DECLASSIFIED // SECRET; NODIS

Contingency Paper Prepared for the Interagency Ad Hoc Working Group on Chile

Identificador Archival:	frus:frus1969-76ve16/d140
Agencia Emisora:	Departamento de Estado
Fecha del Documento:	1973-08-24
Colección / Serie:	FRUS 1969–1976, vol. E-16: Documentos sobre Chile, 1969–1973

Nota de Archivo: *Summary: This paper, titled "Possible Chilean Military Intervention," examined the political polarization and economic deterioration of Chile since the election of Allende in November 1970. It outlined contingency plans designed to force Allende to scale down or alter the implementation of his more radical programs and presented possible scenarios for more aggressive Chilean military involvement. Source: National Archives, RG 59, Central Files 1970–73, POL 15 CHILE. Secret; Nodis. Drafted by Karkashian; cleared by Kubisch, Shlaudeman, Williams, Harrison, Gantz, Benedick, and Palastra. It was transmitted under a September 8 covering memorandum from Pickering to Scowcroft.*

CONTINGENCY PAPER FOR CHILE AD HOC WORKING GROUP

Possible Chilean Military Intervention

Introduction:

Since it took office in November 1970, the Allende Government has undergone a series of escalating crises which have divided the country into increasingly hostile camps of pro- and anti-Allende forces. The nation's political life is characterized by inflamed rhetoric, ever increasing civil violence and unchecked economic deterioration. The October 1972 middle-class strike which was triggered by truckers and paralyzed the nation for over a month is now being repeated by another truckers strike with widespread support from middle-class labor guilds, shop keepers and professional men.

The nation's armed forces, traditionally remaining outside the political arena, have been increasingly drawn to the center of the political struggle. Although their constitutional persuasions are deeply rooted, the Chilean military are under extreme pressure by the contending political forces to either support the government in all its actions or to intervene against it in one form or another. Plotting by disaffected officers and rumors of impending coups are commonplace. Less common, but no less symptomatic of the tensions within the armed forces were the abortive attack of June 29 against the Presidential palace by elements of a disaffected tank regiment and the more recent confused efforts by some Chilean air force officers to openly defy President Allende's successful removal of the Air Force CINC, General Ruiz.

Allende is himself in part responsible for pulling the armed forces closer to the political arena by seeking on two occasions, in November 1972 and in August 1973, to strengthen the government through the inclusion of high-ranking military officers in his cabinet. This maneuver succeeded in its purpose in 1972 but obviously failed in the current situation. The resignation on August 23 of Army CINC and Defense Minister General Prats removes from the armed forces the most effective opponent to coup-minded military plotters. Having lost the confidence of most of the senior officers under his command and other ranks for his apparent determination to defend the Allende regime, Prats had no alternative but to resign when requested to do so by a majority of his generals. This development in the odyssey of the Chilean military would appear at this writing to ease the way for intervention-minded officers in the Army to cooperate more actively with

their coup-prone colleagues in the Navy and Air Force.

This paper is limited to a review of only those more likely contingency situations involving a change in government or a major change in the present government's policies and which could require an overall review of U.S. policy toward Chile. The Ad Hoc Working Group recognizes that such a chain of events may be set into motion by deteriorating conditions or the actions of other power groups rather than by the military itself. However, no such change could be effected without active military support.

Possible military intervention could: (A) force Allende and the UP to moderate their policies; (B) oust Allende for constitutional "violations" and hold new elections; (C) carry out an outright coup without reference to early elections; or (D) attempt to oust the Allende Government but founder on divisions within its own ranks. These contingencies are separately reviewed below.

Contingencies:

A. Force Allende and the UP to Moderate Their Policies

Acting in unison, the Chilean military, including the Carabineros (National Police), could seek a compromise solution to the escalating confrontations between government and opposition forces by forcing Allende to moderate his policies specifically with respect to the economic survival of opposition media outlets, further government encroachments on the private sector, and the disarming of civilian partisans of the Government. The explicit or implied threat of more drastic military action might induce Allende to accede (possible leftist reaction is discussed below). An adjustment of economic policies to reduce consumer frustrations might also be contemplated.

This option for the Chilean military would have the attraction of staying within constitutional bounds. It could incorporate several variations. The most likely would be military insistence upon a determining voice in national policy, unlike the experience between November 1972 and March 1973 when military authority in ministries headed by armed forces designees often proved transitory or superficial. The military might eventually demand more strategic Ministries than they head now, as well as military staffing of key sub-cabinet and secondary posts. Another possible demand would be that the opposition parties be invited to participate in a Government of national reconciliation. This is a more remote possibility, if only because the opposition would hesitate to share the burden of resolving Chile's critical economic problems. It is more likely that military pressure would be exerted to give the cabinet a more technical cast than it has now.

This contingency would leave Allende in office and would not resolve our bilateral problems. The military might well press initially for a resolution of U.S.-Chilean differences out of a desire to resuscitate the Chilean economy but would soon find itself up against political constraints arguing against concessions of substance to the United States.

B. Oust Allende for Constitutional "Violations" and Hold New Elections

If the temper of popular discontent becomes sufficiently intense, coupled with some excess by Allende, a united military could force his withdrawal from the presidency and invoke the legal provisions for holding new elections. Although Allende can be expected to exercise great care in this regard, the military could cite some constitutional "violation" to justify its actions, or could find subtler means to carry out its intent. While Allende is unlikely to volunteer his withdrawal and would strongly resist any public charges of unconstitutional action, it is remotely conceivable that he might prefer a gracious exit on the pretext of ailing health to an unceremonious ouster.

While contingencies B and C both involve military interventions, the key element in contingency B is the military's declared intention promptly to restore constitutional government. It would serve to demonstrate that the military did not act out of selfish motives to usurp power. Possible elements of this contingency might be the designation of a military officer

as Interior Minister who would then succeed Allende as Acting President during the interval (a total of 70 days) before elections are held. Cabinet changes to install noncontroversial or technically qualified persons in key positions in the interim also might be incorporated. This contingency assumes the Chilean military have no real desire to emulate their Peruvian counterparts.

A military government of this sort, because of its caretaker nature, probably would not be in a position to alter materially the course of our bilateral problems.

C. Outright Coup Without Reference to Early Elections

There is no indication of any widespread sense of “mission” among the Chilean military to take over and run the country. However, in a chaotic situation, it is conceivable that the influence of some military men might cause an intervention in the form of an outright coup, holding power until the next scheduled Presidential elections in 1976, or for an indefinite period with little pretense of holding elections or returning to constitutional norms within a predictable time frame.

Depending on the circumstances, some private sector and political groups probably would welcome military rule, for a time at least, while the most difficult problems of economic adjustment and possible extreme leftist terrorism are being faced rather than assume that responsibility directly. However, as the period of military rule were extended, the normal reaction of the political parties, and particularly the PDC, to return the country to constitutional government would be manifested.

The general lack of preparedness of the Chilean military to run a government, particularly one enmeshed in critical economic difficulties, would also argue against this contingency. Furthermore, the Chilean military are all too well aware of the political pitfalls which they would face. However, an abnormal electoral climate accompanying political turmoil might induce the military to think in longer-range terms.

D. Divided Military

The divisions within and between Chilean military services, the absence to date of a charismatic military figure who could unite all the Armed Forces and the possible effective infiltration of the military by the UP could lead to a situation where some elements of the military might seek to carry out one of the above contingencies and encounter significant resistance from within the Armed Forces. This contingency would tend to escalate rather than lessen the level of public disorder and violence. This would be particularly true if the UP parties engaged in the same type of demonstrations and strike action now being employed by the government’s opponents. The resulting uncertain situation with rival military factions supported by civilian elements could degenerate into a chaotic situation and possibly civil war.

We consider a full-blown civil war improbable, but military divisiveness or partial indecision could increase the chances of sustained civil violence cum insurgency. This contingency could appear in a variety of forms ranging from the revolt of a single unit, as in the ill-conceived June 29 rising where plotters in one unit acted without coordinating with any one else, to a revolt led by junior officers in one or more services, without the blessing of superiors. Coordination among the three services and the Carabineros on what to do about the course of events under Allende has been imperfect, but the likelihood of an entire service acting without the knowledge and at least the tacit approval of the others is very low. Sentiment in the army is more divided than in the other services. Individual unit commanders of an action bent could take their men into the streets and attempt to trigger a chain reaction leading to Allende’s ouster. This could crystallize divisions within the military, especially if loyal units fire on insurgents as in the June 29 rebellion. A further complication is the possibility of insubordination and armed resistance within the ranks in the event of a coup attempt. We doubt this would occur on any massive scale, but the recent discovery of a MIR-inspired penetration of the fleet has disquieted Chilean military leaders. The departure of General Prats from the Army probably reduces the chances for a divided army and a divided armed forces

in a given emergency situation.

Sub-contingency Applicable to all Above Contingencies in Varying Degrees:

Immediate leftist reaction to any indication of the impending likelihood of one of the above contingencies could take the form of a non-violent show of strength through strike action, the occupation of factories, and street demonstrations. These are tactics favored by the Communists, Radicals and some Socialists and could be used to try to overawe the military and the country in general with working class support. Such passive resistance or peaceful show of strength probably would not deter or reverse the actions of a determined and unified military bent on carrying out the above contingencies. Failing its objective, the UP parties or elements thereof could turn to armed resistance.

In general, the possibility of armed leftist resistance would tend to increase from contingency A to D. The likelihood of a violent reaction from the smaller, more extremist MIR group and others including the VOP and hardline Socialist Party youth elements exists under any of the contingency situations described above. The MIR already receives assistance from Cuba and has close ties to the Uruguayan Tupamaros and other terrorist organizations. Its long threatened resort to armed struggle as the “only true road to revolution” probably would be carried out whenever it became clear that Allende’s “peaceful path to Socialism” had failed. We believe, however, that a united military could control violent resistance or terrorist acts carried out by the relatively small extreme left.

The problem of maintaining public order would be exacerbated if the military were disunited and the larger U.P. political parties opted for armed opposition. This possibility would be more likely under contingency D than under contingencies A through C. Unless they sensed a successful outcome, the Communists and Radicals in particular probably would be inclined to avoid large-scale violence if possible and await another opportunity to gain power. The Communists, for example, could take comfort in the revolutionary gains already made by the Allende regime, much of which is not likely to be undone by a successor government.

In addition to the extreme left, both the Socialist and Communist Party shock brigades and security units possess arms and have some capability to protect party headquarters and key installations. These, however, do not yet encompass large numbers of party militants. UP sources including Allende have frequently asserted that any coup attempt would be countered by thousands of armed workers who would seize factories and other vital installations to defend the Allende Government by force of arms. While much of this can be regarded as tactical rhetoric, the Chilean military are not disposed to dismiss lightly the possibility of having an armed showdown in the streets with thousands of UP militants. In fact, since the June 29 episode, the UP parties have been making an effort to distribute arms to their partisans in the industrial belts surrounding Santiago. Decisive and united military action could forestall serious confrontations, while any evidence of military indecision or disunity would tend to increase its chances of occurring. In general, a milder form of military intervention, particularly one which incorporated Allende’s continuance in office or the military’s adherence at least to a semblance of constitutional norms, would tend to mitigate an armed leftist reaction except for those who are already violence prone.

General Factors Affecting US Decisions:

We expect that any new government resulting from a military intervention would quickly present us with urgent requests for substantial military and economic assistance, based on a badly deteriorated economy and a need to control disorders (of whatever magnitude). We also assume that, to the extent any new government will represent a turn toward moderation, we would wish to respond affirmatively to its needs. Our basic problem would be how to respond positively given our policy and legal constraints and given the magnitude of Chile’s economic problems and financial limitations. We assume, given the nature and magnitude of our bilateral compensation and debt differences, that these constraints would continue for a time at least.

Our approach could be to separate out the emergency minimum essential military and economic assistance which could be provided without reference to our bilateral problems. Examples would be riot equipment and relatively small food transfers. The more substantial elements of economic assistance could depend on the kind of policy the new government would adopt with respect to the outstanding issues of compensation for expropriated American properties and debt rescheduling. However, provision of emergency assistance to a successor government would render us more vulnerable to the inevitable charges of political involvement in Chilean internal affairs.

Within the variations included in the range of contingencies, a key factor to any US decision would be whether any new government was essentially a caretaker pending new elections, or whether it intended to remain in power indefinitely. Only in the latter case could the new government be expected to take significant decisions and actions on pending US-Chilean issues. In the case of a caretaker government, such issues would probably have to remain pending until the legally constituted successor government took office. The following factors would have to be weighed:

A. Outlook for the new Government's Ability to Govern

In any of the contingencies listed above, it could be difficult to reach a firm conclusion on this factor, at least at the outset of any new government. Elements to consider would include the new government's effective control of the national territory (taking into account the nature and extent of any subversive threat) and popular reaction to its initiatives.

B. Likely Nature of its Domestic Political and Economic Programs

This factor is related to the preceding one and could signal what positions the new government might take regarding relations with the US. Additionally, the new government's declarations on policy would have a direct bearing on its general image and thus could significantly affect reaction to it outside of Chile, including in the US Congress.

C. Its General Foreign Policy

Elements of particular importance in assessing this factor would be the new government's links to Cuba, the USSR and other socialist countries, the extent to which it uses international forums against U.S. positions, and its willingness to honor Chile's international obligations.

D. Likely Attitudes on Bilateral Issues with the US

The most important pending bilateral issues are Chile's failure to pay adequate compensation for expropriated US investments, particularly that of the copper companies and ITT; the GOC's unilateral moratorium on payment of contracted debt; and the debt rescheduling begun in the Paris Club.

The Ad Hoc Group believes that regardless of its desires, any successor government to Allende would find it extremely difficult to reverse or openly back away from the public positions already taken by the Allende Government on these issues. For obvious reasons, any new government can be expected to stress its nationalism and firm adherence to Chile's sovereign right to dispose of its natural resources in accordance with its own laws. Thus, it would have to scrupulously avoid any appearance of "selling out"—or already having sold out—to "imperialist pressure". This does not mean, however, that it could not cooperate in seeking mutually acceptable solutions to our bilateral problems.

E. Likely Effect of US Posture on Chilean Attitudes

Similarly, the Ad Hoc Group believes that an overt indication by the U.S. Government that it welcomed the change of government would reduce the ability of a new government to reach an accommodation with us.

Categories of Decisions to Make

A. Recognition

The Ad Hoc Group believes that in the event of a new government, once that government has been firmly established, the US should confirm the maintenance of relations seeking to be among neither the first nor the last countries to extend recognition. The question of recognition does not arise, of course, if there is no formal change of government. We would want to consult with key Latin American governments about the developing situation.

B. Setting the Tone of Relations

Aside from the essentially mechanical question of recognition and the less tractable bilateral issues, the US will be under great pressure to specify its stance with regard to the new government in Chile. The Ad Hoc Group recommends that our posture be a restrained and dispassionate one in which we emphasize the strictly internal nature of, and entirely Chilean responsibility for, developments in that country. We would note that our future policies will depend on how our interests are affected. We would scrupulously avoid any comment on how the change in government might affect those interests.

C. Bilateral Assistance

1. Military

It is likely that any form of military intervention would result in a request to the US for bilateral military assistance, particularly for riot control equipment, tear gas supplies and possibly medical support and Mobile Training Teams. In fact, an interest in purchasing riot control equipment under FMS credits already has been communicated to us on an official basis. It might be useful to process this request before any change in government occurs, if the Chileans are willing to utilize unused past FMS credits or pay cash.

In an emergency situation, sufficient riot control equipment and military airlift capability are available in the Canal Zone to respond to anticipated initial requests for such assistance. The Chilean Government might possibly request assistance which would be highly visible in Chile and involve a public identification between the US and the new government. An example would be for internal helicopter or aircraft transportation service. In response to such a request we could first seek to encourage support from other Latin American countries considered capable of performing these services, particularly Brazil, before deciding on whether US involvement is warranted.

Longer term military grant and FMS assistance requests can also be expected, particularly for such items as spare parts, transport and communications equipment, and possibly for COIN aircraft. Requests for equipment and training also can be expected from the Carabineros; these could be met through AID Public Safety programs or US military channels.

Chile is not currently a grant military matériel recipient, but could be so designated under the pertinent provision of the Foreign Assistance Act. The established, functioning foreign military sales and grant military training programs with Chile could be augmented to meet the need. Sections 620(e) (the Hickenlooper Amendment) and Sections 502, 620(q) and 653 of the Foreign Assistance Act would also have to be taken into account.

2. Economic

If a clear-cut emergency situation existed in Chile which warranted the provision of humanitarian disaster relief assistance, the U.S. would be able to respond almost immediately to an official request. For example, if an outbreak of fighting in Chile left large numbers of people homeless, we could supply tents, blankets and other emergency equipment from A.I.D. Disaster Relief stockpiles, provided that the Ambassador declared a disaster and AID/Washington approved the shipments. About $200,000 of emergency equipment is kept in Panama for this purpose at all times. The equipment could be transported by U.S. military aircraft. Probable arrival time in Chile would be less than 24 hours after an official request

were received. The Ambassador would also have authority to spend $25,000 for disaster relief purposes as he saw fit. All cases involving Disaster Relief assistance must be reported to the U.S. Congress. Therefore, we would have to be prepared to justify the assistance in terms of the existing hardships for Chilean citizens.

If there were an immediate need for food assistance, the food already in Chile for our ongoing PL–480 Title II program could be used for emergency feeding. A report to the Congress is not required for this type of assistance but the basis for providing the assistance again would have to be in terms of existing rather than potential hardships. The U.S. Voluntary Agencies operating the Title II program in Chile would have to agree to the emergency feeding. They might possibly be reluctant to agree if, because of worldwide food shortages, the A.I.D.Washington Food for Peace Office were unable to guarantee the replacement of the food used for the emergency.

Any new government in Chile would be faced with the need for massive balance of payments assistance. The IMF recently estimated that the 1973 balance of payments deficit will amount to $338 million even if Chile obtains the maximum $290 million in relief through debt payment deferments which it has requested. The problem, in any event, would be so large and complicated that no one agency could handle it, and it would be indispensable that there be close coordination among the IMF, IDB, IBRD, Paris Club and the U.S. Government.

The capacity of the U.S. Government to respond to a request for balance of payments assistance has declined considerably in recent years. The principal means in the past has been through A.I.D. program lending; however, there are many existing high-priority claims on very limited funds. The same is true for supporting assistance funds which are employed to meet major political requirements (e.g., Southeast Asia). Regular development lending, either in the form of sector or project loans, also faces serious funding constraints; moreover, the balance of payments impact of this kind of lending is likely to be small during the first year or two.

Aside from these funding limitations we would also have to take into account various legislated restrictions in considering assistance to Chile. These restrictions include requirements for prior Congressional notification, the Hickenlooper amendment, the Gonzalez amendment, and Sections 620(a)(3) and 620(q) of the Foreign Assistance Act.

Besides new A.I.D. assistance, the Chileans could request a reactivation of the $15 million A.I.D. loan pipeline through extensions of the loan terminal disbursement dates (TDD's), which are currently expired. Technical problems would have to be worked out in several cases, however, before the TDD's could be extended. Also, the immediate balance of payments effect of the extensions would be small since the loans are generally tied to specific projects or sectoral programs.

In sum, there are tight constraints on our ability to mount an A.I.D. program of the dimension likely to be required. Should substantial bilateral assistance prove politically and economically feasible and desirable, we may want to consider a special request to Congress. This kind of approach might also be used to waive the legislative restraints mentioned above.

General balance of payments support could be requested through lines of credit opened by the Export-Import Bank although it has a policy against this type of lending. The GOC's creditworthiness would affect the Bank's response to a request for such assistance. Important factors would be the Bank's already high exposure in Chile and whether the GOC were up-to-date in its repayments to the Bank (except, of course, for those included in a bilateral rescheduling agreement). The compensation issue would also be an important factor in the Bank's review of the GOC's credit-worthiness.

Food import needs which are projected at $450 million in 1973, will be an area of particular concern for any Chilean government during the coming months. One source of long-term U.S. financing for food shipments is Title I of PL–480. Probable terms for sales to Chile would be up to 20 years. It would be very difficult, however, to provide significant amounts of Title I assistance to Chile during FY 1974 due to possible statutory restrictions, the reduction in Title I funding this year, and the severe shortage of foodstuffs available for Title I programs. The commodity in shortest supply is wheat,

which is also the commodity for which Chile has the greatest need. To ship Title I wheat to Chile would require a diversion from top priority Asian countries and continued deferrals under already signed agreements with other countries. For most other commodities, the situation is almost as tight. With respect to corn for example, enough is hoped to be available to meet existing commitments but no surplus is expected for new programs. Only with vegetable oil is there expected to be an adequate amount available for new agreements.

The Hickenlooper amendment would be applicable to Title I sales if it were invoked. Additionally, Title I assistance may not be provided to governments making sales to Cuba or permitting ships or aircraft of their registry to carry cargo to or from Cuba. This restriction, which is subject to waiver, may be applicable to Chile.

We have an ongoing PL–480 Title II grant program in Chile which currently amounts to about $2.5 million. This is down sharply from previous years. Since the Title II program is subject to the same commodity limitations as the Title I program, further cuts during the year are a distinct possibility. An increase in the program would be very difficult even if Chile were given top priority. The Hickenlooper amendment would apply to certain types of Title II programs if it were invoked.

Another possible source of funding for food shipments to Chile would be through the USDA's Commodity Credit Corporation. The CCC-financed commodities do not have to be declared in surplus as they do for PL–480 programs; therefore, the only supply restriction is that an amount be available for export. Because of the uncertainties with respect to this year's supply, however, the CCC currently is not approving new lines of credit and requests from countries such as Poland, the Philippines, and South Korea are being held in abeyance. The CCC is continuing to provide financing under already-approved lines, however, and it expects to be able to approve new lines of credit later in the fiscal year. CCC financing terms are very close to commercial rates. The repayment period is one to three years and the current interest rate is from 9½ to 10½ per cent, the highest ever. There appear to be no statutory restrictions which would affect CCC sales to Chile.

3. Caveat on Bilateral Assistance

While military and economic aid might be called for to shore up a successor regime more amenable to resolving our bilateral differences, such a decision would not be without unfavorable political consequences. It would lend credence to the inevitable charge that the US masterminded Allende's demise and moved with unseemly haste to identify itself with yet another Latin American military regime. It could tarnish the new regime in the eyes of the Chilean public. These repercussions would be mitigated to the degree that the Chilean military intervention adhered to constitutional norms and by the care with which we determined the timing and nature of our assistance.

D. Multilateral Assistance

Over $100 million of loan requests from Chile are pending with the IBRD and the IDB. None of these requests has yet been submitted to the respective Executive Boards, although two requests totalling $8.3 million will probably be submitted to the IBRD board sometime after the next Paris Club meeting in October. Some of the pending proposals might possibly move forward fairly rapidly. However, there are outstanding technical problems in several projects, especially for the larger loans, and all of the loans would be tied to specific projects offering relatively little immediate balance of payments relief. The U.S. would be required to vote against all of the loans under the terms of the Gonzalez Amendment unless there were good faith negotiations or arbitration on compensation. Application of the Gonzalez Amendment would have the effect of vetoing one pending IDB Fund for Special Operations (FSO) loan of $13 million and have an important, but not decisive, effect on the others. Also, if the Hickenlooper Amendment were invoked, the U.S. would be required to veto the IDB FSO loan.

Possibly the most readily available source of external financing to Chile would be drawings from the IMF, provided that Chile was willing to comply with some fairly restrictive financial conditions. If it agreed to maintain balance of payments equilibrium over a twelve month period and to contain inflation the IMF very likely would authorize a $43 million first credit tranche drawing. To fulfill such a commitment, the GOC would probably have to cut back sharply on current imports, or obtain additional financing from other sources. A second credit tranche (standby) of $43 million would also be possible if Chile agreed to further monetary and financial commitments. These IMF drawings could provide needed balance of payments relief relatively quickly. Neither the Gonzalez nor the Hickenlooper Amendment would apply.

E. Debt Rescheduling

As provided for in the multilateral debt rescheduling agreement of April 1972 (Paris Club), we have discussed a bilateral debt rescheduling with the Chileans; an agreement would reschedule 70% of the repayments which fell due within the November 1971–December 1972 period. Since Chile has not been making any payments to the U.S., payment of the 30% due under the bilateral agreement plus other excluded repayments might mean an immediate balance of payments drain for Chile. However, we could agree to more favorable rescheduling terms if we wished.

Multilateral talks in the Paris Club have been underway this year on the rescheduling of Chile’s 1973 and possibly, 1974 debt. Significant balance of payments relief could be provided if we agreed to Chile’s proposed terms—rescheduling over a ten-year period of 95% of the payments due in 1973 and 1974. The other creditors might not be willing to agree to such liberal terms in the multilateral format, but we could agree to such terms in the subsequent bilateral negotiations. However, it could be embarrassing for the U.S. to reverse the “orthodox” approach we have applied to debt rescheduling for the Allende regime immediately after a successor regime assumes power.