

RESPONSE TO PETRAS AND MORLEY

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The Petras-Morley reply to my review is useful in bringing out the basic issues between us. I think they come down to two: one is on the nature of U.S. foreign policy in general, and the other is on the relation of U.S. policy to the 1973 coup in Chile. On the first point, Petras and Morley describe U.S. policy as that of "the imperial state" autonomously formulating a policy that is "largely the product of an integrated body of aggregate interests of the corporate world as a whole," and in the Allende case involved "the combined and mutually reinforcing efforts" of the multinationals, the U.S. government, and the international banks. I see a variety of interests at work, including those of the corporations, which may and did differ among themselves; U.S. strategic or diplomatic interests, which may or may not coincide with those of the companies; bureaucratic interests within the U.S. government and the international financial institutions; and personal motivations and ideologies, which may make an important difference in the content and purpose of policy (as our limited experience with the Carter administration is already demonstrating). There is now full documentation of the divisions among the companies and within the U.S. government, and of the saliency of personal, ideological, and strategic motives in the decisions of Nixon and Kissinger. Indeed, the very quote from a U.S. government official that the authors cite with reference to ITT: "No country should sacrifice its overall relations or interests or other groups in the country for the sake of one interest group," makes my point rather than that of Petras and Morley—not as Petras and Morley would have it, the need to subordinate ITT's interest to that of the corporate world as a whole, but the priority of considerations of the national interest over those of the multinationals.

The companies, of course, argue that the protection of U.S. property is in the national interest. Their arguments have a good deal of clout in Washington both because of the political socialization and recruitment of U.S. policymakers and because Congress has adopted a considerable body of legislation (OPIC, Hickenlooper, Gonzalez etc.) to give them assistance and defense. But the question is whether the "aggregate interests of the corporate world" are the decisive and determining influence (whether determined autonomously or by the companies), and one must look to the evidence on this rather than invoke some Hegelian "imperial state" directing U.S. policy. No one in the U.S. government wanted Allende to succeed (although the Korry negotiations on copper indicated a serious effort to arrive at a *modus vivendi*), but this does not prove that the

opposition to Allende was “largely” guided by an overriding concern with the protection of the multinationals. From what we know of Henry Kissinger and Richard Nixon, their desire to prevent the spread of Marxism in the U.S. sphere of influence and the resulting shifts in the balance of power in Latin America and possibly Europe is fully adequate to explain their policy. This is not to deny that the interests of the American companies were also considered, or that they were active in lobbying U.S. policymakers. It is only to say that even if there had been little or no U.S. investment in Chile, there still would have been grounds for concern, given the worldview of Nixon and Kissinger, over the possible strategic effects of a Soviet-oriented government in Latin America.

The second point, whether U.S. policy contributed “substantially and directly” to the coup, depends on an assessment of the aims of U.S. policymakers, their success in achieving those aims, and their relation to internal groups in Chile involved in Allende’s overthrow. That Nixon and Kissinger attempted to promote a military coup in September–October 1970, there is no doubt. That there was an economic squeeze on Chile directed by U.S. policymakers, we know. That the CIA was in touch with the Chilean military, and that large amounts of CIA money went to the opposition media and parties and considerably smaller amounts to the strikers, are also clear. The problem is to show the direct connection of these facts and the “organizing” and “planning” of the coup. This, I submit, no one has yet succeeded in doing. The Nixon-Kissinger 1970 Track II was called off, the economic squeeze was offset by substantial credits from Latin America and Western Europe,¹ and the CIA was directed to cut off its contacts with the military in May 1973. The media and opposition parties were unsuccessful in arousing Chilean public opinion in 1971 when the inflation rate was low and political polarization had not set in, and very successful when the inflation took off and the Chilean middle class was driven into fanatic opposition by a president who had announced “I am *not* president of all Chileans.” (Petras and Morley cite two other bits of evidence from the Senate report, the January 1972 penetration of the Chilean military and the CIA arrest lists, but they fail to mention that the Senate report also states [p. 38] that CIA headquarters warned the Santiago station “not to become involved in a coup” and that the arrest lists were part of contingency plans that were “never passed to the Chilean military.”)

Just a word on Peru. It is interesting to observe how a quotation from an interviewee that Chile “helped keep open relations with Peru” becomes in a single paragraph a “relentless policy of encirclement of Chile.” To see the complex forces at work in U.S.–Peruvian relations as determined in any major way by U.S. policy towards Chile is to ignore the evidence concerning the Peruvian interest in securing outside loans, especially for the Cuajone project, and the shifts in U.S. policy that occurred before Allende even seemed likely to come to power.

Allende was always a minority president, but he acted as if he had majority support. (The 44 percent figure in the 1973 elections cited by Petras and Morley, far from indicating increasing support, marked a drop of nearly 6 percent from the 1971 municipal elections, and Popular Unity consistently lost elections in the universities, the trade unions, teachers organizations, and stu-

dent groups during 1972 and 1973.) Chile was always a fragile economy dependent on copper exports to pay for imports, especially of food, and Allende's wholesale expropriations of industry and agriculture made that situation infinitely worse. Together with the stockpiling of arms, first by the Left and then by the Right, these political and economic policies in and of themselves were fully adequate to explain the 1973 coup, as others who share Petras and Morley's ideological outlook have recognized.² Simply to say that U.S. policy "was mediated through the internal Chilean class structure and the Chilean military and bourgeoisie" is to dismiss without examination a central lesson of the Allende tragedy that others such as the Italian Communist party have been careful to learn: the importance of maintaining political and economic legitimacy and avoiding the alienation of the middle class, if a peaceful transition to socialism is to be carried out.

The facts are clear—an immoral (because initiated against a freely elected government that had taken no action against vital U.S. interests), external program of subversion by the U.S. and a misconceived domestic economic and political course pursued by Allende. It is on the evaluation of the relative effects and underlying causes of those policies that we differ—and those differences are related to our underlying methodologies—whether to reduce the complex web of policy to a single underlying determinant or to see it, as I do, as open to a variety of influences, motivations, and personalities. The latter seems to me more reasonable.

NOTES

1. Chile's debt increased by \$800 million, or nearly \$1 million a day, during the Allende period. (The figure of \$2.6 billion for the 1970 debt is used by the Central Bank, CORFO, the IMF, and the OAS Economic and Social Council. The higher figure used by the Allende government included future interest payments on all outstanding loans, in some cases down to the end of the century.) The bulk of the debt increase comes from two IMF loans (\$130 million expended) and short-term credits (not "development projects") from Latin American and Western Europe (\$400 million). Medium and long-term indebtedness to Latin America and Eastern Europe increased from \$9 million to \$149 million, far more than the debt increase to Eastern Europe, the Soviet Union, and China—which only rose from \$14 million to \$40 million (CORFO figures, quoted in OAS CIAP report on Chile, 28 January, 1974, p. V-9).
2. "It would be a mistake to underestimate the role of the USA in defeating the Chilean working class, but to place the major emphasis here is to go against the bulk of the available evidence. The coup would probably have occurred even if the USA had remained strictly neutral." Ian Roxborough et al., *Chile: The State and Revolution* (London: MacMillan, 1977), p. 153.

If the documents on arms stockpiling and training by the Left published in the junta White Book are not acceptable as evidence, see the statement by Allende's advisor, Joan Garces, in *Allende et l'Experience Chilienne* (Paris: Fondation Nationale des Sciences Politiques, 1976), that "in 1973 sectors of the Socialist Party, the MAPU, and the Christian Left decided to prepare for civil war (securing arms, preparing clandestine hospitals and first aid programs and creating a communications infrastructure) [that] helped to facilitate the military uprising. In fact, all those preparations were detected and closely observed from the outset by the secret services of the armed forces [creating] among hesitant officers a psychosis which led them to believe that they were about to be attacked at any moment by armed 'enemy' elements" (pp. 244-45).