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Telegram From the Embassy in Chile to the Department of State

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Nota de Archivo: *Summary: In this fourth of four related telegrams titled "The Evident Becomes Obvious," Korry described Allende's use of populist reforms to build support amongst the majority of the Chilean people and the ways in which Allende was trying to control the media and consolidate power in Chile. The Ambassador concluded by highlighting the UP coalition's desire to remain unified. Source: National Archives, RG 59, Central Files 1970–73, POL 2–2 Chile. Secret; Limdis. Repeated to Asunción, Bogotá, Bonn, Brasilia, Buenos Aires, Canberra, Caracas, Guatemala, Kingston, La Paz, Lima, London, Madrid, Managua, Melbourne, Mexico City, Montevideo, Ottawa, Panama, Paris, Port au Prince, Port of Spain, Quito, Rio de Janeiro, Rome, San José, San Salvador, Santo Domingo, Tegucigalpa, and USCINCSO. Reference telegrams 43, 46, and 52, Parts I–III, are Documents 44–46.*

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59. Subj: The Evident Becomes Obvious (Part IV of IV). Ref: Santiago's 43, 46 and 52.

1. By any objective measure, the actions of the Allende govt please the majority of the Chilean people. Moreover the majority of Allende's actions will benefit the mass. And "mass" is the key word for the Marxists.

2. Although the Communist Corvalan can state with chilling accuracy that this govt does not intend to be "reformist" and does not intend merely to increase employment, effect redistribution and augment production, Allende is building his irresistible momentum by such reforms. What political party can be opposed to higher wages, price rollbacks, greater social security benefits and a massive redistribution of income? What politician can argue against "land reform" that will initially expropriate only the 3500 to 4000 farms that remain above the maximum limit of 200 basic irrigated acres? For the mass of peasants with tiny holdings, the word "cooperative" is not and should not be a discouraging perspective despite the simultaneous use of "state farm". In the interim Allende has cancelled the land tax for all those with incomes of less than some $3000. What is objectionable about reducing the cost of credit by 25 percent and promising to make it available to the small industrialist, to the small farmer and to the cooperatives? What is more logical in a country of only 9,300,000 than to trim from eleven to three the number of auto companies? What is more sensible than to create mass money supply so that domestic industries will get a volume sufficient to lower real costs and so that the society as a whole can concentrate on increasing output and boost its non-traditional exports? Who would oppose a half liter of milk to every child daily, free school books, free medicines, greater access to university and even "peoples courts"? This last idea is justified as unclogging a court system overloaded with minor cases that could easily be decided on a neighborhood level by representatives of the people.

3. The evident truth is that Allende is doing a great many things that most people would agree are good for Chile and he is doing nothing that he did not say he would do prior to the election. He has so far reneged on only one of his electoral planks—to leave the IMF—and who would fault him for reversing that pledge? He said he would wage class war against a small minority that had inordinate power and wealth; they are his only domestic victims so far. He said he would reduce Chile's tremendous dependence on the US. He is fulfilling that goal. Because the conservatives in this country are, and

have been so deservedly discredited and because the anti-Marxists threw away their numerical majority in blind parochialism, the majority of the middle class in this unique land with its 90 percent literacy and 75 percent urbanization is not at all perturbed by what has occurred in the first two months of the Allende govt. I might add that the majority of US press, itching with a hairshirt of guilt, sticks to a birdseye view and flutters with joy.

4. DeGaulle when he visited Chile several years ago described it as “the pilot country for Latin America”. Regis Debray, a young revolutionary whose ideas contributed to the May 1968 French upheaval that led to the downfall of DeGaulle, said last night in his first press conference that the Chilean revolution was a “colossal” event and that it would have repercussions in Europe as well as Latin America. Debray is much intrigued by the novelty of the Marxist methodology here and is delaying his departure to Cuba to learn more before he begins applying his experience in other parts. For what it is worth, I think both Frenchmen, like De Toqueville about the US, have an extraordinary perspicacity.

5. Two months of observing Allende has reinforced my original appreciation. He is a dedicated socialist; he is a shrewd politician; he is not a Communist; he is determined to serve six years, to effect his program of establishing a “Republic of the Workers”, to do it within a legal framework. He wants Chile to be independent in the sense of not being dependent on a foreign country, be it the Soviet Union or China. But he is unalterably and implaccably opposed to all that US society represents today, starting with the profit motive and our historic record in L.A. Except where the US will agree with the USSR, he will oppose us in every international forum and in some cases such as the Law of the Sea, he will stand against both the superpowers. So far, there is nothing exceptionable in the foregoing insofar as other areas of the world are concerned. But he will cooperate in every manner possible to have the Chilean experience emulated in every Latin country and indeed, his success here has already had manifold effects. For the US therefore, it means a complete overhaul of its assumptions about Latin America, particularly South America. That political genius of Chilean Communism, Velodia Teitelboim, said in an interview in Montevideo last month, that Popular Unity proved that President Frei had exaggerated the importance of the US in Latin America and that Foreign Minister Valdes had understood and enacted a contrary foreign policy that had great significance. In that sense, DeGaulle’s terminology might well be prophetic.

6. Allende has set in motion the greatest change Chile has known since independence. Leaving aside foreign implications, Allende would be a rare leader indeed if he could control the forces he has loosed. He is enacting a populist program that will reinforce the already sharp appetites of a population that was, under Frei, emerging rapidly from backwardness, marginality and isolation. He is establishing a bureaucratic centralism that will directly or indirectly convert every nonpolitical organization in Chile into a full or quasi arm of the state. This combination has inevitably led elsewhere to greater controls, more centralism and finally to repression.

7. Allende and his associates are raising hell publicly with the Supreme Court’s reversal of a lower court’s decision to lift the congressional immunity of rightist Senator Raul Morales on charges growing out of the Schneider assassination. At the same time he is deliberately encouraging prosecution of such dubious cases as of the Edwards Bank and is seeking to establish a kangaroo court for the copper nationalization. In sum he is arranging events in order to justify an overhaul of Chile’s traditional independent judiciary. He is doing it legally but it is the threat of the mass pressure that will produce the result he and the Communists want.

8. Allende is also raising hell publicly with the two leading anti-Communist newsmen in radio and privately his lieutenants are beginning to put pressure on some of the few remaining non-conformist voices in the press. TV is already his. With decreasing advertising and consequent decreasing numbers of news pages, with increasing dependence on the state for revenue, for price increases, for credit, for labor peace and for other govt favors, can anyone seriously propound the notion that the conditions for a free press genuinely exist? (El Mercurio has many problems not the least of which is that Agustin Edwards’s sister Sonia, the only Edwards on the board of directors and an Allendista, is now hopelessly in love with the extreme left wing Socialist Senator Altamirano.) Perhaps most illuminating is the case of Dario Saint Marie, known as

Volpone here the sole owner of Clarin, the most populist of all Chilean papers, second only to Mercurio in circulation and a staunch supporter of Allende. Volpone is a millionaire many times over as a result of his start in life as a successful blackmailer, drug-runner and today, as a crypto-racketeer. Clarin has been licensed to print money with the Frei govt buying peace from Clarin by stuffing it with govt advertising and an aid special letter of credit to buy new modern equipment. Now Volpone has discovered that the paper has been effectively captured by the Communists through their control of the shop journalist union. Although a close personal friend of Allende, his complaints have so far been unavailing and he may well try to sell the paper and quit Chile to enjoy his fat foreign bank accounts. But he is so vulnerable that the Communists are standing firm and the outcome of this test of amoral wills is going to have wider implications.

9. Wildcat strikes unless prompted by the govt have almost disappered since Allende came to power. There has been one at the Chuquicamata oxide plant for one week but as I have noted in the past that mine has the most bloody-minded workers in the country and they will not be easy to cow. The govt has already won the support there of all the unions at the mine against the strikers (whose walkout is totally unpublicized in the free press) and it would not be rash to predict that the govt will have its way. Since the Communists control the national trade union CUT, and since CUT has been designated the sole voice of labor in its dealings with gov, the demise of pluralistic trade unionism is not far off.

10. Political parties and indeed democracy depend in the last analysis on freedom of expression and the effective capacity to have that expression reach the electorate. The PDC can appear on TV debates and state its views; it can publish its one newspaper with a claimed circulation of 25,000 (as opposed to Mercurio's estimate of 15,000) and it can broadcast on the one of the 29 stations in Santiago that it owns. The other opposition parties have no Santiago newspaper per se although the Mercurio trio must be credited to their cause and only two remaining radio stations, neither of which will be in hands unfriendly to the govt for long since a combination of tight money and of govt blackmail against the current owners are forcing the proprietors to consider only "friendly" bids.

11. Political parties depend also on mass organization and structure. The Communist Party had its way this week, gaining Allende's concurrence against initial Socialist opposition, to convoke the Santiago provincial apparat that the U.P. organized for Allende's campaign so that the governing unity will be reinforced for the municipal elections. Hardly a worker or a small or large businessman will not be forced to buy the equivalent of "protection" by contributing to the U.P. campaign for the nationwide municipal elections in early March. Many will do so gladly in gratitude for the many benefits that Allende has conferred. But many with meager means and with doubts will cough up because of the peer pressure and out of fear; hence they will neither be able to work for or contribute to opposition parties. Once again a birds-eye view misses the subsurface.

12. I have cited a few of the instances by which Chilean democracy and traditions are being altered in substance if not in appearance. The point is that a momentum is being developed that will give the Unidad Popular a huge vote in the municipal elections, that between them the Communists and Socialists may get 40 percent of the total vote, that these two Marxist parties will not fall into the trap of competing openly with each other but will concentrate its efforts on grinding down the opposition and that this Marxist combination is establishing a tight bureaucratic centralism that will develop its own accelerating anti-pluralistic thrust. A great many romantic Chileans believe they can split Allende from the Communists. The Communists need Allende indispensably as the umbrella under which they legitimize their push for power; nothing can unstick them. Senator Altamirano, who was considered to be an anti-Communist because of his Maoist views, told Punto Final: "Socialist-Communist unity is and will be the base for all our action which in turn ought to be founded on a solid identity of both strategic and tactical goals." Debray makes the same point of the need for Marxist unity with the Revolutionary Left (MIR) acting as the defender of the revolution to prevent the govt or the U.P. from being entrapped by becoming bourgeois or by being softened by the bourgeoisie. Significantly Debray says that Allende

understands this entrapment threat and will combat it. There are others, particularly in the PDC, who argued that the U.P. could not run its economy without their cooperation; they are dead wrong. Not only does the U.P. have just as many trained technicians of more or less equal calibre, but they have an ideological outlook that is cohesive and they have the labor discipline and the mass structure to enforce their will. PDCers will be given the option of being loyal or of being outcasts.

13. For all these reasons, the opposition is now hastily confronting the realities and the most intelligent of their leaders are talking the kinds of deals that might make some sense. Here are some short-term possibilities:

A. The Nacional Party has designated Deputy Silvia Alessandri to be its candidate for the senatorial seat vacated in Magallanes by Allende. She has not yet formally accepted. The PDC has not yet named a candidate. There is a chance that a deal will be arranged whereby Alessandri withdraws her name at the last moment before the election and gives freedom of action to her supporters. The anti-Marxists have a majority in Magallanes and a victory for the PDC there would do much to balance the simultaneous weak showing they expect in the municipal elections.

B. An overturning of the U.P.'s control of the Mesa Directiva in the Chamber of Deputies and its replacement by a coalition of oppositionists.

C. A coordinated resignation of various private enterprise association heads rather than the inchoate and ineffectual individual dealings.

D. Successful efforts to alter various legislation in the Congress submitted by Allende.

E. Greater effectiveness in publicizing in the Western world the sharply increasing preoccupations so that the [garble] here will provide a better base for opposition.

14. None of these measures will alter the inevitable thrust of events but they might provide enough footing to enable the opposition to assure enough pluralism for later confrontations when the consequences of state control of the economy begin to be felt. It will be the politicians and the mass of the people, not the army, that might save Chilean pluralism. The armed forces are considered totally safe now by the Communists and Socialists. They are not a political force in Chile; they are always for order and the fatherland. (End Part IV)