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Nota de Archivo: *Summary: This report, titled "Chile: Cabinet Changes Should End Confrontation," examined the appointment of three military officers to Allende's Cabinet and argued that the military's new role in the government should moderate the polarized political situation. Source: National Archives, RG 59, Central Files 1970–73, POL 15–1 CHILE. Confidential. Drafted by Jorgenson; approved by Summ; and released by Mark.*

CHILE: CABINET CHANGES SHOULD END CONFRONTATION

The appointment of three military officers to President Allende's new cabinet has eased tensions and paved the way for an early settlement of the almost four-week-old strike. Settlement of the strike and the military's new role in the government should bring about moderation of the polarized political atmosphere, with political attention turning increasingly to congressional elections in March 1973. However, with debt renegotiations scheduled for December, Allende will step up his efforts to divert blame for increasingly serious economic problems by focusing attention on "foreign economic aggressors."

The Armed Forces. The reluctant entry of Army Commander in Chief Carlos Prats into the government as Minister of Interior—and next in line to succeed the President—will reassure opposition elements that their views on key issues will be taken into account in government decisions between now and the March elections. Opposition leaders, including former President Frei, have been quick to approve of the military's decision to enter the government. At the same time, the appointment is a setback for Allende's Socialist Party, which has repeatedly opposed bringing the military into the government or any attempts to moderate the Popular Unity program. Prats announced that his acceptance of military participation in the cabinet does not reflect a political commitment by the military but is rather "a patriotic contribution toward social peace." He considers military participation as an interim measure designed to assure that the electoral process will provide a way out of the current impasse. He and most other Chileans now clearly see the scheduled March 1973 congressional elections as a plebiscite which will determine Chile's future course.

The Future of Allende's Coalition. Allende has had to pay a price for military entry into the cabinet. Prats apparently obtained guarantees from Allende on freedom of expression for the opposition and its free access to the media during the election campaign. He also apparently insisted on assurances against further illegal takeovers of businesses now in the private sector.

Throughout the confrontation of the past weeks, Allende made little use of the unwieldy decision-making mechanism of his coalition. The Socialist Party seemed particularly unprepared and disorganized, and Allende relied largely on the more moderate Communists and the trade unions for support. Moreover, the Socialists consistently opposed Allende's efforts to compromise with the strikers. Allende's concession to the opposition with regard both to specific issues raised by the strikers and to government policies between now and the March elections will likely intensify strains between moderates

and hardliners in his coalition. Furthermore, Prats' stated promise to "repress excesses of extremists from the left or right" may well contribute to intensifying these strains, especially if the military actively apply recently passed legislation restricting and controlling private ownership of weapons.

The Strike: No Winners. In appointing nine new members to his fifteen-man cabinet, Allende removed several Ministers who were especially objectionable to the opposition, but retained others who are ideological supporters of continued expansion of the government's control over the economy. Moreover, it remains to be seen whether the various elements of the coalition can be made to live up to the terms of the agreement apparently reached by Prats and Allende. Allende's yielding to some strike demands does not preclude that some of the firms requisitioned by the government will be retained under state control. Economic pressures against other important firms, such as the nation's paper producing company, may continue. Thus, the outcome will probably not be entirely satisfactory to either side. However, there is a clear awareness that continued confrontation will be seriously damaging to the interests of all concerned.

A Search for a Scapegoat. Post-strike political attention will almost certainly be directed toward the electoral campaign, in which the chief issues will be those posed by the government's continuing threats to political liberties and the private sector, as well as by the deteriorating economic situation. Allende will undoubtedly seek to defuse the economic issue by stepping up his efforts to shift blame for economic hardships to "foreign economic aggressors," emphasizing continued international credit stringencies and trade grievances. The secret round of debt renegotiations scheduled for December will tempt him to take a stridently "anti-imperialist" posture and, possibly, to use the UN General Assembly as his forum.