

2012

The Third World War: American Hegemony in Latin America and the Overthrow of Salvador Allende

Samuel Mitchell
Claremont McKenna College

Recommended Citation

Mitchell, Samuel, "The Third World War: American Hegemony in Latin America and the Overthrow of Salvador Allende" (2012).
CMC Senior Theses. Paper 308.
http://scholarship.claremont.edu/cmc_theses/308

This Open Access Senior Thesis is brought to you by Scholarship@Claremont. It has been accepted for inclusion in this collection by an authorized administrator. For more information, please contact scholarship@cuc.claremont.edu.

CLAREMONT McKENNA COLLEGE

**THE THIRD WORLD WAR: AMERICAN HEGEMONY IN LATIN AMERICA AND THE
OVERTHROW OF SALVADOR ALLENDE**

SUBMITTED TO

PROFESSOR RODERIC CAMP

AND

DEAN GREGORY HESS

BY

SAM MITCHELL

FOR

SENIOR THESIS

SPRING 2012

APRIL 19, 2012

Table of Contents

- 1. An Introduction to U.S. Intervention in Latin America 1**
- 2. The 1960s and the United States' Loss of Hegemony 21**
- 3. A Brief History of U.S. Relations with Chile, and Allende's Rise to
Power 28**
- 4. Nixon vs. Allende and the Demise of Chilean Democracy 38**
- 5. Conclusion – As the Dust Settles 53**
- 6. Bibliography 61**

Chapter 1: An Introduction to U.S. Intervention in Latin America

“The United States is practically sovereign on this continent, and its fiat is law upon the subjects to which it confines its interposition.”¹ – Secretary of State Richard Olney, 1895

Why has the United States frequently intervened in the affairs of Latin American governments? How have the motivations changed over time, and how have they stayed the same? Are American Presidents more motivated by economic or political threats to hegemony? What methods has the United States used to maintain its dominance over the Western Hemisphere, and how have they changed?

This paper seeks to address all of these questions, using a full historical examination as well as the case study of Salvador Allende’s Chile. Drawing upon numerous scholars’ work as well as individual research and investigation, this paper seeks to prove the following hypotheses: Since the creation of the Monroe Doctrine, which marked America’s entry into regional foreign affairs as a major player, the United States has acted upon a self-created moral imperative and entitlement to dominate the Americas. The motivation behind the indispensable maintenance of hegemony is as

¹ George C. Herring, *From Colony to Superpower: U.S. Foreign Relations Since 1776*. (New York: Oxford University Press, 2008), 307.

much symbolic as concrete. Many factors such as the threat of communism or European influence have been used as justification for American meddling. In fact, the main motivations are economic control of the hemisphere and the perception of American ideological supremacy among Latin American people (most importantly political leaders), not the spread of democracy or the promotion of human rights. Earlier in the United States' history, military intervention was more commonly used to achieve the aforementioned goals. With the onset of the Cold War, covert operations, equally potent, became increasingly prevalent. The following chapters present a story of the United States constantly positioning itself to be in the sole position of dominance (economic, political, and ideological) in the region of the Americas.

The foundation for much of the United States' foreign policy towards Latin America has historically come from the Monroe Doctrine, a policy introduced in 1823 to deter European interference in the affairs of the New World. This doctrine also ideally granted the United States the right to intervene in the affairs of its southern neighbors "when it felt that its interests or security was at risk."² Initially, the Monroe Doctrine was well received by the Bolivarian-era Latin American people and governments. The United States was not seen as a major military power at that time, and the greatest threat to autonomy posed to most of the western hemisphere came from the British Empire. In the late 19th and 20th century, as the Monroe Doctrine was increasingly used

² Clara Nieto and Chris Brandt. *Masters of War: Latin America And United States Aggression From The Cuban Revolution Through The Clinton Years*. (New York: Seven Stories Press, 2003), 18.

as justification for U.S. meddling in Latin American affairs, the policy drew more criticism and demonization.³ The United States' regional power had already begun to expand by the 1840s as evidenced by the Texas-Mexican War and the resulting annexation of Texas and the California territories from Mexico. Yet even this southward expansion was not viewed by leaders further south as a cause for concern. The war was simply seen as a localized boundary dispute.⁴

The ideas of the Monroe Doctrine, coupled with the philosophy of Manifest Destiny – The United States' divine mandate for territorial expansion – evolved with each proceeding presidency. Theodore Roosevelt added his “corollary” to the Monroe Doctrine, further emphasizing the United States' “right” and “responsibility” to govern the entire American Continent. Roosevelt, and nearly every president after him, would use the justification that American intervention was a benevolent act, a sort of ideological missionary, rather than a colonial land grab. As President Roosevelt said in his 1904 State of the Union Address:

It is not true that the United States feels any land hunger or entertains any projects as regards the other nations of the Western Hemisphere save such as are for their welfare. All that this country desires is to see the neighboring countries stable, orderly, and prosperous. Any country whose people conduct themselves well can count upon our hearty friendship. If a nation shows that it knows how to act with reasonable efficiency and decency in social and political matters, if it keeps order and pays its obligations, it need fear no interference

³ John A. Crow. *The Epic of Latin America*. (Berkeley: University of California Press, 1992), 676-678.

⁴ *Ibid.*, 678.

from the United States. Chronic wrongdoing, or an impotence which results in a general loosening of the ties of civilized society, may in America, as elsewhere, ultimately require intervention by some civilized nation, and in the Western Hemisphere the adherence of the United States to the Monroe Doctrine may force the United States, however reluctantly, in flagrant cases of such wrongdoing or impotence, to the exercise of an international police power.⁵

America has since used this logic and its continuing dedication to the Monroe Doctrine to justify nearly every interaction with Latin America on a foreign policy level; further stretching the definition of “loosening of the ties of civilized society,” to mean going against American strategic or economic desires in any way.

American expansionism under the Monroe Doctrine continued under President William Howard Taft. His implementation of “Dollar Diplomacy” (defined as an approach to diplomacy which aims “to create stability and order abroad that would best promote American commercial interests”⁶) led to U.S. intervention across Central America and the Caribbean. These interventions were intended to protect American economic interests such as the United Fruit Company and the Panama Canal. In the first two decades of the 20th century, the United States interfered in Cuba, Puerto Rico, Panama, Nicaragua, Haiti, The Dominican Republic, Honduras, and Mexico.⁷ Many of these interventions involved military action, and even occupation. In what became

⁵ Theodore Roosevelt. “State of the Union Address.” December 6, 1904.

<http://www.teachingamericanhistory.org/library/index.asp?document=1311>.

⁶ U.S. Department of State – Office of the Historian. “Dollar Diplomacy, 1909-1913.”

<http://history.state.gov/milestones/1899-1913/DollarDiplo>.

⁷ Lester D. Langley. *The Banana Wars: United States Intervention in the Caribbean, 1898-1934*. (Wilmington, Del.: SR Books, 2002).

known as the Banana Wars, the United States exerted hard power all around Latin America and began a pattern of intervention that would continue well into the 20th century. For example, “between 1853 and 1933 United States marines invaded Nicaragua twenty times. In one case, they stayed five years, in another, twenty-one.”⁸ American intervention in Nicaragua continued into the 1990s.

By the time Franklin D. Roosevelt took presidential office in 1933, “Central America and the Caribbean had already endured more than a hundred military interventions and territorial occupations.”⁹ Roosevelt was a staunch anti-imperialist and isolationist (as evidenced by his signing of three neutrality acts in 1935, 1936, and 1937, as well as his rejection of a currency agreement during the 1933 London Economic Conference).¹⁰ Roosevelt executed a near turnaround in U.S. foreign policy towards Latin America with the Good Neighbor policy. Roosevelt rescinded the Platt Amendment, granting Cuba slightly more control over its own politics and withdrawing American troops from the Island (though Guantánamo base remained open). He also notably signed agreements with Panamanian President Arnulfo Arias ceding sovereignty of the Panama Canal and isthmus as well as removing clauses granting the U.S. a “right” of intervention in Panamanian affairs. As the events that led to the start of World War II unfolded, Latin America even proved to be a valuable military ally of the United States. Roosevelt also participated in the Inter-American Conference for the Maintenance of

⁸ Clara Nieto and Chris Brandt. *Masters of War*. 128.

⁹ *Ibid.*, 22.

¹⁰ Justus D. Doenecke and Mark A. Stoler. *Debating Franklin D. Roosevelt's Foreign Policies, 1933-1945*. (Lanham: Rowman & Littlefield Publishers, 2005), 119-120.

Peace, held in 1936 in Buenos Aires. Among the conference's outcomes was the Declaration of Principles for Inter-American Solidarity and Cooperation, which ensured coordinated defense policies among the nations of the Americas as well as a safeguard against United States interventionism.^{11, 12}

Though Roosevelt's policies did signal a retreat from the aggressive Monroe Doctrine of years past, many in Latin America still criticized the president's actions. Mexican writer Jesús Silva Herzog said of Roosevelt's reforms,

The Good Neighbor policy is a change of form rather than content... Imperialism, an economic phenomenon, the inevitable and legitimate offspring of capitalism, will never cease to be a constant threat and growing evil for the progress of the majority of nations.¹³

Indeed, non-intervention on the part of the military did not stop American corporations from expanding and extracting across Latin America. If anything, the increased trust created by Roosevelt's reforms allowed for more U.S. investment and economic entrenchment. Furthermore, in response to the commencement of World War II and the growing strategic importance of the Panama Canal, the United States installed military bases on the British Caribbean possessions of Antigua, Santa Lucía, Jamaica,

¹¹ Clara Nieto and Chris Brandt. *Masters of War*. 22-23.

¹² Philip C. Jessup. "The Inter-American Conference for the Maintenance of Peace," *The American Journal of International Law*, Vol. 31, No. 1 (1937): 88.

¹³ Alonso Aguilar and Asa Zatz. *Pan-Americanism from Monroe to the Present: A View from the Other Side*. (Engl. ed. New York: Monthly Review Press, 1968), 72.

British Guyana, Trinidad and Tobago, and Turks and Caicos. At the same time, American bases in Panama, Puerto Rico, and Cuba remained open.¹⁴

Soon after World War II had ended, and President Roosevelt had died, the seeds of the Cold War were sown. At the time, the immediate perceived threat of Communism was confined to Europe, but it would soon spread across the world. In 1947, President Harry Truman enacted the Truman Doctrine, which many scholars attribute to signifying the start of the Cold War.¹⁵ Truman, in his speech introducing this new policy, coined the modern term “the Free World”, and claimed that the United States had an obligation to protect the Free World from communism: “The free peoples of the world look to us for support in maintaining their freedoms. If we falter in our leadership, we may endanger the peace of the world. And we shall surely endanger the welfare of this nation.”¹⁶ Essentially, the Truman Doctrine signified a globalization of the Monroe Doctrine, proclaiming an American burden and right to ensure its views were held and maintained worldwide.

The proclamation of the Truman Doctrine ushered in the era of McCarthyism. Anti-communist fervor engulfed the United States, and U.S. foreign policy placed its primary emphasis on a containment approach, deviating from its previous precedent of détente. From this point until the end of the Cold War, U.S. foreign policy – towards Latin America and elsewhere – was strictly viewed through the prism of the Cold War.

¹⁴ Clara Nieto and Chris Brandt. *Masters of War*. 24.

¹⁵ Fraser J. Harbutt. *The Cold War Era*. (Malden, Mass.: Blackwell Publishers, 2002), 19-20.

¹⁶ Harry Truman. “Speech to Congress.” March 12, 1947.

<http://americanrhetoric.com/speeches/harrystrumantrumandocctrine.html>.

While the U.S. was using financial incentives to ensure that the fragile states of Greece and Turkey steered away from communism, the Truman administration also undertook efforts to secure a hemispheric bulwark against 'red' expansion. In 1947, Truman signed the Inter-American Treaty of Reciprocal Assistance, a mutual defense pact among nearly every nation in the Western Hemisphere. The following year, the Organization of American States (OAS) was founded. The OAS charter overtly lays out its anti-communist intentions. The motto of the organization is, "Democracy for peace, security, and development," and one of the stated goals in Article 2 of the charter is, "To promote and consolidate representative democracy, with due respect for the principle of nonintervention."¹⁷ Truman also signed the Mutual Military Assistance Pacts (MAP) with thirteen countries in Latin America and the Caribbean. With these accords, the U.S., "provided training for officers and weapons for the defense of the hemisphere,"¹⁸ and more importantly for the defense against communism.

It is also important to note that most of the signees of these pacts were military dictators allied with the U.S.¹⁹ However, this was a relatively recent development in the ever-persistent pendulum between authoritarianism and populist movements in Latin America. During World War II, the U.S. under Roosevelt supported democratization and anti-oligarchic movements throughout Latin America. His idea of a "New Deal for the

¹⁷ Organization of American States. "Charter of the Organization of American States." http://www.oas.org/dil/treaties_A-41_Charter_of_the_Organization_of_American_States.htm.

¹⁸ Clara Nieto and Chris Brandt. *Masters of War*. 26.

¹⁹ *Ibid.*, 27.

world” sparked a wave of democratic optimism during this period.²⁰ In combination with this sentiment, the Soviet-American cooperation of the time led to a moderation of international policy on the part of Stalin. As Hal Brands explained:

In hopes of improving relations with the Grand Alliance, Soviet dictator Josef Stalin disbanded the Comintern and instructed international communist parties to adhere to a popular front strategy. Faithful to Stalin’s orders, Latin America’s communists moderated their policies and forged alliances with other popular parties, adding breadth to antidictatorial movements.²¹

The potent combination of American support and newfound unification led to a coordinated attack on dictatorships across Latin America. As authoritarian regimes fell, newly elected governments instituted land and labor reforms, created new social security programs, and expanded political rights to the historically disenfranchised. There was a sense of optimism across Latin America, but this new order proved to be rather fragile and short-lived.

Conservatives across Latin America instituted a quick and violent backlash to the revolutionary movements that threatened their economic and political dominance. The most violent and notorious example of such a response took place in Colombia, where the rise of Jorge Eliécer Gaitán, “a dark-skinned populist who rallied lower- and middle-class support,”²² led to a systematic purging of Liberals across the country and the eventual assassination of Gaitán. Once World War II had ended, and the Cold War had

²⁰ Hal Brands. *Latin America's Cold War*. (Cambridge: Harvard University Press, 2010), 14.

²¹ *Ibid.*, 14.

²² *Ibid.*, 14-15.

begun, the United States became far less sympathetic to the left-leaning political parties of Latin America. Many military governments had come to power, and the U.S. certainly did nothing to stop their rise (though the U.S. also did not overtly interfere with these revolutions; there was no need). The militaries across Latin America were reacting to the desires of the conservatives within their own countries rather than outside pressures. The United States could avoid associating itself with severe human rights abuses, yet could still achieve its goals of stamping out Communism and consolidating hemispheric military cooperation. As Hal Brand put it, "to the extent that U.S. foreign policy figured in the conservative restoration, it was a matter of neglect and indifference, rather than pro-authoritarian intervention."²³ This was not the first or last period that the United States would benefit from the installation of authoritarian military regimes in Latin America.

The administration of Dwight D. Eisenhower (1953-1960) oversaw some important events and changes in regards to U.S. relations with Latin America and the Cold War as a whole. Though Eisenhower's election signified the end of a long run of Democratic control of the White House, the Truman Doctrine remained in full effect. The major change in foreign policy that began at this time was the growing impact and influence of the CIA. Overt hard power was no longer the modus operandi of the United States (except for in rare occasions). The era of numerous marine invasions across Latin America was over. Instead, covert CIA actions dominated American intervention with its

²³ Hal Brands. *Latin America's Cold War*. 15.

neighbors.²⁴ One major example of the CIA's direct involvement in Latin American affairs took place in Guatemala in 1954. Colonel Jacobo Arbenz was elected President of Guatemala in 1950. Arbenz quickly instituted land reforms and expanded peasant rights which upset the conservative land-holding class as well as foreign-owned banana companies such as the United Fruit Company.²⁵ As follows the pattern we have seen in previous examples of leftist reformers in Latin America, conservatives and the military did everything in their power to maintain the status quo of their country. The U.S., seeing indications that Arbenz was leaning towards the Soviets (such as a purchase of arms from Czechoslovakia),²⁶ capitalized on the already present unrest in Guatemala. In 1954, the CIA helped coordinate an invasion of Guatemala by a mercenary troop trained in Honduras. The coup d'état succeeded in ousting Arbenz and installed a conservative, pro-U.S. regime (which engaged in major repression and human rights abuses).²⁷

Clearly by this point the United States had a concrete reason and excuse to exert its will on Latin America: stopping the spread of Communism. In the past, the Monroe Doctrine provided a semblance of moral responsibility for America to "protect" the nations of its hemisphere, but the onset of the Cold War delivered more solid justification for U.S. meddling. Oftentimes, the real reason for U.S. intervention was based on the grounds of economics and commerce, such as protecting the operations of

²⁴ Clara Nieto and Chris Brandt. *Masters of War*. 27.

²⁵ Torcuato S. Di Tella. *History Of Political Parties In Twentieth-Century Latin America*. (New Brunswick: Transaction Publishers, 2004), 124.

²⁶ Philip S. Taylor, Jr. "The Guatemalan Affair; A Critique of United States Foreign Policy," *The American Political Science Review*, Vol. L, No. 3 (1956): 793.

²⁷ Torcuato S. Di Tella. *History Of Political Parties In Twentieth-Century Latin America*. 124.

the United Fruit Company or the Panama Canal. There has consistently been a blurry, or indistinguishable, line between intervention on political grounds versus intervention to protect or promote economic interests. However, the Cuban Revolution and the rising to power of the revolutionary government led by Fidel Castro in 1959 posed a major political conundrum for the United States.

The Cuban Revolution and its results represented the height of Cold War tensions in Latin America. As Hal Brands described the situation:

The Cuban revolution exacerbated anti-Americanism and *tercermundismo* (“Third-Worldism”) within Latin America, led to a precipitous escalation of superpower competition in the region, and magnified the militancy of both Left and Right. Perhaps most important, it gave these crises a single nexus, fusing them together in the policies and ideological influence of revolutionary Cuba. Over the next three decades, the interaction between these issues ensured the relentless intensity of Latin America’s Cold War... Internal instability fostered external meddling: Cuba, the United States, and the Soviet Union competed fiercely to manage or exploit this turmoil and guide the evolution of Latin American society. Havana and Moscow forged a military alliance and aided the region’s various guerilla groups, while Washington unveiled a vast economic program - the Alliance for Progress - and deployed counterinsurgency, covert action, and direct military intervention to thwart the radical Left.²⁸

The government of Fulgencio Batista – which took power through a military coup – was one of many brutal Latin American dictatorships that had friendly ties with Washington. Batista provided tax and duty exemptions to American investors and actively persecuted

²⁸ Hal Brands. *Latin America's Cold War*. 3.

Communists within his country (in collaboration with the CIA and FBI.) After an undisputed election in 1952, Batista ruled for seven years. His administration was described as, “a bloody and merciless dictatorship that relied on its secret police and on repression.”²⁹ However, the Eisenhower administration had no problem maintaining its mutually beneficial relationship with Batista in the face of his brutal rule. Fidel Castro, in response to Batista’s repressive and corrupt rule and a worsening class divide in Cuba, initiated an insurrection in 1953.

The United States’ response to Castro’s uprising was far from certain. Public knowledge of Fidel Castro’s existence was extremely limited until a 1957 *New York Times* article.³⁰ Eisenhower had provided Batista with significant military and economic aid in exchange for political cooperation. As news of growing successes by the rebels came in to Washington, aid to Batista was increased. However, as it became clear that Batista’s regime was losing ground, and Eisenhower sought to distance himself from an administration increasingly known for killing its own people, the U.S. reversed its policies.³¹ In 1958 the United States imposed an arms embargo on Cuba, though the United States Consul in Cuba advised against this citing a “possible Communist influence” among the rebels.³² Fidel Castro’s forces seized government buildings, and Batista fled the country on January 1, 1959. Many of Cuba’s richest residents, as well as Batista’s family members, also fled. Most were given asylum in the United States. It

²⁹ Clara Nieto and Chris Brandt. *Masters of War*. 32-35.

³⁰ Jane Franklin. *Cuba and the United States: A Chronological History*. (Melbourne, Australia: Ocean Press, 1997), 16.

³¹ *Ibid.*, 16-17.

³² Clara Nieto and Chris Brandt. *Masters of War*. 29.

was reported that Batista and his family took between \$300 and \$400 million in cash with them from Cuba, and millions more fled as capitalists fearing the rise of communism sought to save their wealth.³³ On January 7 of the same year, the United States officially recognized the new government in public, though CIA operations to overthrow Castro had already begun.³⁴ It is important to note that the CIA had also been involved in counterrevolutionary efforts prior to Castro's takeover.

At the time Castro took power, there were only suspicions of a communist influence within the Cuban revolution. Some ambassadors and other American intelligence officials had expressed their concerns to Eisenhower, but the initial U.S. support of Batista against the rebellion was more due to his status as a compliant dictator than fears of a communist insurgency. Though Castro advocated "agrarian reform and economic redistribution," the uprising, which began as a middle-class revolt, drew from many classes of Cuban society due to numerous grievances with the Batista dictatorship.³⁵ Castro did expound anti-imperialist and American sentiments, but he repeatedly asserted, mostly in his speeches delivered in the United States, that he was not a communist. Castro stated that he did not have "any intention of letting the "comrades" play a part in the government. He promised that agrarian reform... would not expropriate or nationalize American property."³⁶ Maurice Halperin described Castro in this early stage as a nationalist and radical, but a man otherwise unsure about his

³³ Guillermo Villaronda. *Bohemia*. (Havana, February 15, 1959), 1321.

³⁴ Jane Franklin. *Cuba and the United States*. 18.

³⁵ Hal Brands. *Latin America's Cold War*. 24.

³⁶ Clara Nieto and Chris Brandt. *Masters of War*. 46.

ideas. He was influenced by earlier Cuban rebels like Martí and Guiteras, and, Halperin noted:

In no sense was he a Marxist or Leninist about whose doctrines he knew next do nothing. His philosophical views about social justice could more easily have come from Cervantes and Victor Hugo than from Lenin or Stalin.³⁷

However, many skeptics worldwide considered these statements by Castro to be a tactic designed to alleviate American fears in order to buy time for him to achieve his objectives.³⁸

Soon after taking power, Castro began a tour of the Americas. He visited the United States, Canada, Brazil, Uruguay, and Argentina (where he participated in a meeting of the Committee of 21, an OAS offshoot consisting of delegates from the U.S. and 20 other nations of the western hemisphere). Everywhere he went, “he received a hero’s welcome,” though many governments of the hemisphere did not share the enthusiasm of their people, perhaps fearing a similar revolution within their borders.³⁹ Castro publicly lamented the inequalities plaguing Latin America and proposed the creation of a “Latin American common market” in coordination with a regional economic development plan funded by the United States. Eisenhower rejected these propositions, calling them “ridiculous” and “demagogic.” Javier Pazos, a Cuban economist who travelled with Castro to the summit in Argentina, believed that Castro’s

³⁷ Maurice Halperin. *The Rise And Decline Of Fidel Castro; An Essay In Contemporary History*. (Berkeley: University of California Press, 1972), 50.

³⁸ *Ibid.*, 49.

³⁹ Clara Nieto and Chris Brandt. *Masters of War*. 47.

proposals of economic collaboration with the United States represented a desire to maintain a close alliance with the United States.⁴⁰ Eisenhower's rejection threw away what Herbert Matthews of the *New York Times* described as, "the last chance for the United States... to keep Castro within a more or less democratic, certainly non-Communist, hemispheric framework."⁴¹

U.S. tensions with Cuba heightened on April 21, 1959 when a group of people left Cuba for Panama with the intent to overthrow the Panamanian government. Though Castro denied involvement with the plot, this action was hemispherically seen as Cuba exporting its revolution and created alarm. In the following months, groups of Nicaraguans, Dominicans, and Haitians left Cuba with the intention of inspiring uprisings against the dictators of their respective countries: Somoza, Trujillo, and Duvalier. Though these attempts failed, and the Cuban government continued to deny responsibility, they provided Washington with further evidence of Cuba's attempts to export its revolution, threatening the stability of U.S. – friendly regimes throughout the region.⁴² Cuba also became a haven for "rebels, political refugees, and exiles from the dictatorships supported by Washington throughout the continent. It became a veritable Mecca for revolutionaries, to whom it gave refuge and military training."⁴³ It is clear to see, regardless of the perceived threat of a Communist takeover of Cuba, why the current state of affairs was alarming to Eisenhower's administration. Hemispheric unity

⁴⁰ Clara Nieto and Chris Brandt. *Masters of War*. 48.

⁴¹ Herbert Matthews. *Fidel Castro*. (New York: Simon and Schuster, 1969), 166.

⁴² Clara Nieto and Chris Brandt. *Masters of War*. 48-49.

⁴³ *Ibid.*, 49.

was becoming fractured as Latin Americans across the continents demonstrated their support for Castro, and the U.S.-friendly dictatorships found themselves in a precarious position.

The year 1959, the “Year of Liberation” according to the revolutionary government of Cuba, held a series of events that threw U.S.–Cuba relations into a precipitous decline. After announcing Cuba’s intention to obtain not only political, but economic freedom, Fidel Castro began an assault on American interests in Cuba. According to Clara Nieto and Chris Brandt, until 1958, “80 percent of Cuba’s international transactions were with the United States, [and] the United States was the largest market for Cuban sugar, the island’s most important product.”^{44, 45} However, in May of 1959, under the Agrarian Reform Law, \$500 million of United States investments in Cuba were expropriated. Eisenhower quickly condemned this aggressive move by Castro and soon enacted “Operation Pluto”, a concerted CIA effort to overthrow Fidel Castro and weaken his regime in any way possible. Additionally, the U.S. offered financial incentives for skilled Cubans to emigrate, initiating a significant brain- and capital drain. The United States’ increasingly aggressive actions towards Cuba in turn pushed Castro closer to the Soviet Union.

In early 1960, the Vice Prime Minister of the Soviet Union, Anastas Mikoyan, visited Havana for the opening of a Soviet exposition. The two countries also signed a large, 5-year commercial agreement including a \$100 million credit granted to Cuba.

⁴⁴ Clara Nieto and Chris Brandt. *Masters of War*. 53.

⁴⁵ Hugh Thomas. *Cuba: The Pursuit for Freedom* (Cambridge, Mass.: Da Capo Press, 1998), 336.

Diplomatic relations, which were severed during the Batista regime, officially resumed. The following April 300,000 tons of Soviet oil arrived in Cuba, which the American-owned refineries refused to refine. In June, Castro's government nationalized the refineries, and in August the United States officially began an economic and commercial embargo against Cuba. In response to this aggressive action by the U.S., Castro nationalized the remaining American-owned sugar plantations, as well as industrial enterprises, telephone and electric companies, financial enterprises, hotels, movie theaters, and much more. The total value of all expropriations of American enterprises exceeded \$1 billion.^{46,47} Though this sweeping socialization of the Cuban economy did not yet signify an official alliance with Moscow, the break away from possible reconciliation with the United States was now irreversible.

In 1961, Fidel Castro made an official declaration of socialist objectives.⁴⁸ Soon after, President Eisenhower approved an overt attack against Cuba, which would take place under the administration of President John F. Kennedy. What became known as the Bay of Pigs invasion consisted of a force of around 1,200 Cuban exiles – armed and supplied by the CIA – that landed on Cuban soil in an attempt to gather support from domestic anti-Castro activists and initiate a coup d'état. This last-ditch attempt to repel communist inroads into Cuba and reestablish full American hegemony on the continent came at a time that, according to Hal Brands, "occurred at the intersection of Latin

⁴⁶ Clara Nieto and Chris Brandt. *Masters of War*. 55.

⁴⁷ "Certified Cuban Claims." <http://www.certifiedcubanclaims.org/faqs.htm>.

⁴⁸ Torcuato S. Di Tella. *History Of Political Parties In Twentieth-Century Latin America*. 134.

America's domestic upheaval and international crises."⁴⁹ The invasion turned out to be a disaster, both in terms of the operation and the international response. President Kennedy, who had been reluctant to follow through with Eisenhower's plan to begin with, abandoned the mission and the Cuban invaders once it was clear that it would fail.

What had been intended to undermine internal order in Cuba only succeeded in doing so elsewhere in Latin America, as news of the Bay of Pigs disaster sparked anti-U.S. demonstrations in Mexico and Chile.⁵⁰ Additionally, the U.S.-sponsored invasion further solidified communist rule in Cuba. Castro officially declared himself a communist, and Cuban officials are quoted as telling East German officials that Cuba had moved from "the stage of the anti-imperialist agrarian revolution" to "the stage of the socialist revolution."⁵¹ Internal opposition to Cuba's communist leanings disappeared with rallying behind a common cause and against a common enemy. Che Guevara publicly thanked the U.S. for the invasion, stating "that it had been a great political victory for [the Communist Party]."⁵² The Bay of Pigs invasion stirred up anti-American sentiment and *tercermundismo* around Latin America, and opened the door for Moscow to become a major player in the Western hemisphere. This moment represented a turning point in terms of U.S. foreign relations with Latin America. From the early 60s until the end of the Cold War, the Monroe doctrine era of a single major power

⁴⁹ Hal Brands. *Latin America's Cold War*. 34.

⁵⁰ *Ibid.*, 34-35.

⁵¹ *Ibid.*, 35.

⁵² Dick Goodwin. "Conversation with Comandante Ernesto Guevara of Cuba." *National Security Archive*. August 22, 1961. <http://www.gwu.edu/~nsarchiv/bayofpigs/19610822.pdf>.

influencing the West was over. The Cold War (which often verged on hot in this region) had officially entered the Americas, and the U.S. response was often brutal

Chapter 2: The 1960s and the United States' Loss of Hegemony

“Maintain U.S. Hegemony at all Costs by Preventing Further Communist or Hostile Regimes -- intervene if necessary to maintain "friendly stability"; prevent or overturn, if possible by economic or other non-military means, communist or hostile nationalist governments.”¹ – From a National Security Council study, 1969

When President Eisenhower left office in 1961, the Cold War had arrived on America's borders, and Latin America was a hotbed of instability and revolutionary tremors. People around the world resented America's hypocrisy in claiming to defend worldwide democracy, yet at the same time supporting repressive governments around the world – especially in Latin America. As Clara Nieto and Chris Brandt described the situation:

The policy of the United States regarding Latin America had been to support dictatorships. The brutality and corruption bothered neither Eisenhower nor his secretary of state, John Foster Dulles. What mattered to them was that these

¹ NSC-IG/ARA. “A Study of U.S. Policy Toward Latin America (National Security Study Memorandum 15).” *Foreign Relations of the United States, 1969–1976. Volume E–10, Documents on American Republics, 1969–1972, Document 4* (March, 1969). <http://history.state.gov/historicaldocuments/frus1969-76ve10/d4>.

governments maintained public order, prosecuted Communists, and granted carte blanche to United States transnational companies and investors.¹

Eisenhower undertook a Latin American tour at the end of his final term and, according to Townsend Hoopes, the biographer of secretary of state John Foster Dulles, was greeted with riots, bombs, and passionate demonstrations in Argentina, Uruguay, and Chile.² With university students at the forefront, Latin American populations were rallying for social equality, an end to American intervention, and economic redistribution. This trend scared America and its puppet dictators, and Moscow sought to capitalize on the unrest.

Two major policy responses arose in the face of the increasing threat of communism and anti-Americanism: the Alliance for Progress program initiated by President Kennedy and the National Security Doctrine on the part of Latin America's military heads. In 1961, President Kennedy unveiled a "vast cooperative effort, unparalleled in magnitude and nobility of purpose, to satisfy the basic needs of the American people for homes, work and land, health and schools."³ The Alliance for Progress was proposed as a ten-year economic aid program, expanding significantly upon Eisenhower's previous plan. It was, however, also designed to alleviate tensions in Latin America over growing social unrest from which the leftists benefited greatly.

According to Hal Brands, the program was part of the Kennedy administration's goal of

¹ Clara Nieto and Chris Brandt. *Masters of War: Latin America And United States Aggression From The Cuban Revolution Through The Clinton Years* (New York: Seven Stories Press, 2003), 55.

² Townsend Hoopes, *The Devil and John Foster Dulles* (Boston: Little, Brown, 1973), 503-504.

³ Joseph Smith. *The United States and Latin America: A History of American Diplomacy* (New York: Routledge, 2005) ,124.

“liberal anticommunism,” addressing the gripes of the lower classes to avoid political uprising.⁴ National Security Doctrine, as defined by Hal Brands, “centered on the premise that Latin American countries were now menaced by the twin dangers of subversion and insurgency,” both from communists and the “the growth of student and union activism in the cities and the surging influence of liberation theology in the countryside.”⁵ Military leaders, much to the delight of many American politicians, used this doctrine as justification for numerous military coups during the 1960s and 70s. Many left-leaning (often democratically elected) governments were overthrown, and a tide of military rule swept across Latin America.

Coups d'états were a common occurrence in the 1960s, causing drastic swings for or against U.S. interests. Many came in response to growing fears, in Washington and among the dictators of Latin America, of leftist movements. In 1962, Argentina's President Arturo Frondizi, the first civilian president in 16 years, was overthrown. This signaled a continuation of Argentina's struggle with Peronism and an overall loss of an American ally.^{6,7,8} The following year, Miguel Ydígoras Fuentes, an authoritarian ruler with ties to the United States, was overthrown in Guatemala. Despite President Kennedy's declared mission of preventing coups and dictatorships, in the following year the leaders of Ecuador, Peru, the Dominican Republic, and Honduras fell. Kennedy drew

⁴ Hal Brands. *Latin America's Cold War* (Cambridge: Harvard University Press, 2010), 44-45.

⁵ *Ibid.*, 71.

⁶ Torcuato S. Di Tella. *History Of Political Parties In Twentieth-Century Latin America* (New Brunswick: Transaction Publishers, 2004), 108.

⁷ Hal Brands. *Latin America's Cold War*. 45.

⁸ Clara Nieto and Chris Brandt. *Masters of War*. 156-157.

criticism for officially recognizing the newly installed dictators.⁹ In 1964, a major coup shook Brazil. President João Goulart, who surrounded himself with leftists including the Soviet-oriented Communist Party, Maoists, and those loyal to Fidel Castro, was overthrown by the military.¹⁰ The coup was heavily supported by the civilian middle and upper classes, as well as the CIA, the U.S. military, and President Lyndon Johnson himself. In a 1964 recording of a discussion between President Johnson and Undersecretary of State George Ball and Assistant Secretary for Latin America Thomas Mann, Johnson orders his officials to “be prepared to do everything that we need to do” to oust Goulart.¹¹ Johnson also authorized major military support of the coup in Brazil. In what was called Operation Brother Sam, an aircraft carrier, four destroyers, two destroyer escorts, as well as fuel, 110 tons of ammunition “for mob control” and various aircraft were made immediately available “in order be [sic] in a position to render assistance at appropriate time to anti-Goulart forces.”¹² The military regime that took over, headed by dictator Humberto Castelo Branco, lasted for 21 years. Castelo Branco, who routinely engaged in assassination or “disappearing” of his political rivals, benefited greatly from IMF and World Bank loans and American investment because he was seen as a stable ally against communism.¹³

⁹ Clara Nieto and Chris Brandt. *Masters of War*. 92.

¹⁰ Torcuato S. Di Tella. *History Of Political Parties In Twentieth-Century Latin America*. 105.

¹¹ Peter Kornbluh. “Brazil Marks 40th Anniversary of Military Coup.” *National Security Archive*. March 31, 2004. <http://www.gwu.edu/~nsarchiv/NSAEBB/NSAEBB118/index.htm#docs>.

¹² “Telegram From the Department of State to the Embassy in Brazil.” March 31, 1964.

¹³ “Brazil: BRAZIL Toward Stability.” *Time Magazine*, December 31, 1965. <http://www.time.com/time/magazine/article/0,9171,842333,00.html>.

The Johnson administration continued to directly intervene in the affairs of Latin American nations, while at the same time escalating the Vietnam War and dealing with domestic turmoil surrounding the Civil Rights and anti-war movements. In 1965, marines landed in the Dominican Republic in a move to quash a rebel uprising. This invasion was the first armed, *overt* U.S. intervention in Latin America in over three decades.¹⁴ In response to this invasion and other actions, Johnson drew large international criticism for violations of “the principle of nonintervention, of international law, of the United Nations’ and the OAS charters.”¹⁵ There were fears, such as those from Alberto Lleras, former president of Colombia, that Johnson’s aggressive actions would turn the Cold War hot.¹⁶ In the face of such pervasive criticism however, domestic support for Johnson’s actions remained strong with initial polls showing overwhelming support for the invasion of the Dominican Republic.¹⁷ Further, on September 20 1965, “by a vote of 312 to 54, the House of Representatives approved a resolution authorizing the government to intervene in the affairs of other nations, including armed intervention, where there was a risk of Communist subversion.”^{18,19} Unfortunately for Johnson, his domestic constituency did not have the same level of support in regards to the Vietnam War.

¹⁴ Stephen G. Rabe. “The Johnson Doctrine.” *Presidential Studies Quarterly* Vol. 36, No. 1 (2006), <http://www.jstor.org/stable/27552746>.

¹⁵ Clara Nieto and Chris Brandt. *Masters of War*. 100.

¹⁶ Thomas Powers. *The Man Who Kept the Secrets, Richard Helms and the CIA*. (New York: Alfred A. Knopf, 1979), 171.

¹⁷ Alonso Aguilar and Asa Zatz. *Pan-Americanism from Monroe to the Present: A View from the Other Side*. (Engl. ed. New York: Monthly Review Press, 1968), 133-134.

¹⁸ Clara Nieto and Chris Brandt. *Masters of War*. 101.

¹⁹ G. Pope Atkins and Larman C. Wilson. *The Dominican Republic and the United States: From Imperialism to Transnationalism* (Athens, GA: University of Georgia Press, 1998), 137.

House resolution 560 signified the inception of the Johnson Doctrine, with which the president proclaimed “the United States would never again permit the establishment of a Communist regime in the Western Hemisphere.”²⁰ This declaration resembled in philosophy the Monroe Doctrine of years past, substituting the threat of British intervention with communism. This proclamation and the invasion of the Dominican Republic clearly violated Article 15 of the charter of the OAS (1948), which prohibited any member state from intervening “directly, or indirectly, for any reason whatever, in the internal or external affairs of any other state.”²¹ Additionally, the Johnson Doctrine contradicted President Franklin Roosevelt’s nonintervention pledge, the fundamental feature of the Good Neighbor policy, and President Kennedy’s vision of hemispheric partnership included in the Alliance for Progress program.²² However, as demonstrated already in this paper, these violations and contradictions are simply technicalities, as the United States has routinely engaged in hemispheric intervention since the 19th century. The official recognition of the Johnson Doctrine represents the way U.S. policy towards Latin America was distinctly viewed and executed through the prism of the Cold War from 1945 until 1989.

President Lyndon Johnson, once a very popular figure, ended his presidency with a destroyed image and credibility. His inability to end – or even improve the situation of – the Vietnam War cost him dearly, and he decided not to seek reelection in 1968. While the most important issue to Americans was certainly Vietnam, as Johnson’s escapades in

²⁰ Stephen G. Rabe. “The Johnson Doctrine.” 1.

²¹ *Ibid.*, 1.

²² *Ibid.*, 2.

Latin America did not produce the newsworthy images of coffins draped with the American flag, his over-aggressive foreign policy had put the U.S. in weak standing abroad. American alliances in Latin America were built on the teetering supports of military dictatorships. President Richard Nixon, who took office in 1969, inherited a precarious international field.

Chapter 3: A Brief History of U.S. Relations with Chile, and Allende's Rise to Power.

"It was not in our interest to have the military take over in Chile. It would have been better had Allende served his entire term taking the nation and the Chilean people into complete and total ruin. Only then would the full discrediting of socialism have taken place. Only then would people have gotten the message that socialism doesn't work. What has happened has confused this lesson."¹ – Jack Kubisch, Assistant Secretary of State for Inter-American Affairs.

President Richard Nixon, and his foreign relations mastermind Henry Kissinger, are often credited for their foreign policy successes, despite the otherwise scandal-marred administration. Nixon succeeded in pulling America out of the Vietnam War, opening up relations with China, and engaging in fruitful talks with the Soviet Union.² However, this paper will focus on the United States' relations with Chile, a long and complicated affair, through Nixon's administration as a primary case study. The political

¹ Tad Szulc. "The CIA and Chile," in *The End of Chilean Democracy: An IDOC Dossier On The Coup And Its Aftermath*, ed. Laurence Birns (New York: Seabury Press, 1974), 157.

² *Encyclopedia Britannica*, Academic ed, s.v. "Richard M. Nixon."
<http://www.britannica.com/EBchecked/topic/416465/Richard-M-Nixon/214056/Foreign-affairs>

situation leading up to Salvador Allende's rise to power in Chile was quite complex. In the words of Hal Brands:

Between the late 1960s and the mid-1970s the lower half of South America was the locus of a jarring collision between a revitalized leftist radicalism that found expression in urban guerilla warfare and an intense, often brutal anticommunism embodied by National Security Doctrine.¹

The U.S. continued its policy of stamping out Communism at all costs, usually in the form of supporting military dictatorships. Yet there were economic and political concerns, which hinted at a fall of U.S. hegemony in the Western Hemisphere. As Hal Brands said:

During the late 1960s and the early 1970s the post-World War II structure of international relations was groaning under the weight of three decades' accumulated strain. Washington's failure in Vietnam, the emergence of I and the breakdown of Bretton Woods, and the oil shocks of 1973-1974 posed major challenges for the United States and the West in general, and even raised the question of whether the era of U.S. and Western preeminence had come to an end. As the system creaked, Latin American diplomats sensed opportunity.²

Latin American political systems had fallen into a situation of extremes. Radical leftists and military dictators clashed constantly, contributing to the ever-persistent cycle of coup d'états and political violence. In the eyes of American policy-makers, many of these conflicts were localized and not deemed a threat to national interests. However,

¹ Hal Brands. *Latin America's Cold War*. 96.

² *Ibid.*, 130.

the rise of Salvador Allende, a democratically elected President with socialist intentions and ties to the Soviet Union, raised fears in Washington.

Since the time that the United States has substantially engaged with its neighbors, Chile has been of major importance, both as a political and economic ally. The official start of U.S. – Chile relations began in 1811 when Joel Roberts Poinsett, sent by President James Madison to investigate the prospects of Chile and Argentina’s struggles for independence, arrived in Chile. Poinsett, who attempted to aid Chile in their fight against the royalists and help establish trade relations with the U.S., was the first official agent from a foreign government to arrive in Chile.³ During the 19th century, the United States continued to attempt to influence Chilean politics, jockeying with other regional and European powers and backing favorable politicians, during key time periods such as the War of the Pacific and the Chilean Civil War. After World War I, the United States overtook Great Britain as the primary foreign economic force in Chile. Two large American mining companies, Anaconda Copper and Kennecott Utah Copper, began large operations in Chile, which has huge copper reserves. In 1922, Anaconda acquired the largest copper mine in the world, Chuquibambilla. American copper mining interests, until the 1970s, held major economic and political power within Chile. According to Theodore H. Moran, until the 1970s, mining industries “controlled between 7% and 20% of [Chile’s] Gross Domestic Product.”⁴

³ Charles Janeway Stillé. *The Life and Services of Joel R. Poinsett* (Kessinger Publishing, LLC, 2010), 28-31.

⁴ Theodore H. Moran. *Multinational Corporations and the Politics of Dependence: Copper in Chile* (Princeton, New Jersey: Princeton University Press, 1974), 6.

Through the middle of the 20th century, the United States had a firm grip on Chile's economy. However, Chileans were becoming increasingly more aware and discontent over the significant foreign control of the natural resources that accounted for a large percentage of the national economy. This discontentment gave rise to the first major leftist political movements in Chile, which, in the words of Brian Loveman:

sought continually to undermine the position of United States firms, attacking the exploitation of Chilean resources by international monopolies and imperialism – already by then a synonym for the United States.⁵

The U.S. was put in a precarious position by continuing its investments and business practices in the face of the “advent of the popular-front government with Marxist participation.”⁶ However, the United States and Chile were able to reach a compromise. Chile needed funds for economic modernization and industrialization and was able to avoid increasing taxes by opting for foreign investment as the primary source of capital. The U.S., in turn, was able to maintain and increase its investments while supporting the anti-Marxists in the popular-front and establishing a vital source of copper for World War II. In 1940, the U.S. provided a \$17 million credit to CORFO (*Corporación de Fomento de la Producción de Chile*), a Chilean governmental organization created to promote economic growth. The funds had to be used “exclusively to pay for materials,

⁵ Brian Loveman. *Chile: The Legacy of Hispanic Capitalism, Third Edition* (Oxford University Press, 2001), 217.

⁶ *Ibid.*, 217.

machinery, technical assistance, or consultants from the United States.”⁷ Over the next eight years, Eximbank and other American financial institutions continued contributing to CORFO, expanding markets for U.S. exports and further tightening the U.S.’s economic hold on Chile.

As economic ties with Chile grew, American involvement in Chilean politics became increasingly important. As Brian Loveman said:

American control of Chile’s principal economic resources accompanied intensified involvement in Chilean politics. Cold War intrigue made post-World War II Chilean politics a confrontation zone for “Communism” and the “Free World.” American policy-makers considered the presence of Communist ministers in the González Videla government to be dangerous, and so allied with the Chilean Right in an active campaign to weaken, then destroy, Marxist political parties and the labor movement... The United States gave badly needed financial assistance to the Chilean government on the condition that the Communist menace be eliminated.⁸

Soon enough, González Videla, who had been elected with direct support from the Communists, moved sharply to the right. In 1948, two years after his election, the president outlawed the Communist Party, “authorized the confinement of communist leaders in remote parts of the country”, and cut ties with the Soviet Union.^{9,10} After this political about-face, foreign loans to Chilean governmental agencies quadrupled in two

⁷ Brian Loveman. *Chile: The Legacy of Hispanic Capitalism*. 218.

⁸ *Ibid.*, 218-219.

⁹ Torcuato S. Di Tella. *History Of Political Parties In Twentieth-Century Latin America* (New Brunswick: Transaction Publishers, 2004), 84.

¹⁰ John M. Kline. *Foreign Investment Strategies In Restructuring Economies: Learning From Corporate Experiences In Chile* (Westport, Conn.: Quorum Books, 1992), 4.

years.¹¹ González Videla had made the decision to appease the United States, taking a side in the emerging Cold War, in return for continuing economic support. González Videla held the presidency for only one term, from 1946 until 1952. During his administration, he lost the fragile unity between the right-wing parties and socialists that kept his rule afloat, and mid-term parliamentary elections lost him his congressional majority, sapping his ability to conduct any major policy moves.¹²

In 1952, Salvador Allende made his first bid for the presidency. He was soundly defeated by Carlos Ibáñez, the man who ruled Chile as a dictator between 1927 and 1931. Ibáñez, like Juan Perón in Argentina, succeeded in establishing a strong rightwing administration in Chile. He was seen by some as a “Chilean version of Perón”, but his support base fractured into three relatively evenly sized tiers – the National Party on the Right, the Communist and Socialist parties on the left, and the Radical and Christian Democrat parties in the Center – early on in his presidency.¹³ Since the middle of the 20th century, the United States’ attempts at controlling the price of Chilean copper had created rifts between the two countries. Ibáñez increased the level of uncertainty between the two nations when he promised a more independent approach to foreign policy. In 1951, as a senator, Ibáñez voted against the ratification of the military pact with the United States. However, the two nations’ economies were still inextricably tied, as evidenced by the sharp rise in inflation caused by reduced U.S. imports of

¹¹ John M. Kline. *Foreign Investment Strategies In Restructuring Economies*. 4.

¹² *Encyclopedia Britannica*, Academic ed, s.v. “The Presidency of Gabriel González Videla.” <http://www.britannica.com/EBchecked/topic/111326/Chile/25266/The-Radical-presidencies-1938-52?anchor=ref268312>

¹³ Torcuato S. Di Tella. *History Of Political Parties In Twentieth-Century Latin America*. 85.

Chilean copper following the end of the Korean War.¹⁴ Ibáñez never was able to repair Chile's economy which was hurt by falling copper prices and inflation during his presidency, and he did not seek reelection in 1958.

In 1958, Jorge Alessandri, a conservative, was elected president. He narrowly defeated Salvador Allende, edging the emerging leftist by a mere 2%.¹⁵ Allende, though defeated in his second consecutive election, succeeded in establishing a coalition – known as FRAP (Popular Action Front) – between the long-at-odds Communist and Socialist parties. Allende had already attracted the attention of United States officials in response to growing fears of communism in Chile, but this near political victory created much worry. Alessandri, as encouraged by the United States, steadily reduced tariffs during the first years of his presidency. This action was of great benefit to U.S. exporters who flooded Chilean markets with their goods.¹⁶ These policies angered the working class, who took to the polls and significantly weakened Alessandri's power in the 1961 congressional elections. Again, economic troubles doomed Alessandri to a one-term presidency.

For the 1964 election, President John F. Kennedy tried to impede Salvador Allende's election at virtually all costs. Coming off of a near victory six years earlier, and immediately following the perceived failure of a conservative presidency, Allende was

¹⁴ Julio Faúndez. *Marxism and Democracy in Chile: From 1932 to the Fall of Allende* (New Haven: Yale University Press, 1988), 106.

¹⁵ *Ibid.*, 109.

¹⁶ Barbara Stallings. *Class Conflict and Economic Development in Chile, 1958-1973* (Palo Alto, California: Stanford University Press, 1978), 33.

again seen as a major contender in 1964. Starting in April of 1962, the 5412 Panel Special Group, a sub-cabinet body tasked with reviewing proposed covert actions, approved a proposal to begin covert financial assistance to the Christian Democratic Party (PDC) in support of Eduardo Frei's candidacy for the 1964 election. The same year, the CIA began a propaganda campaign in Chile, which involved distributing posters and leaflets, anti-communist projects, and organizing slum dwellers and peasants to vote against Allende.¹⁷ The CIA also contributed \$2.5 million in direct campaign donations to Frei, which accounted for more than half of his campaign's financing.¹⁸ Additionally, the CIA funded other political parties in an attempt to divert votes away from Allende. The covert campaign was a success, and Eduardo Frei won the election by around 18% of the vote.¹⁹ Frei came to power at the height of the Alliance for Progress program. The objectives of this program were twofold:

An immediate objective, aimed at defeating the Marxists through the ballot box; and a long-term objective, which envisaged destroying the social base of support of the Marxist parties through the modernization of the country's social and economic structures.²⁰

The United States continued to lend and invest in Chile, and even provided subsidized food aid for a shortage during Frei's presidency.²¹

¹⁷ Central Intelligence Agency. "CIA Activities in Chile." *Released under Intelligence Authorization Act* (September 19, 2000). <http://www.gwu.edu/~nsarchiv/news/20000919/01-01.htm>.

¹⁸ Rabe, Stephen G. *The Most Dangerous Area In The World: John F. Kennedy Confronts Communist Revolution In Latin America* (Chapel Hill: University of North Carolina Press, 1999), 114.

¹⁹ "Elección Presidencial 1964." <http://eleccion.atspace.com/presidente1964.htm>.

²⁰ Julio Faúndez. *Marxism and Democracy in Chile*. 127.

²¹ *Ibid.*, 131.

The 1970 Chilean presidential election proved a pivotal event for world affairs. Salvador Allende, running for the third time, finally achieved a narrow victory. The CIA had ramped up its efforts to stop Allende, engaging in “spoiling operations” to prevent his election, and increasing propaganda campaigns, moving into radio and news media in an attempt to link Allende with violence and repression associated with worldwide communism.²² At the same time, the KGB was attempting to influence the election results in the opposite direction, allocating \$450,000 directly to Allende.²³ Allende won the general election by a margin of 1% over Jorge Alessandri, not enough to be considered an absolute majority. The election then required a further vote by the National Congress to determine a winner. At this point, the CIA was given two proposed tracks of action by the State Department. Track I read, “To block Allende from taking office after the 4 September election, CIA sought to influence a Congressional run-off vote required by the Constitution because Allende did not win an absolute majority.”²⁴ If this track was to fail, in Track II, “CIA was directed to seek to instigate a coup to prevent Allende from taking office.”²⁵ In preparation for the run-off, the KGB allocated further funds to ensure an Allende victory. Allende won the run-off resoundingly, which prompted Nixon to express his anger over the CIA’s failure, and CIA director Richard Helms to complain he was ordered to “beat somebody with nothing.”²⁶ In a last ditch

²² Central Intelligence Agency. “CIA Activities in Chile.”

²³ Vasili Mitrokhin and Christopher Andrew. *The World Was Going Our Way: The KGB and the Battle for the Third World* (New York: Basic Books, 2005), 69-88.

²⁴ Central Intelligence Agency. “CIA Activities in Chile.”

²⁵ *Ibid.*.

²⁶ Vasili Mitrokhin and Christopher Andrew. *The World Was Going Our Way.* 69-88.

effort to avoid Allende taking office, the CIA moved forward with their Track II plan.

According to declassified CIA documents:

[The] CIA was working with three different groups of [coup] plotters. All three groups made it clear that any coup would require the kidnapping of Army Commander Rene Schneider, who felt deeply that the Constitution required that the Army allow Allende to assume power. CIA disagreed with that assessment. Although CIA provided weapons to one of the groups, we [the Church Committee, a Senate committee investigating intelligence gathering by the CIA and FBI after the Watergate affair] have found no information that the plotters' or CIA's intention was for the general to be killed. Contact with one group of plotters was dropped early on because of its extremist tendencies. CIA provided tear gas, submachine-guns and ammunition to the second group. The third group attempted to kidnap Schneider, mortally wounding him in the attack. CIA had previously encouraged this group to launch a coup but withdrew support four days before the attack because, in CIA's assessment, the group could not carry it out successfully.²⁷

²⁷ Central Intelligence Agency. "CIA Activities in Chile."

Chapter 4: Nixon vs. Allende and the Demise of Chilean Democracy.

“The U.S. bears major responsibility for what happened in Chile... The Chilean economy, we now might say, was sentenced to hang from its neck and turn slowly in the wind... By placing private interests above the survival of democratic institutions in Chile, our government has directly contributed to the death of yet another free government in the hemisphere.”¹ – Laurence Birns

In November of 1970, Salvador Allende, a man with open friendships with the Soviet Union, who had declared his support for Fidel Castro and condemned the U.S. invasion of the Bay of Pigs, was democratically elected President of Chile. The U.S. had tried in vain to prevent Allende’s assumption of the Presidency, but immediately upon his election the efforts switched to overthrowing Allende. According to CIA documents released under the Freedom of Information Act, “The CIA was instructed to put the US Government in a position to take future advantage of either a political or military solution to the Chilean dilemma, depending on how developments unfolded.”² Yet one large question hangs over President Nixon’s actions: Why did he perceive Allende as such a major threat? Allende was marketed to the American people as a dangerous communist, resembling Fidel Castro in his hatred of America and willingness to allow a

¹ Laurence Birns. “The Demise of a Constitutional Society,” in *The End of Chilean Democracy: An IDOC Dossier On The Coup And Its Aftermath*, ed. Laurence Birns (New York: Seabury Press, 1974), 26-27.

² U.S. Department of State – Freedom of Information Act. “Hinchey Report: CIA Activities in Chile.” September 18, 2000.

Soviet military presence in his country. However, as Hal Brands points out, “even though Allende had been a KGB asset for years, official Soviet-Chilean cooperation never amounted to much.”¹ In reality, the Soviet Union mainly supported Chile as an economic and ideological ally, but, “Moscow made it clear that it had no desire for a Cuba-style relationship with Chile, and offered little protest as U.S. intrigues became more obvious during 1972-1973.”² Much of the reasoning behind this cold treatment of what some thought was a crucial ally for the Soviets stemmed from Moscow’s doubt that Allende would be able to hold power for long, and from lack of “desire to pour resources into a losing cause.”³ Since Chile never turned out to be a strategic threat to American dominance in the region, there were clearly other motives behind Nixon’s desire to oust Allende.

Scholars believe that two key factors in relations with Chile were Nixon’s desire to appear strong to the international community after years of relative decline in U.S. power, and economic fears over threats of nationalization of U.S. interests by Allende. Scholars have asserted that both Castro and Allende underestimated the level of response their rises to power would elicit from the United States, which in Allende’s case was a fatal mistake. As Hal Brands said:

Whereas Allende and Castro had calculated that the decline of U.S. power would inhibit Washington from acting forcefully in Latin America, the actual outcome was precisely the opposite. Realizing that the unveiling of the “Nixon Doctrine”

¹ Hal Brands. *Latin America's Cold War*. 151.

² *Ibid.*, 151.

³ *Ibid.*, 151.

and U.S. Withdrawal from Vietnam were tacit admissions that the United States was in relative decline, Nixon and Kissinger felt pressed to show that Washington would still act forcefully on behalf of its interests.⁴

Brands goes even further, asserting that Nixon had a personal vendetta towards Allende, perhaps created by his failure to prevent the election of the Chilean leader: “The fear of looking weak fueled Nixon’s near-obsession with toppling the Chilean president.”⁵

Economic fears likely played a bigger role in influencing U.S. foreign policy towards Chile. During the 1960s, economic nationalism had swept across Latin America reaching levels that led scholar David Lehmann to label this trend an “ideological movement.”⁶ Latin American governments sought to weaken Washington’s influence in their countries by attacking American capital. Notable examples of such nationalization took place in Cuba, Bolivia, Jamaica, and Guyana.⁷ This trend was obviously of major concern to U.S. interests, as over the preceding century American corporations had developed extensive reach across Latin America. As early as 1964, in an attempt to preserve their interests, corporations offered financial assistance to help the CIA prevent Allende’s election, but these early offers were mostly rejected.⁸ Yet as Allende rose to power, the Nixon administration began to heed the desires of American business

⁴ Hal Brands. *Latin America’s Cold War*. 148.

⁵ *Ibid.*, 149.

⁶ David Lehmann. *Democracy and Development in Latin America* (Philadelphia: Temple University Press, 1992), 48-51.

⁷ Hal Brands. *Latin America’s Cold War*. 144.

⁸ U.S. Department of State – Freedom of Information Act. “Hinchey Report: CIA Activities in Chile.” September 18, 2000.

interests. As Laurence Birns, in his essay “The Demise of a Constitutional Society,” pointed out, “the aims of a handful of U.S. corporations [were] transmuted into U.S. foreign policy. The Nixon administration adhered to the desires of corporations with major interests in Chile, and in doing so placed “private interests above the survival of democratic institutions in Chile.”⁹ One major example of corporate attempts to influence U.S. foreign policy in Chile is the International Telephone and Telegraph Corp, an American company which owned a controlling share of the Chilean Telephone Company. According to Tad Szulc, “International Telephone and Telegraph Corp. had offered the CIA \$1 million in 1970 to prevent Allende’s election and subsequently proposed a detailed plan to plunge Chile into economic chaos.”¹⁰

Salvador Allende ran for the presidency on the premise of the *Via Chilena Al Socialismo* (Chilean Path to Socialism). He promised to “expropriate foreign holdings in the major industries, central to his project for revolutionizing Chilean society.”¹¹ He railed against the “imperialist forms of dependency and exploitation perpetuated by the United States.”¹² Fearing another Cuba, where Fidel Castro expropriated over \$1 billion in American investments, Nixon began to impose massive sanctions against Allende to supplement the covert activity designed to weaken the socialist regime. Tad Szulc described Nixon’s policies thusly:

⁹ Laurence Birns. “The Demise of a Constitutional Society,” in *The End of Chilean Democracy*, 26-27.

¹⁰ Tad Szulc. “The CIA and Chile,” in *The End of Chilean Democracy*, 159.

¹¹ Hal Brands. *Latin America's Cold War*. 136.

¹² *Ibid.*, 136.

For the next three years, the U.S. policy developed along two principal lines. One was the denial of all credits to the Allende government – Washington even blocked loans by international institutions – to aggravate Chile’s economic situation when Allende himself was bogging down in vast mismanagement of his own. The other line was the supportive CIA activity to accelerate the economic crisis and thereby encourage domestic opposition to Allende’s Marxist Popular Unity government coalition. The only exception to the ban on credits was the sale of military equipment to the Chilean armed forces.¹³

In spite of these crackdowns, Allende made a pivotal move on September 29, 1971. In what proved to be a fatal mistake, Allende announced the total nationalization of American copper holdings in Chile with no compensation due to “excess profits” earned by them in the past.¹⁴ This was the attack on U.S. interests that corporate leaders and politicians feared all along. In response, the United States ramped up its efforts to destroy Allende. Robert S. McNamara, President of the World Bank and former U.S. Secretary of Defense, “warned developing countries that a ‘disquieting’ trend by governments to annul agreements with foreign investors could ‘seriously imperil’ their creditworthiness and inhibit investment in their entire region.”¹⁵ Indeed, in an effort to fulfill McNamara’s prophecy, U.S. and international organizations ceased lending and investment into Chile altogether. The State Department blocked Eximbank (the Treasury Department’s Export-Import Bank) loans to Chile, according to Joseph Collins:

¹³ Tad Szulc. “The CIA and Chile,” in *The End of Chilean Democracy*, 155.

¹⁴ James Petras and Morris Morley. *The United States And Chile: Imperialism And The Overthrow Of The Allende Government* (New York and London: Monthly Review Press, 1975), 87.

¹⁵ *Ibid.*, 88.

Under pressure from American companies..., [and] suspended the guarantee and insurance program for commercial banks and exporters. Private banks and suppliers immediately took the cue from the Treasury's Eximbank. This short term credit cut-off was tantamount to the formal blockade of Cuba – only it was 'low profile' and thus did not run the risk of attack by Congress or public opinion. The total impact was devastating. By 1972, not only had Chile's imports declined but the percentage of total imports from the U.S. plummeted from 40 per cent to around 15 per cent. The lack of replacement parts for machinery of U.S. origin (the bulk of machinery in Chile) brought about serious production bottlenecks. The forced decline in imports mainly affected the middle class which was accustomed to imported goods and services.¹⁶

Between 1959 and the election of Allende, The Inter-American Development Banks (in which American executives wielded veto power) granted 59 loans totaling over \$310 million to Chile. After Allende's election and his expropriations without compensation, loans were denied despite Chile's good repayment record.¹⁷ The World Bank followed suit. Prior to Allende's election, Chile had received over \$200 million in World Bank loans. These loans ceased after the election of Allende. Interestingly, I.M.F. support for Chile continued under Allende, perhaps due to Europe's stronger relative influence with this institution.¹⁸

Chile's economy depended heavily on imports (over 30% of its food and machine parts, much of which came from the U.S.) and the price of its main export, copper, was tumbling. Additionally, Allende inherited the world's second highest per capita foreign

¹⁶ Joseph Collins. "Tightening the Financial Knot," in *The End of Chilean Democracy*, 184-185.

¹⁷ *Ibid.*, 186-188.

¹⁸ *Ibid.*, 186-188.

debt. Thus, Allende's Chile was a prime target for economic warfare.¹⁹ As the economic situation in Chile worsened, a direct result of American efforts, discontent grew among the middle class and military – as was the design of these measures all along. In the words of Laurence Birns, the United States':

systematic policy of economic strangulation created a momentum which led to the death of constitutional democracy. This policy reflected the demands of the American corporations that had been nationalized or controlled in Chile... Cut off from the funds on which it had counted, the Allende government was unable to supply that nation's middle class with luxuries and essentials to which it was accustomed... Deprived and then embittered, the middle-class opposition parties repeatedly pressed the military to do its duty and come out of the barracks.²⁰

As Chile's economy struggled, Allende's policies pushed the already strained political unity that had allowed him to reach the presidency. Allende had relied on the Christian Democrats' congressional support when his election moved to a runoff, but early on in his term he began to lose their critical backing as they moved to the right. Christian Democratic Senator Renán Fuentealba, in a 1971 speech, "attacked Allende's government's efforts to take over the mass media and the universities, criticized the 'implacable campaign' against former president Frei, and accused [Popular Unity] of

¹⁹ Joseph Collins. "Tightening the Financial Knot," in *The End of Chilean Democracy*, 178-179.

²⁰ Laurence Birns. "The Demise of a Constitutional Society," in *The End of Chilean Democracy*, 26-27.

sectarianism and antipluralism.”²¹ Many members of the Chilean government criticized Allende’s nationalization policies. Some feared the overly socialist nature of the practice, and some questioned its legality. The National Party even proposed the impeachment of the Minister of the Economy, seeking to move control over nationalizations to Congress.²² Disagreements over the management of the economy led to a further polarization of the Chilean government, resembling the nearly evenly-distributed deadlocks of years past. Anti-government parties such as the Christian Democrats and the National Party began to merge their strategies and formed CODE (Democratic Confederation), and fractures among the Popular Unity party between the Communists and Socialists began to emerge once again.²³ Opposition parties began proposing amendments to restructure the economy and take away some control from Allende. These measures sought to protect small and medium property owners, grant more self-management to workers, and place more due process on processes like industry requisitions, allowing Supreme Court appeals and granting business owners a way of defending their ventures.²⁴

In 1971, Fidel Castro visited Chile, stirring up more controversy in an already tense environment. Castro was accused of “interfering in Chile’s internal politics” by the

²¹ Paul E. Sigmund. *The Overthrow Of Allende And The Politics Of Chile, 1964-1976* (Pittsburgh: University of Pittsburgh Press, 1977), 158.

²² *Ibid.*, 159.

²³ Julio Faúndez. *Marxism and Democracy in Chile: From 1932 to the Fall of Allende* (New Haven: Yale University Press, 1988), 222-223.

²⁴ Paul E. Sigmund. *The Overthrow Of Allende And The Politics Of Chile, 1964-1976*, 159.

opposition press, “particularly when he described the opposition as fascists.”²⁵ Castro complained that his crowds in Chile were not sufficiently large and called for the mass mobilization of Allende supporters in response to an anti-Allende demonstration in December of the previous year. The demonstration was known as the “March of the Empty Pots,” and consisted of five thousand women protesting the lack of food and the rising cost of living. Followers of the MIR (Revolutionary Left Movement) and similar groups attacked the women, and police riot squads were called in and used tear gas against the protestors.²⁶ This incident was only the beginning of a series of events that created an atmosphere of violence and tension in Chile during Allende’s reign. Following this protest the Christian Democrats succeeded in impeaching Allende’s minister of interior for:

responsibility for continued, reiterated, and serious infractions of the constitutional guarantees, including the toleration of illegal armed groups, arbitrary detentions, and infringement of constitutional provisions concerning the freedom of the mass media.²⁷

Though Allende responded to this impeachment by moving the minister, one of his most trusted aids, into the Defense Ministry (where he was eventually ousted by the Senate), this moment was a clear indication of the erosion of Allende’s political power.

The following year, 1972, held a wave of large strikes from many sectors of Chilean society. In October, of 1972, truck drivers all across Chile launched a national

²⁵ Paul E. Sigmund. *The Overthrow Of Allende And The Politics Of Chile*, 162.

²⁶ *Ibid.*, 163.

²⁷ *Ibid.*, 164.

strike due to lack of spare parts for their trucks (a direct result of the U.S. embargo), low freight rates, and in protest of the establishment of a state-owned shipping agency in one of Chile's southern provinces. This strike brought Chile's consumer economy, which was already badly affected by shortages and rapid inflation, to its knees. The National Party and Christian Democratic Party immediately supported the strike, and soon after, taxi drivers, shopkeepers, the Association of Owners of Small Industries, the Secondary Students' Federation, the Law Society, the Medical Association and other professional and technical associations joined the truckers in their strike.²⁸ The truck drivers put forth a specific set of demands with the support of the CDP and the National Party:

The government should enact immediately the constitutional amendment reversing the government's nationalization programme, that grassroots organizations should not be involved in the distribution of consumer goods, and that the administrative measures against opposition-controlled media should be lifted.²⁹

Faced with a crucial task of maintaining a critical sector of his economy, Allende declared a state of emergency and mobilized the military to maintain public order. By the end of 1972, the strike had lost momentum and ended. However, Allende still had not dealt with his country's economic problems and was now faced with a situation of power sharing with the military, having appointed cabinet members from the armed forces to maintain order during the strike.

²⁸ Julio Faúndez. *Marxism and Democracy in Chile*. 234-236.

²⁹ *Ibid.*, 236.

In 1973, Chile held a Congressional election. Allende's Popular Unity surprisingly gained slightly in this general election, accumulating six seats in the Chamber of Deputies and two in the Senate. However, the election did not alter the balance of power within Congress, which Julio Faúndez believes actually increased political tensions. According to Faúndez:

The prolongation of the deadlock radicalized both sides of the political divide. On the government side, the inconclusive results strengthened the radical wing of the Socialist party, which called upon the government to carry out a truly proletarian revolution without regard to the legal niceties of parliamentary democracy. On the opposition side the results strengthened those who believed that a military coup was the only solution to the crisis.³⁰

After the elections were held and the strike had ended, the military's participation in Allende's cabinet was no longer justified. Though Allende wanted to keep the military men within his administration, he had no choice but to appoint a civilian cabinet. CODE (the opposition coalition) had been hoping for a major victory in the Congressional election. Gaining a two-thirds majority would have allowed the CDP and NP to force Allende to change his policies, or even given the opposition the power of impeachment. To overcome the challenge of a disappointing election, CODE, using former President Frei as their spokesperson, called upon the people of Chile to organize themselves against the "totalitarian threat" posed by the government.³¹ This call to arms came in conjunction with a plea to Chile's military to enforce the Arms Control Act, which

³⁰ Julio Faúndez. *Marxism and Democracy in Chile*. 237-238.

³¹ "Letter from Eduardo Frei to Senator Fuentalba. *Diario de Sesiones del Senado*, Sess. 90, April 24, 1973, 3612-3614 in Julio Faúndez. *Marxism and Democracy in Chile*, 241.

sanctioned left-wing organizations such as trade unions who were thought to be preparing for an armed struggle.³² This rhetoric was nearly tantamount to an overt call for a military coup.

By mid-1973, Chile's situation had devolved into a major crisis. In April, unions at the El Teniente copper mines went on strike over wage adjustments by Allende's government. The opposition parties sought to capitalize on this unrest by attempting to include miners from other parts of the country in the strike, lending money to the strikers, and impeaching the Ministers of Mining and Labor. The strike lasted 70 days, and severely weakened the government economically and politically. The unions, historically allies of Allende, now appeared to oppose the government, and relations between the Communists and Socialists were further strained.³³ On June 29, Army Lieutenant Colonel Roberto Souper led a failed coup attempt against Allende. He commanded three combat groups of tanks and armored cars to La Moneda, the Chilean Presidential Palace, and began firing on buildings. The Coup, which had been organized and executed by members of the extreme right-wing movement *Patria y Libertad* (Homeland and Liberty), was quickly subdued by other members of the military, but nonetheless signaled the level of Chile's political deterioration.³⁴ Until this point, talk of a coup had been nothing more than talk. Popular mobilization against the government increased in July, as Chilean truck drivers again went on strike. The strike coincided with

³² "Declaración del Consejo Plenario del PDC", *Política y Espiritu*, April 11, 1973, 70-73 in Julio Faúndez. *Marxism and Democracy in Chile*, 241.

³³ Julio Faúndez. *Marxism and Democracy in Chile*, 243-244.

³⁴ Paul E. Sigmund. *The Overthrow Of Allende And The Politics Of Chile, 1964-1976*, 212-213.

an outbreak of terrorism by right-wing militants who sought to further destabilize the Allende regime. From July 27 to August 3, there were 180 reported acts of terrorism including the assassination of a presidential aid.³⁵

Following rampant accusations of failing to uphold the rule of law, the government succeeded in convincing military officials to join a new cabinet, known as the Cabinet of National Security. The cabinet was intended to alleviate fears of political destabilization and rifts between the government and military, but eight days after its formation the air force chief resigned. Four days later, on August 22, “the Chamber of Deputies adopted a resolution calling upon the military members of the cabinet to force the government to act within the law, otherwise they would be held responsible for violating the constitution.”³⁶ The resolution was a large document decrying the constitutional abuses of Allende. Among other criticisms, the resolution stated:

It is a fact that the current government of the Republic, from the beginning, has sought to conquer absolute power with the obvious purpose of subjecting all citizens to the strictest political and economic control by the state and, in this manner, fulfilling the goal of establishing a totalitarian system: the absolute opposite of the representative democracy established by the Constitution.

And further:

[The government] has usurped Congress’s principle role of legislation through the adoption of various measures of great importance to the country’s social and

³⁵ *United States and Chile During the Allende Years, 1970 - 1973: Hearings Before the Subcommittee on Inter-American Affairs of the Committee on Foreign Affairs, House of Representatives* (Washington: U.S. Government Printing Office, 1975), 391.

³⁶ Julio Faúndez. *Marxism and Democracy in Chile*, 245.

economic life that are unquestionably matters of legislation through special decrees enacted in an abuse of power, or through simple "administrative resolutions" using legal loopholes. It is noteworthy that all of this has been done with the deliberate and confessed purpose of substituting the country's institutional structures, as conceived by current legislation, with absolute executive authority and the total elimination of legislative authority.

Finally:

Especially serious is the breakdown of the Rule of Law by means of the creation and development of government-protected armed groups which, in addition to threatening citizens' security and rights as well as domestic peace, are headed towards a confrontation with the Armed Forces.³⁷

The day after the Chamber of Deputies passed the resolution, General Carlos Prats, under strong pressure from the military, resigned from the cabinet and his position as Commander-in-Chief of the army. In addition to Prats, the two other generals who had defused the earlier failed coup attempt resigned. Allende's last remaining loyal generals with major political influence had left his government.³⁸ After Prats' resignation, the government was completely exposed to military action. General Augusto Pinochet was appointed as the new army chief. The right-wing magazine *Qué Pasa* reported that though Pinochet had initially supported Prats, Pinochet would,

³⁷ "Acuerdo De La Cámara De Diputados Sobre El Grave Quebrantamiento Del Orden Constitucional Y Legal De La República." August 22, 1973.

http://es.wikisource.org/wiki/Acuerdo_de_la_C%C3%A1mara_de_Diputados_sobre_el_grave_quebrantamiento_del_orden_constitucional_y_legal_de_la_Rep%C3%BAblica.

³⁸ Paul E. Sigmund. *The Overthrow Of Allende And The Politics Of Chile, 1964-1976*, 232.

“reflect the predominant tendency in the high command which is clearly opposed to giving political support to the Unidad Popular.”³⁹

After weeks of a worsening economic situation with the continuation of the strikes, urgent political maneuverings by Allende and the military, and “suspicious troop movements,”⁴⁰ the formal coup d’état against Salvador Allende began on September 11, 1973. Within hours of the coup’s onset, pro-government radio stations had been taken off the air or destroyed, the presidential palace had been bombed, and Allende was dead. There had been some resistance from Allende loyalists, but overall the coup was swift and effective. Allende’s death was officially ruled a suicide, but some evidence including medical reports listing two bullet wounds, cloud the issue in controversy.⁴¹ After the dust had settled, General Augusto Pinochet assumed power as the new military leader of Chile, ushering in a long period of further violence and repression. Tellingly, according to Jonathan Kandell of the *New York Times*, “Almost immediately following the overthrow of Allende, loans and private capital from the U.S. began flowing into Chile again.”⁴² Chile’s revolutionary project in democratic socialism had failed, and as far as the United States was concerned, order had been restored.

³⁹ Paul E. Sigmund. *The Overthrow Of Allende And The Politics Of Chile, 1964-1976*, 231.

⁴⁰ *Ibid.*, 242.

⁴¹ *Ibid.*, 242-247.

⁴² Jonathan Kandell. “Private U.S. Loans in Chile Up Sharply.” *New York Times*, November 12, 1973, in *The End of Chilean Democracy*, 193.

Chapter 5: Conclusion – As the Dust Settles

“These are my last words, certain that the sacrifice will not be in vain. I am sure that there will be at least a moral sanction that will punish the felony, the cowardice and treason. Workers of my homeland, I have faith in Chile and its future. Other men will overcome this dark and bitter moment when treason seems to reign. You must never forget that sooner rather than later the grand avenues will be open where free men will march on to build a better society. Long live Chile! Long live the People! Long live the workers!”¹ – Salvador Allende’s final address, September 11, 1973

Salvador Allende was just one character in a centuries-long tale of the United States attempting to mold Latin America to its desires. The United States of America, worldwide champion of Democracy and political freedom, consistently operates on a covert level to preserve its political and economic interests. Deposing a democratically elected leader, such as Allende, was considered a necessary evil in order to maintain hemispheric dominance. A decade before Allende’s rise, Fidel Castro had instilled fear

¹ Samuel Chavkin. *The Murder Of Chile: Eyewitness Accounts Of The Coup, The Terror, And The Resistance Today* (New York: Everest House, 1982), 17.

in the common American. The U.S. government portrayed Castro as a dangerous tyrant who wished to impose communism by force on every nation of the West. In reality, the U.S. was equally – if not more – concerned with the economic threat posed by Castro. Nationalizations of American business interests in Cuba were significant, and the U.S. did everything it could to contain the ‘communist problem’ to the island. Soon after Castro’s rise, America learned of Salvador Allende. Fearing John Foster Dulles’ domino theory would hold true – the rise of a communist state in Chile would soon spread to unstable nearby governments such as Brazil, Peru, Argentina, and Brazil – the United States government actively sought to prevent Allende from taking power. Initially, these CIA operations were successful. As indicated in the report of the Church Committee, some \$3 million of taxpayer money was used to finance anti-Allende propaganda and opposition campaigns.¹ After Allende’s successful election, a further \$8 million was distributed by the CIA (in only 3 years) in what was said to cover “a broad spectrum, from simple propaganda manipulation of the press to large-scale support for Chilean political parties, from public opinion polls to direct attempts to foment a military coup.”²

The United States did not participate directly in the coup d’état that overthrew Allende, and for many years the level of involvement – and the heights to which responsibility rose – were unclear. As documents and cables became declassified, such as the Church Committee’s findings, which were investigating the legality of intelligence gathering by the CIA and FBI, new light was shed upon what exactly went on Chile. It is

¹ U.S. Department of State – Freedom of Information Act. “Church Report: Covert Action in Chile 1963-1973.” December 18, 1975. <http://foia.state.gov/Reports/ChurchReport.asp>.

² *Ibid.*

now clear that the U.S. engaged in every activity save direct military action to destabilize Allende. The CIA promoted, even encouraged, a military coup, but would not go so far as to directly participate in such a military action. Rather, the CIA, under direct orders from Nixon and Kissinger, meticulously dismantled Allende's support base and intentionally created chaos such that the Chilean people and military were willing to support the idea of a coup themselves. In a sense, the U.S. provided the weapons and the impetus to pull the trigger. A good example of how the CIA was able to incubate the conditions that led to the coup without having to fire a weapon, or even make themselves known, is found in the Church report:

With regard to the truckers' strike, two facts are undisputed. First, the 40 Committee did not approve any funds to be given directly to the strikers. Second, all observers agree that the two lengthy strikes (the second lasted from July 13, 1973 until the September 11 coup) could not have been maintained on the basis of union funds, It remains unclear whether or to what extent CIA funds passed to opposition parties may have been siphoned off to support strikes. It is clear that anti-government strikers were actively supported by several of the private sector groups which received CIA funds. There were extensive links between these private sector organizations and the groups which coordinated and implemented the strikes. In November 1972 the CIA learned that one private sector group had passed \$2,800 directly to strikers, contrary to the Agency's ground rules. The CIA rebuked the group but nevertheless passed it additional money the next month.³

³ "Church Report: Covert Action in Chile 1963-1973."

In other words, the CIA was very good at covering its tracks, avoiding a large international outcry at such malevolent meddling by only supporting those who in turn supported the strike. In fact, the truckers' strike was key to permanently turning popular opinion against Allende. After five weeks of striking, the truckers were estimated to have caused losses of \$100 million to the Chilean economy, most of which came from a lack of basic goods in shops. Additionally, Chile's economy was collapsing from all sides as pressures from the drying up of essential foreign funds came to a head – a much less covert method of warfare organized by the United States. As Paul Sigmund reported, the inflation rate for 1972 had reached 323 percent. By 1973, the deficit reached 53 percent of the government budget. Money supply rose by 3,400 percent during Allende's three years in power. Industrial production dropped between six and eight percent. Between 1972 and 1973, there was a 22 percent drop in agricultural production. The balance of payments deficit under Allende rose by nearly \$1.25 million a day.⁴ Shops continually had shortages, and a major black market developed. The upper and middle-classes, who were used to a steady supply of goods, directed their anger towards Allende, not knowing that a faraway government was actually largely responsible for their economic woes.

It is important to recognize the level at which commercial interests dictated foreign policy in the United States. As stated earlier in this paper, it was fear of

⁴ Paul E. Sigmund. *The Overthrow Of Allende And The Politics Of Chile, 1964-1976* (Pittsburgh: University of Pittsburgh Press, 1977), 234-235.

nationalizations of American business interests that truly drove the U.S.'s aggressive rhetoric against communism developing in the Americas. As Joseph Collins remarked:

The introduction in August, 1971 of Nixon's New Economic Policy shifted responsibility for the formulation of foreign policy towards Latin America from the State Department to the Treasury Department... 70 percent of the key policy makers during a five-year period were from the world of corporate business prior to taking office.⁵

Yet economic dominance is only one of the ways the United States has historically maintained hegemony in Latin America. It has also been the pattern that the U.S. only has allowed political leaders that are friendly to the U.S. to remain in power. Such leaders would be expected to grant immunity to American operatives inside their countries, allow for a major American military presence, and permit an American monopoly on foreign investment and trade. Any leader, or individual striving for political power, who the U.S. feared would threaten any aspect of American hegemony was labeled an enemy. On many occasions, the U.S. has resorted to direct military involvement to oust a defiant leader. Other times, covert operations organized and executed by the CIA were sufficient. What is clear is that since the United States has operated on an international level, the decision-making process behind these hegemonic dominance maneuvers led all the way up to the President. Whether the means to achieving America's goals involved installing a military ruler, like General

⁵ Joseph Collins. "Tightening the Financial Knot," in *The End of Chilean Democracy: An IDOC Dossier On The Coup And Its Aftermath*, ed. Laurence Birns (New York: Seabury Press, 1974), 181.

Pinochet, who engaged in purging campaigns murdering thousands of supposed leftists, was a non-issue.

President Nixon, like nearly every president before him, used fear tactics to justify his actions in meddling with Latin America. The Monroe, Truman, Johnson, and Nixon doctrines, as discussed earlier in this paper, were all thinly-veiled proclamations of the United States' overt and singular hegemony over all of the Western Hemisphere. Supposed fears of Allende creating a military alliance with the Soviet Union, recognizing and allying with Communist Cuba, or creating a haven within South America for leftist militants were not the basis of the United States' actions in Chile. Rather, it was the fear that nationalization, increasing calls for economic independence from America, and flaunting Chile's democratically-installed socialist government were major threats to U.S. dominance in the region – politically, economically, and symbolically. As stated in the Church report, Allende's ties with Cuba and the Soviet Union were agreeable at best, and there was never a threat of military coordination. Further, the State Department had declared as early as 1971:

Allende would be cautious in providing assistance to extremists for fear of provoking a military reaction in his own country... Contrary to some earlier indications that Allende might provide clandestine assistance to neighboring insurgency movements, evidence to date suggested that he had been sensitive to the concerns of neighboring governments and had sought to avoid action which would strain bilateral relations.⁶

⁶ "Church Report: Covert Action in Chile 1963-1973."

This pattern of American action continues today, though the arena and methods have changed slightly. Latin America is now mostly in the pocket of the United States, though there have been some defiant leaders there in recent years, mainly in Venezuela. Now, the U.S. supports repressive governments in the Middle East in exchange for oil and land for military bases, such as in Bahrain. In the face of popular uprisings, during which the government of Bahrain has slaughtered peacefully-demonstrating civilians, the United States has maintained its Navy Fifth Fleet and Central Command in the country, lending legitimacy to yet another brutal, non-democratic regime in exchange for regional dominance.⁷ Though the examples in this paper are limited to Latin America, the geo-political region closest to the United States, the stories told have taken place in every region of the world for centuries. The United States is history's most recent major colonial power, and will continue to engage in less than honorable tactics to maintain its coveted supremacy. For every war we read about on the news, there are undoubtedly numerous other covert wars, of which we may not learn for decades.

“The 20th century has been characterized by three developments of great political importance: The growth of democracy, the growth of corporate power, and the

⁷ Joost R. Hiltermann. “Pushing for Reform in Bahrain,” *Foreign Affairs*, September 7, 2011. <http://www.foreignaffairs.com/articles/68246/joost-r-hiltermann/pushing-for-reform-in-bahrain?page=show>.

growth of corporate propaganda as a means of protecting corporate power against democracy.” – Alex Carey

“Of all forms of government and society, those of free men and women are in many respects the most brittle. They give the fullest freedom for activities of private persons and groups who often identify their own interests, essentially selfish, with the general welfare.” – Dorothy Thompson

“It is in the nature of imperialism that citizens of the imperial power are always among the last to know--or care--about circumstances in the colonies.” – Bertrand Russell, from the 1967 International War Crimes Tribunal

Bibliography

Acemoglu, Daron, and James A. Robinson. *Economic Origins Of Dictatorship And Democracy*. Cambridge: Cambridge University Press, 2006.

“Acuerdo De La Cámara De Diputados Sobre El Grave Quebrantamiento Del Orden Constitucional Y Legal De La República.” August 22, 1973.

http://es.wikisource.org/wiki/Acuerdo_de_la_C%C3%A1mara_de_Diputados_sobre_el_grave_quebrantamiento_del_orden_constitucional_y_legal_de_la_Rep%C3%BAblica (accessed April 16, 2012).

“Acuerdo De La Cámara De Diputados Sobre El Grave Quebrantamiento Del Orden Constitucional Y Legal De La República.” August 22, 1973.

http://es.wikisource.org/wiki/Acuerdo_de_la_C%C3%A1mara_de_Diputados_sobre_el_grave_quebrantamiento_del_orden_constitucional_y_legal_de_la_Rep%C3%BAblica (accessed April 14, 2012).

Aguilar, Alonso, and Asa Zatz. *Pan-Americanism from Monroe to the Present: A View from the Other Side*. Engl. ed. New York: Monthly Review Press, 1968.

Andrew, Christopher M., and Vasili Mitrokhin. *The World Was Going Our Way: The KGB and the Battle for the Third World*. New York: Basic Books, 2005.

Birns, Laurence, editor. *The End Of Chilean Democracy: An IDOC Dossier On The Coup And Its Aftermath*. New York: Seabury press, 1974.

Brands, Hal. *Latin America's Cold War*. Cambridge: Harvard University Press, 2010.

Carothers, Thomas. *In the Name of Democracy: U.S. Policy Toward Latin America in the Reagan Years*. Berkeley and Los Angeles: University of California Press, 1991.

CBS News. "CIA Reveals Covert Acts In Chile." (February 11, 2009).

<http://www.cbsnews.com/stories/2000/09/11/world/main232452.shtml>

(accessed January 25, 2012).

Central Intelligence Agency. "CIA Activities in Chile." *Released under Intelligence Authorization Act* (September 19, 2000).

<http://www.gwu.edu/~nsarchiv/news/20000919/01-01.htm> (accessed January 25, 2012).

Chavkin, Samuel. *The Murder Of Chile: Eyewitness Accounts Of The Coup, The Terror, And The Resistance Today*. New York: Everest House, 1982.

Crow, John. *The Epic of Latin America*. Berkeley: University of California Press, 1992.

Di Tella, Torcuato S. *History Of Political Parties In Twentieth-Century Latin America*. New Brunswick: Transaction Publishers, 2004.

Doenecke, Justus D., and Mark A. Stoler. *Debating Franklin D. Roosevelt's Foreign Policies, 1933-1945*. Lanham: Rowman & Littlefield Publishers, 2005.

Dominguez, Jorge. "US-Latin American Relations During the Cold War and its Aftermath," in *The United States and Latin America: The New Agenda*, edited by Victor Bulmer-Thomas and James Dunkerley. Institute of Latin American Studies

and the David Rockefeller Center for Latin American Studies (1999).

http://www.people.fas.harvard.edu/~jidoming/images/jid_uslatin.PDF (accessed February 9, 2012).

Falcoff, Mark. "Kissinger and Chile." *Front Page Magazine*. (November 11, 2003).

<http://archive.frontpagemag.com/readArticle.aspx?ARTID=15648> (accessed January 25, 2012).

Faúndez, Julio. *Marxism And Democracy In Chile: From 1932 To The Fall Of Allende*. New Haven: Yale University Press, 1988.

Franklin, Jane. *Cuba and the United States: A Chronological History*. Melbourne, Australia: Ocean Press, 1997.

Gareau, Frederick Henry. *State Terrorism And The United States From Counterinsurgency To The War On Terrorism*. Atlanta: Clarity Press, 2004.

George Washington University. "Chile and the United States: Declassified Documents relating to the Military Coup, 1970-1976."

<http://www.gwu.edu/~nsarchiv/NSAEBB/NSAEBB8/nsaebb8.htm> (accessed January 23, 2012).

Harbutt, Fraser J. *The Cold War Era*. Malden, Mass.: Blackwell Publishers, 2002.

Halperin, Maurice. *The Rise And Decline Of Fidel Castro; An Essay In Contemporary History*. Berkeley: University of California Press, 1972.

Haslam, Jonathan. *The Nixon Administration And The Death Of Allende's Chile: A Case Of Assisted Suicide*. London: Verso, 2005.

- Herring, George C. *From Colony to Superpower: U.S. Foreign Relations Since 1776*. New York: Oxford University Press, 2008.
- Hiltermann, Joost R. "Pushing for Reform in Bahrain," *Foreign Affairs*, September 7, 2011. <http://www.foreignaffairs.com/articles/68246/joost-r-hiltermann/pushing-for-reform-in-bahrain?page=show> (accessed April 17, 2012).
- Hoopes, Townsend. *The Devil and John Foster Dulles*. Boston: Little, Brown, 1973.
- Jessup, Philip C. "The Inter-American Conference for the Maintenance of Peace," *The American Journal of International Law*, Vol. 31, No. 1 (January, 1937): 85-91. <http://www.jstor.org/stable/2190718> (accessed April 17, 2012).
- Kline, John M. *Foreign Investment Strategies In Restructuring Economies: Learning From Corporate Experiences In Chile*. Westport, Conn.: Quorum Books, 1992.
- Langley, Lester D. *The Banana Wars: United States Intervention in the Caribbean, 1898-1934*. Wilmington, Del.: SR Books, 2002.
- Lehmann, David. *Democracy and Development in Latin America*. Philadelphia: Temple University Press, 1992.
- Li, Richard P.Y. and William R. Thompson. "The "Coup Contagion" Hypothesis." *The Journal of Conflict Resolution* 19, no. 1 (March, 1975). <http://www.jstor.org/stable/173450> (accessed January 28, 2012).
- Loveman, Brian. *Chile: The Legacy of Hispanic Capitalism, Third Edition*. Oxford University Press, 2001. http://dajialai.org/ziliao1/Brian%20Loveman/Chile_The_Legacy_of_Hispanic_Capitalism_Latin_American_Histories_.pdf (accessed March 18, 2012).

Matthews, Herbert Lionel. *Fidel Castro*. New York: Simon and Schuster, 1969.

Moran, Theodore H. *Multinational Corporations and the Politics of Dependence: Copper in Chile*. Princeton, New Jersey: Princeton University Press, 1974.

Muñoz, Heraldo. *The Dictator's Shadow*. New York: Basic Books, 2008.

NSC-IG/ARA. "A Study of U.S. Policy Toward Latin America (National Security Study Memorandum 15)." *Foreign Relations of the United States, 1969–1976. Volume E–10, Documents on American Republics, 1969–1972, Document 4* (March, 1969). <http://history.state.gov/historicaldocuments/frus1969-76ve10/d4> (accessed February 9, 2012).

The National Security Archive, Transcribed by Dick Goodwin. "Conversation with Comandante Ernesto Guevara of Cuba." (August 22, 1961). <http://www.gwu.edu/~nsarchiv/bayofpigs/19610822.pdf> (accessed February 13, 2012).

The National Security Archive, Edited by Carlos Osorio. "Kissinger To Argentines On Dirty War: 'The Quicker You Succeed The Better'". *National Security Archive Electronic Briefing Book No. 104* (December 4, 2003). <http://www.gwu.edu/~nsarchiv/NSAEBB/NSAEBB104/index.htm> (accessed January 26, 2012).

The National Security Archive, Edited by Carlos Osorio, Marcos Novaro, and John Dinges. "On 30th Anniversary of Argentine Coup New Declassified Details on Repression and U.S. Support for Military Dictatorship." (March 23, 2006).

<http://www.gwu.edu/~nsarchiv/NSAEBB/NSAEBB185/index.htm> (accessed January 26, 2012).

The National Security Archive, Edited by Peter Kornbluh. "Brazil Marks 40th Anniversary of Military Coup." (March 31, 2004).

<http://www.gwu.edu/~nsarchiv/NSAEBB/NSAEBB118/index.htm#docs> (accessed March 21, 2012).

Nieto, Clara, and Chris Brandt. *Masters Of War: Latin America And United States Aggression From The Cuban Revolution Through The Clinton Years*. New York: Seven Stories Press, 2003.

Organization of American States. "Charter of the Organization of American States."

http://www.oas.org/dil/treaties_A-41_Charter_of_the_Organization_of_American_States.htm (accessed February 22, 2012).

Petras, James, and Morris Morley. *The United States And Chile: Imperialism And The Overthrow Of The Allende Government*. New York and London: Monthly Review Press, 1975.

Qureshi, Lubna Z. *Nixon, Kissinger, And Allende: U.S. Involvement In The 1973 Coup In Chile*. Lanham, MD: Lexington Books, 2009.

Rabe, Stephen G. "The Johnson Doctrine." *Presidential Studies Quarterly* Vol. 36, No. 1 (March 2006), <http://www.jstor.org/stable/27552746> (accessed March 26, 2012).

Rabe, Stephen G. *The Most Dangerous Area In The World: John F. Kennedy Confronts Communist Revolution In Latin America*. Chapel Hill: University of North Carolina Press, 1999.

Roosevelt, Theodore. "State of the Union Address." December 6, 1904.

<http://www.teachingamericanhistory.org/library/index.asp?document=1311>

(accessed February 9, 2012).

Sigmund, Paul E. *The Overthrow Of Allende And The Politics Of Chile, 1964-1976*.

Pittsburgh: University of Pittsburgh Press, 1977.

Smirnow, Gabriel. *The Revolution Disarmed, Chile, 1970-1973*. New York: Monthly

Review Press, 1979.

Joseph Smith. *The United States and Latin America: A History of American Diplomacy*.

New York: Routledge, 2005.

Stallings, Barbara. *Class Conflict and Economic Development in Chile, 1958-1973*. Palo

Alto, California: Stanford University Press, 1978.

Stillé, Charles Janeway. *The Life and Services of Joel R. Poinsett*. Kessinger Publishing,

LLC, 2010.

Thomas, Hugh. *Cuba: The Pursuit for Freedom*. Cambridge, Mass.: Da Capo Press, 1998.

Taylor, Jr, Philip S. "The Guatemalan Affair; A Critique of United States Foreign Policy."

The American Political Science Review, Vol. L, No. 3 (1956).

Truman, Harry. "Speech to Congress." March 12, 1947.

<http://americanrhetoric.com/speeches/harrystrumantrumandocctrine.html>

(accessed February 13, 2012).

United States and Chile During the Allende Years, 1970 - 1973: Hearings Before the Subcommittee on Inter-American Affairs of the Committee on Foreign Affairs, House of Representatives. Washington: U.S. Government Printing Office, 1975.

U.S. Department of State – Freedom of Information Act. “Church Report: Covert Action in Chile 1963-1973.” *Presented to the United States Senate* December 18, 1975.

<http://foia.state.gov/Reports/ChurchReport.asp> (accessed January 21, 2012).

U.S. Department of State – Freedom of Information Act. “Hinchey Report: CIA Activities in Chile.” September 18, 2000. <http://foia.state.gov/Reports/HincheyReport.asp> (accessed April 9, 2012).

U.S. Department of State – Office of the Historian. “Dollar Diplomacy, 1909-1913.” <http://history.state.gov/milestones/1899-1913/DollarDiplo> (accessed February 15, 2012).

