Hegemonic Intervention: Examining U.S. Influence and Responsibility in Chile's 1973 Coup and Its Aftermath

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Table of Contents

Introduction

On September 11, 1973, the Chilean military launched a coup against the Salvador Allende Government. As a result, Augusto Pinochet was named President of Chile. He dismantled Congress, outlawed persecuted and political rivals, and announced there would be no future elections in the country. The Pinochet Government is best remembered for the implementation of a policy of systematic and widespread human rights violations. Thousands were detained without charge or trial and were subject to abduction, torture, and executed, persecuted or "disappeared" under political grounds.[210] This research paper aims to answer the question, "Was the 1973 Coup and the events that followed driven by local actors, or through conditions put in place by United States policy makers?" The extent to which the U.S. actively participated in the creation of social discontent during the Allende administration, and to what level the Nixon administration was responsible for the crimes of the Pinochet dictatorship, will be analysed. This research paper aims to focus on the relationship between the local actors and the influence of Cold War superpowers. Declassified documents from the Central Intelligence Agency (CIA) archive make up the primary source foundation of this study, revealing that the CIA took on the most direct involvement in implementing U.S. policy in Chile before and during the dictatorship.[211]

This research paper will be divided into three chapters, each focusing on how the U.S. impacted regime change, the challenges the U.S. faced, and how the U.S. influenced Chilean policies following the 1973 Coup. Chapter 1 will examine the inconsistencies of U.S. economic policy in relation to both the Frei and Allende governments. The "spoiling operation" to prevent Allende from consolidating power, and to disrupt Allende once in power will be examined. The failed covert action of the CIA in the 1964 and 1970 elections will also be discussed. This chapter will examine how these developments resulted in the decisions of the Richard Nixon administration. Chapter 2 will discuss to what extent Chile was a threat to the US, and the challenges of intervening in Chile's democratic process. The main problem was that Allende had legitimacy, and actions against him could seriously damage U.S. credibility. This chapter will additionally examine whether U.S. relations with

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[210] Amnesty International. *The Case of General Pinochet*. London: Amnesty International Publications, 1998. https://www.amnesty.org/en/wp-content/uploads/2021/06/eur450211998en.pdf.

[211] Peter Kornbluh, "Henry Kissinger: The Declassified Obituary: The Primary Sources on Kissinger's Controversial Legacy," *National Security Archive*, November 29, 2023, https://nsarchive.gwu.edu/briefing-book/chile-cold-war-henry-kissinger-indonesia-southern-cone-vietnam/2023-11-29/henry.

Chile were primarily driven by Cold War sentiments or by the desire to magnify U.S. hegemony in the region. Finally, Chapter 3 will focus on the impact of U.S. policies on Chile. The significance of the CIA funding of El Mercurio and the economic influence of Milton Friedman on Chile are crucial to analysing the agency of local actors, and their relationship with the West.

Literature Review

Scholarship on the Salvador Allende Presidency and the dictatorship of Augusto Pinochet primarily focuses on the heads of state, combining political history with a social, economic, or transnational lens.[212] Scholarly debate has concentrated on the extent of U.S. interference in Chile's democratic process as well as its justification. It has become conventional wisdom, especially on the left, that Washington played a crucial role in the 1973 coup.[213] Jack Devine stated with "conviction that the CIA did not plot with the Chilean military to overthrow Allende in 1973."[214] William D. Rodgers argued that it is a myth that the U.S. intervened in the 1973 coup. To claim the Nixon administration "did all it could" to topple Allende is inaccurate.[215] In other instances, the U.S. has carried out assassination attempts on World leaders, external intervention, and armed attacks by mercenaries. Rodgers argues that "nothing close to such measures" was acted out in Chile.[216] Devine admitted that the U.S. helped launch an earlier coup and acknowledged the goal of supporting political opposition "to make sure Allende did not dismantle institutions of Democracy.[217]

Devine pointedly referenced flawed economic policies as the primary factor contributing to social discontent.[218] Rodgers went as far as to claim "it is a stretch to say Allende was democratically elected as "[n]early two-thirds of those who went to the polls

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[212] Winn, Weavers of Revolution. Tanya Harmer, Allende's Chile and the InterAmerican Cold War (Chapel Hill: University of North Carolina Press, 2011), in Stone Peterson, "U.S. Intervention in Chile During the Cold War," https://www.calstatela.edu/sites/default/files/u.s._intervention_in_chile_during_the_cold_war_-_stone_peterson.pdf.

[213] Jack Devine, "What Really Happened in Chile: The CIA, the Coup Against Allende, and the Rise of Pinochet," *Foreign Affairs* 93, no. 4 (2014): 26–35.

[214] Devine, "What Really Happened in Chile," 27.

[215] William D Rogers and Kenneth Maxwell, "Mythmaking and Foreign Policy [with Reply]." *Foreign Affairs* 83, no. 1 (2004): 160–65.

[216] Rodgers and Maxwell, "Mythmaking and Foreign Policy," 161.

[217] Devine, "What Really Happened in Chile," 35.

[218] Devine, "What Really Happened in Chile," 26–35.

voted against him."[219] Regardless of these claims, the overwhelming consensus is that Washington hailed Allende's demise as a "major victory."[220]

Devine and Rodgers both emphasised that there was every indication that the Allende Government was intent on undermining the political opposition, threatening Chile's independent media and moving Chile into the Soviet Sphere of influence. In that environment, "it was fair game" to support the opposition parties and help the media resist such antidemocratic actions.[221] The tired claim that Allende, having received only 36 percent of the vote, somehow diminished his democratic credibility and justified the coup. This argument was referenced by Nixon to legitimise the coup. Allende representing a severe threat to democracy is also heavily contestable. Rodgers and Devine claimed that the United States was not actively involved in the face of overwhelming evidence to the contrary.[222] Wider literature has focused on economic policy enacted in Washington during the Cold War. Chile was famously used as a laboratory to implement the most extreme neoliberal economic policies. The literature has addressed the processes and consequences of the Chilean dictatorship. This research paper will touch on the relevance of these policies before and after the Allende regime, as the United States drastically reduced loans to Chile while the CIA funded opposition parties and news outlets. The economic policies in Chile are intertwined with the 1973 coup and the Pinochet dictatorship. There is no shortage of critical evaluations of U.S. foreign policy in Latin America throughout the Cold War. Multiple scholars have emphasised Henry Kissinger's role in the breakdown of Chile's constitutional order. Gabriel Salazar argued, "Henry Kissinger was an incredibly important figure in the breakdown of Chile's constitutional order," as "He provoked the downfall of (Allende's) developmental policies, and then the installation of the neoliberal economic model."[223] Peter Kornbluh, senior analyst at the National Security Archive (NSA) in Washington DC, which pressured the U.S. government into declassifying Kissinger's voluminous records, claimed, "Henry Kissinger did not believe in the sanctity of self-determination. He did not believe in the sanctity of sovereignty for Latin American nations or the smaller nations of the third world."[224]

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[219] Rodgers and Maxwell, "Mythmaking and Foreign Policy," 163.
[220] Devine, "What Really Happened in Chile," 33.
[221] Devine, "What Really Happened in Chile," 35.
[222] Rodgers and Maxwell, "Mythmaking and Foreign Policy," 164.
[223] Camila Neves Guzmán, quoted in, "Latin America remembers Kissinger's 'profound moral wretchedness'," *The Guardian*, November 30, 2023, https://www.theguardian.com/us-news/2023/nov/30/henry-kissinger-chile-argentina-south-america.
[224] Peter Kornbluh, quoted in, "Latin America remembers Kissinger's 'profound moral wretchedness'."

Contradictions of Containment: U.S. Economic Warfare from Frei to Allende

The Alliance for Progress, signed by President John F. Kennedy in 1961, was explicitly drafted to prevent the spread of socialism in the Western Hemisphere.[225] The Alliance allocated financial investment in Latin American countries to bolster infrastructure and education, as well as champion democratic governments.[226] The possibility of nationalising two of the leading Chilean copper companies, Anaconda and Kennicott, privately owned by U.S. corporations, sparked considerable concern.[227] Furthermore, the growth of socialist sentiment across the continent was troubling to U.S. officials, who overtly and covertly sent aid and assistance to the Chilean Government and political parties, such as the Christian Democratic Party (PDC).[228]

The 1964 presidential campaign by Salvador Allende from the Front for Popular Action (FRAP) caused great concern in the US. In 1964, the U.S. spent 3 million dollars on an anti-communist propaganda campaign and supported Allende's opponents.[229] U.S. influence on the election was effective. The U.S. Government did not simply covertly fund PDC candidate Eduardo Frei's, or any other candidate's campaign, but strategically aided multiple campaigns simultaneously to prevent the likelihood of Allende's election. In September 1964, Frei was elected President of Chile, defeating Allende.[230] Frei's victory in 1964 was funnelled directly through the CIA, which would later admit to contributing more than 50 per cent of Frei's campaign expenses and acknowledged "it may have been a case of overkill."[231] Economic relations would only be used to attempt to destabilize Allende during his months as President-elect. This ideological departure from Kennedy's Alliance for Progress is one of the most critical trends in Nixon-era economic diplomacy. Using a combination of private sector and governmental efforts, the Nixon Administration almost immediately began attempts to prevent Allende from taking power in Chile. American

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[225] "The Allende Years and the Pinochet Coup, 1969–1973," *Office of the Historian*, https://history.state.gov/milestones/1969-1976/allende.
[226] "The Allende Years and the Pinochet Coup."
[227] "The Allende Years and the Pinochet Coup."
[228] "The Allende Years and the Pinochet Coup."
[229] *Covert Action in Chile 1963-1973: Staff Report of the Select Committee to Study Governmental Operations with Respect to Intelligence Activities United States Senate*, https://www.intelligence.senate.gov/sites/default/files/94chile.pdf, in Frasier Esty, "An Analysis Of U.S.-Economic Policy Toward Chile During The Cold War," 13, https://digitalcommons.bucknell.edu/cgi/viewcontent.cgi?article=1152&context=honors_theses
[230] "The Allende Years and the Pinochet Coup."
[231] Thomas E. Skidmore, *Modern Latin America (*New York, NY: Oxford University Press, 2014), 29,. in Esty, "An Analysis Of U.S.- Economic Policy Toward Chile During The Cold War," 13.

foreign aid to Chile decreased from over $260 million in 1967 to under $4 million by 1973.[232] During this transition period, during which Allende was President-elect, pressures from both the U.S. private sector and government were at an all-time high.[233]

Chile remained heavily polarised politically. Allende ran again in 1970, his campaign receiving 350,000 dollars from Cuba, as well as at least 400,000 dollars from the Soviet Union, according to CIA estimates.[234] Kissinger emphasised the detrimental example of a successfully elected Marxist government in Chile would surely have an impact on, and even precedent value for, other parts of the world, especially in Italy. In a Memorandum for the president "The imitative spread of similar phenomena elsewhere would in turn significantly affect the world balance and the position of the United States in it" was explicitly cited.[235] In the months prior to the election, the U.S. spent hundreds of thousands of dollars on a "spoiling operation."[236] Despite the efforts of the U.S. and international corporations, Allende narrowly won the three-way by-election on October 24. Nixon told U.S. officials to do whatever was necessary to prevent Allende from taking office.[237] Prior to Allende's inauguration, the CIA met with Chilean military contacts in a direct effort to formulate a coup and undermine Chile's democratic process. They experienced pushback from members of the Chilean military, which had diverged into two subsections regarding the viability of a military coup. Those willing to stage a military coup were represented under two factions: Roberto Viaux and General Valenzuela. General René Schneider represented those who strongly condemned any effort by the military to influence the election. Schneider argued – on the ground that it was antithetical to the Chilean constitution.[238] The local actors clearly have agency. The conditions for a coup had not been met, with the army refusing U.S. efforts.

Allende was officially sworn in as President of Chile on November 3. Nixon stated that U.S. relations with Chile would continue but would be "cooler" than previous relations under more politically aligned administrations. U.S. policymakers took steps to severely limit

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[232] Pamela Constable and Arturo Valenzuela, *A Nation of Enemies: Chile Under Pinoche*t. New York, NY: W.W. Norton & Co., 1993, 26, in Esty, "An Analysis Of U.S.- Economic Policy Toward Chile During The Cold War," 23.

[233] Esty, "An Analysis Of U.S.- Economic Policy Toward Chile During The Cold War," 23.

[234] James Doubek, "The U.S. Set the Stage for a Coup in Chile. It Had Unintended Consequences at Home," *NPR News,*
https://www.npr.org/2023/09/10/1193755188/chile-coup-50-years-pinochet-kissinger-human-rights-allende.

[235] The White House, SECRET/SENSITIVE Memorandum for the President, "NSC Meeting, November 6– Chile," November 5, 1970.

[236] Doubek, "The U.S. Set the Stage for a Coup in Chile."

[237] Kissinger, Memorandum for the President.

[238] "The Allende Years and the Pinochet Coup."

aid to Chile, enacting economic isolation. Allende aimed to reform health care, agriculture, and education. He increased the nationalisation of farms and businesses.[239] In the initial months of the administration, the reforms were largely successful; wages increased, and inflation was minimal. However, the rising wages produced a boom in consumerism. Chile was heavily reliant on imports to meet the increasing demand. Additionally, the price of copper dropped, which heavily impacted the balance of payments.[240] The Chilean Government gradually became more reliant on foreign aid to stimulate the economy. Simultaneously, Allende received a fraction of the aid past governments enjoyed. These crises resulted in demonstrations and strikes from 1971-1973. Between June and September 1973, disillusionment with Allende's Government was palpable as regular protests and strikes crippled Chile. Disillusionment within the armed forces had reached a critical mass, and it became evident that a coup would be successful given the military's potential backing.[241]

Following Allende's inauguration were more attempts to increase opposition, undermine his authority, and limit his economic capabilities. Between Allende's inauguration and the 1973 coup, the U.S. spent 8 million dollars on covert actions.[242] According to the 1975 Senate Report, U.S. officials backed economic measures to squeeze Allende's government.[243] As Peter Kornbluh summarised,"That was the policy of the United States: to make it difficult for him (Allende) to successfully govern."[244] It was executed through the imposition of an invisible economic blockade, the cessation of international financial aid and assistance, the restriction of loans from the World Bank and the Inter-American Development Bank, the withdrawal of U.S. export credits, the strategic allocation of funds to militant pro-coup opposition groups, and the deepening of ties with the Chilean military.[245] It is essential to recognise that the U.S. was not the only factor resulting in the coup: inflation started to soar; the CIA funded the most critical truckers' union, which was on strike; blockades resulted in shortages; and food and basic necessities were not delivered. With the

[239] "The Allende Years and the Pinochet Coup."
[240] "The Allende Years and the Pinochet Coup."
[241] "The Allende Years and the Pinochet Coup."
[242] Doubek, "The U.S. Set the Stage for a Coup in Chile."
[243] *Covert Action in Chile 1963-1973: Staff Report of the Select Committee to Study Governmental Operations with Respect to Intelligence Activities United States Senate*, https://www.intelligence.senate.gov/sites/default/files/94chile.pdf.
[244] Doubek, "The U.S. Set the Stage for a Coup in Chile."
[245] Kornbluh interviewed in Doubek, "The U.S. Set the Stage for a Coup in Chile."

generalised sense of chaos and polarisation, the military increasingly saw no way out of this situation except for a military coup.[246]

Allende was a dedicated Marxist with a profound anti-U.S. bias who aimed to establish a socialist state, eliminate U.S. influence from Chile, and establish close relations and communications with the USSR, Cuba and other Socialist countries.[247] It was assumed Chile would likely become a leader of opposition to the U.S. in the inter-American system, and become a source of disruption in the region.[248] It would become part of the Soviet/Socialist world, not only philosophically but in terms of power dynamics, and it might constitute a support base and entry point for the expansion of Soviet and Cuban presence and activity in the region.[249] Kissinger's explicit quote is revealing: "I don't see why we need to stand idly by and watch a country go communist due to the irresponsibility of its own people."[250] In order to destabilize the leftist political parties, the CIA quickly began both traditional and innovative methods of spreading propaganda. The CIA use of pamphlets and radio shows to spread propaganda became common and produced positive results. Alongside these methods, the CIA also became involved in "political action operations" to encourage Chilean citizens who were less likely to vote for Allende to become politically engaged.[251]

There was a "strong if diffuse resistance in Chilean society to moving to a Marxist or totalitarian state."[252] The U.S. recognised the suspicion of Allende within the military, and the potential serious economic problems and constraints.[253] The U.S. was presented with a choice. 1) Wait and try to protect U.S. interests in the context of dealing with Allende because "[w]e believe we cannot do anything about him anyway" and he "may not develop into the threat we fear."[254] The risk of Allende "turning nationalism against us and damaging our image, credibility and position in the world," thereby allowing Allende to potentially grow into a stronger threat, "and then we really will be unable to do anything about it or reverse the process.[255] Kissinger recognised that Allende would use the U.S. to gain legitimacy and

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[246] Peter Siavelis, interview , "What the U.S. Can Learn from the Fall of Democracy in Chile," *KOSU*, October 10, 2022, https://www.kosu.org/history/2022-10-10/what-the-u-s-can-learn-from-the-fall-of-democracy-in-chile.
[247] Kissinger, Memorandum for the President.
[248] Kissinger, Memorandum for the President.
[249] Kissinger, Memorandum for the President.
[250] Henry Kissinger, *United States National Security Advisor under President Richard Nixon, June 27, 1970.* 19.
[251] Church Committee, "Covert Action in Chile 1963-1973," *U.S. Department of State,* http://foia.state.gov/reports/churchreport.asp.
[252] Kissinger, Memorandum for the President.
[253] Kissinger, Memorandum for the President.
[254] Kissinger, Memorandum for the President.
[255] Kissinger, Memorandum for the President.

"caste us in the role of 'Yankee imperialist.'"[256] 2) Prevent Allende from consolidating immediately, when he was "weaker than he [would]ever be."[257] This would have risked giving Allende a nationalistic issue as a weapon to entrench himself, damage U.S. credibility, appear as interventionist, and further emphasise fears of U.S. domination in the region.[258]

The Paradox of Legitimacy: Credibility Costs of Toppling Allende

Kissinger argued that the U.S. capacity to engineer Allende's overthrow quickly has been demonstrated to be sharply limited. Consequently, the strategy entailed exploiting vulnerabilities and exacerbating challenges. At a minimum, compelling Allende to modify his policies, and at maximum, would lead to situations where his collapse or overthrow later may be more feasible.[259] Kissinger understood that Allende was more of a threat than Cuba was to him because Cuba could be suppressed with military aid or with counter-insurgencies. Carrying out an insurgency against people "armed with their vote, with their consciousness and with their desire for liberation" was a significant challenge.[260]

Henry Kissinger was concerned rightly that the model of peaceful parliamentary democracy might spread, in which case the contagion would spread beyond, and the U.S. system of domination would erode. Allende was elected legally, he had legitimacy, and the U.S. was limited in denying him that legitimacy or claiming he did not have it.

"We are strongly on record in support of self-determination and respect for free election; you are firmly on record for non-intervention in the internal affairs of this hemisphere and of accepting nations 'as they are.' It would therefore be very costly for the U.S. to act in ways that appear to violate those principles, and Latin Americans and others in the world will view our policy as a test of the credibility of our rhetoric."[261]

On the other hand, failure to react to this situation risked being perceived in Latin America and in Europe as indifferent or impotent.

Chile was one of the first countries to elect a Marxist leader democratically. Despite its claims to champion democracy, "friendly" authoritarian regimes were preferred over

[256] Kissinger, Memorandum for the President.
[257] Kissinger, Memorandum for the President.
[258] Kissinger, Memorandum for the President.
[259] Ariel Dorfman, "'The Other 9/11': Ariel Dorfman on 50th Anniversary of U.S.-Backed Coup in Chile That Ousted Allende," *Democracy Now*, interview, https://www.youtube.com/watch?v=PsfXRpj_JuQ&t=1079s.
[260] Dorfman, "The Other 9/11."
[261] Kissinger, Memorandum for the President.

non-aligned democratically elected governments.[262] Until 1973, Chile had been the most robust democracy in Latin America.[263] Military regimes and oligarchies dominated the region. Several democracies in the region fell to dictatorships, such as Bolivia and Brazil in 1964, Argentina 1966, and Peru 1968. The support of right-wing military dictatorships continued after a period of non-intervention.[264] Fidel Castro's 1959 revolution alarmed Washington, as did the threat of Soviet influence in the Western Hemisphere and the loss of Chile to a self-proclaimed Marxist.[265] American diplomat George F. Kennan argued that the U.S. should support strong dictatorships in Latin America to prevent their "perpetually weak and chaotic governments from falling susceptible to communists."[266] This approach of realism became solidified as the U.S. policy of supporting right-wing dictators in the region was not an isolated event. This policy was not only driven by Cold War sentiment.[267]

Following the failed Bay of Pigs and domestic criticism surrounding the Vietnam War, there was more pressure on the U.S. and its "ability to throw its weight around unchecked."[268] The threat of Communism had developed since the 1950s and the relationship between the U.S. and the Soviet Union had pivoted significantly. Nixon's realpolitik worldview and détente eased tensions significantly. The U.S. had also restarted relations with China in 1971, a huge step forward in the process of détente, normalising relations with Communist states.[269] Kissinger understood the need to destroy Allende because this example would have spread through Latin America again, and then U.S. interests would have been terribly compromised.

Economic imperialism and fears of Communism remained a crucial factor in the U.S. decision to support and actively create a coup in Chile. However, it has been argued that the principal reason for covert intervention in Chile can be understood as maintaining political hegemony over the Western Hemisphere.[270] Allende was a threat to U.S. interests because he was a Marxist, but arguably more threatening to U.S. interests and hegemony was that he

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[262] Jim Lobe and Connor Echols, "When the US Helped Kill Democracy in Chile," *Responsible Statecraft*, https://responsiblestatecraft.org/pinochet-chile-coup/.
[263] Seth Wilbur, "U.S. Hegemonic Control in Latin America: The 1973 Coup in Chile" (2022), *University of New Orleans Theses and Dissertations*, https://scholarworks.uno.edu/cgi/viewcontent.cgi?article=4303&context=td.
[264] Wilbur, "U.S. Hegemonic Control in Latin America," 1.
[265] Doubek, "The U.S. Set the Stage for a Coup in Chile."
[266] Wilbur, "U.S. Hegemonic Control in Latin America," 3.
[267] Wilbur, "U.S. Hegemonic Control in Latin America," 3.
[268] Wilbur, "U.S. Hegemonic Control in Latin America," 5.
[269] Odd Arne Westad, *The Cold War: A World History* (New York, NY: Basic Books, 2019), 381-382, in Wilbur, "U.S. Hegemonic Control in Latin America," 5.
[270] Wilbur, "U.S. Hegemonic Control in Latin America," 5.

actively sought to diminish American influence in Chile.[271] U.S. support for the 1973 coup and the Pinochet presidency in its initial years can be analysed through the concept of hegemony rather than imperialism. The U.S. had less specific active control of local actors. U.S. leaders wanted to promote a general powerbase throughout Latin America that would promote American economic interests and help project U.S. power within international political organisations.[272] Thomas A. Schwartz defined Nixon and Kissinger's foreign policy as one that "eschewed moral considerations or democratic ideology and was geared to a cold-blooded promotion and protection of America's security and interests."[273] In short, the goal was to promote U.S. global dominance through any means necessary. Supporting an authoritarian was of little concern. Under President Allende, Chile was set on a collision course with American hegemonic power and an American presidential administration that desired to maintain it.[274] For Nixon and Kissinger, Allende's anti-American rhetoric became a rallying cry behind which American covert action and economic power were used to facilitate a coup.[275]

Kissinger warned Nixon, "The election of Allende as President of Chile poses one of the most serious challenges ever faced in this hemisphere... What happens in Chile over the next six to twelve months will have ramifications that will go far beyond just US–Chile relations. They will have an effect on what happens in the rest of Latin America and the developing world; on what our future position will be in the hemisphere; and on the larger world picture."[276]

Nixon emphasised how threatening U.S. hegemony was more troublesome than the Cold War angle: "Well the main thing was. Let's forget the pro-Communist. It was an anti-American government all the way."[277]

American diplomat Viron Vaky warned Kissinger, "The biggest danger is exposure of U.S. involvement. This would wreck our credibility, solidify anti-U.S. sentiment in Chile in a permanent way, create an adverse reaction in the rest of Latin America and the World, and

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[271] Wilbur, "U.S. Hegemonic Control in Latin America," 6.
[272] Wilbur, "U.S. Hegemonic Control in Latin America," 6.
[273] Thomas A. Schwartz, *Henry Kissinger and American Power* (New York, NY: Hill & Wang, 2020), 9, in Wilbur, "U.S. Hegemonic Control in Latin America," 6.
[274] Wilbur, "U.S. Hegemonic Control in Latin America," 7.
[275] Wilbur, "U.S. Hegemonic Control in Latin America," 7.
[276] Kissinger, Memorandum for the President.
[277] Telcon, Kissinger - Nixon, September 16, 1973, 11:50 a.m. 33. "Henry Kissinger Evokes Respect and Vitriol in Equal Measure," https://nsarchive2.gwu.edu/NSAEBB/NSAEBB437/.

perhaps domestically… Exposure of U.S. involvement with an effort that failed would be disastrous; it would be this Administration's Bay of Pigs."[278]

It was acknowledged that what the U.S. was proposing was "patently a violation of our own principles and policy tenets… If these principles have any meaning, we normally depart from them only to meet the gravest threat."[279] Vaky admitted that it is difficult to argue that Allende was a mortal threat to the US, and claimed a Marxist state in Latin America would be containable.[280]

Kissinger's memoirs contain two chapters dedicated to Chile. Kissinger provided context for the Chile situation within the Nixon administration's broader global approach.[281] Kissinger laid out three principles that underscore U.S. involvement during the election and prior to Allende's confirmation while downplaying U.S. actions. First, the Nixon administration followed the blueprint laid out by the two previous administrations (Kennedy and Johnson). Secondly, Allende's presidency represented a severe threat to U.S. interests because it would "make common cause with Cuba, and sooner or later establish close relations with the Soviet Union."[282] Finally, Kissinger claimed that Salvador Allende was an authoritarian wolf in democratic sheep's clothing and that the Nixon administration was attempting to save Chile from the clutches of a left-wing dictator, the equivalent of a continental Castro.[283] The Cold War was the pretext for US interference in Chile. The paradigm of the Cold War had changed. The US perception of the Cold War had become increasingly muddied as a result of foreign policy disaster in the Vietnam War and the opening of diplomatic channels. Kissinger referenced this shift in public sentiment, claiming, "In the Eisenhower period, we would be heroes."[284] In short, the U.S. moved against Allende because he threatened American global dominance in the Western Hemisphere. In removing Allende, this threat was abated but, in many ways, it was also exacerbated as the U.S. allied itself with a violent and unpredictable partner in Pinochet.[285] Supporting Pinochet directly

[278] Viron Vaky to Kissinger, "Chile -- 40 Committee Meeting, Monday -- September 14," September 14, 1970., https://nsarchive2.gwu.edu/NSAEBB/NSAEBB437/.
[279] Vaky to Kissinger, "Chile -- 40 Committee Meeting."
[280] Vaky to Kissinger, "Chile -- 40 Committee Meeting."
[281] Wilbur, "U.S. Hegemonic Control in Latin America," 21.
[282] Henry Kissinger, *White House Years* (Boston, MA: Little, Brown & Co., 1979), 653-654, in Wilbur, "U.S. Hegemonic Control in Latin America," 21-22.
[283] Wilbur, "U.S. Hegemonic Control in Latin America," 22.
[284] Kornbluh, *National Security Archive*.
[285] Wilbur, "U.S. Hegemonic Control in Latin America," 8.

impacted the loss of faith in American credibility. In attempting to bolster its credibility, the U.S. lost a great deal of it.[286]

The Chilean Laboratory: Media Manipulation and Chicago Boy Ascendancy

"Develop an internal propaganda campaign to stir fear of a Communist take-over."[287] That was the official policy. It was achieved through an invisible economic blockade and helped fund El Mercurio, which renowned author Peter Kornbluh described as "the Fox News of Chile."[288] The El Mercurio project massively aided in creating the conditions necessary for the coup. The contents of an official CIA memorandum dated September 14, 1970, entitled "Discussion of the Chilean political situation" are incriminating. CIA director Richard Helms met with Augustine Edwards, owner of the independent newspaper in El Mercurio. Until 2017, nearly all of this paragraph had been blacked out. For more than 40 years, Edwards maintained that although he did meet with the director of the CIA and discussed Salvador Allende's election, there was no mention of coup plotting.[289] These declassified CIA and White House documents prove that was untrue. It was precisely what he did. The CIA financed El Mercurio, to orchestrate a sustained campaign of negative coverage against Allende's government, followed by positive portrayals of the subsequent military dictatorship, effectively weaponising media influence to shape public opinion and political outcomes in Chile. The documents show that as early as 1964, the CIA was injecting money into "anti-communist propaganda."[290] What was proposed at that meeting has consistently been denied for years.

Edwards directly asked the CIA to support a military coup. That support came in the form of financing and economic policy. Nixon approved the proposal to support El Mercurio, and directly authorized the funding of two million dollars and used propaganda to mislead readers deliberately.[291] Former CIA Agent, Jack Devine argued "In the context of the time, I think blocking the Allende government with communist participation in that government in the context of the Cold War was an important thing to do."[292] Allende's policies were

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[286] Wilbur, "U.S. Hegemonic Control in Latin America," 47.
[287] Vaky to Kissinger, "Chile -- 40 Committee Meeting."
[288] Lobe and Echols, "When the US Helped Kill Democracy in Chile."
[289] "Why We Still Need to Talk About Chile's El Mercurio and the CIA," *Al Jazeera,* https://www.aljazeera.com/program/the-listening-post/2019/9/14/why-we-still-need-to-talk-about-chiles-el-mercurio-and-the-cia.
[290] "Why We Still Need to Talk About Chile's El Mercurio and the CIA."
[291] "Why We Still Need to Talk About Chile's El Mercurio and the CIA."
[292] "Why We Still Need to Talk About Chile's El Mercurio and the CIA."

"wrong-footed… they were "the architect[s] of the economic problems" they were confronting. The fact that El "Mercurio would be critical of those is not surprising."[293] He claimed "[w]hat brought down the government... was a badly flawed economic model."[294] El Mercurio pushed for instability and confrontation to instigate military action in Chile, openly calling for a coup. After the coup, the press was nearly entirely suppressed, except for El Mercurio and the other two papers it owned. In July of 1975, an El Mercurio-owned paper published the headline "Exterminated like rats", in reference to the 119 members of the revolutionary left movement who were "disappeared."[295]

Economic turmoil helped legitimize the opposition to Allende's government. His socialist reforms, though aimed at reducing inequality, led to shortages of consumer goods and a significant drop in purchasing power, particularly affecting the middle and upper classes.[296] Although these reforms raised wages and reduced unemployment for the working class, rampant inflation and strict price controls eroded the real value of the currency across all social groups.[297] For many workers, the lack of luxury items was a tolerable trade-off, but for Chile's bourgeoisie, it was perceived as a threat to their social standing and way of life. The United States capitalized on this discontent, using it as evidence of socialism's failure and to discredit Allende's leadership.[298] The anti-Allende rhetoric of the CIA allowed the bourgeois Chileans and their allies in U.S. business in Chile to speak for the whole of the country. This set the stage for the coup that went unchallenged by the CIA despite their knowledge that it would take place in the days preceding the planned date of September 11, 1973.[299] The United States saw the discontent of the Chilean bourgeois over the lack of consumer goods as evidence to vilify Allende and his socialist reforms as disastrous. The U.S. knew that Allende's policies had improved the lives of many Chileans, as shown in a declassified 1972 CIA memo which admitted that "many Chileans are better off (now) than before."[300]

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[293] "Why We Still Need to Talk About Chile's El Mercurio and the CIA."
[294] "Why We Still Need to Talk About Chile's El Mercurio and the CIA."
[295] "Why We Still Need to Talk About Chile's El Mercurio and the CIA."
[296] Peterson, U.S. Intervention in Chile During the Cold War, 23.
[297] Peterson, U.S. Intervention in Chile During the Cold War, 23.
[298] Peterson, U.S. Intervention in Chile During the Cold War, 23.
[299] Harmer, *Allende's Chile and the Inter-American Cold War*, 145-147, in Peterson, U.S. Intervention in Chile During the Cold War, 23.
[300] U.S. Directorate of Intelligence, "Allende's Chile: The Widening Supply-Demand Gap," December 1972, 2, in Peterson, Peterson, U.S. Intervention in Chile During the Cold War, 59.

In April 1975, Pinochet received a letter from Milton Friedman, a trusted economic advisor from the University of Chicago.[301] In this letter, Friedman proposed a series of neoliberal economic policies that ought to be implemented in Chile to avoid the collapse of the economy and state.[302] The interaction between Friedman and Pinochet throughout the 1970s was turbulent and characterized by serious discussions regarding intense and severe economic policies.[303] In conjunction with free market economist Milton Friedman, the Chicago Boys flew to Santiago in March 1975, met with Pinochet and explained that for the economic policy to work, the government needed to embrace true free market principles and practices "with greater abandon."[304] Pinochet said in March 1981, "Now everybody is imitating us," referring to the neoliberal economics of the Chicago School Milton Friedman and his Chicago boys which had used Chile as a laboratory for free market fundamentalism.[305] That situation of repression was accompanied by an economic model where profit was all that mattered. It took over the world in the 1980s with Thatcherite economics and Reaganomics. The bottom line was that while Friedman's economic model could be partially imposed under democracy, authoritarian conditions were required to implement its true vision.[306] Orlando Letelier went so far as to write that Milton Friedman, "the intellectual architect and unofficial adviser for the team of economists now running the Chilean economy," shared responsibility for Pinochet's crimes.[307] The "Miracle of Chile" was the name given by Friedman in Chile after Pinochet seized power and embraced free-market fundamentals.[308] In the second half of the 1970s, Chile became a laboratory for perhaps the most extreme free-market economic policies in history. The result was the highest inflation rate in Chile's history and one of the worst one-year recessions on record.[309]

The reaction of the Nixon government in the following years gives more insight. In the hours that followed Allende's death, Kissinger called the Washington Special Action

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[301] Esty, "An Analysis Of U.S.- Economic Policy Toward Chile During The Cold War," 35.
[302] Esty, "An Analysis Of U.S.- Economic Policy Toward Chile During The Cold War," 13.
[303] Naomi Klein, "Letter to General Pinochet on Our Return from Chile and His Reply," in Esty, "An Analysis Of U.S.- Economic Policy Toward Chile During The Cold War," 34.
[304] Naomi Klein, *Shock Doctrine* (New York, NY: Metropolitan Books, 2007), 80 in Esty, "An Analysis Of U.S.- Economic Policy Toward Chile During The Cold War," 43, in Esty, 42.
[305] Dorfman, Ariel. "The Other 9/11."
[306] Naomi Klein, "40 Years Ago, This Chilean Exile Warned Us About the Shock Doctrine. Then He Was Assassinated," *The Nation*, September 21, 2016, https://www.thenation.com/article/archive/40-years-ago-this-chilean-exile-warned-us-about-the-shock-doctrine-then-he-was-assassinated/.
[307] Klein, "40 Years Ago."
[308] Klein, "40 Years Ago."
[309] "Chile Inflation Rate." *Trading Economics*, March 2025, https://tradingeconomics.com/chile/inflation-cpi.

Group to mobilise everybody to help the Pinochet military regime consolidate power. Kissinger and Nixon had reconfigured U.S. policy overnight. The policy to destabilise Allende's ability to govern effectively was now replaced with the exact opposite. Following the coup, U.S. policy focused on helping the new military regime consolidate.[310] That policy would continue through the first three years of the Pinochet regime. Economic aid and military support began in his first year as president. This included helping Pinochet build what became the "most sinister and repressive secret police agency in all of Latin America," Dirección de Inteligencia Nacional (DINA).[311] Following the 1973 coup, workers' ability to achieve a satisfying standard of living was severely limited by management's erosion of labor protections, wage and benefit cuts, mass layoffs, and rate-busting practices.[312]

The Pinochet regime turned out to be a regime of state-sponsored international terrorism. Henry Kissinger came to Santiago Chile in June of 1976, and met with Augusta Pinochet. His aides all advised him that he had to be clear with Pinochet that civilian rule must return and he must stop violating human rights and committing crimes against humanity. Instead Kissinger told Pinochet that he is a victim of leftist propaganda around the world and the only crime he's committed is overthrowing a government that was going communist.[313] The CIA sought to exploit consumer discontent to undermine Allende's legitimacy. With the establishment of the Pinochet-led military dictatorship in the immediate aftermath of the September 11, 1973 coup, the U.S. saw an opportunity to expand its influence politically and economically.[314] Chile became an authoritarian, anti-communist dictatorship that committed state violence and human rights abuses, including murder, torture, and forced disappearances. Rhetorically, the U.S. praised Pinochet and the neoliberal economy established under his regime as a miracle that brought stability and opened up Chile to unfettered free trade.[315] From the establishment of the military dictatorship in Chile, the CIA provided support for propaganda activities. The CIA continued "ongoing propaganda

[310] Lobe and Echols, "When the US Helped Kill Democracy in Chile."
[311] Lobe and Echols, "When the US Helped Kill Democracy in Chile."
[312] Peter Winn, *Weavers of Revolution: The Yarur Workers and Chile's Road to Socialism* (New York, NY: Oxford University Press, 1986), 179-180, in Stone Peterson, "U.S. Intervention in Chile During the Cold War," https://www.calstatela.edu/sites/default/files/u.s._intervention_in_chile_during_the_cold_war_-_stone_peterson.pdf.
[313] Dorfman, "The Other 9/11."
[314] Peterson, "U.S. Intervention in Chile During the Cold War," 61.
[315] Peterson, "U.S. Intervention in Chile During the Cold War," 63.

projects, including support for news media committed to creating a positive image for the military Junta."[316]

Conclusion

> Nixon: "Our hand doesn't show on this, does it though?"
> Kissinger: "We didn't do it. I mean, we helped them. (Word Missing) created the conditions as great as possible."[317]

This recording of a conversation between Kissinger and Nixon five days after the coup was carried out aptly summarises the U.S. involvement with the 1973 coup. It is difficult to overestimate the role the U.S. played in Chile. Simply put, if they did not engineer the coup directly, they facilitated it. The U.S. was not on the ground, actively assisting the Chilean military, as they "destroyed Chile's long democratic tradition."[318] Prior to Allende's inauguration, Chile was one of the primary recipients of aid.[319] The Chilean economy under Allende was heavily constrained by the CIA constantly trying to instigate a coup. Starting almost the day after Allende's election victory, it was the U.S. mission to bring about a coup in Chile. The CIA explicitly referred to creating a "coup climate" by maximising the likelihood that Allende's model "would be a model of failure."[320] Kissinger and Nixon's political goal was to ensure that Allende did not have a successful model of socialist change that other countries might want to emulate. The Senate report from the committee led by Frank Church found "no evidence that the U.S. was directly involved, covertly, in the 1973 coup."[321] However, it did state that the U.S. "probably gave the impression that it would not look with disfavour on a military coup."[322] The report went on to admit "U.S. officials in the years before 1973 may not always have succeeded in walking within the thin line between

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[316] U.S. Central Intelligence Agency, "CIA Activities in Chile," in Peterson, "U.S. Intervention in Chile During the Cold War," 63.
[317] Elpidio Valdes, "Kissinger's Secret Memo to Nixon on Chile." https://elpidio.org/2023/09/12/kissingers-secret-memo-to-nixon-on-chile/.
[318] Lobe and Echols, "When the US Helped Kill Democracy in Chile.".
[319] "The Allende Years and the Pinochet Coup."
[320] Lobe and Echols, "When the US Helped Kill Democracy in Chile."
[321] Doubek, "The U.S. Set the Stage for a Coup in Chile."
[322] "Covert Action in Chile 1963-1973," *U.S. Department of State, in* Doubek, "The U.S. Set the Stage for a Coup in Chile."

monitoring indigenous coup plotting and actually stimulating it."[323] An unnamed U.S. official concluded, "I guess our policy on Allende worked pretty well."[324]

U.S. policymakers strategically employed aggressive economic policy to achieve their regional goals, particularly in combating the spread of leftist political movements in Chile. This use of economic leverage was a key tool in the U.S. arsenal, allowing them to exert their influence in the hemisphere through a range of undemocratic means that undermined the sovereignty of many nations.[325] These operations, as the CIA and Kissinger termed it, "created the necessary conditions."[326] It is important to note that the Chilean military were not mere puppets of Washington. However, Pinochet and other local actors would not have had the same opportunity to carry out the coup effectively without these conditions. U.S. interference in Chile was clearly driven by traditional Cold War sentiment, even if the Cold War had changed. The U.S. was primarily focused on its own interests, maintaining influence in the region. Allende threatened the U.S. domination of politics and economics. US-Chilean relations can be explained by both the Cold War and the U.S. hegemonic lens. In conclusion, local actors were important and had agency, but the U.S. was the most important factor in bringing about the conditions that led to the coup. Local actors' ability to enact policy was heavily constrained or aided by the US, directly depending on the U.S. alignment with the local actor's policy.

[323] Doubek, "The U.S. Set the Stage for a Coup in Chile."
[324] National Archives, Nixon Presidential Materials, NSC Files, NSC Institutional Files (H-Files), Box H–94, WSAG Meeting, Chile 9/12/73, https://history.state.gov/historicaldocuments/frus1969-76v21/d348.
[325] Jerry Dávila, *Dictatorship in South America* (West Sussex, UK: Wiley-Blackwell, 2013), 13, in Peterson, U.S. Intervention in Chile During the Cold War, 54.
[326] Lobe and Echols, "When the US Helped Kill Democracy in Chile."

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