrawal from the cabinet in March 1953. See Correa et al., Historia del siglo XX chileno, 199; and Faúndez, Marxism and Democracy in Chile, 119. Memorandum of Conversation “Increasing Political Difficulty in Chile,” Barall, 11 September 1953, 725.00/9-1153, Folder 3, Box 3313, DF 1950-54, RG59, NA.

ask Congress for the “broadest possible” powers to address Chile’s economic difficulties, but
Minister of Finance Juan Bautista Rossetti later convinced the president to request a limited set
of powers. The Chilean Congress granted the limited powers, but when few tangible results
appeared, Ibáñez faced the double bind of receiving special powers and then achieving little with
them. The second error — his decision to raise bus fares — broke a central campaign promises:
to control inflation. An initiative of Minister of Interior Guillermo del Pedregal, the fare increase
angered the public and encouraged price increases in wheat, flour, bread, meat, gas, utilities,
coffee, and other staples. As inflation climbed to 56 percent in 1953, 71 percent in 1954, and 84
percent in 1955, Beaulac noted that disillusionment and dissatisfaction rapidly set in among
Chileans, who were now remembering that Ibáñez’s dictatorship “had been a failure.”18

U.S. officials grew increasingly concerned about Chile’s political stability as public
dissatisfaction rose and Congressional criticism of Ibáñez increased. That concern arose from
two sources: U.S. fear of “social revolution” and Ibáñez’s threats to impose authoritarian rule.
Assistant Secretary Cabot had warned, “Social reform is coming. It may come by evolution or
by revolution,” and he criticized Latin American elites who, in their “conservatism and
blindness,” were “willing to tie down the safety valve [of social reform] and to wait for the boiler
to burst.”19 William Sanders, Counselor of the U.S. Embassy in Santiago, warned the
Department that Chile was “undergoing social revolution.” He asserted that Chile’s insularity

18 Olavarría Bravo, Chile entre dos Alessandri, II: 159-165. Barall, “The Situation in Chile,” Atwood to Holland, 12
May 1954, 725.00/5-1254. Pisciotta, Development Policy, Inflation, and Politics in Chile, 168. Faúndez, Marxism
and Democracy in Chile, 104. Despatch 543 “Possibility of Further Deterioration in Chile’s Political and Economic
Situation,” Beaulac to Department of State, 7 January 1954, 725.00/1-754, Folder 1, Box 3314, DF 1950-54, RG59, NA.

and democratic traditions had long “acted as a brake on social upheaval of the kind” that other Latin American nations had endured, but, he warned, that brake was wearing down. Whereas in the past, factions of the economic and political elite had vied for power, Sanders observed that by the mid-20th century “an unacknowledged but very real struggle” had arisen between “the traditionally dominant minority and the previously economically and politically subordinate majority.” In this struggle (scholar Frederick Pike would later dub it the “two Chiles”), political leaders such as Ibáñez, Gabriel González Videla, and Juan Antonio Ríos Morales found themselves in a dilemma: they were popularly elected and had “a ‘mandate’ to change the old order of things,” but they could not govern, much less undertake reform, without support from the elite. Chile had resolved most political and social conflicts by blending a strong leader tradition with the tradition of democracy and constitutional government, but Sanders doubted this would work for much longer. Implicitly but clearly, Sanders warned that soon the Chilean majority would demand reforms that the elite would not accept, fostering political instability, crisis, or even overthrow of Chile’s democracy. 

While social revolution posed dangers on the intermediate horizon, U.S. officials feared that in the short-term, President Ibáñez might revert to past authoritarian form and impose a rightist, Perón-style dictatorship. Ibáñez struggled to maintain a stable cabinet and address Chile’s economic problems. This prompted Salvador Allende, who had been reelected to the

20 Sanders and other U.S. officials, in many ways, were a decade ahead of scholars in recognizing the potential impact of Chile’s emerging social revolution. Frederick B. Pike, Chile and the United States, 1880-1962: The Emergence of Chile’s Social Crisis and the Challenge to United States Diplomacy (Notre Dame IN: University of Notre Dame Press, 1963), xxiv-xxv, 292-296, 299-301, xxvii.

21 Memorandum “The Political Situation in Chile Today -- Background and Trends,” Sanders to Beaulac, 15 April 1954, enclosed with Despatch 814, Sanders to Department of State, 5 May 1954, 725.00/5-554, Folder 1, Box 3314, DF 1950-1954, RG59, NA.
Senate in 1953 from the northern provinces of Antofagasta and Tarapacá,\(^{22}\) to declare: “If the President of the Republic does not consider himself capable of resolving [Chile’s] problems and fulfilling the promises he made, he would do well to take the democratic course of calling the country to resolve the problem through new elections.” Rumors of an impending coup circulated Santiago and worried U.S. officials.\(^{23}\) Undersecretary of Defense Colonel Horacio Arce sounded out Ambassador Beaulac about how the United States would react to an Ibáñez-led dictatorship; Beaulac responded that he preferred that Chile stay democratic.\(^{24}\) More troubling to U.S. officials was that Ibáñez, during meetings with Beaulac, twice declared that he was going to impose authoritarian rule. Beaulac reported that he took “great care…not to say anything which could be interpreted as encouraging [the] President to succumb [to] temptation.”\(^{25}\)

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\(^{22}\) Chile’s constitution did not impose residency requirements upon Senators and Deputies; therefore, parliamentary representatives could switch provinces or senatorial regions when seeking reelection at the end of their term. Switching provinces or regions appears to have had the consequence of building not just a politician’s national name recognition, but also his or her base of national popular support. First elected to the Senate in 1945, Allende switched senatorial regions during each of the three times he sought reelection. He represented Chile’s Far South from 1945 to 1953, the Far North from 1953 to 1961, the Valparaíso region from 1961 to 1969, and then the Far South again from 1969 to his election as President in 1970.

\(^{23}\) For Allende’s quote, see Ernesto Würth Rojas, *Ibañez, Caudillo Enigmático* (Santiago: Editorial del Pacifico, 1958), 281. Bowers to Cabot, 28 July 1953. Memorandum of Conversation “Increasing Political Difficulty in Chile,” Barall, 11 September 1953, 725.00/9-1153, Folder 3, Box 3313; Despatch 543 “Possibility of Further Deterioration in Chile’s Political and Economic Situation,” Beaulac to Department of State, 7 January 1954, 725.00/1-754, Folder 1, Box 3314; Despatch 758 “Joint Weeka No. 12,” Beaulac to Department of State, 25 March 1954, 725-00(W)/3-2554, Folder 2, Box 3315; and Despatch 878 “Foreign Minister Discounts Rumors of Military Government,” Beaulac to Department of State, 7 May 1954, 725.00/5-754, Folder 1, Box 3314; all DF 1950-54, RG59, NA. Memorandum “The Situation in Chile,” Atwood (Barall) to Holland, 12 May 1954, 725.00/5-1254.

\(^{24}\) Memorandum of Conversation, Beaulac, 23 June 1954, enclosed with Despatch 998, Beaulac to Department of State, 25 June 1954, 725.00/6-2554, attached to Telegram 419, Beaulac to Secretary of State, 25 June 1954, 725.00/6-2554, Folder 1, Box 3314, DF 1950-54, RG59, NA.

\(^{25}\) Telegram 425, Beaulac to Secretary of State, 26 June 1954, 725.00/6-2654, attached to Telegram 416, Beaulac to Secretary of State, 25 June 1954, 725.00/6-2554, Folder 1, Box 3314, DF 1950-54, RG59, NA. Memorandum of Conversation, Beaulac, 31 July 1954, enclosed with Despatch 90, Beaulac to Department of State, 6 August 1954, 725.00/8-654, Folder 1, Box 3314, DF 1950-54, RG59, NA. Würth Rojas writes that Ibáñez was twice “tempted” to impose a dictatorship during his first 18 months. See Würth Rojas, *Ibañez, caudillo enigmático*, 282-286, 305-310. 

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With Chile’s President Ibáñez expressing intent to impose dictatorial rule and Guatemala’s President Arbenz apparently moving toward Communism, the contrast between Chile and Guatemala could not have been starker for the Eisenhower administration. Convinced that Communists “wielded significant influence in Guatemala” and that Jacobo Arbenz “was a Communist ‘dupe’ or worse,” the Eisenhower administration began moving aggressively against Arbenz and his government in 1953. President Eisenhower, Secretary of State John Foster Dulles, CIA Director Allen W. Dulles, CIA Deputy Director for Plans Frank Wisner, and other CIA and White House officials initiated Operation PBSUCCESS. Through the CIA, the Eisenhower administration encouraged, funded, supplied, and helped prepare exiled Guatemalan Colonel Carlos Castillo Armas and his forces to invade Guatemala and overthrow Arbenz. The CIA-led operation also initiated a propaganda campaign against Arbenz’s government.26

In contrast to Guatemala, U.S. officials did not perceive the Communists to be a threat in Chile. Although ARA acknowledged that Chile had one of the largest Communist organizations in Latin America (the others were Brazil and Cuba), the Chilean Congress, through the 1948 Law for the Permanent Defense of Democracy, had banned the Chilean Communist Party and removed all Communists from the voter rolls. U.S. officials recognized that some Communists had circumvented the law because they had not been registered or known as Communists, and therefore were able to be politically active through small leftist parties such as the Labor and

Democratic Parties. Even so, the U.S. Embassy concluded that Chile’s Communists were carefully pursuing a “policy of not flaunting the liberties they enjoy in spite of the illegality of their status as a political party.” Adhering to the rules of Chilean democracy, the Communists appeared not to be a threat. Chile was not Guatemala.

The Friends of Guatemala

The Eisenhower administration sought support for its policy towards Guatemala from other Latin American nations through the Organization of American States (OAS). For the OAS’s upcoming Tenth Inter-American Conference, to be held in Caracas, Venezuela, in March 1954, U.S. officials proposed adding an “anti-Communist” resolution to the meeting’s agenda. They proposed resolution stated: “That the domination or control of the political institutions of any American state by the international Communist movement…would constitute a threat to the sovereignty and political independence of the American states, endangering the peace of America, and would call for appropriate action in accordance with existing treaties.” The “existing treaties” portion referred to the 1947 Rio Treaty, which stated that if two-thirds of member nations agreed, the OAS could take action against the nation that posed a threat to the region. In essence, Secretary of State Dulles sought to expand “the Monroe Doctrine to include

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27 Memorandum “Communism in Latin America,” 28 April 1953, Folder -- Communism, 1946-1954, Box 2, Deputy Assistant Secretary of State Files, RG59-Lot, NA. Despatch 462, Sanders to Secretary of State, 4 December 1953, 725.00/12-453, attached to Despatch 429, Sanders to Secretary of State, 20 November 1953, 725.00/11-2053, Folder 3, Box 3313, DF 1950-54, NA. Osvaldo Puccio, Un cuarto de siglo con Allende: Recuerdos de su secretario privado (Santiago: Editorial Emisión, 1985), 38ff.

28 ARA Memorandum “Monthly Political Summary: Chile,” Barall, 23 February 1954, 725.00/2-2354, Folder 1; Despatch 931, Sanders to Department of State, 28 May 1954, 725.00 (W)/5-2854, Folder 2; and Despatch 912, Sanders to Secretary of State, 20 May 1954, 725.00 (W)/5-2054, Folder 2; all Box 3315, DF 1950-54, RG59, NA.
outlawing foreign ideologies in the American Republics.” Most Latin American delegates, however, considered economic matters a greater priority for the upcoming Caracas meeting than U.S. fears of Communism.29

While the United States found tepid support for its resolution in Caracas, a broad swath of Chile’s political Left and Center opposed the conference agenda and U.S. policy. Radical Party Senator Luis Bossay Leyva declared that Chile should not even attend the conference, nor should any nation “that respects the principles of liberty, social justice, and…free development of the human individual.” The OAS, he said, should examine the internal affairs of dictatorships, not intervene in Guatemala. The National Executive Committee of Bossay’s Radical Party opposed any measure that would be directed against Guatemala. It also suggested a change of venue for the OAS meeting – a suggestion which overtly called attention to the irony and, by implication, the ineffectiveness of discussing Communist “totalitarianism” in the capital of Venezuela’s “ruthless” dictator, General Marcos Pérez Jiménez, a contradiction which was not lost U.S. officials. Senator Eduardo Frei Montalva of the Falange Party declined an invitation to serve on Chile’s delegation to Caracas. He then expressed sentiments similar to those of Bossay: “I do not believe that the Department of State would be so bold as to suggest, least of all, an intervention into the internal affairs of [Guatemala] which is at liberty to determine freely its

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own destiny. If [the Department of State] did, all democratic forces of America would rise up to repudiate the aggression and to make common cause with Guatemala.”

On 18 February 1954, two weeks before the OAS conference, a group within Chile’s Chamber of Deputies organized themselves as the “Friends of Guatemala.” Led by the Chamber’s president Baltasar Castro and Socialist deputy Armando Mallet, the Friends of Guatemala pledged support for Arbenz and opposition to U.S. policy. While Chile’s Friends of Guatemala may have begun like other Friends of Guatemala societies in El Salvador, Cuba, and Mexico (where former President Lázaro Cárdenas was a leader), the Chilean chapter appears to have had much broader parliamentary support. Chile’s parties of the democratic Left, such as the Radicals and Falange, did not labor under the proscriptions faced by the exiled Acción Democrática of Venezuela and the Auténticos of Cuba of the circum-Caribbean region, both of which needed to cultivate U.S. support. From a democratic nation in the more distant Southern Cone, Chile’s Friends of Guatemala based their opposition on broad political and diplomatic issues, such as self-determination, Arbenz’s status as a democratically elected president, and the United States abusing its power to pressure its smaller neighbors. Moreover, Chile’s Friends of Guatemala could do so without fear of being labelled domestically as pro-Communist. When the OAS meeting began in Caracas, Chile’s Chamber of Deputies, led by the Friends of Guatemala, sent a telegram to the conference expressing its unqualified support for Guatemala, and 67


deputies – just over one-third of the chamber – signed it. Among the signers were Castro, Mallet, Julio Durán Neumann, and Salomón Corbalán, a close friend of Salvador Allende.32

As a leader of the Friends of Guatemala, Baltasar Castro attracted the U.S. Embassy’s attention, but his background did not suggest that he was the Communist “fellow traveler” that U.S. officials considered him to be. From Rancagua in the Central Valley, Castro had worked for Braden Copper Company, in the main office at the mine El Teniente. When his first novel Sewell was published, Braden officials informed him that he could either stop setting his novels at the mine or leave his job. Castro left the job. In 1948, he was elected to the Chamber of Deputies as a Socialist, but later left the Socialists to form the Labor Party. Later, as President of the Chamber of Deputies, Castro visited the Soviet Union in January 1954 and travelled there a second time. He concluded that the Soviet system was not applicable to Chile and that “the Communists were unalterably opposed to everything the United States did and stood for.” Denying that he was “anti-Yankee,” Castro said that “one ought to recognize the good aspects of the United States, its culture, and its policies, but that one also ought to criticize those aspects with which he disagreed.” For Castro, one disagreeable aspect was U.S. policy toward Arbenz.33


33 ARA Memorandum “Monthly Political Summary: Chile,” Barall, 23 February 1954, 725.00/2-2354, Folder 1, Box 3315, DF 1950-54, RG59, NA. For Castro’s trip to the Soviet Union, see “Chile habló por América asfixiada por el Imperialismo Yanqui,” El Siglo, 6 January 1954, pp. 1, 8. Memorandum of Conversation “Political Views and Affiliations of Important Chilean Political Leader,” Norman M. Pearson, First Secretary of Embassy and Labor Attaché, 7 June 1960, enclosed with Despatch 18 “Meeting with Baltasar Castro Palma,” Pearson to Department of State, 8 July 1960, 725.00/7-860, Folder – 725.00/2-1160, Box 1564, DF 1960-63, RG59, NA.
While Baltasar Castro and other Chilean Friends of Guatemala criticized U.S. policy, the Latin American OAS delegates in Caracas had reservations about the U.S.-sponsored resolution. They forced a revision of it before they would pass the measure. Instead of the American republics taking “appropriate action” against a government deemed a threat, the revised resolution stated that the other republics would call for future consultations on additional measures. Chile and several other nations voted for the revised resolution with the understanding that it did not support “unilateral or collective intervention” against Guatemala. Secretary of State Dulles claimed the resolution lacked “vitality.” Within an hour of the resolution’s passage, he boarded a plane and left the conference, leaving regional economic concerns unresolved and Latin Americans bitter. Louis Halle of the Department of State’s Policy Planning Staff drew a more ominous lesson: Latin Americans had concluded that they had “more fear of U.S. interventionism than of Guatemalan communism.”

Before the Caracas conference, Salvador Allende was an important leader of the Socialist Party leader and the far Left, but he had not yet emerged as a national political leader. After his 1952 presidential bid, Allende continued to build support from the far Left, particularly the Communists. He won reelection to the Senate in 1953, running in the more heavily Communist, far northern provinces of Tarapacá and Antofagasta rather than the Socialist strongholds of Chiloé, Aysén, and Magallanes in the far south. At a memorial service held for Stalin, shortly after the Soviet leader’s death in March 1953, Allende appeared with Pablo Neruda and other Communist leaders and gave a long speech that, according to one U.S. embassy officer, “played [the Communist] party line to the hilt.” In January and February 1954, Allende, who was elected

34 Rabe, Eisenhower and Latin America, 52-53. Halle quoted on page 53.
Vice-President of the Senate, publicized the deprivations of nitrate miners and their families. He toured the nitrate-mining areas of his senatorial district to dramatize the fact that Ibáñez’s government had not developed a policy to address the declining nitrate industry’s troubles.\(^{35}\)

U.S. policy towards Guatemala and the March 1954 OAS meeting in Caracas provided Allende with a new political issue, one that put him on the national stage. When the Latin American delegates in Caracas passed the U.S. resolution, Allende condemned it as “nothing more than an instrument of the Cold War,” declaring that the resolution did “not reflect any of the fundamental concerns of the peoples of this part of the continent.” He castigated Secretary of State Dulles for ignoring Latin America’s economic problems and for rudely leaving the Caracas meeting “ten minutes after obtaining” passage of the U.S. resolution. The latter act, Allende said, exposed the conference as merely vehicle “for approving the anti-Communist resolution of Mr. Dulles.” U.S. propaganda, Allende charged, gave “the impression that the mountains of [our] countries are infested with communists, that our coasts are full of communist ships, that the small country of Guatemala threatens the existence of the largest of the bourgeois countries. Like David and Goliath. But Guatemala does not have a sling. Its only sling is showing the road to follow for introducing progress and liberty into the nations of America.”\(^{36}\)

This was harsh criticism from a political leader whom U.S. officials respected, but Allende’s comments were not mere rhetorical flourishes of the far Left. The Caracas resolution, 


Dulles’ rude departure, and Dulles’ lack of consideration of Latin American economic concerns badly eroded what little Chilean sympathy existed for the U.S. position. By mid-May 1954, Milton Barall, Director of ARA’s Office of South American Affairs, reported that “anti-US sentiment runs quite high” in Chile and that U.S. embassy officers were “striving to preserve such good-will as we still have.” Six weeks later, Allende was still denouncing the Caracas meeting, the U.S. resolution, and Chile’s affirmative vote for the resolution before receptive audiences. “It pains me,” he said, “that our country had not made common cause with this small and great nation [of Guatemala].”

U.S. embassy officials in Santiago grew frustrated at Chile’s opposition to U.S. policy. They hoped President Ibáñez would initiate an anti-Communist public relations campaign “to change the existing Chilean attitude that communism in Chile is a local phenomenon,” but Ibáñez made no effort. During a 20 May dinner, Senator Jaime Larraín García-Moreno, leader of Ibáñez’s Agrarian Labor Party, bluntly told Ambassador Beaulac that the United States was a “poor propagandist.” Beaulac rejected this: “[T]he principal burden of explaining …things rested on the people of the country.” “The communists were Chileans,” Beaulac said, “and it was difficult for the United States to compete with Chileans in Chile.”

In conversation with Undersecretary of Defense Arce, Beaulac reiterated his views and chastised Chile’s non-communists for withholding condemnation of the Communists “for electoral and demagogic

37 Memorandum “The Situation in Chile,” Atwood (Barall) to Holland, 12 May 1954, 725.00/5-1254. “Bandera del anti-comunismo está siendo agitado para impedir la liberación de los pueblos,” El Siglo, 28 April 1954, p. 4.

38 Memorandum of Conversation, Beaulac, 20 May 1954, enclosed with Despatch 915 “Need of Combatting Allegations United States Responsible…,” Beaulac to Department of State, 20 May 1954, 611.25/5-2054, Folder 2, Box 2760, DF 1950-54, RG59, NA. For background on Larrain, see Thomas C. Wright, Landowners and Reform in Chile: The Sociedad Nacional de Agricultura, 1919-40 (Urbana: University of Illinois Press, 1982), 72-73.
reasons.” By doing this, Beaulac complained, the non-Communists had left “the propaganda
field to the Communists.” The U.S. embassy also found it “disconcerting” that Eduardo Frei and
his Falange Party “seem[ed] blind to the nature of communism which gripped Guatemala.”

On 17 May 1954, news that the Swedish ship *Alfhem* was caught delivering Czecho-
slovakian arms to Guatemala provided U.S. officials an opportunity to exploit the link between
Arbenz and the Soviet bloc. The *Alfhem* revelation ignited a flurry of speeches and activity in
the U.S. Congress and caused the new Assistant Secretary of State for Inter-American Affairs,
Henry F. Holland, to postpone his trip to Chile and South America. The United States invoked
the recently passed Caracas resolution and called for a meeting of the hemisphere’s foreign
ministers to “consult for additional measures” against Guatemala. To be held in Montevideo, the
proposed meeting received tepid support from Chile. U.S. officials wanted greater support from
Ibáñez and his administration, but Chile’s cool response indicated that Ibáñez could not support
the United States without suffering serious domestic political repercussions.

Upon the U.S. call for consultations in Montevideo, Chile’s Friends of Guatemala openly
rebelled against U.S. policy. Now including senators and deputies, the Friends of Guatemala
issued a counter-call for a conference of Latin American parliamentarians to be held in Santiago
on 1-4 July 1954. They proposed three agenda items: “(1) the self-determination of peoples, (2)

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39 Memorandum of Conversation, Beaulac, 23 June 1954, enclosed with Despatch 998, Beaulac to Department of
State, 25 June 1954, 725.00/6-2554, attached to Telegram 419, Beaulac to Secretary of State, 25 June 1954,
725.00/6-2554, Folder 1, Box 3314, DF 1950-54, RG59, NA. Despatch 2 “Opinion in Chile Favorable to
Communist Government of Guatemala: Efforts to Bring Opinion to Realities,” 1 July 1954, 725.00/7-154, Folder 1,
Box 3314; and Despatch 986 “Joint Weeka No. 24,” 18 June 1954, 725.00(W)/6-1854, Folder 2, Box 3315; both DF
1950-54, RG59, NA.

40 Gleijeses, *Shattered Hope*, 295-303, 313-316. Despatch 986 “Joint Weeka No. 24,” Beaulac to Department of
State, 18 June 1954, 725.00(W)/6-1854. Letter, Holland to Beaulac, 24 May 1954; and Letter, Holland to Beaulac,
17 June 1954; both Folder 4 [Chile, 1953-55], Box 2, Holland Files, RG59-Lot, NA.

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the right of nations to dispose of their raw materials and autonomously conduct their diplomatic and commercial relations, and (3) the internal democracy of countries, the full exercise of human rights, and the inviolability of individual guarantees.” Angered, U.S. officials charged the Friends of Guatemala with trying to “offset” the Montevideo meeting and “create pro-Guatemala propaganda.” Assistant Secretary Holland accused the Chileans of having a “pusillanimous” attitude on Guatemala and declared: “I sincerely hope something will shock the Chileans out of their present posture of complete irresponsibility.”

Holland got a “shock,” but not the one he had hoped for. When Colonel Castillo Armas and his forces, with CIA support, invaded Guatemala on 17 June 1954, many Chileans were spurred into action. Protests denouncing the invasion occurred in Santiago over successive days, often in front of the U.S. Embassy. On 20 June, in the Plaza de Armas, the central square of Santiago, a group of protesters burned a U.S. flag “amid the cheers of thousands of students,” with students shouting, “[U]nite our forces and close our ranks to defeat the aggression against Guatemala.”

A U.S. reporter for the Associated Press wired a photograph of the flag-burning incident and an article to New York City. The protests continued the next day, with students and workers condemning the U.S. intervention in Guatemala and burning President Eisenhower in

41 Despatch 986 “Joint Weeka No. 24,” Beaulac to Department of State, 18 June 1954, 725.00(W)/6-1854. Holland to Beaulac, 21 June 1954; and Holland to Beaulac, 17 June 1954; both Folder 4 [Chile, 1953-1955], Box 2, Country File, 1953-1956, Holland Files, RG59-Lot, NA.

effigy. Undersecretary of Defense Arce told Beaulac that many university students believed “that the United States is persecuting Guatemala.” The embassy admitted that opposition to U.S. actions went well beyond students. Chilean public opinion “continued to run high” in favor of Guatemala and “express[ed] accumulated pent up resentment against the United States.” The embassy’s despatch containing this observation did not reach Washington before Holland, Department of State officials, and newspaper readers in New York and Washington saw the flag-burning photograph in the 24 June edition of the *New York Herald-Tribune*, which was one of the leading newspapers of the time. ARA began fielding letters and telephone calls from U.S. congressmen and citizens asking about events in Chile.

On the heels of the 20 and 21 June protests, Chile’s Senate and Chamber of Deputies engaged in “lengthy debates on the Guatemalan question,” and the Chamber passed a resolution opposing U.S. policy and expressing support for Arbenz and Guatemala. In the Senate, Marcial Mora, former Ambassador to the United States, proposed sending “a telegram of solidarity to the Guatemalan Congress.” He and fellow senators Allende and Frei, among others, “excoriated” the United Fruit Company and the United States for intervening in Guatemala and, as Mora accused, “supporting movements designed to overthrow a government which is not amenable to its interests.” The U.S. Embassy reported that a few Liberal and Conservative senators had

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argued “valiantly” against Mora, Allende, and Frei, prompting Mora to withdraw the Senate resolution. Nevertheless, the Chamber had passed the resolution.45

That evening, a few hours after the Chamber’s vote on 24 June, the Friends of Guatemala organized a march as a show of public support for Arbenz and opposition to U.S. intervention. Several thousand convened in the Plaza Vicuña Mackenna, braving a cold and rainy winter’s night, and marched orderly through downtown Santiago. The U.S. Embassy admitted that the “inclement weather” had prevented a much larger turnout. Salvador Allende, Eduardo Frei, Baltasar Castro, and poet Pablo Neruda led the march, and demonstrators included members of the Confederation of Chilean Workers (CTCh – Confederación de Trabajadores de Chile), the Federation of Chilean Students (FECh – Federación de Estudiantes Chilenos), the Social Christian Youth, and the Popular Socialist Party. The marchers stopped in front of the Guatemalan Embassy and sang the Chilean national anthem to the Guatemalan diplomats who “waved from the balcony.” The protesters then moved to the Falange Party’s headquarters. Taking places on the balconies, Allende, Frei, Neruda, and others speakers pledged support for Arbenz’s “legally constituted government” and denounced United Fruit Company, U.S. policy, and the “aggression of which Guatemala was victim.” The protest earned front-page coverage in the government newspaper La Nación and the Communist paper El Siglo, and La Nación ran a front-page photograph showing Allende, Frei, Castro, and Neruda leading the march.46

45 Despatch 2 “Opinion in Chile Favorable to Communist Government of Guatemala,” 1 July 1954, 725.00/7-154.
U.S. officials complained that Allende, Frei, and Baltasar Castro were “giving comfort to the communist cause,” but the protests’ size and intensity and U.S. acknowledgement of the Chilean public’s broad opposition revealed that the United States had lost the public relations battle. The embassy told Washington that the invasion of Guatemala “provided the communists with an issue – U.S. ‘aggression’ against the integrity of a duly constituted government, around which many in Latin America are quick to unite.” Even Chilean conservatives and diplomats objected to U.S. actions against Guatemala. Horacio Suárez, Chile’s Chargé d’Affaires in Washington, bluntly told Milton Barall that “the US course of action on Guatemala would be a ‘fracaso’ [disaster],” an opinion, Barall acknowledged, that was “in agreement” with that of Chilean Ambassador Aníbal Jara Letelier. In Santiago, Undersecretary Arce told Beaulac that the United States was simply not “going about the Guatemalan thing properly.”

Senator Larraín had pointed to a crucial error by the Eisenhower administration: he charged the United States with being “a poor propagandist” and needing to do more to gain Chilean support than cite the danger of Communism. Convinced of the Arbenz threat, U.S. officials expected Chilean support, but little within Department of State documents indicates that U.S. officials tried to cultivate support. U.S. policymakers badly underestimated the impact U.S. actions in Guatemala would have in other Latin American nations. When confronted with their misjudgment, U.S. officials blamed their critics. Ambassador Beaulac told Colonel Arce “[T]he fault was not that of the United States, but Chile.”


48 Memorandum of Conversation, Beaulac, 23 June 1954.
Shifting from Right to Left

With Chileans’ vocal opposition, signs emerged indicating that U.S. perceptions of Chile and the threats that existed there were rapidly changing. The same day that U.S. newspapers reported the flag-burning incident (24 June), unnamed Department of State officials told the *New York Times* that communism in Chile “comes the nearest to being a menace now.” The *New York Herald-Tribune* cited “[r]ecent reports of growing Communist strength in Chile.” Also, when ARA officials informed Suarez about the many letters and telephone calls the department had received about the flag-burning incident and protests, the implication was that ARA was reevaluating the danger that Communism posed to Chile.49

The negative publicity in the United States generated by the Friends of Guatemala, the protests, and the flag-burning incident “alarmed” some Chilean officials and elites, and they immediately tried to allay U.S. ire and concern for fear of “the potential damage that [recent protests] could do to the good name of Chile.”50 The Ibáñez administration declared that it had enacted “the strictest measures” to control disturbances and prevent property damage. Chile’s Undersecretary of Foreign Affairs called the Associated Press (AP) representative in Santiago and “chided him” for sending the flag-burning photograph to New York. In Washington, the


Chilean Chargé d’Affaires met with Barall and, after noting the *Washington Post*’s 24 June editorial on Latin Americans’ reaction to events in Guatemala, “expressed his regrets that Chile had been cited as the government that apparently sides with Guatemala.” The Ibáñez administration, claiming that it did not want to “blow up [the] flag-burning out [of] proportion,” decided to wait two days before apologizing for what it termed “offensive acts.”

President Ibáñez also consented to an interview with George Nathanson of the U.S. media network NBC. During that interview, Ibáñez admitted that Communism was “a real menace in Latin America” but played down its danger in Chile. He pointed out that there were only 50,000 Communists among a population of 6.2 million Chileans. When Nathanson asked about the protests, Ibáñez said that Chileans would “defend inter-American principles” and freely “express their opinions” but added, “I can say, frankly, that Chilean public opinion is in no way represented by the provocations of certain uncontrolled groups.” Targeted at a U.S. audience, the interview would have gained little attention in Chile had not the U.S. Embassy’s Press Section “suggested” to the Chilean AP representative that he “should specifically request it.” *El Mercurio*, the only AP subscriber in Chile, “prominently published” the interview. Trying to

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build on this publicity, the Ibáñez administration handed out copies of the interview and printed it in the government newspaper, *La Nación*. 53

Ibáñez apparently tried to further demonstrate to the United States that he was in control by showing his anger at Chilean politicians and requesting constitutional reforms that would give him broader powers. In a meeting with Beaulac, the president roared, “I don’t know how much longer I am going [to] stand for this. I am going to do something but I don’t know yet what it is. You can be sure of one thing, however, and that is that Chile will not go Communist. I will cut off their heads when the times come.” Ibáñez soon submitted proposals to Congress that would give him broader powers. He proposed repealing the Law for the Permanent Defense of Democracy and replacing it with laws that gave him “adequate power to maintain order and the nation’s security.” He also called for “sweeping constitutional reforms” and formed a “[c]ommittee of 22 juridical experts to consider” them. 54

Ibáñez’s efforts backfired. He confirmed rather than eased U.S. fears and doubts about his commitment to democracy, and his pronouncements and actions caused U.S. officials, the U.S. press, and Chileans to arrive at contradictory conclusions about the threat besetting Chile. Ibáñez’s proposal to repeal the Defense of Democracy law prompted U.S. newspapers to splash headlines like “Chile Chief Seeks End of Red Ban,” giving the U.S. public the impression that Ibáñez was giving more freedom to the Communists, not less. To U.S. officials and Chileans,


Ibáñez validated their concerns that he might revert to his past dictatorial ways. Beaulac told Washington that he had “taken great care not [to] say anything which could be interpreted as encouraging” the former dictator. The conservative newspaper El Mercurio led the opposition against Ibáñez’s request for powers to take “direct action.” The newspaper asserted that Ibáñez’s constitutional reforms “would only lead to improvisation and favoritism,” the closure of Congress, and an end to freedom of the press. “Dictatorship,” said El Mercurio, “would be the final consequence of ‘direct action’.”

While Ibáñez confirmed the Department of State’s worry that his authoritarian tendencies threatened Chilean democracy, the Friends of Guatemala gave evidence that Communism constituted a serious threat in Chile. Seeking to organize opponents to U.S. policy, the Friends of Guatemala hosted its Congress of Parliamentarians and Personalities. The Congress opened on 8 July 1954 in the Chilean parliament’s Salon de Honor, with delegates from Argentina, Uruguay, Ecuador, Nicaragua, Costa Rica, El Salvador, and Paraguay attending. Leading members of Chile’s Left attended, including Allende, Frei, Castro, Popular Socialist Party leader Raúl Ampuero, and Radomiro Tomic, the Falange Party’s number two leader. The U.S. embassy wrote that the “oratory was uniformly and usually vehemently critical of the United States and the OAS.” Speakers condemned U.S.-allied dictators Rafael Trujillo (Dominican Republic),

Manuel Odría (Peru), Anastasio Somoza (Nicaragua), and Tiburcio Cárías (Honduras).\footnote{56}

Meanwhile, multinational corporations like United Fruit, Standard Oil, and Anaconda Copper were cast “as the present-day counterparts of the pirate marauders of yore.” Despite receiving “a special invitation,” former Guatemalan president Juan José Arévalo, who was in Santiago at the time of the overthrow, did not attend; however, he did send a letter supporting the congress and accusing the United States of “the crime of Guatemala.”\footnote{57}

After two days of discussions, the Congress of Parliamentarians and Personalities “unanimously” approved five resolutions. It first rejected the Caracas resolution “which give[s] the United States a presumed right of intervention in complicity with illegitimate Latin American governments [i.e., dictatorships] in the political and economic life of our peoples.” Second, the Congress defended “the inalienable right” of nations to determine their own government and conduct their own affairs. Third, the delegates declared that they would “fight for the denunciation of the pact which created” the OAS. Fourth, they pledged to “fight against all forms of colonialism, especially on the American continent.” Lastly, the Congress expressed “sympathy for all underdeveloped nations” fighting for “self-determination and called on them ‘for common action in defense of this right.’” Upon adjournment, many delegates remained in Santiago to participate in Pablo Neruda’s 50th birthday celebration. As Neruda was a known

\footnote{56} The inclusion of Honduran dictator Tiburcio Cárías in this group likely reflects the belief that Cárías was the power behind then-President Juan Manuel Gálvez, who was Cárías’ “hand-picked successor.” For background on Cárías, Gálvez, and Honduran politics, see Victor Bulmer-Thomas, “Honduras since 1930,” Central America since Independence (New York: Cambridge University Press, 1991), Leslie Bethell, ed., 194-208.

\footnote{57} The documentary evidence does not indicate that Arévalo participated or encouraged the protests, nor does it suggest that his presence in Santiago influenced Chileans’ opposition to U.S. policy toward Guatemala. “American Flag Burned by Chile Students,” Los Angeles Times, 21 June 1954, p. 7. “Inició su Funcionamiento Congreso de ‘Personalidades Venidas de Latinoamérica,’” El Mercurio, 9 July 1954, p. 15. Despatch 31 “Congress of Parliamentarians and Personalities of Latin America…,” Beaulac (Corrigan) to Department of State, 15 July 1954, 725.001/7-1554, Folder 1, Box 3316, DF 1950-54, RG59, NA.
Communist and a former Senator, the delegates’ participation in his birthday celebration gave further proof to U.S. officials of the Congress’ ties to Communism.\(^{58}\)

On the last day of the Congress (12 July 1954), Salvador Allende caught Department of State officials in Washington by surprise. Accepting an invitation from the Soviet Academy of Sciences, he departed for a six-month trip to the Soviet Union, Communist China, and Europe. U.S. Embassy officers in Santiago were not taken aback by Allende’s destination. Allende’s rhetoric since the Caracas meeting and his leadership of the protests and opposition had already led embassy officers to disparage him as a “Communist,” “commie-liner,” and “dupe,” with the general consensus being that he was Communist fellow traveller like Baltasar Castro.\(^ {59}\) In Washington, ARA officials were stunned and immediately wired the embassy, saying the Department was “concerned” about Allende’s travel plans. “Anticipat[ing] favorable pro-Communist statements upon his return,” they asked if it was “desirable [to] offer Allende [a] leader grant after [his] bloc visit in [the] hopes [of] counteracting Soviet propaganda.” They also inquired whether Allende was “sufficiently open-minded [to] make such [a] grant effective.” The embassy apparently responded in the affirmative because Assistant Secretary Holland telephoned Beaulac two weeks later, saying the leader grant “had been approved.”\(^ {60}\)

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58 Despatch 31 “Congress of Parliamentarians and Personalities,” Beaulac (Corrigan) to Department of State, 15 July 1954, 725.001/7-1554. For the program of Neruda’s celebration, see http://www.uchile.cl/neruda/hitos/hitos47.htm.

59 Despatch 1 “Joint Weeka No. 26,” Beaulac (Flournoy, et al.) to Department of State, 1 July 1954, 725.00(W)/7-154. “Ataque al senador Dr. Allende forman parte de la campaña contra el Parlamento,” El Siglo, 17 August 1954, p. 4. Telegram 425, Beaulac to Secretary of State, 26 June 1954, 725.00/6-2654. Despatch 31 “‘Congress of Parliamentarians and Personalities of Latin America’…,” Beaulac (Corrigan) to Department of State, 15 July 1954, 725.001/7-1554.

60 Telegram 13, Dulles (Atwood and Barall) to U.S. Embassy Santiago, 12 July 1954, 725.001/7-1254, Folder 1, Box 3316, DF 1950-54, RG59, NA. Memorandum of Telephone Conversation, Holland and Beaulac, 30 July 1954, Folder 4 [Chile, 1953-1955], Box 2, Country File, 1953-1956, Holland Files, RG59-Lot, NA.
The grant apparently was never offered to Allende, and U.S. officials may have missed an opportunity to cultivate the senator and strengthen his ties to the West. Allende spent one month in the Soviet Union, two months in Communist China, and three months in Western Europe, mostly in France, Italy, and England. When he returned to Chile, he said he had not come back as a “panegyrist of the Socialist world.” He had a more measured view of the Soviet Union: “[T]hose who think that the USSR is a paradise are mistaken, as well as those who affirm that it is a hell.” Allende did note that the Soviets, in just twenty years, had built their nation into one of the world’s industrial powers. Yet the senator was most impressed with how Mao Zedong and the Communists had mobilized the Chinese people for national development and how the Chinese people seemed committed to the effort.\textsuperscript{61} Whether bringing Allende to the United States would have modified Allende’s views is uncertain. Yet, for all of the U.S. ire and complaint about the lack of Chilean support, the Eisenhower administration in 1953 and 1954 made little, if any, effort to cultivate Allende, basically giving up on him before trying.

By early July 1954, Beaulac had grown frustrated with the rhetoric in Chile and decided to spur Chilean non-Communists into taking a more vocal role in public dialogue. To do this, he took aim at Frei and the Falange who sought to use progressive Catholic social philosophy to reform Chile.\textsuperscript{62} In a 6 July speech before the American Chamber of Commerce in Santiago, Beaulac castigated “those who call themselves Christians” but who “are slow to talk against Russia” and “quick to talk against the United States, as though the United States and not Russia


menaced freedom everywhere.” He split the “Christians” into two groups. The “dupes” were simple-minded people who know no better and who will never know any better,” and the “demagogues” were ambitious men who lied to and betrayed “the people whom they profess to respect,” thereby “advancing their own political futures.” The dupes and demagogues, along with the Communists, said Beaulac, “pretend that the problem of Guatemala” was United Fruit, not communism. Guatemala, Beaulac declared, had “demonstrated clearly” that the real threat “to our freedom” occurs “when thousands of Communists and fellow travelers…coordinate and combine to spread their carefully devised lies.” The time had come, he concluded, “for decent men to work as hard to tell the truth….This, it seems to me, is the lesson of Guatemala.”

In its despatch to Washington, the U.S. Embassy heralded Beaulac’s speech for having “clearly brought the problem of international communism out into the open and created salutary discussions of the problem in Chile.” The “salutary discussions” were actually a storm of protests that subsequently erupted over the speech. Frei personally objected to Beaulac’s words. Chilean newspapers criticized the address, denouncing the ambassador’s “interference” in Chilean domestic affairs, as well as his tactless attack upon Frei and the Falange. Even *El Mercurio* described Beaulac’s words as “imprudent,” and the Chilean Embassy in Washington formally expressed its displeasure to the Department of State.

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64 Despatch 47, Beaulac (Sanders) to State Department, 22 July 1954, 725.00(W)/7-2254, Folder 2, Box 3315, DF 1950-54, RG59, NA. Despatch 75 “Falange Party Members Explain Party’s Philosophy,” Beaulac to Department of State, 5 August 1954, 725.00/8-554, Folder 1, Box 3314, DF 1950-54, RG59, NA. For *El Mercurio*’s assessment,
Because U.S. officials now deemed Communism to be a greater threat to Chile than Ibáñez and dictatorship, Beaulac’s speech was not the U.S. Embassy’s only effort to persuade Chileans of their misperception of Guatemala and the dangers of Communism. Embassy officials also worked with *El Mercurio*’s staff and placed strategic articles in the daily’s pages. Ben Meyer of the Associated Press (AP) reported that “responsible quarters” in Washington were concerned that “Communists are gaining power in Chile,” and he quoted the staff director of the Senate Foreign Relations Committee who said, “Coinciding as [events in Chile] have with occurrences in Guatemala, it is natural that signs of Communist infiltration and penetration should cause alarm.” The *New York Herald Tribune* editorialized, “The well-being of Chile is a matter of concern to all the nations of the Western Hemisphere, and her successful surmounting of present difficulties will be eagerly awaited.”

Meyer’s article and the *Herald Tribune*’s editorial appeared in *El Mercurio* on successive days, as did a speech by Assistant Secretary of State for Congressional Affairs Thurston Morton, who cited the “danger [of] communism in Latin America, particularly [in] Chile.” The embassy admitted that *El Mercurio*’s printing of Morton’s speech had resulted from “prominent dissemination.” In other words, like Ibáñez’s NBC interview, the U.S. Embassy had encouraged *El Mercurio* print it. This was likely the case with Meyer’s article and the *Herald Tribune* editorial as well. The Eisenhower administration

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See Despatch 47, Beaulac (Sanders) to Department of State, 22 July 1954, 725.00(W)/7-2254. Memorandum of Conversation “Repercussions to Ambassador Beaulac’s Speech of July 6,” Barall, 20 July 1954, 611.25/7-2054.


had made little effort to cultivate the Chileans’ support before the Caracas meeting or even before Castillo Armas’ invasion of Guatemala. Now in the aftermath, facing strong Chilean opposition, the administration was trying to convince Chileans through a propaganda campaign in the country’s leading newspaper that Chile faced a dangerous Communist threat.

The articles in *El Mercurio* instead prompted Chile’s Foreign Minister to declare that “reports concerning Communist infiltration in Chile are greatly exaggerated,” and he instructed Chargé d’Affaires Suarez to “rectify them.” On 20 July 1954, Suarez met with Department of State officials Milton Barall and Rollin S. Atwood, who was Director of the Office of South American Affairs. Reading the Foreign Ministry’s complaint which drew upon Chile’s image as a democracy, Suarez asserted that the protests, the Chamber’s resolution, the Friends of Guatemala march, and the Congress of Parliamentarians were “acts by individuals or groups in a country which believed in democracy and believed in freedom of expression.” The chargé reminded Barall and Atwood that Chile did not have a Communist government, Communist candidates in the last election, nor Communists in the executive or legislative branches. In fact, he said, “the Communists had lost relative strength in Chile.”

No longer patient, Barall and Atwood made clear where the Department stood and, in doing so, exposed how frustrated and angry U.S. officials were with the Chileans. They agreed “that Chile was a democracy and that these were acts of individuals.” They also considered it “normal for the American public, press, and Congressional opinion to interpret many of these

67 Despatch 58 “Joint Weeka No. 30,” Beaulac (Corrigan, et al) to Department of State, 29 July 1954, 725.00(W)/7-2954. Telegram 28, Beaulac to Secretary of State, 22 July 1954, 725.001/7-2254, Folder 1, Box 3316, DF 1950-54, RG59, NA.

68 Memorandum of Conversation, Barall, 20 July 1954, 611.25/7-2054.
acts as indicative of a strong pro-Communist bias in Chile.” Furthermore, when Baltasar Castro, the president of the Chamber of Deputies, “makes...a pilgrimage” to the Soviet Union, and then Senator Salvador Allende, the Senate’s vice president, makes a similar trip, they said, it was “normal” that each would “be identified as a Communist or a sympathizer,” even though the Department of State “might understand” otherwise. Atwood and Barall pointed out that “acts like burning of the American flag are bound to cause resentment in the American people,” and while ARA “had consistently replied” that the Chilean government had “not sponsored” the acts, “the [U.S.] public would draw its own conclusions.” When Suarez did not immediately reply, Atwood thanked the Chilean for his visit and showed him the door.69

Atwood and Barall’s curt dismissal of the Chilean chargé and his objections revealed that ARA’s views regarding affairs in Chile had changed significantly during 1954. During the first months of 1954, ARA had tolerated a degree of criticism from the Chileans. By July, however, amidst Chile’s opposition to U.S. policy, this toleration had evaporated. The Eisenhower administration was disappointed by the lack of Chilean support for U.S. efforts and angered that a favored nation would so openly challenge U.S. policy. It must have become clear to Suarez that Barall and Atwood agreed with Beaulac and Meyer, and this probably caught Suarez off guard. Suarez had voiced to Barall his own opposition to U.S. actions in Guatemala, and he may have wondered if he, like Castro and Allende, was deemed a Communist or sympathizer.

Like Suarez, Frei learned first-hand of the Department’s unhappiness with Chileans’ dissent regarding Guatemala; furthermore, Beaulac’s targeting of Frei and the Falange for sharp criticism was not accidental. Three weeks after Beaulac’s speech (23 July), Frei sent two

69 Memorandum of Conversation, Barall, 20 July 1954, 611.25/7-2054.
colleagues to smooth over differences with the U.S. ambassador. They told Beaulac that “Frei regretted” participating in the protests.\textsuperscript{70} Beaulac found this unbelievable: “[H]e had given detailed information about the Guatemalan situation, which he had received from the [U.S.] government, to Senator Frei and to Radomiro Tomic, and yet both had subsequently followed the communist line….The only conclusion he could reach therefore, was that they put greater faith in what the communists said about the Guatemalan situation than what the Government of the United States said about it.” Four days later, Frei personally tried “to make peace” with Beaulac over lunch. Beaulac bluntly told him that Chileans should not “try to make political capital at the expense of the United States” and that “Chile cannot gain the good will and the cooperation [from] the Government of the United States by attacking it.”\textsuperscript{71}

Labeling Chile’s protests as emotional, unreflective anti-Americanism, U.S. officials overlooked a significant development. The anti-Americanism of Chile’s 1954 protests departed from previous anti-Americanism in significant ways. As one element, the Chilean protests focused exclusively against the United States and its foreign policy towards another Latin American nation; there was not a direct domestic component. While large protests were not new in Chile, and although protests against U.S. foreign policy would be commonplace in both Chile and the United States in the 1960s and 1970s, such focused, large protests were unusual in 1954, as demonstrated by the extensive coverage of Chilean events by U.S. newspapers. The staged,  

\textsuperscript{70} Memorandum of Conversation, Beaulac, 23 July 1954, enclosed with Despatch 75 “Falange Party Members Explain Party’s Philosophy,” Beaulac to Department of State, 5 August 1954, 725.00/8-554, Folder 1, Box 3314, DF 1950-54, RG59, NA.

\textsuperscript{71} Memorandum of Conversation, Beaulac, 23 July 1954. Memorandum of Conversation, Beaulac, 28 July 1954, enclosed with Despatch 59 “Ambassador Discusses Chile-United States Relations with Falange Senator Eduardo Frei,” Beaulac to Department of State, 29 July 1954, 611.25/7-2954, Folder 2, Box 2760, DF 1950-54, RG59, NA.
provocative, symbolic act of burning the U.S. flag, particularly in the afterglow of World War II, amid the McCarthy hearings, and in a Cold War struggle that NSC-68 defined as good democracy versus evil Communism, was also unique. The prominent coverage by major U.S. newspapers and the shock and anger expressed by Department of State officials, U.S. congressmen, and U.S. citizens indicates how novel the burning of a U.S. flag was in 1954.

The novelty of the Chilean protests – their size, their exclusive focus, the intensity of the denunciations, their persistence over several days – and the potent symbolism of burning the U.S. flag and Eisenhower in effigy likely explain why the Christian Science Monitor and New York Times labelled them as “the most violent” when, in truth, the Chilean protesters were orderly and non-violent. Chilean newspapers reported no violence, no large-scale arrests, and no extensive crowd control actions by the Carabineros, Chile’s national police force. Nor did the U.S. embassy report damage to its or other buildings in Santiago. El Mercurio, which would have condemned violence had it occurred, reported that after burning Eisenhower in effigy, the protesters walked to the Alameda (the main avenue in Santiago) singing the party hymn. The sole instance of what might be called “violence” occurred when a few people threw stones at the windows of El Mercurio’s building, a Chilean-owned business.72

Given that anti-Americanism is a historical phenomenon that changes in composition, expression, and strategy across time and space, then the protests and the critiques articulated by Allende and others indicate that the U.S.-engineered overthrow of Arbenz may have sparked a

reconfiguration of anti-American critique in Chile.\footnote{For anti-Americanism as a historical problem, see Alan McPherson, \textit{Yankee No! Anti-Americanism in U.S.-Latin American Relations} (Cambridge: Harvard University Press, 2003), 5.} Experiencing the U.S. Good Neighbor Policy, the international struggle against fascism, and U.S. leadership in creating the United Nations, Senator Allende had “happily” admitted in 1945 that the United States had changed, that “the United States of today is not the United States of yesterday,” that is, the 1910s and 1920s. Allende implied that the United States had done much during the 1930s and 1940s to diminish anti-Americanism and build political goodwill. Older Chilean leaders, persuaded by the United States’ new direction, as well as younger leaders emerging in Chile, had come to believe that a “sense of solidarity” had grown between the two countries.\footnote{Speech “Política Internacional: Estatuto internacional de las Naciones Unidas,” Allende, 12 September 1945, reprinted in Allende, \textit{Obras Escogidas, 1933-1948}, p. 367. Steven Schwartzberg, \textit{Democracy and U.S. Policy in Latin America during the Truman Years} (Gainesville: University Press of Florida, 2003), 215.}

U.S. policy towards Arbenz shattered the Chileans’ sense of solidarity and fostered an anti-American critique that stressed “betrayal” of democracy and “neighborliness.” Rhetorically, the United States had proclaimed that it promoted and defended democracy against a totalitarian Soviet Union; meanwhile, it actively undermined and overthrew a democratically elected Latin American president. Allende consistently stressed this contradiction between U.S. ideals and U.S. deeds. Admitting that he “like[d] the people of the United States,” the senator “oppose[d] the tendency of the Department of State to back dictators and put the screws to democracies like Chile.” He cited U.S. support of General Pérez Jiménez of Venezuela as an example. He disparaged U.S. support for Costa Rica during that nation’s clash with Nicaraguan dictator
Anastasio Somoza in 1955 as a “cover-up” for the “shameful episode” in Guatemala. U.S. administrations that supposedly “were so tolerant and respectful of the self-determination of peoples,” Allende declared, “did nothing against the ignominious dictatorships of the Americas.”

For Allende, the overthrow of Arbenz was “another lesson that we are not able to forget,” and he challenged his Senate colleagues to stop minimizing “the errors of norteamericano policy.”

Allende’s rebuke is suggestive of what Joseph S. Nye, Jr., has defined as “soft power”: the attraction of U.S. political and social ideals, culture, and institutions to draw other nations to align with the United States without coercion. In Chile, U.S. policy towards Guatemala, combined with U.S. support of circum-Caribbean dictatorships, destroyed the remnants of the Good Neighbor policy, turned attraction into repulsion, and forfeited the soft power that had been gained during the Roosevelt and Truman administrations. Long-time Chilean Socialist leader Oscar Waiss revealed how much accrued trust had been destroyed when he declared that the United States “has lost forever the friendship of the peoples of Latin America and the

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78 Bryce Wood, in his study of U.S.-Argentine relations, argues that the United States “dismantled” the Good Neighbor policy and describes the U.S. intervention in Guatemala as destroying what remained of that policy. In case of Chile, it seems that much of the Good Neighbor policy still remained, and thus, the shock was sharper. See Wood, The Dismantling of the Good Neighbor Policy (Austin: University of Texas Press, 1985), 190-209.
possibility of being considered…a ‘good neighbor.’” For critics like Allende, the U.S. rhetoric of democracy, freedom, and self-determination was a veneer that, when peeled back, revealed baser U.S. interests like ensuring U.S. imperialism over the region, protecting U.S. corporations, and maintaining a political and economic status quo that benefitted only a few. Moreover, each subsequent contradiction reinforced the critique and forfeited any newly accrued soft power.\footnote{79}

Public opinion surveys conducted in Chile in 1955 reveal that Allende gave a much more powerful voice to Chilean opposition than U.S. officials acknowledged, which strongly suggests that the United States obtained a pyrrhic success with the overthrow of Arbenz. In surveys conducted in several Latin American countries during 1955 and 1956, the United States Information Agency (USIA) learned that Chileans held the least “favorable impression” of the United States and were more “inclined to say that U.S. words do not agree with U.S. actions.” In fact, 73 percent of “well-informed” Chileans believed that the United States had intervened in Guatemala, and two-thirds of them disapproved of it. From the perspective of informed Chileans, it seems that U.S. policy towards Arbenz had muddied the Cold War into a struggle between two domineering superpowers rather than a struggle between the truth of democracy and the lies of Communism that Ambassador Beaulac had tried to characterize in his “Lesson of

Guatemala” speech. The USIA surveys bore this out, showing that Chileans opted for neutralism over siding with the United States by a ratio of nearly three to one.  

A New Threat Arises

As the overthrow of Arbenz grew more distant with the passing weeks of 1954, the consequences of Arbenz’s overthrow upon U.S. policy towards Chile, upon U.S. perceptions of the threats it faced in Chile, and upon the political trajectory of Allende became clearer. On 2 September 1954, the National Security Council adopted revisions to NSC 144/1, which were approved by Eisenhower, and the new document was circulated as NSC 5432/1. The revised policy stated that the United States “realiz[ed] the increasing importance of helping Latin America to reverse those trends which offer opportunities for Communist penetration,” and that it “should give greater emphasis…to its Latin American programs in order to safeguard and strengthen the security of the Hemisphere.” The NSC recommended accelerating “economic development in Latin America,” giving more loans to the region, increasing U.S.-Latin American trade, and pressing Latin American governments to create a “climate” more “conducive to private investment.” With Arbenz gone, however, the Eisenhower administration treated the NSC’s recommendations as less urgent. As President Eisenhower told his brother Milton,

“Countries like Burma, Thailand, and the remaining parts of Indochina are directly open to assault. This does not apply in South America.”

Contrary to Eisenhower’s comment, events had profoundly altered how Department of State and other Washington officials perceived threats in Chile. Instead of concern about Ibáñez and right-wing authoritarians overthrowing Chile’s democracy, Department officials deemed Communism the preeminent political threat in Chile and that Chile might become the next Guatemala. In late August 1954, Herbert Matthews of the New York Times reported that Chile had been “the major source of anxiety for many weeks” in the Department of State. The Chilean Communist movement, in proportion to Chile’s population, was “the largest and most alarming in Latin America.” The New York Times editorialized that the strength of Communism in Chile exposed “the folly of ‘outlawing’ it.” A House of Representatives subcommittee investigating Communist activities in Latin America announced that that Communism in Chile had made “considerable headway.” Then, on 20 November 1954, the Washington Evening Star reported that “a well-placed American with much experience with Chile” (probably a copper company executive) said Chile could be the next Guatemala – a view, he said, that was “shared by United States officials.” Chilean Ambassador Jara immediately filed a formal protest with the

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81 Memorandum of Discussion at the 212th Meeting of the NSC, Marion W. Boggs, Coordinator of NSC Board Assistants, 3 September 1954, FRUS, 1952-54, IV: 70. NSC 5432/1 “United States Objectives and Courses of Action with Respect to Latin America,” FRUS, 1952-54, IV: 81-86. NSC 5432/1 “United States Objectives and Courses of Action with Respect to Latin America,” FRUS, 1952-54, IV: 81-86. Rabe, Eisenhower and Latin America, 70, 72.

Department of State, claiming the article would cause “immense damage” to Chile’s “prestige” and “grave injury to her position among democratic nations.”

Ambassador Jara, accompanied by Suarez, soon met with ARA officials and received an unsettling message. ARA officials dismissed the Chileans’ concerns. They told Jara and Suarez that the reporter had not “consulted” a person with “responsibility for United States-Chilean relations” and that “if the US Government undertook to deny all such articles it would have little time for anything else.” Jara multiple times asked ARA officials “to give him something to show that the [Evening Star] article” did not express the Department’s view, but ARA officials refused. Jara and Suarez likely deduced that the article had expressed the Department’s sentiments to some extent. If they did, they were correct. After visiting Washington in early 1955, Ambassador Beaulac noted that “a number of highly placed persons” believed, “Communism in Chile constitutes a serious threat to the stability of the Chilean Government.”

With Chile now threatened by Communism, U.S. fears of social revolution gained a new urgency. In late 1954, Chile faced shortages in wheat, vegetable oil, cotton, and coal. Harold Stassen, director of the Foreign Operations Administration, which managed U.S. economic aid, strongly urged giving immediate aid to Chile: “If Chile were near the USSR and facing a situation as serious as this,” he declared, “the risk would be too great and would be

83 Aide Memoire No. 1480-20, Anibal Jara Letelier, Ambassador to the United States, to Secretary of State, 22 November 1954, 725.001/11-2254, Folder 1, Box 3316, DF 1950-54, RG59, NA. Sparks to Jara, 6 December 1954, attached to Jara to Secretary of State, 22 November 1954. Memorandum of Conversation “Chilean Ambassador Objects to Article Appearing in Evening Star,” Belton, 22 November 1954, 725.00/11-2254, Folder 1, Box 3314, DF 1950-54, RG59, NA.

84 Letter, Sparks to Jara, 6 December 1954. Memorandum of Conversation “Chilean Ambassador Objects to Article Appearing in Evening Star,” Belton, 22 November 1954, 725.00/11-2254. Despatch 564 “Strength of Communism in Chile,” Beaulac (Beaulac, Sanders, Corrigan) to Department of State, 4 February 1955, 725.001/2-455, Folder – 725.00 (W)/12-459, Box 3027, DF 1955-59, RG59, NA.
unacceptable.” Under Secretary of State Herbert Hoover, Jr., and Assistant Secretary Holland were sympathetic. U.S. officials offered PL-480 assistance that sent surpluses of basic commodities (e.g., wheat, cooking oils, and cotton) to Chile at low prices, lest those problems offer fertile ground for the Communists to expand their support.85

As the Chilean economy worsened and the U.S. focus turned to the Communist threat, U.S. officials became less attentive to the growing threat posed by Ibáñez and his authoritarian-minded supporters. Meeting with Beaulac, Ibáñez said that he would request special powers from Congress, but if Congress refused, “he would dissolve it” and “call new elections in eight to ten months under a new electoral code which he would promulgate.” Ibáñez also would prohibit strikes for two years and replace the ineffectual Law for the Defense of Democracy with a new “Law for the Defense of the State,” which he was preparing. Moreover, he was already “sounding out the Armed Forces in the matter.” Cautious about saying anything that would encourage Ibáñez, Beaulac suggested that Chile “move more quickly than it has been…in the direction of economic freedom.” Ibáñez replied that “one half of his Cabinet was for freedom and the other half against it.”86

Tensions between Ibáñez and Congress escalated to “almost a crisis stage with anxiety reigning in every quarter.” Leaders of Ibáñez’s own Agrarian Labor Party expressed their concerns to Ibáñez directly about the “rumors of the imminent overthrow” of democracy in Chile. The U.S. Embassy reported that President of the Senate Fernando Alessandri Rodríguez


86 Memorandum of Conversation, Beaulac, 31 July 1954, enclosed with Despatch 90, Beaulac to Department of State, 6 August 1954, 725.00/8-654, Folder 1, Box 3314, DF 1950-54, RG59, NA.
defused the crisis by meeting with Ibáñez, negotiating a working relationship between him and Congress, and convincing Ibáñez to stem his criticisms of Congress.\(^8^7\)

Six weeks later, the U.S. Embassy realized that the reprieve negotiated by Senator Alessandri was temporary and that Ibáñez was still angling for authoritarian rule. Beaulac hosted a lunch for several senators and cabinet members, and during it, Senator Eduardo Cruz Coke questioned Minister of Finance Jorge Prat Echaurren about Ibáñez’s “derogatory” comments about Congress. Cruz Coke reminded Prat that Congress had passed every bill proffered by the president, but Ibáñez had “made no effort to cultivate or get along with the Congress.” Prat responded that the president was “hemmed in by laws and institutions.” He had made a “‘democratic’ mistake” by allowing the Agrarian Labor and Popular Socialist Parties to join him, and those parties had “had nothing to do with [his 1952] victory.” Afterwards, the Senate vetoed Ibáñez’s “state of siege” request, and the impasse continued.\(^8^8\)

Ibáñez and his administration did give more attention to the travels and activities of the Communists. In July 1954, renowned Soviet journalist/writer Ilya Ehrenberg and his wife arrived in Santiago to award Pablo Neruda the Stalin Peace Prize for his “strengthening of peace among peoples.” At the airport, the Soviet couple and their luggage received “intense scrutiny” by Chilean security and were held for more than six hours before they were eventually released.

\(^{87}\) Despatch 140, Sanders to Department of State, 27 August 1954, 725.00/8-2754, Folder 1, Box 3314, DF 1950-1954, RG59, NA.

\(^{88}\) Despatch 207 “Recent Political Developments in Chile,” Sanders (Corrigan and Sanders) to Department of State, 24 September 1954, 725.00/9-2454; Memorandum of Conversation, Beaulac, 4 November 1954, enclosed with Despatch 328 “Finance Minister Prat and Senators Discuss Conflict Between President and Congress,” Beaulac to Department of State, 12 November 1954, 725.00/11-1254; Despatch 271 “The Government’s Case on the State of Siege and its Reception by the Political Parties and Congress,” Sanders to Department of State, 25 October 1954, 725.00/10-2554; and Despatch 436 “Political Developments,” Sanders (Corrigan) to Department of State, 23 December 1954, 725.00/12-2354; all Folder 1, Box 3314, DF 1950-54, RG59, NA.
The couple went to stay with Neruda. Hearing of the incident, Allende wired a message from the Soviet Union “lamenting the mean treatment” given the Ehrenbergs and contrasting it with the most hospitable reception he had received from his Soviet hosts.\(^89\)

Chilean and U.S. officials soon heard from Allende again, this time from the pages of the Soviet newspaper *Pravda*. After a lengthy interview with the Soviet Union’s Vice Foreign Minister Andrei Vishinsky, Allende penned an essay that appeared in the 13 August 1954 edition of *Pravda*. Written for Soviet readers unfamiliar with Chile, Allende devoted the first half of his essay to a survey of Chile and its economy. After describing Chilean agriculture and the copper and nitrate industries, the Chilean senator advocated agrarian reform and an end to foreign domination of Chile’s mining industries. He then proclaimed that his “anti-imperialist and anti-feudal” People’s Front was “leading a fight for a structural change of the economy.”\(^90\)

The remainder of Allende’s essay described the People’s Front and its aims. The People’s Front sought to repeal the “reactionary” Defense of Democracy law so Communists could exercise “the same rights as those enjoyed by other parties.” The Front also sought to re-establish relations” with the Soviet Union, Communist China, and “the popular democracies,” to develop trade with those nations, and to “liberate [Chile] from those responsibilities that restrict us militarily and politically and limit our independence and sovereignty.” In regards to the latter


\(^90\) Aída Figueroa de Insuza to Neruda, printed under “Personalidades Chilenas gozan en Moscú de la cariñosa hospitalidad Soviética,” *El Siglo*, 6 August 1954, p. 4. Allende, “The Struggle of the People of Chile for National Independence,” *Pravda*, 13 August 1954, p. 3. I wish to offer special thanks to Artemy Kalinovsky for translating the *Pravda* essay for me. Allende’s essay was printed in the Chilean Communist newspaper *El Siglo*. There are no differences between the two essays. See Allende, “La lucha de pueblo de Chile por su independencia nacional,” *El Siglo*, 24 August 1954, p. 4.

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responsibilities, Allende was advocating terminating Chile’s 1952 Mutual Security pact with the United States, as well as its participation in the 1947 Río Pact. Allende declared that Chileans had “learned the methods of the reactionary forces from the experience of Guatemala.” The People’s Front had “rallied” Chilean masses “to give moral support to Guatemala and to condemn the [dictatorial] regimes of the Caribbean that defend the United Fruit company, which enjoys the aid of the U.S. Department of State.” “We [Chileans],” Allende concluded, “want peace and do not want war; we want respect of our sovereignty, not forced dependence; we want social justice, not exploitation…. This is how the People’s Front looks at the future.”

Allende’s Pravda essay was relatively tame compared to his recent denunciations of U.S. policy in Chile. Upon hearing of it, however, conservative Chileans with an eye on Washington seemed more concerned with the U.S. reaction and downplayed the importance of Allende’s statement. News of Allende’s essay and its contents reached Chile on 13 August, the same day Pravda ran the essay. Ibáñez and his cabinet discussed the essay and issued a statement saying that Allende did not represent Chile in any official capacity and was travelling solely as a private citizen. The conservative El Diario Ilustrado described Allende’s comments as “unfortunate declarations” and expressed hope that his words were not properly translated, “a procedure very common in Russia where everything is altered and distorted.” Given Allende’s birth and moral upbringing, wrote the editors, “we have an obligation to believe…[Allende] would not allow himself to be used for [the] despicable intents” of the Communists. El Mercurio minimized the


essay’s importance: “Chile’s friends abroad can hardly be expected to recognize the irresponsibility of demagogic declarations by legislative leaders,” much less “expect Chile’s friends to distinguish between statements made purely for local political purposes and statements that honestly represent the feelings of the Chilean government and people, particularly when these statements are made by people with important political positions.”

Chilean efforts to downplay the Allende article had little effect upon U.S. Embassy officials, who were more ebullient about the Chilean press comments. The embassy told Washington that “the Allende statement and the publicity it received” was “the worst blunder made by communist propaganda in Chile since the flag-burning episode.” It had “aroused responsible opinion to the danger of communism in Chile and to the damage that this can do to relations with the United States.” By “responsible opinion” U.S. officials undoubtedly meant pro-U.S. newspapers like *El Mercurio* and *El Diario Ilustrado*, even *La Nación*; however, none of those dailies claimed outrage at Allende’s essay, nor did they characterize it as a colossal “blunder.” In fact, *La Nación* dismissed the essay, sarcastically quipping that Allende’s calls for agrarian reform were “a truth that no one has recognized before.”

The discrepancy between what *El Mercurio* and other Chilean newspapers said and what the U.S. embassy claimed that they said reveals that U.S. officials now considered Allende a “communist” threat. The U.S. Embassy, not “responsible” Chileans, considered Allende’s

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Pravda interview as “the worst blunder since the flag-burning incident.” Their anxiety led them to view any criticism of Allende as confirmation of their hopes that Chileans had finally recognized the danger of Communism. Allende’s prominence in the Friends of Guatemala, his visible opposition to U.S. actions towards Arbenz, and his trip to the Soviet Union led U.S. officials to view him a conduit for the Communist infiltration of Chile, in a similar vein that Arbenz had been such a conduit in Guatemala. For U.S. officials, Allende and Communism, not the Ibáñez and right-wing authoritarians, became the primary political threat they faced in Chile.

Conclusion

In 1964, ten years after the fall of Arbenz, retired ambassador Willard Beaulac asserted: “Intervention is not leadership. It is capable of making it impossible for us to exercise the kind of leadership the world needs and that a prudent United States is in a position to give.” For U.S.-Chilean relations, the U.S.-sponsored overthrow of Arbenz proved profoundly damaging. As became apparent with the CIA’s subsequent Operation PBHistory, the post-coup propaganda campaign to publicize Arbenz’s ties to Moscow proved ineffective because “a new, smoldering resentment” over U.S. intervention in Guatemala had emerged in Latin America. Chilean Socialist leader Oscar Waiss made clear the depth of that resentment, “It is certain that [the United States] has lost more than it gained. It gained a lot of kilometers of territory, it recovered a lot of hectares of bananas….But it has lost forever the friendship of the peoples of Latin America.”

95 Beaulac, Career Diplomat, 110.

America and the possibility of being considered…as a ‘good neighbor’….Latin Americans will not forget Guatemala so easily.”

With the overthrow of Arbenz, U.S. policymakers self inflicted a wound that hobbled U.S. policy and relations towards Chile. The Eisenhower administration created doubt in Chile about the United States’ adherence to the ideals of protecting democracy and freedom. The overthrow of Arbenz ignited an explosion of opposition and protest in Chile. It undercut Chilean public support for the United States, alienated potential allies, generated lingering distrust of U.S. intentions, and lent credibility to a re-formulated anti-American critique.

Even as the Eisenhower administration sought to reduce the number of threats in Latin America, its intervention in Guatemala ironically fostered a new threat in Chile: Salvador Allende. While the overthrow of Arbenz “profoundly radicalized” the young Ché Guevara and influenced a young Fidel Castro, it provided Allende an opportunity to position himself as national leader on an issue that had broad support among the Chilean public. His leadership in Chile’s opposition, his denunciations of U.S. policy, his trip to the Soviet Union and Communist China, and his article in Pravda encouraged U.S. officials in their suspicions of the Socialist senator’s allegiances. In less than two years, the U.S. perception of Allende had evolved from an able, anti-Communist politician in 1952 to a “commie-liner” who published anti-American views in Pravda by August 1954.

97 Waiss, Nacionalismo y socialismo en América Latina, 161.

Allende’s emergence, combined with Chilean protests and opposition to U.S. policy, altered U.S. policymakers’ perception of Chile. The nation that had been viewed as a favored democratic ally threatened by a president with right wing, authoritarian tendencies was, by the end of 1954, transformed into a democracy threatened by a strong Communist presence. For Ché Guevara, the revolutionary struggle began with the fall of Arbenz.\textsuperscript{99} For the United States, the Allende threat and the Cold War struggle for Chile began with its intervention in Guatemala.

\textsuperscript{99} Immerman, \textit{The CIA in Guatemala}, 188.
CHAPTER 5  
A VERY CLOSE THING, 1955-1958

Allende Precedes Castro

U.S. policymakers viewed Chilean Socialist Senator Salvador Allende Gossens as a threat years before Fidel Castro led the Cuban Revolution to power on 1 January 1959. Between 1955 and 1958, U.S. policymakers labored to prevent the conditions that could bring Allende and his Communist-Socialist coalition, the Popular Action Front (FRAP – Frente de Acción Popular), to power in Chile. Assistant Secretary of State for Inter-American Affairs Henry F. Holland and his successor Roy R. Rubottom took special interest in Chile and aggressively worked to provide Chilean leaders with sufficient resources and support to stop rampant inflation and enact an economic reform program. Just like their predecessors, Holland, Rubottom, and other U.S. officials strove to preserve Chile’s model democracy and the ideological symbolism it offered in the United States in its Cold War struggle with the Soviet Union.

Because U.S. officials perceived Chile as democratic, they relied on persuasion, advice, and aid to urge Chilean leaders to implement economic reforms; however, U.S. efforts suffered missteps, misjudgments, and obdurate local allies. Focused on the Communist threat, the U.S. Embassy ceased its vigilance of right-wing authoritarians and their efforts to subvert Chilean democracy. As a result, the U.S. Embassy, and subsequently Washington, did not grasp how close President Carlos Ibáñez del Campo came to instigating an overthrow of Chile’s democracy during the 1955 Linea Recta affair. The U.S. Embassy also stopped talking to Allende and his allies, and as a result, lost possible opportunities to build ties with the Chilean Left. Allende’s near victory in Chile’s 1958 presidential election unnerved Department of State officials, and occurred just as U.S. officials were confronting a revolution in Cuba. Four months before Fidel
Castro took power in Cuba, U.S. policymakers concluded that Allende was not just a threat, but the predominant political threat to Chile’s model democracy and U.S. interests in Chile.

U.S. efforts were hampered by Chilean local elite allies who undermined the reforms that U.S. officials believed would foster economic stability and development. Confronted by high inflation, President Ibáñez hired the Klein-Saks consulting firm to devise an economic reform program for his government. Assistant Secretary Holland ensured that the Ibáñez administration had the resources not only to enact the program but also to mitigate the program’s harsher effects on the middle and lower classes. U.S. officials worried that if economic development did not benefit a broader portion of Chile’s population, then Chile might face social revolution. After a year, the Klein-Saks team and U.S. officials criticized conservative Chilean elites and Ibáñez administration officials for placing the burden of reform upon the middle, working, and lower classes, and for refusing to impose sacrifices on themselves. The 2 and 3 April 1957 riots in Santiago ended the Klein-Saks program, forcing the Eisenhower administration to salvage its remnants. As Chile’s 1958 presidential campaign progressed, U.S. officials worried that Allende and the FRAP might win, but they feared that they would lose more if they tampered with Chilean democracy. Although Allende narrowly lost the election, he emerged as an influential national political leader, and he and the FRAP grew confident that they could bring socialism to Chile through democratic elections. When Cuba fell to Fidel Castro and his revolution, U.S. officials were acutely aware that unlike Cuba, they had a second chance in Chile.

**Preventing Social Revolution**

Prior to Chile’s 1954 protests against U.S. policy towards Guatemala, U.S. policymakers perceived two threats to Chile’s democracy: right-wing authoritarianism and social revolution. U.S. officials worried that President (and former dictator) Carlos Ibáñez and his intimates might
impose dictatorial rule. However, U.S. officials were also concerned that the Chilean public’s growing dissatisfaction with Ibáñez’s handling of affairs might spark protests and unrest which could serve as the pretext that Ibáñez and his allies sought to impose an authoritarian regime.

Social revolution constituted the other intermediate-term threat that U.S. policymakers perceived to Chile’s democracy. Assistant Secretary of State for Inter-American Affairs John Moors Cabot criticized Latin American elites who were “willing to tie down the safety valve [of social reform] and to wait for the boiler to burst.” William Sanders, Counselor of the U.S. Embassy in Santiago, gained the attention of the Department of State’s Bureau of Inter-American Affairs (ARA) in 1953 when he warned: “[A]n unacknowledged but very real struggle” had arisen between “the traditionally dominant minority and the previously economically and politically subordinate majority.” Soon, Sanders stressed, the Chilean majority would demand reforms that the elite would not accept, fostering political instability, crisis, or an overthrow of democracy.¹

To preserve Chile’s democracy, the Eisenhower administration embarked upon a two-pronged strategy, one that was reconfigured after the 1954 protests. Before the 1954 protests, the U.S. strategy focused on dissuading Ibáñez from moving outside democratic procedures and encouraging Chilean leaders to enact economic reforms and policies that would foster economic development and expand the distribution of economic benefits, thereby stemming political


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instability and social revolution.\textsuperscript{2} After the 1954 protests, U.S. perceptions of threat shifted from rightist authoritarianism to Communism, and the Eisenhower administration reconfigured its strategy to encourage economic reform in order to prevent social revolution and political instability which could provide the Communists an opportunity to gain power. Some “highly placed” U.S. policymakers worried that Communism posed a “serious threat” in Chile, particularly since the 1948 Law for the Permanent Defense of Democracy was not enforced.\textsuperscript{3}

In January 1955, and for the first time since before World War II, U.S. policy towards Chile resembled general U.S. policy towards Latin America, even as Chile remained a top priority. U.S. officials sought to prevent another Arbenz by urging Latin American nations to adopt neo-liberal economic policies. ARA officials drafted a policy statement for each Latin American nation, detailing how each could strengthen its economy, and Assistant Secretary Holland personally sketched the policy statement for Chile. Chileans, he wrote, needed to reduce trade barriers, create a better climate for private investment, “terminate uneconomic

\textsuperscript{2} Despatch 1216 “United States-Chilean Economic Relations,” H. Gerald Smith to State Department, 29 April 1953, 611.25/4-2953, Folder 2, Box 2760, DF 1950-54, RG59, NA. Barall, Memorandum of Conversation “Free Enterprise Versus Government Ownership,” 21 May 1954, Folder -- Chile, 1953-1955, Box 2, Records of Assistant Secretary of State for Inter-American Affairs, Henry F. Holland, RG59 – Lot Files, NA. Hereafter Holland Papers, RG59-Lot, NA. Barall, Memorandum of Conversation “United States Relations with Chile,” 27 April 1953, 611.25/4-2753, Folder 2, Box 2760; Beaulac, Memorandum of Conversation, 28 July 1954, enclosed with Despatch 59 “Ambassador Discusses Chile-United States Relations with Falange Senator Eduardo Frei,” Beaulac to State Department, 29 July 1954, 611-25/7-2954, Folder 2, Box 2760; and Barall, Memorandum “Monthly Political Summary: Chile,” 23 February 1954, 725.00/2-2354, Folder 1, Box 3314; all DF 1950-54, RG59, NA.

social benefits,” “adopt labor laws that made labor more disciplined,” and end “uneconomic price controls.”

**Golpe with Tea and Marmalade**

For U.S. officials, President Ibáñez remained the main obstacle to achieving U.S. policy aims in Chile. The Operations Coordinating Board (OCB), which coordinated Eisenhower’s foreign policy, placed Chile at the top of its list of Latin American countries of concern. The OCB wanted the Chileans to reduce inflation, but it had little faith in Ibáñez to devise an anti-inflationary program or implement one. Part of the problem was that even though Ibáñez needed Chile’s Congress to approve his measures, he constantly criticized and refused to work with the legislature. Secretary of State John Foster Dulles concluded that “it is unlikely that we’ll have anything except a bad situation in Chile for as long a President Ibáñez is around.”

Despite U.S. officials’ frustration with Ibáñez, the U.S. Embassy ceased its vigilance of Ibáñez, his allies, and their activities just as the authoritarian threat became most dangerous. Composed mostly of young Army and Air Force officers, the group *Linea Recta* (“Straight Line”) had authoritarian intentions, namely to close Congress and set up Ibáñez as head of an authoritarian government. Maneuverings had begun weeks earlier, but the affair began on 25

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6 One of the Army officers was Major Robert Viaux Marambio who led the 1969 Tacnazo protest and a 1970 plot to kidnap General René Schneider Chernau. See H. E. Bicheno, “Anti-Parliamentary Themes in Chilean History:
February 1955 when President Ibáñez invited several Linea Rectistas to his home for *onces* (afternoon tea). Enjoying cups of tea and whiskey, Ibáñez and his guests discussed Chile’s economic and political problems. After pledging “absolute loyalty” to him, the officers condemned the “violent parliamentary opposition” and presented Ibáñez with a manifesto and a plan of action that contained 49 recommendations. The manifesto summarized Linea Recta’s aims as “A better Chile, forged by the best Chileans, so that all Chileans may live better.”

Ibáñez claimed that he had “calmed” the young officers and that the revolt “dispersed amid tea and marmalade,” yet, his subsequent actions suggest otherwise. According to one cabinet minister, Ibáñez knew of Linea Recta’s meetings and sought “to control and direct” the group. Claiming that “nobody knows where [my] fight with Congress is going to stop,” Ibáñez insisted, “It will be necessary to do something with [Congress], because it only serves to create problems.”

Ibáñez then gave an impromptu speech in the city of Chillán, during which he expressed several ideas contained in Linea Recta’s manifesto. He also denounced a New York...

Despatch 633 “Recent Political Developments in Chile,” Sanders (Corrigan) to Department of State, 9 March 1955, 725.00/3-955; Telegram 292, Beaulac to Secretary of State, 9 March 1955, 725.00/3-955; and Despatch 673 “Resignation of Jorge Prat as President of the Banco del Estado and Repercussions,” Sanders (Corrigan) to Department of State, 22 March 1955, 725.00/3-2255; all Folder – 725.00/1-355, Box 3024, DF 1955-59, RG59, NA. *El Mercurio* printed Prat’s letter of resignation. See “Presentó su Renuncia el Presidente del Banco del Estado, Don Jorge Prat E.,” *El Mercurio*, 11 March 1955, enclosed with Despatch 673. Prat was aiding Linea Recta, but, he also opposed closing Congress. Olavarría Bravo, *Chile entre dos Alessandri*, II: 301; Würth Rojas, *Ibáñez, Caudillo Enigmático*, 283-284; Despatch 673, Beaulac to Department of State, 22 March 1955, 725.00/3-2255; and Despatch 740 “Events Within the Chilean Army,” Sanders (Corrigan) to Department of State, 14 April 1955, 725.00/4-1455.
Surprised by Prat’s firing, the U.S. Embassy still showed little concern, even though Ibáñez’s actions resembled those of 1927 that enabled him to impose a dictatorship. Ibáñez asked General Ramón Salinas to “take control and guide” Linea Recta, which Salinas did. On 13 March, Ibáñez denounced Congress as “anti-patriotic,” uncooperative, and obstructionist during a luncheon hosted by the commander of the Army’s Valdivia garrison. Two days later, a special government broadcast interrupted radio programs. It detailed Ibáñez’s achievements, indicted opponents for “seditious designs,” and accused the “landholding and financial oligarchy and international Communism” of instigating a “synchronized campaign of despicable and calumnious attacks,” charges echoing those made in Linea Recta’s manifesto.12

The accusations made by Ibáñez and the government radio announcement sparked opposition, especially among senior military officers. Senator Fernando Alessandri assured the public that the “government will not transgress constitutional and legal precepts;” meanwhile, leaders from across the political spectrum (including Allende) united “to defend constitutional order and public liberties.” Commander-in-Chief of the Armed Forces General Enrique Franco Hidalgo, his second in command, and two Air Force commanders confronted Ibáñez about his “tea” with Linea Recta, accused him of fomenting indiscipline in the ranks, and resigned in protest of Ibáñez’s interference. Press coverage of the commanders’ resignations on 18 March exposed Linea Recta, the “onces” meeting, and a divided military. The Ibáñez administration

12 Telegram 295, Beaulac to Secretary of State, 11 March 1955, 725.00/3-1155. For Ibáñez’s 1927 rise to power, see Frederick M. Nunn, *Chilean Politics, 1920-1931: The Honorable Mission of the Armed Forces* (Albuquerque: University of New Mexico Press, 1970), 117-133. Würth Rojas, *Ibáñez, Caudillo Enigmático*, 313. At the Linea Recta meeting when Salinas took control, Olavarría Bravo warned that foreign governments [the United States?] may not recognize their regime, suggesting that Salinas took control after Olavarría Bravo talked with Beaulac. Olavarría Bravo, *Chile entre dos Alessandri*, II: 304-306. Telegram 297, Beaulac to Secretary of State, 16 March 1955, 725.00/3-1655; and Despatch 662 “Charged Political Atmosphere,” Sanders (Corrigan) to Department of State, 18 March 1955, 725.00/3-1855; both Folder – 725.00/1-355, Box 3024, DF 1955-59, RG59, NA.
tried to turn the resignations to its advantage by declaring that “irresponsible elements” in the military had engaged in “seditious activities.” It asked Congress to confer “special powers” on the president, but Congress chose to investigate the onces meeting and Linea Recta.\(^\text{13}\)

A week after Franco’s resignation on 26 March 1955, Beaulac began doubting Ibáñez’s “real intentions” and urged the Department of State to express support for Chile’s democracy. A “persistent and evidently widespread campaign,” he said, claimed that the United States wanted an authoritarian regime in Chile, and “most members” of the Liberal, Conservative, and Radical Parties believed it. Beaulac implored ARA to have “a high Department official” immediately express their preference for democracy so that the Chilean press could use it “as new evidence that our devotion to democratic ideals has not diminished.” He cautioned against singling out Chile, fearing that it would prompt cries of U.S. intervention. The next day, Assistant Secretary Holland declared to the press, “None of us would claim to have attained perfection, but here, without diminishing our constant interest in personal freedoms and free democratic political institutions, we can devote greater energy to making the lives of our people more abundant.”\(^\text{14}\)

Whether Holland’s statement influenced Ibáñez is uncertain, but 48 hours after Holland’s words were publicized in Chile, Ibáñez was back-peddling. The Chilean president proclaimed

\(^{13}\) Despatch 662, Sanders to Department of State, 18 March 1955, 725.00/3-1855. Würth Rojas, Ibáñez, Caudillo Enigmático, 315-318. Telegram 297, Beaulac to Secretary of State, 16 March 1955, 725-00/3-1655; and Telegram 306, Beaulac to Secretary of State, 18 March 1955, 725.00/3-1855; and Telegram 305, Beaulac to Secretary of State, 18 March 1955, 725.00/3-1855, Folder – 725.00/1-355; all Box 3024, DF 1955-59, RG59, NA. “El Gobierno Denuncia Actividades Sediciosas,” La Segunda, 18 March 1955, enclosed with Despatach 665, Sanders (Corrigan) to Department of State, 18 March 1955, 725.00/3.1855, attached to Telegram 297, Beaulac to Secretary of State, 16 March 1955, 725.00/3-1655.

\(^{14}\) Telegram 319, Beaulac to Secretary of State, 26 March 1955, 725.00/3-2655; Despatch 740 “Events Within the Chilean Army,” William Sanders (Corrigan) to the Department of State, 14 April 1955, 725.00/4-1455; and Telegram 259, Dulles (Edwin J. Sparks) to U.S. Embassy Santiago, 28 March 1955, 725.00/3-2655; all Folder – 725.00/1-355, Box 3024, DF 1955-59, RG59, NA.
that he had “no intention of doing away with Congress” or imposing a dictatorship, “in any event, I have not the power to do so.” Concurrently, Salinas divulged Linea Recta’s plans to the top officers of Escuela Militar (Chile’s West Point) and urged them to join. The officers rejected Salinas’s offer, then informed their commander, General Javier Díaz Donoso, of Salinas’s offer and signed a statement detailing it. Díaz met with the Commandant of the Army, the Minister of Defense, and President Ibáñez, presented the officers’ statement, and asked that Salinas be relieved of duty. Ibáñez relieved Díaz of duty and appointed Salinas in his place. The Minister of Defense resigned in protest, several officers petitioned Ibáñez to reinstate Díaz, and the Judge Advocate General initiated an inquiry into the matter.\(^\text{15}\) The Chamber of Deputies investigated the matter and later censured Ibáñez for undermining military discipline. Salinas and three others were arrested, and in May 1955, Salinas was court-martialed. Linea Recta collapsed.\(^\text{16}\)

As a coup plot, Linea Recta was a fiasco, but its significance for U.S. policy and Chilean politics was considerable. For U.S. officials, the collapse of Linea Recta ended the right-wing authoritarian threat and deepened their belief in the strength of Chilean democracy. The Embassy observed that Linea Recta had solidified the Chilean military’s apolitical role, as well as Ibáñez’s adherence to democratic norms, although the latter observation indicated that the Embassy did not appreciate the extent of Ibáñez’s involvement. The Linea Recta affair left the

\(^{15}\) Herbert Matthews, “Ibáñez Disavows Dictatorship Aim,” \textit{New York Times}, 2 April 1955, p. 6. Olavarría Bravo, \textit{Chile entre dos Alessandri}, II: 310-312. Telegram 389, Sanders to Secretary of State, 16 May 1955, 725.00/5-1655; Telegram 392, Sanders to Secretary of State, 18 May 1955, 725.00/5-1855, attached to Telegram 389; and Despatch 862 “Linea Recta Developments,” Sanders to Department of State, 23 May 1955, 725.00/5-2355; all Folder – 725.00/1-355, Box 3024, DF 1955-59, RG59, NA.

\(^{16}\) “La Noción de Ejército Involucra Obediencia, Subordinación y Fiel Cumplimiento del Deber Militar,” \textit{El Mercurio}, 27 May 1955, pp. 1, 23. Despatch 862, Sanders to Department of State, 23 May 1955, 725.00/5-2355. Telegram 412, Sanders to Secretary of State, 28 May 1955, 725.00/5-2855; and Despatch 892 “More on the Linea Recta,” Sanders to Department of State, 1 June 1955, 725.00/6-155, both Folder – 725.00/1-355, Box 3024, DF 1955-59, RG59, NA. Würth Rojas, \textit{Ibáñez, Caudillo Enigmático}, 319.
far Right in disarray and curtailed coup plotting for fifteen years. Moreover, military officers, Linea Rectistas, and those of the far Right now distrusted Ibáñez, viewing him as “disloyal” or, at minimum, “a timid, unenergetic leader.”

Linea Recta also exposed the flaws and strengths in the Eisenhower administration’s policies. The affair revealed that U.S. officials had so shifted their focus to the Communists that they were slow to recognize a possible coup or that Ibáñez was involved. The embassy had little intelligence about events and did not appreciate the threat posed by Linea Recta until the details emerged during Salinas’s court-martial, indicating that the embassy had few contacts among the Chilean military or in the Ibáñez administration. More positively, the Eisenhower administration expressed support for democracy when confronted by anti-democratic threat from rightist authoritarians in the Southern Cone, even as it accentuated the “democratic” trappings of Guatemalan dictators in Central America. The difference resulted, in part, because Ibáñez threatened to introduce instability and uncertainty into the Southern Cone, much like General Juan Perón of Argentina was already doing. It also resulted because U.S. officials approached the Southern Cone as a sub-region distinct from the circum-Caribbean.

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17 Olavarría Bravo, Chile entre dos Alessandri, II: 313-314. Despatch 892, Sanders to Department of State, 1 June 1955, 725.00/6.155.

18 Despatch 892, Sanders to Department of State, 1 June 1955, 725.00/1-355.

The Klein-Saks Mission

After the Linea Recta fiasco, Ibáñez’s political support, as well as the Chilean economy, rapidly deteriorated. Ibañismo collapsed as a political movement, and in May 1955, the Agrarian Labor Party (PAL — Partido Agrario Laborista) withdrew its support for Ibáñez and his administration. Rejected by his own party, Ibáñez had to cultivate allies among the Congress he had so ardently and publicly criticized. Meanwhile, inflation spiraled, with the cost-of-living rising at an annual rate of 84 percent. Labor demanded pay increases to counter inflation and engaged in several strikes, which included hospital workers, communications workers, students, and a 24-hour general strike by Chile’s largest confederation, Central Única de Trabajadores de Chile (CUTCh – United Union of Chilean Workers). U.S. officials noted that most Chileans considered the strikes “justified,” with some strikes conducted in “an almost holiday spirit.”

Chile’s political parties moved to solidify their base, expand their appeal, and acquire disillusioned Ibañista voters. Allende’s People’s Front (Frente del Pueblo) allied with Baltazar Castro’s Labor Party. Renamed the National People’s Front (FRENAP – Frente Nacional del Pueblo), the new coalition invited other Leftist parties to join them. Allende focused on the Popular Socialists and People’s Democrats, former Ibañista allies now in the opposition, because

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he believed that “a great mass of workers” had been “deceived” by Ibáñez. Social Christian
Conservatives and the Falange also discussed unification. Deputy Assistant Secretary of State
for Inter-American Affairs Cecil B. Lyon encouraged the latter discussions and urged the
Falangists to develop ties with European, particularly German, social Christian leaders. The
Radicals, divided between Luís Bossay Leyva and Gabriel González Videla, simultaneously
appealed to the Left and Right. Bossay and his allies turned to the Left, seeking to rebuild the
Popular Front and present Bossay as a presidential candidate in 1958. Meanwhile, González
Videla and his supporters also looked to the 1958 election, appealing to the Right in hope that the
former president could win by splitting the Right and Left, thus repeating Ibáñez’s 1952
tactics.

Lacking other alternatives, Ibáñez employed two initiatives to address Chile’s declining
economy: the “Nuevo Trato” (New Deal) for the U.S. copper companies, and a mission of
foreign experts to recommend an economic stabilization program. When he entered office in
1952, Ibáñez raised the tax rate on U.S. copper companies from 50 percent to 60 percent. The
Nuevo Trato, which Ibáñez signed in early 1955, reset the tax rate at 50 percent but added a
surtax of 25 percent. While superficially a tax increase, Anaconda and Kennecott could cut the

21 Composed of Socialist and Communist elements, the Labor Party “officially did not have a marxist character,” but
it enabled Communists to circumvent the Defense of Democracy law and participate in politics. Osvaldo Puccio, Un
cuarto de siglo con Allende: Recuerdos de su secretario privado (Santiago: Editorial Emision, 1985), 38, 38n, 36.
Puccio was Secretary General of the Labor Party. Despatch 774 “Expansion of the Frente del Pueblo,” Sanders
(Corrigan) to Department of State, 25 April 1955, 725.00/4-2555, Folder – 725.00/1-355, Box 3024, DF 1955-59,
RG59, NA. Despatch 828, Sanders to Department of State, 12 May 1955, 725.00/5-1255.

22 Despatch 828, Sanders to Department of State, 12 May 1955, 725.00/5-1255. Cristián Gazmuri, Eduardo Frei
Montalva y su época, 2 vols. (Santiago: Aguilar Chilena de Ediciones, 2000), I: 418-421. Memorandum of
Conversation “Chilean Political Matters,” William Belton, 11 July 1955, 725.00/71155, attached to Despatch 900
“Cabinet Crisis,” Sanders to Department of State, 2 June 1955, 725.00/6-255, Folder – 725.00/1-355, Box 3024, DF
1955-59, RG59, NA.
surtax to zero if their production doubled the base rate. Doubling the base rate was relatively easy because the rate was derived from the low production levels of the years 1949-53, which were lower than WWII levels. The Nuevo Trat o also granted several items that the copper companies had sought: it eliminated many exchange controls, accelerated depreciation on new investment, provided generous allowances for expenses, permitted free import of equipment, and granted control over the pricing and marketing of copper. While U.S. newspapers downplayed Nuevo Trato’s benefits, the Chileans offered the incentives in order to attract new investment. Kennecott and Anaconda fulfilled those hopes by announcing that they would invest four million and one million dollars respectively in their Chilean operations. By late 1955, Anaconda sought to invest another $38 million and was considering an additional $12 million.23

As a second policy initiative, Ibáñez and his cabinet decided to hire a group of foreign experts to advise on an economic stabilization program. In doing so, Ibáñez had turned to a familiar strategy. During the 1920s, Ibáñez the dictator had hired E. W. Kemmerer for an economic mission, and the mission had been hailed a success. In 1955, Ibáñez considered several possible consultants, but the two primary candidates for the mission were the U.S. consulting firm, Klein and Saks, and the International Bank of Reconstruction and Development (IBRD). Ibáñez talked with the IBRD while Minister of Hacienda Sergio Recabarren consulted with Chilean business leaders. Augustín Edwards Budge, the owner of El Mercurio, recommended Klein and Saks, and Ibáñez gave him “the go-ahead sign” to negotiate with Julian

Saks. Deputy Assistant Secretary Lyon said that Edwards was “perhaps more responsible than any other” for hiring Klein and Saks.²⁴

The Ibáñez administration signed a contract with Klein and Saks at the end of July 1955, and the Chileans chose the firm for several reasons. Klein and Saks had extensive experience in Latin America and had devised a successful stabilization plan for Peru in 1949. Given Klein and Saks’ esteemed reputation, Ibáñez administration officials also perceived that it “wielded much influence” with the Eisenhower administration and New York financial circles. Another factor in Ibáñez’s decision may have been the size of the prospective missions: the IBRD, in cooperation with the International Monetary Fund (IMF), planned to send one man to Chile; meanwhile, Klein and Saks would send a team of experts. Moreover, the IBRD had initially suggested Klein and Saks to Ibáñez.²⁵

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²⁵ Telegram 35, Dulles (Belton) to U.S. Embassy Santiago, 28 July 1955, 825.00/7-2855, Folder – 825.00/1-555, Box 4282, DF 1955-59, RG59, NA. Tyler, “An Evaluation of the Klein and Saks Stabilization Program in Chile,” 52. Hirschman, *Journeys toward Progress*, 202-203. Telegram 372, Beaulac to Secretary of State, 5 May 1955, 825.00/5-455, Folder – 825.00/1-555, Box 4282, DF 1955-59, RG59, NA. Telegram 307, Hoover (Belton) to U.S. Embassy in Santiago, 22 April 1955, 825.00/4-2255. Jon Kofas claims that Ibáñez selected Klein and Saks because it was “backed by Anaconda” Copper, and that he “was indebted” to the company “for help in passing” the Nuevo Trato. Department of State documents and other sources do not support this claim. They show that Ibáñez first consulted the IBRD for a mission, and that a decision to hire Klein and Saks was not made until June 1955. Kofas also claims Ibáñez was taking advice from Klein and Saks in July 1955, but this is not possible since the Ibáñez government did not sign a contract with Klein and Saks until the end of July, and the mission did not arrive in Chile until September. Kofas, “Stabilization and Class Conflict: The State Department, the IMF, and the IBRD in Chile, 1952-1958,” 366-367. Telegram 372, Beaulac to Secretary of State, 5 May 1955, 825.00/5-455; Telegram 376,
Ibáñez’s decision to seek advice from economic experts encouraged U.S. policymakers who had “a great deal of concern over the situation in Chile.” The Department of State and OCB agreed that the U.S. Embassy should “discreetly encourage” the effort; however, given Chileans’ “extreme sensitivity…to anything they could interpret as foreign intervention,” ARA stressed that the embassy should not give the impression that the United States was “sponsoring” the mission. A New York Times editorial summarized the department’s view: “Chile is one of the few truly democratic countries of Latin America and it would be tragic if we allowed that democracy to weaken while waiting for Chile to put her house completely in order.”

The Klein-Saks mission arrived in Santiago in September 1955 and soon determined that “the only program with a chance of success was…a broad attack on many fronts,” with “shared sacrifices” by all income groups. In December, it proposed a program focused on six areas: government finances, government bureaucracy, monetary policy, wages and salaries, prices and subsidies, and foreign exchange. For government finances, the advisors urged balancing the budget, controlling spending, “rigorously” enforcing tax collection, and reforming the tax system which included increasing luxury taxes and avoiding taxes that harmed the lower classes. For government bureaucracy, the team urged combining overlapping agencies, stopping further expansion, and improving organizational efficiency. It insisted the Central Bank should impose

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stronger credit controls and advocated ending automatic annual wage and salary adjustments, which were “an important contributing factor” to inflation. The mission also advised ending price controls and commodity subsidies. Lastly, it urged an overhaul of the foreign exchange rate and “establishing a single flexible exchange rate for all merchandise transactions.”

The Klein-Saks team provided very little technical advice and served more as political cover for Chilean politicians. Chilean leaders had proposed similar “shared sacrifice” plans earlier, but labor unrest and worsening economic conditions had made the proposals more acceptable in late 1955. Falange Senator Eduardo Frei Montalva and President of the Central Bank Jorge Prat each had proposed “shared sacrifice” plans in 1954, and Central Bank officials had suggested many of the measures in July 1955, but the Ibáñez administration did not adopt them. Inflation spiraled toward 84 percent, and labor unrest increased and became more militant, with 62 legal and 212 illegal strikes in 1955 alone. Partly due to labor unrest and fears of further deterioration of the economy, Liberal, Conservative, and Agrarian Labor Congressmen cooperated with Ibáñez, but also the “impartial experts” of Klein and Saks enabled the three rightist parties to support the mission without joining the cabinet or backing Ibáñez. Ibáñez accepted this: “I will seek help wherever I can find it….I am very grateful to the parties of the

Right who are helping me carry forward plans against inflation.” The U.S. embassy declared (and hoped) that “the bottom has been reached and the climb will begin.”

U.S. officials and Klein-Saks consultants believed that the stabilization program “got off to an auspicious start.” Congress ended the automatic, annual wage and salary adjustments, and limited the 1956 adjustment to 50 percent of the previous year’s cost-of-living increase. To soften the impact, Congress established a minimum wage and raised family allowances. It raised taxes, primarily indirect taxes, and the Central Bank began a “major tightening” of its credit policies. The Ibáñez administration cut its budget, instituted a single fluctuating rate for the Chilean peso, and reorganized several government agencies and offices. Finance Minister Oscar Herrera also prepared a bill to overhaul the tax code. Inflation dropped to 38 percent in 1956, and U.S. investors, U.S. banks, and the IMF regained confidence in Chile’s economy.


29 Schott, “Inflation and Stabilization Efforts in Chile,” 14-16. Memorandum “Comments on Mr. Lockett’s Letter of January 20…,” Joseph A. Silberstein, Office of South American Affairs, to Holland, 26 January 1956; and Despatch 875 “Prospects of Completion of Anti-Inflationary Program,” Sanders (Corrigan) to Department of State, 23 May 1956, 825.10/5-2356; both Folder – 825.10/1-1055, Box 4286, DF 1955-59, RG59, NA. Memorandum of Conversation “Informal Visit of Roberto Aldunate, Former Foreign Minister of Chile,” Silberstein, 29 June 1956, Folder – Chile, 1956, Box 2, Holland Papers, RG59-Lot, NA. Klein and Saks Mission, Chilean Stabilization Program, 22, 33, 12-23. Memorandum of Conversation “Chilean Economic Stabilization Program,” Silberstein, 6 June 1956, 825.00/6-656, Folder – 825.00/1-956, Box 4282, DF 1955-59, RG59, NA. Hirschman, Journeys toward Progress, 203-206. Memorandum “Monthly Summary: Chile,” Silberstein, 5 March 1956, 725.00/3-556, Folder – 725.00/1-456; and Memorandum “Monthly Summary: Chile,” Silberstein, 5 July 1956, 725.00/7-556, Folder – 725.00/7-356; both Box 3024, DF 1955-59, RG59, NA. Memorandum of Conversation “Chilean Exchange Problem,” Silberstein, 1 March 1956, 825.10/3-156; and Memorandum of Conversation “Current Status of the IBRD’s Relations with Chile,” Silberstein, 15 May 1956, 825.10/5-1556; both Folder – 825.10/1-1055, Box 4286, DF 1955-59, RG59, NA.
In their optimism and enthusiasm, U.S. officials largely ignored the fact that Ibáñez stifled public protest against the stabilization measures. When the CUTCh called a national strike to oppose what it termed the “Klein-Saks Hunger Measure,” Ibáñez declared a state of siege. Using the Law for the Defense of Democracy, Carabineros and soldiers arrested CUTCh and other opposition leaders, and interned many of them at the prison camp in Pisagua.\(^{30}\)

Assistant Secretary Holland’s extensive support of the Klein-Saks mission not only sanctioned it, but also transformed its success into a key U.S. policy objective. One ARA official told his friend at the U.S. Embassy in Santiago, “Mr. Holland, as you have probably realized, has expressed great interest (to put it mildly) in taking all the steps to clear the way for such aid to Chile as their progress on their anti-inflationary program merits. He has given us direct orders to get things rolling.” Holland viewed the program as “the best opportunity for stabilization in Chile in the foreseeable future,” and at his request, and before Chile’s Congress had passed any measures, ARA arranged a PL 480 program as a means of “easing” the austerity program’s impact and ensuring that Chile had sufficient supplies of basic commodities, such as wheat, dried milk, and edible oils.\(^{31}\) Holland had multiple telephone conversations with Finance Minister Herrera about the program, and he pressed the Federal Reserve Board to allow one of

\(^{30}\) Bray, “Chilean Politics during the Second Ibáñez Government,” 116-117. Memorandum “Monthly Summary: Chile,” Silberstein, 5 March 1956, 725.00/3-556. For the experience at Pisagua, see Eduardo Labarca Goddard, Vida y lucha de Luis Corvalán (México D.F.: Ediciones de Cultura Popular, 1976), 117-119; and Waiss, Chile vivo, 115-117.

its senior economists to serve on the mission. He ensured that Chile received sufficient aid to complete its reforms, and ARA pressed the IMF to assist the Chileans with foreign exchange reforms. When doubts arose, Holland met with IMF, Export-Import (EXIM) Bank, and Treasury Department officials to assuage their doubts and to urge them to offer assistance to Chile. In addition, Holland, ARA, and the U.S. Embassy maintained extensive contacts with Klein and Saks and its mission. Thomas Lockett, a mission member, passed copies of reports and letters that the mission gave to Chilean officials to the embassy (the Chileans knew of his activities).

Already viewing Chile as a model of democracy, Holland wanted Chile to serve also as a model of economic reform. “[T]he outside world was watching very closely [Chile’s] progress,” he told Beaulac, and Chile “could…serve as an example to other countries in similar positions.” If Chile’s economy “improve[s] substantially” under Klein-Saks’ program, Holland continued, “we are going to have an excellent anti-Communist weapon.”

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32 Telegram 315, Dulles (Ernest V. Siracusa, Director of West Coast Affairs, and Belton) to U.S. Embassy Santiago, 27 January 1956, 825.00/1-2756, Folder – 825.00/1-956, Box 4282; and Telegram 482, Sanders to Secretary of State, 24 February 1956, 825.10/2-2456, attached to Telegram 474, Sanders to Secretary of State, 21 February 1956, 825.10/2-2156, Folder – 825.10/1-1055, Box 4286; both DF 1955-59, RG59, NA. Letter, Holland to Allen E. Sproul, President of the Federal Reserve Bank of New York, 16 August 1955, attached to Letter, Holland to William McChesney, Chairman of the Federal Reserve’s Board of Governors, 16 August 1955, 825.00/8-1655, Folder – 825.00/1-555, Box 4282, DF 1955-59, RG59, NA.

33 Memorandum, Silberstein to Holland, 26 January 1956, 825.10/1-2656; Telegram 319, Dulles (Siracusa) to U.S. Embassy in Santiago, 30 January 1956, 825.10/1-3056; Memorandum of Conversation “Chilean Exchange Reform,” Silberstein, 1 March 1956, 825.10/3-156; Memorandum of Conversation “Stabilization Credits for Chile,” Lyon, 6 March 1956, 825.10/3-656; and Memorandum of Conversation “Chilean Exchange Reform Program,” Silberstein, 6 March 1956, 825.10/3-656; all Folder – 825.10/1-1055, Box 4286, DF 1955-59, RG59, NA. Memorandum of Conversation “Courtesy Call [of Mr. Saks] and Comments on Activities of Klein and Saks Particularly in Chile,” H. Dearborn, Office of South American Affairs, 1 November 1955, 825.00/11-155; and Lyon to Beaulac, 10 October 1955, 825.00/9-2955; both Folder 825.00/1-555, Box 4282, DF 1955-59, RG59, NA. For Lockett’s passing documents, see Letter, Beaulac to Holland, 29 September 1955, attached to Letter, Lyon to Beaulac 10 October 1955, 825.00/9-2955. Letter, Corrigan to Silberstein, 25 January 1956, 825.00/1-2556; Letter, Sanders to Holland, 11 June 1956, 825.00/6-1156; and Letter, Lyon to Holland, 22 June 1956, 825.00/6-2256; all three, Folder – 825.00/1-956, Box 4282, DF 1955-59, NA.

Holland’s desire to use Chile as an anti-communist model likely resulted from a new Soviet policy “to compete peacefully” with the United States for the hearts and minds of the peoples of Latin America and the Third World. Holland and many in the Department of State were already concerned that the United States was “not doing enough to check increasing Communist and Soviet subversion” in Latin America, but a 16 January 1956 announcement by Nicolai A. Bulganin, Chair of the Soviet Council of Ministers, created a “major problem.” Bulganin declared that the Soviet Union would expand diplomatic, economic, and cultural relations, as well as technical exchanges, with Latin American nations. At the Twentieth Party Congress (during which Premier Nikita Khrushchev denounced Stalin), the Soviets revealed that their Latin American initiative was part of a larger strategy “to temper Cold War tensions.”

The new Soviet policy caused U.S. officials to focus on strengthening U.S. relations and economic cooperation with the “ABC” nations (Argentina, Brazil, and Chile), which they viewed as “the most advanced peoples of the Latin American community” and the most influential. Holland told Secretary of State John Foster Dulles: “If Argentina, Brazil, and Chile follow an anti-communist, pro-United States, pro-private enterprise road, then…the balance of Latin America is assured. On the other hand, if any one of these three countries deviates from that path, then we may have calamitous problems in the area.” U.S. policymakers now viewed the administration’s Latin American policy (NSC-5432/1) as “inadequate” and deemed Communist

threats in Chile, Brazil, Bolivia, and Ecuador as “serious.” They ordered a review of U.S. policy, which led to NSC 5613, a revised U.S. policy towards Latin America.  

U.S. embassy officers worried that Chileans were underestimating the Communist threat. New U.S. Ambassador to Chile Cecil B. Lyon (1956-58) found “rather lukewarm opposition” to Communism. “Chile is really so remote from the Soviet Union and the Iron Curtain countries,” Lyon wrote, “that the average Chilean tends to discount as exaggerated” U.S. claims about Communism and the Soviet bloc. Moreover, he believed that many Chileans adhered to “the very dangerous concept that the Communists in Chile are not ‘real Communists’.” When Lyon questioned the wisdom of allowing the Chinese Opera to perform in Chile, Chile’s Foreign Minister rebuffed him. The Chinese company had visited the major capitals of Europe and had been greeted personally by the Queen of England, the minister said, “why should not Chile be allowed this same cultural treat?”

Adding to U.S. concerns, the Klein-Saks program began to falter. The mission had urged higher luxury and income taxes and a more progressive tax structure, but the Chilean Congress and the Ibáñez administration emphasized indirect taxes, namely sales, cigarette, gas, liquor, and other “sin” taxes, which placed the burden of stabilization on the middle, working, and lower


37 Lyon previously served as Deputy Assistant Secretary of State for Inter-American Affairs, and his appointment to Santiago suggests the level of importance that Holland and ARA rated good relations with Chile. Despatch 192 “My Impressions of Chile After Thirteen Years Absence,” Lyon to Department of State, 4 September 1956, 725.00/9-456, Folder – 725.00/7-356, Box 3024, DF 1955-59, RG59, NA. Despatch 74 “Repeal of the Permanent Law for the Defense of Democracy,” Sanders to Department of State, 27 July 1955, 725.00/7-2755, Folder – 725.00/1-355, Box 3024, DF 1955-59, RG59, NA.
classes. By August 1956, a few months after the stabilization program began, it came under
attack from many groups, with labor unions “bitterly” charging that the working class had “to
’sacrifice’ more than any other group.”38 Also, the price of copper declined, from 47 cents per
pound in March 1956 to 25 cents in March 1958. The decline lowered government revenues for
1956, 1957, and 1958, and hampered stabilization efforts. Income and consumption among the
wages and salaries sector dropped, unemployment rose, foreign investment declined, and Chile’s
economy slid into recession. In August 1956, Ibáñez fired Finance Minister Herrera, whom the
embassy described as the “spark plug” of the Klein-Saks program. Herrera’s dismissal angered
the Conservative and Liberal parties, who sharply criticized Ibáñez for several weeks.39

In its first annual review of the stabilization program, the Klein-Saks team castigated the
Ibáñez administration and Congress for placing the burden of stabilization on the wages and
salaries sector. In November 1956, before a joint Congressional committee, the team urged
Chilean legislators to correct the “injustices” and impose greater credit restrictions, higher luxury

Stabilization Program in Chile,” 56. Memorandum “Clouds over the Chilean Economic Stabilization Program,”
Silberstein to Holland and Bernbaum, 22 August 1956, 825.10/8-2256, Folder – 825.10/1-1055, Box 4286;
Memorandum “Recent Developments Affecting Chile,” Silberstein to Bernbaum, 10 August 1956, Folder –
825.00/1-956, box 4282; and Memorandum “Status of Problems – Chile,” Silberstein to Bernbaum and Rubottom,
14 August 1956, 725.00/8-1456, Folder – 725.00/7-356, Box 3024; all DF 1955-59, RG59, NA.

Stabilization Program in Chile,” 60. David Felix, “Structural Imbalances, Social Conflict, and Inflation: An
Appraisal of Chile’s Recent Anti-Inflationary Effort,” Economic Development and Cultural Change 8/2 (January
1960): 132. Hirschman, Journeys toward Progress, 210-211. Telegram 116, Lyon to Secretary of State, 28 August
1956, 725.00/8-2856, Folder – 725.00/7-356, Box 3024, DF 1955-59, RG59, NA. For “spark plug” comment, see
Memorandum “Monthly Summary, August 1956: Chile,” Silberstein, 31 August 1956, 725.00/8-3156, Folder –
725.00/7-356, Box 3024, DF 1955-59, RG59, NA. For the Chilean Right’s response, see Despatch 289 “Prospects
for Government’s Economic Reform Program,” Belton (Corrigan/Day) to Department of State, 28 September 1956,
825.00/9-2856, Folder – 825.00/1-956, Box 4282; Memorandum “[October] Monthly Summary: Chile,” Silberstein,
2 November 1956, 725.00/11-256, Folder 725.00/7-356, Box 3024; and Despatch 382 “Deterioration of Chilean
Economic Reform Program,” Robert Eakons, Economic Affairs Counselor, to Department of State, 19 October
1956, 825.00/10-1956, Folder – 825-00/1-956, Box 4282; all DF 1955-59, RG59, NA.
taxes, a more progressive tax code, and better tax enforcement. Such measures would affect the highest income levels the most, but unless this occurred, the team warned, “accumulated” pressures “would easily cause” a social revolution. Congress ignored the warning. The Klein-Saks team reiterated their criticisms the following year, this time proposing a “special investigation” of the income tax claims of the 200 largest landowners, persons who bought property valued at more than 6 million pesos, and members of exclusive clubs. Congressmen decried the proposal as “a demagogic breach of good taste,” and passed what the U.S. Embassy described as the “usual biannual waiver of penalties for tax delinquency,” the beneficiaries of which were largely the very groups the Klein-Saks team proposed for special investigation.

The Pine Tree in a Flower Pot

The Chilean Left gained strength as Ibáñez and Congress implemented the Klein-Saks program. The Popular Socialist and Democratic Parties joined Allende’s FRENAP coalition on 29 February 1956, and the expanded coalition renamed itself the Popular Action Front (FRAP -- Frente de Acción Popular). The FRAP finished second among the political parties in the April 1956 municipal elections, garnering 128,000 votes and 245 town council seats. Communist and Popular Socialist leaders admitted that their recent imprisonment at Pisagua by the Ibáñez

administration encouraged closer cooperation between them. The Left’s growing strength led the U.S. Embassy to consider the Defense of Democracy law “a dead letter.”

On 25 October 1956, the FRAP, together with the CUTCh and the Radical and Falange Parties, staged a parade and protest rally in downtown Santiago, and the U.S. embassy admitted that the rally effectively demonstrated the widespread discontent and frustration with Ibáñez and the stabilization program. Ibáñez initially denied the FRAP’s request to hold the rally, but Allende threatened to hold the protest anyway. Ibáñez declared Santiago an “emergency zone” and imposed a state of siege; however, Senator Fernando Alessandri negotiated a compromise, allowing the protest to occur. At the rally, Allende “was, without any doubt, in his very best form,” the U.S. embassy said, “introducing an electric current in all hearts and spirits.” During his speech, Allende recalled the achievements of President Pedro Aguirre Cerda and urged a “revival” of the Popular Front. With the rally’s “very decent showing,” the embassy admitted that “confidence of all sectors in anti-inflationary program [had] reached a new low.”

Salvador Allende’s “very best form” was indicative of his rise as a preeminent voice of the Left and a national political leader; in fact, one journalist described him, “a pine tree set in a

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42 Despatch 383 “Political Developments,” Corrigan to Department of State, 19 October 1956, 725.00/10-1956; Telegram 196, Belton to Secretary of State, 17 October 1956, 725.00/10-1756; and Despatch 410 “Recent Political Developments,” Corrigan to Department of State, 25 October 1956, 725.00/10-2556; and Despatch 423 “Leftist Demonstration in Santiago October 25,” Corrigan to Department of State, 29 October 1956, 725.00/10-2956; all Folder – 725.00/7-356, Box 3024, DF 1955-59, RG59, NA. Telegram 217, Belton to Secretary of State, 27 October 1956, 825.00/10-2756, Folder – 825.00/1-956, Box 4282, DF 1955-59, RG59, NA.
flower box.” His secretary, Osvaldo Puccio, admitted that Allende was the inspiration, creator, and prime mover of FRAP, as well as its first president. At the Socialist Party’s 16th National Congress (November 1955), the delegates elected Allende as Secretary General, opting for his moderate course of building inter-party alliances. Allende undertook much of the negotiations to create a working coalition among the parties of the Left and had worked with Popular Socialist leader Senator Raúl Ampuero to reunite the two Socialist parties, which occurred in July 1957. Moreover, it was Allende’s “expressed decision” to include “union forces and other organizations of independent masses, professionals, and technicians” in the 1957 FRAP Conference. Despite Allende’s efforts, the U.S. embassy reported – and Ampuero admitted – that the Popular Socialists had prevented the Radicals from joining the FRAP.

Despite Allende’s rising prominence, the U.S. Embassy did not contact or talk with him. Embassy officers regarded as him a “fellow traveler” and a “devoted follower of the Commie

43 Puccio, Un cuarto de siglo con Allende, 36-37, 98. Max Nolff, Salvador Allende: El político, el estadista (Santiago: Ediciones Documentas, 1993), 56, 58. Memorandum “Report of Evening with Salvador Allende,” Michael Lever, Public Relations Consultant for Anglo-Lautaro Nitrate Company, 2 November 1955, enclosed with Despatch 327 “Transmittal of Report by an American Citizen…,” Sanders to Department of State, 8 November 1955, 725.00/11-855, Folder – 725.00/1-355; Despatch 484 “Outstanding Congressional Figures in 1955,” Sanders (Corrigan) to Department of State, 4 January 1956, 725.00/1-456, Folder – 725.00/1-456; Despatch 74 “Repeal of the Permanent Law for the Defense of Democracy,” Sanders to Department of State, 27 July 1955, 725.00/7-2755, Folder – 725.00/1-355; and Despatch 614 “First National Conference of Popular Action Front (FRAP),” Corrigan (Corrigan and Fuess) to Department of State, 18 December 1956, 725.00/12-1856, Folder – 725.00/7-356; all Box 3024, DF 1955-59, RG59, NA. Despatch 378 “16th National Congress of the Partido Socialista de Chile,” Corrigan to Department of State, 29 November 1955, 725.003/11-2955, Folder – 725.001/12-1956, Box 3027, DF 1955-59, RG59, NA. Letter, Ampuero to Allende, 7 December 1956, portion reprinted in Ampuero, La Izquierda en punto muerto (Santiago: Editorial Orbe, 1969), 64-66. For the Popular Socialists being the obstacle, see Despatch 633 “Leftist Unity,” Sanders (Corrigan) to Department of State, 1 March 1956, 725.00/3-156; Despatch 410 “Recent Political Developments,” Corrigan to Department of State, 25 October 1956, 725.00/10-2556; Despatch 614 “First National Conference of Popular Action Front,” Corrigan (Corrigan and Fuess) to Department of State, 18 December 1956, 725.00/12-1856; and Despatch 820 “Formal Launching of FRAP Candidates, February 10,” Corrigan to Department of State, 12 February 1957, 725.00/2-1257; all Folder 725.00/7-356, Box 3024, DF 1955-59, RG59, NA. Ampuero, La Izquierda en punto muerto, 55-62.
Party line.” The embassy did not send an officer to attend Socialist Party or FRAP events, nor did it build contacts among FRAP members, practices which were routine during the 1940s.

When ARA and the OCB asked the embassy to “brief” Chileans travelling to the Soviet bloc, Robert F. Corrigan, the lead political officer, responded that they were not given “timely notice” of such travel and the travellers were “unbriefable” due to “their commitment to Communism.”

Although Corrigan, Beaulac, and embassy officers shunned Allende, by many indications, he was approachable. He appreciated a good, frank exchange of views, once remarking during a sharp exchange: “I like this guy; he talks back!” One acquaintance noted, “Allende has reached the conclusion that sooner or later he must play ball with the United States, if for not other reason than that help can be found nowhere else.” He also noted “that Allende will do what he can to make the price as high a possible.”

The End of the Klein-Saks Program

At the start of 1957, U.S. embassy and ARA officials trumpeted the success of the Klein-Saks program in Chile. Inflation dropped from 85 percent in 1955, to 38 percent in 1956, to 17 percent in 1957.

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44 Despatch 383, Corrigan to Department of State, 19 October 1956, 725.00/10-1956. Memorandum “Chilean Political Parties,” n.d. [after May 1956], Folder – 1956 Political, Box 3, Records of the Office of South American Affairs, Records Relating to Chile, Subject Files, 1956-1957, RG59-Lot, NA. For other Communist-related references to Allende, see Despatch 1 “Joint Weeka No. 26” 1 July 1954, 725.00(W)/7-154, Folder 1, Box 3316; Telegram 425, Beaulac to Secretary of State, 26 June 1954, 725.00/6-2654, Folder 1, Box 3314; and Despatch 31 “Congress of Parliamentarians and Personalities of Latin America,” 15 July 1954, 725.001/7-1554, Folder 1, Box 3316; all three DF 1950-54, RG59, NA.

45 Despatch 133 “Action to Implement Outline Plan of Action Against Communism in Latin America,” Belton (Corrigan) to Department of State, 16 August 1956, 725.001/8-1656, Folder – 725.00(W)/12-459, Box 3027, RG1955-59, RG59, NA. See Item 15.

percent in 1957. U.S. investors, U.S. banks, and the IMF had confidence in Chile’s economy. Ambassador Lyon said that “the atmosphere in Chile is more optimistic,” and the Embassy proclaimed that the Klein-Saks program had placed “the country…in a far sounder condition.”

Due to the program’s success, Holland and Dulles agreed that Eisenhower should invite President Ibáñez to Washington for a state visit in 1957, one of two invitations the Department of State planned to extend to Latin American leaders. Lyon endorsed the invitation, saying it would show unqualified support for Chile’s anti-inflation program, “which can serve as [an] example [for] Latin America and [the] rest [of the] world.” Furthermore, said Lyon, hosting Ibáñez would counter the “frequent charges” in Chile and Latin America that the United States was “more sympathetic [to] hemisphere dictatorships than to democracies.”

U.S. officials considered the March 1957 Congressional elections to be a sign of success in Chile; however, Allende and the FRAP reached the same conclusion. The Ibañista parties suffered heavy losses; meanwhile, the Radicals regained their position as the country’s largest party, the Liberals recuperated their losses to Ibañista parties, and the Falange surprised many with its growing strength under the leadership of Senator Eduardo Frei. Comparing Chilean

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politics to those of France, U.S. Embassy officers subscribed to *El Mercurio*’s post-election analysis: the elections had stabilized Chile’s political order, and the FRAP suffered “an electoral and moral defeat.” Allende challenged *El Mercurio*’s analysis and asserted that the FRAP had made “impressive gains;” however, *El Mercurio*’s editors refuted his claims.49

Allende was closer to the mark than either *El Mercurio*’s editors or the U.S. embassy. With Ibañismo dead, the 1957 elections essentially reverted Congress to the pre-Ibañista distribution of parties, that is, prior to the 1953 Congressional elections. In the Chamber of Deputies, the FRAP’s “losses” were exclusively among the Popular Socialists, who had gained seats as an Ibañista party. *El Mercurio* and the U.S. embassy, however, considered the Popular Socialists to be a FRAP party, not the Ibañista party that it was in 1953. If one excludes the Popular Socialists, the FRAP actually had gained three Senate seats and won two by-elections in 1956.50 Because the Chilean political system allowed coalition candidates in individual races, one also needed to examine which candidates the FRAP had supported in places where it did not run a candidate, with Radical and Falange victors as obvious possibilities. Allende likely included these factors his analysis, but U.S. embassy officers and *El Mercurio*’s editors did not.

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49 Several scholars have noted that Chile’s political system before the 1958 electoral reforms (the D’Hondt system) was quite “complex” and confusing. U.S. embassy political officers M. N. Lindgren and Robert F. Corrigan, in a 1957 despatch, offer what is probably the best, most easily comprehensible explanation of how this system operated. See Despatch 663, Corrigan (Lingren and Corrigan) to Department of State, 3 January 1957, 725.00/1-357, Folder – 725.00/7-356, Box 3024, DF 1955-59, NA. For an example of scholars noting the complexity of the pre-1958 system, see Federico G. Gil, *The Political System of Chile* (Boston: Houghton Mifflin, 1966), 215. Despatch 922 “Explaining the March 3 Electoral Results,” Corrigan to Department of State, 11 March 1957, 725.00/3-1157, Folder – 725.00/7-356, Box 3024, DF 1955-59, RG59, NA. Puccio, *Un Cuarto del Siglo con Allende*, 31.

50 This analysis is drawn from the tables created by Bray drawn primarily from the Chilean periodical *Zig-Zag*. See Bray, “Chilean Politics during the Second Ibáñez Government,” 30-35, 123-127. For FRAP’s victories in two earlier by-elections, see Despatch 738, Corrigan to Department of State, 5 April 1956, 725.00/4-556, Folder – 725.00/1-456, Box 3024, DF 1955-59, RG59, NA. Oddly, embassy officers chalked the by-elections up as two Radical victories; even though one was a Socialist and the other won due to FRAP support.
Three weeks after the Congressional elections, the aura of optimism vanished amid two days of riots in downtown Santiago, effectively ending the Klein-Saks program. As an anti-inflation measure, Ibáñez officials decided in late 1956 to raise mass transit fares, but delayed announcing the increase until after the March elections. Fares rose 111 percent for adults and 400 percent (1 to 5 pesos) for students, and coincided with price increases averaging 25 percent on cigarettes, flour, bread, newspapers, and petroleum, as well as electric and telephone rates.

Students and workers in Santiago, Valparaíso, and Concepción violently protested the fare increase, attacking and damaging public buses, which caused the government to assign guards to ride the buses. Students verbally abused and stoned Carabineros, and the Carabineros beat and arrested several students. In Valparaíso, local officials deployed naval forces to impose order.51

In Santiago, Allende served as intermediary between the students’ union and the Ibáñez administration to avoid the violence occurring in other cities. In the morning of 31 March 1957, Allende met with Interior Minister Benjamín Videla and told him that students would end their protests if the government reduced bus fares and released all students from prison. By afternoon, student leaders reached an agreement with Videla, but Ibáñez terminated the talks.52

Ibáñez’s refusal to negotiate led students and workers to stage mass protests the next day (1 April), and the protests escalated into violence. Protesters attacked buses and broke windows, and clashes between students and Carabineros ensued. That evening, with violence rising, Carabineros fired warning shots that ricocheted, killing a female nursing student and wounding a high school student. The young woman’s death motivated protesters to return en masse to

central Santiago on 2 April, and a riot erupted. Amid the 2 April protests, skirmishes quickly broke out between protesters and Carabineros, and public officials pulled public buses off the streets. Carabineros began shooting at protesters, and “veritable caravans” of ambulances took the injured to hospitals. With bystanders cheering for the protestors, Ibáñez ordered the Carabineros off the streets and military troops entered the city. Due to a logistical error, a gap of three hours occurred between the Carabineros’ departure and the military’s arrival, during which vandals destroyed street lamps and looted several stores, including the department store Almacén Paris. One group wrecked Horizonte Press, which published the Communist dailies El Siglo and Últimas Noticias. By nightfall, Army and Air Force troops had imposed order.  

With more than 70 dead and several hundred injured, the riots had shocked Chileans and U.S. policymakers, and officials of both countries tried to reassure each other. Ibáñez told Eisenhower: “we have had these troubles; they have passed, there will be no changes in my economic program,” and Chilean elites offered similar sentiments to U.S. officials. During an NSC meeting, Secretary of State Dulles said that the riots were “rather surprising” because the Klein-Saks program “had been thought to be going along fairly well,” but he doubted that “any

53 Olavarría Bravo, Chile entre dos Alessandri, II: 352-359. Bray, “Chilean Politics during the Second Ibáñez Government,” 128-134. Despatch 1030 “Serious Disorders in Santiago,” Corrigan to Department of State, 5 April 1957, 725.00/4-557; Despatch 1060 “Background and Analysis of Recent Disturbances,” Lyon to Department of State, 11 April 1957, 725.00/4-1157; and Telegram 542, Lyon to Secretary of State, 4 April 1957, 725.00/4-457; all Folder – 725.00/4-157, Box 3024, DF 1955-59, RG59, NA.

54 Despatch 1060 “Background and Analysis of Recent Disturbances,” Lyon to Department of State, 11 April 1957, 725.00/4-1157. Memorandum of Conversation “Recent Disturbances in Santiago,” Lyon, 6 April 1957, attached to Despatch 1039 “Conversation with President Ibáñez on April 6, 1957,” Lyon to Department of State, 8 April 1957, 725.00/4-857, Folder – 725.00/4-157, Box 3024, DF 1955-59, RG59, NA. Memorandum “Personal Message from President Ibáñez of Chile,” Dulles to the President, 18 April 1957, Folder – Chile (7), Box 7, Dwight D. Eisenhower Presidential Papers, 1953-61 (Ann Whitman File) – International Series, DDEL. Hereafter cited as AWF – International Series. Memorandum of Conversation “Courtesy Call of Recaredo Ossa Undurraga, President of Chile’s National Agricultural Society,” Devine, 15 May 1957, 825.00/5-1557, Folder – 825.00/1-557, Box 4282, DF 1955-59, RG59, NA.
long-range serious consequences” would occur. Lyon and ARA assured Chilean officials that the United States was sympathetic, and the Department of State expressed confidence that Chile would “find a solution to its difficulties consistent with its democratic traditions.”

U.S. and Chilean leaders immediately blamed the Communists of fomenting the riots, even though Deputy Chief of Mission William Belton confessed, “Nobody has a good clear concept of what started the trouble.” U.S. officials soon conceded that the Communists and Socialists had little, if any, role in the riots. Communist labor leaders were arrested and jailed on 1 April (before the riots), and Corrigan reported that the Communists “did not favor large-scale demonstrations at this time” because they feared repercussions. Raúl Ampuero and the Popular Socialist Party’s Central Committee held a meeting at their party headquarters on 2 April (the worst day of the riots), and refused to leave their building until almost midnight for fear of being

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56 Memorandum of Telephone Conversation “Riots in Chile,” Maurice M. Bernbaum, Director of South American Affairs, with William Belton, 3 April 1957, 725.00/4-357; Telegram 536, Lyon to Secretary of State, 3 April 1957, 725.00/4-357; Memorandum of Conversation “Chilean Interest in Financial Assistance Arising Out of Civil Disorders,” Silberstein, 4 April 1957, 725.00/4-457; Memorandum “Public Disorders in Chile,” Rubottom (Devine) to Under Secretary of State, 3 April 1957, 725.00/4-357; and Memorandum “Government Measures to Contain Public Disorders in Chile,” Rubottom (Devine) to Under Secretary of State, 4 April 1957, 725.00/4-457; all Folder – 725.00/4-157, Box 3024, DF 1955-59, RG59, NA. Memorandum of Conversation “Courtesy Call of Recardo [sic] Ossa Undurraga,” Devine, 15 May 1957, 825.00/5-1557, Folder – 825.00/1-557, Box 4282, DF 1955-59, RG59, NA.
killed by military troops. Also, it was learned that government security forces took advantage of
the mayhem to destroy Horizonte Press and the main offices of the Communist Party.57

The Klein-Saks team asserted that the riots were spontaneous, resulting from economic
hardship under the anti-inflation program, but the Department of State was reluctant to accept
this explanation. The team told embassy, ARA, and the Klein-Saks officials that three factors
motivated the riots: 1) wage ceilings combined with price increases, notably on foodstuffs, 2)
“accumulated irritation” over the lack of sacrifices by the wealthy and Ibáñez government
officials, and 3) “government mishandling” of public transportation problems. ARA and
embassy officials initially rejected this, with Corrigan insisting that the stabilization program was
“not to blame for the conflagration.” The “so-called wage-price squeeze is real and painful,” he
said, but the “lot of the Chilean worker is better than it would have been had this program not
been carried on.” ARA requested the embassy to investigate the working classes’ economic
conditions, and subsequent reports confirmed the Klein-Saks team’s explanation. Ambassador
Lyon admitted that the “lack [of] ability [of an] average family [to] feed itself properly under
present economic stresses [is] believed to be [a] greater problem than generally realized.”58

57 Despatch 1062 “Organized Labor and the April Riots,” Corrigan (Fuess) to Department of State, 11 April 1957,
725.00/4-1157, Folder – 725.00/4-157, Box 3024, DF 1955-59, RG59, NA. Alejandro Chelén Rojas, Trayectoria
del Socialismo (Apuntes para una historia crítica de Socialismo chileno) (Buenos Aires: Editorial Astral, 1966),
Memorandum of Conversation “Chile’s Current Problems,” Robert J. Dorr, First Secretary of Embassy, 4 April
1957, enclosed with Despatch 1054 “American Consultative Group,” Lyon to Department of State, 10 April 1957,
825.00/4-1057, Folder – 825.00/1-557, Box 4282, DF 1955-59, RG59, NA. Telegram 536, Lyon to Secretary of
State, 3 April 1957, 725.00/4-357; and Telegram 560, Lyon to Secretary of State, 8 April 1957, 725.00/4-857; both
Folder – 725.00/4-157, Box 3024, DF 1955-59, RG59, NA.

58 Telegram 550, Lyon (Knox of Klein-Saks Mission) to Secretary of State (Klein and Saks), 5 April 1957,
725.00/4-557; and Despatch 1060 “Background and Analysis of Recent Disturbances,” Corrigan to Department of
State, 11 April 1957, 725.00/4-1157; both Folder – 725.00/4-157, Box 3024, DF 1955-59, RG59, NA. Olavarría
Bravo, Chile entre dos Alessandri, II: 358-359. Telegram 489, Dulles (Silberstein, Blodgett, Bernbaum) to U.S.
Embassy in Chile, 5 April 1957, 825.10/4-557, FRUS, 1955-1957, VII: 825. Telegram 579, Lyon to Department of
With the evidence exonerating the Communists, U.S. officials now blamed all major Chilean groups. They faulted the Ibáñez administration for failing to “sell” the anti-inflation program to the public and for creating the impression that Ibáñez was not serious about cutting government expenditures or even governing. The U.S. charged that the Leftist press’s “aggressive and sensationalist tone” had “played a prominent role in creating the climate for rebellion.” The U.S. embassy particularly blamed the Chilean elite for their “selfishness” and “relative insensitivity…to the lot of the lower classes.” Rubottom pointedly told the President of the National Agricultural Society (SNA -- Sociedad de Nacional Agricultura), the bastion of Chile’s landholding elite, that wealthy Chileans were not sufficiently shouldering the burden of economic reforms, a charge that the SNA president strongly denied. Chilean Ambassador Mariano Puga Vega told Secretary Dulles that the anti-inflation program had sparked the riots. As Puga remarked to Rubottom, “[W]hen the horse kicks, it’s often because he is tired and over-worked and does not necessarily mean that he is vicious.”

U.S. policymakers now worried that the Klein-Saks program might become a casualty of the April riots. Admitting that Chileans were “among that most attractive people I have ever

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59 Despatch 1060 “Background and Analysis of Recent Disturbances,” Lyon (Corrigan) to Department of State, 11 April 1957, 725.00/4-1157. Despatch 1063 “The Role of the Leftist Press in Recent Chilean Riots,” Corrigan (Lingren) to Department of State, 11 April 1957, 725.00/4-1157, Folder – 725.00/4-157, Box 3024, DF 1955-59, RG59, NA. Memorandum of Conversation “Courtesy Call of Recaredo Ossa Undurraga,” Devine, 15 May 1957, 825.00/5-1557. Memorandum, Wiley T. Buchanan, Chief of Protocol, to Bernard M. Shanley, Secretary to the President, 12 March 1957, Folder – Chile (7), Box 7, AWF – International Series, DDEL. Memorandum of Conversation “Call on the Secretary of State by the Chilean Ambassador,” Wiley T. Buchanan, 3 April 1957, 611.25/4-357, FRUS 1955-57, VII: 823. Memorandum of Conversation “Difficult Situation Occasioned by Civil Disorders in Chile,” Devine, 5 April 1957, 725.00/4-557, Folder – 725.00/4-157, Box 3024, DF 1955-59, RG59, NA.
met,” Rubottom acknowledged, “The United States has a tremendous stake in the success of the Chilean program,” and that if it failed, “the Chilean economy may go down the drain but perhaps worse would be the effect on other countries…and the gains which the Communists would achieve at our expense.” Lyon stressed the impact upon Chilean domestic politics, asserting that it was “essential” that the program’s “success be generally evident before the 1958 presidential elections….Otherwise [the] new government [is] more apt to be [the] wrong kind.”

With the stabilization program in “serious danger of failure,” U.S. policymakers increased PL-480 aid to keep foodstuffs readily available in Chile, and they gave serious consideration to the Ibáñez government’s request for a $50 million loan to cover its budget shortfall so that Chile would not dump the stabilization program. As the weeks passed, the urgency created by the April riots faded, and U.S. officials reduced the loan from $50 million to $40 million, then to $25 million, even though Klein and Saks, Anaconda Copper, and probably Kennecott Copper were pressing ARA to grant it. Rubottom sent Harry Turkel, Director of ARA’s Regional Economic Affairs office, to Santiago to investigate Chile’s financial situation, and Turkel returned, urging a $25 million loan, as well as further belt-tightening measures. The Chileans obtained a $12.5 million


loan, but only after several months. By November 1957, U.S. officials continued to press the Ibáñez government to implement elements of the Klein-Saks program.

U.S. efforts to maintain the remnants of Chile’s stabilization program reveal that the Eisenhower administration layered an economic reform model on top of the existing democratic model and elevated U.S. stakes in Chile. U.S. officials worried that a failed effort in Chile “would severely impair any possibilities” of implementing similar programs in other countries. Moreover, they did not want the United States to “fail” a friend and ally. As Lyon told Rubottom, “this situation reminds me of when I was in Egypt [1944-45] and the Egyptians looked to us for guidance and assistance. I’m afraid we failed them. The Chileans are turning to us just this way today. I do not want to fail them, and I know you don’t either.”

Seeking the Presidency Again

While U.S. officials sought to avert a failure and save the Klein-Saks program, Chile’s political parties turned their attention to the upcoming 1958 Presidential election. Four political


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blocs emerged, each with their own presidential candidate: the FRAP, the Radicals, the Christian Democrats, and the Liberal-Conservative coalition. In July 1957, the Falange and Social Christian Conservatives merged into the Christian Democratic Party, creating a moderate Left party. The Christian Democrats selected Eduardo Frei as their candidate, and the fading Agrarian Labor Party later endorsed his candidacy. As a test of his appeal, Frei ran for a Senate seat in the Metropolitan District (Santiago) during the March 1957 Congressional elections, and had received the highest number of votes of any senatorial candidate in the country. The U.S. Embassy described Frei as “a winner,” and Frei had broad support among the Liberals, who were ready to endorse him. Frei might have had the Liberals’ endorsement, but a Liberal senator had a heart attack and died during his speech opposing the endorsement of Frei, and the senator’s funeral postponed the party’s decision. When the Liberals reconvened, the Conservatives had nominated Liberal Senator Jorge Alessandri Rodríguez as their candidate, prompting the Liberals to support the son of the famous Arturo and the younger brother of Senate President Fernando.64

The deeply divided Radical Party nominated Senator Luis Bossay Leyva but nearly split. Bossay and Left-leaning Radicals wanted to revive the Popular Front and align with the FRAP; meanwhile, the Right faction, led by Julio Durán Neumann, sought an alliance with the Liberals. The Liberals opposed Bossay, and the FRAP distrusted the Radicals, particularly after a Radical senator invoked the Law for the Defense of Democracy to disqualify four recently elected FRAP

deputies (the Radicals gained two of the seats). Rejected by the Right and the Left, the Radicals feared isolation and certain defeat in 1958, and pressure intensified within the party to drop Bossay. Bossay held on, but the party narrowly averted a formal split in December 1957.65

The FRAP faced internal divisions as well, with Allende and the Communists agreeing upon strategy. The former Popular Socialists had adopted a “workers’ front” strategy: espousing anti-oligarchic, anti-imperialist rhetoric, rejecting cooperation with “bourgeois” parties, and advocating the creation of a socialist “Democratic Republic of Workers.” The Communists urged a broad “National Liberation” electoral coalition that promoted cooperation among all “progressive” forces. Allende and moderate Socialists favored the Communists’ popular front strategy as well; moreover, they gained control of the Socialist Party’s leadership when the two Socialist parties reunited to form a single party in July 1957.66

Allende gained the FRAP’s presidential nomination with overwhelming support, but he did so by departing from customary political practice. After the Socialists’ reunification, Allende met with his close friend Salomón Corbalán, president of the Socialist Party, and proposed that the FRAP have a large nominating convention, one which invited a broad range of Leftist

65 Despatch 1165 “The Presidential Picture According to Julio Duran,” Corrigan to Department of State, 6 May 1957, 725.00/5-657; Despatch 1185 “The Radical Party’s Problem,” Corrigan to Department of State, 10 May 1957, 725.00/5-1057; Despatch 1214 “Fissures Within Popular Action Front,” Corrigan to Department of State, 17 May 1957, 725.00/5-1757; Memorandum “Final Composition of Chile’s New Congress Convening May 21th,” Devine to Rubottom and Sanders, 22 May 1957; Despatch 456 “Problems Currently Confronting Radical Party,” Zook (Lindgren, Zook) to Department of State, 7 November 1957, 725.00/11-757; Despatch 586 “New Analysis of Radical Party Campaign Outlook,” Zook (Lindgren) to Department of State, 13 December 1957, 725.00/12-11357; all Folder – 725.00/4-157, Box 3024, DF 1955-59, RG59, NA.

66 Chelén, Trayectoria del Socialismo, 137, 142-44. Despatch 633 “Leftist Unity: Political Alignments in Chile,” Sanders (Corrigan) to Department of State, 1 March 1956, 725.00/3-156, Folder – 725.00/1-456, Box 3024, DF 1955-59, RG59, NA. Puccio, Un cuarto de siglo con Allende, 36. Despatch 378 “16th Nacional Congreso of the Partido Socialista de Chile,” Sanders (Corrigan) to Department of State, 29 November 1955, 725.003/11-2955; and Despatch 28 “Socialist Unity Congress, July 5-7, 1957,” William Belton, Counselor of Embassy (R. W. Herbert) to Department of State, 10 July 1957, 725.003/7-1057; both Folder – 725.001/2-1956, Box 3027, DF 1955-59, RG59, NA.
groups, including sports clubs, intellectuals, professionals, unions, and student organizations.

Allende’s idea appears to have broken from the usual political practice, in which nominees were
determined by party executives and coalition candidates emerged from agreements negotiated
between party leaders. Allende’s “popular” convention circumvented party executives and
played to his broad appeal among the rank-and-file. Allende’s purpose was two-fold: to bring
more people into the FRAP, but more importantly, to promote the image that the FRAP
candidate represented the entirety of Chile: urbanites, campesinos, miners, intellectuals, factory
workers, professionals, Indians, and students. Corbalán recognized that a broad convention
would also mitigate the divisions within the FRAP, and he rushed to make the arrangements.67

The nominating convention did not go as Allende anticipated; in fact, it worked too well.
Over 1800 delegates attended the convention, which was held from 15 to 17 September 1957,
and more than 1600 could cast ballots. Allende expected to finish third in the initial balloting
and then gradually emerge as the “unity” candidate; however, he easily gathered the highest
number of votes on the first ballot, more than 120 over his nearest competitor. Allende was
furious. He feared that the first ballot results would cast him as the “candidate on arrival,” split
the FRAP, and undercut his drive for “unity.” Allende threatened to withdraw his name from
contention, but Corbalán and the other candidates convinced Allende to remain a candidate.

When the results of the first ballot were announced, the delegates overwhelmingly voted to
nominate Allende as their candidate.68

67 Puccio, Un cuarto de siglo con Allende, 43-46. Jaime Suárez Bastidas, Allende, “Visión de un militante”

68 Puccio, Un cuarto de siglo con Allende, 48-51.
Allende may have underestimated his support, but his acceptance speech enlisted it for the campaign. Allende accepted the nomination not as “personal responsibility” but “as a responsibility of the whole convention,” and he asked the delegates to demonstrate the shared responsibility by raising their hands and pledging their complete support. “[T]he campaign will not be easy,” he continued, and “the platform that we are going to carry out will not be achieved without sacrifices.” “We are the vanguard party of Chile’s progress,” Allende declared, “We shall win, because we constitute a renewed movement that is committed to changing the political, economic, and social face of our nation…. We shall win, because we count on support that is the most representative that there is in our land…. We shall win, because to our side will come all of those who sincerely desire progress and well-being for our people…. We shall win, because with us goes the enthusiasm and desire for making a nation greater from justice, progress, and liberty.” With rousing applause, Allende’s campaign had begun.69

Surveying the candidates, the U.S. embassy believed that Bossay had the “least chance” of success, which left the race between Frei, Alessandri, and Allende, with a fifth candidate, Antonio Zamorano, serving as “nuisance value.” Embassy officers admitted that Frei was “the outstanding exponent…for Christian Democratic philosophy,” but they distrusted him and had long disliked his reluctance to take a strong “anti-Communist” position. Still, they could not ignore that Frei was insisting that a Chilean foreign policy “not based on friendship and mutual understanding with the United States would lead [Chile] along the path of doom and failure.”70

69 Suárez, Allende, visión de un militante, 30-33. Puccio, Un cuarto de siglo con Allende, 50.

70 Despatch 107 “Eduardo Frei Accepts Presidential Nomination,” Zook (Lindgren, Dorr) to Department of State, 30 July 1957, 725.00/7-3057, attached to Despatch 94, Zook (Lindgren) to Department of State, 25 July 1957, 725.00/7-2557, Folder – 725.00/4-157, Box 3024; Despatch 643 “Chilean Presidential Campaign,” William Belton, Counselor of Embassy, to Department of State, 2 January 1958, 725.00/1-258, Folder – 725.00/1-258, Box 3025;
Embassy officers favored Alessandri but considered him “a risky candidate.” He possessed none of “personality or popular appeal” of his father (Arturo) and was “too far to the Right to be acceptable to most Chileans.” Even if Alessandri won, the Embassy doubted that he could govern Chile effectively with a minority coalition from the Right.Embassy officers described Zamorano, a defrocked priest who entered the race but had no organized support, as “colorful, demagogic, and unpredictable.” Zamorano was elected to the Chamber of Deputies as a FRAP candidate in March 1957, and had gained renown by helping a FRAP candidate defeat a heavily favored Rightist candidate in a July 1957 by-election.

Allende’s campaign staff soon noticed that the 1958 campaign differed markedly from that of 1952, namely support for Allende was much greater and stronger. During the “A Day’s Wages for Victory” campaign, Osvaldo Puccio, head of Allende’s presidential campaign, went to a winery, expecting no more than eight workers to donate to Allende’s campaign, instead 60 contributed. Performers of Santiago’s vaudeville theaters organized a benefit for Allende at the

Despatch 834 “Chilean Political Trends and Prospects,” Corrigan to Department of State, 15 February 1957, 725.00/2-1557, Folder – 725.00/7-36, Box 3024; Despatch 143 “Establishment of the Christian-Democrat Party of Chile,” Zook (Lindgren) to Department of State, 9 August 1957, 725.00/8-957, Folder – 725.00/4-157, Box 3024; Despatch 1165 “The Presidential Picture According to Julio Duran,” Corrigan to Department of State, 6 May 1957, 725.00/5-657, Folder – 725.00/4-157, Box 3024; and Despatch 1048 “Special Powers for President Ibáñez,” Corrigan to Department of State, 9 April 1957, 725.00/4-957, Folder – 725.00/4-157, Box 3024; all DF 1955-59, RG59, NA. Despatch 143 “Establishment of the Christian Democrat Party of Chile,” Zook (Lindgren) to Department of State, 9 August 1957, 725.00/8-957.

71 Despatch 643 “Chilean Presidential Campaign,” William Belton, Counselor of Embassy, to Department of State, 2 January 1958, 725.00/1-258, Folder – 725.00/1-258, Box 3025; Memorandum “Chilean Presidential Candidates,” Devine to Rubottom and Sanders, 25 September 1957, 725.00/9-2557, Folder – 725.00/4-157, Box 3024; Despatch 1146 “1958 Presidential Picture Subsequent to Recent Events,” Corrigan to Department of State, 3 May 1957, 725.00/5-357, Folder – 725.00/4-157, Box 3024; all DF 1955-59, RG59, NA.

72 Despatch 84 “July 21 By-Elections,” Zook (Zook and Lindgren) to Department of State, 23 July 1957, 725.00/7-2557, Folder – 725.00/4-157; and Despatch 834 “Chilean Political Trends and Prospects,” Corrigan to Department of State, 15 February 1957, 725.00/2-2557, both Box 3024, DF 1955-59, RG59, NA. Bray, “Chilean Politics during the Second Ibáñez Government,” 145-146. Despatch 643 “Chilean Presidential Campaign,” Belton to Department of State, 2 January 1958, 725.00/1-258, Folder – 725.00/1-258, Box 3025, DF 1955-59, RG59, NA.
Caupolicán Theatre. The show lasted from 9pm to 3am and performed to a packed house. Then, two prostitutes came to Allende’s campaign offices and asked that he meet with them and their colleagues so they could donate a day’s wages to his campaign. Fearing a scandal if Allende met with the women, Puccio and FRAP campaign leader José Tohá went in his place. They were properly welcomed by more than 200 women and received as “great quantity of money.”

Many who supported Allende’s candidacy, Puccio admitted, had only “a vague notion of class struggle,” and did not speak of a socialist government. They instead expressed hope for a better future or a better life for the next generation. This hope was ensconced in the Allende campaign’s theme song. Borrowing the melody of the theme song for the 1957 film, *Bridge over the River Kwai*, supporters attached the words: “Pronto…la reacción sabrá…cuando… termina su reinar…cuando…el Doctor Allende…a la Moneda…Ilegue a gobernar [Soon, the reaction will know when its rule has ended, when Doctor Allende arrives at La Moneda to govern].”

Even though Secretary of State Dulles declared, in November 1957, that “we see no likelihood at the present time of communism” gaining control of any Latin American government, ARA and embassy officials worried that Allende and the FRAP might very well do so in Chile. Several Chileans, including some conservatives, remarked that Allende’s campaign was “picking up surprising strength as the campaign progressed.” The U.S. Consul in Antofagasta reported that Allende led in the province and was still gaining votes. Some left-leaning Radicals hinted that Bossay should drop out and support Allende. In February 1958, embassy officers heard that Frei’s campaign was “lagging.” They also discounted a public

73 Puccio, *Un cuarto de siglo con Allende*, 64-68.
74 Puccio, *Un cuarto de siglo con Allende*, 65, 66, 67-68, 70.
opinion poll that showed Allende as a distant third because they believed that the poll underestimated Allende’s support. By March, six months before the election, the embassy expressed concern that Allende might win in September.\footnote{Dulles quoted in Rabe, \textit{Eisenhower and Latin America}, 92. Despatch 586 “New Analysis of Radical Party Campaign Outlook,” Zook (Lindgren) to Department of State, 13 December 1957, 725.00/12-1357. Memorandum of Conversation “Political and Economic Comments on Chile,” Devine, 18 November 1957, 725.00/11-1857, Folder – 725.00/4-157, Box 3024; Despatch 10 “Political Activities in Antofagasta,” Regulo Rivera, U.S. Consul, to Department of State, 26 February 1958, 725.00/2-2658, Folder – 725.00/1-258; and Despatch 782 “Chilean Presidential Campaign,” William Belton, Chargé d’Affaires ad interim, to Department of State, 4 February 1958, 725.00/2-458, Folder – 725.00/1-258, Box 3025; all DF 1955-59, RG59, NA. Despatch 898 “Developments in Chilean Presidential Campaign,” Zook to Department of State, 7 March 1958, 725.00/3-758, Folder – 725.00/1-258, Box 3025, DF 1955-59, RG59, NA. For the poll and the embassy’s analysis, see Despatch 851 “Public Opinion Poll on Presidential Election,” 24 February 1958, 725.00/2-2458, Folder – 725.00/1-258, Box 3025. Despatch 957 “Embassy Views on Problems Resulting from an Increase in U.S. Copper Import Tax,” Belton (Eakens, Zook, Richardson) to Department of State, 21 March 1958, 411-256/3-2158, in U.S. Department of State, \textit{FRUS 1958-1960}, Volume V, microfiche supplement (Washington D.C.: USGPO, 1991), Document CL-1, Frame 84-2635. Hereafter cited as \textit{FRUS 1958-60}, V: Microfiche, document#, frame#.
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### Anxieties and Missed Opportunities

Allende’s improving chances of victory likely contributed to ARA’s conviction that “more concerted action” was needed against Communism in Latin America, a belief which led to Vice President Nixon’s ill-fated trip to Latin America. Urging a stronger offensive against Communism, Special Assistant Henry A. Hoyt told Rubottom that “we must concede that the communists have made gains over the past year” and that U.S. actions were largely “ad hoc” and “not much more than a containment policy.” Rubottom concurred and told Dulles that ARA was going to “increase the intensity and improve the quality” of its anti-communist campaign.\footnote{Rubottom opens his memorandum to Dulles saying that Communism posed “little or no immediate threat to U.S. security” in the region, but the remainder reiterated Hoyt’s points and concern. Memorandum “Anti-Communist Campaign in Latin America,” Hoyt to Rubottom and Snow, Deputy Assistant Secretary of State, 19 November 1957; and Memorandum “Communist Activities in Latin America,” Rubottom to Secretary of State, 4 December 1957; both Folder – 1957 – Communism, Box 2, Subject Files, Rubottom Files, RG59-Lot, NA.} By Christmas 1957, ARA grew more anxious, and Rubottom asked Dulles to travel to the Southern
Cone in February because the situation had “changed substantially.” Dulles had little interest in the region and no desire to travel south. He requested Eisenhower’s “guidance” on the request and called attention to the upcoming NATO, SEATO, and Baghdad Pact meetings, as well as his own vacation plans, implying all were more important than a trip to Chile and Argentina. Eisenhower agreed with Rubottom, “I urgently believe something should be done,” and he proposed sending Vice President Richard M. Nixon, with Dulles or himself travelling to South America shortly thereafter. A few weeks later, Rubottom, Dulles, and Eisenhower were all pressing Nixon to make the trip.

Ambassador Lyon, meanwhile, called for a wholesale reorientation of U.S. policy towards Chile. He was categorical about the necessity of doing so: “We have missed opportunities in the past. What government has not? But let us not repeat the mistake here,” Lyon warned, “We must demonstrate, even more strongly than we have in the past, our sincere interest in Chile….If we do not, others will. In fact, others already have.” Lyon’s reorientation would have elevated Chile to being a key U.S. partner in the Cold War. In a 25 February 1958 despatch, Lyon proposed that the United States should take Chile “more into our confidence,” and should promote an “increased display of [Chile’s] democratic traditions in the forums of international


affairs.” He asserted that the United States could create “one of the strongest possible bulwarks against Communism in the world” in the Western Hemisphere, so “why should we not lay the foundations of this democratic bulwark here in Chile”? He also urged Washington to treat the Chileans as the democratic partners that they were, and to stop “constantly underlining the shortcomings of Chile’s anti-inflation program and start lauding its successes.” Chileans were “politically sophisticated,” Lyon wrote, and “Chile, with reason, prides itself on being a democratic country,” and “it is justly democratic, with all that this implies.” However, he warned, it was “not beyond the realms of possibility” that the Soviets could obtain a “bridgehead” in this “most vulnerable third member of the ABC powers.”

While Lyon sought to use Chile’s democratic exceptionalism as a basis for a new U.S. policy, Donovan Q. Zook, the embassy’s new political officer, sought to institutionalize it in the Department of State. Zook sent ARA a speech by Conservative deputy Raúl Yrrarazaval and suggested that ARA make Yrrarazaval’s speech part of the orientation materials for new Foreign Service officers preparing to work in Chile. In the speech titled “Democracy in Chile” and given at the U.S. Naval War College, Yrrarazaval cast Chileans as “the English of Latin America or the Americans of the South.” Yrrarazaval’s U.S. audience would have recognized his descriptions of battling the Araucano Indians, settling the land, opening mines, and overcoming great distances to reach other parts of the world. With echoes of Frederick Jackson Turner’s frontier thesis, Yrrarazaval asserted that such circumstances had fostered the development of democracy

79 Despatch 857 “Communism in Chile,” Lyon to Department of State, 25 February 1958, 611-25/2-2558, Folder – 611.25/1-3155, Box 2468, DF 1955-59, RG59, NA.
while other Latin American countries endured military dictatorships and had encouraged the rise of an “educated and numerous” middle class who were committed to democratic institutions.”

Lyon’s “democratic partner” proposal gained ARA’s attention, but three events – President Ibáñez’s swerve to the Left, a U.S. proposal to raise taxes on imported copper, and Vice President Nixon’s trip to Latin America – closed the window of opportunity. Regarding Ibáñez’s swerve to the Left, relations between President Ibáñez and the Right had broken down, and Ibáñez’s appeal to the Left for support caused U.S. officials (and some Chileans) to worry that Ibáñez might “throw his support to Allende.” The president met with CUTCh union leaders in late 1957 and discussed their objections to the Klein-Saks program. He also offered FRAP leader Baltazar Castro the position of Minister of Interior, one of the most important positions in the cabinet, but Castro declined the offer.

With Ibáñez’s “flirting” with the Left, U.S. officials subtly tried to dissuade him, but their efforts went awry. U.S. officials had intended to use Ibáñez’s state visit to the Washington in December 1957 for “some straight talking” with Ibáñez, but Eisenhower suffered a stroke on 25 November, forcing U.S. officials to cancel the visit. Lyon believed that the visit had acted “as a brake” on Ibáñez from shifting fully to the Left, so he asked ARA if Eisenhower would write Ibáñez a letter “express[ed] regret” for postponing the visit but also of his (Eisenhower’s) desire to talk about the need for “all the free countries…to maintain a solid front…against

80 Speech “Democracy in Chile,” Raúl Yrarrazaval L., 14 May 1958, enclosed with Despatch 1121 “Democracy in Chile,” Zook to Department of State, 14 May 1958, 725.00/5-1458, Folder – 725.00/1-258, Box 3025, DF 1955-59, RG59, NA.

81 Memorandum “Chilean Situation,” Hoyt to Rubottom and Snow, 11 October 1957, 725.00/10-1157. Bray, “Chilean Politics during the Second Ibáñez Government,” 147. Telegram 386, Lyon to Secretary of State, 27 November 1957, Folder – Chile (6), Box 7, AWF – International Series, DDEL.
Communism.” Eisenhower sent the letter, and Ibáñez replied that he opposed Communism as well. Ibáñez also assured Lyon that he was not moving to the Left. A week later, Lyon asked Rubottom if the White House could publish the exchange of letters between Eisenhower and Ibáñez, as well as offer a new date for the state visit, preferably early to mid-1958. “If we keep the invitation [to the White House] pending until April or May,” said Lyon, “it will give us about three months more of holding [Ibáñez] in check,” and probably prevent him from turning Left for the remainder of his presidential term. Rubottom, Dulles, and Eisenhower agreed. The letters were published and Ibáñez’s state visit was rescheduled for late April (Eisenhower’s first after his stroke). The scheduled state visit likely was the reason why Chile was not placed on the itinerary of Vice President Nixon’s trip to Latin America.

Lyon’s new plan to hold Ibáñez “in check” started to unravel due to a by-election for a Chamber of Deputies seat. On 23 March 1958, voters in a Santiago district cast ballots, and the Rightist candidate won by several thousand votes. Fearing the election foreshadowed an Alessandri victory, the Center and Left parties united into a bloc called “Everyone against Alessandri” (TOCOA – Todos contra Alessandri). With a majority in the Chamber and Senate, TOCOA ousted the Liberal/Conservative leadership and announced a two-point program: passage of electoral reforms (expanding suffrage and introducing the secret ballot) and the repeal


of the Defense of Democracy law. Supporting the repeal, Radical candidate Bossay claimed that the strength of Chile’s democratic traditions mitigated the threat posed by Communists; moreover, the European democracies of Great Britain, France, and Italy had Communist parties, implying that Chile’s democracy was equally capable of doing so. With TOCOA in control of Congress, Ibáñez faced a strong inducement to make alliances with the Left.

As the second event, U.S. Secretary of the Interior Fred Seaton unintentionally derailed Lyon’s plan to keep Ibáñez from turning to the Left. On 11 April, a few days after TOCOA took control of Chile’s Congress, Seaton recommended that the U.S. Congress revoke the suspension of taxes on imported copper. Seaton’s recommendation caught the Department of State, the White House, and Chileans “entirely by surprise.” Dulles confessed to President Eisenhower that Seaton had “made a bad statement,” and that a “violent press and public reaction in Chile” had resulted. Rubottom exacerbated the controversy when he admitted to Chilean Ambassador Mariano Puga that the Department of State was caught between a “foreign relations problem” (its opposition to reimposition of import taxes) and a “domestic problem” (copper companies)

84 Bray, “Chilean Politics during the Second Ibáñez Government,” 150-153. Despatch 1019 “Developments During March in Chilean Presidential Campaign,” Zook to Department of State, 725.00/4-1158; and Despatch 1129 “Political Observations of Luis Bossay and Dario Ste. Marie,” Zook to Department of State, 16 May 1958, 725.00/5-1658; both Folder – 725.00/1-258, Box 3025, DF 1955-59, RG59, NA.

lobbying Congress for protection from foreign imports). Rubottom’s comment suggested that the department was indecisive even though it strongly opposed Seaton’s proposal.\(^8^6\)

Confusion over job titles fueled the uproar as much as Seaton’s proposal had. Embassy officers informed ARA that they suspected Ibáñez (and perhaps many Chileans) assumed that the U.S. Secretary of the Interior was the “top-ranking” member of the Cabinet, which was the case in Chile. Chile’s Minister of the Interior roughly approximated a combination of the U.S. Attorney General, Secretary for Homeland Security, domestic policy advisor, and Chief of Staff; meanwhile, the U.S. Minister of Interior is equivalent to a blend of Chile’s Minister of Mines and Minister of Lands and Colonization. With the job title confusion, Seaton’s recommendation sounded like a formal change in U.S. policy. Although recognizing the problem, neither Chargé d’Affaires ad interim William Belton nor other embassy officers tried to clear up the confusion with Ibáñez and other Chilean cabinet members. The embassy did report that Ibáñez was expecting Eisenhower or Dulles to “clarify” Seaton’s statement. When neither did, Ibáñez abruptly cancelled his state visit to Washington, which was less than two weeks away – a clear diplomatic snub to the United States.\(^8^7\)


\(^8^7\) Telegram 692, Belton to Secretary of State, 17 April 1958, attached to Memorandum, Fisher Howe to General Goodpaster, 18 April 1958; and Translation of Telegram, Ibáñez to Eisenhower, 16 April 1958, attached to Eisenhower to Ibáñez, 18 April 1958; both Folder – State Visits, 1958-1959 (3), Box 5, CGMR—Subject Series, State Department Subseries, DDEL.
Seaton’s proposal ballooned into a diplomatic fiasco and handed Allende a campaign issue. The embassy told ARA that “Chileans almost universally applaud” Ibáñez’s cancellation and deem it as “upholding national dignity.” On the campaign trail, Allende criticized the United States for “adopting internally a policy diametrically opposed to that which it imposes on other nations.” The “nation of the North,” Allende declared, imposes tariffs on imported minerals in order to protect its mining industry, but demands that Chile open its markets to U.S. products. Chargé Belton, meanwhile, skewered Ibáñez: “He long ago earned [the] local title of ‘the horse’: Stubborn animal, likely to run any direction, and inclined to kick out at those too near him. This time he kicked us and is momentarily reaping public acclaim for so doing.” Eisenhower and Dulles agreed that they could do nothing but “call of the dinners,” but Eisenhower blamed Seaton for the cancellation. The president asked Dulles if Seaton had coordinated his announcement with the Department of State, and Dulles said no. Irked, Eisenhower said he would have his assistant call Seaton and “tell him by no means is he running foreign affairs of the US and if he is going to make statements he will coordinate them.” Adding to Eisenhower’s difficulties, the U.S. Congress re-imposed the taxes on imported copper.88

Riding a wave of popularity, Ibáñez embraced TOCOA’s program, and the TOCOA-controlled Congress and Ibáñez enacted several election reforms. The new suffrage laws levied fines on persons failing to vote and severe penalties for the cohecho (vote buying), through

88 Speech by Allende, “Por las calles de hoy desfilo mundo del mañana,” El Siglo, 31 May 1958, p. 6. Telegram 692, Belton to Secretary of State, 17 April 1958. The telegram appears in FRUS 1958-1960, V: microfiche, but its last two paragraphs were declassified after publication. Memorandum of Telephone Conversation, Dulles to the President, 16 April 1958; and Memorandum of Telephone Conversation, Eisenhower to Dulles, 16 April 1958; both FRUS 1958-1960, V, microfiche: Cl-3, 84-2641. For reimpestion of imported copper taxes, see Memorandum “Strategic Controls on Copper and U.S. Relations with Chile,” Rubottom (Silberstein) to C. Douglas Dillon, Deputy Under Secretary of State for Economic Affairs, 18 June 1958, FRUS, 1958-1960, V: microfiche, Cl-6, 84-2654.
which owners of fundos (landed estates) had long controlled the votes of rural workers and small landholders. With land and factory owners unable to control the votes of workers, the Left and Center gained strength, and the Right shrank to a minority. Congress and Ibáñez also repealed the Law for the Permanent Defense of Democracy. Despite long viewing the law as bad legislation and a failure, U.S. officials considered repeal “a distinct loss from the standpoint of U.S. policy objectives in Chile.” One month before the election, the Communist Party regained its legal standing and party members regained the right to vote.89

After Ibáñez’s swerve to the Left and Seaton’s call to impose taxes on imported copper, Vice President Nixon’s trip to Latin America was the third event that closed the window of opportunity for Lyon’s “democratic partner” plan. U.S. officials had not placed Chile on the Vice President’s itinerary (due to Ibáñez’s scheduled state visit), but the Chileans’ angry reaction to Seaton’s statement and Ibáñez’s cancellation of the state visit “ensured that any representative of the United States would be badly received in Santiago.” The Ibáñez state visit/Seaton statement fiasco foreshadowed the difficulties that Nixon faced on his May 1958 trip. Nixon debated U.S. policy with hostile students in Uruguay, and faced angry students in Peru, with a

stone thrown at him, striking his in the head. In Venezuela, Nixon was spit upon at the airport and a mob attacked his motorcade on the streets of Caracas.  

Nixon’s rough treatment in South America shocked Americans and Latin Americans alike, but many took it as a sign of the state of U.S.-Latin American relations. Senator Wayne Morse (D - Oregon), chair of the Senate’s Subcommittee of American Republic Affairs, put it bluntly: “In 1953, the President’s brother, Milton Eisenhower, made a successful ‘good will’ tour of South America. Five years later our Vice President was met with stones and forced to return home. In those five years, we have obviously missed the boat, so to speak, in South America.” Horacio Suárez, the Chilean Chargé d’Affaires in Washington, explained to the Foreign Minister in Santiago that Nixon’s trip “had the virtue of demonstrating to the [United States] the errors of the [U.S.] policy, together with the urgent necessity of changing it.” The Chilean press condemned the violence, but they did not view Nixon/United States as a blameless victim. The conservative El Diario Ilustrado editorialized that Latin Americans felt neglect and resentment as they “witnessed torrents of (U.S.) money” heading to Europe and Asia for economic development, but Latin America received little.  


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Although ARA had favored Chile since 1954, U.S. embassy officers in Santiago agreed with the Chilean press and Senator Morse; in fact, Chargé Belton implored Washington, “Demonstrate that we do recognize the difference between a Dominican [Republic] dictatorship and a Chilean democracy.” Although the embassy tempered its criticism with comments such as “Chileans are adept in seeing the mote in our eye and not the beam in their own,” Belton made clear that the Chileans wanted “new ideas,” not “more explanation of old ones;” they desired “new systems and techniques,” not “more volume.” He urged Washington to work to resolve commodity problems, adequately finance long-term development, build housing, increase PL-480 assistance, support a regional free trade market, and better coordinate U.S. policy and public relations. Belton was advocating an early version of the Alliance for Progress; furthermore, he asserted that U.S. insistence that the Chileans not have cultural and non-strategic trade contacts with Soviet bloc nations “gives the impression of blind fear.” “We have not lived down the harm McCarthyism did us here, and [we] will not until we relax and let the Chileans know we recognize they are as politically sophisticated as we are.”

While Belton and the embassy pressed Washington to treat the Chileans as democrats, Vice President Nixon argued that democracy was the problem, not the solution. In a 22 May meeting of the NSC, Nixon asserted that “the threat of Communism in Latin America was greater…than ever before in history.” He granted that South America “was certainly evolving toward a democratic form of government,” but “we should realize that such a development may not always be…the best of all possible courses, particularly in those Latin American countries

92 Belton was referring to Manuel Trujillo, the long-time dictator of the Dominican Republic. Despatch 1142 “U.S. Policy Toward Chile,” Belton to Department of State, 20 May 1958, 611.25/5-2058, Folder – 611.25/1-3155, Box 2468, DF 1955-59, RG59, NA. The document is also in FRUS, 1958-1960, V: microfiche, Cl-5, 84-2646-2653.
which are completely lacking in political maturity.” He claimed that the new democratic leaders who had overthrown the dictators were from the Marxist-influenced middle class and “evolving intelligentsia.” They were “naïve about the nature and threat of Communism,” deeming the Communists as “nothing more than a duly-constituted political party.” Nixon was unequivocal: “[W]hile we are thus witnessing the development of democracy in Latin America, we are at the same time witnessing the development of a serious Communist threat.”

By linking the expansion of democracy to the spread of Communism, Nixon inverted the logic of U.S. post-WWII foreign policy. Since World War II, U.S. policymakers had asserted that the spread of democracy and the free exchange of ideas would impede, even stop the spread of Communism. Nixon, however, argued that democracy posed a liability, not an asset, and that United States could not win in the public debate and exchange of ideas. Moreover, Nixon suggested that U.S. officials might need to sacrifice democracy in some countries in order to defeat the Communists. This outlook cast the bipolar Cold War not in ideological terms, but in terms of partisan politics and power, where one worked to retain and increase the number of partisans on one’s side. Nixon’s view was a far cry from that of the U.S. Embassy officers in Santiago, who pressed Washington to value Chilean democracy in and of itself.

93 Memorandum “Discussion at the 366th Meeting of the National Security Council, Thursday, May 22, 1958,” S. Everett Gleason, Deputy Executive Secretary of the NSC, 23 May 1958, Folder – 366th Meeting of the NSC, May 22, 1958, Box 10, AWF – NSC, DDEL. This memorandum is reprinted in FRUS 1958–1960, V: 239–246. Several lines of text have been declassified since that volume of FRUS was published.

94 Contrary to assertions of continuity between Nixon’s reports after his return from South America, Nixon offered a much darker assessment and course of action to the 366th meeting of the NSC than he had done a week earlier to the cabinet. For continuity between Nixon’s reports, see David F. Schmitz, Thank God They’re on Our Side: The United States and Right Wing Dictatorships, 1921–1965 (Chapel Hill: University of North Carolina Press, 1999), 211–213.
After the NSC meeting, during a 2 July 1958 news conference, Eisenhower initially sought to justify U.S. support for dictators because of Cold War tensions, but Senator Morse had little patience for it. “The President couldn’t be more wrong,” Morse declared, “To embrace dictators merely because they offer us an advantage in strategic bases or materials is to risk losing the most important stake in this struggle: the allegiance and loyalty of their people.”

A repressive dictator, he said, not only was “an unreliable ally,” but U.S. support for dictators also gave “a propaganda weapon of tremendous value” to the Communists. Morse called committee hearings to review U.S. policy towards the region, pronouncing: “When our friendships deteriorate in South America, it is really time to take stock, and not only of them but of ourselves as well.” Chilean Chargé d’Affaires Suárez admitted that Morse was “one of the harshest and most incessant critics of the Eisenhower administration,” and Dulles and Nixon tried to dismiss Morse’s criticisms as efforts to discredit the president’s foreign policy.

Pressure within and without the Eisenhower administration mounted, and by August, the administration altered U.S. policy to favor the hemisphere’s democracies over its dictators. Senior ARA officials in the Department of State had pushed for the changes in policy. “It is high time that Americans in general discover Latin America,” Assistant Secretary Rubottom told the House of Representatives’ Foreign Affairs committee, and one ARA official told Rubottom that

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the moment “presents us with an opportunity – perhaps our last major one before serious
deterioration in our relations sets in.” In a letter to Eisenhower, Brazilian President Juscelino
Kubitschek proposed “Operation Pan American.” Basically a Marshall Plan for Latin America,
Kubitschek’s proposal called for the United States to offer $40 billion dollars in aid to the region.
The Eisenhower administration rejected Kubitschek’s proposal and instead created the Inter-
American Development Bank (IADB) to finance regional development, although the IADB did
not make its first loan until 1961. In August 1958, Eisenhower announced that “authoritarianism
and autocracy of whatever form are incompatible with ideals of our great leaders of the past.”

A Very Close Thing

Salvador Allende’s candidacy continued to gain strength during April, May, and June 1958
while Washington reeled from the fallout of Nixon’s trip. Embassy Political Officer Donovan
Zook reported that “[w]ithout any question” Allende’s prospects for victory had improved and
that “the general subjective ‘feel’ of the country” was pro-Allende. Allende’s growing strength
was evident at a 29 May 1958 rally called “The Four Marches of Victory.” Following
instructions and a diagram printed in El Siglo, the four columns of Allende supporters marched
from four different locations in Santiago and converged at Plaza Bulnes. The columns were
organized by occupation and enthusiastic adherents created banners and placards to demonstrate
their support. A group of women florists decorated placards in brightly colored flowers that

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97 Statement before the House Foreign Affairs Committee, Subcommittee on Latin America, Rubottom, 3 June 1958,
Box 1, Series 397 – South American Trip 1958, Nixon Pre-Presidential Papers. Memorandum “Some Thoughts
Derived from My Recent Trip to South America,” Ben S. Stephansky, Office of River Plate Affairs, to Rubottom, 18
June 1958, Folder – 1958 – Policy, Box 8, Subject Files, Rubottom Files. Rabe, Eisenhower and Latin America,
109-115, 105. “Exchange of Letters between the President and President Kubitschek of Brazil,” 10 June 1958, PPP:
spelled out Allende’s name when they walked side-by-side. A “sea of humanity,” proclaimed *El Siglo*, flowed into Plaza Bulnes from the four sectors of the city. U.S. embassy officers confessed that the rally was more than twice the size of a FRAP rally held several months earlier. Although the embassy doubted *El Siglo*’s figures of 130,000 people in attendance and cited “[m]ore objective estimates” of 60-65,000, it admitted that the lower estimate was still “a large number” for Santiago.\(^9\)

At the Four Marches for Victory rally, Allende gave what the U.S. officials termed a “major address,” during which, he harshly criticized U.S. policy. Allende prefaced his criticisms by emphasizing that “we have nothing against the North American people;” however, he accused the Department of State of pursuing “a policy that is odious and unpopular,” and charged that U.S. leaders pursued domestic policies that were “diametrically opposed to what they impose on other countries.” U.S. officials pressed other nations to reduce tariffs and open their markets, Allende said, but Seaton’s tariff protected the U.S. mining industry. Allende decried the 1952 Mutual Security Pact, under which Chile’s Armed Forces received U.S. military training and equipment, and in exchange, the Chilean government promised not to sell copper to Communist bloc nations. The bilateral agreement, Allende charged, “imposes on us a treaty that is beneficial for the nation of the North but detrimental to us. As Chileans, we reject the prohibition of placing our copper in any country and of accepting the best conditions of the market.” He

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charged that U.S. PL-480 loans had undermined Chile’s trade with its Latin American neighbors, particularly Argentina, and that the Klein-Saks mission had damaged the Chilean economy. “Why do the Right and its candidate [Alessandri] not face the country, to defend the action of the Klein-Saks Mission and the economic policy that they imposed from the Government,” he said, “Why are they not held responsible before the unemployed worker, the impoverished employee, the bankrupt industrialist, the ruined shopkeeper, and the indebted farmer, of the flaws of a policy…that only benefitted monopolistic capital and foreign businesses?” “We demand,” he continued, “the right to seek our own solutions and to follow the road that better accommodates our habits and traditions….I declare publicly, that the only thing that we await and insist upon from the United States is the respect for our liberty to determine and follow independently the policy that best suits Chile within and outside its borders.” “Today,” Allende concluded, “our triumph has been won on the streets. Today, it has been demonstrated that Chile is not for sale. Today the power of the dollar, the threat, and the lie has been defeated. Today, the reaction has been notified of its demise….Today, we have founded a new Chile!”

Just before the rally, Allende proposed a new copper law to replace the 1955 Nuevo Trato. During the campaign, Allende had promised copper miners in Rancagua (near the El Teniente mine) that “the copper would be Chileno, that he would go to [their city] to sign the decree” nationalizing it. However, Allende proposed something less than nationalization and more closely resembling the state monopoly that González Videla had created for copper in 1952.

99 “Por las calles de hoy desfilo mundo del mañana,” El Siglo, pp. 6-7.

Allende called for raising tax rates on copper companies to their pre-1955 levels and mandating a 100 percent return of “all foreign exchange generated by the sale of [copper].” He justified the measures because Chile’s very low cost of production, “which permits [the copper companies] to obtain excess profits” (excess profits would be a key concept in the 1971 Allende Doctrine). He also advocated creating a government entity to control copper sales and distribute the income. Moreover, he said that the state should obtain “exact knowledge of the elements that come into play in the production of copper, in order to defend the interests of the country, interests such as the human capital that lives on this industry.”

Allende’s critique was partly on the mark. Despite Eisenhower administration claims that private investment was the path to national development, Chile’s experience with the copper companies had proven the claim as true and false. The Chileans had learned that the bad investment climate between 1951 and 1953 had discouraged foreign investment, but they hoped that the 1955 Nuevo Trato would encourage Anaconda and Kennecott Copper companies to increase investment in Chile. Both companies did invest new capital in Chile, but Anaconda Copper also doubled its after-tax profits from its Chilean operations, and Kennecott nearly did so. Instead of using their greater profits for new investment in Chile, the copper companies used the profits to invest in other countries, in vertical integration, and other industries. Thus, Allende could credibly and effectively claim that Chile was an “exporter rather than an importer of

101 “Medidas Concretas del Gobierno Popular,” Convención Nacional de Profesionales y Técnicos de la Candidatura de Salvador Allende, July 1958, Folder 2503, Box PPCO-04, Fundación Eduardo Frei, Santiago, Chile, p. 53-55. Hereafter cited as Fundación Frei. Memorando “Allende’s Remarks at Foreign Correspondents Dinner,” Hewson A. Ryan, Press Attaché, to the Ambassador and George N. Butler, 8 July 1958, enclosed with Despatch 49 “Off the Record Press Conference with Presidential Candidate Allende,” Zook to Department of State, 15 July 1958, 725.00/7-1558, Folder – 725.00/1-258, Box 3025; and Memorandum of Conversation “Roberto Vergara’s Views on U.S. Relations with Chile,” Silberstein, 3 June 1958, 611-25/6-358, Folder – 611.25/1-3155, Box 2468; both DF 1955-59, RG59, NA.
capital.” In fact, Charles Knox of Klein and Saks warned ARA that the copper companies enjoyed such a “good deal” under the Nuevo Trato that it placed the companies in a “vulnerable” position for the presidential campaign, namely Allende’s “nationalization” plan.  

After the FRAP’s Four Marches to Victory rally, U.S. officials grew anxious that Allende might win. They acknowledged that “the most important trend” of the election was Allende’s “remarkable upswing” and that he had “succeeded in narrowing the gap between him and Alessandri to the point where anything can happen.” ARA officials, including Assistant Secretary Rubottom, believed that “it would be better if any of the candidates other than Allende won;” however, they also concluded that even if Allende lost, he would still win because he and the Left would be a political force “to be reckoned with for years to come.” U.S. officials admitted that Alessandri “would most likely advance U.S. objectives in Chile,” but he would not undertake enough reforms to stem the growing appeal of Allende and the Left. Frei “might do better” in pushing reform, but the embassy believed that the Christian Democrat should “have saved himself for the 1964 campaign.” U.S. policymakers concluded that Bossay would “probably never be President in any year,” but they took consolation that he had kept Radical

voters from Allende; otherwise, “Alessandri would have little chance of victory.” In fact, U.S. officials believed that Bossay, not Zamorano, was keeping Allende from victory.

Despite their concerns, Eisenhower administration officials were extremely hesitant to tamper with Chile’s presidential election, partly because they feared the consequences and partly because the Right’s efforts precluded the need for U.S. action. The Department of State and the OCB recognized that any tampering with the election would backfire badly against the United States. As the OCB noted, “Any reasonably substantive charge of U.S. intervention in [Chile’s] internal matters would not only alienate large segments of the populace for a considerable period

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103 Emphasis in original; italics are used in place of the original quotation marks. Memorandum “Outlook for the Chilean Presidential Election,” R. Phillips to Rubottom and Bernbaum, 15 August 1958, 725.00/8-1558, Folder – 725.00/1-258, Box 3025, DF 1955-59, RG59, NA. Despatch 138 “Presidential Election Outlook,” Zook to Department of State, 8 August 1958, 725.00/8.858, Folder – 725.00/1-258, Box 3025, DF 1955-59, RG59, NA. Memorandum “Strategic Controls on Copper and U.S. Relations with Chile,” Rubottom (Silberstein) to Dillon, 18 June 1958, 460.259/6-1858, FRUS, 1958-1960, V: microfiche, CI-6, 84-2656.

104 Many have claimed that Zamorano, the Cura of Catapilco, cost Allende the election; however, it was likely Bossay who was the spoiler. The Zamorano-as-spoiler claim assumes that every vote for Zamorano would have been a vote for Allende, which is unlikely. The claim also overlooks the element of Catholicism, and Zamorano being a former priest. Perhaps the best evidence for the Bossay-as-spoiler assertion is a February 1958 public opinion poll, which suggested that Zamorano’s votes probably would have gone to Frei rather than Allende. The poll questioned 3300 potential voters in cities from Antofagasta to Puerto Montt, and the North American polling firm concertedly tried to obtain not just a geographical distribution but also “a representative cross-section by age-groups, occupations, and educational levels.” Potential voters were asked to designate a second choice for President if they could not vote for their first option. Of those favoring Zamorano, 36 percent selected Frei as their second choice, 32 percent picked Alessandri, while only 14 percent opted for Allende. The choice of Frei was logical, because Zamorano, as a former priest, blended Catholicism with an extensive reform program; meanwhile, the FRAP was more “anti-Church.” During the campaign, U.S. officials consistently referred to Bossay as the spoiler for Allende. Five years later, ARA and the embassy determined that Bossay, not Zamorano, had “denied Allende victory” and that Radical votes were the key to an Allende victory. See Despatch 271 “Distribution of Votes in Presidential Election,” Zook to Department of State, 15 September 1958, 725.00/9-1558. Memorandum of Conversation “Chilean Presidential Elections and Chile’s Need of Foreign Aid,” R. M. Phillips, 15 September 1958, 725.00/9-1558. For others who assert that Zamorano took votes from Allende, see For U.S. official reviewing the 1958 election five years later, see Memorandum of Conversation “Chilean Presidential Election 1964, and Implications for US Strategy and Policy,” Ralph W. Richardson, Chile Desk Officer, 14 November 1963, U.S. Department of State, FRUS, 1961-1963, Volumes X/XI/XII – American Republics/Cuba, 1961-62/Cuban Missile Crisis and Aftermath, Microfiche supplement (Washington D.C.: USGPO, 1998), Document CHI-23/3. Airgram A-233 “Observations on the Possible Effect Should Julio Durán Withdraw from the Presidential Race,” Robert A. Stevenson, Counselor for Embassy for Political Affairs, to Department of State, 6 December 1963, Folder – POL 15 Government Chile 2/1/63, Box 3866, Central Foreign Policy File 1963, RG59, NA.
but would seriously damage our general position in Chile.” Moreover, it would be difficult to maintain any U.S. actions as covert. USIS analysts observed that, “In no other country, either in Latin America or Western Europe, [were] suspicions of U.S. domination quite so extreme as in Chile,” and any sudden infusion of resources would draw attention. Also, Alessandri enjoyed “generous financial support” from Chile’s commercial and agricultural elite. Alessandri posters, banners, portraits, and campaign ads were “ubiquitous” in Santiago, and according to political officer Donovan Zook, Alessandri radio spots and roaming sound trucks had “gone well beyond the point of diminishing returns.” Furthermore, rumors swirled that Alessandri’s forces secretly financed Bossay’s campaign in order to keep Radicals from voting for Allende. There were also rumors that the Right had paid Zamorano to continue his campaign, and Alessandri supporters were giving Zamorano access to southern agricultural workers so that they “might be wooed away” from Allende. One month before the election (August 1958), U.S. policymakers concluded that Alessandri would likely “nos[e] out Allende by a very narrow margin.”

Allende, meanwhile, in August 1958, took his campaign south on “the Train of Victory,” a whistle-stop tour during which he gave 147 speeches in 11 days. He visited El Teniente copper miners near Rancagua, the coal miners of Lota and Coronel, the campesinos of the southern Central Valley, as well as the major cities of Osorno, Curicó, Concepción, Valdivia, and Puerto

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106 Despatch 138 “Presidential Election Outlook,” Zook to Department of State, 8 August 1958, 725.00/8-858, pp. 4, 9, 10. Documento #712/195, 2 June 1958, Volumen 4973, Tomo I 1958 Confidenciales: Oficios, Embajada de Chile en Washington, AMRE.
Montt. Multitudes of supporters crowded around the train, and people ran alongside the train in order to touch Allende’s hand, causing Allende’s staff to fear that an accident might occur. “In many places, the train had to stop unexpectedly,” Puccio noted. “[P]eople had lined themselves” across the tracks, and at night, they made large bonfires on the tracks. Allende would get off the train and greet them. Unprepared for the large crowds or their fervor, Allende’s campaign considered the Train to Victory to be a great success. At Curicó, however, after Allende’s speech, a woman approached the senator and kissed the cuff of his pants. Furious, Allende scolded her. Returning to the train, he told his staff: “Compañeros, I am not a Messiah, nor do I want to be one. I want to appear before my people, before my public as a political possibility. I want to appear as a bridge toward Socialism….We can not assume the government, we can not arrive at La Moneda with a people who hope for miracles….the construction of socialism is not an easy thing…. And a woman who kisses pants or seeks to kiss one’s feet expects miracles that I am not able to make, because the people must make the miracle, not I.”

Allende ended his 1958 campaign with a large rally in Santiago that emulated the success of the Four Marches to Victory, but the rally also sought to link Allende’s campaign with past liberation efforts. It was largest of the rallies that concluded the five campaigns. On 31 August, FRAP partisans formed four columns in separate parts of Santiago and came together in Plaza Bulnes. Three columns were named after past Chilean presidents: Bernardo O’Higgins, José Manuel Balmaceda, and Pedro Aguirre Cerda; the fourth column was called “Salvador Allende.” Each column carried a banner with a portrait of their namesake and the four portraits were placed behind the podium where Allende spoke. Allende and his staff choose the three presidents in

107 Puccio, Un cuarto de siglo con Allende, 70, 75, 74, 72.
order “to document” Allende’s “continuity” with the liberation struggles of O’Higgins, the father of the country; Balmaceda, the martyred president of the 1891 civil war; and Aguirre Cerda, the Popular Front president, under whom Allende had served as Minister of Health.108

On 4 September, Chileans cast their ballots, and Alessandri edged Allende by 33,000 votes (389,909 to 356,493). Frei finished third (255,769), Bossay was fourth (102,077), and Zamorano trailed far behind (41,304 votes). Chile’s Ambassador to Washington, José Serrano Palma, said the results were “magnificent,” but confessed to Rubottom that Alessandri’s victory was “a very close thing.” “The election results,” he added, “now made it all the more advisable for the United States to give sympathetic consideration to Chile’s need of economic assistance.”109

U.S. officials viewed Alessandri’s victory as “a satisfactory outcome,” but they also recognized that it “a very close thing” that the United States was not confronting an elected Marxist government under Allende. Embassy political officer Donovan Zook told ARA that Alessandri’s “alarmingly narrow margin” of victory “can be construed as virtually a political accident,” and that “the United States would be seriously mistaken in taking a complacent attitude that ‘everything is all right in Chile.’” He warned that “unless Alessandri succeeds in making headway against the perplexing tangle of economic, social and political problems which

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108 Puccio, Un cuarto de siglo con Allende, 79. For a photograph of the rally and the four banners with Allende at the podium, see Federico Vogelius, ed., Salvador Allende, Grandes Reportajes de Crisis series (Buenos Aires: Prensa Médica Argentina, 1974), p. 67. The caption incorrectly dates the photograph. O’Higgins was Chile’s first president and helped lead the struggle for Chile’s independence. President during Chile’s civil war, Balmaceda was defeated by military and conservative elements, and committed suicide rather than surrender to them. Pedro Aguirre Cerda was the first Popular Front President, and he is viewed something as a mixture of Franklin Roosevelt (a populist program for all Chileans, not the elites) and John F. Kennedy (inspiration).

confront Chile, the extremist left vote may well come out on top next time.” Zook explained that Allende had received “seven times” the number of votes he received in 1952, and had dominated the northern and southern thirds of the country. Even in the Central Valley, long a stronghold of the Right, Zook remarked, “Alessandri came dangerously close to losing out in some of the provinces which would traditionally be considered as securely in his camp.” According to Zook, Alessandri owed his victory to his success in Santiago and Valparaíso, and 30,000 of his 33,000-vote margin of victory were from Santiago.\textsuperscript{110}

Assistant Secretary Rubottom and the new U.S. Ambassador to Chile, Walter Howe, shared Zook’s alarm. The OCB viewed Alessandri’s victory a “setback” for the Communists, but Rubottom thought otherwise. Shortly after a meeting that considered Castro’s growing revolution in Cuba, Rubottom remarked: “[O]ur political interests will not permit us to stand by and watch Chile ‘go down the drain.’”\textsuperscript{111} In Santiago, Ambassador Howe feared that Allende might achieve power legitimately, and stressed to ARA that Chile had entered a “crucial testing period” during which “western-oriented democracy” must prove that it can resolve Chile’s problems. Embassy officers called upon Washington to “help the new government stave off the economic and social pressures which might otherwise lead to a disastrous collapse of the nation’s dependability as a strong ally of the western democracies.”\textsuperscript{112}

\textsuperscript{110} Despatch 271 “Distribution of Votes in Presidential Election,” Zook to Department of State, 15 September 1958, 725.00/9-1558, Folder – 725.00/1-258, Box 3025, DF 1955-59, RG59, NA. Despatch 921 “Operations Plan for Latin America,” Howe (Zook and Krieg) to Department of State, 17 March 1959, 611.25/3-1759.

\textsuperscript{111} Special Report on Latin America (NSC 5613/1), OCB to the NSC, 26 November 1958, Folder – Latin America (2), Box 63, NSCS – Disaster File, DDEL, p. 19, 4. Memorandum “Chile Seeking Financial Assistance,” Rubottom to Dillon, 23 December 1958, attached to Note, Rubottom to Dillon, 23 December 1958, Folder – 1958 – Chile, Box 5, Subject Files, Rubottom Files, RG59-Lot, NA.

\textsuperscript{112} Despatch 851 “Public Opinion Poll on Presidential Election,” Zook to Department of State, 24 February 1958, 725.00/2-2458. Despatch 271 “Distribution of Votes in Presidential Election,” Zook to Department of State, 15
Socialist leader Alejandro Chelén Rojas claimed that, “[t]he 1958 election was the first stumble, on the ascendant road of the FRAP;” however, FRAP leaders took the opposite lesson from the election. They grew confident that the FRAP could gain power through democratic elections and that Allende was a legitimate presidential contender. Allende declared that, “not only have we forged popular unity and given a distinct substance to the new left: *We have formed a national conscience.*” Popular Socialist leader Raúl Ampuero wrote, “Everyone came to believe that never were the people closer to power.” He further admitted that the Allende’s “candidacy originally was considered without expectations” but it had “mushroomed into an impetuous offensive that menacingly challenged the control of the reactionaries.” Max Nolff, a Socialist Party Central Committee member, asserted that the near-victory “impelled the popular forces to more determined political action in order to achieve better organization and broaden the social base with the end of facing the next presidential contest in more favorable conditions.”

The electoral results initially divided the FRAP between those who wanted to protest election fraud and those who wanted to accept the result. Some Allende partisans, believing Alessandri’s scant 30,000-vote victory signaled a stolen election, wanted to take to the streets “to defend [Allende’s] triumph.” The Central Committee debated whether or not to concede the election to Alessandri, but they were unaware that Allende had already done so. Chelén charged, “It was not necessary” for Allende to concede “in the style of bourgeois candidates,” “validating

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the fraud” that the Right had perpetrated. Allende strongly disagreed: “[T]hrowing people into
the street, signified a civil war, which was a political and historic irresponsibility.” The FRAP,
he said, had committed itself to “the road not armed,” and since it “had chosen the democratic
bourgeois road, we must be consistent and accept the defeat without resignation.” He too
believed that the Right “had stolen the election,” but “these were the risks of the struggle within
the system of bourgeois democracy.”

Allende sought to calm and reassure his supporters during a 9 September radio speech, and
it likely augmented his stature as a national leader. “If each Chilean would put their ear on the
ground,” he said, “they would hear the message that today travels the world: people want
independence and not vassalage; economic cooperation and not exploitation; progress and not
stagnation; broader horizons for living with dignity and happiness.” “This is what is embodied
in our movement,” he said, “We have captured this message.” “I will reintegrate myself into the
ranks as one more soldier,” Allende concluded, but this time, he said, “they will find me more
principled, more determined, more enthusiastic, more combative, and more hopeful.”

Conclusion

Reviewing the 1950s, scholar Frederick Pike claimed, “I am now convinced that Chileans
fooled us thoroughly….Deceived by the undeniably attractive and appealing features of the
nation and its political traditions, we have tended, at least until late 1961, to assume that all must

115 Chelén, Trayectoría del Socialismo, 156. Puccio, Un cuarto de siglo con Allende, 83-84.
116 Suárez, Allende: Visión de un militante, 42-43.
be well.\textsuperscript{117} Pike was incorrect; the Chileans “deceived” no one. Eisenhower administration officials, like their predecessors, favored Chile because they perceived it to be a democracy and wanted it to serve as a model for Latin America and the developing world. The Eisenhower Administration recognized in late 1954 that “all was not well” in Chile, and it worked to stem social revolution and the growing strength of Allende and the FRAP. Washington hoped to strengthen Chile’s democracy through economic liberalism and fiscal conservatism. Holland and other ARA officials allowed the Chileans to pursue their own initiatives (the Klein-Saks mission), encouraged them to implement reform, and ensured that Chile received loans and assistance to soften the hardships of stabilization and reform.

The Eisenhower administration made errors, and Ibáñez, his administration, the Chilean Right, and the copper companies undermined the U.S. strategy. Ibáñez’s poor leadership and his refusal to cultivate allies in Congress undercut national economic policy. Congress placed the burden of stabilization on the middle, working, and lower classes, and the Right rebuffed suggestions that they share the burden. U.S. officials did not pressure the Ibáñez administration or the Right to share the burden of stabilization as the Klein-Saks team had recommended. Chileans expressed their frustration in the 2 April 1957 riots, ending the stabilization program. With the Nuevo Trato, Kennecott and Anaconda Copper companies gained greater profits from their Chilean operations but invested the profits in other places and other operations. Secretary of the Treasury Seaton’s proposal to re-impose the tax on imported copper exploded into a diplomatic fiasco, leading Ibáñez to cancel his state visit to the White House, and handing

Allende a campaign issue. The Nixon 1958 trip to South America revealed Latin Americans’ frustration with U.S. policies. Chileans told ARA directly that they “didn’t understand what the policy of the United States was toward Latin America in general, nor Chile in particular,” and one of those “puzzled,” ARA learned, was newly-elected president Jorge Alessandri.  

It was a “very close thing” that Allende was not elected President of Chile in 1958. He had challenged his fellow Senators to stop minimizing of “the errors of norteamericano policy” because the United States, supposedly “so tolerant and respectful of the self-determination of peoples,” he said, “did nothing against the ignominious dictatorships of the Americas.” He had reunited the Socialists, constructed the FRAP, and broadened his appeal. In 1958, he proved that the Marxist Left could come to power through democracy and that he was a force to be reckoned with. Had Allende won in September 1958, one wonders if scholars, foreign policy analysts, and pundits now be talking about Allende rather than Fidel Castro, who took power in Cuba four months later in January 1959. As it was, Rubottom and U.S. officials viewed Allende as a threat parallel to Castro: What Castro promised through violent revolution, Allende promised through democracy. While Allende and the FRAP nearly achieved democratic victory in Chile, Fidel Castro and Ernesto “Ché” Guevara were successfully leading a revolution toward

118 Memorandum of Conversation, Charles F. Knox, Klein and Saks, to RLD, JMS, and JK, 2 June 1958, enclosed with Memorandum of Conversation “Roberto Vergara’s Views on U.S. Relations with Chile,” Silberstein, 3 June 1958, 611.25/6-358, Folder – 611.25/1-3155, Box 2468, DF 1955-59, RG59, NA.

Cuba’s capital, Havana. In 1958, U.S. officials recognized that they had a second chance to stop Allende, which was more than what they had in Cuba.\textsuperscript{120}

Supporting Frei, Stopping Allende

During Chile’s 1964 presidential campaign, one Department of State policymaker wrote that “we should continue to ‘run scared’” in order to defeat Salvador Allende Gossens. In truth, U.S. officials had been running scared for six years. They had promoted Chile as a model democracy, but in 1958, Allende nearly won Chile’s presidency and almost converted Chile into a model for the democratic road to Marxist socialism. The U.S. Embassy in Santiago considered the 1958 victory of right-wing candidate Jorge Alessandri Rodríguez as “a political accident.” Unless Alessandri addressed Chile’s economic and social problems, the embassy said, Allende and his coalition of Communists and Socialists known as the Popular Action Front (FRAP – Frente de Acción Popular) “may well come out on top next time.”

What Allende nearly achieved democratically in 1958, Fidel Castro attained through revolution in Cuba. The parallel threats of Allende and Castro transformed Latin America into what President John F. Kennedy called, “the most dangerous area in the world.” As Kennedy later noted, the United States may not win the Cold War in Latin America, but it certainly could lose it there.

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Between 1958 and 1964 U.S. officials sharply intensified their efforts to stop Allende and preserve Chile’s democracy. The Eisenhower administration imposed an International Monetary Fund (IMF) stabilization program upon Chile’s new president, Jorge Alessandri. Under Kennedy, the United States promoted the Alliance for Progress, which sought to foster economic development, higher living standards, land reform, and social progress. Kennedy pressed Alessandri to initiate reforms to prevent Chileans from turning to Allende. As one U.S. policymaker observed: “In the last analysis our national interest [in Chile] does not demand a particular economic system, nor the preservation of the wealthy class here, but we do hope to maintain a democratic government with human liberties preserved in large measure and oriented favorably toward the United States.”

In their efforts to stop Allende, U.S. policymakers tampered with what the United States valued most about Chile: its democracy. One embassy officer cautioned: “If we really believe in the democratic process, as we want to convince others that we do, we must be especially careful in the extent to which we tamper with the process.” The Kennedy and Johnson administrations agreed with their predecessors that “[a]ny reasonably substantive charge of U.S. intervention in [Chile’s] internal matters…would seriously damage our general position in Chile,” but U.S. fears of Allende overrode this restraint. Departing sharply from previous policy, U.S. officials funneled millions of dollars to Christian Democrat Eduardo Frei Montalva’s 1964

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3 Norman M. Pearson, Counselor for Political Affairs, U.S. Embassy in Santiago, to Ralph W. Richardson, Officer-in-Charge of Chilean Affairs (Chile Desk officer), Department of State, n.d. [1962 June 1962], Folder – Chile 1962 16 Letters from Embassy Santiago and Consulate Antofagasta, Box 4, WST Files, RG59-Lot, NA. Pearson sent a copy to Taylor G. Belcher, Director of the Office of West Coast Affairs.
presidential campaign and steered millions in Alliance for Progress funds to projects that might increase Chilean voter support for Frei. Frei won the 1964 election, but as one Chilean friend warned, “the United States has put all [of its] eggs in one basket” in backing Frei.4

Insisting upon Reform

Allende’s near-victory in Chile’s 1958 presidential election (losing by a scant 33,000 votes) stunned and alarmed U.S. officials. Allende’s success, combined with Chile’s financial difficulties, accentuated disagreements between Bureau of Inter-American Affairs (ARA) and the U.S. Embassy in Santiago. Six weeks after the election (28 October 1958), U.S. Ambassador to Chile Walter Howe informed Washington that the IMF had denied the Chileans the remaining portion of their loan. Unless Chile received the money, said Howe, the government would “exhaust” its foreign exchange reserves in less than two weeks. ARA’s Office of West Coast Affairs, which oversaw U.S. relations with Chile, Bolivia, Peru, and Ecuador, did not view the situation “so imminent” and bickered with the embassy over whether or not the Department of State should contact the IMF. Assistant Secretary of State for Inter-American Affairs Roy R. Rubottom, meanwhile, had talked with IMF officials and expected them to relent on their denial.

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of loans to Chile. He considered it “doubtful political or economic wisdom” to put the new Alessandri administration “in a financial straight jacket in its first days.”

After Alessandri’s inauguration, Washington’s and Santiago’s differing expectations of U.S. aid sparked another dispute between ARA and the Embassy. Rubottom and ARA expected Alessandri to “have a much more business-like administration than his predecessor;” meanwhile, Alessandri and his advisers expected “substantial” U.S. aid. Howe reported that Chilean officials considered Chile’s “financial problems as [a] time bomb certain [to] explode…unless they obtain substantial outside assistance,” and he pressed ARA to send an economic mission. Rubottom disagreed, saying that the Chileans did not need a mission because they had “sufficient technical knowledge to work out their own programs if they want to.” He instead worried that Alessandri would allow political pressure to prevent him from “taking the strong medicine which will have to be downed if the Chilean economy is to be put back on the stabilization road.”

The collapse of Fulgencio Batista’s regime in Cuba three months after Allende’s near-victory lent urgency to resolving Chile’s financial crisis. During a 23 December 1958 National Security Council (NSC) meeting, CIA Director Allen Dulles warned that if Fidel Castro gained


power, the Communists would join his government.\(^7\) That same day, Rubottom, who attended the meeting, told Under Secretary of State C. Douglas Dillon later that U.S. interests would not “permit us to stand by and watch Chile ‘go down the drain’.” If Alessandri “fails to achieve a good record” on reform, “the possibility of a sharp swing to the left in Chile will be enhanced.”\(^8\)

Recognizing that they no longer enjoyed the luxury of time, Rubottom and ARA imposed a stabilization program upon Alessandri, a program devised by the IMF and the International Bank for Reconstruction and Development (IBRD). The Chileans received another economic mission not because they needed the technical advice, but to create a framework to ensure that Alessandri would implement and adhere to an economic stabilization program. Like his predecessor Henry F. Holland, Rubottom worked with the Export-Import (EXIM) Bank to ensure that Alessandri obtained sufficient resources to implement the IMF-approved plan and received a development aid package “large enough to have a favorable political impact in Chile.”\(^9\)

The firmness with which Rubottom and ARA treated Alessandri contrasted sharply with the patience exhibited by Holland and ARA toward President Carlos Ibáñez del Campo, but, for Rubottom, an IMF-IBRD mission was the least unpalatable choice. From his view, the United States had three options: it could urge the IMF and IBRD to send another mission; it could give Chile financial aid without a “constructive” economic program in place; or it could “assume the


\(^8\) Memorandum “Chile Seeking Financial Assistance,” Rubottom to Douglas B. Dillon, Under Secretary of State for Economic Affairs, 23 December 1958, Folder – 1958 – Chile, Box 5, Subject Files, Rubottom Files, RG59-Lot, NA.

\(^9\) Memorandum “Acceptance of Eximbank Loan Proposal to Chileans,” Turkel and Silberstein to Rubottom, 17 April 1959, Folder – 1959 – Chile, Box 11, Rubottom Files, RG59-Lot, NA.
role of adviser on a program of harsh internal measures.” Rubottom believed that offering aid without a stabilization program in place would undermine the incentive to enact reform and waste money. He also opposed the United States assuming the role of advisor for a harsh reform program because it would “expose ourselves to distasteful political involvement in Chile.”

Ambassador Howe and embassy officers in Santiago disagreed with Rubottom’s choice and pressed an alternative. They dissented primarily because they focused upon how the United States could encourage and assist development in Chile, not upon which reforms or measures the Chileans needed to undertake. In early 1959, the embassy urged the department to embark on “a ten year basic development program” that would lay “the groundwork for a rapid upsurge” in economic development for Chile and the region. Essentially a Marshall Plan for Latin America, the embassy’s alternative echoed Operation Pan Americana proposed by Brazilian president Juscelino Kubitschek a year earlier but rejected by the Eisenhower administration. The embassy insisted that Latin Americans should have “maximum participation and cooperation…in the planning and execution of projects” so that the effort “is not simply a U.S. operation.” “Now a new stimulus is needed – something that can capture the imaginations of the younger generation of Latin Americans,” they argued, but if the plan was “too ambitious,” “let us seek for some other way to achieve this result.”

The Chileans chafed under the ARA’s insistence upon a stabilization plan. When the director of Chile’s Central Bank accused the United States of demanding specific fiscal policies before it would consider assistance to Chile, ARA promptly instructed that Howe to “clarify” the


situation. “It is precisely to avoid direct involvement [in] heated political situations,” ARA told the ambassador, “that [the United States] consistently refrains from advising other governments on specific internal economic stabilization measures.” The embassy reported that Minister of Finance Roberto Vergara had asked “several times” “what would be the attitude in Washington …if Chile would achieve two-thirds or even possibly 75 percent of the [IMF] program.” Alessandri government officials even announced publicly that they needed $100 million in loans for the budget and Chile’s balance of payments as a way to pressure the Department.

Alessandri directly appealed to Eisenhower, declaring that it was “imperative” that Chile obtain “a sizeable amount of foreign aid.” He requested the U.S. president to use his “high and decisive influence” with U.S. lending institutions so that the lenders would look more favorably upon Chile’s applications. Orthodox economic policies worked too slowly, Alessandri wrote, because by the time they produced results, Marxist propaganda would “create such an adverse atmosphere…that the action of my Administration would possibly rendered fruitless.” Alessandri insisted that he could not “sponsor exaggerated economic restrictions or call for measures” that the Marxists could cast as “attacks against the welfare of the people.” Alessandri then linked his request to the larger Cold War, saying that failure to provide aid to Chile would “probably lead to a serious weakening of the free enterprise system” and would inflict “critical damage to democracy and to the moral and political standards…the West is defending.”

12 Telegram 230, Herter (Siracusa) to U.S. Embassy Santiago, 10 December 1958, 825.00/12-958, FRUS 1958-60, V: microfiche, Cl-14, 84-2669.

Eisenhower praised the Chilean for “facing up” to his nation’s economic problems, but showed little interest in becoming involved and turned the matter over to “the appropriate officials.”

Alessandri’s ineffective appeal outlined reasons why he could not enact reform, and it frustrated and angered U.S. officials. A week after Eisenhower received Alessandri’s letter, Rubottom and Assistant Secretary of State for Economic Affairs Thomas C. Mann accused Alessandri’s administration of having “dragged its feet on working out a satisfactory stabilization arrangement with the IMF” and devising economic measures that did not “give promise of achieving” stability. “While it is in our interests politically to support the Alessandri Government,” Rubottom explained, “and while its application of a sound economic program will entail certain political risks, we believe that financial support in the absence of an effective stabilization program will serve neither Chilean nor U.S. interests in the long run.”

Publicly the adopted stabilization program appeared to succeed; privately, Alessandri and U.S. officials criticized each other. Inflation dropped to 2.7 percent in 1960 and held at 4.2 percent in 1961. Chile’s industrial production rose, unemployment decreased, and its Gross Domestic Product increased. ARA officials warned Rubottom that Alessandri’s government had obtained these gains from an increase in the price of copper, not from stabilization measures, and that Alessandri may have exacerbated Chile’s financial difficulties by taking on “a very


substantial load of new dollar debt.” Also, the IMF-Alessandri agreement was leaked to Chile’s press, and critics condemned Alessandri’s government “for permitting itself to be ‘dictated to’ by the IMF.” Publicly Alessandri denied that “the IMF had not imposed on us any economic or financial conditions,” but he privately complained to Howe, Rubottom, and Secretary of State Christian A. Herter (who had replaced the terminally ill John Foster Dulles), saying that U.S. lending agencies “demanded more of sound responsible governments [like Chile] than they did of irresponsible governments,” objections which were made known to Eisenhower. Six months into the program, the EXIM Bank blocked part of Chile’s stabilization funds, charging that Alessandri’s administration had not followed the IMF agreement.  

While Rubottom and ARA criticized Alessandri, Howe and the U.S. Embassy criticized Washington. “[T]oo many Chileans associate the United States with blind maintenance of the status quo and the USSR with social and economic progress,” embassy officers warned. “To stint in our support because Alessandri’s failure to achieve the ideal” results, they continued, could result in “less attractive” consequences. The embassy again pressed for an extensive aid

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17 Memorandum “Chilean Leftist Attacks on the International Monetary Fund,” E. V. Siracusa, Director of Office of West Coast Affairs, to Rubottom, 8 July 1959; and Memorandum “Chilean President Reports to Nation on Economic Situation,” Silberstein to Rubottom, 16 September 1959, Folder – 1959 Chile, Box 11; Rubottom Files, RG59-Lot, NA. Memorandum of Conversation between Alessandri, Herter, and Rubottom, 24 August 1959, attached to Letter, Rubottom to Howe, 9 September 1959, 611.25/8-2659, Folder – 611.25/1-3155, Box 2468, DF 1955-59, RG59, NA. Briefing Paper “Chilean Relations with International Financial Institutions,” ARA (Phillips), 4 February 1960, Folder – Subject File – South America Economic (1), Box 17, Papers of Phillip E. Areeda, Assistant Special Counsel to the President, 1952-1962, DDEL. Memorandum “Eximbank Refusal to Permit Chile to Draw $25 Million Balance of Payments Loan,” Wymberley Coerr, Chief of Division of North and West Coast Affairs, to Rubottom, 17 December 1959, Folder – 1959 Chile, Box 11, Rubottom Files, RG59-Lot, NA.
program for Chile. If Alessandri could improve living standards in Chile, it wrote, his success “will have a strong influence in strengthening democracy not only in Chile but in other countries of Latin America as well. Conversely, [Alessandri’s] failure would be a body blow to the principle of free enterprise and [a] gain for anti-democratic forces.”

ARA and the embassy did agree upon the importance of President Eisenhower’s visit to Chile in 1960. Despite their frustration with Alessandri, U.S. policymakers still sought “to ensure the success of the Alessandri Administration politically and economically” in order that Chile could continue to serve as a model democracy. Just after New Year’s Day 1960, Howe proposed “enhancing” the prestige of Alessandri’s government by having Eisenhower and Alessandri exchange official visits. Unbeknownst to Howe, Secretary Herter had proposed such a visit two weeks earlier. As part of a tour of South America, Eisenhower arrived in Chile from 28 February and stayed until 2 March 1960, being the first sitting U.S. president to visit Chile.

While in Chile, Eisenhower received a letter from a group of university students, and the letter and Eisenhower’s response over-shadowed his discussions with Alessandri. In the letter, leaders of the Federation of Chilean Students (FECh) rebuked U.S. policy in polite, respectful, but firm terms. They charged that U.S. diplomacy since World War II had turned “good neighbors” into “associated nations” who were expected to follow the United States, not join together as equals. The students castigated the United States for supporting dictators and


maintaining the status quo. Citing malnutrition, poverty, illiteracy, and lack of civil rights in the status quo, the students warned: “If the injustices of today are all that Christianity or democracy can offer this continent, no one should be surprised if the best children of these nations turn toward Communism.” “There could never be a better time,” they insisted, “for the United States, if it so desired, to demonstrate to the world what humanity can expect from the nation of Washington, Lincoln, and Roosevelt.”

Privately Eisenhower was “shaken” by the students’ letter; publicly he emphasized the Chilean students’ misunderstanding of U.S. policy. Speaking just hours after receiving the letter, the U.S. president mixed contrition with condescension. He acknowledged, “The people of the United States do not have as deep a knowledge of our sister republics as they should,” but he insisted the charge that “the United States supports dictators” was “ridiculous.” He wished the students could have had “better sources of information,” but then asserted, “Before individuals who do not carry great responsibilities in the world make decisions and spread information, or what they call information, we should be sure of our facts, we should read history carefully. Let’s don’t read merely the sensational stories of the newspapers.” “We [the United States] are not saints,” he admitted, “we know we make mistakes, but our heart is in the right place.”

20 For Eisenhower and Alessandri’s discussions, see Memoranda of Conversation, Krieg Counselor of Embassy, 29 February 1960, FRUS 1958-60, V: microfiche, CI-29, 84-2716-2719 (Disarmament), CI-30, 84-2720-2722 (Economic Problems), and CI-32, 84-2726-2728 (Cuba). Letter, The Federation of Students of Chile [FECH] (Eduardo Zuñiga and Patricio Fernández) to Eisenhower, 24 February 1960, attached to Memorandum “Reply to Chilean Students’ Letter,” Herter to the President, 30 March 1960, Folder – Chile (2), Box 7, AWF—International Series, DDEL. This is an official translation.

Upon returning to Washington, ARA prepared and Eisenhower personally edited a 26-page response to the students’ 4-page letter, signed it, and sent it to FECh leaders.\(^\text{22}\)

Contrary to Under Secretary Dillon’s belief that the response was effective, Eisenhower’s 26-page rebuttal “wounded” and angered the students. As indicated by the response’s length, Eisenhower and White House officials focused upon educating the students and rebutting their critique, not engaging in a dialogue. By characterizing the students as ill informed, Eisenhower implicitly suggested that the students might be unworthy to criticize the United States. Moreover, in citing the burdens of global leadership, Eisenhower implied that the United States expected other nations to follow, not participate in determining the course of world affairs.\(^\text{23}\)

It was a very close thing that Eisenhower did not leave office with Castro and Allende as heads of state in Latin America; even so, Alessandri subverted the Rubottom-imposed IMF-IBRD reform plan. U.S. officials wanted “more effective action” by Alessandri “to restore financial stability and effect basic improvements in national economy and distribution of income,” but Alessandri negotiated and stalled for more than a year. By then, the U.S. presidential campaign of 1960 was underway and Eisenhower’s presidency was drawing to a close, allowing Alessandri to stall and wait out another year while U.S. voters deliberated whether to vote for John F. Kennedy or Richard M. Nixon. Meanwhile, Chileans attacked U.S.-

\(^{22}\) Eisenhower to Patricio Fernández, President of FECH, n.d [30 March 1960]; and Howe to Fernandez, n.d. [30 March 1960], enclosed with Memorandum “Reply to Chilean Students’ Letter,” Herter to the President, 30 March 1960, Folder – Chile (2), Box 7, AWF—International Series, DDEL. Memorandum “Discussion at the 441\(^\text{st}\) Meeting of the National Security Council, Thursday, April 14, 1960,” NSC, 14 April 1960, Folder – 441\(^\text{st}\) Mtg of NSC, April 14, 1960, Box 12, AWF-NSC Series, DDEL.

\(^{23}\) Memorandum “Discussion at the 441\(^\text{st}\) Meeting of the National Security Council, Thursday, April 14, 1960,” NSC, 14 April 1960. Fernández and Zúñiga to Howe, n.d. [April 1960], enclosed with Memorandum “Second Letter of Chilean Students Who Wrote to the President During His Latin American Trip,” John A. Calhoun, Director of Executive Secretariat, to Goodpaster, 3 May 1960, Folder – Chile (2) [Apr-May 1960], Box 2, CGMR—International Series, DDEL.
promoted reform policies, saying that such policies achieved “neither stability nor development.” Chilean economist and former Ambassador to the United States Aníbal Pinto Santa Cruz charged that reforms based upon economic orthodoxy were “reducing demand indiscriminately, accentuating a regression in the distribution of income, diminishing the volume of public and private investment, constraining the dynamic influence of the state, and limiting the protective barriers of the national productive system with respect to foreign influences.” Reviewing the situation, Ambassador Howe wrote, the United States had lost “the psychological initiative in Inter-American relations,” and “we cannot afford to ignore the serious need for regaining [it].”

In May 1960, at the start of Chile’s winter, the strongest earthquake recorded in human history heavily damaged the southern Central Valley, and the emergency redirected Chilean and U.S. resources to humanitarian aid and reconstruction, ending the IMF-IBRD reform program. In a region where one-third of Chile’s population resided, the earthquake was accompanied by tidal waves, volcanic eruptions, and strong aftershocks, inflicting ruin on the cities of Valdivia, Concepción, Talca, Osorno, Puerto Montt, Ancud, and Chillán, with Valdivia devastated by a tidal wave. Hundreds were dead or missing; tens of thousands were injured and/or homeless. Within 96 hours, the U.S. government airlifted two field hospitals (400 beds and 227 Army personnel), ten helicopters (71 personnel), and “large quantities of tents, blankets, cots, field rations, and medicine” to the affected regions. President Eisenhower personally appealed to the U.S. public to come to the aid of the Chileans, resulting in generous contributions to the Red

Cross. Former Chamber of Deputies president Baltasar Castro Palma said that U.S. government and private assistance “was so spontaneous, rapid, and generous” that it “created a tremendously favorable impression” among Chileans. Both houses of Chile’s congress passed unanimous resolutions thanking their North American neighbor, a feat that Chile’s ambassador admitted to Eisenhower was “exceedingly rare” for his “very democratic country.”

**A Road, But Not the Road**

Allende’s success in 1958 heartened the FRAP and ensured that he would be its candidate in 1964. Socialist Raúl Ampuero remarked, the Left “had to hold back its impatience and wait confidently.” Allende himself confided to one FRAP leader, “I will be President of Chile.”

During the post-election lull, Allende investigated the Cuban Revolution firsthand and met with Fidel Castro and Ernesto “Che” Guevara. Allende’s friend Rómulo Betancourt had won Venezuela’s December 1958 election, and Betancourt, who had lived across the street from Allende while in exile in Chile, had invited him and Senator Eduardo Frei to his inauguration.

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ceremonies. Allende and Frei travelled together to Caracas, but before the ceremonies, Allende went to Cuba “to see the revolution.” He and his staff had not closely followed events in Cuba during Chile’s presidential campaign, knowing little more than what was presented in *Life* magazine, which had published an interview with Castro. Arriving in Havana on 20 January 1959, Allende watched a parade in which the mayor of Miami, Florida, and 200 of that city’s policemen participated. The presence of Americans led Allende to conclude that there was no revolution, and he decided to leave. A Cuban friend, Carlos Rafael Rodríguez, convinced him to stay and talk with the Cuban leaders. Allende soon met Ché Guevara. When he started to introduce himself, Guevara “broke [him] off, saying ‘Look, Allende, I know perfectly well who you are. I heard two of your speeches during the ’52 presidential campaign: one very good and the other very bad.’” Allende later met Raúl Castro, Fidel’s brother, and then Fidel. The Chilean sat in on a cabinet meeting, dined with Fidel, and talked with him afterwards.

Castro, Guevara, and Cuba’s Revolution impressed Allende. He was struck by Castro’s intelligence and candor, and considered Guevara “one of the most important leaders of Latin America.” As occurred during his 1954 visit to China and later visits to North Korea and North Vietnam, Allende was moved by how the Cuban people were “mobilized materially and spiritually” to build a socialist society, how they were “a people organized, disciplined, 


absolutely conscious of the great task that they must fulfill.” Allende said the revolutions in Mexico and Bolivia were stages toward liberation, but “the Cuban revolution marks with indelible characteristics a process of overcoming, of taking firm steps towards full economic independence.” Cuba, he said, indicated “the road that Latin American peoples must follow to consolidate and accelerate the political, economic, and social evolution that leads them to being genuinely and definitively free.” 29

For Allende, the Cuban Revolution did not demonstrate the road for Latin Americans’ struggles, but a road. Upon returning from Cuba, he was “more convinced than before” that Chile must “seek a peaceful road to socialism,” and for two reasons. First, Cuba’s revolutionary leaders had “put one over on imperialism,” he said, but they also “had closed to us the road of armed insurrection” because existing governments would be more sensitive to controlling guerilla movements. He also asserted that Cuba’s revolution signified not the means, but rather that the feat of overcoming dependency and imperialism was possible: a Latin American people, if united, could initiate revolution, transform society, and build a socialist society. “[E]ach country has its own particular circumstances,” said Allende, “and it is in the light of these circumstances that one must act. There is no set formula.” He admitted that his views had led to “fundamental and violent” disagreements with Castro, and he acknowledged that “in some countries, there is no alternative to armed struggle.” Chile, however, was different; and circumstances had permitted the Chilean masses, through the “vanguard” Socialist and

Communist parties, to have a voice in politics. With the ballot box available as a route to revolution, Allende insisted, “we must redouble our efforts to find a way by the electoral road.”

Allende’s views about Cuba, revolution, socialism, and democracy explain his support for the “Declaration of Caracas.” As a democrat and Marxist-socialist, Allende insisted that the revolution “must be democratic, in addition to anti-imperialist and anti-feudal….It must be profoundly human.” The Declaration of Caracas, negotiated during and signed by many who attended Betancourt’s inauguration festivities, did not conflict with Allende’s views. It repudiated “every form of dictatorial or totalitarian rule,” and called for the exclusion of dictatorships from the Organization of American States (OAS). It encouraged greater integration and cooperation amongst Latin American nations, as well as “equitable and fruitful relations” between Latin America and the United States. He, as well as Eduardo Frei, signed the declaration on 15 February 1959, two days after Betancourt’s inauguration.

Creating a Showcase

For John F. Kennedy, the new U.S. president, “[f]ighting and winning the Cold War in Latin America was [his] paramount concern.” He warned that “time was running out in Latin America” and that while “the Cold War may not be won in Latin America, it could well be lost there.” During the 1960 campaign, Kennedy charged that the Eisenhower administration had

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allowed “a Communist satellite ninety miles off the coast of Florida, and Castro’s Cuba could be
“a base from which to carry Communist infiltration and subversion throughout the Americas.”

Kennedy emphasized his desire to improve U.S.-Latin American relations by creating the
“Alliance for Progress.” On 13 March 1961, in a White House ceremony attended by the Latin
American diplomatic corps, Kennedy proposed a ten-year, “vast cooperative effort” that would
encompass political, economic, and social reforms, as well as cultural exchanges. Quoting
Mexican president Benito Juárez, Kennedy insisted that if “democracy is the destiny of future
humanity,” then the nations of the hemisphere must “broaden the opportunity for all of our
people.” Kennedy’s words spread “a wave of expectation” across Latin America, but Kennedy
also put money behind his proposal. Congress provided $500 million for Latin American
development in 1961, and in 1962, the Kennedy administration earmarked $1 billion for Latin
America through various U.S. government programs such as PL-480, EXIM Bank, and the
Agency for International Development (AID). At the August 1961 Inter-American conference at
Punta del Este, Uruguay, the U.S. delegation headed by C. Douglas Dillon, now Secretary of the
Treasury, ironed out the charter for the Alliance for Progress with the other Latin American
delегations, and Dillon outlined a plan “to make good on [U.S.] commitments.”

32 Rabe, The Most Dangerous Area in the World, 19, 14, 15.

33 Address at a White House Reception for Members of Congress and for the Diplomatic Corps of the Latin
American Republics,” Kennedy, 13 March 1961, Public Papers of the Presidents of the United States:  John F.
Most Dangerous Area in the World, 10. Rabe, “Controlling Revolutions: Latin America, the Alliance for Progress,
and Cold War Anti-Communism,” Kennedy’s Quest for Victory: American Foreign Policy, 1961-1963 (New York:
Alliance for Progress,” C. Douglas Dillon to the President, 25 August 1961, FRUS 1961-1963, Volume XII
(Washington D.C.: USGPO, 1996), 61-63. For documents relating to discussions at the August 1961 Punte del Este
meeting, see FRUS 1961-1963, Vol. XII: 44-65.
Like their predecessors, Kennedy administration officials favored Chile because they perceived it as a model democracy, and as a showcase for the Alliance for Progress. The Kennedy White House emphasized Chile’s “remarkable history of stable democratic political institutions” and “consider[ed] Chile to be both important and critical.” Assistant Secretary of State for Inter-American Affairs Edwin M. Martin said that they were determined that Chile would “show the way” for the Alliance for Progress. U.S. officials described Chile as “an outstanding symbol of traditionally stable democratic government,” a nation painfully close to the “take off” stage of economic development, and a nation that “sets the pace for all Latin America.” Senator Wayne Morse (D - Oregon), chair of the Senate’s subcommittee on U.S.-Latin American relations, echoed the administration’s emphasis on Chile’s democratic qualities, “The political atmosphere in Chile is one of true democracy. Basic human freedoms are deeply and traditionally respected. There is a powerful and growing middle class.”

Kennedy took a special interest in Chile; in fact, no previous White House had taken such a strong interest in the country. “Did you know in Chile the American copper companies control about eighty percent of all the foreign exchange?” Kennedy told special assistant Richard Goodwin, “We wouldn’t stand for that here. And there’s no reason they should stand for it.”

Kennedy requested information on school and housing construction in Chile, on agrarian reform, and Christian Democrat victories among university student groups. He also expressed a desire and agreed to visit Chile. The new U.S. Ambassador to Chile, Charles W. Cole, was “dazzled” that Kennedy “knew all [Chile’s] important people, all the important issues, the crucial recent happenings, how things were developing.” Meetings with Kennedy on Chile, Cole said, were like going “through a Ph.D. examination.” Cole, an economic historian, did not believe this was a president being well briefed by a staff member; he knew that men like Ralph Dungan, Special Assistant to the President, or McGeorge Bundy, the National Security Adviser, either were learning about Latin America (Dungan) or had little interest in the region (Bundy).

By positing Chile as a democratic model and as an Alliance showcase, the new Kennedy administration elevated the U.S. stakes in Chile, casting the “loss” of Chile as “a major blow” to U.S. policy. Chile, they said, could be “a more dangerous and effective” Cuba, and an Allende victory in 1964 “would be so dangerous for U.S. interests in Chile and in all Latin America that U.S. policy should be to strive to prevent it.” Assistant Secretary Martin admitted that their expectations for Alliance programs in Chile would be considered “unreasonable” if applied to any other Latin American nation, and Walt W. Rostow admitted that Chile was probably the

“first real test” of the Alliance.\textsuperscript{36} Cole perhaps best summarized the administration’s view, “We should keep it in mind that a real fracaso [failure] in Chile will cast a blight on the whole [Alliance] and strengthen anti-American forces all over Latin America.”\textsuperscript{37}

As much as U.S. officials wanted Chile to serve as a model for democracy and the Alliance, they faced two obstacles: U.S. copper companies and the Chilean Right. U.S. policymakers believed that Anaconda and Kennecott Copper needed to adjust “their basic relations with the Chilean government and the Chilean public,” but they also admitted that the two companies confronted eventual nationalization of their operations in Chile. “[T]he root of the companies’ problems,” Assistant Secretary Martin told Teodoro Moscoso, Coordinator of the Alliance, was that Anaconda and Kennecott were subsidiaries of U.S. corporations “with no Chilean equity participation and with few managerial positions open to Chileans.” In fact, ARA officials were surprised when the president of Anaconda’s sales division admitted that he “never” thought about hiring Chileans in its sales operations. ARA did a study that compared U.S. and British copper companies in Chile and Northern Rhodesia (present-day Zambia) respectively, and it found that the British companies generally provided better housing, social

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facilities, and educational arrangements for African miners and their families. \(^{38}\) Chile Desk officer, Ralph Richardson tried to convince Kennecott president Frank Milliken to change that company’s relations with the Chileans, but Milliken refused. Kennecott would continue its “hard-nosed” approach toward the Chilean Government, Milliken replied, and he suggested that the U.S. Government get “tougher on the Chileans.” Martin admitted to Under Secretary of State George W. Ball that, “unless some major changes are effected…it is only a matter of time until some form of ‘nationalization’ overtakes the two companies,” sentiments to which Cole agreed. \(^{39}\)

Alessandri and the Chilean Right were another obstacle to making Chile a showcase for U.S. foreign policy. Dominating Alessandri’s administration, Chile’s Liberal and Conservative Parties “resented the revolutionary tone” of the Alliance for Progress and equated it with the rhetoric of the Chilean Left. According to the U.S. embassy, many Conservatives and Liberals believed that “they are being pushed toward making concessions which they would like to postpone or not make at all.” Conservative Senator Francisco Bulnes Correa accused the United States of “pushing Chile too far and too fast along the road of agrarian reform.” Long-time U.S.


\(^{39}\) Underlining in the original. Memorandum “Randall Committee Consideration of Problems of American Copper Companies in Chile,” Martin to George W. Ball, Under Secretary of State, 21 October 1963, Folder – Chron Memorandum Chile July 1963, Box 6; and Memorandum “Terms of Reference of World Bank Review of Problems of US Copper Companies in Chile,” Martin to Moscoso, 11 February 1963, Folder – Chron 6 Memoranda Chile 1963, Box 5; both WST Files, RG59-Lot, NA. Memorandum of Conversation “Kennecott View on Chile Problems,” Richardson, 4 June 1963, enclosed with Memorandum, Brubeck to Bundy, 7 June 1963, Folder – Chile, Box WH-3a, White House Files, Arthur M. Schlesinger, Jr. Papers, JFKL. Memorandum “US Copper Companies in Chile,” Martin to Dungan, 5 December 1963, Folder – Chron Chile White House Memoranda 1963, Box 6, WST Files, RG59-Lot, NA. Cole agreed with Martin’s assessment. See Cole to Richardson, 19 December 1963, Folder – Chron 3 Letter Chile Incoming Embassy 1963 [1 of 2], Box 5, WST Files, RG59-Lot, NA.

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friend Augustín “Duny” Edwards Budge, owner of the newspaper *El Mercurio*, travelled to Washington and complained to ARA officials about the new direction in U.S. policy.  

The Chilean Right’s opposition to and its ultimate proposal for land reform frustrated, if not angered, U.S. officials. Chilean Foreign Minister Carlos Martínez Sotomayor diplomatically told President Kennedy that “division of large estates must not lead to small, uneconomic holdings,” but the Right’s opposition was much deeper. Alessandri confided that he thought that the United States was “demanding” agrarian reforms “of an absurd breadth, reforms which would cause chaos and for which there is no possible financing,” and the president of Chile’s Liberal Party baldly suggested that the United States should pay for land reform in Chile.

When the Right did put forth a land reform proposal, the initiative concentrated on settlement of new lands in Magallanes (far south), Arica (far north) and other public lands, as well as expropriating abandoned and “poorly worked” lands; it made no effort to divide existing large


estates. The proposal also required a constitutional amendment and created an appeals process which U.S. officials admitted could “defer expropriation for a long period.”

Alessandri’s actions during the December 1961 financial crisis exacerbated U.S. officials’ frustration. In late 1961, a surge in imports drained Chile’s financial reserves, leading to a severe foreign exchange crisis. Alessandri blamed the crisis on the Chilean Congress and said he “was not able to do anything” other than suspend foreign exchange operations, leading Assistant Secretary Martin to accuse him of taking a “do-nothing posture.” Although the Chilean economy enjoyed low inflation and a rise in GDP during 1960 and 1961, Alessandri obtained the improved economic conditions through U.S. loans, deficit spending, and an overvalued escudo pegged at 1.05 escudos to 1 U.S. dollar. Deficit spending broke Chile’s agreement with the IMF, and the additional loans had raised the Chilean government’s deficit to 5 percent of GDP. The Alessandri administration, with Congressional agreement, also raised taxes on U.S. copper companies, prompting Anaconda and Kennecott to cancel new investments in Chile.

Perhaps no action of Alessandri’s rankled U.S. officials more than his refusal to devalue the escudo. In early December 1961, Eduardo Figueroa, the head of Chile’s Central Bank,

Memorandum “Agrarian Reform in Chile,” Roger Hilsman (INR) to Moscoso, 28 February 1962, Folder – Chile, Box WH-3a, White House Files, Arthur Schlesinger, Jr. Papers, JFKL.

Memorandum “Your Luncheon Engagement with Mr. Charles Brinckerhoff, President of the Anaconda Copper Co.,” Belcher to Goodwin, 22 February 1962, Folder – Chile 1962 20. Briefing Papers, Box 4, WST Files, RG59-Lot, NA.
pushed Alessandri to devalue the escudo in order to help resolve the exchange crisis. U.S.
Embassy officials also pressed devaluation when they met with the Minister of Finance Luís
Mackenna at the end of December, but Mackenna and several cabinet members urged exchange
controls instead. The U.S. Embassy called exchange controls a “political” course, because many
Chilean commercial banks and several Conservative, Liberal, and Radical Party members had
internal dollar debts at the 1.05 escudo to 1 U.S. dollar rate. If Alessandri devalued the escudo,
party members and banks would lose money; however, exchange controls allowed many of them
to cover their debts before devaluation. Alessandri admitted that he opted for exchange controls
because of “political realities,” even though he and Mackenna admitted privately that they know
full well that the right thing” was devaluation.44

The Chilean Right’s refusal to accept reform at the expense of what U.S. officials deemed
prudent policy led the Kennedy administration to grow “exasperated” and hostile to Alessandri
and his administration. U.S. officials recognized that the exchange crisis confronted them with a
stark choice: they could assist Alessandri in order to “buy the time” for him to obtain passage of
land reform and a progressive income tax laws, or they could allow the Alessandri government
“to collapse, precipitating new Presidential elections,” which could bring Allende and the FRAP
to power. Some U.S. officials indicated that the United States should let Alessandri collapse.
Deputy Chief of Mission John Joseph Jova remarked that “all would not necessarily be lost even

44 Alessandri to Fernando Aldunate, Ambassador to the Holy See, 16 February 1962, Cartas del Presidente Jorge
Alessandri con los embajadores en la Santa Sede, 73-74. Despatch 455 “Politico-Economic Assessment – Chile –
January 1962,” Favell to Department of State, 30 January 1962, 725.00/1-3062. For the connections between
Chile’s banks and the Liberal, Conservative, and Radical Party leaders, see Attachment I “Some Influential
Members of Chilean Financial Community (as of January 1962),” U.S. Embassy in Santiago, Folder – Chile,
General, 1/63, Box 392, NSF—Dungan Series, JFKL. This attachment is for Airgram A-371, but it was not attached
in the folder.
should a really left wing government come” to power in Chile, but he confessed that “it would be unrealistic in the extreme to ignore the dangers, risks, and hindrances” of doing so.\textsuperscript{45}

Admitting that the Allende threat left them no choice, the Kennedy administration decided to provide an aid package to Alessandri’s government, but meetings with the Chileans went poorly. Alessandri invited a U.S. mission headed by Teodoro Moscoso and Richard Goodwin to Santiago, but Moscoso and Goodwin sought to negotiate an aid package predicated upon Alessandri implementing land reform and a progressive income tax. The Alessandri administration publicized the mission beforehand, placing additional pressure upon U.S. officials who confessed that no agreement would be a “great disappointment” to the Chilean public and would “damage the United States position” in Chile. When Moscoso and Goodwin met with Alessandri, the Chilean president launched into a two-hour “monologue.” He charged that Chile was “misunderstood in Washington” and “misrepresented” in the U.S. media; furthermore, the IMF was “too theoretical.” Regarding land reform, Alessandri claimed that Chile was “not a land of big estates like Argentina” and that land reform was “not applicable in many areas.” During the visit, Goodwin told Finance Minister Mackenna that “if you don’t do something

\textsuperscript{45} For Kennedy following the crisis, see Handwritten note on Telegram 13156, Rusk (B. R. Moser) to U.S. Embassy Santiago, 30 December 1961, Folder – Chile, General, 10/61-12/61, Box 20a, NSF—Countries, JFKL. Memorandum “Political Considerations in our Aid Commitment to Chile,” Belcher (Richardson) to Martin, 19 April 1962, Folder – Chile 1962 19. Policy & Background Papers; and Memorandum “Your Luncheon Engagement with Mr. Charles Brinckerhoff, President of Anaconda Copper Co.,” Belcher to Goodwin, 22 February 1962, Folder – Chile 1962 20. Briefing Papers; both Box 4, WST Files, RG59-Lot, NA. Letter, Cole to Woodward, 15 January 1962, Folder – Chile 1962 130. Ambassadors, Box 4, WST Files, RG59-Lot, NA. Letter, John Joseph Jova, Deputy Chief of Mission, U.S. Embassy Santiago, to Belcher, 10 July 1962, Folder – Chile 1962 16 Letters from Embassy Santiago and Consulate Antofagasta, Box 4, WST Files, RG59-Lot, NA.
about these changes [land and tax reforms] soon, Allende will win the next election.” Mackenna rebuffed Goodwin, “The problem is that you just don’t understand Chile.”

Despite facing outright opposition to reform, the question for Goodwin, Moscoso, and U.S. officials was not whether the United States would aid Chile, but how much and what type. The resulting $120 million aid package provided $80 million in loans ($50 million from AID, $30 million from the EXIM Bank) for “high priority economic and social development projects,” and $40 million in PL-480 assistance. One-half of the monies was immediately available but contingent upon the Alessandri administration reaching an agreement with the IMF. The United States promised $350 million dollars for the first 5 years of Alessandri’s 10-year development plan, but it was subject to an annual review by an OAS panel to ensure that “necessary social and structural reforms” were implemented. The U.S. aid package did not offer monies for shortages in the government’s budget; instead, it provided investment capital for economic and social development projects, so that the Chilean government could shift budget monies to other needs.

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47 Although an exporter of foodstuffs in the 1930s, Chile by the 1960s was an importer of food, spending about 20 percent of its export earnings to import foodstuffs. Richard E. Feinberg, The Triumph of Allende: Chile’s Legal Revolution (New York: Mentor Books, 1972), 59.

No one was happy with the Moscoso-Goodwin agreement. Alessandri and his cabinet wanted grants but received loans that required reforms. Even though U.S. officials agreed that economic aid was “our only real leverage,” they concluded that the prospects of Alessandri and the Right undertaking reform were doubtful at best. Moscoso questioned the Department’s unwillingness to allow Alessandri’s government to collapse, and Cole acknowledged that some were “convinced that a FRAP victory is the only way to get rapid and thorough-going economic and social reform Chile.” Goodwin followed his instructions, but apparently “blundered” by not clearing the loans with Department officials (likely AID) beforehand. The Deputy Chief of Mission John Joseph Jova summarized the United States’ “exasperation” with Alessandri and the Right: “we must plow with the oxen we own, and Alessandri, with all his defects…is our ox. Old Chinese proverb say: Don’t give away old ox until you have bought new tractor.” And Washington was now looking for a “new tractor.”

Unhappy with the aid package, Alessandri began pressuring Washington for an invitation for an official state visit in order to gain alterations in the Moscoso-Goodwin agreement. ARA had decided in December 1961 that a state visit for Alessandri was not “in the US interest until we had seen more determined leadership and progress” in Chile’s economic and social reforms.
Alessandri first raised the invitation in a 7 July 1962 meeting with Cole when he indicated four times that he wanted to visit Washington “not to beg [for] money but to explain to President Kennedy, who understands politics, [the] political problems of Chile.” A few days later, Alessandri again suggested a visit in order to “explain political difficulties” and then bemoaned the “continual restrictions and limitations on US loans and especially Moscoso-Goodwin loans.” “Chile,” he said, “was an island of democracy and stability in a sea of political deterioration and confusion,” and it was “in Chile’s interest and ours that [Chile] be kept stable.”

Alessandri’s timing (July 1962) for his request of a White House visit was not accidental. The Moscoso-Goodwin accord stipulated that Alessandri’s administration needed to reach an agreement with the IMF by 10 September in order to receive the other half of the aid package; however, Alessandri did not invite IMF officials to come to Chile until 14 August, ensuring that agreement would not occur before the deadline. In addition, the president soon needed to submit a budget to the Chilean Congress, and he told Cole that “he had counted on 120 million this year from Moscoso-Goodwin agreement” in order to balance the budget and redress the balance of payments situation.” The Moscoso-Goodwin agreement did not provide funds for either item, and Alessandri must have known this. Even so, if he did not hear (or get the funds) soon, he said that he would have to cut capital investment which he admitted would “slow progress under the Alliance and cause unemployment and economic recession.”

51 Memorandum “Possible Invitation to President of Chile to Visit the US,” Belcher to Woodward, 22 December 1961, 725.11/12-2261, Folder – 725.022/1-2160, Box 1566, DF 1960-63, RG59, NA. Telegram 23, Cole to Secretary of State, 7 July 1962; and Telegram 66, Cole to Secretary of State, 19 July 1962; both Folder – Chile, General, 7/62-10/62, Box 20a, NSF-Countries, JFKL.

52 Memorandum “Policy Considerations Related to U.S. Assistance to Chile,” ARA, n.d. [15 August 1962], Folder – Chile, General, 8/15/62-10/4/62, Box 391a, NSF—Dungan Series, JFKL. Telegram 746, Moscoso and Goodwin to
Alessandri’s grumblings and “broad hints” infuriated Assistant Secretary Martin. The U.S. Embassy’s political counselor, Norman Pearson, reported that many, particularly Conservatives and Liberals, believed that the United States had an “obligation” to aid Chile, and that Chile should be “treated generously and without conditions because of their long democratic tradition” and apolitical military. Martin recognized that Alessandri was using the visit as a stalling tactic, and as an effort to get Kennedy and the Alliance identified with his administration (and the Right). “[I]t is not just a stubborn insistence upon carrying out the letter of the Moscoso-Goodwin agreement,” he fired back at Cole. “There are too many demands on our funds and they are secured with too much political blood, sweat, and tears here for us to be able to make them available where there is a substantial risk that they will not contribute proportionately to [Alliance for Progress] shared objectives.” Martin bluntly told Cole that if Alessandri came to Washington without undertaking reforms, devaluing the escudo, or negotiating with the IMF, he would “find no receptivity [to] his efforts [to] persuade Washington agencies [to] waive [the] conditions [of the] Moscoso-Goodwin understanding,” and would “receive a stiff lecture on [the] necessity [of] taking measures he so far has shunned.”

Cole now split with Martin, saying that the latter’s response to Alessandri’s request for an official visit was “no real help.” In a letter to Martin, with copies sent to McGeorge Bundy, Walt

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Rostow, and Theodore Moscoso, Cole asserted that Alessandri and his administration “have a
good deal of justice on their side;” furthermore, he accused Washington of “hiding behind the
IMF.” If IMF orthodoxy was the wrong prescription, Cole told Martin, “You and I are going to
feel a little odd if Chile lapses into economic chaos and the FRAP takes over and makes another
Cuba out of Chile.” “Let’s stop worrying because the Chileans don’t do things our way,” Cole
concluded, “because they are short on the follow-through, because they are too political, etc.,
etc., and look at the larger picture of the Hemisphere and the next decade.”  

By sending copies to Bundy, Rostow, and Moscoso, Cole circumvented Martin and pushed
the decision for Alessandri’s visit into the White House. Cole also requested that he return to
Washington for consultations, which ARA granted. Cole arrived in Washington a week later,
and he and Martin met with President Kennedy. Before that meeting, ARA (Richardson,
Belcher, Martin) and Moscoso sent Kennedy a memorandum that discouraged a visit by
Alessandri until he obtained an agreement with the IMF and made progress on reforms.  

Senate Majority Leader Mike Mansfield (D-Montana) also sent a letter to Kennedy, urging
him to invite Alessandri to Washington, but Mansfield’s letter revealed that Alessandri was using
the copper companies to pressure the White House. Mansfield wrote that he had talked with “a
friend” who had “extensive personal and financial interests in Chile” (likely an Anaconda
Copper executive, which had extensive interests in Montana). His friend was contacted by

Antofagasta, Box 4, WST Files, RG59-Lot, NA. Letter, Cole to Martin, with copies sent to Bundy, Rostow, and

55 Telegram, Cole to Secretary of State, 23 July 1962, Folder -- Chile, General, 7/62-10/62 Box 20a, NSF --
Countries, JFKL. Memorandum “Question of Visit by Chilean President,” Brubeck (written by Richardson,
initialed by Belcher, Martin, and Moscoso) to Dungan, 1 August 1962, 725.11/8-162, Folder – 725.11/8-162, Box
1566, DF 1960-63, RG59, NA.
Chile’s Minister of Mines, Alessandri’s brother, and “a close friend” of Alessandri, and all three Chileans urged Mansfield’s friend to press the U.S. government to invite Alessandri to see President Kennedy. “[T]he Chilean man in the street believes,” Mansfield wrote, that “the U.S. government wants Alessandri to fail,” that the Moscoso-Goodwin mission “gave promises of aid that have not materialized,” and that U.S. insistence upon reform was “a policy of intervention more insidious than Theodore Roosevelt’s policy of the Big Stick.”

The decision for the Alessandri visit occurred on 3 August 1962 in an Oval Office meeting between Kennedy, Martin, Cole, and Kennedy’s special assistant Ralph Dungan. Kennedy asked Cole to summarize the situation in Chile, and the Ambassador described the Alessandri government’s success in building schools and housing and that the agrarian reform was almost through the Chilean Congress. Cole then stressed the “deep disappointment” Alessandri had about the Moscoso-Goodwin agreement and Alessandri’s desire to discuss the situation with Kennedy. Impressed by Alessandri’s difficulties, Kennedy then raised the points that Mansfield had made in his letter, and Cole said some of those points were “valid” but some were derived from a “misunderstanding.” Kennedy decided Alessandri should visit Washington soon, and chose November, just three months away, even though it meant postponing the visit by Brazilian President João Goulart. Whether Martin was angry with Cole for circumventing the Department is not clear, but he and ARA did believe that Cole “seemed unwilling to pressure” Alessandri and preferred to “listen to [Alessandri’s] speeches blaming the U.S. for his short-comings.”

56 Senator Mike Mansfield (D-Montana) to the President, 28 July 1962, Folder – Chile, General, 6/1/62-8/14/62, Box 391a, NSF—Dungan Series, JFKL. Martin, Kennedy and Latin America, 372n72.

Martin and ARA anticipated that the White House invitation “would decrease rather than strengthen” Alessandri’s initiative for reform, and Alessandri’s actions proved them correct. By his 11-15 December 1962 visit, Alessandri had not reached an accord with the IMF nor had tax reform passed Congress. Congress had passed a land reform law, but Alessandri had not implemented it. Alessandri did devalue the escudo. Martin believed that Alessandri was stalling on reforms and that he would try “to persuade us to ease our conditions,” but he did deem Alessandri’s visit “useful.” It would allow the United States to recognize Chile’s “outstanding record as a political democracy” and enable ARA “to present our candid views on the importance of Chile’s own efforts to help itself.”

Kennedy’s luncheon toast exemplified the “recognize-Chilean-democracy-but-please-reform” approach that the Kennedy administration had adopted. In the toast, Kennedy invoked the memory of Alessandri’s father, Arturo Alessandri, saying that his father’s election as President of Chile in 1920 had ended “oligarchical rule” and “had all the aspects of a social revolution, although a bloodless one.” The elder Alessandri, Kennedy said, had implemented New Deal-like laws that created Chile’s social welfare system and its labor code, and the U.S. president added that he believed the senior Alessandri would have been enthusiastic about the Alliance for Progress. By invoking the father’s social reform achievements, the toast, perhaps unintentionally, seemed to call upon the son to live up to his father’s legacy.


Alessandri had insisted that he needed to explain his situation to Kennedy, yet the two presidents spent little time discussing Chilean politics, and when they did, Alessandri rebuffed Kennedy’s appeals for reform. The visit occurred just weeks after the Cuban Missile Crisis, and Kennedy and Alessandri spent much of their time discussing Cuba. Alessandri offered Chile’s embassy in Havana as a conduit for intelligence on Cuban internal politics and promised to replace the ambassador and several staff members. Kennedy used the discussion of Castro as an opening to urge reform: “[T]he problem was not ‘Castro,’ but rather difficult domestic problems which provide a breeding ground for the extreme left.” Kennedy added that “it would be a severe blow to see communism win an important election in a democratic country, when we have said that communism can remain in power only by building a wall” (a reference to the recently constructed Berlin Wall). Alessandri deflected Kennedy’s hint, saying that “democracy was at a disadvantage since its enemies take advantage of the right of free expression,” and that one had “turn” the press from its “defeatist approach” on Chilean affairs. Kennedy changed the subject but grasped the Chilean’s message: For all Alessandri’s claims of wanting to explain his problems to Kennedy, he (and the Right) did not want reform.60

During the months after the visit, Kennedy twice pressed the Alessandri administration to initiate reform but gave up. He even once told the Chilean ambassador that “it would be better to adopt reforms and weaken the Left from within,” but in both instances when Kennedy pressed

60 Memorandum of Conversation “Cuba,” van Reigersberg (Translator) and Richardson, 12 December 1962, Folder – Chile, General, 11/62-12/62; and Memorandum of Conversation “Chile and Cuba,” van Reigersberg and Richardson, 12 December 1962, attached to Memorandum, Brubeck to Bundy, 8 January 1963, Folder – Chile, General, 1/63-6/63; both Box 20a, NSF—Countries, JFKL. See also Martin, *Kennedy and Latin America*, 318-319. Memorandum of Conversation “The Cuban Problem,” van Reigersberg and Richardson, 11 December 1962, *FRUS, 1961-63*, microfiche, CHI-13/1-13/2.
for reform, his urgings were turned aside. With Alessandri and the Chilean Right, Kennedy’s administration found little alliance and little progress, and it now turned to finding a reform-oriented successor, who could prevent Allende and the FRAP from gaining strength.

**Tampering with Democracy**

For all of its frustration with Alessandri, the Kennedy administration first and foremost labored to preserve Chile’s democracy and stop Allende. The U.S. Embassy in Santiago stressed that “our national interest” in Chile was “to maintain a democratic government with human liberties preserved in large measure and oriented favorably toward the United States.” Deputy Chief of Mission John Joseph Jova was unequivocal, “Allende is the problem.” By mid-1962, U.S. officials admitted that their “overriding objective” was to defeat Allende in Chile’s 1964 presidential election and “keep Chile from falling into the Communist camp.”

Frustration and urgency drove the Kennedy administration to consider and debate “[t]he old question of the kinds of actions that we can take in the political field, both overt and covert.” Embassy counselor Norman Pearson warned, “If we really believe in the democratic process, as we want to convince others that we do,” Pearson wrote, “we must be especially careful in to the extent to which we tamper with the process.” The Department of State insisted that “the U.S. Government must not be left open to criticism of intervention in domestic politics,” but the

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61 Memorandum, Dungan to the President, 24 January 1963, Folder – Chile, General, 1963, Box 113a, President’s Office Files—Countries, JFKL. Memorandum of Conversation “Farewell Call of Ambassador Muller on the President,” Belcher, 24 January 1963, 725.00/1-2363, FRUS 1961-63, microfiche, CHI-20/1-20/2. Martin, *Kennedy and Latin America*, 320.

62 Letter, Jova to Richardson, 20 November 1963, Folder – Chron 3 Letters Chile 1963 [1 of 2], Box 5; and Memorandum “LAPC Meeting, January 10, Chile,” Belcher to Martin, 8 January 1963, Folder – Chron 6 Memoranda Chile 1963 to June 1963 [2 of 2], Box 6; both WST Files, RG59-Lot, NA. Letter, Pearson to Richardson, n.d. [19? June 1962]. Letter, Cole to Chester Bowles, President’s Special Representative, 18 May 1962, 725.00/5-1862, Folder – 725.00/1-1662, Box 1564, DF 1960-63, RG59, NA.
Department of Defense insisted that the United States must “take all possible steps to isolate the Communists.” When Chile Desk Officer Richardson worried that the United States might “expose” itself by giving money to political parties, embassy officer Robert Stevenson dismissed the concern: “Should money start becoming evident we don’t think you need [to] worry overly about speculation or exposing ourselves – there are many ways of doing it with which we need not concern ourselves.” One of the most vocal advocates for intervening in Chilean politics was Ambassador Cole, who maintained that an Allende victory “would be so dangerous for U.S. interests in Chile and in all Latin America that U.S. policy should…strive to prevent it.” He asked the Latin American Policy Committee (LAPC) to provide him with a special fund of five million dollars per year for 1963 and 1964 so that he could finance housing, education, health, community development projects that would produce “rapidly visible results” and thus prevent Chile’s urban dwellers and rural workers from turning to Allende and the FRAP.63

Advising ARA to exercise “great caution,” Pearson recommended that the United States act “obliquely and indirectly,” and offered a community-based assistance plan, a plan which Ralph Dungan and Arthur Schlesinger, Special Assistant to the President, read and discussed with Pearson in January 1963. Pearson asserted that the United States should maintain contacts with a broad spectrum of political leaders. He also suggested that the United States assist local organizations such as cooperatives and mutual aid societies that helped the Chilean middle and

lower classes, *Asociaciones de Pobladores* (Settler Associations) that aided dwellers in Chile’s urban slums, agricultural organizations that assisted *campesinos*, and local youth programs. Such programs, Pearson said, had always been set aside “for the future,” and “this has precisely been our error in the past….A vigorous assault on these subjects beginning now will produce results more quickly than people might think.”

In spite of the debate over whether the United States should involve itself in Chile’s domestic politics, U.S. officials were already doing so by rejecting Allende’s overtures and actively seeking to divide the FRAP. Recognizing that Allende’s appeal extended “far beyond the boundaries of the FRAP parties,” U.S. officials refused direct contact with Allende, his principal advisers, or his envoys in order to not lend “respectability” to his candidacy. Later, when Allende sent Socialist journalist Augusto Olivares to Washington to meet with ARA officials, ARA kept Olivares at arm’s length. U.S. policymakers also tried break apart the FRAP. Arthur Schlesinger remarked during a LAPC meeting, “everywhere else in the world the Socialists had seen the light and left the deathly embrace of the Communists,” and the United States “should do what we could to bring this about in Chile.”


66 Belcher to Cole, 30 January 1963, Folder – Chron 4 Letters Chile 1963 Outgoing Embassy, Box 5, WST Files, RG59-Lot, NA.
For Kennedy administration officials, the central question of the debate became whom to favor. The debate centered upon two men: Radical Party Senator Julio Durán and Christian Democrat Party leader Eduardo Frei. While maintaining extensive contact with both men, the U.S. Embassy favored Durán. It was already working with him and “discreetly” providing him with information to use in his speeches and public comments. Durán was “willing and able to use any such” material because as he told one embassy official, “he will lose all if the Communists come to power.”

From the first months of Kennedy’s administration, ARA’s Office of West Coast Affairs, and later the White House favored Eduardo Frei and the Christian Democrat Party (PDC – Partido Demócrata Cristiana). Frei had been building relationships with Department of State officials and U.S. business leaders since the 1958 election. While travelling in the United States in 1959 with a group of Chilean senators on a leader grant, Frei quietly lobbied “American friends” for monetary support for the PDC. Frei returned again in 1961 and met with ARA officials, as well as copper industry and other business leaders. Then in early 1962, Frei and Christian Democratic Senator Radomiro Tomic arrived on another leader grant and met with

67 Pearson to Richardson, 27 April 1962, Folder – Chile 1962 16. Letters from Embassy Santiago and Consulate Antofagasta, Box 4, WST Files, RG59-Lot, NA.


officials of Kennecott Copper, including company president Frank Milliken, even though Milliken believed that Frei and Tomic were “enemies” of the company.\textsuperscript{70}

Many in U.S. government and business circles questioned the Christian Democrats’ working relationship with the Communists. In a 7 March 1961 editorial, the \textit{New York Times} lumped the Christian Democrats together with the FRAP and asserted that this “opposition” to Alessandri was seeking “nationalization of mining companies and diplomatic and trade ties with the Soviet bloc. It also has a Fidelista slant.” Frei read this editorial while travelling in the United States. He wrote a letter to the editor, challenging the \textit{Times’} characterization of his party and denying that his party “belong[ed] to the Marxist bloc.” The PDC, he said, was “openly and definitely anti-Communist,” and it did not support nationalization of mining companies.\textsuperscript{71}

Frei’s letter to the \textit{New York Times’} editor sparked a pointed exchange with Luis Corvalán Lépez, Secretary General of the Communist Party in Chile, who criticized Frei for dividing the opposition. Corvalán considered it “dangerous” for the PDC to claim it was “anti-Communist” and “anti-Castro” because they would be identified with the far Right and “the worst enemies of the people.”\textsuperscript{72} Frei and Tomic confided to U.S. Embassy officers that they would put forth a

\textsuperscript{70} Letter, Pearson to Richardson, 28 March 1962. Memorandum “Hostile Attitude of U.S. Businessmen in Chile toward Christian Democrats,” Richardson to Martin, 24 August 1962, 725.00/8-2462, Folder – 725.00/6-662, Box 1564, DF 1960-63, RG59, NA. Airgram A-6 “American Business Opposition to Christian Democrats,” Pearson to Secretary of State, 3 July 1962, 725.00/7-362. The 1962 meeting is remarkable for the fact that Frei and Tomic said that a colleague of theirs, Deputy Patricio Hurtado, had travelled to Cuba and spoke with Castro. While in Cuba, Hurtado asked Castro why he declared himself to be a Marxist-Leninist. Castro responded that he feared a second invasion attempt by the United States and “made the speech hoping to ‘force’ his way into the Warsaw Pact.” Memorandum of Telephone Conversation “Alleged Reason Castro Declared Himself Marxist-Leninist,” Richardson, 3 April 1962, Folder – Chile 1962 21. Memoranda of Conversation, Box 4, WST Files, RG59-Lot, NA.


\textsuperscript{72} Despatch 719 “Communists Seek to Embarrass Christian Democrats,” Pearson to Department of State, 2 May 1961, 725.00/5-261, Folder – 725.00/2-1160, Box 1564, DF 1960-63, RG59, NA.
“hard-hitting” response, and it appeared in *El Mercurio* on 6 June 1961. In an open letter to Corvalán, Frei claimed that Christian Democracy offered an “alternative” to Communism because “neither capitalism nor communism are effective solutions for the specific problems of the Chilean nation in the present historical reality.” The PDC, he said, supported the Alliance for Progress and the need for foreign investment in certain basic national industries in which scales of economy were necessary. Also, he noted that where Christian Democrats were in power, the Communists enjoyed freedoms of the press, religion, organization, and political participation, but the same could not be said of the countries were Communists ruled.  

Frei’s open letters asserting his party’s anti-Communist credentials did little to dispel U.S. doubts. Embassy officials admitted that a PDC-led government would enact “desirable structural reforms,” but feared it would also “create headaches for U.S. investment in Chile and new problems in U.S.-Chilean relations.” The embassy hoped to “temper “the PDC zeal for ‘profound reforms’” by encouraging the party to unite with the Radical, Liberal, and Conservative Parties. U.S. businessmen were “quite hostile” to Frei and the PDC. Braden Copper, Anglo-Lautaro Nitrate, and DuPont company officials told department officials that U.S.

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73 Frei, “El Partido Demócrata Cristiano y el Comunismo,” *El Mercurio*, 6 June 1961, p. 15, enclosed with Despatch 788 “Christian Democratic Reply to Communists,” Pearson to Department of State, 5 June 1961 [sic], 725.00/6-561, attached to Memorandum “Chilean Political Situation,” Phillips to Achilles, 2 June 1961, 725.00/6-261, Folder – 725.00/6-261, Box 1564, DF 1960-63, RG59, NA.

74 Airgram A-782 “Comments on Experimental Policy Paper on Chile dated September 24, 1962,” Jova (Stevenson) to Secretary of State, 26 February 1963, Folder – POL Chile 2/1/63, Box 3864, Department of State Records, Central Foreign Policy Files, Subject-Numeric File 1963, RG59, NA. Hereafter cited as CFPF 1963, RG59, NA. In 1963, the Department replaced the Decimal File system with the Subject-Numeric File system for its central files.
support for the PDC was “dangerous to our national interests,” and Kennecott president Frank Milliken considered Frei and Tomic “enemies of the copper company.”

Despite U.S. hostility, by mid-1962, leaders of Chile’s political parties, as well as the U.S. and Chilean business communities, were leveling charges of “US favoritism” against the Christian Democrats,” and Julio Durán complained of it more than once. The charges of favoritism were true and false. President Kennedy believed that “the Christian Democrats were the best hope for Chile;” and that a PDC victory “would be a good augury for the rest of the continent.” Cole, the embassy, and ARA, meanwhile, considered Durán “our best bet” and made support for him and his Democratic Front (Frente Democrático) the “basis” of the embassy’s strategy for the upcoming presidential election. In early 1962, the Kennedy administration created the “Special Group,” an inter-agency committee composed of White House, Department of State, and CIA officials, in order to follow and influence Chile’s 1964 presidential election. On 2 April 1962, the CIA presented two reports to the Special Group: one report advocated support for Frei and the Christian Democrats, the other for Durán and the Radicals. The split between the White House and the Department of State likely prompted the Special Group to approve both courses. It gave $50,000 “to strengthen” the PDC, and on 27 August 1962, the

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76 Airgram A-5 “Strong Impressions that U.S. Government Supporting Christian Democratic Party;” Pearson to Department of State, 4 July 1962, 725.00/7-462, attached to Airgram A-8, Edward P. Kardas, Political Officer, to Department of State, 3 July 1962, 725.00/7-362; and Memorandum of Conversation, Pearson, 1 July 1962, enclosed with Airgram A-6 “American Business Opposition to Christian Democrats,” Pearson to Secretary of State, 3 July 1962, 725.00/7-362; both Folder – 725.00/6-662, Box 1564, DF 1960-63, RG59, NA. Telegram 145, Cole to Martin, 8 August 1963, Folder – POL 7 Visits. Meetings. Chile 2/1/63, box 3864, CFPF 1963, RG59, NA.
Special Group authorized channeling $180,000 to the Christian Democrats through a third country (likely Italy) for fiscal year 1963 (October 1962-September 1963). In early 1963, the Special Group then approved $50,000 to Duran’s Radical Party. A committee was then set up at the U.S. Embassy in Santiago to assist in implementing the Special Group’s decisions.  

The Kennedy administration also enlisted the Italians to influence the Christian Democrats and other Chilean political parties not only because of the ties between Chilean and European political parties, but also because it considered Chile as “a relatively advanced society among the Latin American countries both politically and economically.” The United States had good contacts within the Italian Christian Democratic Party and was well informed of Frei’s 1963 week-long stay in Italy, including his meetings with Italian Prime Minister Fanfani and the Secretary of the Christian Democrats Aldo Moro.  

The Kennedy administration also worked with Italian Foreign Minister Giuseppe Saragat and the Italian Socialists to elicit encourage the Chilean Socialists to break them from the FRAP. Saragat visited Chile in late 1963 and met with

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77 Cole, Oral History, 26 April 1969, 33. Memorandum “Attached Report from Ambassador Cole,” Richardson to Belcher and Thompson, 5 December 1963, Folder – Chron Memoranda Chile July 1963, Box 6, WST Files, RG59-Lot, NA. For supporting Durán and the Democratic Front as the embassy’s strategy, see Handwritten Note by Ralph Richardson on Letter, Jova to Richardson, 20 November 1963, Folder – Chron 3 Letters Chile 1963 [1 of 2], Box 5, WST Files, RG59-Lot, NA. United States Senate, Select Committee to Study Governmental Operations with Respect to Intelligence Activities, Covert Action in Chile, 1963-1973, 94th Congress, 1st Session (Washington DC: USGPO, 1975), 9, 14, 57. The 1975 report suggested that the Special Group may have been trying “to hedge bets and support two candidates for President.” Kennedy administration documents indicate that the split between the White House and the Department of State was the more likely reason. See Senate, Covert Action in Chile, 15.

Allende, later telling Secretary of State Dean Rusk that he would continue to “do what he can within the limits of his influence to affect the attitude of the Chilean Socialist Party.”

The White House also arranged for Frei to meet Kennedy in April 1963. Between 1959 and 1963, Frei had travelled to Washington and New York four times, meeting with Department of State policymakers and copper industry officials each time. During the fourth trip (April 1963), Frei travelled to a conference at Notre Dame University, but spent three days in Washington to visit with Ralph Dungan, a friend whom he “had known from years ago.” When Frei arrived at Dungan’s White House office, Dungan asked Frei if he wished to meet President Kennedy, and Frei expressed “great interest” in doing so. Frei “was received immediately,” and he and Kennedy had a 25-minute “private conversation.” During that same trip, Frei also had met with Assistant Secretary Martin and the presidents of Kennecott and Anaconda Copper before heading to Italy, where he was the guest of Italy’s Christian Democrat Party.

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79 Memorandum “Possible Visits of Italian Socialists to Chile,” Belcher, 29 April 1963, Folder – Political Affairs and Relations POL 7 Visits – Meetings, Box 7, WST Files, RG59-Lot, NA. Memorandum of Conversation Secretary of State Rusk and Italian Foreign Minister Saragat on “Chile,” Francis E. Meloy, 15 January 1964, Folder – POL 12 Political Parties Chile 1/1/64, Box 2027, CFPF 1964-66, RG59, NA. Airgram A-887 “Italian Ambassador’s Views on Splitting Chilean Socialists from Communists,” Cole to Department of State, 29 March 1963, Folder – CSM – Communism 2/1/63 Chile, Box 3688, CFPF 1963, RG59, NA.


81 Letter, Robert A. Stevenson, Counselor of Embassy for Political Affairs, to Richardson, 17 May 1963, Folder – Chron 3 Letters Chile 1963 [1 of 2], Box 5, WST Files, RG59-Lot, NA. Memorandum “Kennecott Talk with Senator Frei,” Richardson to Martin, 1 May 1963; and Memorandum “Highlights of Telecon with Mr. Charles Brinckerhoff, President of Anaconda Copper,” Richardson to Martin, 2 May 1963; both Folder – Chron 6 Memoranda Chile 1963, Box 5, WST Files, RG59-Lot, NA. Airgram A-1714 “Visit to Rome of Chilean DC Leader, Senator Eduardo Frei,” William N. Fraleigh, Counselor of Embassy (J. P. Fromer) to Department of State, 23 May 1963, Folder – POL Political Affairs and Relations Chile – A, Box 3866, CFPF 1963, RG59, NA.
Frei’s description of his meeting with Kennedy permits several inferences. Given that Frei was “immediately received,” Dungan probably arranged the meeting in advance. Frei, despite his modesty, could not have been unaware of the possibilities involved in visiting a long-time acquaintance at his White House office, and likely knew of the scheduled meeting. Moreover, since Frei had known Dungan “from years ago,” the White House’s support of Frei may have partly arisen from Dungan’s friendship with the Chilean senator. Surprisingly, Cole was unaware of the connection between Dungan and Frei, even years later.82

The Department of State and the embassy continued to favor Durán and the Frente Democrático (FD), a coalition forged between the Radical, Liberal, and Conservative Parties. The embassy asserted that Durán stood the best chance of defeating Allende, but they disliked the PDC and its adherents.83 The embassy described the PDC’s economic program as “so shot through with contradictions as to be patently unworkable,” and Robert Stevenson, the embassy’s Counselor for Political Affairs, considered some PDC leaders “really very ignorant on economic issues.” Cole even suggested that the PDC might expropriate the copper companies. The embassy believed that Frei “would undoubtedly make an able” president, but it could not

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83 Memorandum “Attached Report from Ambassador Cole,” Richardson to Belcher through Thompson, 5 December 1963, Folder – Chron Memorandum Chile July 1963, Box 6, WST Files, RG59-Lot, NA. For Assistant Secretary Martin’s support of Durán, see Briefing Memorandum “Your Appointment, Friday, May 17, 12:00 noon, with Three Chilean Radical Party Leaders,” 15 May 1963, enclosed with Memorandum, Richardson to Dungan, 15 May 1963, Folder – Chile, Box 1, White House Staff Files – Ralph A. Dungan Files, JFKL. Memorandum “The Situation in Chile – January 1963,” enclosed with Airgram A-784 “Improved Outlook for Chile as Compared with One Year Ago,” Stevenson to Department of State, 28 February 1963, Folder – POL 2-3 Politico-Economic Reports, Chile, 6/1/63, Box 3864; and Airgram A-1049 “Christian Democrat Deputy’s Views on CD Tactics in Case of Probability of FRAP Victory,” Jova to Department of State, 28 May 1963, Folder – POL 14 Elections Chile 2/1/63, Box 3865; both CFPF 1963, RG59, NA.
overlook what it saw as the Christian Democrats’ “tepid” support for the Alliance for Progress, and their willingness to accept support from and “overlook the shortcomings of the Marxists.”

The U.S. Embassy admitted that the Frente Democrático had “a long way to go to build [Durán] into a national figure comparable to either Frei or Allende.” To build his image as an international leader, Durán went on a tour of the Americas and Europe, including the United States, Italy, West Germany, Mexico, and Peru. Embassy officials twice recommended that Durán meet with President Kennedy, just as Frei had done a few months earlier. Durán did so, but Assistant Secretary Martin noted that “Durán did not make a good impression.” Durán criticized the Christian Democrats for “campaigning on an allegedly strong Catholic position, while constantly justifying Castro.” He also claimed that in a close election, Congress would select the Radical candidate because the Radicals controlled 57 to 59 percent of the votes in Congress. Afterwards, Durán announced to the press that he had met with Kennedy “for three minutes,” causing one Liberal deputy to lament that Durán had been too “chronometric” and that “every time Durán opened his mouth he stuck his foot in it.”

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85 Biographic Sketch “Senator Julio Durán Neumann,” n.d. [August 1963], enclosed with Memorandum “Call on Mr. Ralph Dungan by Chilean Senator Julio Durán,” Benjamin H. Read, Executive Secretary of the Department of State, to McGeorge Bundy, 16 August 1963, Folder – Chile General 5/63-11/63, Box 392, NSF – Ralph Dungan Series, JFKL. Airgram A-104 “Observations on the Durán Candidacy as the Campaign gets Underway,” Stevenson to Department of State, 6 August 1963, Folder – POL 12 Political parties Chile 6/1/63, Box 3865, CFPF 1963,
The unfavorable impression that Durán left with Kennedy and other Washington officials was one of several signs that his candidacy was in serious trouble. Chilean polls revealed that Durán’s name recognition lagged well behind Frei’s and Allende’s. Durán’s campaign director “complained bitterly” that businessmen were not making “sufficient contributions” to Durán’s campaign fund. One Chilean senator told the embassy that Durán’s Radical colleagues in the Senate were not “working actively” for him, in part, due to resentment from the “many cases” when Durán had stepped on their toes during his rise. Durán’s lack of appeal became apparent when Deputy Chief of Mission Jova asked his elderly cook about the candidate. She responded, “This man [Durán] does not have the dignity to be president of Chile, and furthermore, show me what he has done in Congress, or out of Congress, in support of the poor.”

RG59, NA. Telegram 171, Cole to Secretary of State, 16 August 1963, Folder – POL 7 Visits and Meetings – Chile 2/1/63, Box 3864, CFPF 1963, RG59, NA. Martin, Kennedy and Latin America, 321-322. Memorandum of Conversation “Meeting between Senator Durán of Chile and the President,” Fernando van Reigersberg, Department Interpreter, 19 August 1963, enclosed with Memorandum, Benjamin H. Read, Executive Secretary, to McGeorge Bundy, 4 October 1963, Folder – Chile General 7/63-11/63, Box 21, NSF—Countries, JFKL. Memorandum of Conversation “Meeting between the Vice President and Senator Durán,” van Reigersberg, 19 August 1963; Memorandum of Conversation “Meeting between Acting Secretary Ball and Senator Durán of Chile,” van Reigersberg, 19 August 1963; and Memorandum of Conversation “Meeting between Senator Durán of Chile and Mr. Dungan,” van Reigersberg, 19 August 1963; all Folder – Political Affairs and Relations Chile – A, Box 3866, CFPF 1963, RG59, NA. Airgram A-152 “Views of Deputies Correa and Alessandri on Durán’s Candidacy,” Jova to Department of State, 23 August 1963, Folder – POL 14 Election Chile 2/1/63, Box 3865, CFPF 1963, RG59, NA.

Memorandum of Conversation, Rudy V. Fimbres, 29 July 1963, enclosed with Airgram A-77 “Durán’s Presidential Campaign,” Fimbres to Department of State, 30 July 1963, Folder – POL 12 Political Parties Chile 6/1/63, Box 3865; Enclosure 3 Memorandum of Conversation with Jaime Tormo, Stevenson, 2 August 1963, enclosed with Airgram A-104 “Observations on the Durán Candidacy as the Campaign Gets Underway,” Stevenson to Department of State, 6 August 1963, Folder – POL 12 Political Parties Chile 6/1/63; Box 3865; and Memorandum, n.d. [June 1963], enclosed with Airgram A-1087 “Conversation with Senators of Different Political Backgrounds on Current Situation,” Jova to Department of State, 7 June 1963, Folder – POL 2 Gen. Reports and Statistics Chile 2/1/63, Box 3864; all CFPF 1963, RG59, NA.

Memorandum of Conversation “Chilean Presidential Campaign; US Copper Companies,” Lois Carlisle, Office of Intelligence and Research, to Plank, 7 October 1963, Folder – Chron Memorandum Chile July 1963, Box 6; and Jova to Richardson, 20 November 1963, Folder – Chron 3 Letters Chile 1963 [1 of 2], Box 5; both WST Files, RG59-Lot, NA.
One of the most obvious signs of Durán’s flagging candidacy was opposition from the Right. Jorge Prat Echaurren, head of the Central Bank under President Carlos Ibáñez del Campo, entered the presidential race, asserting that Chile needed to be the “prow of Latin America.” Prat described Durán as “a particularly poor candidate” and “unprepared to deal with [Chile’s] major problems.” Also, a movement to reelect Alessandri developed among Liberals and Conservatives. Chile’s constitution did not permit reelection, but Liberal Deputy Enrique Edwards proposed a constitutional amendment to change this. Alessandri promptly denied any interest in another term, but the issue did not die, in part because Edwards was “very close” to Alessandri. A proposal for a constitutional amendment circulated among Chilean political circles, advocating a reduction in the president’s term from six years to four years and to permit reelection. Only after a 2 October 1963 meeting between Durán and Alessandri, a meeting which lasted more two hours, did the matter finally rest. That evening, Alessandri issued a press statement in which he categorically denied any desire to be reelected and unequivocally expressed his opposition to amending the constitution to permit reelection.\footnote{Airgram A-268 “Jorge Prat on his Best Behavior,” Stevenson to Department of State, 1 October 1963, Folder – POL 12 Political Parties Chile 6/1/63; Telegram 1069, Cole to Secretary of State, 11 June 1963, Folder – POL 12 Political Parties Chile 6/1/63; and Airgram A-1062 “Conversation with Presidential Pre-Candidate Jorge Prat,” Jova to Department of State, 31 May 1963, Folder – POL 14 Elections Chile 2/1/63; all Box 3865, CFPF 1963, RG59, NA. Airgram A-181 “Joint Weeka No. 35,” Stevenson to Department of State, 30 August 1963, Folder – POL 2-1 Joint Weeka Chile 6/1/63, Box 3864, CFPF 1963, RG59, NA. For Edwards being close to Alessandri, see Airgram A-1086 “Joint Weeka No. 23,” Jova (G.W.F. Clift) to Department of State, 7 June 1963, Folder – POL 2-1 Joint Weeka Chile 6/1/63, Box 3864; and Airgram A-188 “Conversation with Former President González Videla on Political Scene,” Jova to Department of State, 31 August 1963, Folder – POL 15 Government Chile 2/1/63, Box 3866; both CFPF 1963, RG59, NA. Airgram A-281 “Joint Weeka No. 40,” Jova (Ravndal) to Department of State, 4 October 1963, Folder – POL 2-1 Joint Weekas Chile 6/1/63, Box 3864, RG59, NA.}

By late autumn 1963, after Prat’s announcement and the Alessandri reelection affair, ARA and the embassy admitted that Durán probably could not win because many Liberals and Conservatives had turned to Frei. Deputy Chief of Mission Jova said that Durán’s candidacy...
“had reached rock-bottom and had no place to go except up (or out).” When one ARA official proposed sending some cash to Durán’s flagging campaign, Chile Desk Officer Richardson strongly objected, saying that if money began showing up, many would start asking questions, “knowing that none of them had changed their minds about Durán.”

The November 1963 assassination of Kennedy magnified U.S. policymakers’ indecision over whether to support to Frei or Durán, and shifted support toward Durán. U.S. officials found Frei and the PDC a more “agreeable and interesting lot,” and Political Officer Stevenson admitted, “All of us sense the appeal of the PDC – the idealism, the emotion, the youthful enthusiasm and drive,” which resembled Kennedy’s own appeal in the United States. Yet Kennedy’s death removed the strongest voice for Frei and the PDC; furthermore, when President Lyndon Baines Johnson named Thomas Mann to be Assistant Secretary of State for Inter-American Affairs, replacing Edwin Martin, support shifted strongly in favor of Durán. Mann, Cole, and other ARA officers believed that Durán would be “more pliable” in economic matters, and that a victory by Durán’s Democratic Front would assist in making Chile the model for the Alliance and encourage U.S. companies to invest in Chile. Jova admitted that he had to do “some fast talking” to prevent Cole and other embassy officials from giving “massive indiscriminate aid” to Durán in late 1963. Jova’s primary fear was that they might “bring about a leveling” between the PDC and the FD where neither could “whip FRAP.” Despite a swing toward Durán, the new Johnson leadership did not definitively decide between Frei and Durán

for several reasons: the presidential transition, a desire to adhere to and fulfill Kennedy’s legacy, other pressing foreign policy issues such as Vietnam, and Johnson’s own 1964 presidential campaign. As Chile Desk Officer Richardson confessed, “I really had wondered…whether we were going to get any definite decision from the front office on which group we should help.”

The Panic Button

The residents of Curicó, an agricultural province about 140 miles south of Santiago in the heart of the Central Valley, resolved the U.S. policymakers’ dilemma during a March 1964 by-election, and the election result caused U.S. policymakers to panic. The death of Socialist deputy Oscar Naranjo Jara prompted the by-election, and Chilean and U.S. observers viewed the election as “a yardstick of the relative strength of the political parties.” Allende, Frei, and Durán all campaigned in the province for their respective candidates. Durán and the Frente Democrático, confident that their candidate, Rodolfo Ramírez Valenzuela, would win, declared that the by-election was a national “plebiscite,” a comment which effectively staked the future of Durán’s candidacy on the by-election’s outcome.

Despite Durán’s prediction, embassy officers noted that the FRAP candidate had several advantages. First, many Chileans had a sense of “fair play” about the election, believing the
Socialists had a right to fill the seat. Also, the FRAP candidate was the “very popular and respected” doctor Oscar Naranjo Arias, the son of the recently deceased deputy. The FRAP promoted Naranjo, a pediatrician, as the “Doctor of the People,” and ran a radio ad that closed by saying, “Honor the father, vote for the son,” with a funeral march playing in the background. Embassy officials further noted that Naranjo had “endeared himself to many people in Curicó” in recent years “by administrating to the poor for little or no fee” and “had vaccinated most of the kids in the area.” In addition, the embassy noted that the FRAP had 200 workers knocking on doors and canvassing voters in the province; meanwhile, the Frente Democrático utilized the latifundio owners, whose influence over the campesinos and their votes had “diminished.” The FRAP’s advantages were apparent in the size of the rallies for all three candidates. During his weekend visit to Curicó, Political Counselor Robert Stevenson estimated that 3500 people (2000 adults) attended the FRAP’s rally, but the Frente Democrático rally only drew about 1200.92

While Durán staked his candidacy on the Curicó election, Cole and Stevenson staked U.S. policy on the by-election, despite substantial data indicating a FRAP victory. Their error caused Washington to panic over a by-election, the outcome of which should have been anticipated by the embassy and Washington. Although the FD was “running scared in Curicó,” Cole and Stevenson told the Department of State that they were confident that Ramírez would “squeak through a winner.” They based their flawed prediction on a single misleading statistic: During Curicó’s 1963 municipal elections, FD candidates received 49.5 percent of the vote, the FRAP

received 29 percent, and the Christian Democrats 21.5 percent. However, little “carryover of voting strength” occurred from local elections to national elections. Municipal elections had lower voter turnouts and tended to be shaped more by local issues and the candidates themselves, a point that Jova had made at the time.\(^93\) Cole and Stevenson acknowledged but discounted facts such as that in 1963, Dr. Naranjo had received the highest individual vote total for any Curicó city councilman, and that he had previously served as *alcalde* (mayor) the provincial capital.

On 15 March 1964, Dr. Naranjo defeated Rodolfo Ramírez (40 percent to 33 percent), and the FRAP victory threw U.S. policymakers into turmoil. A post-election opinion poll found that 81 percent of respondents “had voted for Naranjo as a person,” not as a FRAP candidate, and the embassy noted that Naranjo’s success among women resulted from his pediatric practice. The next day, Durán withdrew as a presidential candidate. The FD collapsed when the Liberal and Conservative Parties accepted Durán’s resignation and threw their support to Frei.\(^94\)

The Chief of the CIA’s Western Hemisphere division told Assistant Secretary Mann that “the most important thing is to keep people from panicking as a result of Curicó;” however, U.S. policymakers did panic. Chilean ambassador Sergio Gutiérrez Olivos told Santiago that officials in Washington believed that a “catastrophe had occurred” in Curicó, and that some were saying, “Allende is unstoppable,” and “Chile will be the first country in the world that will have a freely

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\(^94\) Telegram 758 “Curicó By-election,” Jova to Secretary of State, 15 March 1964, Folder – POL 14 Elections Chile, Box 2029, DF 1964-66, RG59, NA. Telegram 1155, Jova to Secretary of State, 4 June 1964, Folder – POL 14 Chile 5/1/64; and Telegram 763, Jova to Secretary of State, 16 March 1964, Folder – POL 14 Elections Chile; both Box 2029, CFPF 1964-66, RG59, NA. Airgram A-699 “‘Joint Weeka No. 12,” Jova (Ravndal) to Department of State, 20 March 1964, Folder – POL 2-1 Joint Weekas Chile [2 of 2], Box 2025, CFPF 1964-66, RG59, NA.
elected Marxist regime.” In an 18 March White House staff meeting, NSC Adviser McGeorge Bundy asked Dungan to comment on the FRAP victory in Curicó. Dungan said that neither he nor Cole were “really upset about the by-elections in Chile….There is a three to one chance that every thing will turn out all right” in the presidential election. “[W]ith those odds,” Bundy scoffed, “we could lose five countries in Latin America.”

The Johnson administration quickly approved an all-out, multi-million dollar effort to prevent another Curicó result in Chile’s presidential election. Before the by-March election, the United States spent $280,000 in Chile ($230,000 to Frei and $50,000 to Durán). Two weeks after Curicó, the Special Group approved a $3 million plan to assist Frei and said that the United States should “ensure that no suitable use of US resources is overlooked in working for the defeat of Allende and the FRAP.” Under the close monitoring of the NSC and the Department of State, the amount of money reflected the “deep US concern” that Johnson and Mann had expressed to Cole regarding the outcome of Chile’s election, and Cole placed the embassy on “emergency footing” for the remainder of election. As Bundy told President Johnson, “the problem we face is that a very popular and attractive candidate named Allende, who has thrown in his lot with the Communists, has more than a fighting chance to win.”


97 Memorandum, Bundy to the President, 13 May 1964, Folder – McGeorge Bundy 5/1/-5/27/64, Vol. 4 [1 of 2], Box 1, NSF-Memos to the President, LBJL. This memorandum was reprinted in FRUS 1964-68, XXXI: 565n2. Senate Select Committee, Covert Action in Chile, 57. For approval of the plan by the Special Group, see FRUS 1964-68, XXXI: 558n5. Policy Paper “Chile: Short Term Policy and Action from Present through Presidential Election, September 4, 1964,” Office of West Coast Affairs, 10 July 1964. Telegram 902, Cole to Secretary of State, 11 April 1964, Folder – AID (US) 15-11 Chile; and Telegram 1076, Jova to Secretary of State, 18 May 1964, Folder – POL 14 Elections Chile, Box 2029; both CFPF 1964-66, RG59, NA.
The Special Group’s $3 million assistance plan included several elements. One effort sought to pressure the Durán’s own Radical Party to not endorse Allende or at least remain neutral. If the Radicals did endorse Allende, the United States would give financial assistance to Radical leaders who could swing Radical voters over to Frei. As a second element, U.S. officials would provide a “substantial subsidy” to Frei so that he could strengthen “his electoral machine and campaign capabilities,” and they would urge Frei to make some agreement with the Radicals. Whereas Frei’s campaign budget before Curicó was about $100,000 (US) per month, his campaign managers presented to U.S. officials a $300,000 per month budget and “suggested” that U.S. officials to make up the difference. Third, the United States would urge the Liberal and Conservative Parties support Frei without “damag[ing] his image as a reform candidate, and this included financial assistance to those parties. The United States would also pressure Jorge Prat to withdraw from the presidential race. Furthermore, the United States would provide financial assistance to youth, student, and women’s groups, peasant and slum dweller associations, and labor unions to vote for Frei. U.S. officials would “buy some votes outright if required” and would also engage in black propaganda “to denigrate Allende.” Much of this, Johnson administration officials planned to funnel through “U.S. non-official sources” in order to “permit us plausible denial if necessary.”

The cost of the Johnson administration effort went well beyond the initial $3 million; in fact, the total amount was more than $100 million if one factors in AID and PL-480 funds. Peter Jessup, executive secretary of the Special Group, which was renamed the 303 Committee in June, told McGeorge Bundy, “We can’t afford to lose this one, so I don’t think there should be

any economy shaving in this instance. We assume the Commies are pouring in dough; [but] we have no proofs...Let’s pour it on and in.” The Special Group approved another $1,250,000 on 14 May 1964 and an additional $500,000 on 23 July 1964.99 The Johnson administration provided $70 million in AID loans to keep Chile’s “economy as a whole active and unemployment low” and approved a $20 million PL-480 program to provide wheat, beef, and other foodstuffs to Chile. Assistant Secretary Mann made clear that, “Our objective is to have enough food in Chile during [the] pre-election period to prevent, to [the] maximum extent feasible, scarcity or excessive food prices,” or even “to bring prices down.” Given that Chile had few storage facilities for frozen beef, Mann was willing to shuttle the monthly demand of 2700 tons from Uruguay if it meant dropping the price by more than 20 percent.100

The Johnson administration also targeted efforts towards specific groups in order to develop sympathy for Frei and U.S.-Chilean cooperation and temper the appeal of Allende and the FRAP. The United States helped to fund the Frei campaign’s “pobladores commando,” a campaign effort that included 15 full-time doctors, 30 part-time doctors, and “a small group of social and legal workers, who provided medical and other services to the urban poor, particularly in Santiago. Using a special fund, Cole and the Embassy provided small grants, such as a $250 scholarship or $5000 freezer plant for a co-op, which could further draw votes away from

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Allende. Embassy staff travelled the length of the country, showing 16-mm films that promoted the Alliance for Progress, and another 35-mm film played in Santiago’s movie theaters. Two large U.S. Embassy-sponsored photograph exhibits -- one on Kennedy, the other on Chile and the Alliance for Progress -- toured Chile’s nine major cities. The USIS officials in Chile also made and “all-out national drive through means of all communications media to publicize the Alliance for Progress and U.S. economic cooperation with Chile.” The Johnson administration also devised propaganda efforts that sought to “build-up” Frei and keep the “band-wagon effect going” for the Christian Democrats; meanwhile, other propaganda efforts sought to “denigrate and split” the FRAP and denigrate Allende, his campaign manager Salomón Corbalán González, even his wife, Hortensia Bussi de Allende.  

The U.S. effort also included the Departments of Justice and Defense. The Department of Justice’s Anti-Trust Division notified the Department of State that it wished to investigate U.S. copper producers for collusion in trying to raise copper prices in the United States. The State Department asked the Justice Department to postpone its investigation until after Chile’s presidential election. Working with Chile’s armed forces and Carabineros, the Johnson administration sought to provide enough equipment and other services in order that Chile’s police and military forces were ready and able to maintain order before, during, and after the elections and to ensure that the constitutional process was permitted to go forth. Although the Chilean Army considered itself well equipped, the other services required more hardware, and all

101 Jeffrey F. Taffet, “Alliance for What? United States Development Assistance in Chile during the 1960s,” Ph.D. dissertation, Georgetown University, 2001, pp. 141-145. Department of State Memorandum, n.d. [mid-late April 1964], Folder – POL – Political Affairs and Relations Chile 1/1/64, Box 11, Formerly Top Secret Files of the Central Files, CFPF 1964-66, RG59, NA. Hereafter cited as Formerly Top Secret Files. The first page of this document was withdrawn and re-classified in the months after the 11 September 2001 attacks. References place the date of the document around mid-late April 1964 and indicate that the document originated within ARA.
military branches were interested in improving inter- and intra-service communications. While the Defense Department’s military attachés coordinated with the armed forces, the State Department provided a civilian public safety officer that worked with the Carabineros.  

The Department of State and CIA considered working with private business interests, and U.S. and Chilean businessmen were eager for such cooperation, but President Johnson opposed it. The Special Group’s plan called for a joint effort with the Business Group for Latin America (headed by David Rockefeller) to provide information to U.S. business groups wishing to support Frei’s campaign. Working “closely but discreetly with Frei,” Augustín Edwards offered the support of his newspapers *El Mercurio* and *Últimas Noticias*. He also met with Assistant Secretary Mann, CIA Director John A. McCone, and Rockefeller’s group, and lobbied all for funds for Frei’s campaign. Mann complained about “too much open talk” in New York business circles and accused one business leader of being a “blabbermouth.” CIA Director McCone refused to agree to U.S. businesses passing money to the U.S. Government to help Frei’s campaign because it “raised so many questions of ethics, financial and interrelationships.” Frei said “publicized large-scale U.S. business support” was the “kiss of death” for his candidacy. Acting independently, some U.S. companies, solicited by Frei campaign officials, did contribute money to Frei’s election fund.  

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102 Memorandum of Conversation “Proposed Justice Copper Investigation,” David B. Ortman, International Business Practices Division, 8 December 1964, Folder – INCO Copper 17, Box 1, Formerly Top Secret Files. Telegram 974 “COG Request for Assistance on Internal Security and Attitude of Armed Forces on Election,” Jova to Secretary of State, 1 May 1964, Folder – POL 23 Internal Security, Counter-Insurgency, Chile 1/1/64, Box 2030, CFPF 1964-66, RG59, NA. Memorandum, Bundy to the President, 13 May 1964.

103 Memorandum “Presidential Election in Chile,” Mann to Rusk, 1 May 1964, *FRUS 1964-66*, XXXI: 566. For Edwards’ efforts and meetings, see Telegram 821, Cole to Secretary of State, 27 March 1964, Folder – POL 14 Elections Chile, Box 2029, CFPF 1964-66, RG59, NA. Memorandum “Your Appointment with Mr. Agustin Edwards…,” Dentzer to Mann, 14 April 1964, Folder – POL – Political Affairs and Relations Chile-US 1/1/64, Box
Frei was fully aware the U.S. government’s efforts, and made clear that “any linking of him” to U.S. Government or U.S. business monies would be “fatal.” He knew of U.S. aid directed toward keeping Chile’s economy stable and holding down food prices, as well as the large sums the United States gave to his campaign. He also received clippings of U.S. news coverage of Chile’s presidential campaign from the U.S. Embassy, probably for use in Frei’s public statements and press releases. Constantly worried about publicity of his U.S. support, Frei admitted as early as 1959 that any exposure of his seeking or receiving U.S. assistance “would be catastrophic.” Amid the 1964 campaign, Frei expressed “gravest concern” to Jova about a U.S. official who twice “had spoken indiscriminately” about U.S. aid to his campaign.¹⁰⁴

Frei insisted that Durán should remain in the race “at any price,” and Durán knew of his new role in the campaign and asked for U.S. funds. Even though Durán had withdrawn his candidacy, the Radical Party rejected it, and Durán reentered the presidential race on 5 April. In a 30 April meeting with Jova and Stevenson, Durán emphasized that “his only aim” was the defeat of Communism, and “he was prepared to act a Frei’s dupe so long as his candidacy helped keep the Radicals from going to Allende.” Durán suggested the United States give $2500 in

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installments to Radical deputies in order to help them in the March 1965 Congressional elections. He additionally asked for $3500 to help him prevent the Radicals from endorsing Allende and to cover his campaign expenses. Frei said that “serious consideration should be given to subsidizing [Durán] either from PDC campaign funds or other sources.” Durán did receive money from Frei’s campaign. Prominent Radical Party leader German Pico Cañas, Frei’s campaign finance manager Salvador Pubill, and Gabriel González Videla, Durán’s campaign manager, met, and the U.S. Embassy concluded that Pubill was “maintaining close contact with [the] Radicals’ finance people.”

U.S. concerns about Durán and the Radicals of supporting Allende were not unfounded. A few days after Curicó, Durán and Salomon Corbalán met at Durán’s invitation. Durán offered to withdraw from the race and support Allende. Although Durán recanted after two days, he had conversations with Allende during the week of 3 May (four weeks later) at the home of former president and Radical Party member Alfredo Duhalde. During their conversations, Durán asked Allende three questions: would Allende break from the Communists, would the Communists withdraw from FRAP and give support from the margins in exchange for a Radical-FRAP pact, and would Allende deny ministerial posts to the Communists. It was a steep price for Radical support, and Allende said “no” to all three questions. He did offer the Radicals the two most powerful ministries of his prospective cabinet (the Ministries of Defense and Interior), as well as

105 Telegram 981 Jova to Secretary of State, 2 May 1964, Folder – POL 2 General Reports and Statistics, Box 2020, CFPF 1964-66, RG59, NA. Telegram 76320, Jova to Mann and Dentzer, 5 May 1964, FRUS 1964-68, XXXI: 568-569. Telegram 1013, Jova to Secretary of State, 8 May 1964, Folder – POL 12 Political Parties, Chile, 5/1/64, Box 2027, CFPF 1964-66, RG59, NA. Memorandum of Conversation, Fimbres and Stevenson, 14 November 1963, enclosed with Airgram A-388 “The Finances of the PDC,” Stevenson to Department of State, 21 November 1963, Folder – POL 12 Political Parties, Chile, 6/1/63, Box 3865, CFPF 1963, RG59, NA. Telegram 1137, Jova to Secretary of State, 1 June 1964, Folder – POL 12 Political Parties, Chile, 6/1/64, Box 2026, CFPF 1964-66, RG59, NA.
support for Radical candidates in the March 1965 Congressional elections. Despite the tempting offer, the Radical-FRAP talks made little progress. Durán received “severe criticism” from Radical leaders and had to apologize for his “unauthorized conversations.” When news of the conversations broke, Frei met with Durán and asked him to stay in the race. Durán said he was only “jawing” with Allende but hinted that he needed financial support. Osvaldo Puccio and Salomon Corbalán believed that Durán had used them to obtain more money from the Right, but given that former Radical presidential candidate Luís Bossay and former president Alfredo Duhalde supported Allende, U.S. officials worried that the Radicals might endorse Allende.\(^{106}\)

Despite the massive effort to assist Frei and defeat Allende, ARA officials worried that the United States was “over-identified with Frei.”\(^{107}\) FRAP leaders charged that the United States was interfering in the election, and the Communist newspaper *El Siglo* accused Jova of meeting with Durán and preventing a FRAP-Radical agreement. In the Senate, Corbalán, Allende’s campaign manager, made the same accusations and called upon the Senate to declare Jova *persona non grata*. The Senate did not act on Corbalán’s request, but Durán asked Jova to issue a public denial that he had met with him, fearing that FRAP’s accusations might embarrass or harm him. Jova did so, but also distanced himself from Frei for nearly two months.\(^{108}\)

\(^{106}\) Puccio, *Un cuarto de siglo con Allende*, 128. “El Triangulo Durán-Frei-Jova”, *El Siglo*, 17 May 1964, p. 5. Airgram A-851 “Conversation between Popular Action Front Presidential Candidate and Radical Party Presidential Candidate,” Fimbres to Department of State, 12 May 1964; Telegram 1034, Jova to Secretary of State, 12 May 1964; and Telegram 1044, Jova to Secretary of State, 12 May 1964; all Folder – POL Political Parties Chile 5/1/64, Box 2027, CFPF 1964-66, RG59, NA. Telegram 1283, Cole to Secretary of State, 26 June 1964, Folder – POL 14 Chile 5/1/64, Box 2029, CFPF 1964-66, RG59, NA.


\(^{108}\) “El Triangulo Durán-Frei-Jova,” *El Siglo*, 17 May 1964, p. 5. Telegram 1070, Jova to Secretary of State, 15 May 1964, Folder – POL 12 Political Parties Chile 5/1/64, Box 2027; Telegram 1104, Cole to Secretary of State, 21 May
Eight weeks before election day, the Frei campaign tried to distance itself from the U.S. Embassy. Marfán, Frei’s campaign manager, hosted a private luncheon at his home for U.S. embassy officers, during which he suggested that they reduce contacts between top PDC leaders and embassy officials; meanwhile remaining contacts should be “discreet and out of the public eye.” Frei too wanted distance between him and the embassy. Embassy officers agreed, and Ambassador Cole admitted that he “deliberately came home on leave to show [his] disengagement from the campaign.” Shortly after Marfán’s suggestion, he and Frei’s economic advisors met with embassy officers at Frei’s urging to discuss PDC’s economic program. Frei believed that the meetings would give U.S. officials “some idea of how he saw his program” and would help Frei and his advisors “establish more realistic final goals,” prompting the embassy to confess that Frei “had practically taken the words out of Washington’s mouth.” Frei also proposed sending his advisors to Washington to meet with Department officials but later postponed this until after the election. In addition, Frei asked for “intelligence information” on the FRAP’s activities and asked U.S. officials to stress to the Liberal and Conservative Parties the importance of maintaining the campaign’s “national and popular character.” Frei and his campaign managers may have wanted distance from the U.S. Embassy, but they also would not reject assistance in achieving a Frei victory and the party’s reform program.  

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1964, Folder – POL 12 Political Parties Chile 5/1/64, 2027; and Telegram 158, Cole to Secretary of State, 29 July 1964, Folder – POL 14 Chile 5/1/64, Box 2029; all CFPP 1964-66, RG59, NA.  

Chileans on the Right and Left warned the Embassy that the United States had misjudged Allende, and that it could work with the Socialist senator, but U.S. officials dismissed them. President Alessandri was “profoundly disturbed by the short-sighted political stance” that U.S. officials had taken against Allende. He assured the Embassy that Allende did not want “extreme solutions” and warned that if the United States “closed all doors on Allende, we would push him further left and on path similar to Cuba.” Socialists in contact with the embassy insisted that Allende was “a moderate Socialist” and “a hopeless bourgeois.” One supporter said, “Basically Allende wants to get along with the USG[overnment] and is not taking over Chile just to end up under the control of the USSR.” Such characterizations prompted Political Officer Rudy Fimbres to ask: “Will the real Salvador Allende please step forward?”

U.S. policymakers devised a contingency plan should Allende win. If Allende won, the Embassy dismissed any attempt to precipitate a military coup, asserting that such an effort would “backfire, rallying the Chileans behind Allende” and leaving “the [Chilean] military left frozen in their tracks and our bridges burned.” U.S. officials believed that Allende appreciated the

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110 Telegram 10, Cole to Secretary of State, 2 July 1964, FRUS 1964-68, XXXI: 580. Airgram A-823 “Conversation with Socialist Leader and Intellectual [Julio César Jobet],” Fimbres to Department of State, 4 May 1964, Folder – POL 12 Political Parties Chile 5/1/64, Box 2027; and Airgram A-828 “Socialist [Luis Quintero Yañez] Views on the Political Scene,” Fimbres to Department of State, 5 May 1964, Folder – POL 14 Elections Chile, Box 2029; both CFPF 1964-66, RG59, NA. Fimbres’ quote appears in the latter document.

“essential role of the U.S. in Chile” and would “quickly seek to establish a modus vivendi with the United States Government in order to play for time.” The embassy advised that Washington should “seek an early opportunity to make clear to Allende that the US attitude in an important degree will depend upon what actions his administration takes.” The United States, the Embassy recommended, should press Allende to refrain from any “excessively” anti-U.S. actions and to break with the Communists, or at minimum limit Communist participation in his government. In return, the United States would “be prepared to adopt a flexible stance and to move rapidly as circumstances may dictate.” However, if Allende and his administration pursued a hostile course, the Embassy made clear that “our policy should be to do all we can to prevent Allende from conducting a successful administration and to ensure that he does not obtain control over the police and military forces,” favoring a coup if necessary.  

On 4 September 1964, Chilean voters overwhelmingly cast their ballots for Frei over Allende. Throughout election day, the Embassy telegraphed hourly updates to the Department of State, who then passed them to the White House. In the final tabulation of ballots, Frei received 1,409,012 votes (55.7 percent), and Allende had garnered 977,902 votes (38.6 percent). Durán finished a distant third with 125,233 (5.0 percent), with the remainder declared void or blank.

U.S. officials, including President Johnson, anticipated a Frei majority and congratulated themselves on the outcome. The CIA declared that U.S. aid to Frei, the black propaganda campaign against Allende, and Durán’s candidacy were “indispensable ingredients of Frei’s success.” NSC Adviser McGeorge Bundy suggested that the 303 Committee (formerly the


Special Group) commend the U.S. officials “responsible for the successful outcome of the Chilean election;” the committee agreed. Only CIA Director McCone acknowledged that Chileans, not U.S. dollars, had cast the ballots, saying that perhaps Chilean voters “deserved some commendation” for their high turnout (86 percent). Bundy later wrote that the Chilean and Venezuelan elections had “vindicated” political freedom “against subversion and pro-Communism,” and “progressive” governments in Chile and Brazil had stopped the threat of Latin America “crumbling toward Communism.”

Bundy overlooked the price -- about $100 million -- that the United States spent to ensure a Frei win. A Senate committee later charged that the Kennedy-Johnson Administration spent $2.6 million to aid Frei; some embassy officers claimed that $20 million was spent. Neither amount includes the $70 million in AID monies used to stabilize Chile’s economy during the election, the multiple PL-480 aid packages to keep Chilean food prices down (two packages totaled $28-35 million alone), or the funds for “impact programs” and other projects. If one adds all aid used to stop Allende and assist Frei, the United States spent over $100 million.

The $100 million was unnecessary because CIA Director McCone later confessed that Frei would have won anyway. Just as the United States started massive aid to Frei’s campaign, a CIA poll of Chilean voters, conducted in May 1964, showed that Frei already had a majority (52

114 For anticipation of a Frei majority, see Airgram A-155 “The Presidential Campaign with Two Weeks to Go,” Stevenson to Department of State, 21 August 1964, Folder – POL 14 Chile 8/1/64, Box 2029, CFPF 1964-66, RG59, NA; and Memorandum “The Most Recent Polls on the Forthcoming Chilean Elections,” Peter Jessup to Bundy, 24 August 1964, enclosed with Memorandum, Bundy to the President, 25 August 1964, Folder – Chile, Memos – Vol. I, 1/64-8-64, Box 12, NSF– Country Files, LBJL. Editorial Note, FRUS 1964-68, XXXI: 592. Memorandum “U.S. Foreign Policy since November 1963,” Bundy to the President, 12 January 1965, Folder – McGeorge Bundy 1/1-2/28/65 Vol. 8 [2 of 2], Box 2, NSF—Memos to the President, LBJL.

percent). A subsequent CIA poll conducted in August revealed that Frei’s percentage had only increased by two points, and Frei’s final vote tally was a mere three and one-half percentage points higher than the March poll.\textsuperscript{116} Such minimal increases could be explained by the margin of error or by undecided voters. In short, U.S. money and aid appears to have bought few votes in Chile; in fact, as the CIA’s March poll indicates, a majority of Chileans had rejected Allende’s Marxist-Socialist program four months before election day.

**Conclusion**

Between 1958 and 1964, U.S. policymakers were running scared in their efforts to stop Allende. Allende’s near-victory and Fidel Castro’s revolution of Cuba presented parallel threats to the United States in Latin America. Whereas the Eisenhower administration gradually evolved from uncertainty to hostility towards Castro, the administration’s hostility toward Allende was immediate. As Castro’s revolution gathered momentum, Chile from September 1958 remained a primary focus for the United States in Latin American affairs. Gordon Chase of the NSC asserted that beyond Cuba, Chile should be United States’ “top” priority. Deeming an Allende electoral victory “intolerable for national security and domestic political reasons,” U.S. policymakers focused their efforts upon undercutting Chilean support for Allende and the FRAP.\textsuperscript{117} Allende, meanwhile, had visited Cuba and talked with Castro and Guevara. His

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\textsuperscript{117}Memorandum “Current Situation in Four Problem Areas of Latin America,” Mann to the Secretary, 7 May 1964, Folder – Political Affairs and Relations Chile, Box 2020, CFPF 1964-66, RG59, NA. The four areas in the order that they appeared in the memorandum are Chile, Brazil, Panama, and the Dominican Republic. Memorandum “Latin America – Talk with John Plank,” Gordon Chase, NSC, to Bundy, 30 April 1964, Folder – Latin America – Vol. I, 11/63-6/64, Box 1, NSF—Country File, LBJL.
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discussions and the revolutionary events in Cuba convinced Allende that the *via pacífica* was the proper path for Chile’s exceptional political dynamics.

After Allende’s near-victory in 1958, the Eisenhower, Kennedy, and Johnson administrations pursued three different strategies to stop Allende. As the Eisenhower administration wrestled with Castro’s revolution in Cuba, Assistant Secretary Rubottom and ARA imposed an economic stabilization program upon the new Alessandri administration in order to encourage reforms that would undercut support for Allende and the FRAP. Alessandri accepted the loans, stalled on reform, and waited for Eisenhower’s presidency to end. President Kennedy and his administration sought to make Chile a model for the Alliance for Progress. The Kennedy administration offered U.S. assistance for economic development, and coaxed and pressured Alessandri and his Liberal and Conservative allies to undertake land and social reforms. The Right rejected the Alliance for Progress, and Alessandri dissembled, resisted, and undercut U.S. pressures. Giving up on the Right, the Kennedy White House embraced Eduardo Frei and the Christian Democrats, who pledged reforms within a non-Communist framework. After Kennedy’s assassination, Department of State officials reasserted its preference for Radical candidate Julio Durán, but grew frustrated and worried as Durán’s candidacy lagged. The victory by the FRAP candidate in the Curicó by-election in March 1964 caused the Johnson administration to panic. The United States poured over $100 million dollars into Chile to assist Frei’s presidential campaign and ensure a non-Communist reformer would govern in La Moneda. Johnson administration officials achieved their short-term goal of defeating Allende; however, with Frei’s full cooperation and knowledge, U.S. officials abandoned a core tenet that had guided U.S. actions in Chile since World War II: non-interference in Chilean politics.
Another Chance

Senator Eduardo Frei Montalva, candidate of the Christian Democrat Party (PDC – Partido Demócrata Cristiano), won Chile’s 1964 presidential election. The Department of State lauded Frei’s victory, asserting that it had “broad hemispheric significance” because it confirmed the fears of the Communists and Fidel Castro devotees that the Christian Democrats’ “advocacy of revolutionary changes with freedom might attract majority support.”¹ Conversely, U.S. officials believed that if Salvador Allende Gossens had won (the candidate of the Communist-Socialist coalition Popular Action Front (FRAP – Frente de Acción Popular), then his victory would have signified “a defeat for US policy.” One U.S. policymaker wrote that Allende’s legitimacy as a democratic leader “would be awfully tough to handle from both the international and domestic standpoints,” particularly “in a country where we have invested the highest rate of per capita assistance.” Frei’s victory avoided that scenario and gave U.S. policymakers another chance to aid Chileans in achieving their socio-economic goals, blunt the appeal of Allende and the Marxists, and prove that the Alliance for Progress did offer a non-Communist alternative.²

¹ Intelligence Note “Frei’s Victory in Chile has Broad Hemispheric Significance,” Thomas L. Hughes, Director of the Bureau of Intelligence and Research (INR), to Dean Rusk, Secretary of State, 5 September 1964, Foreign Relations of the United States, 1964-1968, Volume XXXI – South and Central America; Mexico (Washington DC: USGPO, 2004), 593-594. Hereafter cited as FRUS 1964-68, XXXI: page.

Under the Alliance for Progress, this study argues that U.S.-Chilean relations followed a course that ran contrary to current historical interpretations. It finds that the Kennedy and Johnson administrations were eager to have Chile succeed as a democratic model, an Alliance for Progress model, and an anti-Castro model; however, they confronted the distinct possibility that Allende might win Chile’s upcoming 1964 presidential election. Thus, U.S. policymakers generously supported Frei in order to defeat Allende in 1964, but then readjusted U.S. aid efforts toward the Alliance’s lofty ideals of democratic expansion, economic development, and social reform. In contrast, scholars of U.S.-Latin American relations generally agree that the Alliance initially pursued its long-term goals; however, they argue that President Lyndon Baines Johnson and his administration, increasingly absorbed by the Vietnam War, abandoned the Alliance and preferred stability (e.g., support for Brazil’s 1964 military coup) or intervention (e.g. the 1965 Dominican crisis). Moreover, scholars assert that the Johnson administration “increasingly ignored Chile” because it “seemed stable” and governed by a democratic reformer.  

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As this chapter traces, the United States lost influence in Chile during the first three years of Frei’s presidency (1965-1967) because it became too involved in Chilean domestic politics, not because it ignored Chile. As Frei’s administration enacted long-needed reforms, the Left decried the reforms as insufficient, the Right denounced them for being implemented at all, and both lambasted the United States for its support of Frei. Amid Chile’s polarizing political dynamics of the mid- and late-1960s, the decline of U.S. influence was, in part, a result of the unavoidable consequences of pursuing best, imperfect policy based upon Chile’s image as a model democracy; however, U.S. missteps further eroded U.S. influence. Unlike during the 1964 campaign, U.S. officials now questioned the details of Frei’s economic programs, imposed benchmarks and conditions upon the Chileans, and indicated that failure to meet benchmarks jeopardized future aid. Johnson also asked Frei for a special, below-market price on copper to


help offset the U.S.-borne costs of the Vietnam War. Benchmarks and requests alienated the Frei administration, and by 1967, Frei declined additional U.S. aid and criticized the Alliance.

During the same period (1965-1967) Salvador Allende seemed to assume two personae. Chile’s eminent political cartoonist Jorge Délano, using the pseudonym “Coke,” caricatured Allende’s dual personae in a portrait titled “King of Spades.” Drawing a playing card, Délano sketched one bust of Allende as the noble democrat and the opposite bust as a revolutionary guerrilla with a gun and a “Ché” beret. Allende had long cast himself as a democrat and was committed to the via pacífica (the democratic road to socialism), and his election as President of the Senate in 1965 embodied this image. Yet, during the 1960s, many younger members of the Left, particularly Socialists, rejected the democratic road and embraced the via armada (the armed road to revolution), espoused by Fidel Castro, Ernesto “Ché” Guevara, and Mao Zedong. Seeking to maintain his appeal and leadership of Leftist forces, Allende tried to cast himself as a revolutionary as well. He advocated the revolutionary path for nations where the peaceful road to socialism was not possible, and proposed creating an organization to support revolutionary efforts in Latin America. Not attempting to resolve the contradictions between his advocacy of democracy and revolution, Allende, by 1967, contemplated a fourth run for the presidency and tried to unite an increasingly divided Left.

5 For Jorge “Coke” Délano’s “King of Spades” image, see Vial and Cerda, “Allende: Part 2, Los primeros renuncios a una tradición impecable,” Special supplement series, Le Segunda, 8 August 2003, p. 20.
Getting Their Wish

On 5 September 1964, President Lyndon Johnson began his morning news conference by praising the Chileans and their conduct of the previous day’s presidential election, during which a majority of Chileans cast their ballots for Christian Democrat Eduardo Frei. Johnson said that Frei’s victory demonstrated “the strength of democracy in Chile and throughout the Western Hemisphere.” “We look forward to cooperating with their newly selected leader,” Johnson continued, and “[w]e hope that the next 6 years will be a period of peace and prosperity and a period of continued progress in economic and social reform.”

Johnson’s comments drew upon Chile’s image as a model democracy, but also hinted at the tendency by U.S. officials often to frame Chilean events and developments in U.S. terms. Secretary of State Dean Rusk compared Frei’s Revolution in Liberty to Johnson’s Great Society, and the U.S. Embassy in Santiago compared the Chilean Right’s opposition to Frei’s Revolution in Liberty to the U.S. Republican Party’s opposition to President Franklin D. Roosevelt’s New Deal. Secretary of State Dean Rusk likened Chile’s role in the Americas to France’s role in Europe and described the Chileans as a “capable and gifted people,” who were recognized as such by other Latin Americans. Comments by U.S. policymakers such as “Let us not forget how difficult it is for us to change our own tax system” further reveals the constant framing of Chilean events in U.S. terms, but also U.S. officials’ basic sympathy, even favoritism, toward Chile. Expecting difference and simplicity, U.S. Foreign Service officers assigned to Chile found similarity and sophistication. A senior Political Officer wrote a colleague: “[L]et me say

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that you did not mislead me in any way with regard to the country, people, and climate – I’m enjoying all three….I find [Chilean politics] very interesting and considerably more complicated and sophisticated than I would have thought.”

With Frei’s victory, the Johnson administration moved on four fronts to show U.S. support for the new Chilean president: foreign aid, debt restructuring, the copper companies, and appointment of a new ambassador. As indicated by Johnson’s press, he and his administration harbored great expectations of Eduardo Frei and the PDC. Contrary to claims that the Alliance, as it was originally conceived, died with the assassinated John F. Kennedy, U.S. efforts towards Chile under Frei show that Johnson did attempt to fulfill his pledge to continue the Alliance. U.S. officials saw the Frei administration as “the last bastion against Communism,” as the group of Latin American leaders who could help “salvage the Alliance for Progress.”

Given extensive U.S. aid during the campaign, PDC leaders anticipated extensive U.S. aid for Frei’s Revolution in Liberty reform program. A month after his election, Frei sent a special mission to Washington to meet with White House and Department of State officials. Radomiro Tomic, Gabriel Valdés Subercaseaux, and Sergio Molina Silva formed the mission, and they

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would be Frei’s Ambassador to the United States, Minister of Foreign Affairs, and Minister of the Economy respectively. The three sought $150 million in Alliance aid and U.S. assistance in rescheduling about $100 million in Chile’s foreign debt.  

The PDC $150 million request reflected the grave state of Chile’s finances, of which Frei and his advisors were not fully aware until post-election meeting with outgoing President Jorge Alessandri Rodriguez. Frei noted that Alessandri became “very emotional and gloomy” during their conversations and said “the country was out of money and way overdrawn.” Chile’s external debt was $2.4 billion (about $300 dollars per Chilean), and Alessandri said that he was seeking a loan from the United States so that his successor would not inherit a government “in practically a state of financial paralysis.” Frei suggested devaluing Chile’s currency and raising “artificially fixed” prices, measures which U.S. officials had urged throughout Alessandri’s presidency, but Alessandri refused. Frei later remarked that his administration’s first task was “working out of the hole which Alessandri had left the government in.”

U.S. officials acknowledged that the Tomic-Valdés-Molina mission “meant a great deal” to the new Frei administration, but the tepid U.S. response “disappointed” the Chileans. Before the

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10 Taffet, “Alliance for What?,” 177, 179, 176. Telegram 387 “Frei Relations with Alessandri,” John Joseph Jova, Deputy Chief of Mission, to Secretary of State, 8 September 1964, Folder – POL 15-1 Chile 1/1/64, Box 2029; Memorandum of Conversation “The Secretary’s Meeting with the Mission of President Elect Frei of Chile” [Part I of II], William T. Dentzer, Jr., Director of the Office of Bolivian-Chilean Affairs, 30 November 1964, Folder – POL Political Affairs and Relations Chile-US 1/1/64, Box 2030; and Memorandum of Conversation “Informal Discussions with President Eduardo Frei,” Dentzer, 30 November 1964, Folder – POL Political Affairs and Relations Chile-US 1/1/64, Box 2030; all CFPF 1964-66, RG59, NA.
mission arrived, Assistant Secretary of State for Inter-American Affairs Thomas Mann informed Secretary Rusk that the Bureau of Inter-American Affairs (ARA) was “concerned that Frei has overly optimistic view” of the amount of aid the United States would offer and that the Chileans needed to accept “various self-help conditions” and “a scaling-down” of U.S. aid. U.S. officials said Alliance funds were “limited and subject to considerable competition” and told Frei that $150 million was “simply not possible.” ARA was prepared to offer $75-90 million and support restructuring of Chile’s debt. As the mission’s visit drew to a close, Tomic admitted that they were “satisfied” with U.S. support ($90 million of aid plus debt restructuring) but not “pleased.” Frei, while appreciative, remarked that aid “fell short by $40 million of his needs.”

Frei’s and the Christian Democrats’ disappointment over resulted from several subtle but important changes in how U.S. officials handled foreign aid for the Chileans. While each change individually would have had little impact, collectively they hurt the Revolution in Liberty, alienated the Chileans, and undercut the U.S. ability to exert influence. One change was that although Assistant Secretary Mann and other ARA officials favor reform, they now worried that Frei’s reforms might hurt U.S. allies on the Chilean Right and foster instability that the Communists could exploit. Mann also expressed concern that the PDC would use U.S. funds against the Radicals and the Right, and insisted that U.S. officials explain to Frei the difference

11 Taffet, “Alliance for What?,” 176, 179. Memorandum “Your Appointment with Advisors of Chilean President-elect Frei,” Mann to Secretary of State, 13 October 1964, Folder – POL 15-1 Chile [2 of 2] 10/1/64, Box 2028; and Memorandum of Conversation “Meeting of Mr. Mann with the Mission of President-Elect Frei of Chile,” Harry H. Lunn, Jr., Office of Bolivian-Chilean Affairs, 12 October 1964, Folder – POL 7 Visits, Meetings Chile 1/1/64, Box 2026; Memorandum “Chile,” Walt W. Rostow, Counselor and Chair of the Policy Planning Council, Department of State, to Mann, 16 October 1964, Folder – POL – Political Affairs and Relations Chile-US 1/1/64, Box 2030; Memorandum of Conversation between Radomiro Tomic Romero, Chilean Ambassador to the United States, and Mann, Mann, 14 October 1964, Folder – Political Affairs and Relations – Chile, Box 2020; CFPF 1964-66, RG59, NA. Telegram 126, Anthony M. Solomon, Deputy Assistant Secretary of State for Inter-American Affairs (Economic Policy), to Mann and David E. Bell, Administrator of the Agency for International Development (AID), 13 November 1964, FRUS 1964-68, Vol. XXXI: 604.
between “assistance for a presidential election against a Marxist candidate” and assistance against other democratic groups. National Security Adviser McGeorge Bundy admitted that Mann was “a little insensitive to the Chilean need for reform,” but Mann’s worries generated mixed signals and conflicting U.S. objectives. The Tomic-Valdés-Molina mission therefore was “puzzled” when U.S. officials showed a “lack of interest” in the PDC’s land reform program.12

Another change was that U.S. policymakers inexplicably gave little consideration to the political challenges confronting Frei and the PDC. The Department of State faulted the PDC not for their economic program but that their program was not fully developed. Department officials seemed oblivious that the Christian Democrats were in power for the first time, the PDC was a new party (since 1957), and that few new administrations (including new U.S. administrations) entered office with fully developed economic programs. U.S. officials also overlooked that Frei’s proposals still had to go through Chile’s Congress where the PDC had little representation, the FRAP had a sizeable voting bloc, and the Right could oppose or water down PDC reforms.13

Perhaps the most significant subtle but significant change regarding foreign aid was that U.S. policymakers now based their decisions on the merits and technical aspects of Frei’s program, which led the United States to assume partial responsibility for the success or failure of Frei’s Revolution in Liberty. The shift became evident in a “heavily” attended meeting on the Agency for International Development’s (AID) policy towards Chile, held just days after Tomic, Valdés, and Molina left Washington. Chaired by AID chief David E. Bell and attended by


Assistant Secretary Mann, the attendees decided that while the PDC’s “long run development strategy is in the right direction,” they still lacked “an adequate program…that would ultimately lead to a revival of the private sector.” Bell further added that “even under appropriate policies,” Chile “would require at the least five years” to attain “a self-sustaining growth position.” As a result, meeting attendees decided to formulate a strategy that would tie the amount of aid to performance, which implicitly gave the U.S. government greater oversight over Chilean reform. Department officials stopped serving as mediators between the Chileans and financial entities like the International Monetary Fund, Inter-American Development Bank, and World Bank, and in doing so, made Frei’s task of reform – and achieving economic benchmarks – more difficult. Chilean Ambassador Tomic had warned Secretary Rusk, “If you fail us, we fail, and we have no alternative.” By attaching oversight and benchmarks to aid, U.S. officials implicitly encouraged the Chileans to seek alternatives.14

On a second front to show U.S. support for Frei, the Johnson administration strongly supported Frei’s efforts to restructure Chile’s debt and expressed a “willingness to take the initiative.” Great Britain, France, West Germany, Italy, and the International Monetary Fund (IMF) also “had a great deal of interest” in helping Frei succeed. Germany and Italy, which had large Christian Democrat constituencies, urged “maximum accommodation for Chile,” and the IMF viewed debt restructuring as a chance to address the issue of burgeoning foreign debt held by developing nations. When the Chileans met with European and IMF representatives, U.S. officials reported that the Chileans were “somewhat overconfident” and did not give details of

their fiscal program. Even so, 70 percent of Chile’s debt (principal only, not interest) was 
restructured, which in several ways was better than the agreement that the Brazilian military 
regime had recently obtained, involving 50 percent of its foreign debt.15

As a third front, Johnson showed support for Frei by naming Ralph Dungan as U.S. 
Ambassador to Chile. “Everyone agrees,” McGeorge Bundy told Johnson, “that the job of 
Ambassador to Chile is now highly important” and required a nominee who was “fundamentally 
sympathetic to the cause of democratic reform.” U.S. officials recognized that Frei and Chile 
would “do many things that many Americans won’t like”; therefore, the new ambassador needed 
to be a person who could “help us here in the US to roll with the punches.”16 Milton Eisenhower 
and David Rockefeller, who was President of Chase Manhattan Bank, Director of the Council on 
Foreign Relations, and head of the Business Group for Latin America, were considered possible 
nominees, but Dungan had the inside track. As Special Assistant to the President, Dungan had 
helped develop and coordinate White House policy towards Chile for three years. He also 
sought the post, believing that “it engages all his own convictions.” A liberal Catholic 
committed to progressive reform and a “good friend of Frei,” Dungan did not speak Spanish, but, 
as Bundy remarked, he would act as a good “counterweight” to Mann. Johnson disliked the idea 
of losing Dungan, preferring instead “to keep him close” where Johnson could benefit from his

15 Taffet, “Alliance for What?,” 180-183. Memorandum of Conversation “Mr. Mann’s Second Meeting with the 
Mission of President-Elect Frei of Chile,” Dentzer, 17 October 1964, Folder – POL Political Affairs and Relations 
Chile-US 1/1/64, Box 2030, CFPF 1964-66, RG59, NA.

16 Memorandum “Ralph Dungan and Chile,” Bundy to the President, 20 January 1964, FRUS 1964-1968, XXXI: 
595-596, 596n. “Special Report: Implications of the Recent Elections in Chile,” Central Intelligence Agency (CIA), 
2 October 1964; and Memorandum “Ambassador to Chile,” Gordon Chase, Staff member of the NSC, to Bundy, 18 
September 1964; both Folder – Chile, Memos – Vol. II, 9/64-11/64, Box 13, NSF—Country—Latin America, LBJL.
skills. The president soon relented, telling Dungan that he wanted to give him “the best.” On 2 October 1964 the White House announced its nomination of Dungan as Ambassador to Chile.17

On a fourth front to assist Frei, the Johnson administration stayed out of negotiations between the Frei administration and U.S. copper companies. By 1960, Department of State officials admitted that the question was not whether Chile would nationalize its copper but how soon and to what degree. The Kennedy administration had pressed Anaconda and Kennecott to negotiate with the Chileans, and the Johnson administration continued this policy.18 After his election, Frei opened negotiations with the two companies for “chileanization,” that is, converting the companies to majority Chilean ownership (51%) over a period of 20-25 years.19 Anaconda agreed to expand production and to permit the Chileans one-third ownership of a new subsidiary that would explore a deposit near Chuquicamata, which would be the Exotica mine; however, Anaconda refused to grant the Chileans a greater voice in existing operations.

17 Memorandum “Ralph Dungan and Chile,” Bundy to the President, 20 January 1964, FRUS 1964-1968, XXXI: 595-596, 596n. Memorandum “Ambassador to Chile,” Chase to Bundy, 18 September 1964. Telephone Conversation 5581, Johnson and Bundy, 14 September 1964, 7:05pm, Tape WH6409.10, PNO 11; and Telephone Conversation 5621, Johnson and Dungan, 21 September 1964, 11:32am, Tape WH6409.12, PNO 12, both Recordings and Transcripts of Telephone Conversations and Meetings, LBJL.


19 Javier Lagarrigue admitted that he created the term “Chileanization” and inserted it into one of Frei’s speeches. He drew the idea from Mexico’s example of nationalizing its oil resources. See Memorandum of Conversation “Chileanization of US Copper Companies,” Ralph W. Richardson, Officer in Charge of Chilean Affairs, ARA, 23 May 1963, Folder – Chron Chile Memoranda of Conversation 1963, Box 6, WST Files, RG59-Lot, NA. For Mexico nationalizing its oil resources, see Lorenzo Meyer, Mexico and the United States the Oil Controversy, 1917-1942 (Austin: University of Texas Press, 1972), Muriel Vasconcellos, trans.
Kennecott, to Anaconda’s surprise, agreed to “chileanize” Braden Copper Company, which owned El Teniente, the world’s largest underground copper mine. That agreement was part of a strategy to protect its investment and broaden the impact and consequences of nationalization so that nationalization of its Chilean investments would affect investors on three continents.\(^\text{20}\) On 21 December 1964, Frei announced his government’s agreements with Kennecott and Anaconda, proclaiming that he had fulfilled his campaign promise on copper.\(^\text{21}\)

The Department of State had encouraged the negotiations, but to ensure Frei’s success, it twice postponed antitrust investigations against Anaconda and Kennecott. Department of Justice officials had evidence that the two copper companies had colluded to raise the price of copper in the United States. The Department of State postponed a March 1964 antitrust investigation, arguing such news might hand Allende and the FRAP a potent issue and thus affect the presidential election. Now, with Frei negotiating chileanization, the Department of State obtained a second postponement, claiming that news of an antitrust investigation would hurt Frei’s negotiations. Department officials also said that the news would give the FRAP an issue for the upcoming March 1965 Congressional elections and could swing the electorate toward the


\(^{21}\) Telegram 884 “President Frei’s Speech on Copper,” U.S. Embassy Santiago to Secretary of State, 21 December 1964, Folder – POL 15-1 Chile [1 of 2] 10/1/64, Box 2028, CFPIF 1964-66, RG59, NA. Airgram A-502 “Frei Reports Results of Copper Negotiations,” Martin Prochnik, Second Secretary of Economic Affairs, to Department of State, 24 December 1964, Folder – INCO Copper 17, Box 1, Formerly Top Secret Files, RG59-Lot, NA.
FRAP at the expense of the PDC, which needed greater representation in Congress in order to enact Frei’s “Revolution in Liberty.”

Allende and a Divided Left

For Allende, defeat in the 1964 election was difficult, personally and politically. Even though he polled a higher percentage of votes than he did in 1958 (38.5 percent to 29 percent), many on the Left considered Allende “finished as a politician.” He recognized that he had faced a more determined opposition than he had in 1958, “These people have shown us a new face of imperialism.” Anticipating defeat during the last weeks of the campaign, Allende changed strategies: he worked to strengthen the FRAP and stressed consciousness-raising. “I want that each person who votes from me to know why they are voting,” Allende said. “He did not want a million votes,” recalls Osvaldo Puccio, Allende’s secretary, “but rather a million consciences.”

Campaign manager Salomón Corbalán viewed the strategy change as criticism of his efforts, but

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22 Telegram 722, Solomon to Secretary of State, 13 November 1964; Telegram 804, Jova to Secretary of State, 4 December 1964; Telegram 832, Dungan to Secretary of State, 11 December 1964; and Telegram 836, Dungan to Secretary of State, 14 December 1964; all Folder – INCO Copper 17, Box 1, Formerly Top Secret Files of the Central Foreign Policy Files 1964-66, RG59-Lot, NA. Hereafter cited as Formerly Top Secret Files. Taffet, “Alliance for What?,” 192-195. For State Department’s postponement of the investigation, see Memorandum of Conversation “Proposed Justice Copper Investigation,” Ortman, 8 December 1964, Folder – INCO 17, Box 1, Formerly Top Secret Files, RG59-Lot, NA. Mann believed that U.S. businesses overseas should make a concerted effort to “be in the forefront of social progress” by adopting local customs and taking “fair attitudes” toward labor. See Memorandum “Practices of American business Concern in Foreign Countries,” Mann, Office of Economic Affairs, to Roy R. Rubottom, Assistant Secretary of State for Inter-American Affairs, 7 October 1957, Folder – Chron File Oct.-Dec. 1957 (2), Box 1, Thomas C. Mann Papers, 1950-1961, Dwight D. Eisenhower Presidential Library, Abilene, Kansas. Hereafter cited as DDEL.
Allende assured him it was not. Allende told Puccio not to become bitter or discouraged by their defeat; they would win in 1970, but “the struggle is now going to be much harder.”

After the election, Allende criticized Frei for selling out and declared that Frei’s Revolution in Liberty reform programs would fall short. He charged that Frei made “many and secret” compromises with the “historic enemies of the people” (i.e. the Right, the Church, and the United States). As evidence, Allende noted that Frei’s first act as President-elect was to send a mission to the United States. Allende acknowledged that Frei confronted the difficult task of “achieving a pilot program for Latin America first, and then for the rest of the underdeveloped countries.” Claiming that Frei’s presidency “will be a term of obstacles and six years of crisscrossing pressures,” Allende asserted that the Left and Right would challenge Frei and his reforms, subtly implying that he intended to make Frei’s task as difficult as possible. Characteristically Allende dismissed Frei’s chances for success: Frei’s government “may make some small reforms, more of form than of substance.”

Allende’s criticism demonstrates that he was keenly aware of the Cold War stakes involved for Frei’s success or failure. His comments indicate that the idea of Chile as a model for economic development and the Alliance – key policy objectives for the United States – was...
well known. Moreover, Allende admitted that Frei’s Revolution in Liberty was an anti-Marxist “pilot program,” a path which could threaten his own democratic road to socialism.

Allende’s long friendship with Frei was one of the first casualties of the 1964 presidential campaign. Years later, Frei attributed their “changed” relationship to Allende’s “great shock” at his 1964 defeat, hinting at a “sore loser” interpretation. Yet what most rankled Allende and FRAP leaders was the U.S. assistance that Frei had received, particularly campaign propaganda, or the “Campaign of Terror” as FRAP supporters called it. Raúl Ampuero, the Socialist Party’s Secretary General, accused Frei and “his mercenary activists” of “having degraded the presidential campaign to an extreme unknown in Chilean civic practices,” and Osvaldo Puccio charged that Frei could have reined in the “Campaign of Terror” if he had so desired it.26 The depth of the FRAP’s bitterness over the “Campaign of Terror” suggests that the Communists were not “pouring in the dough” as NSC officials had claimed and that Allende had received far less outside support than the millions Frei enjoyed. Perhaps more indicative of his bitterness, Allende refused to go to La Moneda during Frei’s presidency, and he shifted from the informal “tu” to the formal “usted” when conversing with his old friend Frei (in English, it would be similar to changing from “you” to “sir” and doing so in every sentence). Frei objected to the

shift and asked Allende why he switched. Allende insisted that he had too much respect for the Presidency and adamantly insisted upon using “usted.”

Following the 1964 electoral defeat, the FRAP fell into “considerable disarray” amid bitterness and in-fighting, and the coalition and its political parties broke along two fault lines. The first was along party lines. The Socialists charged that the Communists had sabotaged Allende’s campaign and that “the Soviet Union did not want another Cuba in South America” because it would be “prohibitively expensive.” The charge suggests that the Socialists did want to create another Cuba and had expected greater Soviet support. The Communists, meanwhile, accused the Socialists of wanting to break up the FRAP so they could align with the PDC. Baltasar Castro and his small National Popular Vanguard party bolted the coalition.

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27 For U.S. officials assuming that the Communists were “pouring in the dough,” see Memorandum, Peter Jessup, NSC and Executive Secretary of the 5412 Special Group, to Bundy, 23 July 1964, quoted in FRUS 1964-68, XXXI: 583. Puccio, Un cuarto de siglo con Allende, 163. Nolff, Salvador Allende, 73-75. While the “Campaign of Terror” embittered Allende toward Frei, Carlos Altamirano asserts that “the drop that overflowed the cup” for Frei was the printing of Frei, the Chilean Kerensky. Altamirano may have confused two books. Frei, el Kerensky Chileno is a far Right critique of Frei. The more likely work that might have angered Frei is Allende’s essay Allende enjuicia a Frei, where he charges that Christian Democracy is “mere reformism” and a defender of capitalism. See Politzer, Altamirano, 60; Fabio Vidigal Xavier da Silveira, Frei, el Kerensky chileno (Buenos Aires: Cruzada, 1967); and Allende, Allende enjuicia a Frei (Santiago: Ediciones Punto Final, 1965), 5. The prologue of Allende’s essay is some times printed as “La democracia cristiana no es revolucionaria [Christian Democracy is not revolutionary]. See Allende, “La democracia cristiana no es revolucionaria,” Discursos (La Habana: Editorial de Ciencias Sociales, 1975), 9-20.


With the March 1965 Congressional elections looming, Allende “intervened” to stop the in-fighting and hold the FRAP together. He called FRAP leaders to his home one day and then “threatened to leave politics entirely if” the FRAP collapsed. FRAP leaders negotiated a working relationship and inter-party criticism ceased. The FRAP held their bloc of seats in the March 1965 Congressional elections, even made some slight gains; however, it was the Communists who made gains, not the Socialists.\(^\text{30}\)

The second fault line that split the FRAP was the \textit{vía pacífica} / \textit{vía armada} divide. Fostered by the Cuban Revolution and Sino-Soviet split but submerged during the 1964 campaign, factions of both Marxist parties abandoned Allende’s electoral road to socialism. The pro-Soviet leadership of the Communist Party of Chile (PCCh — Partido Communista de Chile) proclaimed its steadfast adherence to the FRAP and the \textit{vía pacífica}, but dissident Maoist elements of the PCCh rank-and-file claimed that Allende’s defeat exposed the futility of the \textit{vía pacífica} and vindicated the \textit{vía armada}. According to U.S. intelligence, the dissidents numbered 30 to 40 percent of the PCCh’s membership. PCCh supporters of the \textit{vía armada} formed the group Spartacus, which held an anniversary celebration for the Chinese Revolution on 4 October 1964, and among the celebration’s co-sponsors were Socialist Senators Salvador Allende and Salomón Corbalán. PCCh Secretary General Luis Corvalán López accused the Maoist-Guevarist

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dissidents of being “soda-fountain guerrillas,” and in December 1964, the Communist Party Central Committee expelled members of Spartacus for promoting the *via armada*.

The impact of the Cuban Revolution and the Sino-Soviet split fractured the Socialist Party of Chile (PS — Partido Socialista de Chile) as well, but also moved the party to the left of the Communists. The 1964 defeat frustrated the Socialists, and the 1965 Congressional elections, where the Communists but not the Socialists made gains, intensified the PS’s internal debate. During the June 1965 party congress, long-time PS leader Raúl Ampuero resigned as Secretary General. He later interrupted Allende during the latter’s speech, reproaching him for negotiating with Radical candidate Julio Durán during the presidential campaign, a reproach that received the overt approval of many in the audience. The congress voted Aniceto Rodríguez Arenas to be Secretary General, and the new PS leadership reasserted the party’s commitment to the “Workers’ Front,” which was a more militant, class-based strategy. Allende remained a leader of the PS and had several friends, including Aniceto Rodríguez, Carlos Altamirano, Manuel Mandujo, and Salomón Corbalán on the new central committee, but the party blurred the lines between the democratic and armed roads. The PS asserted that positing the *via pacífica* and the *via armada* as an “either/or” option was a false choice; it defined the two roads as stages toward

socialism where electoral victory signaled the start of revolution. The party’s new position was still too moderate for some Socialists, who broke away and formed the Movimiento de Izquierda Revolucionaria (MIR – Revolutionary Leftist Movement). Supported primarily by university students and intellectuals, and led by Miguel Enríquez, MIR advocated “armed insurrection as the only possible means of gaining power.” MIR’s voice was *Punto Final*, and it urged supporters to abandon the democratic road by casting blank ballots or abstaining.

**Europe’s Model Democracy**

The Europeans embraced Chile’s image as a model democracy, as became clear during the March 1965 Congressional elections and Frei’s trip to Europe. The March elections were crucial because even though Frei had won the presidency with broad support, the Christian Democrats held only a small number of seats in Congress (28 of 147 seats in the Chamber of Deputies, 4 of 45 seats in the Senate). Occurring just six months after the presidential contest, the congressional elections put the Revolution in Liberty on hold as Frei, the Christian Democrats, and U.S. officials turned to increasing the PDC’s representation. Assistant Secretary Mann and Ambassador Dungan wanted to reduce U.S. funding to the PDC lest they use it against non-Communist parties, but the desire for Frei and the PDC to succeed outweighed that want. The

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303 Committee (formerly the Special Group on Latin America) approved a plan to direct
$175,000 to select candidates and tasked Dungan with the coordination. Dungan and the CIA
chose 29 candidates, 9 of whom were elected.34

To the surprise of many, including Frei and U.S. officials, the Christian Democrats won
the 7 March Congressional elections in a “landslide.” They gained 82 seats in the Chamber of
Deputies, attaining a majority, and won 12 of 21 Senate races. The PDC garnered so many votes
in Santiago they could have elected 4 senators but had only put forward 3 candidates.35 The
Socialist and Communist Parties recorded slight gains; however, the Liberal and Conservative
Parties suffered heavy losses, dropping from 45 to 9 seats in the Chamber and 13 to 7 seats in the
Senate. President Johnson sent Frei a message expressing his “gratification at the results.”
Dungan was pleased, but admitted that U.S. funding only “modestly” helped, suggesting that
covet funding had little impact on the outcome and that CIA claims of helping to defeat as many
as 13 FRAP candidates were exaggerated.36

34 CIA Special Report “Implications of the Recent Elections in Chile,” Office of Current Intelligence, 2 October
1964. Memorandum “Financial Support to Selected Candidates in the 7 March 1965 Congressional Elections in
Chile,” Bureau of Intelligence and Research, Department of State, to the 303 Committee, 25 January 1965, FRUS
September 1964, Folder – POL 1 Chile, Box 2020; and Telegram 523, Jova to Secretary of State, 3 October 1964,
Folder – POL 12 Political Parties Chile 6/1/64, Box 2026; both CFPF 1964-66, RG59, NA. Editorial Note, FRUS
1964-68, XXXI: 598-599. U.S. Senate, Covert Action in Chile, 17-18.

35 This allowed Socialist candidate Carlos Altamirano Orrego to gain a Senate seat. Parrish, von Lazar, and Tapia,
The Chilean Congressional Election of March 7, 1965, 23.

36 Airgram A-931 “Elements in Chile’s Rightist Parties Consider Formation of a New Political Party,” Ravndal to
Department of State, 22 April 1965, Folder – POL 12 Chile 1965, Box 2026, CFPF 1964-66, RG59, NA. Arturo
Sigmund, The Overthrow of Allende and the Politics of Chile, 50. Memorandum, CIA to 303 Committee, 11 March
1965, FRUS 1964-68, XXXI: 608n. U.S. Senate, Covert Action in Chile, 17-18. Gil, The Political System of Chile,
The Christian Democrats’ success led to a presidential trip to Europe that showcased Frei as the vanguard Latin American democrat, and Chile as a mature, model democracy. Just after the March elections, the British government invited Frei for an official visit, and Frei said that the British were “very anxious” for him to accept because he would be the first Latin American president that the United Kingdom would host formally. Frei would also be first sitting Chilean president to travel to Europe in an official capacity. The British invitation soon expanded into an three-week trip that included visits to Italy, the Vatican, France, West Germany.  

Frei was enthusiastically received in the four European capitals of Rome, Paris, London, and Bonn. One French newspaper described the enthusiasm for Frei as “extraordinary and profound,” and French President Charles De Gaulle said that Frei’s visit was intended to convey that the “French considered Frei [the] most important Latin American leader.” The British emphasized Frei’s distinction as the first Latin American leader that they hosted for a state visit. They considered Frei the “vanguard” democratic leader for Latin America, and *The Times* of London called Frei the region’s “the most significant figure.” In Germany, Chancellor Ludwig Erhard cut short his vacation to meet with Frei; and at the Vatican, Frei discussed agrarian reform with Pope Paul VI. The governments in Rome, Paris, London, and Bonn offered Frei aid, equipment, and technical assistance, and Frei returned to Chile to a “hero’s welcome.”  

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proclaimed that his warm reception in Europe was due to “Chile’s long democratic history, [the] political maturity of its people, and [the] admirable example it [is] setting for Latin America.”

Frei’s trip indicated how broadly Chile’s democratic image had gained acceptance, but it also signified the Europeans’ elevated interest in Chile. Before his departure, Frei told Dungan that he was disinclined to go because “a Latin American president in Europe is something of a curiosity;” however, being a “curiosity” worked fully to Frei’s and Chile’s advantage. Frei travelled as the “Great Democrat,” and he implicitly cultivated Chile’s democratic image, as well as a mental geography that situated Chile between Europe and Latin America, a legacy that he bestowed to his successor, Salvador Allende.

As Frei burnished and benefitted from Chile’s democratic image, he travelled to Europe while the United States was intervening in the Dominican Republic, and Chile’s opposition to the U.S. intervention infuriated Johnson and Mann. The contrast between Chileans peacefully queuing at the polls in Santiago and U.S. Marines patrolling the streets of Santo Domingo further highlighted Chile’s exceptionalism for Europe. The Frei administration protested the 27 April 1965 landing of U.S. Marines in Santo Domingo, and opposed sending an OAS Inter-American Peace Force there. Mann complained that the Chileans “are the ones that hurt us” at the OAS, and U.S. officials charged that the Chileans “nearly sabotaged our efforts to achieve a political solution.” Johnson said, “[W]e should take a few siestas…on some their requests,” and Mann


agreed, but they did not go beyond talk. U.S. officials had “some exceedingly frank discussions” with Chilean officials, who then toned down their rhetoric.\(^{40}\)

Much to U.S. officials’ chagrin, Frei also reopened diplomatic relations with the Soviet Union and Eastern Europe. He had promised to reestablish relations with the Soviet Union during the 1964 campaign, and when U.S. officials learned that reestablishment was “practically a certainty,” they tried to delay it. Mann enlisted U.S. Ambassador to the United Nations Adlai Stevenson and Belgian Prime Minister Theo Lefevre, who was also President of the European Union of Christian Democratic Parties, to persuade Frei to postpone the reestablishment of relations with the Communist bloc.\(^{41}\) Both spoke with Frei at his inauguration festivities, but he rebuffed their appeals. He told Stevenson that he had “a long record” on the issue; moreover, many countries including the United States had relations with the Soviet bloc and Chile’s “sovereignty was diminished” by not having relations with the East as well as the West. Two weeks later, Chile and the Soviet Union reestablished relations. Chile then opened relations with Bulgaria, Rumania, Hungary, Czechoslovakia, and Poland. Shortly after the Soviet ambassador

\(^{40}\) Radio/Television Address, Gabriel Valdés Subercaseaux, 21 October 1966, quoted in Airgram A-264, Dungan to Department of State, 26 October 1966, Folder – POL - Political Affairs and Relations Chile-US 1/1/64, Box 2030, CFPF 1964-66, RG59, NA. Telegram 842, Harriman to the President and Secretary of State, 7 May 1965, *FRUS 1964-68*, XXXI: 610n3, 611n4, 611n5, 609-611. Telegram 1980, Dungan to Secretary of State, 23 June 1965; and Memorandum, “President’s Meeting with Ambassador Dungan,” Thompson (Sayre) to Bundy, 22 July 1965; both Folder – POL - Political Affairs and Relations Chile-US 1/1/64, Box 2030, CFPF 1964-66, RG59, NA.

\(^{41}\) Telegram 658, Jova, Chargé d’Affaires, to Adlai Stevenson, U.S. Ambassador to the United Nations, 28 October 1964; and Telegram 639, Jova to Secretary of State, 27 October 1964; both Folder – Chile Cables Volume II, 9/64-11/64, Box 13, NSF-Country File-Latin America, LBJL. Memorandum “Chile’s Relations with the Soviet Bloc,” Mann to Stevenson, November 1964, Folder – POL Political Affairs and Relations Chile-Alg 1/1/64, Box 2030, CFPF 1964-66, RG59, NA.
arrived in Santiago, Socialist Senators Salvador Allende, Raúl Ampuero, and Carlos Altamirano, and Communist Senator Volodia Teitelboim met with him. 42

Just as with Guatemala eleven years earlier, U.S. intervention in the Dominican Republic sparked protests in Chile, and Allende again assumed a prominent role. Demonstrations occurred in Santiago, and when Ambassador W. Averill Harriman arrived in the city to urge Frei’s government to support the intervention, more protests occurred. Allende wrote President Johnson and demanded that he end the intervention, charging that “the United States cannot assume the right to control Latin America.” Allende and four Leftist senators sent a letter to Secretary General of the United Nations U Thant, asserting that the intervention was “typical of a great power that crushes by force a small country,” and they asked the UN to restrain the United States. When Foreign Minister Valdés briefed Senate leaders, Allende urged Valdés to “demand immediate withdrawal” of U.S. Marines from Santo Domingo and carry that demand into the United Nations. Allende also suggested that the Chilean government bar U.S. Ambassador Ralph Dungan from attending the opening of Chile’s Congress on 21 May 1965 in order to stress “our moral repudiation” of U.S. intervention. 43

42 Telegram 695, Jova to Secretary of State, 6 November 1964, Folder – POL Political Affairs and Relations Chile-USSR 1/1/64, Box 2031, CFPF 1964-66, RG59, NA. Telegram 764, Jova to Secretary of State, 24 November 1964, Folder – Chile Cables Volume II 9/64-11/64, Box 13, NSF-Country File-Latin America, LBIL. Airgram A-1073 “CERP Section C-2 – Politico-Economic Relations with Communist Countries,” Prochnik to Department of State, 9 June 1965, Folder – POL Political Affairs and Relations Chile-Alg 1/1/64; and Telegram 1587, Dungan to Secretary of State, 22 April 1965, Folder – POL 23 Internal Security, Counter-insurgency, Chile 1/1/64; both Box 2030, CFPF 1964-66, RG59, NA.

Allende’s invective against U.S. intervention in the Dominican Republic led to a public sparring between him and Ambassador Dungan. In an open letter to Dungan, Allende charged that the United States had violated “the most essential principles of international coexistence” and that its use of troops “signifies, simply, the predominance of force over all the moral, cultural, and spiritual values which…have come to be considered part of civilization.” The U.S. Embassy accused Allende of leading a personal offensive against the ambassador, but Allende denied this and declared that he had had no contact with the U.S. Embassy since Ambassador Claude G. Bowers’ tenure, more than 15 years earlier. He added that “the reasons for my isolation continue,” namely U.S. interventions in the region. Embassy officers belittled Allende as a “three-time presidential loser,” but Dungan engaged him. In his response, Dungan insisted that the United States “believe[d] deeply in the principles of self-determination and non-intervention,” and that the Eisenhower administration’s “failure to act in time led to a loss of liberty for a noble people [the Cubans].” “We are unwilling to sacrifice one principle for the other,” Dungan concluded. He attended the opening of Congress at the invitation of President Frei, prompting Allende and FRAP Congressmen to boycott the ceremonies.44

A Short-Sighted Request

President Johnson likely did not intend to alienate the Chileans, but the Vietnam War and its inflationary pressures on the U.S. economy led him to sacrifice U.S.-Chilean goodwill and the

O’Connor, First Secretary of Embassy to Department of State, 7 May 1965, Folder – POL 1 General Policy Background Chile-US 1/1/64, Box 2030; both CFPF 1964-66, RG59, NA.

44 Airgram A-984 “Allende Mounts Personal Offensive against U.S. in Person of Ambassador,” O’Connor to Department of State, 7 May 1965. Open letter, Dungan to Allende, 7 May 1965. Telegram 1815, Dungan to Secretary of State, 22 May 1965, Folder – POL 15-1 Chile 1/1/65, Box 2028, CFPF 1964-66, RG59, NA.
Alliance for Progress in Chile for a special price on copper. Johnson administration officials admitted that the United States had “a big stake in the success of the Frei experiment,” and insisted, “We can hardly do less for a strong democracy like Chile than we do for [a] shaky constitutional government in Colombia and a de facto [military] government in Brazil.” The administration lauded its success in Chile, with one official writing, the Frei administration’s “record of achievement is impressive as many a visitor of different ideological stripe has noted.” In the years 1965 and 1966, Frei’s Revolution in Liberty enjoyed growth rates of 6.1 and 10.5 percent respectively. The Frei administration dramatically cut inflation, substantially increased real wages for workers, raised crop prices, expanded credit opportunities for small farmers, and encouraged broad income distribution. The Johnson administration also pointed to the Frei government’s expansion in public housing construction, “meaningful” land reform program, increased private investment, tax code reforms, increased tax revenues, and expanded enrollments and opportunities in higher education. Although setbacks had occurred in 1967, U.S. officials attributed the setbacks to the “too rapid social movement” and Chile’s economic expansion during the previous two years.45

The economic pressures of the Vietnam War led Johnson and his advisors to ask Frei to roll back the rising price of copper. Having escalated U.S. involvement in Vietnam in August, the Johnson administration announced that the Pentagon would spend $3.2 billion per year for military hardware for the rest of the decade, a near 100 percent increase over 1964 ($1.7 billion).

Johnson, Secretary of Defense Robert McNamara, and National Security Adviser McGeorge Bundy grew worried when in response to price increases on the London Metals Exchange, Chile raised the price of copper from 36 cents to 38 cents on 20 October. Fearing that higher metal prices would increase military expenditures and fuel inflation, Johnson successfully pressured Alcoa and Reynolds, the two major U.S. aluminum companies, to cut the price of aluminum. He then tried the same tactic on Frei. Bundy sent Dungan a telegram outlining Johnson’s request that Frei cut the price of copper to 36 cents, as well as a list of “sticks” and “carrots” that U.S. officials could use to pressure Frei. For “sticks,” Bundy listed holding up an $80 million loan, guarantees for Anaconda and Kennecott’s new investments, and applications for $135 million in Export-Import Bank loans to companies operating in Chile. He added releasing copper from the U.S. stockpile (to drop the market price) and offering new incentives for companies to switch from copper to aluminum. The list of “carrots” was shorter. Bundy offered warm political support (which Frei had), a personal appeal from Johnson (the request was that), and a promise “to consider sympathetically” a deal to cover the loss incurred by the price rollback.46

Bundy’s cable angered Dungan who, in response, called the request “political suicide for the United States” because the Frei administration was “struggling” to withstand the pressure to raise the price of copper to 40 cents. Dungan warned that Bundy’s “imposing arsenal of sticks and a not so imposing supply of carrots” may cause Frei to consider the U.S. request “beyond the pale” and may push the Chileans to nationalize its copper industry. He reminded Bundy that

Chile supplied only 13 percent of U.S. copper consumption, and that copper shipped from Antofagasta cost 14.5 cents per pound but was sold in the United States at 38 cents and 65 cents in London. “Somebody makes a hell of a profit,” Dungan quipped, and it was not the Chileans.47

Johnson read Dungan’s response and sent W. Averill Harriman and Anthony Solomon to Santiago to negotiate the price rollback. Harriman and Solomon presented the request to Frei, who reminded the Americans, “For us, copper is not just one problem; it is the problem,” and he made clear that his entire cabinet believed that copper should be raised to at least 40 cents. Frei did say that because Johnson had personally sent them to Santiago, he would consider it. “My disposition is to help, because the United States helps us,” but he made clear that his entire cabinet believed that copper should be raised to at least 40 cents.48

The next day Frei agreed to help, but he preferred a one-year bilateral agreement. If his government cut the price of all Chilean copper to 36 cents, he would confront a “political crisis of the highest magnitude.” He could, however, sell copper to the United States at 36 cents in a special agreement, but he stressed the importance of the United States continuing its assistance and cooperation in helping Chile enact economic and agricultural reforms. Harriman noted, “[Frei] had real misgivings on how he would come out.” Frei received the diplomatic version of the “Johnson treatment,” and he had little choice. The Johnson Administration had extensively helped Frei’s campaign and was funding the Revolution in Liberty. Now Johnson asked for a

47 Telegram, “Eyes Only,” Dungan to Bundy, 13 November 1965, FRUS 1964-68, XXXI:
48 Telegram 629, Harriman to the President, 16 November 1965, FRUS 1964-68, XXXI: 627-629.
favor in return. As one historian observes, it “was a piece of ugly business all the way around.”

Despite acceding to the special price of copper, Frei did not receive the U.S. assistance cooperation that he had hoped. In fact, for the first time since World War II, U.S. officials intensely scrutinized U.S. support for Chilean programs, prompting Chilean Ambassador Tomic to object to Washington’s lack of sympathy and charge that the U.S.-Chilean relationship was “a one-way street.” Just after the Harriman/Solomon mission, U.S. and Chilean officials discussed Chile’s 1966 program loan, and to the Frei administration’s surprise, U.S. officials took a hard line. They demanded changes to the Frei administration’s budget, e.g. removal of a 25 percent wage increase for public employees (largely cost of living increases), and reductions on “less essential investment sectors” such as housing (Chile suffered a housing shortage). The Chileans reworked their budget to meet many conditions, but Department officials rejected it as insufficient. The price of copper then climbed to 42 cents in the United States and 70 cents in London, making the 36-cent agreement fiscally even more painful for Chile, leading the Frei administration to plead for cooperation from Washington. In January 1966, just seven weeks after the agreement, Frei sent Javier Lagarrigue to Washington to resolve the 1966 program loan impasse and renegotiating the 36-cent agreement. Dungan and the U.S. Embassy urged the department to show more flexibility. U.S. officials refused to budge, and Lagarrigue returned

empty handed. Meeting with the Assistant Secretary of State, Dungan again urged Washington
to ease its demands, and a loan agreement was finally achieved.  

Johnson administration officials patted themselves on the back for the copper agreement and the terms of program loan, but by Ambassador Dungan’s admission, the cost was the trust and friendly relations with Frei’s administration. By April 1966, market and domestic pressures forced the Frei government to raise the price of copper to 62 cents, with copper under the U.S.-Chilean agreement excluded. In May, new Assistant Secretary of State for Inter-American Affairs Lincoln Gordon asked for another copper agreement for 1967, but the Chileans gave a polite, non-committal response. When Gordon asked again in July 1966, Dungan fired back that another agreement was “dangerous to [U.S.] political interests in the long and short run in Chile,” and insisted upon discussing the matter personally with Johnson. As Dungan knew, the Chileans opposed another agreement. Frei allowed the first agreement to expire, but during a Christmas Eve 1966 radio address, he announced that he would not seek new loans from the U.S. Government or the IMF.  

Balancing Democracy and Revolution

Between 1965 and 1967, Allende faced what one Socialist Party leader called “a difficult period of leadership.” He confronted two daunting tasks: he had to rebuild a splintering Left’s faith in via pacífica, and the Left’s faith in him. As FRAP leader and three-time presidential

50 Taffet, “Alliance for What?,” 252-269.

candidate, Allende was the preeminent leader of the Chilean Left. His name, the U.S. Embassy admitted, was “known in every Chilean household,” and his appeal extended well beyond the Socialist and Communist party faithful. However, other political aspirants sought to challenge Allende and establish themselves as leaders of the Left.

Allende responded to the challenges by simultaneously presenting himself as a democrat and a revolutionary. Balancing the two public personae required delicacy and political skill, for not everyone accepted the long-time Popular Front advocate as a revolutionary. Fidel Castro dismissed the idea that Allende was a revolutionary and reportedly told Allende to his face that “his guerilla suit should be made by Christian Dior.” Burnishing his democrat image, Allende arranged to meet with U.S. Senator Robert Kennedy (brother of the former U.S. president), when Kennedy visited Chile in December 1965, but some PS central committee members opposed it. Allende and the central committee debated the issue for three hours, with Allende “strongly” insisting that they needed to meet with U.S. leaders. Allende met with Senator Kennedy, despite the opposition.52

Two weeks after Robert Kennedy’s visit, Allende travelled to Havana and burnished his image as a revolutionary. At the First Tricontinental Conference of Colonial Peoples, hosted by Fidel Castro, Allende pledged his devotion to democracy, but asserted that “each country will

consider its own circumstances and its own tactics.” He charged that Johnson’s intervention in
the Dominican Republic showed that “the United States will prevent by arms the democratic and
legal access to power” by popular movements. Johnson indeed had declared, in the “Johnson
Doctrine,” that “The American nations cannot, must not, and will not permit the establishment of
another Communist government in the Western Hemisphere.”

At the Tricontinental conference, Allende embraced Ché Guevara’s call for revolution
and proposed two organizations to promote revolutionary movements. In a message to the
conference, Guevara declared that the choice was “either a socialist revolution or a make-believe
revolution,” and that they must bring about the “total destruction of…the imperialist domination
of the United States.” Guevara urged delegates to create “two, three, or many Viet Nams,” for
“We must carry the war as far as the enemy carries it: to his home, to his centers of
entertainment, in a total war.” After Guevara’s message, Allende proposed creating two
umbrella organizations to support to revolutionary movements in Latin America. Conference
delegates formed the Organization for Solidarity with the Peoples of Africa, Asia, and Latin
America (OPSAAL) to aid revolutionary movements in the developing world, an organization
described as “Cuba’s first stable ‘front organization’.”


exclusively for Latin America, and the 27 Latin American delegations created the Organización Latinoamericana de Solidaridad (OLAS – Latin American Solidarity Organization). Allende was the first director of the Chilean branch of OLAS. When questioned, Allende assured listeners that OLAS was not “a supranational revolutionary command,” but the democratic road was not possible in every country. Some revolutionaries, he said, did “struggle with arms in hand, because in their countries they were denied the opportunity to do it through legal channels.” Chile, he assured his listeners, was different; the democratic road was still applicable.

Allende promoted the message “revolution elsewhere but democratic Chile as an exception” in Eastern Europe. In June 1966, Allende attended the Sixth Congress of the Socialist Alliance of Working People of Yugoslavia and met with President Josip Tito. The Chilean senator told the Yugoslav weekly Komunist that Latin Americans “are aware…that imperialism is their enemy No. 1,” and that U.S. actions were “trying to suppress the struggle for the emancipation.” Imperialism, he said, must be countered with “an anti-imperialist strategy on a continental scale,” i.e. revolution, but he did note that the via pacífica was still possible in Chile and Uruguay. Allende then travelled to East Germany, Poland, and Czechoslovakia.

55 U.S. officials generally used the Chilean acronyms for parties and organizations; however, in the case of OLAS, they used the English-language acronym LASO. To maintain consistency, this work will use the Chilean acronym.


57 Airgram A-1033 “Joint Weeka No. 22,” Ravndal to Department of State, 3 June 1966, Folder – POL 2-1 Chile 1/1/66 [1 of 2], Box 2020; Airgram A-1024 “Allende Interviewed by Komunist,” C. Burke Elbrick, U.S. Ambassador to Yugoslavia (W. Zimmerman), to Department of State, 28 June 1966, Folder – POL 15 Chile 1966, Box 2027; both CFPF 1964-66, RG59, NA.
After Europe, Allende returned to Havana, where his concurrence with comments by Fidel Castro led to accusations in Chile that he (Allende) was disloyal. On 26 July 1966, at the anniversary celebration of his raid on Moncada jail, Castro described Chile as “a showcase of imperialism that is trying to introduce the contraband of Christian Democracy into Latin America.” He called Frei a “pampered child of Yankee imperialism,” who “represents the anti-revolutionary, reformist trend in Latin America.” Chileans might have dismissed Castro’s words as another “choleric show,” but Allende later said that he “shared the basis of Fidel Castro’s critique” and accused Frei of “taking the banners of the Left not to achieve” social change, but “demagogically to create the idea that it has a revolutionary attitude.” He urged Soviet bloc nations not to engage in technical or commercial exchanges with reformist governments such as Frei’s. When La Nación, Chile’s government newspaper, telephoned Allende and pressed him about his comments, Allende replied, “I do not have to give any explanation. I will determine when, how, and where I deem it convenient [to give an explanation]. La Nación slanders me.”

Allende’s comments created a political firestorm and embarrassed his Communist allies. Communist Deputy Orlando Millas, who was on the stage with Castro and Allende, rejected Castro’s charges, saying that they contained many errors, and abruptly left Havana. Dubbing Allende as “the Senator from Havana,” La Nación editorialized that it was “the hour of definitions,” and the FRAP needed define “toward who, whom, or what part of the Cuban Revolution it wishes to show solidarity.” The conservative El Mercurio observed, “For a

democratic mentality, [Allende’s] expression is highly reprehensible and leaves a terrible impression of one who on several occasions wanted to obtain majority support from the citizenry for his presidential nomination.” Tying Allende’s words to the Left’s larger debate over legal and violent paths to revolution, *El Mercurio* remarked, “Evidently the cause of democracy does not merit anything in the discussion about what will be the best methods for destroying it.”

Allende stayed in Cuba several weeks before returning to Santiago, but while the furor over his comments had subsided, the bitterness remained. The U.S. Embassy reported that the walls in Santiago were “liberally plastered” with signs and posters charging: “Traitor Allende because he wants to sell himself to Cuba…Traitor Allende because he said in Cuba ‘They should not aid a nation like Chile.’” Allende was outraged by the posters and accused the Ministry of Interior of doing nothing about them. He then made the affair worse by submitting one such poster as evidence to accompany his speech in the Senate. *El Mercurio*, which held the contract to print the Senate’s proceedings, reprinted the poster with Allende’s remarks, giving the poster even greater circulation.

Allende now tried to distance himself from Castro’s remarks, saying that Castro’s criticism of socialist countries sending aid to Chile was correct from socialist


60 “Diario del Senado,” *El Mercurio*, 19 September 1966, p. 29. Airgram A-184 “Return of Salvador Allende,” Dungan (Moskowitz and Norbury, Political Officer) to Department of State, 24 September 1966, Folder – POL 15-2 Chile, Box 2029; Telegram 2149, Robert W. Dean, Counselor of U.S. Embassy Santiago, to Secretary of State, 27 December 1966, Folder – POL 12-6 Membership Leaders Chile, Box 2027; both CFPF 1964-66, RG59, NA.
Cuba’s perspective but not from Chile’s, but was ineffective. Castro continued to browbeat Frei, which the U.S. embassy said, significantly hurt the Cuban’s prestige in Chile.  

Three months later, with Chilean politics focused back upon Frei and his reforms and away from Allende, the Senate elected Allende as its president on 27 December. The key to Allende’s election was the Radical Party, which held the balance of power in the Senate. In their fourth attempt, the Radicals and the FRAP ousted the PDC leadership and elected Allende as President and Luís Fernando Luengo, an independent social democrat, as Vice-President. In his acceptance speech, Allende offered to set aside “blind opposition” in order to serve the interests of the people and the nation, and he promised to uphold the Senate’s “prestige, the sovereignty of Congress [i.e. the separation of powers], and the rights of each Senator.”

Reaction to Allende’s election was positive but cautious. The U.S. Embassy believed that Allende’s election might be a “healthy thing for Chile,” if for no other reason than it would demonstrate the “incompatibility of the Marxist viewpoint with the democratic traditions.” Senator Pedro Ibáñez Ojeda, a staunch conservative, asserted that the Allende’s election showed the United States “that its shaping of Chilean politics does not follow such a simple plan,” a thinly veiled swipe at U.S. support for Frei. El Mercurio praised Allende’s experience and his commitment to democratic principles, but cautioned him that he bore a responsibility to wield


that power prudently and uphold the country’s political traditions. It was not an opportunity, El Mercurio said, to pursue a partisan agenda or engage in conduct that “would risk constitutional conflicts that in other eras had disturbed the country’s political life.”

Losing Influence

As Allende became President of the Senate, U.S. officials were losing influence among many Rightists who had long been allies of the United States. The Right castigated the Johnson administration for its support for Frei, and the embassy admitted that Frei’s Revolution in Liberty had begun “a definite redistribution of income in favor of the poorer groups, both urban and rural.” As a result, “a sort of atmosphere of warfare, on the economic and social level” had emerged between the PDC and the Right, with some Rightists saying that “the FRAP couldn’t do much worse than the PDC is promising to do.” When Dungan praised land reform as “socially necessary and economically beneficial” in an interview with the weekly Ercilla, the Liberal Party accused him of intervening in Chilean politics, and several Liberals suggested that Dungan be declared persona non grata. During a dinner, one conservative businessman pointed an accusing finger at Dungan and charged, “This country is being led to social chaos and you are to blame.”


A former friend and ally, Radical Senator Julio Durán, told Dungan that many Rightist political leaders resented U.S. favoritism toward the PDC. The Right objected to U.S. support of the PDC’s land reform proposal because it threatened to decrease agricultural production and “lose the campo to the communists.” The Right was also angered by U.S. efforts to exempt American mining companies from land reform because, Durán said, such efforts promoted the idea that what was “good enough for Chilean citizens” was not good enough for U.S. companies. Durán said that “out of spite” that Right was working with the Left and the PDC to defeat the exemption and that nationalization of copper was inevitable. From Durán’s viewpoint, “the United States has put all [its] eggs in one basket” in helping Frei, and it would be “unprepared for the consequences in 1970 when that basket is dropped.” Dungan dismissed Durán’s criticisms, telling Washington that Durán had become “increasingly embittered and irrational in his views,” and suggesting that Durán was soft on Communism. Dungan’s dismissal of Durán was symptomatic of the U.S. attitude toward the Right. U.S. embassy officers equated the Right’s criticism of Frei and the Revolution in Liberty with U.S. Republicans’ attacks on Franklin Delano Roosevelt and the New Deal.65

Politically, the Right, which was in disarray since the 1965 congressional elections, began to rebuild itself as a political force, a force that more aggressively and independently pursued its values and interests, even if it meant opposition from U.S. officials. The Right collapsed in the 1965 Congressional elections, with the Liberal and Conservative parties losing one-half of their

Senators and 80 percent of their Deputies. The remnants of the two parties formed the National
Party (PN - Partido Nacional), declaring that they sought “to restore the values of the Chilean
people and to modernize the State.” Rightist congressional leaders stressed to U.S. officials that
they would no longer support Frei simply because he was the non-Communist alternative. They
were now “willing to follow any tactic that might extort cooperation” from Frei and his
government. 66

The Right’s anger against Frei, the PDC, and the United States lashed out when the
Chilean Senate rejected Frei’s request to travel to Washington for a 1967 state visit to the White
House. The Frei and Johnson administrations had been planning the February 1967 visit for
nearly a year, and it intended to highlight Frei’s democratic credentials and his achievements in
reform. Frei’s state visit tentatively included a speech to a joint session of Congress and an
appearance on the television show Meet the Press. The invitation was announced publicly in
December, 67 although Chile’s constitution required Congress to grant the president permission to

Onofre Jarpa, “Prólogo,” to Juan Luis Ossa, Nacionalismo Hoy (Santiago: Printer Limitada for the Instituto de
Party,” Moskowitz to Department of State, 26 October 1966. Airgram A-931 “Elements in Chile’s Rightist Parties
Consider Formation of a New Political Party,” Ravndal to Department of State, 22 April 1965, Folder – POL 12
Chile 1965, Box 2026, CFPF 1964-66, RG59, NA.

67 For discussion of the trip, see Dungan to Jack Hood Vaughn, Assistant Secretary of State for Inter-American
Affairs, 5 January 1966, Folder – POL 7 Chile 1/1/66, Box 2026; Memorandum of Conversation between President
Frei and Assistant Secretary of State Lincoln Gordon, Dungan, 14 May 1966, enclosed with Dungan to Gordon, 17
May 1966, Folder – POL - Political Affairs and Relations Chile-US 1/1/64, Box 2030; and Telegram 102295,
Nicholas deB. Katzenbach, Under Secretary of State (Sayre) to Dean, 14 December 1966, Folder – POL 7 Chile
1/1/66, Box 2026; all CFPF 1964-66, RG59, NA. For joint Congressional session speech and Meet the Press
appearance, see Telegram 106898, Rusk (Dungan and Gordon) to Dean, 22 December 1966, Folder – POL 7 Chile
1/1/66, Box 2026, CFPF 1964-66, RG59, NA; and Memorandum “Program for Frei Visit,” Rostow to the
President, 29 December 1966, Folder – Chile President Frei Visit 12/66-1/67, Box 12, NSF—Countries—Latin
America, LBJL. For briefing papers, see Briefing Memorandum “Scope Paper: Visit of President Eduardo Frei of
Chile, February 1-3, 1967,” Fimbres, ARA, 17 January 1967; Briefing Memorandum “The Chileans: Knowing and
Approaching them: Topics of Conversation,” Fimbres [?], n.d. [17? January 1967]; and Background Sketches of
Eduardo Frei Montalva, Gabriel Valdés Subercaseaux, Raúl Saez Saez, Sergio Molina Silva, Carlos Massad Abol,
travel abroad. U.S. officials expected both house of Congress to approve the trip, but in the
Senate, the Nationals joined the Socialists and Radicals and denied Frei permission to travel.
The U.S. embassy and Washington were shocked, even though the Nationals had informed the
embassy well beforehand that they would deny Frei permission to travel in order to protest
“alleged US intervention in Chilean political affairs through…close support” of Frei. National
Senator Pedro Ibáñez Ojeda was reported to be in a mood “of almost childish glee that the Senate
had hit [Frei] where it hurt, and hurt personally.” Frei admitted to U.S. Chargé d’Affaires Robert
W. Dean that the Senate’s denial was “the hardest jolt” of “his entire political career….He went
to bed pained and furious and he got up pained and furious.”68

The Chilean Senate’s denial of permission was an embarrassment for Washington, but it
also signaled a sharp decline in the U.S. ability to exert influence in Chile, a decline that was an
unavoidable outcome of the best, imperfect policy. By its wholehearted support of Frei and his
Revolution in Liberty program, U.S. officials confronted a sharply divided Chilean polity. The
Right opposed thoroughgoing reform, the Left viewed reform as too slow and too little, with the
PDC/liberal center attacked from both sides for pursuing reform. Chile was experiencing its own
version of the “Turbulent Sixties,” and U.S. officials, if anything, may have minimized its
decline of U.S. influence by supporting Frei and reform because the alternatives were worse. If
the United states supported the Right, then the reformist center might have turned toward

Eduardo Enrique Fornet Fernández, and Patricio Silva Echenique, U.S. Embassy Santiago, enclosed with Airgram
A-408 “Information on Frei’s Official Party Going to Washington, 31 December 1966; all Folder – Chile President
Frei Visit 12/66-1/67, Box 12, NSF–Countries—Latin America, LBJL.

68 Telegram 2440, Dean to Secretary of State, 17 January 1967, Folder – Chile Cables – Vol. IV 10/65 – 7/67, Box
13; Telegram 1399 “Frei Visit,” Dean to Secretary of State, 13 January 1967, Folder – Chile President Frei Visit
12/66 – 1/67, Box 12; and Telegram 2568, Dean to Secretary of State, 25 January 1967; Folder – Chile Cables –
Vol. IV 10/65 – 7/67, Box 13; all NSF–Countries–Latin America, LBJL.
revolution; meanwhile, if the United States had supported the Left, the Johnson administration might have been accused at home of allowing another “Cuba” under Allende.

The Johnson administration had compounded its difficulties with its own missteps. The copper deal and the terms of the 1966 program loan angered and alienated PDC allies. Frei sharply criticized the Alliance in an April 1967 article for the prestigious foreign policy journal, *Foreign Affairs*. Just four months after he rejected the U.S. program loan for 1967, Frei declared, the Alliance for Progress had “lost its way,” and that it had become “another label for all forms of aid.” He accused all participants of “openly and covertly distort[ing]” the Alliance’s “objectives, principles, and achievements,” and he harshly criticized the “reactionary” Right and “violent” far Left for subverting the Alliance. He directed his frustration primarily toward the United States, which he charged with “scarcely veiled paternalism” because it offered aid to Latin America but then claimed “the right to demand…specific types of structural changes.” With a tone of exasperation, Frei strongly hinted that he seemed to be the only leader who had played by the rules. He had implemented reform and structural change, but he had faced unfair demands and unwarranted criticism while others flouted the Alliance’s ideals.69

Department of State officials did not appreciate Frei airing his grievances publicly, much less in a prestigious U.S. foreign policy journal. They dismissed Frei’s article as little more than a recipient blaming his benefactor for problems that he had created, and proceeded to place

Chilean developments in the best light. Meanwhile, Frei’s article became the foundational critique of the Alliance for Progress, even providing its epitaph.\(^{70}\)

As the Latin American leader who likely benefitted the most from the Alliance, Frei was correct and unfair in his criticisms. The Alliance may have lost its way in many Latin American nations, but not in Chile, where it followed a course reverse of the commonly assumed narrative. In Chile, the Alliance first sought anti-Communist political ends, specifically to undercut the appeal of Allende and build support for Frei. After Frei’s victory, U.S. officials then reoriented the Alliance closer to its original ideals: a cooperative program of U.S. financial resources and Latin American initiative.\(^{71}\) When U.S. officials set benchmarks for aid in 1966, Frei, benefiting from a rise in the price of copper, rejected additional U.S. loans for 1967 and spurned another bilateral copper agreement. One may ask if Frei had forgotten why the United States so generously supported him in 1964.

Frei, however, was also correct; he and Chile had faced unrealistic demands. The Johnson administration had expanded Chile’s role as a model: it had asked Chile to serve as a model for democracy, a model for economic development, a model for the Alliance for Progress, and a model of the anti-Castro path for Latin America and the Third World. The expanded model was to be all things to all nations, and Frei’s achievements in Chilean reform paled and were deemed marginal under the soaring expectations. In the Chilean context, given the obstacles and refusals

\(^{70}\) Letter, Covey T. Oliver, Assistant Secretary of State for Inter-American Affairs and U.S. Coordinator for the Alliance for Progress, to Korry, 8 May 1968, enclosed with Letter, Korry to Oliver, 14 May 1968, Folder – POL 15-1 Chile 11/1/68, Box 1779; and Memorandum of Conversation, “Fitting the President for Pants,” 3 January 1968, enclosed with Airgram A-327 “Enclosing Memorandum of Conversation…,” Korry to Department of State, 10 January 1968, Folder – Political Affairs & Relations Chile-US, Box 1981; both CFPF 1967-1969, RG59, NA. For the Alliance’s epitaph, see Levinson and de Onís, *The Alliance that Lost its Way.*

\(^{71}\) Taffet, “Alliance for What?,” 215.
to initiate thoroughgoing reform under the previous two Chilean presidents, Carlos Ibáñez del Campo and Jorge Alessandri, Frei’s achievements were substantial, but the Johnson administration expected visible signs of the progress immediately.

The Johnson administration also erred by placing an additional burden on Chile. When Johnson asked Frei to give the United States a special price on copper, he essentially requested that the Chileans accept a reduced income in order to ease the pain of inflation on U.S. consumers — namely to bear some of the cost of the Vietnam War. The Johnson administration then insisted that the Frei government meet specific conditions in order to obtain U.S. loans and while it enacted long-needed economic and social reforms. Whereas President Kennedy declared that the United States would “bear any burden” to turn U.S. objectives into realities; Johnson had inverted this vow. He expected Frei to bear some of U.S. burden for the Vietnam War, bear the burden of economic and social development, and bear the burden of repaying development loans with interest. Frei and his cabinet may not have recognized all of the multiple burdens, but they did recognize the conflict between U.S. demands and Chilean development, and responded by spurning a second copper deal and the 1967 program loan.

The King of Spades

Allende’s tenure as President of the Senate rebuilt his image as a democrat, and Frei assisted him. During the March 1967 municipal elections, Frei aggressively campaigned for PDC candidates and leveled “scathing attacks” against what he said was an “obstructionist” Senate. Allende responded in a calm, “low key” approach and dismissed Frei’s charges by quoting Frei’s own words about political parties and democracy. Allende appeared as “the defender of Chile’s democratic institutions.” His prestige rose, and, the embassy reported, some
National Party members remarked, “Allende no longer seems such a *bête noire*, especially when matched against a Christian Democrat alternative.”

Allende, however, continued to oscillate between adhering to democracy and promoting revolution. On 29 May 1967, Allende announced the formation of the Chilean branch of OLAS, and that he would be available to attend the first OLAS conference in Havana if the Socialist and Communist Parties asked him to do so. *El Mercurio* and *La Nación* accused Allende of leading a “double life,” and the Nationals charged that Allende’s two roles – Senate president and OLAS leader -- were “incompatible.” Criticism of Allende lasted several days, and the U.S. Embassy observed that Allende’s roles “keep [him] in the limelight and we can be sure this is important to him.” When the Chilean chapter of OLAS formed on 16 June, Socialist Party Secretary General Aniceto Rodríguez became its chair. Allende was named to OLAS’s central committee but was not designated as a delegate to the OLAS conference in Havana.

The formation of OLAS and his promotion and leadership of it began to threaten Allende’s Senate presidency. The Christian Democrat and National Parties moved to try to censure Allende, and the success of either party’s effort would have forced Allende to resign as Senate president. The Christian Democrats asserted that Allende mishandled a bill to restore diplomatic relations with Cuba. The PDC said that the bill should have been declared

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72 Airgram A-545 “Joint Weeka No. 9,” Dungan (Keith Wheelock, Political Officer, U.S. Embassy Santiago) to Department of State, 4 March 1967, Folder – POL 2-1 Chile 1/1/67, Box 1776; and Telegram 3492, Dungan to Secretary of State, 6 April 1967, Folder – POL 12 Chile 1/1/67, Box 1777; both CFPF 1967-69, RG59, NA.

73 Airgram A-727 “Joint Weeka #22,” Dungan to Department of State, 3 June 1967, Folder – POL 2-1 Chile 1/1/67, Box 1776; Airgram A-759 “Allende’s LASO Role Threatening His Senate Presidency?,” Dean (Norbury), to Department of State, 10 June 1967, Folder – POL 15-2 Chile, Box 1980; and Airgram A-799 “Joint Weeka #25,” Dean (Sinn) to Department of State, 24 June 1967, Folder – POL 2-1 Chile 1/1/67, Box 1776; all CFPF 1967-69, RG59, NA.
unconstitutional because it infringed on President Frei’s power to conduct foreign relations, but Allende sent the bill to committee, where it as defeated. The National Party moved to censure Allende for OLAS activities. Both moves failed because the PDC and PN abstained from each other’s motion, despite Frei’s “strong pressure” on PDC senators to vote for the PN’s motion. 74

Allende did not attend the July 1967 OLAS conference in Havana, but the conference continued to focus attention on Allende’s dual roles. 75 The delegates reiterated OLAS’s commitment to armed guerrilla struggle as the means of fostering revolution in Latin America, and it further criticized Frei and his Revolution in Liberty. Despite the Soviets’ “threats and intense lobbying” against it, OLAS delegates reaffirmed Castro’s criticism of Socialist countries who aided reformist governments such as Frei’s. 76 Frei denounced the Chilean OLAS delegates as “insolent” and “treasonous,” and he particularly directed his comments at Senator Carlos Altamirano who, while in Havana, asserted that the “struggle must be armed. Imperialism will

74 Airgram A-170 “Renewal of Relation with Cuba Rejected,” Dean (Norbury) to Department of State, 4 October 1967, Folder – POL Political Affairs and Relations Chile A 1967, Box 1981; and Airgram A-760 “Joint Weeka #23,” Dean (Sinn) to Department of State, 10 June 1967, Folder – POL 2-1 Chile 1/1/67, Box 1776; both CFPF 1967-69, RG59, NA. Airgram A-799 “Joint Weeka #25,” Dean to Department of State, 24 June 1967. Airgram A-48 “Joint Weeka #30,” Dungan (Sinn) to Department of State, 29 July 1967, Folder – POL 2-1 Chile 1/1/67, Box 1776; and Airgram A-54 “Frei on LASO and Relations with PDC,” Dean (Norbury) to Department of State, 31 July 1967, Folder – POL 15-1 Chile 1/1/67, Box 1779; both CFPF 1967-69, RG59, NA.

75 Among the Chileans attending OLAS were: Senator Carlos Altamirano, Professor Clodomiro Almeyda, and Deputy Jorge Montes of the PS, and Senator Volodia Teitelboim of the PC. Eduardo Labarca Goddard, Chile al Rojo: Reportaje a una revolución que nace (Santiago: La Sociedad Impresora Horizonte, 1971), 146.

not be defeated by the *vía pacífica.*” Allende tried to defend the delegates’ right to criticize the Frei government but his effort was ineffective. When asked by a reporter, Frei said that he considered OLAS a “real danger.” Although he did not name Allende outright, Frei condemned the “duality of those in Chile who take refuge in the law but stimulate violence, who proclaim ‘the democratic way’ but foster illegal methods, who opportunistically reject violence in Chile but advocate it in other countries.”

Allende wanted to run again for the presidency in 1970, but OLAS was becoming increasingly problematic for him. Osvaldo Puccio asserts that Allende first expressed his desire to run again during the PS’s party congress at Chillán in November 1967, but, the U.S. Embassy reported five months earlier (June) that several reliable sources said that Allende “believes the Presidency of Chile within his grasp.” At the Socialist congress, Allende announced his desire to run for President for a fourth time, and two East German representatives, Werner Kirchhoff and Friedel Trappen, were present when he did so. Allende told the East Germans that the FRAP needed assistance from socialist countries for the 1970 election, but Kirchhoff and Trappen “did

77 Gomez, *La Rebeldía Socialista*, 66. During an 1989 interview with Patricia Politzer, Carlos Altamirano Orrego said, “Neither I nor the leadership of my party wanted or sought violence. None of us were awaiting a disembarkation like that of Fidel in the Sierra Maestra, for inciting armed struggle, that was not our strategy….The armed road was always understood as a form of defense of the process that we would bring forward to change the structures.” Patricia Politzer, *Altamirano* (Santiago: Ediciones Melquíades, 1990 [1989]), 103. Altamirano is disingenuous. He actively promoted the *vía armada*, and perceived himself as part of “the vanguard of the Chilean revolution.” He believed that the revolution would occur neither with “obsolescent” parliaments that were “paper tigers,” nor through the ballot box, nor by popular demonstrations employing peaceful disobedience. Altamirano lionized Guevara, promoted replication of the Cuban Revolution in Chile, and called for “striking mortally at the enemy of the people.” One cannot promote and foster the *vía armada* and then deny responsibility for the subsequent violence. To do so, as Altamirano does, is intellectually dishonest. See Altamirano, “El Parlamento, ‘Tigre de Papel’,” *Punto Final*, supplement to Number 55, 21 May 1968, 1-8, particularly 2, 3, 8; and “El Partido Socialista y la Revolución Chilena,” reprinted in Alejandro Chelén Rojas, ed., *El proceso Chileno: Pensamiento teórico y político del Partido Socialista de Chile* (Buenos Aires: Editores Quatro, 1974), 73-85, particularly 84-85.

78 Airgram A-54 “Frei on LASO and Relations with PDC,” Dean (Norbury) to Department of State, 31 July 1967, Folder – POL 15-1 Chile 1/1/67, Box 1779; and Airgram A-97 “Joint Weeka #33,” Dean (Sinn) to Department of State, 19 August 1967, Folder – POL 2-1 Chile 1/1/67, Box 1776; both CFPF 1967-69, RG59, NA.
not answer concretely” on East German aid. The East Germans’ attendance at Chillán congress did enable the FRAP to consolidate their connections with the German Democratic Republic. 79

Conclusion

In June 1967, just after Frei’s article in Foreign Affairs, Ambassador Ralph Dungan resigned, 80 but during his tenure, the ability of the United States to exert influence in Chile had markedly declined. The Johnson administration committed missteps that alienated allies among Christian Democrats. It demanded that Frei’s government produce demonstrative results with Alliance for Progress aid, questioned the use of Alliance funds, and insisted upon restrictive terms for U.S. loans. Against Dungan’s advice, Johnson pressed Frei to give the United States a special, low price on copper to help curb inflationary pressures in the U.S. economy caused by the Vietnam War, but the one-year agreement effectively asked Chile to help shoulder the burden of the war. U.S. demands and favors soured Frei and his PDC colleagues on U.S. assistance, prompting Frei to refuse U.S. loans in 1967 and to publish a sharp critique of the Alliance.

The Johnson administration, however, may have prevented a greater loss of U.S. influence in Chile through its adherence to the model democracy premise. The model democracy premise led U.S. policymakers to support Frei and his Revolution in Liberty. U.S. officials believed that Frei’s reforms would strengthen Chilean democracy, undercut support for Allende and the FRAP, and offer an anti-Castro non-Communist path to development. U.S. support of Frei and the PDC motivated both ends of the political spectrum to attack Frei.

79 Puccio, Un cuarto de siglo con Allende, 167-168. Airgram A-759, “Allende’s LASO Role Threatening His Senate Presidency?,” Dean (Norbury) to Department of State, 10 June 1967.

80 Dungan left to serve as New Jersey’s Chancellor of Higher Education. Taffet, “Alliance for What?,” 348.
Allende and the Left accused Frei of stealing the Left’s ideas and offering inadequate reforms, the Right opposed Frei and the PDC for enacting reform at all, and both condemned the United States for helping him. Given the alternatives, support of Frei and reform was probably the best, imperfect policy for the Johnson administration, but that policy reduced U.S. influence in Chile.

Allende assumed two personae during the period, as he and the Chilean Left embraced democracy and revolution. He advocated the democratic road for Chile, but drawing upon the example of Cuba, he encouraged revolution in other Latin American nations where the democratic road was not possible. The Communists and moderate Socialists continued to advocate the *vía pacífica*, but the Socialist Party and many young adherents of the Left favored the *vía armada*. Elected as President of the Senate in 1965 and the originator of OLAS, Allende epitomized the “King of Spades” playing card image that cartoonist “Coke” had depicted of him. By 1967, Allende expressed his desire to run for President a fourth time. Promoting both the *vía pacífica* and the *vía armada* did bridge the division in the Chilean Left, but it also made his task of uniting the Left into an electoral coalition more difficult. Furthermore, Allende’s efforts to project a dual image cast doubt about his commitment to democracy among detractors on the Center and Right and in the United States.
A New Ambassador

When the new U.S. Ambassador, Edward M. Korry, arrived in Santiago in August 1967, he “concluded quickly and reluctantly that the over-exposure of U.S. direct intervention [in Chile]...had boomeranged to the detriment of the interests of both [the] Chilean and U.S. Governments.” From Korry’s perspective, U.S. influence was dwindling, U.S. policy was unraveling, and Chile’s Marxist Left was gaining strength. Korry believed that this predicament had resulted because the United States became too closely identified with President Eduardo Frei Montalva and his “Revolution in Liberty” reform program. That identification led to accusations of U.S. interference by Chileans Left and Right, eroding support for the United States.¹

Korry sought to rectify the U.S. predicament by “stepping back,” that is pursuing a limited, observant, behind-the-scenes role. He retreated from the close ties to the Christian Democrat Party (PDC – Partido Demócrata Cristiano) and pulled back from the active, partisan role that the United States had adopted under his predecessor. Whereas Dungan and the administration of President Lyndon Baines Johnson had emphasized economic and social reform so that Chile could serve as multiple models (democratic model, Alliance for Progress model, anti-Castro model), Korry concentrated on the model democracy premise and preserving Chile’s democracy. In many ways, he reverted to the approach taken by Ambassador Claude G. Bowers during the

¹ Airgram A-580 “Dialogue: Tomic – the Ambassador #1,” Korry to Department of State, 11 May 1968, Folder - POL 17 Chile US, Box 1981, Central Foreign Policy Files, 1967-69, Records of the Department of State, Record Group 59, National Archives II, College Park, Maryland, p. 3. Hereafter cited as CFPF 1967-69, RG59, NA.
early Cold War: he sought to neither endorse nor favor any political party or candidate, and he promoted Chile as a model democracy.

Korry and U.S. officials, however, also grew anxious about the threat posed by Socialist senator Salvador Allende Gossens. U.S. officials expected Allende to be a presidential candidate in 1970, and believed that he possibly could win if he attained some unity of the Left. This was no easy task because the U.S. embassy recognized that the Left was splintering along the vía pacífica (peaceful/electoral road to socialism) and vía armada (armed road to revolution) divide. Allende, advocating the vía pacífica, was struggling to gain the presidential nomination of his own Socialist Party, which preferred the vía armada. Moreover, he and his Communist allies worked to construct the coalition of Leftist parties, Popular Unity (UP -- Unidad Popular). As 1970 approached, Allende overcame the obstacles, and his chances for victory improved.

Between 1967 and 1969, U.S. officials still adhered to the “model democracy” premise that had guided U.S. policy since 1947, but the structure supporting the premise deteriorated. Chile’s far Left and far Right abandoned democracy and advocated revolution and guerrilla violence (Left) or authoritarianism (Right). Nearly every political party in Chile fractured, and the Chilean electorate split into three groups, with the Left and Right polarizing and the Center eroding. The administration of U.S. President Richard M. Nixon adopted a new Latin American policy, one that did not favor democracies, but accepted governments “as they are.”

The Tacnazo, a sit-in protest led by General Robert Viaux Marambio, shook and altered the political and diplomatic terrain on the eve of the 1970 election, and severely damaged the structure supporting the model democracy premise. Although the Viaux-led group demonstrated for better pay, training, and equipment, the Frei administration mishandled the affair, falsely labelled it a coup d’état, and tried to manipulate it for political advantage. When the dust settled,
the Tacnazo raised doubts about the military’s non-political orientation, forced the replacement of the military’s leadership, created a group of military plotters, sharpened ideological divisions in the military, disgraced the civilian political leadership among military officers, and cast Allende as a reasonable alternative for President. U.S. officials were bystanders to the affair but shared the opprobrium and blame because the Central Intelligence Agency (CIA) made an ill-advised press comment, leading Frei and others to hint that the CIA had links to the Tacnazo. Korry and the Department of State rebuked Frei for the false insinuations, but the unpleasant experience entrenched U.S. officials in Korry’s stepping back strategy and led the U.S. embassy to reduce its information-gathering activities and restrain from building contacts with the Chilean military.

Scholars have given little attention to the three years between Frei’s 1967 Foreign Affairs article and the start of the 1970 presidential campaign. The lack of scholarly attention results from a general political and diplomatic narrative that telescopes events toward Allende’s 1970 victory and presidency. In brief, the narrative relates that the Alliance for Progress did not succeed, Frei’s reforms were inadequate, and Chileans turned to Allende and socialism in order to achieve social and economic reform. The narrative also encourages a link between extensive U.S. aid for Frei and the Nixon administration’s covert efforts during and after the 1970 election. As a result, the narrative promotes that idea that U.S. policy during the 1960s followed a trajectory of increasing involvement and interference in Chile.²

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A close examination of the 1967 to 1969 period finds that three developments challenge
the standard narrative. First, the United States, due to Korry’s “stepping back” strategy reduced
its overt role and was less involved in Chile than it had been for several years. Second, Chilean
political developments, and Nixon’s policy for Latin America, damaged the structure upholding
the model democracy premise, even as U.S. diplomatic officials continued to adhere to it.
Several Chilean groups abandoned or rejected democracy, and Nixon’s Latin American policy
did not favor democracy. Third, the Tacnazo set the stage for the end and resurrection of the
model democracy premise. Dismissing the Tacnazo as a coup attempt obscures the fact that
many U.S. actions and Chilean events in 1970 have roots in or were shaped by the Tacnazo.

Stepping Back

During his first months in Chile, U.S. Ambassador Edward Korry quickly determined that
the U.S.-Chilean relationship and the U.S. position in Chile were deteriorating, and he cited four
interrelated reasons for the crisis. First, the United States had cultivated such a close relationship
with Frei and his cabinet that the U.S. Embassy “had isolated its effective influence to…[a] very
small sliver of the political spectrum.” Second, the close ties with Frei had led the United States
to “involuntarily assum[e] responsibility” for Frei’s reform programs, even if that the United
States did not like, support, or control. Third, U.S. favoritism of Frei had “produced a love-hate
reaction” in Chile, which had “increased the anti-U.S. decibel count…to an almost intolerable
pitch, reduced [U.S.] maneuverability…and reinforced a sentiment that somehow the U.S. would

bail out [Chile].” Lastly, the United States “was contributing involuntarily to the erasure of that essential political line that separates those who believe in democracy from those ready to experiment with authoritarian socialism.” Having so committed itself to Frei and his Revolution in Liberty, the United States, in Korry’s view, had lost sight of its larger policy goals and encouraged exactly what they had sought to prevent – a stronger FRAP.³

Korry was, in some ways, similar to Claude G. Bowers, who had served as U.S. Ambassador to Chile twenty years earlier. He was a maverick, a political appointee, a skilled writer, and vocal and influential in his opinions. Like Bowers, Korry praised Chile’s democracy and compared Chile to the United States and France, not to Latin America. Amid the turbulence, violence, and terrorism of the late 1960s, Korry extolled that “Chile is one of the calmer and more decent places on Earth” and described the country as “the most stable, tested, freest democracy in South America, a democracy of a totally different profile than any other country in all of Latin America.” “Eight-five percent of those [Chileans] eligible voted in elections,” he pointed out, “which is better than in this country [the United States].” He viewed Chilean politics as a “reflection of France,” but ten years delayed.⁴


To preserve Chile’s model democracy, Korry devised a strategy of “stepping back.” He sought to extricate the United States from Chile’s domestic politics and take a more “hands-off” role than his predecessor. He reduced U.S. visibility in order to help tone down the political rhetoric in Chile, and encouraged El Mercurio to change its tone and its selection of news items. He urged Centrist and Rightist politicians (including the PDC) to refrain from defining issues as “via capitalista” versus “via no-capitalista,” and instead discuss the “via de eficiencia” (efficient way), which Frei said “never loses the electorate.” Korry also tried to disentangle the United States from its close identification with Frei and the Christian Democrats, and expand its contacts with other political parties, including the Marxists and even Allende. In addition, Korry pursued a harder line with Frei and the PDC, prodding them to produce results with their reforms, “reawakening” Frei to the dangers posed by Communists, and pressing Frei to not accede to Communist demands during strikes.5

Korry’s change of strategy for executing U.S. policy generated little or no opposition from Washington, in part due to the respect and influence according him within the Department of State, but also due to timing. In May 1968, the Johnson administration was wrestling with the reverberations of the Tet Offensive, Johnson had decided not to seek reelection, and the 1968 U.S. presidential campaign was underway. Second, the U.S. Congress was reviewing U.S. foreign aid and making budget cuts. Combined with the fact that the Alliance for Progress had

“run out of ideological steam,” the circumstances made changes in implementing U.S. policy in Latin America acceptable.⁶

Abandoning Democracy

Salvador Allende, deemed a threat for over a decade, continued to bolster U.S. officials’ convictions about his anti-US, pro-Soviet sympathies. While Presidents Johnson and Frei talked during the 1967 Organization of American States (OAS) meeting in the Uruguayan resort town of Punta del Este, Allende also travelled to Uruguay, where he participated in counter demonstrations and sharply criticized Johnson, the Alliance for Progress, and the OAS summit. In October 1967, Allende attended the Soviet Union’s 50th anniversary celebration of the Bolshevik Revolution. U.S. officials noted that while in Moscow, Allende and Socialist Party Secretary General Aniceto Rodríguez met with A. P. Kirilenko, a full member of the Soviet Communist Party’s Presidium, and who held what the U.S. Embassy in Moscow considered one of “the most powerful and high ranking Party offices in the Soviet Union.” Kirilenko praised the “flexible tactics” of Chile’s Communists and the “people’s front” of Communists and Socialists.⁷

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Allende struggled to obtain the nomination for his fourth bid for the presidency, but his difficulties with the Left were also becoming problems for the United States. A major source of his difficulties was his own Socialist Party (PS -- Partido Socialista de Chile). During the party’s November 1967 congress in Chillán, Allende urged fellow Socialists to adhere to the vía pacífica and moderate their criticism of the Radical Party, with whom he hoped to build an alliance. Allende was booed and jeered by younger Socialists sympathetic to the Cuban example and the vía armada. The congress rejected Allende’s proposals, and claimed that inclusion of the Radicals in the FRAP “would extraordinarily debilitate” the Left. The congress added that “the Chilean revolution is indissolubly linked to the Latin American revolution” (i.e. the Cuban Revolution), and that “[r]evolutionary violence is inevitable and legitimate.”

Allende and the PS disagreed on strategy again during a Senate by-election in the provinces of Bio-Bío, Malleco, and Cautín. The PS voted to abstain from the by-election rather than endorse Radical Party candidate Alberto Baltra Cortés. Allende, however, sent a letter endorsing his friend Baltra and saying that “he hoped that he and Baltra could march together in future campaigns.” PS Secretary General Aniceto Rodríguez said that Allende was given a “little tweak of the ears” for his lack of party discipline, but political observers were in “almost

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8 Jobet, El Partido Socialista de Chile, II: 127-142. The quotes are on pp. 128, 135, and 130. Airgram A-292 “Socialist Party Congress – November 1967,” Korry (Norbury) to Department of State, 16 December 1967, Folder – POL 12-1 Chile, Box; and Telegram 1598 “Socialist Party Congress,” Korry to Secretary of State, 28 November 1967, Folder – POL 12 Chile, Box 1777; both CFPF 1967-69, RG59, NA.
unanimous agreement” that Socialist voters went for Baltra, ensuring his victory. Allende’s letter also indicated that the Socialist rank and file still supported the via pacífica.9

A split in the Socialist Party added to Allende’s difficulties. A group led by Senator Raul Ampuero staged a walkout during a June 1967 party meeting. Ampuero charged that PS leaders denied freedom of expression to party members and served Allende’s “presidential appetites.” Ampuero’s group formed the Unión Socialista Popular (USP – Popular Socialist Union) and included Deputy Oscar Naranjo Arias, whose 1964 by-election victory had torpedoed Julio Durán’s candidacy and led the Johnson administration to support Frei so extensively.10 The walkout frustrated Allende, who wrote in a letter to Ampuero, “Never, over the years, have I succeeded in establishing with you a human bond which would permit me to form for myself a clear opinion on the mainsprings of your personality.” Ampuero, however, charged that the PS “has preferred to immerse itself into the Communist universe,” and had fallen victim to the romance of Cuba’s Revolution, guerrilla fighters, and the via armada. The party, he wrote, encouraged a false choice between “electoral reformism and the dismissal of all legal forms of struggle,” “between guerrilla uprising and complete capitulation.” Simultaneous pursuit of the

9 Airgram A-308 “Allende and the Socialists in the Baltra Victory Aftermath,” Korry (Norbury) to Department of State, 30 December 1967, Folder – POL 12-1 Chile, Box 1778, CFPF 1967-69, RG59, NA.

10 Julio Cesar Jobet, El Partido Socialista de Chile, II: 123. Jaime Suárez Bastidas, Allende: Visión de un militante (Santiago: Editorial Jurídica ConoSur, 1992), 112-113. Airgram A-807 “Joint Weeka #26,” Dean (Sinn) to Department of State, 1 July 1967, Folder – POL 2-1 Chile 1/1/67, Box 1776, CFPF 1967-69, RG59, NA. For formation of the Unión Socialista Popular (USP), see Airgram A-98 “Ampuero Forms a New Partido Socialista Popular,” Dean (Norbury) to Department of State, 19 August 1967; and Airgram A-204 “Popular Socialist Party Takes Shape,” Edward M. Korry, U.S. Ambassador to Chile (Norbury), to Department of State, 25 October 1967; both, Folder POL 12 Chile, Box 1777, CFPF 1967-69, RG59, NA. The USP began as the Popular Socialist Party, but by the 1969 Congressional elections, it had altered its name to the Popular Socialist Union. See Airgram A-546 “Popular Socialist Union (USP) Takes Legal Form,” Korry (Norbury) to Department of State, 20 April 1968, Folder – POL 12 Chile 1/1/68, Box 1777, CFPF 1967-69, RG59, NA.
via pacífica and the via armada, Ampuero warned, threatened to destroy both, as well as the party.\textsuperscript{11}

Ampuero was correct; some Socialist leaders were pushing a choice upon the PS and the Left, namely, to abandon democratic politics and commit to the revolutionary guerrilla struggle. One was Allende’s protégé, Senator Carlos Altamirano Orrego. Upon Altamirano’s return from the 1967 OLAS Conference in Havana, the Frei administration arrested him and charged him with advocating violence and insulting the President and the Armed Forces. During his several months in jail, Altamirano penned an essay in which he accused Congres of being a “paper tiger,” declared that electoral politics were bankrupt, and praised the “insurrectional struggle” of the masses and the forthcoming revolution. He reiterated those points at a Socialist rally upon his release from prison, words which U.S. officials admitted courted another prison term.\textsuperscript{12}

Leftist groups like the Revolutionary Left Movement (MIR -- Movimiento de Izquierda Revolucionario) and the Revolutionary Marxist Vanguard (VRM – Vanguardia Revolucionaria Marxista) employed guerrilla violence ostensibly to bring forth revolution. MIR set up a weekend guerrilla training camp outside the city of Concepción, and the VRM engaged in several robberies and claimed several attacks involving Molotov cocktails. Allende had “particular


affection” for Miguel Enríquez Espinoza, MIR’s leader, and they talked long and often.

Allende’s nephew Andres Gaston Allende (son of sister Laura) was a member of MIR. Gaston said that Allende “would not participate in their ideology, but nor would he betray his nephew.”13

The abandonment of democracy and embrace of violence by MIR, VRM, Altamirano, and other PS leaders turned a largely theoretical debate over the vía pacífica and vía armada into a counterinsurgency/terrorism issue for the United States. During an eight-week period in 1967, the U.S. Embassy chronicled 13 incidents against U.S. personnel: 8 instances involving Molotov cocktails, 1 bombing, and 1 unexploded bomb with a timer. Several “Molotov cocktail” attacks against U.S. installations were linked to VRM, but, harder to determine were the perpetrators of other incidents, such as a terrorist attack on the U.S. Army Attaché’s residence and the bombings of the U.S. Consulate in Santiago and the U.S. Binational Center in Rancagua.14

As violence escalated, not only did the U.S. Embassy grow concerned about security, but also Chileans criticized the emerging “climate of violence.” Embassy officers reported that the


14 For incident numbers, see Appendix “Recent Incidents of Violence against American Personnel and Property in Chile,” enclosed Airgram A-59 “Government Reacts to Calls for Subversive Violence,” Moskowitz[?] (Winder, Moskowitz) to Department of State, 2 August 1967, Folder – POL 23 Chile 1/1/67, Box 1980; and Airgram A-143 “Joint Wheka #37,” Dean (Norbury) to Department of State, 16 September 1967, Folder – POL 2-1 Chile 1/1/67, Box 1776; CFPF 1967-69, RG59, NA. Telegram 2725 “More Violence and Reactions,” Korry to Secretary of State, 24 June 1969, Folder – POL 23 Chile 1/1/67 [2], Box 1980, CFPF 1967-69, RG59, NA. For bombing of U.S. Consulate and Binational Center, see Telegram 39, “Terrorism Act Against Army Attaché Residence,” Ralph A. Dungan, U.S. Ambassador to Chile, to Secretary of State, 5 July 1967, Folder – POL 23 Chile 1/1/67 [1], Box 1980; and Airgram A-473 “The Bomb Explosion at the American Consulate in Santiago, Chile,” Robert W. Dean, Deputy Chief of Mission (M. Martinez), to Department of State, 16 March 1968, POL 23 Chile 1/1/67 [1], Box 1980, CFPF 1967-69, RG9, NA.
Chilean press “heavily” played the “climate of violence” theme. When one Socialist leader rebuked “cowards and pseudo-revolutionaries” of the Left for responding to the “siren song of electoral opportunism” instead of the calls to revolution, the PCCh daily El Siglo published a front-page denunciation of Leftists who elevated bank robbers to “popular heroes.” El Siglo declared that the masses would never accept the idea that the road to revolution will be opened by armed robbery. MIR’s Concepción training school and its links to the Socialist Party and the Cuban Cultural Institute worried Carabinero and government officials, who deemed the camp’s existence and “rather dangerous degree [of] preparation” as a matter of “great seriousness” for Chile’s internal security. The fact that 111 Chileans had travelled to Cuba between 1 January 1966 and 30 June 1967 did little to alleviate such concerns. The rise in violence led Frei and his National Security Council to create a permanent committee to control and counter subversive movements, foreign agents, and internal security threats. U.S. officials quickly concluded that any guerrilla movement would be noticed, reported, and quelled by Chile’s security forces.15

It was not just the far Left that abandoned democracy; the rightist National Party (PN -- Partido Nacional) did so as well. On 15 August 1967, the PN issued a statement that accused the Frei administration of fostering “the Third Anarchy.”16 The PN alleged that Frei’s government


16 According to the PN, the “First Anarchy” occurred from 1823 to 1830 after Bernardo O’Higgins’s rule, and the “Second Anarchy” occurred during Arturo Alessandri’s presidency (1920-1925). Regimes of authority supposedly restored order in both cases, Diego Portales in 1830 and General Carlos Ibáñez del Campo in 1927. For Portales, see Simon Collier and William F. Sater, A History of Chile, 1808-1994 (New York: Cambridge University Press, 1996), 46-69; Collier, “From Independence to the War of the Pacific,” Chile: Since Independence, Leslie Bethell, ed., 2-7; and Alfredo Jocelyn-Holt Letelier, El peso de la noche: Nuestra frágil fortaleza histórica (Santiago: Planta/Ariel, 1997). For Ibáñez, see Frederick M. Nunn, Chilean Politics, 1920-1931: The Honorable Mission of
had “impose[d] precipitate reforms” and neglected its duty to maintain civil order, as demonstrated by the “climate of violence.” Only “a regime of authority” and an economic policy geared toward free markets and free enterprise, said the PN, would rectify Chile’s social-economic crisis. Frei was “highly incensed” when Nationals contacted the military, made overtures for his ouster, and even once offered money. The PN repeated its call for an authoritarian regime two weeks later in its 30 August statement, which charged that Frei had neglected the military and defense of Chile’s borders (references to Chilean-Argentine tensions over Palena and the Beagle Channel). The Frei government “blew its stack,” the U.S. embassy wrote, and jailed the PN’s executive board for sedition. Embassy officers reported that Chileans (and the embassy, although it did not say so explicitly) were “still blinking in disbelief” that Frei had jailed members of the upper class, but all “found the spectacle of the blue-bloods behind bars amusing or even gratifying.”

After the PN executive board was released from jail, the Right struck back, but split. A diatribe titled Frei, the Chilean Kerensky appeared. Written by Favio Vidigal Xavier da Silveira, a Brazilian lawyer with ties to Chilean ultra-right elements, the work accused Frei of leading Chile into the hands of the Communists. Then, a few weeks later, in December 1967, the “hard-

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line, ‘authoritarian’ faction led by Jorge Prat broke from the National Party. One PN member told U.S. officials that Prat tried to insert a resolution calling for a “corporate state” in the 15 August declaration – a reference to Getulio Vargas’ authoritarian Estado Novo in Brazil during World War II. PN leaders decided against it, leading to the departure of Prat and his group. 18

The parallel abandonment of democracy by the Socialists and Nationals struck at the base of the U.S. model-democracy premise and Allende’s via pacífica. The Nationals and Socialists inverted the rhetorical and symbolic terrain. They rejected “European” comparisons and cast their visions for Chile as distinctly Latin American. The U.S. model-democracy premise, Allende’s via pacífica, even Frei’s Revolution in Liberty, were premised on Chilean exceptionalism: that Chile was inherently democratic, more European than Latin American, and had advanced beyond caudillos and totalitarians. However, the Socialists hailed Castro’s revolution and Guevara’s via armada as “organic” Latin American developments, and the Nationals resurrected nostalgic images of caudillos and authoritarians. Both parties promoted their organic “Latin American” alternatives (Marxist socialism, and Chicago School neo-liberalism respectively) overlooked that their alternatives were also imported. The Socialists decried foreign investment and North American imperialism; the Right decried the PDC’s links to European Christian Democratic parties and the Left’s ties to Moscow and Havana. 19


19 The Nationals’ vision may not have been the neo-liberalism articulated by Milton Friedman and the “Chicago Boys,” but the Chicago School was already exerting an influence upon the economic thought of the Right. See Juan
**A Guayabera for Guevara**

The Bolivian Army’s Second Ranger Battalion captured and executed Ernesto “Ché” Guevara de la Serna on 9 October 1967 in the southeast Bolivian town of Higueras, and when Allende heard the news of Guevara’s death, he “suffered a severe blow.” He contacted Bolivian President General René Barrientos Ortuño and requested Guevara’s body, but the request was denied. Guevara had clandestinely entered Bolivia under a false passport for the purpose of fostering a guerrilla movement in the Andean nation and later promoting it to neighboring Peru, Argentina, Paraguay, Uruguay, and Brazil. Guevara and Fidel Castro exempted Chile from their plans because, Castro told Altamirano, the conditions in Chile were not ready for a guerrilla movement, yet, it may also have been that Castro and Guevara “did not want to hinder” Allende’s *vía pacífica*. Allende was in Havana in July 1966 when Guevara returned from the Congo (during the uproar over Allende’s agreement with Castro’s criticism of Frei), but whether Allende knew of Castro and Guevara’s plans to export revolution is not clear. Guevara did note that not all national contexts required the revolutionary path, and he acknowledged that

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Allende’s strategy was not his. In autographing a copy of his book for Allende, the guerrilla leader wrote, “To Salvador Allende, who is trying to obtain the same result by other means.”

Four months after Guevara’s death (20 February 1968), the remnant of Guevara’s band of guerrillas crossed the border from Bolivia into Chile, and Allende assisted them and burnished his revolutionary credentials. He sent journalist Elmo Catalán, head of the Chilean branch of the Cuban National Liberation Army, to find them, but an El Mercurio reporter found the three Cuban guerrillas first. Allende travelled to the northern port city of Iquique, met the guerrillas, and asked Frei’s government to bring them to Santiago. The Carabineros brought the Cubans to Santiago on 22 February, and Allende visited them again. The Frei administration expelled them the next day and, on 24 February, placed them on a special early morning flight to Easter Island and Tahiti. From Tahiti, the Cuban guerrillas could board a French plane to Paris and then Cuba. Furious about the guerrillas’ expulsion, Allende took the next flight to Easter Island, caught up with them, and accompanied them to Tahiti. Allende said that the Cuban government had asked him to do so, but Allende also expressed fears that the CIA might capture the guerrillas. When he deplaned in Tahiti, Allende wore a guayabera shirt to demonstrate his solidarity with the revolutionaries and Guevara’s vision.

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22 Due to boycotts against Cuba, many Latin American countries did not have flights to Havana and might have arrested the guerrillas. Puccio, Un cuarto de siglo con Allende, 170. Vial and Cerda, “Part 2: Allende: Los primeros renuncios a una tradición impecable,” special supplement to La Segunda, 8 August 2003, 20-21. Telegram 2811, Dean to Secretary of State, 13 March 1968, Folder – POL 2 Chile, Box 1776; and Telegram 2699 “Allende Visits
Allende returned to a storm of protest in Chile. The Nationals and Christian Democrats castigated him for his dual roles as leader of a democratic body and leader of an organization that promoted revolution (OLAS). One PDC senator accused Allende of “tropicalism” and of being a “parlor revolutionary who will not go near an actual guerrilla operation but solidarizes with [the] guerillas after [the] fighting is over.” Allende defended himself saying that he had acted only in his capacity as a senator, not as Senate president. National Senator Francisco Bulnes Sanfuentes ridiculed that defense, saying that Allende could “no more dissociate his activities from his office than President Frei could have if he had chosen to escort the guerrillas.”

The “Prague Spring” gave Allende a chance to redeem himself as defender of democracy, but he used Soviet repression in Czechoslovakia to criticize the United States. In 1968, the Czechoslovak government under Alexander Dubček enacted economic and legal reforms, ended censorship, curbed the secret police, and removed Stalinists from power. “Prague Spring,” as the liberalization was dubbed, ended when Soviet Premier Leonid Brezhnev sent Warsaw Pact troops into Prague in August 1968 in order to exert Soviet control. Chileans held “turbulent” protests at the Soviet embassy and damaged the building. Speaking in the Senate, Allende declared: “we energetically condemn the armed intervention of the signatories of the Warsaw

Easter Island,” Korry to Secretary of State, 4 March 1968, Folder – POL 15-1 Chile 1/1/68, Box 1779; both CFPF 1967-69, RG59, NA. Assistant Director of Chile’s Investigaciones, Eduardo Zuñiga Pacheco, also accompanied the guerrillas to Tahiti. See Airgram A-479 “Sleuth Zuñiga, or How I Learned to Love the Guerrillas,” Dean (Norbury) to Department of State, 20 March 1968, Folder – POL 23 Chile 1/2/67, Box 1980, CFPF 1967-69, RG59, NA.

23 Telegram 2811, Dean to Secretary of State, 13 March 1968.

Pact in Czechoslovakia.” He accused his Senate colleagues of harboring a double standard toward the Soviet Union: “[T]hose who today rejoice at what is happening in the Socialist camp, shut up when the Bay of Pigs, Santo Domingo, and Guatemala occurred.” When had his colleagues condemned the U.S. base at Guantánamo, he asked, “which represents violation and shame, [and] …where daily is sought the means of creating conflicts, provoking, killing, and assassinating.” Allende basically charged that U.S. actions were worse than the Soviets’.  

**Nixon and Latin America**

Although Korry initially took a harder line with Frei, he soon reversed course and lobbied on Chile’s behalf. He did press the Chileans to produce tangible results or, at least, adhere to the terms of grants and loans. The U.S. Congress, facing rising inflation in the United States, cut foreign aid. Inflation in Chile also rose sharply in 1968, and Frei struggled to balance his government’s budget. Korry urged the Department of State to give Chile’s aid requests priority consideration. He warned that if more U.S. aid did not materialize, Frei would nationalize the U.S.-owned copper mines. The loans did not appear, and Frei renegotiated new agreements with the U.S. copper companies, essentially nationalizing the copper mines in 1969.

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Korry did achieve some success with his stepping back strategy. He reduced the U.S. public profile in Chile, as articles publicizing Alliance for Progress achievements faded from Chilean newspapers. With Department of State support, Korry worked behind the scenes to press the Frei administration and U.S. companies to reduce sources of anti-U.S. sentiment. For example, when Frei renegotiated Chile’s compacts with U.S. copper companies in 1969, Korry pressed Anaconda and Kennecott to be amenable to Frei’s proposals. Under Korry, embassy officers expanded their political contacts on the Left and Right. The embassy continued to

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28 Memorandum of Conversation “The Rebeldes and the Communists,” 29 March 1968, enclosed with Airgram A-508 “PDC Rebeldes and the Communists: Where There is Love Need There be Marriage?,” Korry (Friedman) to Department of State, 3 April 1968, Folder – POL 12 Chile 1/1/68, Box 1777; Memorandum of Conversation “Tarud for President,” 24 October 1968, enclosed with Airgram A-959 “Conversation with Senator Tarud,” Korry (Friedman) to Department of State, 6 November 1968, Folder – POL 14 Chile 1/1/67, Box 1777; Telegram 5037 “Politiquieria,” Korry to Secretary of State, 21 August 1968, Folder – POL 12 Chile 1/1/68, Box 1777; and Memorandum of Conversation, “PN Parliamentarians and PN Leaders,” 31 March 1969, enclosed with Airgram A-119 “Memo of Conversation with PN Parliamentarians and PN Leaders,” Korry (A. Fernandez) to Department of State, 17 April 1969, Folder – Political Affairs and Relations Chile-US, Box 1981; all CFPF 1967-69, RG59, NA. Memorandum of Conversation “PN Public Relations,” Norbury, 29 April 1968.
identify and develop relations with up and coming political leaders. Embassy political officers also travelled more extensively in Chile to gauge political developments in Chile.\(^{29}\)

The U.S. embassy began a dialogue with Allende, the first such effort since Ambassador Claude Bowers’s tenure nearly twenty years earlier. Preparing for a trip to the Soviet Union, Communist China, North Vietnam, and North Korea, Allende “expressed reciprocal interest” in a dialogue. He told Joseph E. Karkashian, the embassy’s political counselor, “We should not allow our doctrinaire convictions to get in the way of practical politics. I need to know [the] United States better, and you need to know me better.” Regarding the 1970 presidential election, Allende said that he not going to “salute [the] flag or make other gallant but losing gestures.” He intended to win, and he would only run if there was a broad unity of popular forces: Socialists, Communists, Radicals, as well as some Christian Democrats. Allende asked whether the United States would change its policy toward Cuba, and Karkashian said no, not unless Castro stopped trying to export revolution. Allende replied that this was “not insurmountable.” “Cuba should be brought back into the hemispheric family,” he said, and “resolution” of the “problem would be [a] political coup for President Nixon,” whom Allende believed to be “genuinely interested in improving US relations with Latin America.”\(^{30}\)

\(^{29}\) Airgram A-279 “Identifying and Building Influential Relationships with Future Leaders,” Harry W. Shlaudeman (Friedman) to Department of State, 28 August 1969, Folder – POL 6 Chile, Box 1776; Airgram A-64 “Pre-Election Field Trip: Magallanes Province,” Karkashian to Department of State, 26 February 1969, Folder – POL 18 Chile 1/1/67, Box 1980; and Airgram A-62, “Pre-Election Notes on Three Southern Provinces,” Norbury to Department of State, 22 February 1969, Folder – POL 14 Chile 1/1/69, Box 1778; all CFPF 1967-69, RG59, NA.

\(^{30}\) Telegram 8583, “Dialogue with Senator Allende,” Korry to Secretary of State, 16 April 1969, Folder – POL 7 Chile 1/1/69, Box 1777; and Telegram 1449 “PCCh Pressures PS,” Korry to Secretary of State, 14 April 1969, Folder – POL 12 Chile 1/1/69, Box 1778; both CFPF 1967-1969, RG59, NA.
Allende misjudged Nixon’s foreign policy priorities, in part, because Nixon sent mixed signals. Nixon initially indicated that he gave Latin America priority status. On his first day in the White House (20 January 1969), Nixon asked Nelson A. Rockefeller, the Governor of New York, to head a mission to Latin America. Nixon essentially repeated Dwight D. Eisenhower’s tactic of sending a special representative to the region on a mission to develop policy recommendations. Due to pressing matters, Rockefeller delayed the trip until after the New York state legislature had adjourned. He also divided the trip into four smaller trips so that he could fulfill his duties as governor.31

The Chileans tried to cultivate favor with the new U.S. president, but Nixon rebuffed their attempts. Just before Nixon’s inauguration, they proposed that Frei come to Washington for an official visit, and Frei said he “was ready to go at any time at [the] convenience to President Nixon.” The Chileans wanted Frei to be the first Latin American leader to visit the new president; moreover, such a visit would symbolically reassert U.S. support and preference for democracy and reform, and substantiate the Nixon administration’s claim that Latin America was a priority. During his first week in office, however, Nixon crossed Frei’s name off the visitors list, with the White House saying that Nixon did not like the PDC or Frei (they were viewed as Kennedy and Johnson favorites). As Nixon set his foreign policy priorities elsewhere,

notably Vietnam, Communist China, and the Soviet Union, Chile’s Ambassador to the United States, Domingo Santa María Santa Cruz, lamented that Nixon “practically has not defined” his Latin American policy. Frei was dismayed, telling Korry that “the days when Chile counted for something in Washington were gone.” Frei also described National Security Adviser Henry A. Kissinger as “100 percent European in his outlook,” and given affairs in Europe, Vietnam, the Middle East, and Asia, Nixon did not “have even a moment to think of a place such as Chile.”

Nixon’s rebuff of Frei was repaid when Frei cancelled Rockefeller’s visit to Chile. Chilean officials made clear that they deemed Rockefeller’s mission as having little purpose. Anti-American sentiment was also very strong in Chile, and Frei told Korry that a visit by Rockefeller would generate “possibly the largest anti-US demonstrations in years” and turn Santiago into “an armed camp.” As the U.S. embassy explained to Washington, the Frei administration basically said that “not one dead Chilean is worth the visit.”

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34 Telegram 2299 “GOC Cancels Rockefeller Visit,” Korry to Secretary of State, 4 June 1969, Folder – POL 15-1 Chile 1/1/68, Box 1779; and Telegram 2200 “Frei Comments on Politics,” Korry to Secretary of State, 29 May 1969, Folder – POL 2 Chile, Box 1776; both CFPF 1967-69, RG59, NA. Frei’s decision had wide support in the Chilean press, see Telegram 2337 “Reaction to Cancellation Rockefeller Visit,” Korry to Cannon, U.S. Mission at the United Nations, 5 June 1969, Folder – POL 23 Chile 1/1/67 [1], Box 1980, CFPF 1967-69, RG59, NA. Foreign Minister Valdés met with Rockefeller for an hour and one-half when he travelled to New York in June 1969, and the according to Valdés, the governor was “very understanding” of why the Chileans cancelled his visit. See Telegram
Political Skill and a Little Luck

By 1969, Korry, embassy officers, and Bureau of Inter-American Affairs (ARA) officials worried that Allende might win Chile’s 1970 presidential election. U.S. officials anticipated a three-way race between Left, Right, and the Christian Democrats, with Salvador Allende, Jorge Alessandri Rodríguez, and Radomiro Tomic Romero as the respective candidates. Christian Democrats admitted that if they did not ally with other political parties, their candidate “would eat dust.” The U.S. embassy believed that if the Left could unify, Allende could win. Yet, whoever won the 1970 election would be a minority president, would face difficulties with Congress, and could not expect “an easy or secure regime.” One embassy officer predicted that Chile could “face a constitutional crisis of major proportions after the election,” and that groups would engage in extra-constitutional moves that could alter Chile’s democratic processes.35

The March 1969 Congressional elections presented the United States with an opportunity to reduce Allende’s chances of victory in 1970. Allende chose to run for reelection in the newly created Tenth Agrupación (Chile’s Congress had split the Ninth Agrupación), a region which included the southern provinces of Aysén and Magallanes and the island of Chiloé. Some

Chileans deemed the decision “audacious” because Allende would compete against Senator Raúl Ampuero, leader of the Popular Socialist Union (USP – Union Socialista Popular), who had promised to eliminate Allende as a political force. Allende “wanted to teach Ampuero a lesson” for splitting the party, but he also believed that a victory “would consolidate” the PS’s position as the stronger of the two Socialist parties and would strengthen Allende’s influence within the PS and the FRAP. A defeat, however, would torpedo Allende’s hopes for a fourth nomination.

Magallanes province had long been a Socialist stronghold and Allende had the support of the mayor of Punta Arenas, but the city’s two other aldermen supported Ampuero. Also, the island of Chiloé was Ampuero’s home province. Furthermore, the PDC hoped to win a Senate seat in the new agrupación with their candidate Juan Hamilton, who was considered the party’s best, most attractive candidate in the elections. President Frei even campaigned in the far South for Hamilton as part of a trip to Antarctica.36

To hurt Allende’s reelection bid, Korry and CIA chief Henry Heckscher proposed a covert plan to influence several Congressional races. Since the Chilean Congress elected in 1969 would serve until 1972, the plan sought to assist enough non-FRAP candidates to create a a large non-FRAP bloc that would serve as a brake in Congress in case Allende won a plurality in the

36 Puccio, Un cuarto de siglo con Allende, 177, 178. Ricardo Cruz-Coke Madrid, Geografía Electoral de Chile (Santiago: Editorial del Pacífico, 1952), 84. For Ampuero’s comment, See Airgram A-713 “Leftists Squabble over Electoral Pact; Split Widens,” Korry (Sinn) to Department of State, 10 July 1968, Folder – POL 12 Chile 1/1/68, Box 1777, CFPF 1967-69, RG59, NA. Telegram 249 “President Frei Plans Trip to Southern Provinces and Antarctica,” Korry to Secretary of State, 21 January 1969. For Hamilton, see Telegram 249 “President Frei Plans Trip to Southern Provinces and Antarctica,” Korry to Secretary of State, 21 January 1969, Folder – POL 7 Chile 1/1/68, Box 1777; and Telegram 976 “Elections Again,” Korry to Secretary of State, 13 March 1969, Folder – POL 14 Chile 3/1/69, Box 1778; both CFPF 1967-69, RG59, NA.
1970 election. The National Security Council’s (NSC’s) 303 Committee approved the plan in July 1968 and authorized $350,000 for it, but the embassy only spent about $200,000.

The covert plan consisted of two components. The first component gave support to 12 select, moderate, anti-FRAP candidates. Of roughly $200,000 spent, approximately $50,000 was passed directly to candidates (not through the political parties), although the candidates may not have known the actual source. The remainder, approximately $150,000, was spent on propaganda that sought to create “a more favorable climate for moderate candidates.” Here too, many candidates may not have known that they were beneficiaries of U.S. support. The second component was support for USP candidates, which probably included Ampuero. As an effort to divide Socialist ranks further, the plan funded the USP, which would explain why Korry blew a “hypothetical bubble” to Frei that Allende might not receive the first majority in the Tenth Agrupación, an idea that Frei dismissed out of hand.

Allende campaigned extensively, and likely through his efforts, the Communist and Socialist Parties joined in an electoral pact for the Ninth and Tenth Agrupación races, even

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though technically such pacts were illegal. The two parties agreed to support each other’s candidates in the various contests for Chamber of Deputies seats (no two candidates were running against each other), and the Communists agreed to support the Senate candidacies of Allende in the Tenth Agrupación and Aniceto Rodríguez in the Ninth. Allende campaigned throughout the Tenth Agrupación, and across the country in order to build support for the FRAP. Observers such as independent Senator Rafael Tarud Siwady remarked that Allende was campaigning as much for the Presidency as for the Senate.  

When voters of Magallanes, Aysén, and Chiloé cast their ballots on 2 March, Allende obtained the first majority, and the U.S. Embassy admitted that Allende was the “real victor” of the elections. PDC candidate Juan Hamilton gained the other Senate seat; meanwhile, Ampuero fared poorly and faded as a political force. Across the country, the Christian Democrats polled just below 30 percent, losing 26 seats in the Chamber of Deputies, but adding 9 seats in the Senate. The Nationals garnered 20 percent. U.S. officials concluded that the 1970 presidential contest would be between Allende and Alessandri, and Korry warned that any “bland assumption that Alessandri is going to win in 1970 is very dangerous.” The National Party was weak, the embassy added, and had “an inflated view of Alessandri’s real possibilities.” Frei and the PDC believed – and the U.S. embassy concurred – that the FRAP had a “hard” 30 percent of the electorate and could gain as much as one-third of Radical Party voters if the presidential election

39 Puccio, Un cuarto de siglo con Allende, 178-182, Telegram 4303 “Communist/Socialist Electoral Pact,” 1 July 1968; and Airgram A-713 “Leftists Squabble Over Electoral Pact, Split Widens,” Korry (Sinn) to Department of State, 10 July 1969; both Folder – POL 12 Chile 1/1/68, Box 1777, CFPF 1967-69, RG59, NA. Memorandum of Conversation, Friedman with Rafael Tarud Siwady, 6 [?] February 1969, enclosed with Airgram A-45 “Senator Tarud Analyzes His Candidacy,” Korry (Friedman) to Department of State, 12 February 1969;

U.S. officials deemed their covert efforts as highly successful, and Korry said that they had a “maximum impact.” Having used $200,000 for their covert efforts, U.S. officials were pleased when 10 of the 12 candidates they supported won. The CIA determined that financial assistance to Ampuero’s USP – totaling one-half of USP finances – helped to deny Allende’s Socialist Party 6 deputies and 1 senator. The CIA further noted that the Chilean press had not accused the United States with interference.\footnote{Memorandum “Final Report: March 1969 Chilean Congressional Election,” CIA, 14 March 1969.}

U.S. claims about the success of their covert action were highly dubious; the claims rested on an untested, unsubstantiated correlation that had many unmeasured, unevaluated variables. U.S. officials declared “success” by linking the fact that the United States put money in certain races to the fact that 10 non-FRAP candidates had won and 7 FRAP candidates had not. In truth, U.S. officials did not know if U.S. propaganda actually had an effect, whether it properly targeted the local social-cultural context, or if voter reception of the propaganda was positive or negative. No one determined the comparative influence of U.S. propaganda or funds.
in relation to other factors, such as provincial political dynamics, candidates’ personalities and histories, campaign strategies, non-U.S. propaganda, political party efforts, or other sources of political funding. U.S. officials wanted to claim success – bureaucratically it was in their interest to do so – and they did, but the claims lacked hard data and were little more than hopes.

After the Congressional elections, the 303 Committee, chaired by Henry Kissinger, reviewed the prospects for Chile’s 1970 election, but delayed action until Chile’s political picture became clearer. During the 17 April meeting, Kissinger asked whether they should do anything for the upcoming election. The committee, which included Under Secretary of State U. Alexis Johnson, CIA Director Richard Helms, and NSC staff member Colonel Alexander Haig, concluded that Alessandri’s chances were “reasonably good,” an assessment that sharply diverged from Korry’s warning that “any bland assumption” that Alessandri would win was “dangerous.” CIA Director Richard Helms, however, did advise the committee that “a great deal of preliminary work is necessary” to support a candidate and that an operation could not be effective “unless an early enough start is made.” The 303 Committee opted to wait until Chile’s political parties had formally named their candidates, a curious decision given that the U.S. Embassy in Santiago had been saying for more than a year who the three candidates would be.\footnote{Memorandum “Minutes of the Meeting of the 303 Committee, 15 April 1969,” Frank M. Chapin, NSC Executive Secretary, 17 April 1969, attached to Memorandum “Proposed Agenda for the Meeting of the 303 Committee, Tuesday, 15 April 1969,” Chapin, 11 April 1969, Document 104, Chile Declass NSC III.}

In Chile, the March Congressional election results caused the Christian Democrat and Radical Parties to split, and this worried U.S. officials and aided the FRAP. The most notable split occurred among the PDC, where Tomic hurt his own candidacy. Two weeks after the elections, Tomic issued an ultimatum: either he would be a candidate of a popular unity of the
entire Left or he would withdraw. The U.S. embassy, Frei, and the Communist daily *El Siglo* interpreted Tomic’s ultimatum as a withdrawal because the Communist and Socialist Parties had long made clear their refusals to support Tomic as a candidate. Three weeks later (early April), Tomic wrote multiple letters indicating his withdrawal and departed for Europe. In Europe, he apparently had second thoughts, and he soon hinted that he wanted to reenter the race. At its May convention, the PDC rejected alliances with other parties and insisted upon running its own candidate. Shortly after the convention, a group of PDC members resigned from the party, formed the Movement of Unified Popular Action (MAPU – Movimiento de Acción Popular Unitaria), and aligned with the FRAP.43

The Radical Party, which U.S. officials viewed as a key arbitrator in Chilean politics, also split after losing badly in the March elections. The party’s executive board favored joining the FRAP, but dissidents, numbering 1517 party members, published an open letter opposing alignment with the FRAP. Among the signatories were Julio Durán Neumann (1964 Radical candidate), Pedro Enrique Alfonso (the 1952 candidate), and Alfredo Duhalde Vasquez (former President in 1946). During the June convention, the executive board and its supporters expelled Durán and several signatories, prompting many to resign from the party. The Radical Party

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aligned with the FRAP and nominated Senator Alberto Baltra as their presidential candidate. The dissidents formed the Democratic Radical Party and gave their support to Alessandri. 44

Splits in the Radical and Christian Democrat parties exposed the inviolability of Tomic’s “popular unity” strategy, but he refused to abandon it. In July, he travelled to Moscow to meet with Soviet leaders, but the Soviets rebuffed him. Tomic accepted the PDC nomination in August but continued his appeal to the Left. 45 Korry admitted to Tomic that he favored him of the three candidates, but Tomic’s pursuit of Leftist popular unity led Korry and the embassy to give up on him. The presidential race, they concluded, was between Allende and Alessandri. 46

Despite his resounding victory in March, Allende faced sizeable obstacles to getting his party’s nomination, much less the FRAP’s. Likely recognizing this, he proposed to Rafael Tarud


45 For Tomic’s trip to Moscow, see Telegram 2746 “USSR Intervenes Against Tomic,” Korry to Secretary of State, 25 June 1969; and Telegram 2861 “Tomic in Moscow,” Korry to Secretary of State, 2 July 1969; both Folder – POL 7 Chile 1/1/68, Box 1777, CFPF 1967-69, RG59, NA. For transcript of Tomic’s press interview in Moscow, see Transcript “Entrevista concedida a la Agencia Reuters (Sr. Evans) por el Sr. Radomiro Tomic,” 1 July 1969, enclosed with Airgram A-801 “Tomic Visit to Moscow,” Beam, U.S. Ambassador to the Soviet Union, (M. G. Wygant) to Department of State, 12 July 1969, Folder – POL 7 Chile 1/1/68, Box 1777, CFPF 1967-69, RG59, NA.

that they should hold a “Convention of the Left” to nominate a candidate. The proposal was a variation of the FRAP nominating congress that Allende had suggested in 1957, but the proposed convention would also bypass the PS central committee, which did not favor Allende. Tarud, a presidential aspirant himself, rejected the idea because his candidacy would be “submerged at the Convention by an Allendista boom.”

In May 1969, Allende did not seek reelection as President of the Senate when the new Congress convened; instead, he travelled abroad and strove to solidify his support among the Left. He visited the Soviet Union, North Korea, Cuba, and North Vietnam, and met with Ho Chi Minh before the latter’s death. Allende said that his time with Ho Chi Minh “taught him much,” and he took pride in being one of the last foreign leaders to meet with him. While in Moscow, Allende met with two Central Committee members and the President of the Supreme Soviet. Allende received the “red carpet treatment,” wrote the U.S. embassy, and his reception contrasted sharply with that given Tomic, who only met the vice foreign minister.

U.S. officials did not fully appreciate the extent of the PS leadership’s opposition to Allende because Allende was nearly denied his party’s nomination. Secretary General Aniceto Rodriguez and Senator Carlos Altamirano challenged Allende for the nomination. During 11-13 June party meeting, Altamirano advocated armed revolution, while Allende pressed for a broad electoral front. The party rejected Allende’s strategy and adopted the “Revolutionary Front,”

47 Memorandum of Conversation “Senator Rafael Tarud’s Campaign for Presidency, Friedman, 5 February 1969, enclosed with Airgram A-45 “Senator Tarud Analyzes his Candidacy,” Korry (Friedman) to Department of State, 12 February 1969, Folder – POL 14 Chile 1/1/69, Box 1778, CFPP 1967-69, RG59, NA.

declaring that Chile’s problems would not be resolved until “a new popular revolutionary power” replaced the capitalist system and “initiated the construction of socialism.” The division between the PS leadership, which favored Rodríguez, and the party base, which favored Allende, led the party’s central committee to change its nomination procedure; the central committee would select the party’s candidate, not the regional party committees as had been previous practice. Since Altamirano had withdrawn, the change favored Rodríguez and negated Allende’s strength among the party base, among which nearly all of the regional committees had pledged their support for Allende. On 29 August, the central committee met and asked Allende and Rodríguez each to give a speech before the committee made its decision. Allende was slated first. He apparently was nervous, and his speech sounded “repetitive, monotone, insecure,” and disjointed. “Never before had I heard, nor would I hear, a delivery so mediocre,” wrote one attendee. Rodríguez followed. Reading a prepared statement, he renounced his candidacy, but did not say why. The surprise withdrawal disrupted the meeting, and a shocked Allende soon “recovered his composure” and left. When the Central Committee reconvened, it cast 13 votes for Allende, with 14 abstentions. A second vote gave Allende a majority (13 for, 12 abstentions) and the nomination. The ugly, “acrimonious” process, however, was apparent to all: PS leaders would rather abstain than support Allende again.49

Undeterred, Allende moved to construct a broad coalition of the Left. Two weeks after receiving the nomination, he gave the keynote speech at rally organized to pay homage to the recently deceased Ho Chi Minh (Rodríguez and Altamirano did not attend). After devoting much of his speech to a eulogy of the North Vietnamese leader, Allende called upon Socialists to set aside partisanship and build a broad Leftist alliance. Socialists cannot be masters of the Left, he said, and “I do not accept that a Socialist can be an anti-Communist.” Supporters must exert “patience and moderation,” he continued, victory was within their grasp if they remained united. “[W]e do not want a left which functions within the [capitalist] regime,” he said, and when confronted, “we must respond to reactionary violence with revolutionary violence.”

With Allende receiving the PS nomination, U.S. embassy officers were confident that he would be the Left’s candidate. “Allende’s name appears on more Chilean walls than any other legend except possibly ‘Yankee go home’,” the embassy told Washington. When the Communists, Socialists, Radicals, MAPU, Social Democrats, and Popular Independent Alliance (API – Alianza Popular Independiente) formed “Popular Unity” on 9 October 1969, Allende’s chances seemed certain. Even though each party nominated a candidate – Allende for the Socialists, Pablo Neruda for the Communists, Baltra for the Radicals, Tarud for API, and Jacques Chonchol for MAPU – Korry remarked that only a “complete fracaso” would cause the Communists “to choose poetry” (Neruda) over “a chance at real power” (Allende).


More Stepping Back

Governor Rockefeller completed his tour of Latin America and submitted his 144-page report to President Nixon on 30 August 1969, the day after Allende received the PS nomination. Rockefeller recommended a policy that stepped back from the more aggressive policy pursued under Presidents Johnson and Kennedy. Congressional and public attention, however, largely focused on the eight and one-half pages relating to military-political affairs. Within the eight pages, three central points emerged. First, a “new type of military man” was assuming positions of leadership in Latin America. The new military men had poor or working class roots, had joined the military for education and advancement, and were willing “to adapt his authoritarian tradition to the goals of social and economic progress.” Second, the rise of crime, urban terrorism, internal subversion, and guerrilla groups required that the United States work more cooperatively with Latin American police and military forces. Third, given the “authoritarian and hierarchical tradition” of Latin American cultures, and given that many nations had not built the “advanced economic and social systems required to support” democracy, Rockefeller urged Nixon to accept Latin American governments as they were. Bilateral relations were “merely practical conveniences and not measures of moral judgment.”

Nixon gave Rockefeller’s report little attention until late September 1969 when he heard that a newspaper article had accused his administration of placing Latin America “low on its agenda of priorities.” Nixon ordered his National Security Adviser Henry Kissinger “to make

Sallies Stoutly,” Korry (Friedman) to Department of State, 18 September 1969. Telegram 4322 “Reflections on Humbuggery,” Korry to Secretary of State, 14 October 1969.

sure that the State Department knocks this story down.” Then, during a 27 September meeting at Camp David, Nixon “personally instructed” Assistant Secretary of State for Inter-American Affairs Charles A. Meyer on what the U.S. “posture should be.”

Drawing upon the Rockefeller’s findings, Nixon outlined his Latin American policy in a 31 October 1969 speech to the Inter American Press Association, a policy which stepped back from the more aggressive strategies of his Democratic predecessors. Welcomed by IAPA president Augustín Edwards (owner of Chile’s El Mercurio), Nixon called for a “more balanced relationship” between the United States and Latin America, and a “more mature partnership in which all voices are heard and none is predominant.” He urged reducing trade barriers, increasing consultation on trade policies, encouraging trade forums, and fostering regional economic integration via entities like the Latin American Free Trade Area. He spoke of lifting restrictions on AID monies and asked financial organizations to develop remedies for nations facing heavy external debt payments. Nixon called upon nations to foster greater private investment and cited the successes of Thailand, Taiwan, Singapore, and Malaysia as examples. He spoke little of political affairs, merely noting that the United States had “a preference for democratic procedures” but adding that “we must deal realistically with governments…as they are.” He stressed that his administration would oppose any nation that “sponsors armed subversion,” and named Cuba as one such sponsor.


Nixon’s policy departed sharply from his predecessors, at least when viewed through the lens of U.S.-Chilean relations, and offered what seemed a less Cold War-oriented policy towards Latin America. Previous administrations had focused upon the Cold War and viewed economics as means to fight it; Nixon focused upon economics in his speech and gave little mention to the Cold War. In some ways, Nixon put forth a policy that resembled what dependency theory proponents claimed U.S. policy was: promotion of U.S. economic interests and encouragement of raw materials exports that perpetuated dependency and did not bring economic development. Like Korry, Nixon would reverse course, reverting to a more Cold War-oriented policy.55

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Viaux’s Earthquake

An October 1969 sit-in protest by a group of Chilean Army officers, led by General Robert Viaux Marambio, entrenched U.S. policymakers in Korry’s stepping back strategy, and altered Chile’s political terrain on the eve of the election. The Chilean military’s discontent and frustration had been building for several years. Since the late 1950s, the Chile’s Armed Forces had grown increasingly unhappy with their pay, training, and equipment, and military expenditures had remained steady since 1957, and declined in 1968 and 1969. Inflation during the 1960s eroded the standard of living for military officers and enlisted men, and by 1967, the U.S. military attaché reported that “grim privation” existed in the ranks. Officers and enlisted men moonlighted to make the extra income needed for family budgets, and many enlisted men were subsidized by their families during their tours of duty (military service was required of all men over 18 years of age). Perhaps more ominous, the embassy reported that the highly

respected, professional national police force, the Carabineros, were “tired of battling strikers who are already receiving more pay” than they did.\footnote{Gertrude E. Heare, \textit{Trends in Latin American Military Expenditures, 1940-1970: Argentina, Brazil, Chile, Colombia, Peru, and Venezuela} (Washington D.C.: Department of State, 1971), 13, 25, 29, 35. Airgram A-48 “Joint Weeka #30,” Dungan (M. E. Sinn) to Department of State, 29 July 1967, Folder – POL 2-1 Chile 1/1/67, Box 1776; Telegram 169 “Golpe in the Air,” Defense Attaché, U.S. Embassy Santiago, to Defense Intelligence Agency and Department of State, 3 May 1968, Folder – POL 23-9 Chile 1/1/67 [2], Box 1980; Telegram 4063 “Armed Forces Arrests Reported,” Korry to Secretary of State, 14 June 1968, Folder – DEF – Defense Affairs – Chile, Box 1529; all CFPF 1967-69, RG59, NA. Alessandri claims that he had good relations with the Armed Forces because he did not “meddle” in military affairs. See “Conversation with Jorge Alessandri in his Apartment in Santiago,” 1 July 1971, conducted by Robert J. Alexander, in Alexander, ed., \textit{The ABC Presidents: Conversations and Correspondence with the Presidents of Argentina, Brazil, and Chile} (Westport CT: Praeger, 1992), 220.}

The Chilean military’s discontent entered a new phase when an active duty Army officer, “Colonel N. N.,” submitted a letter to the editor of \textit{El Mercurio}, Chile’s most prominent newspaper. Colonel N. N. (which likely stands for “No Nombre [No Name]”) had written to praise \textit{El Mercurio}’s critique of Communism, but his remark that poor pay had weakened the Armed Forces grabbed readers’ attention. He said that many men had resigned from military service for economic reasons, adding that the number of resignations averaged 10 men per month.” Furthermore, almost all of the resignations were technical specialists, with the implication that the military’s most highly trained specialists and technicians were leaving for higher paying jobs in the private sector. Quoting a Latin American general, Colonel N. N. concluded, “As military men, we do not have the right to deliberate politics, but we are not mentally retarded.”\footnote{Colonel N. N. “Sueldos y FF. AA.,” \textit{El Mercurio}, 13 July 1967, p. 17.}

Colonel N. N.’s letter created uproar and a debate ensued over military pay and the adequacy of resources devoted to Chile’s armed forces. The uproar was fueled by several factors, including external threats. Chilean military and civilian observers worried about
Argentina’s military regime, which had overthrown the democratically elected president Arturo Illia the previous year (June 1966). Argentina’s purchase of A4B aircraft from the United States, as well as other arms purchases, added to Chilean concerns. Some accused Frei of “jeopardizing Chilean security” by allowing Chile’s military to “fall behind” that of Argentina. Chile and Argentina had already skirmished over the Palena region, and tensions were rapidly rising over the Beagle Channel (the two nations nearly went to war over the Beagle Channel in the 1970s).  

Internal security threats, specifically the terrorism, violence, and guerrilla warfare by MIR, VRM, and other far Left groups, also worried the Carabineros and the Armed Forces. Discovery of MIR’s training camp/school outside the city of Concepción, and its links to the Socialist Party and possibly the Cuban Cultural Institute alarmed the Carabineros. Carabinero leaders admitted to the U.S. embassy that the MIR training camp and its “rather dangerous degree [of] preparation” was a matter of “great seriousness” for Chile’s internal security. The fact that 111 Chileans had travelled to Cuba between 1 January 1966 and 30 June 1967 did little to alleviate concerns of Chilean law enforcement officials and the public about the “climate of violence.”

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U.S. military aid policies aggravated the situation. The U.S. Congress cut funding to the Military Assistance Program in 1967, with Chile’s portion “reduced to zero.” Chile’s Minister of Defense objected to the “drastic and sudden reduction,” and the embassy lobbied the Department of State for reinstatement of the funds. Korry complained that the U.S. Government did “not seem to realize that every dollar given to the Armed Forces for weapons and training meant one dollar more for the social and economic development of Chile.” “The Chilean military is keenly aware,” he said, “that every time a rifle is bought [with Chilean funds as opposed to U.S. military aid] three Chilean children are deprived of a school bench.” The Chileans also pressed U.S. officials for F-5 jet aircraft, and Korry pointedly told ARA that Chile’s armed forces “are determined to have some arms modernization come hell, high water, or the U.S. Congress.”

Stretched between external threats, internal violence, and low pay, Chile’s military began expressing its discontent. In early May 1968, the U.S. military attaché reported that several hundred cadets at Chile’s military academy submitted their resignations over poor pay, and another set of resignations occurred in the Air Force. The resignations were rejected, but Frei


replaced the military High Command, naming retired General Tulio Marambio as Minister of Defense, and General Sergio Castillo as Commander-in-Chief. The Frei administration then fueled military discontent when it granted a small pay raise — “insignificant and insufficient” the embassy described it — and sacked the captain who led the academy protest.63

The Frei administration’s handling of the cadet resignations reflected of its management of the armed forces, at least that was Korry’s view. “Frei, unlike Alessandri [his predecessor],” Korry told Washington, “has politicized his army from the very first days of his regime. He chose to put politicians in key jobs and political generals in ‘safe’ places. To seek to keep an apolitical institution out of politics by imposing politics is a very questionable tactic even in societies without the non-military history of Chile.” Korry described General Castillo as “a pleasant bumbler” and Defense Minister Marambio as a “logrero” (one who buys his way to the top), who, Korry added, “knows less about army weapons…than I do.”64

Military discontent appeared anew during the dieciocho, Chile’s Independence Day (18 September 1969). During the national holiday, a battalion of the Yungay Regiment, led by Major Arturo Marshall, deliberately showed up late for the ceremonies to protest military pay. An inquiry was ordered, and the investigating officer found that the protest was not political but had indeed resulted from discontent over low wages. Marshall and two captains were asked to


64 Telegram 4196 “Chilean Sitrep,” Korry to Secretary of State, 6 October 1969, Folder – POL 2 Chile, Box 1776; Telegram 4181 “Military Unrest (Part II),” Korry to Secretary of State, 3 October 1969, Folder – DEF – Defense Affairs Chile, Box 1529; and Telegram 4197 “Chilean Sitrep (Part II of II),” Korry to Secretary of State, 6 October 1969, Folder – POL 2 Chile, Box 1776; all CFPF 1967-69, RG59, NA.
retire. As the commander of the Army’s Second Infantry told a senior U.S. embassy official, the “armed forces would not tarnish their reputation by becoming involved in [a] coup plot over [a] pay increase;” however, he made clear that “serious discontent” existed within the ranks and the military had a “plan” for “improving their lot by other means.” Rumors of a coup had circulated for several weeks, and the U.S. embassy discounted them as exaggerated and alarmist. Frei and his advisors, however, reacted as though the military was seditious, and Frei placed extra Carabineros around his home. Korry dismissed Frei’s response as an overreaction: “To take seriously the threat of a coup at this juncture is [to] manifest panic; to think of the Carabineros defending [Frei] against the army is…a symptom of manic-depression.”

The military’s discontent rapidly coalesced around General Roberto Viaux Marambio, Commander of the Army’s First Division in Antofagasta. Promoted to general in February, Viaux lobbied General Sergio Castillo three times for improvements in troop welfare and military readiness. Viaux’s first effort occurred in February when Castillo met with the new


66 For pre-dieciocho rumors, see Telegram 1171 “Military Postscript to Conversation with Frei,” Korry to Secretary of State, 25 March 1969. Telegram 3165, Korry to Secretary of State, 24 July 1969; Telegram 3198 “Frei on the Military,” Shlaudeman to Secretary of State, 25 July 1969; and Telegram 3519 “More on Import of Cabinet Changes,” Korry to Secretary of State, 3 May 1968, all Folder – POL 15-1 Chile 1/1/68, Box 1779, CFPF 1967-69, RG59, NA. For post-dieciocho rumors, see “Categoríco Desmentido a Supuesto Clima de Sedición en el Ejército,” La Nación, 23 September 1969, p.1; and “El Partido Socialista Pretende Fundamentar las Golpista Rumores,” La Nación, 25 September 1969, p. 5. Telegram 4197 “Chilean Sitrep (Part II of II Parts),” Korry to Secretary of State, 6 October 1969, Folder – POL 2 Chile, Box 1776; and Telegram 4181 “Military Unrest (Part II),” Korry to Secretary of State, 3 October 1969, Folder – DEF – Defense Affairs – Chile, Box 1529; both CFPF 19676-69, RG59, NA.
generals. Frei travelled to Antofagasta twice, but Castillo instructed Viaux both times not to bother Frei, an odd order because presidential visits were usually opportunities for the local commander escort and talk with the president. By September 1969, Viaux’s advocacy for better pay and conditions led Castillo to request a meeting with him. Viaux said that during the 2 October meeting, Castillo treated him with “truly exceptional respect and kindness” and assured him that he was working on the economic issues. The meeting went too well, and Viaux left suspicious. Viaux then discovered that his house was under surveillance by *Investigaciones* agents. Viaux’s qualms were correct; U.S. officials knew several days prior to Viaux’s meeting with Castillo that Defense Minister Marambio had decided to remove Viaux from command and force his retirement.\(^{67}\)

That night, after his meeting with Castillo, Viaux wrote a letter to Frei, respectfully requesting three things: “urgent resolution” to the lack of equipment and material, resolution of economic issues, and replacement of the military High Command. Viaux admitted that his decision to appeal directly to the President “has not been easy,” but he had no choice. The Army was no longer able “to fulfill in an effective manner its Fundamental and Primary Mission:” to be in a state of readiness to defend national sovereignty and have the capability to form and instruct its ground reserves. The Army, he wrote, faced “a criminal crisis of military equipment and was poorly dressed” (aggravated by cuts in U.S. military aid). Viaux detailed how low pay forced conscripts to be subsidized by their families and how the highest paid miner

in Chuquicamata earned a salary equal to that of a lieutenant colonel having 25 years of service. The situation encouraged a “constant and progressive flight of personnel,” further undercutting the Army’s readiness and morale. Viaux also cited how Generals Marambio and Castillo had promised to improve conditions but had done little, increasing the “bitterness and frustration” in the ranks. Viaux essentially articulated the same concerns that Colonel N. N. had outlined two years earlier.  

Viaux continued to meet with military and government officials, pressing for changes, but the High Command sought his ouster. Viaux met again with Castillo, but now requested three things: an opportunity to report his concerns to the upcoming annual convocation of army generals (known as the Junta Calificadora), an interview with General Marambio, and an interview with President Frei. Viaux met with Marambio, who seemed sympathetic, and Marambio acceded to Viaux’s request to meet with Frei. The annual Junta Calificadora went forward, at a date earlier than normal due to discontent in the ranks. Near the end of the convocation, Castillo announced that the generals would meet again in a month to discuss the Army’s problems. The announcement effectively forestalled any possibility for Viaux to present his concerns to the convocation. On the last day of the Junta Calificadora (Friday, 16 October), Castillo called Viaux into his office and asked for his resignation. Castillo even drafted a letter

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68 General Roberto Viaux Marambio, Commander in Chief of the First Division of the Army, to President Eduardo Frei Montalva, 2 October 1969, reprinted in Varas, Conversaciones con Viaux, 54-67. Viaux’s desire to meet with Frei and present his concerns about the military was soon public knowledge. See “Cambio de Mando Militar en la Primera División,” El Mercurio, 18 October 1969, p. 1. The daily Diario Ilustrado published the letter shortly after events. See Newspaper Clipping, Diario Ilustrado, 27 November 1969, enclosed with Airgram A-407 “General Viaux’s Letter to President Frei,” Harry W. Shlaudeman, Chargé d’Affaires (Freidman) to Department of State, 5 December 1969, Folder – POL 15-1 Chile 1/1/68, Box 1779, CFPF 1967-69, RG59, NA.
of resignation for Viaux to sign. Viaux objected that that it was “completely irregular” for a
general to retire after a mere nine months in grade, and refused to sign the letter.69

The Frei administration offered a pay increase and requested retirements from several
officers, but both actions raised military discontent to the flashpoint. The government’s pay
increase was actually an advance from officers’ retirement pensions; moreover, it had to be
repaid. Several officers in the military and the Carabineros rejected the pay “loan.” Castillo
retired several Army officers besides Viaux, including 2 brigadier generals, 4 generals, 22
colonels, and 24 lieutenant colonels and majors. Retirements after the annual Junta Calificadora
were normal because decisions for promotions were made at that time. This set of resignations,
however, prompted the U.S. defense attaché to remark that Frei was “getting rid of what he
considers to be a core of army dissidents.”70

After his 16 October meeting with Castillo, Viaux returned to Antofagasta to relinquish his
command. The next day (17 October), he called his officer corps together, explained events in
Santiago, and turned over command. The text of Viaux’s farewell was circulated among the

69 Military leaders acknowledged that the Junta Calificadora was meeting earlier than normal, but explained that this
was done to provide sufficient time for officers to make preparations for moving to their new assignment. See
“Labores de Junta Calificadora del Ejército,” El Mercurio, 8 October 1969, p. 29. Varas, Conversaciones con
Viaux, 90-94. The quote appears on p. 94. Telegram 4219 “Chilean Military,” Korry to Secretary of State, 7
“Retirement of Chilean Army Officers,” Shlaudeman to Secretary of State, 17 October 1969, Folder – DEF –
Defense Affairs – Chile, Box 1529, CFPF 1967-69, RG59, NA.

70 Telegram 4267 “Military Unrest,” Korry to Secretary of State, 10 October 1969. Llamados a Retiro Tres
Telegram 4370 “Retirement of Chilean Army Officers,” Shlaudeman (Defense Attaché) to Secretary of State, 17
October 1969.
officers, and in it, Viaux lamented his departure but asked his troops to remain devoted to the Army. Afterwards many officers visited Viaux and offered their praise and loyalty.\footnote{Varas, Conversaciones con Viaux, 95-98. El Mercurio printed the text of Viaux’s farewell speech under the heading “Despedida del General Viaux.” “Cambio de Mando Militar en la Primera División,” El Mercurio, 18 October 1969, p. 41. Olavarria Bravo, Chile bajo la Democracia Cristiana, V: 266-272.}


The Antofagasta newspapers La Estrella del Norte and El Mercurio (a subsidiary of the Santiago daily) printed the officers’ declaration, as did the Santiago newspaper, La Segunda. In Santiago, the Carabineros began “confiscating” copies of La Segunda from newsstands, and tried to hold up Santiago’s El Mercurio. The Carabineros arrested La Segunda’s editor, and the Ministry of Interior gave television stations “strict instructions” not to report the Antofagasta situation until instructed to do so. René Silva Espejo, El Mercurio’s editor, gave the U.S. embassy a copy of Viaux’s letter, and told Chargé d’Affaires Harry W. Shlaudeman that Frei had not received it and that Viaux was ordered to withdraw it.\footnote{Varas, Conversaciones con Viaux, 95-98. Olavarria Bravo, Chile bajo la Democracia Cristiana, V: 262-264. “En Relación con el Atraso de La Edición de ‘El Mercurio’,” El Mercurio, 19 October 1969, p. 41. “Detenido en Libre Plática Mario Carneyro,” El Mercurio, 19 October 1969, pp. 41, 44. “Detenido Director de ‘La Segunda’,” El
With publication of the Antofagasta officers’ letter, the Frei government was confronting a rapidly developing civil-military relations crisis and then proceeded to make it worse. Minister of Defense Marambio and Minister of Interior Patricio Rojas told the Santiago press of the letter was a forgery and that a “real” letter did not exist. Rojas then announced that Coronel Gustavo Kutzman, whose name headed the list of signatures, had issued a statement denying that he or anyone else of the First Division signed the letter; however, no other officer stepped forward to issue a denial. The Frei government also brought charges against La Estrella, La Segunda, and El Mercurio before Chile’s Supreme Court for printing the officers’ letter.74

Ordered by Castillo to return to Santiago, Viaux arrived by plane about 22:00 on 20 October, and a protest was soon organized. Greeted by newspaper, radio, and television reporters, Viaux deemed it too late to meet with Castillo. Later that night, officers from several regiments in Santiago met with Viaux at his house, and Viaux learned that Castillo had sent out a confidential circular about Viaux that offended many Army officers. At 02:30 on 21 October, Viaux agreed to lead a “confinement to barracks” protest to obtain redress for their pay and equipment grievances. At 06:30, Viaux and his group arrived at the Tacna Regiment building, which fronted Cousiño Park. They were joined by an armored battalion and a transport battalion, and received support from the War College, Special Forces school, Telecommunications school,

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Infantry school, as well as several Air Force and Carabinero officers. North of Santiago, in San Felipe, Major Arturo Marshall tried to take command of the Yungay Regiment and join the Tacna Regiment in protest, but he was soon arrested. The “Tacnazo” had begun.\textsuperscript{75}

From the start, Viaux stressed that his group was not initiating a coup. Viaux tried to call Frei and assure him that they were not challenging presidential authority. Viaux reached Enrique Krauss, Frei’s Minister of the Economy, and asked him to tell Frei that their action was “entirely military-professional” and was directed only at the High Command. Frei received the message but was infuriated by the call.\textsuperscript{76} Viaux held press conferences with newspaper, radio, and television reporters at 10:30 and 12:00, insisting both times that they were not attempting a coup; their attitude was “entirely military-professional,” and their protest was directed strictly toward the High Command, not President Frei, his authority, nor the constitution. Senator Juan de Dios Carmona, who had met with Frei during the morning, went to the Tacna Regiment building just before noon. Afterwards, he told a reporter that Viaux had been a professional during his entire career, but he considered the present action as “going against military duties.” The senator’s comments made clear that Viaux’s protest sought to resolve the Army’s problems, not engage in


a coup. In its 13:00 situation report, the U.S. embassy reported that government officials had informed them that “this is not, repeat not, an attempted golpe but rather [an] airing of protest,” information that was likely the product of Carmona’s meeting with Viaux. At his 13:15 press conference, Viaux again told reporters that his group’s actions were directed at the High Command, not at Frei. His sole stated condition for resolving the protest was the removal of Marambio and Castillo. “I am not a gorilla,” he insisted, “I am not seditious.” When asked how the protesters would respond if attacked, Viaux said, “We are prepared to defend ourselves.” The U.S. embassy cabled an update to Washington at 18:00, saying that the Tacnazo was a “sit-in strike” and that Viaux’s group showed “no signs” of having “aggressive action in mind.”

It soon became clear that the members of Chile’s armed forces sympathized with Viaux and his group. Acknowledging that the protest was directed only at the High Command, General Castillo called upon the troops to end the “attitude of rebellion” and repudiate Viaux who was “one single man, taking advantage of his rank and in a clear attitude of spite and rebellion, is trying to tarnish the spotless prestige of the army.” None did. Frei ordered Army regiments to surround the Tacna Regiment building in order to pressure the protesters to capitulate, but Viaux and the roughly 500-800 officers and troops who had joined him had enough supplies to hold out for several days. The U.S. embassy reported that the encirclement of the Tacna Regiment

building was done in the “loosest sort of fashion with much coming and going, and with considerable fraternization between [the] two sides.” Frei’s biographer admits that it was “very doubtful” that the military would have fought against their own.\(^\text{78}\)

Frei and his administration immediately accused the military and the political Right of seditious maneuvers and leveled such accusations well before Viaux agreed to lead the protest. The government daily *La Nación* charged that since National Party leader Sergio Onofre Jarpa was in the far north, near Antofagasta, he was facilitating “golpista” maneuvers. Senator de Dios Carmona returned to Santiago by the afternoon of 19 October, spent the evening conferring with Frei and his inner cabinet about the situation in Antofagasta and “coup adventures by the Right,” which may have been the Antofagasta officers’ letter of protest. Just after Viaux’s return and before he agreed to lead the protest, Minister of Economy Enrique Krauss and PDC President Benjamin Prado met with Salvador Allende and told him that they feared a coup. They asked Allende how he and the Left would respond, and Allende assured them that the parties of the Left “always were for defending Chile’s democratic system from an attack of the ultraright.”\(^\text{79}\)


Even though Frei and his advisers knew that the Viaux-led action was a protest, and had privately told the U.S. embassy so, they publicly claimed that the Tacnazo was a coup. Despite receiving Viaux’s assurances that his group was protesting against Marambio and Castillo, Frei closed Congress and declared a state of siege. The Frei administration then released government workers at noon so that they could attend a rally of mass support for Frei and democracy outside La Moneda (Chile’s “White House”), starting at 15:00. Interior Minister Rojas asked leaders of the other political parties to join Frei at the rally. Photographs of Frei were handed out to people as they assembled at La Moneda. At 15:00, in a speech carried by radio and television networks, Frei charged that Viaux and his group “had gathered together in open rebellion” against the High Command, the government, and the country’s “legal and democratic regime.” With Allende and other party leaders in attendance, Frei appeared before the rally and declared, “Nobody will move me from here! I trust that good sense will prevail, and those who lack it will submit themselves to discipline.” Garbage trucks – “people’s tanks” as La Nación dubbed them – encircled La Moneda, a photograph of which was on the front page of the New York Times.⁸⁰

Despite the rally, Frei negotiated with Viaux and acceded to his demands. Negotiations between Frei’s government and Viaux moved quickly toward resolution after Undersecretary of Health Patricio Silva Garín (a former Military Health officer) showed Marambio’s letter of

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resignation to Viaux. At 04:11, just before sunrise on 22 October, Viaux and Silva signed the “Tacna Accord” the key clauses of which were: Viaux would “continue to comply with the authority” of the President and constitutional powers, Marambio’s resignation would be made public, Frei would resolve the troops’ economic issues “in an urgent manner,” and the Frei government recognized that Viaux was “facilitating the solution of the existent problem” and would reaffirm its confidence” in the Army.” El Mercurio reported that Frei personally approved the accord, and Frei later admitted to Chargé Shlaudeman, that the Army’s “unrest” was “no more than a reflection of much graver ills affecting all of Chilean society. Soldiers and everybody else want more money.”

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The Tacna Accord should have ended the affair, but three developments propelled it far beyond its original bounds as a sit-in protest. The Frei government engaged in a disinformation campaign that labelled the Tacnazo as an attempted coup and sought to link the right-wing National Party to it. A CIA press spokesman dragged the United States into events. Finally, Viaux’s fate became a new issue of contention between the military and the Frei government. La Nación immediately charged the National Party (PN) with complicity in the protest.

During the morning of 21 October, when Rojas’ invited party leaders to his office, he apparently did not invite PN leaders. Party founder Sergio Onofre Jarpa, Secretary General Engelberto Frias, and several PN leaders attended anyway and proffered their support to the government.

During the Tacnazo, the PN issued a statement saying that it supported the constitutional regime and did not “favor extra-constitutional solutions.” The next day, *La Nación* denounced the PN for “not condemning the attempted coup,” and it and *El Siglo* asserted that a consensus existed on the Left to “apply [a] state of siege against the seditious Nazis of the Right.” The PN rejected such assertions, charging that they “unnecessarily and dangerously prolonged” the existing situation.\(^82\) *La Nación* accused the PN of “trying to erase their seditious fingerprints” from the Tacnazo, and printed photographs of four PN leaders, including Onofre Jarpa and Frias, under the caption “Popular Punishment not Aggression.” The U.S. embassy deemed the item a “Wanted: Dead or Alive” poster and government sanction of mob violence.\(^83\)

A CIA spokesperson then pulled the United States into the affair. Preparing a story on the events in Chile, a *Washington Post* reporter contacted the CIA for background information. The spokesman apparently used the moment to build rapport and a sense of openness with the press. He said that “the agency had been aware of developments leading to this turn of events in Chile

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for the last 6 months.” He admitted that a comment was “unusual,” but the agency did wish to respond to queries when “operational sources would not be affected.”

Reading the Post’s article on the morning of 22 October, Chile Desk Officer A. P. Shankle and Ambassador Korry, who was in Washington on leave, recognized immediately the explosive nature of the comment: implications of CIA / U.S. involvement when none existed. By mid-morning, Department officers had wired news of the CIA’s comment to the embassy and coordinated a statement with the Department’s press office “to minimize impact.” If asked (no reporter did), the Department’s spokesman was prepared to say that military discontent “has been a recurrent problem in Chile for some time, and a matter of public knowledge.” Even so, the story went on the AP wire. Chile’s afternoon newspaper Últimas Noticias picked up the CIA item for its 22 October edition, which appeared on newsstands a few hours after Viaux turned himself over to authorities and in time for Santiago’s evening rush hour.

Two hours after Últimas Noticias hit the newsstands, Undersecretary of Foreign Relations Patricio Silva Echeñique called Chargé Shlaudeman to his office “to register sharp protest” over the CIA comment, and the protest nearly led to a diplomatic row. “Speaking officially and formally” for Frei, Silva Echeñique asked the United States to prevent any further comments from U.S. agencies, but then he added that “suspicions” of CIA involvement existed among

84 Goshko, “2 Units Revolt in Chile,” Washington Post, 22 October 1969, p. A16. Telegram 178765, Rogers (Arthur P. Shankle, Jr., Chile Desk Officer) to U.S. Embassy Santiago, 22 October 1969, Folder – POL 23 Chile 1/1/67, Box 1980, CFPF 1967-69, RG59, NA. There is no documentary evidence indicating that the CIA or the U.S. Embassy had any contact with Viaux or other officers of the Tacnazo.

85 Telegram 178765, Rogers (Shankle) to U.S. Embassy Santiago, 22 October 1969. Telegram 4460 “Siglo, Clarin and Ultimas Noticias Reported CIA Spokesman’s Comments,” Shlaudeman to Secretary of State, 23 October 1969; and Telegram 4449 “Statement of CIA Spokesman,” Shlaudeman to Secretary of State, 23 October 1969; both Folder – POL 23 Chile 1/1/67, Box 1980, CFPF 1967-69, RG59, NA.
“high officials.” Shlaudeman objected, insisting that the U.S. policy of friendship and support for Frei, his government, and Chile’s democracy was “too clearly established over long years to allow responsible go[vernmen]t officials [to] entertain such notions.” Silva said that past experiences had led the Chilean government to observe that “there [was] not always full ‘coordination’ of action [among] USG agencies.” Shlaudeman retorted: “We would not be surprised [to] find this sort of thing among the hostile and uninformed, but the [Government of Chile] is another matter.” The meeting soon ended.86

Chilean newspapers now weaved the CIA comment with the coup narrative and supposed PN ties. Wiring Washington, Shlaudeman lamented, “I have to say that we made this particular trouble for ourselves. [The] CIA spokesman’s remarks were injudicious, inane, and completely uncalled for…. [U]p to this time no one has attempted to connect [the] embassy or USG with General Viaux’s adventure.” The Communist El Siglo and leftist Clarin joined La Nación in linking the PN and the CIA to the Tacnazo. El Siglo editor Eduardo Labarca asserted that the comment “brought to light a first fact of a possible role of the North American embassy and that country’s intelligence services in the triggering of the golpe.” He also implied that Korry’s absence may be tied to the CIA and the golpe. Clarin asked in a headline, “CIA Knew of Military Golpe for Six Weeks: Doesn’t That Seem Strange to You?”87

86 Telegram 4449 “Statement of CIA Spokesman,” Shlaudeman to Secretary of State, 23 October 1969, Folder – POL 23 Chile 1/1/67, Box 1980, CFPF 1967-69, RG59, NA.

87 Telegram 4449 “Statement of CIA Spokesman,” Shlaudeman to Secretary of State, 23 October 1969. Eduardo Labarca, “En Washington conocían los planes sediciosos,” El Siglo, 23 October 1969, p. 3. Telegram 4460 “Siglo, Clarin and Ultimas Noticias Reported CIA Spokesman’s Comments,” Shlaudeman to Secretary of State, 23 October 1969. Labarca’s claim that “very few continued to calling” the Tacnazo “sedition” or “a frustrated golpe” is not sustained by a review of the daily editions of his newspaper El Siglo or of La Nación. Labarca, Chile al rojo, 62-63.
The portrayal of the Tacnazo as a *golpe* cast Viaux as a *golpista*, and Mrs. Viaux spoke out in defense of her husband. Categorically denying that her husband was a golpista, she accused his detractors of being “cowards who now want to show that they are men by subjecting to trial one of their companions who has given everything for the Army and the nation.” She called for better pay and conditions for the armed forces, asking how “we can maintain our homes, educate our children, and dress them on a hunger salary?” When General Castillo resigned the next day – he likely was asked to do so – he bitterly attacking Viaux for “usurping” the High Command’s efforts to improve military pay. Mrs. Viaux quickly charged that Castillo’s attacks on her husband “demonstrate the lack of manhood that has always characterized” his actions.88

Department of State officials were furious as well, and they directed their anger at the CIA and Frei. Recognizing that the CIA comment was the United States’ own blunder — it was, as Silva Echeñique said, a lack of coordination — Department officials were angry with the CIA for issuing a comment. The Department made “vigorous representations” to the CIA, and CIA Director Richard Helms apologized for the comment.

Department officials were angered by Frei’s “suspicions” comment. ARA instructed Shlaudeman “at earliest opportunity and in most vigorous terms” insist that Silva Echeñique convey two points to Frei. First, the United States “sincerely” apologized for the CIA’s “unauthorized statement,” and second, the United States was “shocked,” “dismayed,” and “disappointed” that any responsible Chilean official would “harbor any suspicions” of U.S.

involvement in the Tacnazo. “The record of US support for and cooperation with democracy and constitutionalism in Chile is well known and… extend[s] in history well before the Frei administration,” ARA rejoined; moreover, it was “the entire and sole basis of US policy toward Chile.” Korry sent his own blistering letter to Frei. Declaring that he was “outraged” by the “suspicions” comment, Korry wrote, “our only efforts were directed to responding to the best of our abilities and capacities” in aiding Frei’s government in “strengthening [Chile’s] democratic structure. Any suggestion to the contrary by anyone is scurrilous, unfounded, and infantile.”

The two communiqués were remarkable in two important ways. First, while the United States had been frustrated, even angry, with the Chileans in the past, no Chilean president since at least Pedro Aguirre Cerda had received a U.S. diplomatic communiqué, much less two, that expressed the fury contained in the two missives that Frei received on 24 October. Second, the Department and Korry, in their fury, articulated what U.S. officials since 1945 had admitted to themselves but had never told the Chileans: supporting and strengthening Chile’s democracy was the core tenet, indeed “the entire and sole basis,” of U.S. policy toward Chile. U.S. officials were willing to accept Frei’s anger over the CIA comment and apologized for it. Yet, to suggest that the United States was not committed to Chilean democracy, particularly since it had been the polestar of U.S. policy since the start of the Cold War, and to hear it from the president who arguably had benefited the most from it, went beyond the pale for U.S. officials.

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89 Telegram 180008, Rogers (Shankle) to U.S. Embassy Santiago, 23 October 1969; and Instruction Telegram 180007, Rogers (Korry) to Shlaudeman, 23 October 1969; both Folder – POL 23 Chile 1/1/67, Box 1980, CFPF 1967-69, RG59, NA. Korry offered similar words to reporters and criticized El Siglo’s assertions. See “Informe de Korry Sobre Ayuda Exterior de EE. UU.,” El Mercurio, 27 October 1969, p. 39.
The Americans’ fury surprised Frei, but he did not recognize the significance of the two communiqués. Silva Echeñique confessed that Washington’s “attitude was proper,” but Frei temporized. In an apologetic letter, he said no one had made an accusation against the CIA; he was concerned over the “sensitive information” that the CIA and *Washington Post* had published and that such information could be used for “internal and external exploitation.” Frei’s apology did not dispel the issue because the supposed “sensitive information” (military discontent) had been publicized by Chilean newspapers since Colonel N. N.’s 1967 letter to the editor. Frei did shift the focus to internal exploitation, and assuaged Korry and U.S. officials enough to prevent a serious diplomatic row.  

At the same time, Frei and his administration were struggling regain credibility, primarily because Chilean public opinion believed that Viaux had “had his way” with Frei. The U.S. embassy noted that the “fact that garbage trucks, not troops, were used to defend [La] Moneda” only supported the public’s belief that the Army’s sentiments were with Viaux. Frei replaced the High Command. After Marambio resigned at Frei’s request, Frei named Sergio Ossa Pretot, the respected Minister of Public Works, as Minister of Defense. General Castillo retired shortly after the Tacna Accord was reached, and Frei appointed General René Schneider Chereau as Commander-in-Chief, with General Carlos Prats González named to be Chief of the National Defense Staff. On 27 October, the Frei government proposed raising military pay and financing it with tax increases on several items, including bank profits, property, upper incomes, alcohol, 

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and foreign travel. When newspapers published the Tacna Accord, it left little doubt among Chileans that Viaux had gained his objectives. 91

Frei’s choice for a new High Command, although seemingly less political, perhaps was as political as earlier appointments. As was custom, generals more senior to Schneider retired upon his promotion, but Schneider’s appointment forced the retirement of the generals who aided Frei in ending the Tacnazo. They were General Alfredo Mahn Mackatun, who facilitated the negotiations with Viaux; General Emilio Cheyre Toutin, who commanded the troops surrounding the Tacna Regiment building; and General Ramón Valdés Martinez, who assisted in Viaux’s relinquishing of command in Antofagasta. One historian insists that Frei knew the three generals would be forced to retire and tried to cut all ties to the Tacnazo. Frei may also have chosen Schneider because Mahn, Cheyre, and Valdés were more sympathetic to Viaux’s views. 92

As the new Commander-in-Chief, General Schneider, rather than diffusing the crisis, inflated tensions and further politicized the military. Initially Schneider remarked that in regards to the Tacnazo, “It is best, my friend, to turn over a new leaf with these affairs;”


however, at his swearing-in ceremony, he implicitly resurrected Castillo’s charge that Viaux took advantage of events. Schneider said that officers involved in the Tacnazo were “absolutely professional” and their action was “a merely institutional affair,” but the Frei administration was “prudent” to treat the Tacnazo as a coup attempt because it “was not able to have a clear picture” of the situation and “it has an obligation to retain every possible measure to control the situation.” He also proceeded with the charges of sedition and mutiny against Viaux, charges which carried the death penalty. Frei’s Minister of Interior, with the sanction of Castillo, had filed charges against Viaux under Article 272 on 22 October, during the negotiations for the Tacna Accord. Pursuing a potential death sentence over Viaux, Schneider seemed as insensitive to the troops’ situation as Castillo and Marambio, sabotaging his credibility and neutrality.  

The U.S. embassy soon learned that the Article 272 charge against Viaux had generated “considerable resentment” within the ranks, fostering a new protest against the Frei government. On 29 October, at noon, a group of Army officers from the Santiago garrison issued a declaration that was read over Radio Balmaceda. The officers condemned the government’s “distorted treatment” of the Tacnazo and insisted that the protest was an “exclusively internal professional” affair. They also charged that the Frei administration knew this but sought “political ends” by its false portrayal of events. Furthermore, the government “demonstrated a disloyal attitude in

mobilizing [the] people against an institution which has always loyally served all governments,” a reference to the government-organized rally at La Moneda.  

Schneider and the Frei administration reacted immediately but perpetuated the affair. Quoted in the next morning’s newspapers, Schneider said that it was his “sincere conviction” that Army officers would never engage in political pronouncements and that “anonymous elements” seeking to disturb “social peace and internal security” had made the declaration. Schneider and other senior officials claimed that Viaux had issued the declaration in order “to maintain momentum and turn [events] to political purposes,” which coincided with rumors that Viaux might offer himself as a candidate for the upcoming presidential election. The rumors and growing Rightist sympathy for Viaux led Jorge Alessandri to declare his presidential candidacy, and his campaign hastily organized a 3 November rally.  

The U.S. embassy doubted that Viaux issued the declaration, but the continuing support for Viaux within the ranks indicated that the affair was threatening to spiral out of control. The wives of the Santiago garrison officers hosted a well-publicized tea for Mrs. Viaux at the Hotel Carillon to express support for her husband and defy the Frei government. Capitulating to broad-
based anger among the armed forces, the Frei administration and the Ossa-Schneider High Command reduced Viaux’s charges from “mutiny” to “failure to obey orders,” removing the threat of a death sentence from Viaux. When Viaux’s trial began, so many commissioned and non-commissioned officers attended in support of Viaux that Schneider issued an order “prohibiting Army personnel from participating in activities” related to the Tacnazo, which included Viaux’s trial. Última Hora reported that several cavalry school officers were under investigation for organizing a “solidarity movement” for Viaux, and a PDC official confessed that Army officers were angry with the government for “mobilizing people against it.”

Returning from Europe, Foreign Minister Gabriel Valdes revived U.S. anger over the “suspicions” comment. Meeting with Chargé Shlaudeman, Valdes said that there was sufficient evidence to suggest CIA involvement in the Tacnazo, and he added, some suggested that the United States had chosen a “military solution” for Chile because of the lack of acceptable candidates for the upcoming presidential election, and cited the Rockefeller Report as evidence. Valdes said that he expressed these concerns in order to avoid a “scandal” that might result if the Chilean government decided to expel anyone. Irked by the revival of false allegations, Shlaudeman sharply told Valdés that if the Chilean government had identified any persons fomenting coup plots, then they were to inform him of them immediately. He bluntly added that U.S. officials knew who was “spreading these unfounded CIA rumors.” Shlaudeman later cabled

Washington and asked that he “be instructed to go back hard at Valdes with [a] frank message that…these continuing accusations [are] intolerable.” Korry and ARA approved.  

The latest round of the CIA/suspicions imbroglio led Korry and Shlaudeman to reduce the embassy’s information gathering. Shlaudeman agreed but urged that they maintain discreet contacts with the military. A “real golpe…would be very much against our interests here,” he wrote, and “We should be in [a] position to use whatever influence we have to counter such a threat.” Besides cutting information collection, Korry and Shlaudeman also pressed “appropriate elements in our mission” to use discretion in their contacts with Chileans. Korry admitted that a reduction did not hurt information gathering, but if they did not do so, it threatened harm “our dedicated efforts” to strengthen Chile’s democracy. He noted that a “widespread and deep suspicion and resentment” existed among Chileans over the embassy activities; in fact, Frei’s senior press spokesman had confessed that it was “in” to be anti-American.

Korry informed Frei and Valdés that the United States would respect Chilean sensitivities and reduce its information gathering. He reminded Valdes that no member of the U.S. government had been “implicated in any way” in the various expressions of military unrest. However, given that “misunderstandings might arise” during the “legitimate search for

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98 Telegram 4322 “Reflections on Humbuggery,” Korry to Secretary of State, 14 October 1969, Folder – POL 2-1 Chile 1/1/67, Box 1776, CFPF 1967-69, RG59, NA. For the “in” comment, see Telegram 3378, Korry to Secretary of State, 26 April 1968, Folder – POL 23 Chile 1/1/ [1], Box 1980, CFPF 1967-69, RG59, NA. Telegram 4870 “CIA and the Golpe,” Shlaudeman to Secretary of State, 20 November 1969. Telegram 196050, Rogers (Korry) to Shlaudeman, 21 November 1969; and Telegram 197229, Rogers (Korry) to Shlaudeman, 24 November 1969; both Folder – POL 23 Chile 1/1/67, Box 1980, CFPF 1967-69, RG59, NA.
information,” Korry said that the embassy “will take measures to assure that in the future we will moderate our interest in Chilean affairs.”

Korry’s reduction of information gathering, his concern for Chilean sensitivities, and his admission that a reduction would not harm information gathering helps to understand several key aspects of U.S. intelligence activities in Chile. First, Korry’s messages support what CIA Director Richard Helms and Assistant Deputy Director of Plans Cord Meyer have said was the CIA’s policy in Chile prior to Allende’s 1970 victory: “to preserve [Chile’s] democratic constitutional system.” Meyer adds, “The CIA station in Santiago had discouraged coup plotting among the military and had deliberately distanced itself from those officers who were inclined to think in such terms.” If so, then this – plus Thomas Powers’s assertion that ten of the twelve agents assigned to Chile focused largely on Soviet bloc activities – explains why U.S. officials knew of military discontent, but not of specific protests until they occurred or appeared in the newspapers.

Third, if Powers’s claim that 10 of 12 CIA officers assigned to Chile were “devoted to Soviet bloc affairs” is correct, then Frei’s re-opening of Chile’s relations with the Soviet Union and its allies drew Chile deeper into the Cold War struggle and elevated Chile further as a Cold War battleground. Relations with the Soviet bloc relations certainly meant a larger number of KGB agents operating in Chile, and as a result, could only have led to an expansion of the CIA’s presence. U.S. officials offered “assistance and advice” to Frei’s government for maintaining surveillance of Soviet bloc personnel. They also gained more

99 Telegram 196050, Rogers (Korry) to U.S. Embassy Santiago, 21 November 1969.

information about Chilean-Soviet and Chilean-Cuban contacts, which brought Allende’s and the Left’s activities under greater scrutiny. Additional U.S. information gathering activities also encouraged more criticism of the United States and increased the chances of exposure. As one U.S. policymaker remarked, Chile was “a blabber-mouth open society.”\textsuperscript{101} The question, therefore, was not if one would learn of covert activities in Chile, but when.

Korry’s revelations were lost amid new a military protest. On 19 November, the armed forces and Carabineros went on alert, the armed forces were confined to barracks, and Frei placed the country under a state of siege. The U.S. embassy reported that “a barrage of alarming rumors” circulated about a possible coup. The rumors, however, were exaggerated, and the Frei administration had overreacted. Shlaudeman learned that instead of a coup, a group of Viaux supporters were planning to stage a public refusal of their pay to protest the Frei government’s handling of Viaux, the military grievances, and the Tacnazo. The government had proposed a 100 percent cost-of-living adjustment to military pay, but the military rejected it.\textsuperscript{102}

With the new expression of discontent, the Frei administration offered the Armed Forces a substantial pay increase, which in turn, prompted Viaux to reenter the public debate, but he sounded “political,” not “professional.” On 20 November, Defense Minister Ossa announced a 68 to 110 percent pay increase for the military, plus the 100 percent cost-of-living increase.


Viaux declared that he would “study the new pay schedule,” and then criticized the government for raising taxes to pay for the increase. It was Viaux’s first overt “political” statement, and the error confirmed the “golpista” accusations against him. Until 20 November, he had focused strictly upon professional grievances, had adhered to the chain of command until all avenues of appeal were closed, and had followed orders, even when turning over his command.  

The new military agitations and Viaux’s error reanimated efforts to tie the United States, the CIA, and Rockefeller’s testimony to the U.S. Congress to Viaux’s supposed coup plotting. The New York governor’s testimony is a classic example of a contemporaneous event that ostensibly seems related to events but has no actual links to them. Although his report was released in September, Rockefeller did not testify before the Senate Subcommittee on Western Hemisphere Affairs until November, the moment when the Frei government proposed new military pay schedules and Viaux made his latest declaration. The subcommittee hearing drew the Chileans’ attention because Rockefeller and subcommittee chair Senator Frank Church (D - Idaho) agreed that “Chile is teetering on the brink of a military coup.” New York Times and Washington Post articles likely contributed to their mistaken view; however, it was Rockefeller’s characterization of military regimes that surprised the Chileans. The governor said that “the bright leadership” of the region’s new military regimes were not the “old style dictatorship[s]” but rather “caretaker governments” or “transition governments” that took power “to create a framework” for “social progress.” Rockefeller added that the military governments wanted to return to democratic processes, and he cited Brazil and Bolivia as examples, with an implied

reference to Peru. His comments miscast his report; only 8 1/2 of the report’s 144 pages were devoted to military and security issues. Moreover, his remarks overshadowed what he stressed should be the United States “national objective” in the region: working with Latin Americans to “strengthen the forces of democracy,” which included education and economic growth.  

Rockefeller’s comments added a new impetus to charges of CIA involvement, U.S. desire for a military regime in Chile, and efforts to end Chile’s democracy. At the forefront, the Communist El Siglo charged that Rockefeller’s testimony constituted a “powerful stimulus” for CIA activities and that Korry’s absence from Chile “corresponds clearly” to CIA tactics prior to a coup. PDC Senator Renan Fuentealba also cited Rockefeller’s report, asserting that “North American imperialism is encouraging the possibility of a military coup” in Chile. Última Hora claimed the Frei administration was withholding information on foreign agents involved in covert activities. Several reporters, including one from the Associated Press, contacted the U.S. Embassy about CIA links to coup plotting and cited “unnamed” sources in the Foreign Ministry and La Moneda. New York Times reporter Tad Szulc called the Department of State’s Chile Desk Officer and Ambassador Korry about CIA ties to coup plotting. Korry called such ideas “absurd,” and he and the desk officer denied that there was any substance to the allegations.


Viaux’s misstep enabled the Frei administration to isolate him as a troublemaker. Schneider responded that despite the comments of a “retired general,” he “does not need advice or inspiration from those who are not his direct collaborators.” Businessman Raúl Deves Julian published an open letter to Viaux in *El Mercurio*, and in it, he questioned Viaux’s motives and demanded that he define his objectives. Since Deves was Frei’s former coordinator for the private sector, he likely printed the letter at the Frei government’s request.¹⁰⁶

Viaux’s error also prompted Frei and his cabinet to reverse course and resolve the Viaux-CIA-Rockefeller mess. Shlaudeman, ready to “come back hard” at Váldes, was surprised when the Foreign Minister said that the Chilean government wanted to “deflate” the entire issue and “normalize” matters in the political/military arena. Váldes said that the Frei government had “no doubts” about the goodwill of the United States, and in regards to the CIA, he explained that he would make clear to Congress next week that there was no evidence of CIA involvement. “In times of trouble,” he remarked, “there is [a] natural tendency in Chile and elsewhere to seek [to] make [the] USG[overnment] a scapegoat.” Perhaps, he added, “this is one price of being a great power.” Shlaudeman admitted that the CIA statement had been a “painful surprise” and pledged to “render any assistance asked for” to resolve military issues and stabilize the situation.¹⁰⁷

Explaining the Frei administration’s reversal to Washington, Shlaudeman said that Frei’s government had become “painfully aware” that continued allegations of U.S. involvement

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¹⁰⁷ Telegram 4968 “Meeting with Valdes,” Shlaudeman to Secretary of State, 28 November 1969, Folder – POL 23 Chile 1/1/67, Box 1980, CFPF 1967-69, RG59, NA.
threatened to exacerbate discontent within the military. To claim that CIA and U.S. government agents were fostering a coup suggested that Chilean military officers were “susceptible to being either gullied or seduced by agents of U.S. imperialism.” By extension, the allegations cast doubt upon the patriotism of Chile’s soldiers and sailors, not to mention deprecated, if not dismissed, their capabilities as intelligent human beings to reach their own conclusions and act accordingly. What Shlaudeman did not note was that the allegations implicitly questioned the competency and capabilities of the Carabineros and Investigaciones to track and control foreign agents. Perhaps more troubling, it cast doubt on whether the Frei administration had neglected its duty to protect the nation from foreign agents.

Who or what prompted this realization among Frei and his advisers is not clear, but his cabinet moved quickly to deny any CIA or foreign ties to the Tacnazo. Foreign Minister Váldes announced that Korry’s absence was normal and that there was no evidence of CIA involvement. Defense Minister Ossa said that “nothing” indicated that the CIA was active among the Armed Forces, and stressed that to assert that recent events arose from “external actions…was to infer grave offense which [the] armed forces of our country do not deserve.” The PDC leadership declared that the allegations never intended to “place in doubt [the] patriotism of the Armed Forces or any of their members.” Even Senator Fuentealba, who had charged CIA involvement, now claimed that the Tacnazo was a “purely internal military affair,” but added that the CIA had begun a “rumor campaign” to create the perception of chaos.108

108 Telegram 5011 “PDC Backing Away Fast from Fuentealba,” Shlaudeman to Secretary of State, 3 December 1969, Folder – POL 12 Chile 1/1/69, Box 1778; Telegram 5070 “Fuentealba! Who’s He?,” Shlaudeman to Secretary of State, 9 December 1969, POL 12 Chile 1/1/69, Box 1778; and Telegram 5149 “Defense Minister’s Year End Remarks,” Korry to Secretary of State, 31 December 1969, Folder – POL 15-1 Chile 1/1/68, Box 1779; all CFPF 1967-69, RG59, NA.
On 8 December, Schneider raised new alarms about a coup plot when he announced that he had opened an “internal investigation” into “clandestine meetings;” however, inconsistencies suggest that Schneider may have mischaracterized the meetings. He named Colonel (Ret.) Raúl Igualt, Viaux’s father-in-law, as one of those involved, but the next day, the press reported that Igualt was not under investigation. On 10 December, Schneider announced that the internal investigation determined that a group of Army officers had discussed ideas “totally contrary to discipline and obedience of an armed force.” While ostensibly suggesting a coup plot — and interpreted as such — the words could equally describe meetings for organizing new protests. In fact, Shlaudeman reported that Schneider’s remarks were “extremely fuzzy” and that several politicians demanded specifics. Schneider also cited threats against Viaux and doubled the guard around him, which hinted at a link between Viaux and the meetings. Viaux denied that there were any threats, professed again that his attitude was “military and professional,” and insisted that there was a “pact of honor” of no reprisals against officers involved in the Tacnazo.  

Schneider’s announcement was interpreted as discovery of a coup plot, and it undermined Viaux’s support, allowing the High Command to punish Viaux and bring the Tacnazo to an end. On 16 December, Viaux was sentenced to 541 days (one and one-half years) in exile, and his case went to a military court for review. If Viaux’s sentence seemed excessive to his supporters, Schneider forcibly retired six officers who had joined Viaux in the Tacnazo on 31 December.

Four days later (4 January 1970), Viaux declared that the retirements violated his agreement with Frei’s government that there would be no reprisals. Schneider replied that he “was not bound by any commitment limiting his ability to determine punishment upon those implicated.” Defense Minister Ossa supported Schneider and then denied that any agreement existed. On 9 January, in a “blistering” reply, Viaux accused Schneider of being “out of touch” and lacking the “genius of the hour,” but Viaux’s criticisms now sounded personal, not professional.110

With Viaux’s sentence and the retirement of his supporters, the events of the Tacnazo drew to a close, but U.S. officials anticipated further military dissent over the subsequent weeks and months because Frei, Schneider, and Ossa had handled matters so badly. Korry described the Frei’s handling of the Viaux affair as outright “abysmal.” The U.S. Defense Intelligence Agency said Schneider’s and Ossa’s 4 January responses to Viaux were “another demonstration” of the Frei government’s continued “insensitivity in dealing with the military.”111

### Conclusion

Between 1967 and 1969, U.S. policymakers continued to adhere to the model democracy premise, but, developments in Chilean domestic politics, U.S. politics, Latin America, and the Cold War damaged incrementally and weakened considerably the structures upholding that

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premise. In Chile, four of the five main political parties (Christian Democrats, Radicals, Nationals, and Socialists) split. The Socialist and National Parties abandoned democracy and respectively advocated armed revolution and authoritarianism. Far Left groups such as MIR and VRM embraced terrorism and urban guerrilla warfare as the means to provoke revolution. Adoption of such strategies constituted more than making the parties “semi-loyal” to the rules of democracy. The Left and Right undermined Chilean exceptionalism by arguing that Chile was more Latin American than European and that it should embrace Latin American models, such as the Cuban Revolution (Left) or caudilloism (Right). Calls to embrace Latin American models signaled serious trouble for U.S. policy and Allende’s \textit{via pacífica} because both were based upon Chile’s democratic exceptionalism. As 1969 drew to a close, U.S. officials worried that Chile might become an “anti-model” of revolution or authoritarianism. Meanwhile, Allende faced his best opportunity for victory and his most difficult struggle for his party’s and the Left’s nomination. Even if elected, Allende would confront a divided Left and a hostile Right, both of which threatened to subvert his peaceful road to socialism.

The Tacnazo was a political and diplomatic earthquake. By falsely casting the Tacnazo as a coup, the Frei government politicized the Armed Forces and discredited civilian political leadership among military officers. It also called into question the military’s patriotism and its role as “protector of the constitutional process.” By falsely linking the National Party to the Tacnazo, Frei’s government further polarized the electorate and contributed to “an erosion of faith” in Chilean democracy. When asked if the military could do better with Chile’s problems than the political parties, Viaux said, “Maybe. However, I at least do not have this as my
Unwittingly, Viaux revealed that a few military officers were considering this. Frei’s successor would inherit simmering institutional and constitutional crisis.

Ironically, Allende may have become more acceptable to the armed forces as a presidential candidate. Schneider told Shlaudeman that officers remembered Alessandri giving the military “the same kind of unfeeling treatment” that Frei had accorded them. Shlaudeman later wrote that Allende “seems to enjoy some favor in the armed forces.” “Many Army officers,” he said, “regard Allende as a safe politician who…can be expected to operate within the Chilean system. He is a well-worn, familiar figure with a bourgeois life style whose policies as President…would turn out to be relatively reformist.” Shlaudeman, Korry, and the Department of State did not subscribe to this view; but the Army officers were proved correct. As Korry told the U.S. Congress in 1971, under Allende, the Chilean military “has gotten the best deal that any President in modern Chilean history has given to the military.”

112 Telegram 4739 “Viaux and Military Pay,” Shlaudeman to Secretary of State, 10 November 1969, Folder – DEF – Defense Affairs Chile, Box 1529, CFPF 1967-69, RG59, NA.

113 Alessandri claims that he had good relations with the Armed Forces because he did not “meddle” in military affairs. Perhaps, but Alessandri also presided over a period of stringent budgets, spending cuts, and disarmament advocacy. If Schneider is correct, the military may have disliked Alessandri because he restrained military spending. Furthermore, 1969-1970 was not 1959-1960, and the threats to Chile (leftist terrorism, Palena, Beagle Channel) were quite different. See “Conversation with Jorge Alessandri in his Apartment in Santiago,” 1 July 1971, conducted by Robert J. Alexander, in Alexander, ed., The ABC Presidents: Conversations and Correspondence with the Presidents of Argentina, Brazil, and Chile (Westport: Praeger, 1992), 220. Alessandri discussed disarmament with Presidents Dwight D. Eisenhower and John F. Kennedy. For Eisenhower, see Memorandum of Conversation “Disarmament and Rearmament,” William L. Krieg Counselor of Embassy, 29 February 1960, FRUS 1958-60, Volume V: microfiche supplement, Document CI-29, Frames 84-2716 – 84-2719. For Kennedy, see Memorandum of Conversation “U.S. Military Aid Progress, and Chilean Relations with Bolivia,” van Reigersberg, 11 December 1962, FRUS, 1961-63, Microfiche supplement (Washington D.C.: USGPO, 1998), Document CHI-10/1-10/2; and Edwin McCammon Martin, Kennedy and Latin America (Lanham: University Press of America, 1994), 318-319.

the armed forces may have inhibited efforts by anti-Communist factions and lengthened his presidency until it was clear that his economic policies were a failure and his inability to restrain the far Left (Altamirano, MIR) was contributing to a breakdown of civil order.115

For U.S. policymakers, the Tacnazo entrenched them in Korry’s stepping back approach, restraining U.S. actions during the 1970 presidential campaign. The CIA comment heightened Chilean sensitivities to U.S. interference in Chile’s political arena. Frei’s suspicions infuriated U.S. officials who then admitted that supporting and strengthening Chilean democracy was the foundation of U.S. policy. The CIA debacle led the U.S. embassy to reduce information gathering and curbed attempts to build contacts among the Chilean military. The reduction did little harm during the campaign, but the Department of State and White House would lament the lack of good information during the post-election period when U.S. officials needed information and military contacts most. Hesitant to undertake actions which might further inflame Chilean sensitivities and prompt new accusations of U.S. interference, U.S. officials faced an election that closely resembled the 1958 election; moreover, the embassy had reported for more than a year that Allende was in a much better position to win.

115 Stefan de Vylder offers an insightful evaluation of Allende’s economic policies from a Marxian perspective. See de Vylder, *Allende’s Chile: The Political Economy of the Rise and Fall of the Unidad Popular* (London: Cambridge University Press, 1976 [1974]).
CHAPTER 9
THE ANTI-MODEL, 1967-1969

Limits and Fears

Chile’s 1970 presidential election resembled and departed from the previous contests of 1958 and 1946. Like 1958 and 1946, there were multiple candidates, with a “popular front” coalition on the Left. Unlike the previous contests, Chile’s suffrage laws in 1970 resembled a model democracy far more than they did in 1946 or 1958. However, the Chilean electorate was polarizing between Left and Right, with an eroding Center, and prior to the election every political party except the Communists had split. U.S. Ambassador Edward M. Korry expected the 1970 election to be “noisy” and promised, “Those who feast on conspiratorial crumbs will have rich fare…before a new president is elected.” What Korry did not know was that the United States would contribute substantially to that pile of “conspiratorial crumbs.”

Many examinations of Chile’s 1970 election rely upon the 1975 report of the Senate Select Committee on U.S. intelligence activities, chaired by Senator Frank Church (D-Idaho). Using recently declassified documents, this study offers four substantial challenges to that report: 1) the Nixon administration efforts in 1970 were reactions to sudden Chilean developments, not a coherent, White House initiated policy; 2) U.S. activities during the 1970 presidential campaign constituted an extensive reduction of U.S. interference when compared to U.S. activities in 1964,


3) Ambassador Korry and the Department of State directed U.S. policy during the 1970 presidential campaign, not the White House, and 4) Tracks I and II were active, pre-existing Chilean efforts that the Nixon administration attempted to assist, not White House initiatives. In fact, Track I was discussed by Chilean President Eduardo Frei Montalva and Chilean military commanders prior to the September 1970 election.³

Salvador Allende Gossens’s electoral victory on 4 September divides 1970 into two periods: the presidential campaign and the post-election period. During the campaign (January through August), the model democracy premise, as framed in Korry’s “stepping back” strategy, guided U.S. policy and actions. “Stepping back” focused on respecting Chilean democracy and curbing the expansion of Communism, and U.S. officials tried to balance the two foci. As an Allende victory became more likely, U.S. policymakers began to make compromises and favor curbing Communist expansion. Also shaping U.S. actions during the campaign was the October 1969 Tacnazo led by General (Ret.) Roberto Viaux Marambio. The Tacnazo exposed Chileans’ heightened sensitivities to U.S. interference, inhibiting U.S. policymakers from pursuing more aggressive efforts against Allende during the campaign. As a result, U.S. efforts during the 1970 election were far more restrained and a mere fraction of U.S. efforts in 1964.

For U.S. policymakers, Allende’s victory on 4 September transformed model democratic Chile into an anti-model of Communist subversion through the democratic process, and the Nixon administration reoriented the model democracy premise to confront an anti-model.

During the first ten days of the post-election period (from election day on 4 September to Nixon’s call to make Chile’s economy “scream” on 15 September), U.S. policymakers moved uncertainly and hesitantly because of pre- and post-election maneuvers by President Frei and Chilean military leaders. Chilean leaders had already had discussed the “Frei Gambit” in August, and after 4 September, they initiated two “constitutional” plans to deny Allende the presidency. Furthermore, the top commanders of Chile’s Armed Forces were discussing a coup d’etat. The Nixon administration’s Tracks I and II originated in the Chilean maneuvers. As the plans of Frei and the military sputtered, Nixon and his National Security Adviser Henry A. Kissinger decided to encourage covertly the Chilean plans (Tracks I and II), despite the dim chances of success and the possible grave consequences. Efforts collapsed when a third group’s bungled kidnapping of General Rene Schneider Chernau resulted in his death. Shocked, Chileans united behind Allende, who was inaugurated as President of Chile on 3 November.

Nixon and Kissinger, like their predecessors, framed Chile and the Allende threat within the model democracy premise, but they feared that Allende’s Chile would offer a democratic model for marxist socialism that could help tip the Cold War against the United States. As Kissinger stressed to Nixon, Allende “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 that he does not have it.”

Nixon, Kissinger, and other U.S. policymakers pursued actions oriented toward an anti-model of Communists taking power through democratic means. Allende would have his opportunity to enact the via pacífica (the peaceful road to socialism), but the Nixon White House would do

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4 Underline in original. Memorandum “NSC Meeting, November 6 – Chile,” Kissinger to Nixon, 5 November 1970.
nothing to assist Allende in achieving his vision of realizing socialism, in which the state and workers owned and managed Chile’s resources and means of production.  

The 1970 Campaign

Korry exuded optimism about Chile and U.S.-Chilean relations in his New Year’s Day 1970 despatch to Washington. Amid the turbulence of the 1960s, he wrote, Chile was “one of the calmer and more decent places on Earth” and “has managed a kind of equilibrium.” He said that President Frei had achieved real income transfers to the middle, working, and lower classes, and had made “extensive” educational and agrarian reforms. Frei’s “chileanization” of the copper mines had benefitted from high copper prices, allowing the Chileans to buy out the U.S. copper companies Kennecott and Anaconda with relative ease; meanwhile, the copper companies enjoyed investment returns well beyond their original estimates. Chile’s Congress expanded suffrage to young adults 18 and 21 years old and to illiterates. It also reformed the constitution, giving greater powers to the President, which prompting one Rightist politician to remark that “it will now be possible to govern Chile.” The military maintained its non-political stance, despite the Frei administration’s and General Schneider’s poor handling of Viaux’s sit-in protest, known as the Tacnazo. Even so, Korry wrote, presidential campaign rhetoric would be loud and passionate, but, he assured his readers, the rhetorical “noise” was “the sound of open safety valves and not the hiss of suppressed furies.”  


The U.S. Embassy in Santiago deemed the three presidential candidates an “unsatisfactory slate,” and Korry said that not one of the three promised the leadership that Frei had provided for the past six years. U.S. officials were perhaps most critical of Jorge Alessandri Rodríguez, the Right’s candidate. Embassy officers had ridiculed Alessandri’s announcement of his candidacy by titling their report: “Jorge Alessandri Kicks Off in Cemetery Speech.” Alessandri did announce his candidacy at the funeral of a close friend, but embassy political officials played upon the double meaning of “to kick off” because they considered the “arthritic” Alessandri with a “pronounced tremor in both hands” to be too old and of too ill-health to lead Chile. Equally important, U.S. officials believed that Alessandri had been “more a caretaker than an initiator” while he had been president from 1958 to 1964. He had avoided reform, fostered little economic development, and oversaw an “extraordinary increase” in Chile’s external debt.

Alessandri ran as an “administrator,” a man above politics, but his public image diverged from his private actions. He initially claimed that he had no political ambitions, but he engaged in extensive “backstairs campaigning” and admitted to Korry two years before the election of his interest in being a candidate. Publicly, Alessandri said he could work with the Communist Party (PCCh – Partido Comunista de Chile), but privately, he said that a victory by the Popular Action

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Front (FRAP – Frente de Acción Popular) would be better than a victory by the Christian Democrats because “it would provoke the military reaction needed to save this country.” Alessandri met and dined almost weekly with leaders of the National Party (PN – Partido Nacional), but publicly denied any Rightist orientation to his candidacy. He also distanced himself from the PN, which was accused of being the party of the elites (the U.S. embassy admitted that it was) and having Nazi tendencies (PN founder Sergio Onofre Jarpa was a member of the Nazi youth in the 1930s). The embassy said that Alessandri’s attitude was that “the National Party needs him, not he it.”

U.S. officials distrusted Alessandri’s supporters. The embassy reported, “PN officials have repeatedly told us that in a choice between a Christian Democrat and a FRAP candidate, they will take the FRAP every time.” PN leaders, deeply bitter toward Frei, the Christian Democrats, and their reforms, said that if Alessandri could not run, their strategy was to assure the defeat of the Christian Democrat candidate and “create a situation which…would provoke a golpe de estado and the imposition of a right-wing military regime in Chile.” The PN hoped that the

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9 Underline in original document. Airgram A-420 “The Presidenciables,” Korry (Sinn) to Department of State, 17 February 1968. Telegram 4322 “Reflections on Humbuggery,” Korry to Secretary of State, 14 October 1969. Airgram A-147 “Some Post-Election Notes on the National Party and Alessandri,” Korry (Norbury) to Department of State, 12 May 1969, Folder – POL 12 Chile, Box 1778; and Airgram A-297 “The Alessandri Campaign,” Shlaudeman (Karkashian) to Department of State, 11 September 1969, Folder – POL 14 Chile 5/1/69, Box 1779; both CFPF 1967-69, RG59, NA. Telegram 3021 “Presidential Sweepstakes,” Korry to Secretary of State, 15 July 1969. Memorandum of Conversation “Alessandri’s Views of Actual Politico-Economic Situation in Chile,” Dean (Moskowitz), n.d. (19-27 December 1967), enclosed with Airgram A-310 “Ex-President Alessandri’s Views of Actual Politico-Economic Situation in Chile,” Korry (Moskowitz) to Department of State, 29 December 1967, Folder – POL 6 Chile, Box 1776; and Memorandum of Conversation, Sidney Weintraub, Director of U.S. Agency for International Development (USAID), and Alessandri, 12 August 1968, enclosed with Airgram A-789 “Jorge Alessandri: Some of his Philosophy,” Korry (Weintraub) to Department of State, 14 August 1968, Folder – POL 12-1 Chile, Box 1778; all CFPF 1967-69, RG59, NA. For PN’s negatives, see Airgram A-304 “The National Party and its Search for a Centrist Image,” Shlaudeman (Fernandez) to Department of State, 12 September 1969; and Airgram A-78 “El Mercurio Interview with Sergio Jarpa,” Korry (Norbury) to Department of State, 14 March 1969. For Jarpa as a Nazi Youth member, see Sandra McGee Deutsch, Las Derechas: The Extreme Right in Argentina, Brazil, and Chile, 1890-1939 (Stanford: Stanford University Press, 1999), 318.
Chilean military and/or the United States would prevent a “communist takeover” of Chile. Embassy officers expressly told PN leaders that it was “imprudent” to expect the United States to intervene, but several Nationals remained “unconvinced.” The PN engaged in a propaganda campaign to blur the lines between the Christian Democrats and the Marxists, and to define the presidential election as a choice between the Nationals and the Marxists.  

Radomiro Tomic Romero was the expected successor of President Frei, but U.S. officials grew exasperated with the “honest, intelligent, and strong-minded” candidate of the Christian Democrat Party (PDC – Partido Demócrata Cristiano). Tomic sought to build a “popular unity” of the Left, reasoning that only with “popular unity” could he win the election and contain the Communists’ influence. Korry and other U.S. officials deemed Tomic’s “quest for the Red Grail” as misguided and self-defeating. Frei called the strategy “absurd” and told Tomic that he would oppose an alliance with the Communists. In fact, when Tomic was departing Washington after serving as Chile’s Ambassador to the United States from 1965 to 1968, Frei asked senior Department of State officials to disabuse Tomic of the “popular unity” idea. Secretary of State


11 In 1963, when Frei was campaigning for President, PDC youth had developed the slogan, “Frei Presidente, Tomic siguiente [Frei President, Tomic the next].” Cristián Gazmuri R., Eduardo Frei Montalva y su época 2 volumes (Santiago: Aguilar Chilena de Ediciones, 2000), II: 760.

Dean Rusk cautioned Tomic against it; meanwhile, Korry bluntly told him that the Communists would “play [him] for the all-time, all-Chilean, all-day sucker,” and would force him to “prove his credentials as a true ‘revolutionary’ and then abandon him.” Tomic thanked his American friends for their views but persisted. When he returned to Chile, he proposed a PDC-PCCh alliance, but Luís Corvalán Léppe, Secretary General of the PCCh, rejected it. “With Tomic, not even to mass,” quipped Corvalán, but Tomic was not dissuaded.\textsuperscript{13}

Salvador Allende, undertaking his fourth presidential candidacy, cast him-self as a democratic statesman and as a socialist revolutionary, but not all Leftists considered the dual image credible. The U.S. embassy wrote that Allende’s dual hats were “a neat trick” if he could do it, and Fidel Castro reportedly told Allende directly that “he was no revolutionary and that his guerrilla suit should be made by Christian Dior.” Castro and U.S. officials treated the two labels as mutually exclusive, but Allende did not. He sought to create “a broad anti-imperialist front to capture political power and install socialism in Chile.” This broad front, he stressed, was not a revival of the 1938 Popular Front under President Pedro Aguirre Cerda, but rather a “truer left” centered on the working classes, as represented by the Socialist and Communist Parties. Allende welcomed independent and traditional political groups to join his anti-imperialist front even if they were not imbued with the class-consciousness of the two Marxist parties.\textsuperscript{14}


\textsuperscript{14} Memorandum “Chilean Crisis,” Chief of Chile Task Force and Deputy Chief of Western Hemisphere Division to Chief of Western Hemisphere Division, 29 September 1970, Tranche III, CIA Collection, Chile Declassification Project, http://foia.state.gov/SearchColls/CIA.asp. Hereafter cited as CDP: CIA III. Airgram A-587 “Salvador
Worried that Allende could win in the upcoming election, Ambassador Korry and Henry Hecksher, the CIA’s chief in Santiago, proposed a spoiling operation but withdrew it. During their December consultations in Washington, Korry and Hecksher met with the 303 Committee and proposed a propaganda campaign against Allende. Assistant Secretary of State for Inter-American Affairs Charles A. Meyer and Deputy Assistant Secretary of State John Hugh Crimmins questioned whether the United States should get involved in the 1970 election. Crimmins admitted that their “maximum objective” was the collapse and division of Allende’s Leftist coalition, but he and Meyer asserted that an Allende victory was not the same thing as a Communist victory. Korry disagreed: “It would be very imprudent to act as if an Allende government would be anything but another Castro government;” in fact, “it might be worse.”

The disagreement among Department of State officers led Korry to withdraw the proposal.15 Divisions within the Chilean Left almost resolved the disagreement between the embassy and the department because Allende was nearly denied the nomination. Forming Popular Unity (UP – Unidad Popular) in September 1969, the Leftist parties spent more than two months writing their program (equivalent to a U.S. party platform), and the result drew heavily upon the


program that the Communists had adopted at their November 1969 convention.\textsuperscript{16} The parties signed the Popular Unity Pact, which divided the ministries of a UP government in a mutually acceptable manner.\textsuperscript{17} By 1 January 1970, Popular Unity still had not agreed upon a candidate. Allende did not enjoy broad support among coalition leaders. Two leaders of the Movement of Unified Popular Action (MAPU – Movimiento de Acción Popular Unitaria, an offspring of the Christian Democrats) told Allende that he was a “spent figure,” too tied to parliamentary politics, and unable to draw younger voters. Allende retorted, “Like Coca-Cola, I am a product that is already popular. The name ‘Allende’ is known on every street corner in Chile. How much time and money will be needed to make [your candidate, Jacques] Chonchol a recognized figure?”\textsuperscript{18}

Popular Unity’s wrangling over a candidate nearly broke the coalition. On 1 January 1970, the Radicals, Social Democrats, and the Popular Independent Alliance (API – Alianza Popular Independiente) had suspended talks with the Socialists, Communists, and MAPU. Alberto Baltra Cortés (Radical), Rafael Tarud Siwady (API), Pablo Neruda (Communist), and Allende (Socialist) remained firm in their candidacies. MAPU’s Jacques Chonchol withdrew, and MAPU said that it would accept any candidate who represented the workers, which meant Neruda or Allende. The PCCh held with Neruda but would accept Allende. During the first week of January, Allende and Baltra tentatively resigned as candidates (“resignations with rubber bands”) but their respective parties rejected the resignations. With a deadlock, a Radical

\textsuperscript{16} For a comparison of sections from the PCCh and UP programs, see Sigmund, \textit{The Overthrow of Allende}, 302n15.

\textsuperscript{17} The Communists, Socialists, and Radicals would receive three ministries each, and MAPU would obtain two. The subsecretario of each ministry would go to a party different from that of the minister. Eduardo Labarca Goddard, \textit{Chile al rojo: Reportaje a una revolución que nace} (Santiago: La Sociedad Impresora Horizonte, 1971), 234-239. Sigmund, \textit{The Overthrow of Allende}, 90.

\textsuperscript{18} Labarca, \textit{Chile al rojo}, 224.
leader called for dissolution of the UP, but the Social Democrats’ single parliamentarian Luis Fernando Luengo (former Vice President of the Senate under Allende) threw his support to Allende. On 20 January, Baltra and Neruda withdrew, but Tarud refused. After two days of negotiations, Allende agreed to name Tarud as generalissimo of his campaign, pay Tarud’s campaign expenses, and give the API additional government posts. On 22 January, PCCh Secretary General Luís Corvalán made the announcement. Comparing UP’s deliberations for a candidate to a convocation of cardinals at the Vatican for naming a new Pope, he said, “The white smoke goes out! There is a single candidate! It is Allende!”

More focused than his three previous efforts, Allende’s 1970 campaign combined the popular front strategy of the “old” Left with the youth and passion of the New Left. In 1970, he gave greater attention to regions and locales where he had strong support and anticipated a high voter turnout, which included the mining areas, the far south, cities such as Concepción, and the working and lower class comunas and poblaciones around Santiago. Allende’s campaign also devoted more attention to campesinos and rural workers because Frei’s agrarian reforms had removed the barriers to rural unionization. Combined with the secret ballot, rural unions provided UP campaign workers opportunities to garner votes among a group long controlled by the Right. In addition, Allende’s campaign targeted specific voter demographics; for example, the Military Civic Front canvassed the Armed Forces. A chain of radio stations owned by Rafael Tarud further aided Allende’s candidacy. Allende’s campaign also identified itself with Chile’s counterculture, particularly the Nueva Canción Chilena (New Chilean Song) movement.

19 Labarca, Chile al rojo, 240-252. Puccio, Un cuarto de siglo con Allende, 199-201.
Musicians such as Victor Jara, Inti-Illimani, and Quilapayún advocated a political message, while drawing on the Spanish, Indian, and lower class influences of Chilean folk music.  

In February 1970, as the Allende, Alessandri, and Tomic campaigns went into full swing, two MAPU senators introduced a constitutional amendment that would have created a run-off election. The proposed amendment stipulated that if no candidate received a majority, a second round would occur between the top two finishers. Frei and the Christian Democrats supported the idea because they believed that Tomic would at least finish in second place and he would then receive votes from the Left or Right, depending upon who had finished third. With Alessandri the frontrunner, the Right opposed the amendment, believing that the PDC and the UP would join together and deny Alessandri the presidency. The UP opposed the amendment for similar reasons: PDC and the Right would deny Allende the presidency. On 11 February, Alessandri declared that whoever received the most votes on 4 September should be President. He repeated this position several times, and the proposed amendment died.

The demise of the “second round” amendment may have led Korry and Hecksher to resubmit their anti-Communist spoiling operation plan. Polls placed Alessandri in first, Allende a strong second and gaining strength, Tomic a distant third, with undecided voters at 10-15 percent. The embassy, the Department of State, and CIA presented a revised Korry-Hecksher


21 Cristián Gazmuri calls Alessandri’s declaration as “one of the worst political errors” in modern Chilean history. Gazmuri, Eduardo Frei Montalva y su época, II: 763-764. Sigmund, The Overthrow of Allende, 96-97.
plan to the 40 Committee (the 303 Committee renamed). Under the plan, the United States
would not support a specific candidate; instead, it would discourage votes for Allende through
anti-Communist propaganda. The plan also would subsidize the Democratic Radical Party
(Radicals like Julio Durán Neumann who opposed the UP) in its efforts to reduce the number of
Radical votes for Allende. The 40 Committee unanimously approved the plan on 25 March,
authorizing $135,000 for it. However, Under Secretary for Political Affairs U. Alexis Johnson
emphasized that the Department of State was “lukewarm to any involvement in Chile” and “quite
cool” to any further efforts.22

Compared to the 1964 effort, the March 1970 operation was miniscule. Viron P. Vaky,
former Deputy Assistant Secretary for Inter-American Affairs now serving on the National
Security Council (NSC), questioned the limited nature of the March operation. If Allende was
the threat that Korry and the CIA claimed, Vaky wrote, “should we not do more than we propose
to insure his defeat?” U.S. officials could not do more. Chilean sensitivities to U.S. interference,
as the Tacnazo showed, restrained U.S. policymakers from more aggressive action, lest exposure
created greater sympathy for Allende. Allende’s improving chances of winning were forcing
policymakers to choose between respecting Chilean democracy and stemming the Allende’s
growing appeal. Fearful of another “Who Lost China” debate that had bedeviled President Harry
S Truman and his administration, no subsequent U.S. administration during the Cold War was
willing to stand by and allow a nation go Marxist, certainly not the Nixon administration. In

22 Memorandum “Chronology of 40 Committee Actions in Chile since 1968,” NSC, 3 October 1974; and
Memorandum “Political Action Related to the 1970 Chilean Presidential Election,” CIA, 5 March 1970; both CDP:
NSC III. U.S. Senate, Covert Action in Chile, 20-21. Memorandum “Minutes of the Meeting of the 40 Committee,
25 March 1970,” Chapin, 30 March 1970; and Memorandum “Policy Decisions Related to Our Covert Action
Involvement in the September 1970 Chilean Presidential Election,” CIA, 7 September 1970; both CDP: NARA III.
March 1970, U.S. policymakers compromised; the small, anti-Communist effort still allowed them to adhere to the two foci of “stepping back.” The $135,000 operation was less than what U.S. officials had authorized for the 1965 and 1969 Congressional elections ($175,000 and $200,000 respectively). It also paled in comparison to the millions that President Lyndon Baines Johnson and his administration had committed by this same point in Chile’s 1964 election.23

The Tacnazo’s influence appeared again when the Frei administration discovered the first serious coup plot since the 1955 Linea Recta affair. On 25 March, the same day that the 40 Committee authorized the spoiling effort, Chilean officials arrested General (Ret.) Horacio Gamboa Nuñez and a group of military officers for coup plotting. Even though the U.S. Army Attaché reported that Chilean Army officers were “laughing over the idea” of Gamboa leading a coup (Gamboa was described as a bit “loco”), Gamboa’s group had detailed floor plans for Frei’s residence and La Moneda, and was well advanced in its preparations. Furthermore, the Frei administration and Viaux denied the latter was involved, but the CIA reported that Gamboa’s group had been “in touch” with Viaux, who was giving them “moral support.” Frei placed 100 Carabinero and Investigaciones officers around Viaux’s house, which fueled speculation about the general’s role. Whatever Viaux’s role, Gamboa’s coup plot signaled significant politicization within the armed forces and a sharp loss of faith in civilian political leadership.24

23 The Church Committee report suggests increasing U.S. involvement and interference in Chile’s domestic politics; however, when considered with Korry’s “stepping back” strategy efforts, the March 1970 spoiling operation is part of a trajectory of decreasing U.S. involvement and interference in Chile since 1967. U.S. Senate, Covert Action in Chile, 17, 20-21.

General René Schneider contributed to rather than dispelled the concerns swirling around the military and its political orientation. A reporter from *El Mercurio* asked Schneider how the military would respond if Congress chose the second place finisher over the candidate with the largest plurality. Schneider reaffirmed the military’s commitment to uphold the constitution, and since the constitution permitted Congress to select the second place candidate, the military would respect Congress’s decision. Schneider’s response was standard, but it created an uproar. The Right criticized Schneider, fearing that he and the Christian Democrats would join with the Left to deny Alessandri the presidency. The idea that the military would not allow Allende to be president also had been floated in conversation. The U.S. military attachés in Chile (Army, Navy, and Air Force) agreed that the majority of Chile’s military forces strongly adhered to the constitution, telling the U.S. Southern Command that “the only situation” that would instigate a military takeover of power would be “a breakdown of public order of a magnitude which would threaten the fabric of [Chile’s] social order.” Yet Schneider may have further politicized the Armed Forces by prompting military officers to ask themselves: “What is the military’s role?” Should they permit a Marxist with Communist allies to be President? Should they support another Christian Democrat who, like Frei, might also not attend to the military’s needs?25

The Revolutionary Left Movement’s (MIR’s — Movimiento Izquierdo Revolucionario’s) guerrilla warfare activities fueled worries about the breakdown of civil society and public order.

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Between November 1969 and June 1970, MIR committed three hijackings and seven bank robberies and armed attacks. In April 1970, Chilean officials arrested 16 Special Forces soldiers for teaching guerrilla tactics to a squatter settlement militia, whose leader was a member of MIR. One Chilean intelligence officer told U.S. officials that military intelligence had penetrated MIR, but MIR, Communists, and Socialists had also made inroads in the military. In May 1970, Carabineros discovered a MIR guerrilla training camp near the city of Valdivia, and in Santiago, they found a MIR “hideout” with automatic weapons, explosives, chemicals, guerrilla warfare manuals, and phone-tapping equipment. General Vicente Huerta Celis, Commander of the Carabineros, told the U.S. embassy that MIR had broken onto the Carabineros’ radio frequency, and declared that “we are better armed than you,” and “we are on your frequency and will broadcast every 24 hours.” Huerta asked U.S. officials in the “strongest terms” for new radio equipment for communications and for locating finding clandestine radio outposts. Embassy officials endorsed Huerta’s request and worked to obtain the equipment quickly.26

During the early months of the campaign, Alessandri supporters lobbied U.S. businesses and the U.S. government for campaign contributions. PN Senator Pedro Ibáñez travelled to New York to lobby U.S. corporations. By April, pressure from Alessandri partisans led the U.S.

embassy to state clearly that “no case can be made for U.S. Government funding of Alessandri and Tomić” and to try and quash any private U.S. contributions.  

Alessandri’s 24 May appearance on the Sunday evening show *Decision 70* transformed a comfortable Alessandri lead into a toss-up between Allende and Alessandri. It was equivalent to, if not greater in effect, than Nixon’s first television debate with John F. Kennedy in 1960. The number of Chilean households having television sets grew from 30,000 in 1964 to more than 500,000 in 1970. The 74 year-old Alessandri, having just returned from a campaign trip in the far North, was tired and had prepared little. He did not answer questions sharply, but most noticeable was the uncontrollable shaking of his left hand. The opposition had often cited Alessandri’s health as an issue, and it was popular to use the term *momios* (mummies) to refer to the traditional elite and the Right. What Chileans saw on their television screens on 24 May was a “disagreeable old man” with a trembling hand, in essence, a *momio*. Polls showed an overnight four-point drop in Alessandri’s numbers, and the decline worsened over the subsequent days. 

Allende, in contrast, did well on television, but had a heart attack just before his television appearance. He projected “a friendly but firm manner” and his skills as “a talented behind-the-scenes negotiator” translated well on screen. Allende was slated to tape a program shortly after Alessandri’s appearance, but he suffered a heart attack just a few days before the taping. His campaign team downplayed his condition as the flu, but rumor said it was more serious. Some

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UP officials called upon Allende to withdrawal, and U.S. officials learned of his condition. The doctor allowed Allende to tape the program. Allende’s effort was “impressive,” writes Osvaldo Puccio, and even the CIA admitted that Allende did well.29

Alessandri’s disastrous television appearance unquestionably led U.S. officials to redouble their efforts against Allende. With the election now a toss-up (Alessandri, 36-37 percent; Allende, 33-34 percent; Tomic 27-28 percent), Korry asked the 40 Committee to expand the spoiling operation. “Allende and he alone is our target,” Korry wrote, and if he won, it would “undermine totally” Nixon’s Latin American policy and “would sap U.S. will to implement our policies in Asia and elsewhere.” Supported by the CIA, the proposed larger program had two phases. Phase I expanded the existing anti-Communist propaganda operation and gave more money to the Democratic Radicals who were working to woo Radical votes away from Allende. For Phase II, U.S. officials assumed that no candidate would gain a majority and that Chile’s Congress would vote between the top two finishers. Phase II, therefore, created a contingency fund to influence members of Congress to vote against Allende.30

With his proposal, Korry reopened the disagreement between the U.S. embassy and the Department of State. Assistant Secretary Meyer and Deputy Assistant Secretary Crimmins

29 Francis, The Allende Victory, 57. Francis was conducting research in Chile during the election. Francis to Kissinger, 1 March 1971, attached to Ashley C. Hewitt, NSC, to Francis, 10 March 1971, Foldeer – [Gen] CO 33 Chile 1/1/71--, Box 17, Country File, White House Central Files – Subject File, NPMP. Puccio, Un cuarto de siglo con Allende, 208-209. For U.S. knowledge of Allende’s condition, see Memorandum “Chilean Elections – Another View,” Vaky to Kissinger, 26 June 1970, CDP: NSC III. For CIA review of Allende’s appearance, see Memorandum “Political Action Related to 1970 Chilean Presidential Election,” NSC [?] to the 40 Committee, 22 June 1970, CDP: NSC III.

opposed Korry’s recommendation to expand the anti-Allende effort. Cabling Korry, Crimmins questioned the need for it, disliked its “pro-Alessandri cast,” and expressed concern about the risk of exposure. Besides, said Crimmins, “an Allende victory may not be the end of the world.” Korry replied, “If he (Allende) were to gain power, what would be our response to those who asked what we did?” Korry implied that Crimmins would confront a “Who Lost Chile?” debate and have to explain to Congress that the entire U.S. effort to prevent a second Cuba amounted to $135,000 for propaganda.  

The Department’s internal debate spilled over to the 40 Committee. Kissinger asked why they could not support Tomic more actively. William Broe, Chief of the CIA’s Western Hemisphere Division replied that in 1964, Ambassador Ralph Dungan had laid a “ground rule” that the CIA could not deal with the Christian Democrats. Under Secretary of State Johnson added that Meyer and Crimmins opposed expanding the program, and he “had philosophical reservations” about it. Exasperated, Kissinger remarked: “I don’t see why we need to stand by and watch a country go communist due to the irresponsibility of its own people.”

The 40 Committee approved Korry’s program after “lengthy” debate. The committee authorized a total of $300,000 for Phase I (adding $165,000 to the earlier $135,000), but it would not support a candidate, and Dungan’s “ground rule” was maintained. The 40 Committee also approved $500,000 for Phase II, but it refused to act on Phase II until a follow-up report with an operation plan was completed. In notifying Korry, Meyer wrote, “I want you to know that we in


Korry’s June proposal revealed two important developments. First, Chile’s presidential election had polarized the Nixon administration along the two impulses of “stepping back,” and that polarization was paralyzing the 40 Committee. The Department of State adamantly opposed tampering with Chile’s democracy, and Vaky warned Kissinger that if he raised the subject of Phase II again in a 40 Committee meeting, it would create bureaucratic in-fighting and delay further action in Chile. In fact, Korry and the CIA were “under explicit instructions not to discuss or explore such a Phase II operation with any Chilean contact.” Second, Korry’s proposal and the subsequent June meeting revealed that Korry and the Department of State, not Kissinger and the White House, directed U.S. policy towards Chile. Kissinger attributed the paralysis to “confusion between economic development and foreign policy objectives,” but economic development was not at issue nor discussed. Under Secretary Johnson was explicit; the Department of State opposed “elections management.” A program of the magnitude of 1964 was, as Kissinger noted, “foreclosed without even being discussed” because neither the State Department nor Korry wanted to interfere that extensively. At the time, Kissinger was wrestling

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34 Memorandum “Chile and Phase 2,” Vaky to Kissinger, 20 August 1970, CDP: NSC III.
with Secretary of State William Rogers over the control of U.S. foreign policy, but with Chile, Kissinger could not yet override what the Department of State refused to undertake.  

The 40 Committee’s June 1970 approval was the last authorization of U.S. funds before Chile’s 4 September election, and as such, it allows one to compare U.S. activities for the 1970 election to U.S. efforts in 1964. The Nixon administration’s efforts in 1970 exhibit continuity with Korry’s “stepping back” strategy; meanwhile, the Johnson administration interfered far more extensively during the 1964 election. The Johnson administration spent over $100 million to assist Frei and defeat Allende in 1964; however, the Nixon administration spent no more than $350-375,000, which was less than one-half of one percent of 1964 funds. The $375,000 figure may seem a surprise given the Church Committee report’s repeated citation of $1 million. The 40 Committee did authorize a total of $935,000 for the 1970 election, but Phase II funds ($500,000) were never used, leaving $435,000 (the March $135,000 and the June $300,000). Korry later indicated that not all $435,000 was spent. Also, and if the differential between funds authorized and funds actually spent for the 1969 Congressional elections is any guide, then the United States probably spent no more than $375,000 on the 1970 election.  

The Communist bloc may have outspent the United States in 1970. The Church Committee reports that Cuba gave $350,000 to Allende’s campaign, nearly equal to what the


United States spent to stop Allende. Acknowledging the Cuban funds, Allende’s aide Osvaldo Puccio adds that Allende received monies from East Germany, Poland, and other socialist countries. Korry later added that the East Germans gave “large amounts” to Allende’s campaign and “rented” Radical Senators Alberto Baltra and Luis Bossay Leyva “like a Her[t]z car.”

A comparison of U.S. efforts in 1964 and 1970 also shows the Johnson administration to be far more interventionist. The Nixon administration’s 1970 effort focused on anti-Communist propaganda and aid to the Radical Democrats. The effort did not favor a particular candidate, and one must acknowledge that the anti-Communist effort allowed one to vote for either Tomic or Alessandri. In 1964, the Johnson administration worked directly with Frei and his campaign, bent every economic development program to favor Frei, and sent PL-480 (Food for Peace) aid to Chile in order to keep food prices low. It undertook grassroots organizing efforts for Frei, conducted public opinion polls, and funded medical and other services for the urban poor.

Regarding links between the CIA and U.S. corporations, declassified documents reveal that the CIA refused to have formal ties to U.S. corporate actions. The link may be better described as two senior officials helping a former director, but it was not an official U.S. government action. Alessandri supporters lobbied U.S. businesses for donations, and in April, the Council of the Americas (a U.S. corporate group with interests in Chile) approached the CIA and offered $500,000 to assist Alessandri’s campaign if the CIA would match the funds. When informed of the offer, Korry strongly opposed it. It “would be impossible to cloak,” he wrote, and it would anger Chileans, doing “harm to immediate and longer term United States interests.”


38 See U.S. Senate, Covert Action in Chile, 21-22.
The offer died. In June, former CIA Director John McCone, who was serving on the Board of Directors for International Telephone and Telegraph (ITT), contacted CIA Director Richard Helms. During one of their discussions about the Chilean election, McCone suggested that someone from the agency should contact Harold Geneen, Chairman and President of ITT. William Broe met with Geneen on 16 July 1970 and learned that Geneen wanted to pass a “substantial” sum to Alessandri’s campaign through a CIA channel. Broe refused. ITT was given information for a private contact that it might use. ITT passed $250,000 to Alessandri’s campaign and $100,000 to the National Party, with other U.S. companies adding $350,000. In total, Alessandri received approximately $1.1 million from U.S. and foreign companies. Korry’s fears were verified on 21 July when members of the Communist Youth broke into the offices of the advertising company, Agencia Andalién. The Communists stole documents that linked the “campaign of terror” to Alessandri’s campaign, the National Party, and such U.S. companies as Bank of America, First National City Bank, and Anaconda Copper.

As Chile’s presidential race entered its final weeks, the Nixon White House prepared for a possible Allende presidency, and the outlines of a post-election policy emerged. On 24 July, Kissinger, at Nixon’s request, asked the NSC to review U.S. policy under the scenario of an


Allende victory. National Security Study Memorandum (NSSM) 97 presented four options. The
United States could “make a conscious effort to work out [a] *modus vivendi*” with Allende. It
could maintain minimal relations with Chile under Allende. Third, it could “seek to isolate and
hamper” an Allende government. The fourth option, contained in a highly classified annex to
NSSM 97, proposed overthrowing Allende or preventing his inauguration.\(^{41}\)

ARA cabled NSSM 97 to Korry for his comment, and Korry, responding with two cables
and a contingency paper, asserted that “the issue is not whether we have ‘confrontation’ but how
we deal with it.” The modus vivendi path, he said, was “a theoretical hypothesis without relation
to reality.” “Allende has promised to pursue the goals of the Cuban revolution here in Chile,”
said Korry, “and we see no reason not to take [him at] his word.” The ambassador was certain
that Allende would nationalize the copper mines, pressure foreign businesses, and “soak the rich,
which is never unpopular.” Moreover, Allende had decried “U.S. imperialism as public enemy
number one.” Why, Korry implicitly asked, would the United States seek a modus vivendi with
a leader who would move closer to the Soviet Union, Cuba, and the Communist bloc?\(^{42}\)

On isolation and hostility, Korry was blunt: “a strategy of deliberate and public
confrontation would either be beyond our capacity or [come] at such high cost as not to be
practical.” Foreclosing the fourth option (intervention), Korry wrote, “1970 Chile is not 1959

\(^{41}\) Telegram, Department of State to Korry, 5 August 1970, Document 1-1; and Back Channel Telegram, Crimmins
to Korry, 5 August 1970, Document 1-2; both “Chile en los archivos de EE. UU. (1970): Documentos del

\(^{42}\) Memorandum “U.S. Ambassador in Chile, Edward M. Korry, gives his opinion concerning options for the US
Government in Case Allende Wins the Election,” Korry to Department of State, 10-11 August 1970, Document 1-3;
and Contingency Paper “Fidelismo sin Fidel,” Korry, [10?] August 1970, Document 2; both “Chile en los archivos
that he sent his contingency paper to Washington, see Korry, “

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Cuba;’’ “Chile has the human talents and organizational skills plus a broad popular political base to prove the impotence of US public confrontation.” Furthermore, Chile’s large copper markets were in Western Europe and Japan, and Chile could supplement those markets with sales to China and Eastern Europe. “Copper is not sugar,” Korry quipped, “and the world will need it.” The ambassador also warned that U.S. hostility would provide Allende the “public justification” for each action that eliminated U.S. influence. The committee of Department of State, CIA, NSC, and Department of Defense officials who wrote NSSM 97’s annex agreed with Korry on Option Four but was more apocalyptic. Option Four, they said, involved “the highest risks,” had “little chance” for success, and “would have grave consequences for our relations in Chile, in the hemisphere, in the United States, and elsewhere in the world.”

Of the remaining options, Korry advocated a “cool but correct” posture. Although this was an “uncomfortable, unsatisfying, and uncertain” course, Korry wrote, style would count more than substance with Allende. It was already assumed that the United States would oppose Allende, but, Korry stressed, it was how the United States disagreed that mattered. The words and outlets U.S. officials chose, the “subtleties we employ,” and the “manner in which we accept inevitabilities” would shape international opinion and preserve U.S. avenues for influence.


With an Allende victory likely, U.S. officials moved toward a “cool but correct” policy, but Kissinger took control of U.S. policy toward Chile. During a 19 August meeting, the Special Review Group (a subset of the 40 Committee) determined that Alessandri would win by plurality, with Allende in second place; and that Chile’s Congress would break “tradition” and elect Allende as president. The CIA reported that Tomic had made a pre-electoral pact with Allende: they would join forces to prevent Congress from electing the runner-up (presumably Alessandri). Kissinger pressed the group to devise a plan and make preparations for Phase 2, saying that “the President will want maximum effort made to keep Allende from winning in the Congress.” There was no discussion of risks involved or of NSSM 97 and its findings.45

In Santiago, Frei and the military commanders anticipated an Allende victory and began discussing a “Frei Gambit” plan to keep Allende out of La Moneda. The commanders met with Frei several times during August to convince him to resign and turn the government over to the military in order to stop the election. Frei would not do so, but the commanders made clear that they wanted Frei to take the initiative. News of the discussions reached the SRG, which noted that “Frei has something in mind” for the post-election period. How extensive the talks between Frei and the military were is not clear, but the Frei Gambit was already developing among Frei and the military in the weeks before presidential ballots were cast.46


Ten Days in September

Allende won, and the result surprised Allende’s most ardent supporters. On 4 September 1970, he garnered 1,070,334 votes, or 36.2 percent of the electorate. Alessandri gathered 1,031,159 votes (34.9 percent), and Tomic received 821,801 votes (27.8 percent). Allende achieved his margin of victory from the votes of the far North, the far South, and the city of Concepción. It was the first time the provinces, not the Santiago-Valparaíso core, had decided the election. Fidel Castro wired Allende to congratulate him, the first foreign leader to do so.47

At 01:30, Allende gave his victory speech, urging supporters to prepare to implement socialism. “[T]he victory that we have achieved cleanly today,” he said, is “a victory that opens a new road for the country.” “Together, with your efforts,” he continued, “we are going to realize the changes that Chile demands and needs. We are going to build a revolutionary government. Revolution does not mean destroying but constructing; it does not mean sweeping away, but building up….I have complete faith that we will be strong enough, calm and strong enough in order to open the joyful road to a different and better life; to start walking on the awaited avenues of socialism, which the people of Chile will build with their own hands.” “If the victory was not easy,” he said, “difficult will it be to consolidate our triumph and construct the new society, the new social compact, the new morale, and the new country.”48


The next morning, Tomic went to Allende’s home and conceded the election. Before television cameras, the PDC candidate declared, “I have come to greet the President-elect of Chile, my old friend, Salvador Allende.” Tomic left after a brief meeting. Allende remarked that Tomic’s visit made it difficult for the Christian Democrats to disavow his victory.49

Not all Chileans celebrated Allende’s victory. The Chilean stock market fell, and many Chileans rushed banks and savings and loan associations to make withdrawals. Other Chileans bought airline tickets to leave the country, and Augustín Edwards Budge, owner of El Mercurio, left shortly after the election. The U.S. embassy was overwhelmed by visa requests, and the CIA reported that some Chileans had asked Argentine authorities to set up a “refugee center in Mendoza for Chileans wishing to flee an Allende government.” The U.S. embassy delayed shipping several crates of paintings (from a recent Art in Embassy exhibit), for fear that it would “create an unfortunate” impression that U.S. personnel were leaving Chile.50

The Right mobilized and pressured Congress, the military, and the Frei government to prevent Allende’s inauguration. Starting on 5 September (the day after the election), PN women staged “vigils” outside La Moneda. Dressed in black in mourn of the “death of Chilean democracy,” they urged Frei to not “surrender the country to communism.” Patria y Libertad (Fatherland and Freedom), founded by Pablo Rodríguez Grez, ran newspaper ads and organized

49 Puccio, Un cuarto de siglo con Allende, 242-244. Labarca, Chile al rojo, 384.

rallies to press Congress to deny Allende the presidency. According to the U.S. embassy, Rodriguez Grez developed the idea of “death of democracy” vigils outside La Moneda.  

Several recalled the “stunned surprise” and fury among U.S. officials at Allende’s victory, but there was also resignation. Korry claimed that the Chileans had committed “national suicide” and told Washington, “We have suffered a grievous defeat; the consequences will be domestic and international.” “Nixon was beside himself,” wrote Kissinger. There was also recognition among U.S. officials that the ability to tell Chileans for whom they should vote was beyond the power of the U.S. Government. U.S. policymakers had discussed a possible Allende victory for months, developed contingency plans, and were candid about the limits of U.S. influence. As Vaky told Kissinger, the CIA concluded that no U.S. action “can influence [the] Congressional vote to defeat Allende. We would have to accept [the] situation of Allende winning power.” CIA Director Helms was philosophical, “no matter what level of competence any intelligence service might build, it is not likely to encompass walking on water.”

The emphasis on shock and fury, however, raises an important question: If Nixon was so angry, why did he wait ten days before asking the CIA to undertake a covert operation in Chile? If Allende and Fidel Castro threatened to create a “red sandwich” in Latin America, why did


Nixon not task the CIA to “save Chile” and “make the economy scream” on 5 or 6 September instead of 15 September? The answer is that Chilean political and military leaders were already moving on two plans to deny Allende the presidency. On Sunday, 6 September, Chile’s top-ranking military and Carabinero leaders discussed the possibilities of initiating a coup. They considered flying Frei to another country, setting up a military junta, and calling for new elections. Although the officers agreed that something should be done, the group adjourned without reaching a decision. The Air Force high command met separately on 5 and 6 September and chose to adopt a “wait-and-see” stance. Frei and Alessandri, meanwhile, agreed to pursue what would later be called the “Frei Gambit.” Under the plan, Alessandri would refuse to concede the election, and Frei would pressure PDC Congressmen to vote for Alessandri. After Congress elected Alessandri, he would resign, which would require new elections, whereby Frei legally could run again for President. “Chile has a very short future,” Frei said, “and after 4 November [Inauguration Day], it will only have a past.” Alessandri fulfilled his part of the plan; he announced on 9 September that should Congress elect him, he would resign, allowing new elections proceed.


As Chilean leaders moved forward with their plans and discussions, U.S. officials were uncertain about how to proceed. Viron Vaky, Kissinger’s analyst on Chile, considered the Frei Gambit and the Frei resignation/military coup plan to be “doubtful,” but confessed to Kissinger that neither the NSC nor other U.S. officials knew enough about events on the ground. When the 40 Committee met on 8 September, they agreed with Vaky. They cast aside Phase II, agreeing that any effort to influence Chilean parliamentarians had “little likelihood of success.” Beyond this, the 40 Committee was divided. Under Secretary Johnson and Assistant Secretary Meyer warned that any attempt to deny Allende the presidency could “plunge the country into full-scale civil war,” and that an Allende presidency was “the lesser of two evils.” One member hoped that the military would act soon, and the CIA asked for more time to study the situation. Kissinger decided to ask the U.S. embassy for “a cold-blooded assessment” of a military coup with U.S. assistance and of U.S. assistance in organizing “effective” political opposition to Allende after he was inaugurated. The 40 Committee agreed to reconvene on Monday, 14 September.55

Events in Chile moved quickly and increasingly centered on Frei. Frei pursued the gambit with Alessandri, and by Saturday, 12 September, Korry said, it had “acquired new life.” During a 12 September meeting, Frei asked Assistant Secretary of State for Educational and Cultural Affairs John Richardson, Jr. to deliver a message to Nixon: “The odds are fifty to one that an Allende presidency would mean a government in Chile [like] the one in Cuba.” Also present at the meeting, Korry asked Frei if he was requesting the United States to take action. Frei paused,

then said, “No, nothing, except propaganda.” Korry believed that Frei wanted the United States “to take his decision” and “do his dirty work,” and Korry was “one hundred percent against it.”

Frei continued talks with military leaders and kept the resignation/military junta plan going. The day after meeting with Richardson, Frei told General Camilo Valenzuela Godoy, Commander of the Santiago Army garrison, and General Vicente Huerta Celis, Commander of the Carabineros, that he would resign after the dieciocho (18 September – Chilean Independence Day). An interim government with a military cabinet would assume power and “neutralize the Communist Party,” after which new elections would be held, in which Frei could run again. A “parallel move” was developed to have Viaux issue an anti-Communist declaration and turn the 19 September military parade into a “tremendous anti-Communist rally for Frei.”

Allende and the UP were not quiescent and had probably heard rumors of plans being developed between La Moneda and the military. The UP organized a rally on 13 September, during which Allende threatened national strike: “Those who are insanely trying to provoke such a situation…should know that the whole country will stop, that there will not be a company, industry, workshop, school, hospital, or farm that functions – as a first demonstration of our power.” The CIA reported that the UP was taking over or intimidating newspaper, radio, and television outlets. The Communists retained their local election committees, which were using “blandishments and intimidation” to place UP-preferred persons in local government.


Central Unica de Trabajadores (CUT – Central Labor Union) and the PS asked local factories to create “Watchdog Committees” to “guard against industrial sabotage and to gather information about production irregularities.” Korry complained that he could no longer visit Frei “without creating a storm” because he, Frei, and their residences were watched by UP elements.⁵⁸

Doubts lingered among U.S. policymakers over whether Frei and the military would act. Korry said that Frei (and the military) did not have “the stomach for the violence,” nor would Frei “assume the historic responsibility” for a possible civil war. Frei is “half-Swiss,” wrote Korry, and he “likes his ducks in a complete row.”⁵⁹ It also became clear that the Chilean military would not initiate any move, lest it provoke a civil war, but it would act upon direct orders from Frei. As one CIA official wrote, General Schneider was “fully aware of the danger Allende is moving in, but will not budge an inche [sic] without Frei’s okay.”⁶⁰

Washington worried that Korry was too involved. Korry reported that he had “encouraged in all prudent ways” the maneuvers Frei had made, but years later he admitted that he was exaggerating. Korry likely did no more than imply that the United States was not averse to the

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⁵⁸ Sigmund, The Overthrow of Allende, 113-114. Despite different perspectives, Korry, the CIA, and Peter Winn show that Unidad Popular was engaged in strong-arm, post-election activities. See Memorandum for the Record, CIA, 23 September 1970; and Memorandum “Chile,” CIA, 5 November 1970; both CDP: CIA II. Peter Winn, Weavers of Revolution: The Yarur Workers and Chile’s Road to Socialism (New York: Oxford University Press, 1986), 104. Telegram, Korry to Johnson, 16 September 1970, attached to Memorandum “Korry’s Reply to 40 Committee Cable,” Vaky to Kissinger, 16 September 1970, CDP: NSC III.


Frei Gambit or the military junta-Frei resignation plan, but even this alarmed the NSC and the
Department of State. Secretary of State William Rogers reminded Korry that no one had
authorized any political action. At the NSC, a concerned Vaky wrote: “The trouble…is that
Korry may not now be objective and may commit us to things we don’t really want.” At present,
Vaky said, he had “already committed us to at least moral support and encouragement.”

The documentary record is clear; U.S. policymakers did not “fasten on” or push the Frei
Gambit, nor did it seek “to induce Frei” to consent to it. The United States, as Vaky informed
Kissinger, “would be backstopping a Chilean effort,” one which Frei had already “taken the
necessary preliminary steps.” By 14 September, the dilemma confronting U.S. policymakers
was whether to encourage Frei’s effort or “draw back” to the sidelines. Briefing Kissinger, Vaky
laid out the limited options available to the 40 Committee, but all options were flawed. First,
Vaky stressed to Kissinger, “Any covert effort to stimulate a military takeover is a non-starter;”
moreover, the United States had “no capability to motivate or instigate a coup.” The chances of
success were poor, said Vaky, “Frei says one in twenty; Korry says one in five. No one really
knows with much precision.” Drawing back to the sidelines, however, “would almost surely
kill” Frei’s effort. A cable from Korry arrived, saying that Frei intended to resign just after the

61 For Korry exaggerating, see “Ambassador Edward M. Korry in CEP,” Estudios Públicos, 72: 25; and Powers, The
1970]. Back Channel Telegram, Korry to Kissinger, 14 September 1970. Memorandum “Chile: Chronology from
September 14,” Vaky to Kissinger, 14 September 1970; and Memorandum “Chile – 40 Committee Meeting
(Today),” Vaky to Kissinger, 14 September 1970; both CDP: NSC III.
**dieciocho.** With Frei finally appearing to act, Vaky pulled back, telling Kissinger that events were moving “too fast” and that they knew too little “to make reasonable judgments.”

Even so, Vaky strongly warned Kissinger that any effort to tamper with Chile’s democracy threatened a catastrophe worse than the Bay of Pigs. “[T]his is a slippery slope;” Vaky wrote, “we may very well find ourselves irresistibly sucked into rising degrees of involvement… and find ourselves have slipped into a disastrous situation.” Vaky then became unequivocal: “What we propose [aiding Chilean plans] is patently a violation of our own principles and policy tenets. Moralism aside, this has practical operational consequences. Are [our principles] rhetoric or do they have meaning? If these principles 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 US? It is hard to argue this. Is he a serious problem that would cost us a great deal? Certainly.” Yet, Vaky stressed, it was “far from inevitable” that Allende could consolidate his power or even succeed. A Marxist state in Chile was “containable;” it would not start a chain of “South American dominoes.” Exposure of U.S. involvement, however, Vaky warned, would wreck U.S. credibility and create an “adverse reaction” in Latin America, the world, and among the U.S. public. In short, exposure would not just damage U.S. Latin American policy, but U.S. foreign policy to its core; moreover, domestically, it would blight the Nixon administration.

Given Frei’s maneuvers and Vaky’s warning, the 40 Committee’s actions suggest caution and restraint, not conspiracy. Compromising between respecting Chile’s constitutional frame-

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63 Memorandum “Chile – 40 Committee Meeting, Monday-September 14,” Vaky to Kissinger, 14 September 1970.
work and stopping Communism, Vaky advised what would become known as “Track I”: to explore whether Frei and the military were serious about their “Frei Gambit” plan, and if so, offer support. Vaky offered four recommendations to Kissinger, and when the 40 Committee met on the afternoon of 14 September, it enacted them. The committee instructed Korry to learn how strongly Frei was committed to the gambit, and it asked the embassy to intensify its military contacts to learn if the military would support Frei in an action. Second, should Frei decide to proceed, $250,000 were approved for assistance. Third, the 40 Committee acceded to Frei’s request for propaganda that would, as later described, “focus on the damage that would befall Chile under an Allende government.” Lastly the committee warned Korry that he had a “very delicate” role and that he needed “to walk a fine line.” The United States, it told Korry “would not want to get out in front[,] yet would not wish Chilean will to flag for lack of support.”

At 3:25 in the afternoon of 15 September, Nixon plunged forward where Vaky and the 40 Committee hesitated, and Track II emerged. During a 15-minute meeting, with Kissinger and Attorney General John Mitchell present, Nixon told CIA Director Richard Helms that an Allende regime in Chile was unacceptable. He ordered Helms to either prevent Allende’s inauguration or unseat him once he was in power. Helms’ notes outline Nixon’s points: “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.” Nixon told Helms to report to Kissinger on the CIA’s effort, and he ordered all of them to withhold knowledge of his directive

from Secretary of State Rogers, Ambassador Korry, and Secretary of Defense Melvin Laird.

Helms later said that it was the “most restrictive security hold-down that I can remember.” Afterwards, Kissinger asked Helms to meet on Friday, 18 September, to discuss the tasking.  

Helms’s notes indicate that Nixon had read Vaky’s memorandum (or a version of it) and discussed it with Kissinger before the Helms meeting; however, as Helms wrote, “Truman had lost China. Kennedy had lost Cuba. Nixon was not about to lose Chile.” Kissinger sent edited versions of Vaky’s memoranda to Nixon, so the president knew of Frei’s and the military’s existing maneuvers. The “save Chile” and “Worth spending” suggest that Nixon rejected Vaky’s estimation of the Allende threat and viewed Allende as a mortal threat, “although much subtler.” He also considered it “the height of immorality” and “a peculiar double standard” for the United States “to stand abjectly aside as democracies are undermined by countries less constrained by conscience.” Helms’ third line, “Not concerned risks involved,” reveals that Nixon knew of, considered, and dismissed the risks Vaky outlined. As Kissinger testified to Congress about U.S. actions in Chile: “All I want to say is there must be countries in the world that are so important to us that we will try [covertly] to give the democratic forces or the forces friendly to us an opportunity where we can not do it by diplomatic means and we do not want to do it [overtly] by military means.” Nixon also rejected also Vaky’s insistence that Allende would not initiate a series of falling dominos in South America. Kissinger, in his backgrounder on 16 September, asserted that Allende would begin a line of dominos in South America, and it


66 For example, see Memorandum “Chile—Our Modus Operandi,” Vaky to Kissinger, 16 September 1970; and Memorandum “Chile,” Kissinger to the President, 17 September 1970; both CDP: NSC III.
is doubtful that Kissinger differed from his president on this. The first line of Helms’ notes, “1 in 10 chance,” finds that Nixon’s odds were halfway between the odds that Vaky had cited from Frei (20:1) and Korry (5:1). By ordering covert assistance for Frei’s and the Chilean military’s maneuvers, Nixon rejected all warnings. Helms admitted that he too had tried to warn Nixon but this “was like taking into a gale.”

Vaky’s memorandum seems to have shaped Nixon’s tasking of the CIA as well. Vaky stressed that the United States had “no capability to motivate or instigate a coup,” and Nixon appears to have conceded this fact. He neither delineated a timetable nor “put forward a concrete scheme;” in fact, he tasked the CIA to develop a “game plan.” As Helms told CIA officers, their orders from Nixon were to prevent Allende’s election by Congress or unseat him from power, which meant that Nixon anticipated that Allende might be inaugurated and that it may take time to develop a plan or action in Chile.

Two factors gave the Chilean crisis even more urgency and may have encouraged Nixon to give orders to Helms: the Cienfuegos crisis and Nixon’s meeting with Donald Kendall, the president of Pepsico. On 10 September, Kissinger presented Nixon with U-2 photographs that showed new construction at Cuba’s Cienfuegos naval base, and they concluded that the Cubans and Soviets were developing support facilities for Soviet nuclear submarines.


met with his friend, Don Kendall on 14 September. Staying with Kendall at the time was Augustín Edwards, the publisher of El Mercurio and another Nixon friend, and Kendall must have mentioned Edwards and Chile to Nixon. On 15 September, likely at Nixon’s request, Kissinger and H. R. Haldeman, Nixon’s Chief of Staff, breakfasted with Edwards, and Kissinger later asked Helms to meet with the Chilean.70

“Mucking Around”

The Nixon administration no sooner supported Tracks I and II than both appeared to be dead ends. Chilean events derailed Track I just days after the 40 Committee agreed to support it. General Viaux issued his anti-Communist declaration, but Korry communicated on 16 September that the Frei Gambit and the Frei resignation plan had been abandoned. Frei could control only 18 of 50 Christian Democratic votes in Congress, and the remaining 32 votes were more than enough votes to elect Allende. Frei complained that that “scoundrel Tomic” had given Allende “more dirt and leverage” on PDC congressmen than he (Frei) had. Frei now favored military intervention, but neither he nor the military were willing to take the first step. Viaux was ready to instigate a coup, but when Schneider learned of it, he “threatened to have Viaux shot.” Flyers calling for Viaux to take action were passed out during dieciocho (Independence Day - 18 September) festivities; however, the military disallowed any banners or signs during its parade lest the banners be construed as an intervention into politics. During his 19 September

(Armed Forces Day) speech, Schneider stressed the apolitical role of the military, leading Korry to disparage the military as “a union of toy soldiers” because of its unwillingness to move.71

Frustrated by the rapid pace of developments in Chile, Vaky proposed a task force that centralized policymaking in Kissinger’s hands. Upon the news that the Frei Gambit had been abandoned, Vaky told Kissinger that they needed to be “professional and efficient about this and run it all very tightly, [or] we should stop mucking around.” “Everyone,” he said, “just seems to have his fingers crossed hoping that no leaks or exposure occur and that it all works out.” He recommended that the White House create a task force to oversee efforts in Chile. Unbeknownst to Vaky, his proposed task force resembled Nixon’s directives to Helms (Track II) of the previous day. Kissinger proposed the task force to Nixon, who approved it. Whether Nixon recognized the task force as a different entity than Track II is not clear, but Vaky’s task force removed the Department of State from policy decisions about Chile.72

Washington’s decision-making lagged further behind the rapid pace of events in Santiago. On 19 September, the CIA informed 40 Committee principals that a military coup was imminent, but the coup failed to materialize. The supposed coup was perhaps Viaux’s plot before Schneider threatened to have him shot, but the false alarm may have misled the 40 Committee on the extent of coup sentiment and readiness within Chile’s military. On 22 September, the 40


72 Memorandum “Chile – Our Modus Operandi,” Vaky to Kissinger, 16 September 1970; and Memorandum “Korry’s Reply to 40 Committee Cable,” Vaky to Kissinger, 16 September 1970; Memorandum “Chile,” Kissinger to Nixon, 17 September 1970, all CDP: NSC III.
Committee discussed a new plan that had emerged among Frei and his intimates: Frei’s cabinet would resign, military officers would replace them, Frei would then resign, and the military would call new elections after controlling the Communists. The 40 Committee instructed Korry to tell Frei and Chilean military leaders that they could count on U.S. support for the cabinet resignation plan. By the time Korry informed Frei, the Chilean president concluded that the plan was not feasible. When Frei met with Schneider on 24 September, he told the general that it was a military move or nothing. Apparently Schneider then met with the top brass of the military services but no action emerged. That same day (24 September) Korry told the 40 Committee that “assurances of any kind” to Frei and military leaders were unnecessary because he had stressed from the beginning that efforts to stop Allende must be Chilean initiatives, not a U.S.-led effort. The next day, Korry wired Washington, saying that the United States could not provoke a coup and that to do so would create another Bays of Pigs; moreover, he made clear that events in Chile had effectively derailed Tracks I and II.73

Former ambassador Ralph Dungan further eroded possibilities for Tracks I and II and likely discouraged the Christian Democrats from denying Allende the presidency. In a 21 September Washington Post editorial, Dungan claimed that Allende was “too intelligent and sophisticated” to pursue “doctrinaire solutions,” and that his victory offered the United States an opportunity “to demonstrate a maturity in the conduct of its foreign relations that would be as refreshing as the Chilean situation is novel.” Dungan’s comments disgusted Korry, who

dismissed them as hypocritical. Dungan’s comments probably misled some Chileans, because
Korry reported that many Chileans, particularly Christian Democrats, viewed Dungan’s editorial
as “a vote for Allende” and a hint of possible U.S. support for the new president.74

Efforts to influence events through economic pressure had little, if any, success. Frei’s
Minister of Finance Andres Zaldívar Larraín issued a report designed to enhance the downturn in
Chile’s economy. Since the election, the report said, consumer demand had dropped sharply and
the public’s run on the banks had forced the Central Bank to take measures to ensure liquidity
and prevent capital flight. The report did little to encourage economic decline or motivate
leaders to vote against Allende.75 At the same time, Nixon ordered Kissinger to cut all aid to
Chile, but Korry told Washington that economic measures would only have a marginal effect.
U.S. aid to Chile had dropped markedly since Nixon had become President: U.S. aid in 1970
was one-third of that in 1969 and the lowest amount in a decade, and there were few loans or
programs were in the pipeline. U.S. businesses were either negotiating with Allende transition
team or getting out of Chile. The new Allende administration would inherit more than $500
million dollars in gold reserves, would have solid markets for copper in Japan and Western
Europe, and could default on more than $750 million dollars of AID and EXIM Bank loans.76

“Political Situation in Chile,” Korry to Johnson and Kissinger, 25 September 1970, CDP: NARA III.

75 Telegram “Zaldivar Economic Report to Nation Last Night,” Korry to Johnson and Kissinger, 24 September 1970,
CDP: NARA III. Memorandum “Minister of Finance Address Nation on Economic Situation on 23 September
Division, to Broe, 29 September 1970, CDP: CIA III.

76 Memorandum “Chile – 40 Committee Meeting,” NSC, 22 September 1970, CDP: NARA III. U.S. Senate,
Covert Action in Chile, 1963-1973, 34. U.S. officials recognized that few loans for Chile under consideration by
institutions like the Export-Import or Inter-American Development Banks. See Telegram, Johnson to Korry, 30
September 1970, CDP: NARA III. Elimination of MAP funds discussed in Chapter 7. Telegram WH2029
The CIA was trying to make contacts but the prospects for Track II were poor, and Korry became furious when he learned that the agency was making contacts. The CIA pursued three “military contacts.” One contact was General Camilo Valenzuela of the Army, who was among the most active anti-Allende officers. The second contact was Viaux. After about two to three weeks, the CIA determined that Viaux did not have enough support to carry out a coup and ended its direct contact with him. The third was the retired and discredited Major Arturo Marshall, who claimed to have 4000 unarmed men in Santiago and needed arms. The CIA determined that he was “a fanatic with little support” and ended contact with him. The agency also contacted civilian Pablo Rodriguez Grez, the leader of Patria y Libertad, and may have passed money to his organization. Minister of Defense Ossa approached Korry on 6 October and asked if the United States was involved in the coup plotting within the Army or by Viaux. Korry assured Ossa that there was not, but when Korry learned of the contacts, he was “appalled.” He told Kissinger and Under Secretary Johnson that any coup attempt by Viaux, Marshall, or Rodriguez Grez would “be an unrelieved disaster for the U.S. and for the President” when U.S. connections were exposed. Korry insisted that the United States dissociate itself from Rodriguez Grez and Patria y Libertad, and end all indirect contacts with Viaux, Marshall, and other right-wing extremists. The CIA ignored Korry’s demands.  

CIA officer Henry Hecksher also warned that efforts to prod a coup were “unrealistic.” Since receiving the orders for Track II, Hecksher had wired CIA headquarters at least three times

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to express his doubts about Track II’s chances of success. On 30 September, under the title “Coup in Jeopardy,” he sent the summary of a report of a meeting with trusted source who insisted that neither Frei, the military, nor the politicians would act to prevent Allende’s election. The source remarked with a sense of relief that, “I’m almost glad that the US government cannot do anything in this situation.” A week later, CIA’s Director of Plans Thomas Karamessines ordered Hecksher to headquarters, leading Hecksher to believe that he was being relieved of duty. Instead, Hecksher was “read the riot act” and was told that the agency had orders to do this. Hecksher returned to Santiago and informed his colleague Dino Pionizio that they had to follow orders.78

Karamessines’s “riot act” to Hecksher resulted from the 40 Committee’s 6 October meeting. During the meeting, Kissinger silenced the growing chorus of objections and pessimism. He made clear that Nixon (and he) considered an Allende presidency intolerable and that with only 18 days left before the Chilean Congress’s vote, “some drastic action was called for to shock the Chileans into action.” Attorney General John Mitchell asked if existing efforts had not already become public. Karamessines said that Allende had already recognized a trend and condemned an “international conspiracy” in a recent press interview. Assistant Secretary Meyer suggested that the committee should develop a formal position toward Allende. Kissinger rejected Meyer’s idea, saying that it assumed that a Congressional vote for Allende was “a fait accompli.” Nixon, he said, “had no intention of conceding” before Congress’s vote and “wanted

no stone left unturned.” Under Secretary of State Johnson remarked that the committee “had done nearly all it could,” and Karamessines asked if the White House intended to adopt a stance of “open hostility” toward Allende. Kissinger put it bluntly: if the president “had the choice of risking expropriation or Allende[’s] accession, he would risk the dangers of expropriation.” He said “the word [of U.S. hostility to Allende] should be spread in unmistakable terms short of being completely obvious.”

In early October, the CIA concluded that despite the “extreme” and “constant” pressure from the White House, success for a coup was not possible, and it began to deter coup attempts. Korry and the CIA continued to find military officers who were sympathetic but unwilling to act. Kissinger told Korry that “highest levels” (he and Nixon) were “very concerned” anti-Allende forces were not coalescing to block Allende’s election. Viaux and his group independently began preparations to launch a coup on 9 or 10 October. Alarmed, CIA officials feared that Viaux’s effort was doomed and would stymie any future efforts. The CIA ordered Hecksher to make “every effort” to pass the word to Viaux to desist, but Hecksher learned that Viaux and his group had already called off the coup attempt because they were not ready. On 10 October, Karamessines informed General Alexander Haig, Kissinger’s assistant, that prospects for a

79 Memorandum “Minutes of the Meeting of the 40 Committee, 6 October 1970,” Peter Jessup, NSC Staff, 7 October 1970, CDP: NARA III.

military coup were “dimmer now” than ever and that the White House should take Korry’s recommendation and prepare to conduct relations with an Allende administration.  

Even though the CIA had tried to discourage Viaux from a pre-mature coup, it soon concluded that he was the only “viable” option for a coup. False flag officers began negotiating with Viaux and his group, who requested money, arms, and “paralyzing gas.” U.S. contacts only supplied money, but in their talks, they learned the outlines of Viaux’s plan: Viaux’s group would kidnap Generals Schneider and Prats in order to precipitate a coup. 

Korry, meanwhile, returned to Washington for consultations and met with Nixon and Kissinger. During a 12 October meeting, Korry told Kissinger that the Chilean military would not intervene to prevent Allende’s election and that “only an insane person would deal with a man like Viaux.” Kissinger asked Korry to go with him to the Oval Office. Nixon greeted Korry, and began denouncing “that bastard Allende.” While pounding a fist into his hand, the president declared that he would “smash Allende economically.” After Nixon finished, Korry said, “you are dead wrong, Mr. President.” He then told Nixon that Allende’s election was “absolutely a foregone conclusion,” the Chilean military would not intervene in political affairs, and he (Korry) wanted permission to begin discussions with Allende. Korry said that “madmen”

81 Telegram “Minicoup in Tacna Mold with Scant Chance of Success,” CIA Headquarters to COS Santiago, 6 October 1970; Memorandum “Track II: General Viaux Was Preparing to Launch a Golpe on the Evening of 9 October or the Morning of 10 October,” CIA, 7 October 1970; Memorandum “Special Military Situation / Analysis Report,” CIA, 7 October 1970; Memorandum “Contacts with Chilean Military,” CIA, 28 October 1970; and Memorandum “DDP Discussed the Chilean Situation,” Broe, 10 October 1970; all CDP: CIA III.

were conspiring with General Viaux, but he warned Nixon that any effort to deny Allende the presidency would cause “enormous damage” to the United States and the U.S. Presidency.

Korry recalls that Nixon looked at him “for a long time,” then gave him some gifts for his family and said goodbye. Korry believed that he had “turned the President around” on Chile.\(^83\)

Korry told Nixon what Kissinger could not: they were, as Vaky said, “mucking around” in Chile, and they needed to end covert efforts before serious trouble ensued. Nixon ordered Kissinger to “de-fuse” and “abandon” Track II. On 14 October, the 40 Committee agreed that the United States could not prevent Allende’s election.\(^84\) Kissinger, however, did not completely end Track II. He instructed Karamessines to preserve CIA assets in Chile; moreover, as CIA headquarters noted, it was “firm and continuing policy that Allende be overthrown by a coup.” Kissinger’s instructions allowed the CIA to pursue contacts when prospects improved. When U.S. Army Attaché Colonel Paul Wimert passed news of the decision to de-fuse, he reassured a Chilean military officer that the United States would continue to support groups engaged in plotting. The officer replied, “What we need is not money but a general with balls!”\(^85\)


The White House no sooner abandoned Track II than U.S. officials learned that at least two Chilean groups were preparing to instigate separate coup attempts. Viaux and his group decided to launch a coup attempt on 21 or 22 October; meanwhile, General Camilo Valenzuela and Admiral Hugo Tirado’s group were preparing to instigate a coup by kidnapping Schneider and hiding him in Argentina. For the Valenzuela-Tirado plan, Frei and his cabinet would resign upon the disappearance of Schneider, and a military junta led by Tirado would then assume power, crack down on the Communists and radical Socialists, and call elections. The CIA, through Army Attaché Wimert, passed submachine guns, tear gas, and gas masks to the Valenzuela-Tirado group. Hecksher admitted that they were “in bed with fringe elements,” some of whom were “lunatics.”

Unlike earlier plans, the two new plots materialized but went awry. The Valenzuela-Tirado group tried to kidnap Schneider after a 19 October stag party, but failed when Schneider left with friends in their private car instead of his own. The group tried again the next day, but the second attempt failed because Schneider’s car was too fast. On 22 October, as Schneider was driving to work, a group associated with Viaux’s cohort but who had not talked with Viaux, forced Schneider’s car to stop at the intersection of Avenues Américo Vespucio and Martín de Zamora. The group, mostly young men, broke the windows of Schneider’s car. As the general

got out of the car, he drew his gun, shooting himself in the side. The kidnappers fired, hitting him twice, and fled. Schneider was rushed to the hospital and underwent emergency surgery.  

With botched kidnapping of Schneider, the CIA believed that the Valenzuela-Tirado plan was underway, but it was not; military and political leaders instead rallied around the constitution. Frei placed the country under a state of emergency, General Prats was named Commander-in-Chief of the Army, and General Valenzuela assumed control of Santiago and the surrounding province. Senior military officers, including Admiral Tirado, condemned the attack and pledged their support for the constitution. Frei denounced the attack, and the military moved to ensure public order. On 24 October, Congress elected Allende by a vote of 153 to 35. In exchange for their votes, the Christian Democrats demanded a pact of constitutional guarantees from Allende, and Allende agreed. The pact included assurances to respect the freedom and existence of political parties, freedom of and access to the press and media, freedom of association and unionization, freedom of education without political orientation directed by the state, and reaffirmation that police powers rested solely with the Carabineros and armed forces. The day after Congress elected Allende, Schneider died.  

On 3 November 1970, Allende donned the presidential sash, and at a rally in the National Stadium, he described “the Chile we have inherited.” He decried Chile’s under-development and dependency upon the West: “In this dependent capitalist system,” he said, “internally, the needy

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87 U.S. Senate, Alleged Assassination Plots Involving Foreign Leaders, 244-245, 245n1, 245n2. Intelligence Report “President Salvador Allende,” 17 December 1971, CDP: CIA II. CIA Telegram “Schneider Gravely Injured,” COS Santiago to Headquarters, 22 October 1970; and CIA Telegram “Arrests and Machine Gunning,” COS Santiago to Headquarters, 22 October 1970; both CDP: CIA III.  

majorities rely upon the wealthy minorities; internationally, the powerful rely upon the poor; and the many finance the prosperity of the few.” “We have inherited a society riven by social inequalities,” he said, “a society divided into antagonistic classes of exploiters and exploited. Our inheritance is a dependent society, whose basic sources of wealth are disposed of by the internal allies of the great international businesses…a society frustrated in its deepest aspirations of autonomous development, a society divided, in which the basic rights of work, education, health, recreation, and even hope for a better future are denied to the majority of families.”

Having long adhered to the idea of Chile’s exceptionalism and its image as a model democracy, Allende refashioned those elements into a new model for Latin America and the world. “Without precedent,” he proclaimed, Chileans had “just given extraordinary proof of [their] political development,” by freely voting to embark upon the road to socialism. Under his government, Chile would “reorient the country toward a new society, more humane, in which the ultimate aims are the rationalization of economic activity, the progressive socialization of the means of production, and the surmounting of class divisions.” Also, his government would end monopolies, latifundias, and a tax system that fell heavier upon the poor than the rich. It would undertake “authentic agrarian reform” and nationalize the banking system and the copper, coal, iron, and nitrate mines. “The rest of the world shall be spectators of the changes that will be produced in our country,” he said, and other nations will say, “History is attempting a new direction. That here [in Chile], an entire people succeeded in taking into their hands the management of their destiny in order to travel by the democratic road toward Socialism.”

The Nixon administration also redefined the Chilean model and re-embraced the model democracy premise, but it cast Chile as a dangerous, corruptive anti-model of Communist power through the democratic process. Kissinger asserted that Allende would impose an “independent” Marxist-socialist regime like that of Tito in Yugoslavia, yet, Kissinger explained, Allende’s “model” would be “insidious” and “far more dangerous” than Tito’s. Allende would have “precedent value” for the rest of the world, he said, and European states, particularly Italy might emulate it. Fearful that Chile would be their “worst failure,” “our Cuba,” Kissinger told Nixon that Allende was “one of the most serious challenges ever faced in this hemisphere.” Allende had “legitimacy in the eyes of Chileans and most of the world,” he said, and was “a test of the credibility of our rhetoric” of freedom, democracy, self-determination, and non-intervention.91

Nixon also characterized Allende’s Chile as a phenomenon with global relevance. During a 6 November NSC meeting, Nixon stressed, “Our main concern” was that Allende could “consolidate himself” and succeed, and he would then project his success to the rest of the world, encouraging other “fence-sitters” to follow Chile’s example and move to the Soviets. With such symbolic power – and the Soviets were acutely aware of the symbolic value of Allende’s Chile – Nixon viewed Chile as a threat to regional dynamics in Latin America: “Let’s not think about what the really democratic countries in Latin America say – the game is in Brazil and Argentina….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.” Nixon also feared that Allende would prove the United States

to be weak and subject to manipulation. “All over the world,” he told the NSC, “it’s too much the fashion to kick us around.” The United States must reject the “new breed” of politicians that “use anti-Americanism to get power and then they try to cozy up” in order to keep U.S. aid and investment flowing into their countries.  

Confronting a serious threat with global consequences, the Nixon Administration pursued a policy that sought to foster the failure of the Allende anti-model. All NSC principals – Nixon, Kissinger, Vice President Spiro Agnew, Secretary of Defense Melvin Laird, and Secretary of State William Rogers – agreed: the United States must “do everything we can to hurt [Allende] and bring him down.” Rogers admitted, “We have “severe limitations on what we can do,” but all concurred that the United States should cut loans and aid to Chile, sell copper from the U.S. stockpile to drive down the price, encourage copper producers like Zambia and Canada to produce more, build stronger relations with Chile’s military, and support internal Chilean forces opposed to Allende. The United States would follow a “very cool and very correct” relationship with Allende, but the ultimate policy objective was the downfall of the Allende anti-model.  

Conclusion

Years after he left Santiago, Korry confided to Frei’s secretary (and Frei) that he had learned that “my influence [on U.S. policy in Chile] was apparently zero;” however, Korry


93 Memorandum of Conversation “NSC Meeting – Chile (NSSM 97),” NSC, 6 November 1970.
seriously underestimated his influence. In terms of U.S.-Chilean relations, 1970 is divided into two periods: the presidential campaign and the post-election. During the first, Korry was the key director of U.S. policy, and during the second, he sought to encourage Frei and the military but restrain the White House and the CIA from self-destructive actions. The model democracy premise, as framed by the two emphases of Korry’s “stepping back” policy – respecting Chilean democracy and stemming the expansion of Communism – guided U.S. policy throughout the 1970 presidential campaign. U.S. officials tried to balance the two emphases, with a March 1970 propaganda effort that was anti-Communist and Korry’s opposition to campaign contributions by U.S. corporations. As election day neared and Allende’s victory seemed more likely, U.S. policymakers increasingly viewed Korry’s two emphases as either/or choice. Phase I increased the funds for the propaganda campaign, and Phase II, which was never implemented, sought to encourage Chilean congressmen to vote against Allende. The Nixon administration’s efforts constituted a sharp reduction in U.S. interference in Chilean domestic politics, a reduction that was partially a product of the U.S. experience during the Tacnazo.

Allende’s plurality victory transformed the model democracy premise into an anti-model premise. Restrained by the Chilean context and Chilean actions, the Nixon administration initially tried to assist and prod existing Chilean movements designed to prevent Allende’s inauguration. Uncertain after Allende’s victory, U.S. officials were reluctant to undertake any actions for ten days until the Frei Gambit and the Frei resignation / military junta plans played out. By 15 September it became clear that both Chilean efforts were fading, and Nixon ordered

[94 Letter, Korry to Osvaldo [name unknown], 27 July 1975, File – Korry, Edward, Box – Correspondencia Nacional, Personalidades A – Z, CC1 2-2, Fundación Eduardo Frei Montalva, Santiago, Chile.]
CIA Director Richard Helms to undertake Tracks I and II, which were to assist and prod the existing Chilean efforts. Track I (the Frei Gambit) immediately fizzled. For Track II, U.S. officials had few contacts – another product of the Tacnazo. A third-party group with nominal association with General Viaux’s band attempted to kidnap and shot General Schneider. Shocked by the attack on Schneider, Chileans rallied around the constitution and civil order, and the Congress elected Allende as President of Chile. With Allende’s inauguration, the Nixon administration re-embraced the model democracy premise. U.S. policymakers defined Allende’s Chile as an anti-model of Communist power via the democratic process and oriented U.S. policy and relations with Allende accordingly.
The Broad Influence of a Premise. It is most ironic that as U.S. policymakers lost their 25-year struggle to preserve a model democracy upon Salvador Allende Gossens’s victory in Chile’s 1970 presidential election, the model democracy premise proliferated and shaped U.S. foreign policy for decades afterwards. Adopting the premise in 1947, U.S. policymakers did not deviate from scholars of the era who affirmed the premise by arguing that Chileans, unlike their Latin American neighbors, had developed political institutions that effectively negotiated the country’s tensions and problems. Allende’s election as president disseminated the model democracy premise, particularly to the developed world. The fact that Allende’s was a marxist and a democrat and leading a marxist coalition that had won a free and fair election drew immense attention to Chile and its democracy. Also, Allende articulated a vision of achieving socialism through democratic processes added allure to his experiment, Chile, and its democracy. Nor were the Soviets blind to the appeal of Allende’s democratic victory and example, citing it as “second only” to the Cuban revolution “in the magnitude of its significance” and a prototype for Latin America and Western Europe. As U.S. officials had long feared, an Allende victory

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2 For the global attention to Allende and Chile, see William E. Ratliff, “Chile,” Chile: The Balanced View (Santiago: Editora Gabriel Mistral for the University of Chile, Institute of International Studies, 1975), Francisco Orrego Vícuña, ed., p. 57. For the Soviets being aware of the appeal of Allende and his accomplishment, see

drew global attention and his democratic road to socialism was watched closely and considered a model.

The model democracy premise was central to how many (policymakers, critics, defenders, and observers) viewed and discussed Chile, Allende, and U.S. policy. Most early works on the subject drew upon the model democracy premise, stressing Chile’s democratic tradition and the Allende movement’s democratic qualities. Richard Fienberg and David J. Morris cited Chile’s political stability, its sophisticated population, Chileans’ “almost fanatical love of liberty and democracy,” and the “legal” and “democratic” qualities of Allende’s revolution. Paul Sigmund admitted that Chile’s flourishing constitutional democracy led him to become a “Chile-watcher” and later cited internal factors as the primary cause of Allende’s demise. Under Allende, Sigmund wrote, Chile “endured strains that no other democracy in the world could have supported for such a period of time.” 4 Peter Winn admitted that he joined a group of Americans travelling to Santiago to see “Allende’s democratic revolution,” a choice which led to his landmark study of the Yarur textile factory. André Gunder Frank and James Petras were drawn to Chile’s political developments of the 1960s and devised approaches to dependency theory “to defend a hopeful still revolutionary position against reformism.” 5 Petras and Morris Morley later claimed that the destruction of Allende’s “democratic-socialist experiment” and Chile’s

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5 The U.S. embassy reported that Andre Gunder Frank was fired from his job at the United Nation’s International Labor Organization (ILO) office in Santiago, and that the Chief of the ILO office “could not understand why [the] Chilean government did not deport Gunder Frank” for his activities with MIR (Movimiento de Izquierda Revolucionario), which promoted revolutionary violence. See Telegram 2496 “ILO – Ottawa Manpower Project,” Korry to Secretary of State, 13 June 1969, Chile Declassification Project, NARA – Chile Tranche III, http://foia.state.gov/SearchColls/Nara.asp, Accessed 20 October 2008.
democracy resulted from the “imperial” U.S. government’s efforts “to sustain and nurture” multi-national corporations and protect “the collective interests of the capitalist class.” ⁶

Largely because the administration of President Richard M. Nixon re-embraced it, the model democracy premise continued to shape U.S. efforts and policies, even as Nixon and National Security Adviser Henry A. Kissinger tried to encourage the downfall of Allende and the failure of his experiment. Covert funding to Allende’s opponents, nearly $6 million, according to Mark Falcoff, helped to sustain the democratic opposition (the Christian Democrat, National, and other parties) and forced Allende to pursue his policies and program “in the context of a continuing pluralistic political system.” Of course, the intent (fostering opposition to Allende) differed sharply from the form (preserving democratic opposition), a difference that would later pose problems for Kissinger, when he became Secretary of State shortly after the coup. The Allende government tried to close opposition radio stations, as well as the long-running conservative newspaper El Mercurio. However, the Nixon administration spent nearly $2 million to keep El Mercurio financially afloat, and Chilean groups used U.S. funds to buy and operate some opposition radio stations.⁷

The Nixon administration’s economic policies were also shaped by the model democracy premise. The Nixon and Kissinger cut economic aid to Chile, tried to stymie Allende’s efforts to renegotiate payment of Chile’s foreign debt, and funded anti-Allende government propaganda.


Yet, since the Allende administration was an elected, legal government, several loans (previously approved) and U.S. humanitarian aid programs continued to flow to Chile, including the PL-480 program that provided the milk for Allende’s free milk program for schoolchildren. Reluctant to impose harsh terms on a legitimate democracy government, Western Europe, Canada, Australia, and Latin America, not to mention sympathetic Soviet bloc nations, offered financial aid to Chile, and Chile’s foreign creditor nations known as the Paris Club negotiated an accord with the Allende government.\(^8\)

The collapse of Chile’s model democracy into the military dictatorship led by General Augusto Pinochet Ugarte on 11 September 1973 was cathartic for Europe and the United States, and that catharsis was rooted in the model democracy premise. Chile’s democratic tradition, the Chilean model, Allende’s democratic legitimacy, and his democratic vision had drawn extensive attention to Chile and Allende. These elements also enhanced the shock of the Pinochet-led coup, the overthrow of Chilean democracy, and Allende’s death (by his own hand). The Manchester *Guardian* compared the passion and pain of Chile’s military coup to Spain’s Civil War (1936-1939), “For Socialists of this generation, Chile is our Spain.” Latin American scholars turned to studying the breakdown of democratic regimes, examining the weaknesses of Chile’s democracy, and exploring the military’s relationship to the state. Recognizing the West’s catharsis, the Soviet KGB fueled the “Allende-as-martyr” image and narrative.\(^9\)

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\(^9\) Christopher Andrew and Vasili Mitrokin, *The World Was Going Our Way: The KGB and the Battle for the Third World* (New York: BasicBooks, 2005), 85-86. For scholars exploring the military’s role and relationship with the state, see Alain Rouquié, *The Military and the State in Latin America* (Berkeley: University of California Press,
The military overthrow and the resulting catharsis, however, altered the model democracy premise, fortifying its power by stressing Chile’s historic tradition of democracy, thereby creating a powerful legacy that loomed over all. The reconstructed premise now harkened to the past, sometimes idealized: Chile used to be a model democracy, it had a historic tradition of democratic/constitutional rule, and dictatorship was exceptional for Chile. As renowned Chilean author Isabel Allende wrote, “We Chileans…had a long and solid democratic tradition and we were proud of being different from other countries of the continent,…because in Chile even the soldiers believed in democracy.”10 The military junta’s brutal crackdown and human rights abuses, as well as the exposure of U.S. covert activities further reinforced the premise. The model democracy premise now became an inescapable burden upon the cultivation of legitimacy and credibility for Chile’s military regime and the United States; meanwhile, for critics of U.S. policy and the dictatorship, it was a moral inspiration and testament to the struggle for justice.

The model democracy premise permeated the sharp, post-coup debates that arose within U.S. policymaking circles, as officials deliberated over how to relate to the military junta, address the human rights abuses, and interact with the remnants of Chile’s political parties. The United States recognized the junta (after delaying for two weeks), but Department of State officials, now headed by Secretary of State Kissinger, debated whether to continue financial support of the Christian Democrats. On the one hand, some said that such funding interfered in

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Chile’s internal affairs and might alienate the new military government. Others asserted that fulfilling financial commitments to the Christian Democrats could counter the view that the United States was not bothered by a right-wing dictator. Harry W. Shlaudeman, former Deputy Chief of Mission of the U.S. Embassy in Santiago, stressed that if the funds were cut, many would ask if the United States even cared about “the survival of democracy in Chile after all that we [the United States] had said over the years.” Although Shlaudeman’s viewpoint won out on the issue, Secretary Kissinger favored supporting the Pinochet-led government and resisted pressuring it on the issue of human rights. In December 1974, Kissinger asserted, “The worst crime of this [Pinochet’s] government is that it is pro-American” and he asked, “Is human rights more threatened by this [Pinochet’s] government than Allende?”

Because the attention to and debate over Chile’s military junta and U.S. policy was rooted in the model democracy, it highlighted Kissinger’s insensitivity to democracy and human rights. Moreover, as his position prevailed under President Gerald R. Ford, it cast U.S. policy towards Chile into disarray and undermined U.S. credibility. When the U.S. ambassador in Santiago proposed continuing Kissinger’s policy of “friendly persuasion” toward the military junta for 1976, the embassy’s political section and labor attaché strongly dissented and offered an alternative strategy. Richard J. Bloomfield of the Department’s Policy Planning office concurred with the dissent; the issue of human rights in Chile was a “major interest” for the United States. “[W]e are closely associated with this junta, ergo fascists and torturers,” he wrote to Assistant Secretary of State for Inter-American Affairs William D. Rogers, and “Chile is just the latest example for a lot of people in this country of the United States not being true to its values.”

Amid this debate, Kissinger quipped that the Department of State was made of “people who have a vocation for the ministry. Because there are not enough churches for them, they went into the Department of State.”[^12]

The Pinochet-led military junta also labored under the model democracy premise. Minister of Economic Coordination and Reconstruction Fernando Leniz told the junta upon returning from the United States that “they told me that the past of Chile is a past that is too interesting and important for them not to follow what happens here with much more care than they do regarding event in other countries. They add that we are neither Bolivia, nor Mexico, nor any other country that has had a stormy past.” Such international pressure led to the creation of the 1976 Actas Consitucionales (Constitutional Acts), which were a partial constitution designed to stem international criticism. The Chilean Navy and Air Force also forced the creation of standing rules for the junta because of General Pinochet’s multiple efforts to concentrate executive power in his hands. The standing rules sought to ensure that one of the three services — namely, the Army under Pinochet — would not dominate power, but it also separated the executive and legislative functions. When Pinochet tried again to grab power, the Navy and Air Force pushed an agreement that called for a constitution that would eventually end military rule, but also the Actas Constitucionales precipitated conflicts within the military regime, encouraging the drafting of a constitution. In essence, in attempting to create legitimacy and ensure a balance of power among the three services, the junta self-imposed the rules that brought about its end.[^13]


With the model democracy premise as the foundation, the catharsis of Chilean democracy’s demise and human rights abuses by the military regime fostered an intense debate within the United States, leading to the promotion of democracy and human rights becoming a core pillar of U.S. foreign policy. Representative Donald Fraser (D – Minnesota), chair of the House Subcommittee on International Organizations, was holding hearings on human rights issues when Pinochet overthrew Chilean democracy. Scholar Kathryn Sikkink writes that the coup in Chile had “a great impact because the debate had already supplied a way to understand it.” The Fraser subcommittee soon held hearings on human rights abuses by Pinochet’s regime, and it later issued a report, calling for the creation of an office of human rights in the Department of State, issuance of an annual human rights report, and a revision of the Foreign Assistance Act to mandate termination of U.S. security assistance to nations committing “a consistent pattern of gross violations of internationally recognized human rights.”

The model democracy premise permeated the 1975 report on U.S. covert actions in Chile that was issued by the Church Committee. Chaired by Senator Frank Church (D – Idaho), the U.S. Senate’s select committee investigated U.S. covert activities in Chile. The resulting report asserted that Chile historically had exhibited “remarkable continuity in civilian, democratic rule” and “defies simplistic North American stereotypes of Latin America.” It also described Allende as a moderate social democrat in Chile’s democratic system, despite being an “avowed Marxist,” and dismissed U.S. fears of Allende as “often exaggerated.” In doing so, the Church


Committee report literally framed (and constrained) the issue and debate upon the merits and ethics of U.S. covert action. Written in the aftermath of Nixon’s resignation due to the Watergate scandal, the report ensured that readers would view U.S. covert action in Chile as a betrayal of democracy and U.S. ideals, an abuse of executive power, and a demonstration of a failed, misguided U.S. foreign policy. CIA officers Richard Helms and Cord Meyer later acknowledged that following Nixon’s orders and the subsequent exposure of the CIA’s actions led to sharp criticism, “deep wounds,” and “institutional damage” for the agency.

News of Pinochet’s human rights abuses and release of the Church Committee report fueled a U.S. domestic debate informed by the model democracy premise, making Chile a foreign policy issue during the 1976 presidential campaign. That year, the New York Times published 66 articles on human rights abuses in Chile; meanwhile, only 4 articles appeared on Cambodia ruled by the Khmer Rouge, which killed one and one-half million Cambodians. Presidential candidate Jimmy Carter adopted human rights as a campaign theme and several times referred to Chile as an example of a failed U.S. foreign policy that held democracy in little regard. The 21 September 1976 murder of Allende’s Ambassador to the United States Orlando Letelier by a car bomb in Washington D.C., and the crime’s direct links to the Pinochet regime kept Chile in the headlines. During his foreign policy debate with President Ford, Carter cited Chile seven times and once remarked, “I notice that Mr. Ford did not comment on the prisons in

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16 For Watergate, see Keith W. Olson, Watergate: The Presidential Scandal that Shook America (Lawrence: University of Kansas Press, 2003); and Stanley I. Kutler, The Wars of Watergate: The Last Crisis of Richard Nixon (New York: W. W. Norton, 1990). Also valuable is the account of the journalists who uncovered Watergate, see Carl Bernstein and Bob Woodward, All the President’s Men (New York: Simon and Schuster, 1994 [1974]).

Chile. This is a typical example, maybe of others, that this administration overthrew an elected government and helped establish a military dictatorship.”

During his administration, President Carter reoriented U.S. foreign policy, making democracy and human rights a central component, and his administration implemented the recommendations of Representative Fraser’s human right committee. The Department of State created the Bureau of Human Rights and Humanitarian Affairs, with Patricia M. Derian as its first Assistant Secretary, and that bureau began issuing an annual report on human rights. The bureau later became the Bureau of Democracy, Human Rights, and Labor, and it continues to issue an annual report on human rights, which includes measuring progress toward democratic governance. Congress also revised the Foreign Assistance Act so that a foreign government’s gross violations of human rights would lead to the termination of U.S. security assistance.

The model democracy premise continued to exert influence upon U.S. policy during Ronald Reagan’s presidency, with his administration abetting Chile’s return to democracy. Initially, some in the Reagan administration viewed Pinochet as an anti-Communist friend and tried to persuade the dictator to democratize. However, U.S.-Chilean relations deteriorated during Reagan’s first term. Citing Chile’s historic tradition of democracy and asserting that Chileans needed no lessons on democratic governance, Secretary of State George Shultz concluded in 1985 that U.S. policy needed to change if Chile was to return to democracy. He

appointed Harry Barnes as U.S. Ambassador to Chile to assist with that change, and they devised a three-point policy for pressuring Pinochet to move toward democracy. The three points were support for Chile’s economic programs, respect for human rights, and pressure on Pinochet to talk with opposition political parties and return to democracy. When the Chilean Right attacked Ambassador Barnes, Secretary Shultz and President Reagan defended him and his actions.21

The model democracy premise persisted in exerting its influence as Chile returned to democracy in 1989. Impelled by the 1980 constitution, General Pinochet set 5 October 1988 as the date when, Chileans would vote in a plebiscite on whether to extend his presidency and regime for another eight years. The “Yes” and “No” campaigns organized and made their appeals, and television was the primary medium. The government-sponsored “Yes” stressed the violence, shortages, and disorder of the past (i.e. Allende presidency), and the economic progress Chile had attained. The “No” campaign emphasized a positive message with uplifting music, and often began their spots with a woman riding a horse and carrying the Chilean flag, then passing the flag on to another rider, to highlight the diversity of the “No” coalition. The United States financially supported the “No” campaign, and as the date of the plebiscite neared, warned the Pinochet government that it expected a free and fair election. Ambassador Barnes even publicly predicted a “No” victory. On 5 October, Chileans voted and the “No” won with 57 percent of the vote, to 40 percent for the “Yes.” In December 1989, the same year that the Communist bloc collapsed, Chileans elected Christian Democrat Patricio Aylwin as President.

Democracy had returned to Chile, and shortly afterwards, people spoke of “the Chilean miracle,” with democratic Chile as an economic development model to be emulated.\textsuperscript{22}
A Model Democracy Lost and U.S. Policy Reconsidered. This dissertation has traced the evolution of U.S. policy towards Chile and Salvador Allende Gossens during the two and one-half decades prior to Allende’s 1970 inauguration as President of Chile (1945-1970). It demonstrates that U.S. policymakers constantly perceived and described Chile as a democratic nation, a politically and culturally sophisticated nation more akin to Europe than Latin America, and a nation whose primary asset as a Cold War ally was its democracy and the model that it projected to the global community. During the early Cold War crises between 1946 and 1948, U.S. officials fused their perceptions into the “model democracy premise,” and that premise guided U.S. policy towards Chile for successive presidential administrations from Harry S Truman to Richard M. Nixon. For U.S. policymakers facing “a new kind of war” in which the “power of example” had an enhanced relevance, Chile offered a working example of the ideals promoted by the United States: a nation adhering to democracy while achieving progress in its social and economic development through capitalism.¹

This study finds that successive U.S. presidential administrations defined the primary U.S. foreign policy objective in Chile as the preservation of democracy and the model it proffered, and they pursued multiple avenues to maintain and strengthen Chile’s democracy. U.S. officials employed symbolic and political gestures, such as White House visits, public statements, as well

as expedited loans and military sales ahead of larger countries. They readily assisted Chilean initiatives to foster economic development and ensure economic and financial stability. U.S. officials pressured the International Monetary Fund, the Export-Import Bank, and other lending institutions to fund Chilean proposals or requests. After Allende’s near-victory in 1958, with the added urgency created by the Fidel Castro-led revolution in Cuba, U.S. policy-makers pressured President Jorge Alessandri Rodríguez to initiate economic and social reforms (including land reform) that would reduce social pressures that could foster instability in Chile. Policymakers of John F. Kennedy’s administration posited Chile as a model for its Alliance for Progress aid program and extensively funded the reforms initiated by President Eduardo Frei Montalva, making Chile one of the largest recipients of Alliance for Progress monies.

By detailing the primacy of the preservation of democracy in U.S. policy towards Chile, this study challenges claims that suggest that the United States preferred stability to democracy or sought to protect its economic interests, multi-national corporations, or regional hegemony. In the case of Chile, the documentary record is unequivocal: U.S. officials utilized many avenues and gestures to offer public support for Chilean democracy, to encourage economic and social development, and to prevent political, economic, or social instability that might disrupt Chilean democracy. For U.S. policymakers, stability was not an end unto itself, but rather a requirement for the functioning of democracy. U.S. officials viewed democracy as vulnerable to the political extremes during times of economic and social instability, as they had witnessed with Germany and Adolph Hitler in 1932, Czechoslovakia and the Communists in 1948, and later Cuba and Fidel Castro in 1958.

U.S. officials also did not press a specific type of democracy upon Chilean leaders, nor did they urge specific practices or limits. They did not define “democracy” but U.S. government
documents show that they operated under a general definition of democracy. U.S. diplomatic officials praised Chilean initiatives that broadened democracy, such as expanding suffrage, curbing voter fraud, and adopting the secret ballot. Conversely, U.S. diplomatists opposed measures such as the 1948 Law for the Permanent Defense of Democracy because it banned political participation and, if enforced, limited freedoms of speech and the press.²

This study also demonstrates that within the U.S.-Chilean “mutual interrelationship,” Chileans exercised a tremendous degree of agency.³ Chileans contributed to U.S. perceptions of opportunity and threat, structured how U.S. policy was implemented, determined the outcomes of U.S. initiatives and programs, and molded U.S. policy. U.S. officials recognized that the success of a U.S. initiative or effort depended upon Chilean cooperation; therefore, they sought and expected Chilean input, negotiation, and assistance in enacting most policies and initiatives. Chilean agency, therefore, was not resistance to U.S.-dictated policies; the execution of any U.S. policy or effort required Chilean cooperation, which in turn guaranteed that an effort or policy would not transpire exactly as U.S. policymakers planned.

The extensive degree of Chilean agency signifies limits to the projection of U.S. power. In conjunction with works by Piero Gleijeses, Eric Paul Roorda, Kyle Longley, and Alan McPherson, this study demonstrates that mono-directional narratives in which the United States imposes its policies and will on Latin American nations mischaracterize hemispheric diplomacy

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and relationships. U.S. officials were acutely aware of the great physical distance between Chile and the United States and, as a result, defined Chile as “overseas” territory, not as part of the “American lake.” In addition, the model democracy premise implicitly defined the U.S.-Chilean relationship as one between democracies, which inherently privileged cooperation, consultation, and compromise. These circumstances granted the Chileans extensive influence in shaping the implementation and at times formation of U.S. policy, but also predetermined that the success of U.S. initiatives required Chilean support and cooperation. When cooperation or a negotiated course of action broke down, the United States was often adrift policy-wise, e.g. after Ibáñez’s abandonment of the Klein-Saks reform program. If U.S. officials tried to impose a course of action without Chilean support, the Chileans undermined or sabotaged it, as Alessandri did when the Eisenhower and Kennedy administrations each urged him to initiate reforms and tried to structure loan packages to encourage him to do so.

This dissertation also presents Salvador Allende as a man “with history.” Through his words and actions, Allende often heightened and rarely mitigated U.S. officials’ concerns about the threat he posed. A gifted orator and a consummate campaigner, Allende had long attacked the United States and its policies and declared U.S. imperialism to be the primary threat to Chile and Latin America. As shown by his speeches and his associates’ memoirs, Allende sought to be the first democratically elected marxist leader to bring marxist-socialist revolution to power via the ballot box, and he asserted that the “peaceful road” to revolution (“la vía pacífica”) could serve as a model for other nations. An adept behind-the-scenes negotiator, Allende welded a diverse set of Leftist groups and parties into a powerful coalition. He maintained close ties with
Chilean Communist Party leaders, admired Mao Zedong and Ho Chi Minh, and travelled regularly to and received support from the Soviet Union, Cuba, and other Communist nations.\textsuperscript{4} He also proposed the creation of Organización Latinoamericana de Solidaridad (OLAS — Latin American Solidarity Organization), which promoted revolution in Latin America.

As defined by several U.S. administrations, the Allende threat was ideological; it consisted of which side of the Cold War Chile would align and serve as a model. National Security Adviser Henry Kissinger warned President Nixon that the Allende model would be “insidious,” “[t]he 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 Italy.”\textsuperscript{5} U.S. officials did not consider Allende a moderate social democrat, and his political skills simultaneously fueled their fears that he could succeed and earned their respect.\textsuperscript{6} As U.S. Ambassador Edward M. Korry wrote, “we see no reason not to take [Allende at] his word:” he would initiate marxist-socialist revolution in Chile, nationalize foreign-owned investments, and align Chile more closely with the Soviet Union and Communist bloc.\textsuperscript{7}

\textsuperscript{4} According to Christopher Andrew, who drew upon KGB (Soviet intelligence) documents smuggled out of Russia by Vasili Mitrokin, Allende cooperated with and received monies from the KGB because “he considered himself a friend of the Soviet Union.” See Andrew and Mitrokin, The World Was Going Our Way: The KGB and the Battle for the Third World (New York: Basic Books, 2005), 69-86.


\textsuperscript{6} The 1975 Church Committee report admits that Allende was “a self-avowed Marxist” but then says that Allende was a “moderate” in a party that “ranged from the extreme left to moderate social democrats,” thus encouraging readers to view him to be a moderate social democrat. U.S. Congress, Senate, Committee to Study Governmental Operations with Respect to Intelligence Activities, Covert Action in Chile, 1963-1973, 94\textsuperscript{th} Congress, 1\textsuperscript{st} Session (Washington DC: United States Government Printing Office [USGPO], 1975), 5.

\textsuperscript{7} Memorandum “U.S. Ambassador in Chile, Edward M. Korry, gives his opinion concerning options for the US Government in Case Allende Wins the Election,” Korry to Department of State, 10-11 August 1970, Document 1-3; and Contingency Paper “Fidelismo sin Fidel,” Korry, [10?] August 1970, Document 2; both “Chile en los archivos
U.S. policy towards Chile between 1945 and 1970 opened a long-running debate among U.S. officials about how to sustain and strengthen democracy abroad, with each administration approaching the task differently and with decreasing success. Acutely aware of the importance of symbols in the emerging Cold War, the Truman administration used the broadest array of efforts to show U.S. support for Chile’s democracy. The Truman administration was also the only administration willing to receive nothing in return or to go against U.S. interests if need be to support Chilean democracy. The Eisenhower administration relied upon bolstering Chilean initiatives with U.S. aid. The Eisenhower administration’s efforts to support the Klein-Saks reform programs were subverted by its Chilean allies (the Ibáñez administration and Chile’s Congress) who placed the burden of economic reform on the middle and lower classes, not themselves. After Allende’s near-victory in 1958, the Eisenhower and Kennedy administrations pressed President Alessandri to undertake reforms, but Alessandri rebuffed both efforts.

Allende’s near-victory in 1958, amplified by the Cuban revolution, caused U.S. officials to “run scared,” and they engaged in efforts that not only were counter-productive to preserving democracy but ultimately led to attempts to subvert Chile’s democratic processes. With Alessandri unwilling to initiate substantive reforms, the Kennedy administration opted to give small amounts of money to political parties, favoring Christian Democrat Eduardo Frei Montalva. Poor analysis and panic from the Curicó by-election led the Johnson administration to pour millions of dollars into Frei’s 1964 presidential campaign; however, the funds and aid were unnecessary because voter preference polls showed that more than half of the electorate already

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supported Frei. U.S. support of Frei’s presidential campaign also created false expectations on both sides: Frei administration officials anticipated extensive U.S. aid with few stipulations and the Johnson administration expected to have a significant voice in Frei’s reforms. The United States extensively funded Frei’s Revolution in Liberty reform program, but the Johnson administration demanded political favors in return and tried to manage the details of Frei’s reform programs, alienating Frei government officials in the process. Retreating from its predecessor’s excessive interference, the Nixon administration employed comparatively small covert efforts in the 1970 presidential campaign. When Allende won, however, Nixon and Kissinger rushed to encourage and aid Chilean plots to prevent Allende’s inauguration, efforts which discredited all parties involved.

Perhaps the most significant change in U.S. policy during the period was the shift from efforts to improve conditions (economic and social) that fostered democracy to efforts trying to prevent the “loss” of Chile, that is, focusing on which candidate won. Due to Allende’s near-victory in 1958, this change occurred in part when the primary decision-making for U.S. efforts in Chile moved from the “working level” of U.S. diplomacy (the U.S. Embassy and Department of State) to the White House. Most policy-making for U.S.-Chilean relations between 1945 and 1970 occurred within the Bureau of Inter-American Affairs (ARA) and the U.S. Embassy in Santiago. Specialists of the region, ARA and Embassy officers were acutely aware of Chile’s social, political, and economic, developments, and the potential consequences for U.S. policy. Moreover, they expressed the most robust sentiments for Chile’s democracy, the importance of Chile’s symbolic power, and their opposition to tampering with Chile’s democracy. Once U.S. decision-making moved to the White House, Cold War concerns took precedence. Chile’s image as a model democracy still held sway, but White House policymakers generally described the
situation in Chile in more dire terms and opted for dramatic, often covert action. Also, unless the
White House agreed and worked with the Department of State, as was the case under President
Truman, it tended to work directly with the Embassy and ignore ARA and its concerns.

While each U.S. administration approached the task of supporting democracy differently,
the Nixon administration showed a greater continuity with its predecessors than discontinuity.
Nixon’s 1969 call for “a more mature [U.S.-Latin American] partnership,” a reduction of trade
barriers, and the encouragement of private investment resembled the proposals that Secretary of
State Dean Acheson put forward in 1949 or that Special Assistant Louis Halle offered in the
1950 “Y” article. The Nixon administration’s covert funding of candidates in the 1969
Congressional elections and of propaganda in the 1970 presidential election resembled the
Truman administration’s covert support of anti-Communist efforts in Italy in 1947 and the
Kennedy administration’s funding of Frei and the Christian Democrats in 1962 and 1963. The
Nixon administration’s covert funding during Chile’s 1970 presidential election, however, was a
small fraction of what the Johnson administration spent during the 1964 presidential election.
Nixon and Kissinger’s decision to assist Chilean military and civilian plots to prevent Allende’s
inauguration recalls Eisenhower’s covert actions in Iran and Guatemala. The assertion that
Nixon and his policymakers significantly departed from his predecessors in its actions towards
Chile or that Nixon and Kissinger were more “unethical” does not withstand historical scrutiny.

By breaking from the 1975 Church Committee framework, this dissertation offers several
significant challenges to the existing narrative for U.S. policy towards Allende, U.S.-Chilean

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8 For the Truman administration’s covert funding of Italian anti-Communist efforts in 1947, see James E. Miller,
relations, and U.S.-Latin American relations. First, U.S. officials deemed the authoritarian
Right, not Communism, as the primary threat to U.S. interests in the Southern Cone during the
initial years of the Cold War (1945-1953). Argentina’s populist dictator Colonel Juan Perón, his
efforts to create an anti-U.S. bloc, and the revival of retired General Carlos Ibáñez as a popular
leader caused U.S. diplomatists to worry that rightist and military elements might try to install an
authoritarian regime. Even though Chile had one of the largest Communist parties in Latin
America, U.S. policymakers judged the Communists as committed to Chile’s electoral political
system and more likely to create strikes and disruptions that would prompt rightist authoritarians
to impose a dictatorship. The contrast of the United States confronting Communism globally but
right-wing authoritarianism in the Southern Cone doubly highlighted Chile’s democratic
qualities, entrenching the model democracy premise and leading the Truman administration to
favor Chile. Distrustful of Ibáñez, U.S. officials did not focus on Communism until 1954 when
Salvador Allende and leaders of the Chilean Left protested U.S. policy towards Guatemalan
President Jacobo Arbenz.

As a second challenge to the larger Cold War narrative for U.S.-Chilean and U.S.-Latin
American relations, U.S. officials did not impose specific political or economic measures on the
Chileans; instead, they confronted limits to U.S. power and influence. The documentary record
is unequivocal: U.S. officials did not pressure President Gabriel González Videla to ban the
Communist Party, nor did they place a credit and loan embargo upon Chile. On the contrary,
U.S. officials including President Truman labored to help Chile obtain loans and resolve its
debts; moreover, they opposed the Law for the Permanent Defense of Democracy.\textsuperscript{9} U.S. policymakers also did not impose the Klein-Saks Mission (1955-1958) upon President Ibáñez.\textsuperscript{10} Chilean businessman Augustín Edwards proposed hiring the Klein-Saks consulting firm and Ibáñez adopted the idea. Assistant Secretary of State for Inter-American Affairs Henry F. Holland and Department of State officials did work to ensure that Chile had sufficient U.S. aid to alleviate the harsher effects of the Klein-Saks reform program. The limits of U.S. influence became visible when U.S. officials could not persuade Chilean leaders to adhere to the program. Finally, rather than ignoring Chile’s need for social and economic reforms, U.S. diplomats urged Chilean leaders to implement substantive reforms, including land reform and a progressive tax

\textsuperscript{9} Primary source materials also call into question the “postwar conjuncture” thesis, which asserts that the postwar opportunity for “significant political and social change was lost” and democratic advances were contained or reversed during the repression and illegalization of Latin America Communist Parties from 1946 to 1948. González Videla’s 1946 victory was the third of three Radical Party-led coalitions that won consecutive elections (1938 and 1942), and the Communists had declined offers of cabinet posts by the two previous presidents. Also, rather than being contained or reversed, democracy in Chile expanded because just weeks after González Videla signed the Defense of Democracy law, the Chilean Congress enfranchised women, doubling the electorate. Insistence upon the “postwar conjuncture” thesis for Chile runs the risk of suggesting that the votes of 26,000 Communist men matter more than the votes of 450,000 Chilean women and that significant political and social change, as well as democratic advances, are possible only if Communists serve in the cabinet, both suggestions of which seem dubious. For the “postwar conjuncture” thesis, see Leslie Bethell and Ian Roxborough, “The Postwar Conjuncture in Latin America: Democracy, Labor, and the Left,” \textit{Latin America between the Second World War and the Cold War}, 2. For works that offer evidence of the inapplicability of the postwar conjuncture thesis, see See Corrine Antenazapernet, “Peace in the World and Democracy at Home: The Chilean Women’s Movement in the 1940s,” \textit{Latin America in the 1940s: War and Postwar Transitions} (Berkeley: University of California Press, 1994), 166-186; Patrick Barr-Melej, \textit{Reforming Chile: Cultural Politics, Nationalism, and the Rise of the Middle Class} (Chapel Hill: University of North Carolina Press, 2001), 200-201; Sofia Correa Sutil, Consuelo Figueroa Garavagno, Alfredo Jocelyn-Holt Letelier, Claudio Rolle Cruz, and Manuel Vicuña Urrutia, \textit{Historia del siglo XX chileno} (Santiago: Editorial Sudamericana, 2001), 127, 129; Simon Collier and William F. Sater, \textit{A History of Chile, 1808-1994} (New York: Cambridge University Press, 1996), 237-243; and Paul Drake, “Chile, 1930-1958,” \textit{Chile Since Independence} (New York: Cambridge University Press, 1993), 107-115.

\textsuperscript{10} For the imposition argument, see Jon V. Kofas, “Stabilization and Class Conflict: The State Department, the IMF, and the IBRD in Chile, 1952-1958,” \textit{International History Review} 21/2 (June 1999): 366-385.
structure, particularly after 1958. U.S. officials faced strong opposition from Chilean leaders of the Center and Right, particularly President Jorge Alessandri and members of his cabinet.\footnote{Fredrick B. Pike asserts that the United States “champion[ed] the status quo” and that U.S. praise of Chilean democracy obscured U.S. attention to social injustice. See Pike, \textit{Chile and the United States, 1880-1962: The Emergence of Chile’s Social Crisis and the Challenge to United States Diplomacy} (Notre Dame IN: University of Notre Dame Press, 1963), particularly 294-295.}

This study also demonstrates that U.S. officials deemed Salvador Allende to be a threat to U.S. Cold War interests prior to and distinct from the threat posed by Fidel Castro. Allende emerged as a threat in 1954 due to his leadership of the Chilean opposition to U.S. policy towards Arbenz in 1954, his travels to Moscow and other Communist capitals, his relations with the Communists, and his rise as a dominant leader of the Chilean Left. His near-victory in September 1958 — months before Fidel Castro entered Havana — alarmed U.S. officials who defined him as one of the region’s preeminent threats. Even if Castro’s revolutionary movement had failed, U.S. policymakers would have still considered Allende a dangerous regional threat with global implications. Every U.S. administration from Truman to Nixon considered the precedent of a Marxist candidate gaining power democratically to be unacceptable. Allende’s near-victory in 1958, Allende’s embrace of Castro, who allied with the Soviet Union and promoted armed revolution, enhanced U.S. officials’ fears that the Chilean would succeed in setting that precedent, initiating Marxist revolution, and aligning Chile with Moscow.\footnote{See Piero Gleijeses, \textit{Conflicting Missions: Havana, Washington, and Africa, 1959-1976} (Chapel Hill: University of North Carolina Press, 2002); and Jorge I. Dominguez, \textit{To Make a World Safe for Revolution: Cuba’s Foreign Policy} (Cambridge MA: Harvard University Press, 1989).}

As another challenge to the larger narrative, this study presses for a more sophisticated understanding of the role of race in U.S.-Latin American relations by challenging claims that
Latin American racial inferiority constitutes the “essential core” of U.S. policy. Race, at least defined as negative racial stereotypes, exerted little influence in the U.S.-Chilean relations from 1945 to 1970. The model democracy premise posited Chile as a rough peer of the United States and Western Europe. As demonstrated by Halle’s “Y” article, U.S. policymakers sought to break from the paternalistic, racial stereotypes of the early 20th century. They consistently praised the Chileans’ abilities and oscillated between comparing Chile’s democracy to U.S. democracy (and admitting the flaws of the U.S. system) and to the French and Italian political systems. Also, by adopting the model democracy premise, U.S. officials did not deviate from scholars of the 1950s and 1960s, who argued that the Chileans, unlike their Latin American neighbors, had developed sophisticated political institutions that could effectively negotiate the country’s tensions and problems. Even amid frustration and disappointment, U.S. officials rarely resorted to negative racial stereotypes; instead, they cited the limits imposed by Chilean circumstances or drew a parallel from U.S. political history. Rather than simply constructing Chileans as “white,” U.S. policymakers were immersed in an era of profound change in U.S. racial attitudes, and Chileans were beneficiaries of these changes. As shown by Mary Dudziak and Timothy Maga, U.S. diplomats were not isolated, oblivious, or immune from the domestic U.S. debate about race; they reflected U.S. society at large. Moreover, scholars have shown that other nations hold


ethnocentric views as well, and the influence of anti-American and anti-Western attitudes must be considered when examining bilateral and multi-lateral relations. What is needed is a study that examines how the older ideas of race broke down during the post-World War II era, what new ideas emerged, and how these changes affected U.S. policy and diplomacy over time.

It is tempting to ask: What if Chile was not perceived as a model democracy, but as a more typical Latin American nation? Based on the documentary record, I believe that U.S. policy towards Chile would have been substantially different. Chile would have garnered little attention, and U.S. policy would have been closer to what some have claimed that it was: the protection of U.S. economic interests, corporations, or regional hegemony. U.S. officials would have more sympathetically embraced Alessandri and harbored greater doubts of Frei and his reform program. The United States would have provided less aid to Chile in the 1940s, 1950s, and 1960s. If Chile was not perceived as a model democracy, it is doubtful that Allende would have gained so much attention from the U.S. and European Left; therefore, subsequent questions concerning U.S. support for human rights, democracy, and dictators may have gained less saliency. Nixon and Kissinger probably would have pursued more extensive covert action weighted toward the U.S. racial images of Latin America form 19th and early 20th century (331 pages compared to just 34 pages for the Cold War) that one could easily conclude that little change occurred in U.S. racial attitudes after World War II. See Shoutz, Beneath the United States.


against Allende, perhaps shipping arms to groups on the Chilean Right, which would have fueled civil war. Without the image of Chile as a model democracy, the Church Committee may not have issued a report, and debate about covert action in U.S. foreign policy would have gained less traction. Perhaps more disconcerting, I doubt that issue of human rights would have gained the relevance or urgency that it did after September 1973 or that Democratic presidential candidate Jimmy Carter would have stressed human rights so heavily.

This study suggests that U.S. officials’ desire to foster democracy exerted a greater influence on U.S. policymaking than scholars have heretofore acknowledged. The model democracy premise determined the basis of the U.S.-Chilean relationship and defined the parameters of acceptable U.S. action. It encouraged U.S. officials in their assistance and benevolence towards Chile, and generally restrained them from retaliatory or less laudable courses of action. Rather than an aside, a last-minute addition to a list, or a rhetorical overlay that when peeled back reveals baser interests, such as protection of U.S. hegemony, U.S. access to raw materials and markets, or U.S. multi-national corporations, Washington policymakers placed preservation of democracy at the top of lists and cited it in moments of frustration, anger, and tension when one anticipates that the primary reason would be articulated.

The model democracy premise created the framework that encouraged U.S. policy-makers to take measures that would help undermine Chilean democracy, and it provided the framework for heavily criticizing U.S. policy during the 1970s. With the premise, U.S. officials elevated the U.S. stakes in Chile, making the country a Cold War battleground. In Chile, U.S. officials did not want to just stop the Communists; they wanted model democratic Chile to demonstrate to
Europe, Latin America, and the developing world that Western democracy was superior to Soviet-style Marxist socialism. U.S. policymakers constantly defined an Allende victory as a catastrophic defeat for the United States. As former National Security Council staff member Roger Morris noted: “I don’t think anybody ever fully grasped that Henry [Kissinger] saw Allende as being a far more serious threat than Castro. If Latin America became unraveled, it would never happen with a Castro….Chile scared him.” Interference, therefore, seemed preferable to a catastrophic defeat, but it also made a democracy less “democratic.” The model democracy premise not just fostered favored treatment for Chile; it inherently channeled U.S. policymaking into a self-perpetuating spiral of anxiety, declining options, and acceptance of greater risks. U.S. officials soon defined preserving democracy as averting a catastrophe and saving an ally, prompting greater interference with democratic practices and ultimately subverting constitutional procedures in order to save democracy. The spiral crashed in the 1970s amid the public debate over the principles of U.S. foreign policy as embodied in the Church Committee and Jimmy Carter’s commitment to promote human rights and democracy.

In 2003, Secretary of State Colin L. Powell remarked that U.S. policy and actions toward Allende’s Chile “is not a part of American history that we're proud of.” As this dissertation shows, that “part” (U.S. policy toward President Allende) was only the final chapter in the

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18 Historian Stephen G. Rabe asserts that U.S. policy towards Latin America after 1954 had turned to anti-Communism, and by the 1960s, the region had become “the most dangerous place in the world.” This study suggests that U.S. policymakers recognized that they were faced in high-stakes ideological and symbolic struggle in Chile. See Rabe, *Eisenhower and Latin America: The Foreign Policy of Anti-Communism* (Chapel Hill: University of North Carolina Press, 1988); and *The Most Dangerous Area in the World: John F. Kennedy Confronts Communist Revolution in Latin America* (Chapel Hill: University of North Carolina Press, 1999).

19 Hersh, *The Price of Power*, 270.

United States’ long encounter with Allende and Chilean democracy. Policymakers from the Truman to Nixon administrations valued Chile as an ally because of its model democracy and tried to preserve that democracy. U.S. policy-makers also considered Allende a greater threat than Castro because Allende could bring Marxist socialism to Chile via the democratic process. For his part, Allende recognized that achieving his vision of a “peaceful road” to socialism would bring him into conflict with the United States, and he did not retreat from it. Chilean democracy collapsed amid the bullets and bombs of the 1973 military coup led by General Pinochet, but the image of Chile as a model democracy and Allende as a democrat survived. As scholar Cole Blasier observed, Chile has long exerted an influence far beyond its size and national power.\textsuperscript{21} As this study indicates, the United States’ long encounter with Chilean democracy and Allende strongly contributed to the domestic U.S. debate over foreign policy in the 1970s and to a realigned U.S. foreign policy more strongly committed to human rights and democracy. Contrary to Kissinger’s claim, history is indeed made in South.

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Mark Hove grew up on a farm in southeast Minnesota, near the town of Chatfield. After high school, he initially worked as a restaurant manager, and then joined the U.S. Coast Guard. While in the Coast Guard, he made his first trip to Chile aboard an icebreaker bound for Antarctica in order to conduct a support mission for civilian scientific research teams. After the Coast Guard, he pursued his undergraduate studies and received his Bachelor of Arts from the University of Minnesota, with a major in history, and minors in geography and classical civilization. He pursued his graduate studies in history under the direction of Dr. Ronald Shultz at the University of Wyoming, and received his Master of Arts degree. He continued his graduate studies at the University of Florida, under the direction of Dr. Robert J. McMahon. Mr. Hove now works as a Historian for the U.S. Department of State in the Office of the Historian’s Division of Policy Studies.