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CHILE: IMPLICATIONS OF THE LETELIER CASE

Central Intelligence Agency
National Foreign Assessment Center

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Key Judgments

Recent disclosures in the investigation of the murder of Orlando Letelier, former minister in the Allende government and one-time Ambassador to the US, have raised the possibility that the crime will be linked to the highest levels of the Chilean Government. The sensational developments have evoked speculation about President Pinochet's political survival. We believe that Pinochet has a reasonable chance of riding out the storm, but if enough incriminating evidence comes to light, his support from the military could begin to slip rapidly.

Government reaction to proof of Pinochet's complicity in the Letelier slaying might take one of several courses:

-- An attempt to institute a coverup, with charges that the US is trying to destabilize the regime.

-- An effort to establish a scapegoat who would draw fire away from the President.

-- An acknowledgment of a connection with the murder, but with the explanation that the action was justified because Letelier was plotting against Pinochet.

-- A recognition that Pinochet is guilty, followed by a military decision to force his removal.

Pinochet would not be deposed unless discontent became widespread in the army and even then only after much soul-searching by its leaders. There is no easily identifiable

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candidate in the wings, but an army general would most likely be named to head an interim junta. While military leaders would strive to reach a consensus on a succession formula, the present junta leaders would probably be required to step aside also.

A new president would probably attempt to heal the wounds caused by the scandal, but divisions might occur within the armed forces over the appearance of bowing to external pressures. Nevertheless, plans for a return to constitutional norms would probably be advanced. Public outrage over the revelation of transgressions by high government leaders could lead to a more rapid transition to civilian rule.

President Augusto Pinochet faces a potentially critical challenge to his continued leadership as the complex Letelier assassination probe continues to evolve. Letelier's murder in Washington raised immediate charges that Chilean intelligence agents were behind the incident. Recent developments suggesting that the death might be traced to high Chilean officials have caused shock waves in Santiago. Described by a junta member as "a Chilean Watergate," the controversy threatens to engulf the President along with intelligence and security officers. If the president's complicity is proved, it would have grave political implications, such as triggering military demands for Pinochet's resignation and compelling Chile's generals to find a successor.

At present, Pinochet stands a reasonable chance of holding his ground. Although there is grumbling among mid-level officers, the army does not appear to be seriously dissatisfied with the President, and most military men appear willing to accept his claim that his "hands are clean." Only if the scandal reaches considerable magnitude, with indisputable evidence of high-level conspiracy, would there be a substantial shift of sentiment against Pinochet. As long as the army remains behind him, there is little chance of his being unseated. Over the past four years, the Chilean armed forces have strived to preserve internal cohesion in the face of difficult social and economic problems and worldwide hostility. So far, dissent has been limited to low-keyed criticism of recent policy decisions. Military reluctance to move against Pinochet would be strengthened by fears of factionalism and unsettling political and economic repercussions.

Clouding the outlook for Pinochet is the possibility that former intelligence chief General Manuel Contreras will be linked directly to the crime. Public disclosure of Contreras' guilt--either through his own admission or in court testimony--would be almost certain to implicate Pinochet and irreparably damage his credibility within the military. None of the government's critics and few of its supporters would be willing to swallow claims that Contreras acted without presidential concurrence. The former secret police chief is known to have reported directly to the President, who had exclusive responsibility for the organization's activities. Some generals may already harbor suspicions about Contreras' involvement in illegal operations and probably question Pinochet's responsibility in the matter.

Contreras will be the key to how the Letelier case unfolds. It is problematical whether he will be prepared to tell about the dark side of the regime's activity if the investigation surfaces information authenticating DINA collusion in plotting Letelier's murder. Past loyalty to Pinochet is no guarantee that Contreras would withhold sensitive details on operations authorized by the President, especially if he thought he were being tagged as a scapegoat. If Pinochet declared publicly that Contreras had lied to him, the general--who has now resigned from the army--might believe that he has little to lose by divulging closely held state secrets. Sensational disclosures embarrassing to Pinochet could rapidly make his position untenable. Pinochet might try to buy Contreras' silence by promising some sort of immunity or arranging his departure from the country. Contreras is not likely to attempt to shift the blame to lower echelon DINA minions.

Another aspect of the case that could be detrimental to Pinochet is the tie that has been made publicly between the Letelier assassination and the similar death of General Carlos Prats--Allende's army commander--in an unsolved car bombing in Buenos Aires in September 1974. This and the attempted shooting of exiled Christian Democratic Party leader Bernardo Leighton in Rome in 1975 have provoked speculation about a possible pattern of assassinations. Opposition elements have accused DINA of masterminding all three operations. Prats allegedly was about to publish a book vilifying the role of Pinochet in overturning a constitutional government. Some [redacted] have charged that Prats was also actively involved with Chilean exiles conspiring against Pinochet. In any case, any disclosure that Pinochet authorized the death of a former army commander would create serious doubts within the military about the President's competence and judgment. Irrespective of conflicting attitudes within the armed forces about Prats' role in stubbornly opposing intervention in 1973, many military officers would suspect Contreras of ordering the killing and would have difficulty countenancing the idea of DINA conniving to bring about the death of a fellow officer.

Details of the Letelier slaying and other allegations of DINA misdeeds may unfold slowly, but the cumulative effect could be to place Pinochet in an extremely vulnerable position. In the event of a full-blown scandal, the reaction could take one of several forms:

1) The government could resist pressures to ferret out new leads and attempt to cover up possible involvement. It might also counter by accusing the US Government of instigating an anti-Chilean campaign to destabilize the regime. Some hardline generals already harbor qualms about Pinochet's cooperation in illegally handing over Michael Townley to the US and presumably would be opposed to further concessions that might compromise the government. This course would risk additional damage to relations with the US, but it might find substantial backing in view of the poor prospects for an early improvement in any case.

2) Pinochet might decide to shift the blame to some DINA officials, arguing that the excesses occurred without his knowledge. He could buttress this line by noting that DINA was abolished last year and that a series of reforms had been instituted to guard against further illegalities. Anyone accused of criminal actions would presumably be tried under Chilean legal procedures rather than extradited, but even this might expose the government to damaging revelations. Even if the public were to accept Pinochet's professions of his own innocence, there is the chance that a scapegoat would not cooperate and would divulge information harmful to the President and some of his close advisers. This course would also heighten the chances of military disunity. Some elements might worry about their own necks; others would find it reprehensible for their superiors to try to escape responsibility for serious offenses.

3) If confronted with incontrovertible evidence, the government might face the issue directly by acknowledging a connection with the assassination but try to vindicate itself by contending that Letelier was conspiring against Pinochet. This would be a desperate pitch to rally domestic support against an almost certain outburst of indignation in the US and other countries. More important, it is doubtful whether the Chilean Army or public would accept the story, leaving Pinochet out on a limb and subject to growing domestic censure.

4) In the most difficult circumstances, the armed forces might recognize the culpability of the present leadership and attempt to force Pinochet's

ouster. Pinochet is a stubborn, canny individual, however, with a sharp instinct for survival. He can be expected to play off one group against another to protect himself and to employ deftly the assets of his authoritarian regime. Security officials, chary of opening the door to a wide-ranging investigation of alleged regime misdeeds and illegal abuses since the 1973 coup, could be counted upon to side with Pinochet, but again, the potential for an internal military schism would be high. Pinochet's removal in disgrace would undercut the moral authority of the armed forces. It would most likely so stigmatize them that any new junta leader would be compelled to accelerate plans for a return to civilian government. The military's efforts would be turned to salvaging what dignity it could from a humiliating plight and exonerating the honor of the institution if possible.

Pinochet's ouster would require Chile's austere generals to swallow a large measure of pride; it would not be an easy task for them and would require as much soul-searching as the decision to intervene against Allende. Moreover, should the army move to replace the President, there is no obvious successor in the wings. The choice would be determined in large part by how badly the military was tainted by the scandal. If Pinochet and other senior officials were judged guilty, pressures would grow to install a more moderate officer. Public opposition to Pinochet has not been formidable, and indeed he appears to enjoy substantial support among the populace, but criticism of his policies could prompt sentiment for a change.

Navy junta member Admiral Merino is nominally next in line for the presidency, but he is not likely to succeed because of the pre-eminence of the army. Air force chief and junta member General Leigh is ambitious, but his chances are likewise not rated high. He is a maverick who has openly aired his disagreements with Pinochet, but apparently he has no clear political program and little real following. While the army might feel the brunt of criticism in the event of Pinochet's downfall, we believe that it would still be able to retain the presidency. The other services are likely to come under some fire for their own roles in abuses that occurred after the coup. The public uproar likely to occur if Pinochet's complicity became explicit would be likely to reinforce military attempts to maintain collegial unity and to work out an acceptable succession formula.

Pinochet has edged aside most of the potential contenders for his job within the army. The high command would probably turn to a moderate, active duty general not too closely linked to Pinochet. Corps commander General Nilo Floody and the military rector of the University of Chile, General Agustin Toro Davila, have been mentioned among the potential front runners, although the field appears open to others as well. Both of these men reflect the conservative viewpoints of the armed forces; they are well disposed toward the US, and General Floody recently served as military attache in Washington.

Pinochet [redacted] favors General Sergio Covarrubias, chief of the presidential staff, as his heir apparent. Covarrubias has little seniority, however, and his nomination would--by custom--force the retirement of a number of senior generals. Moreover, while Covarrubias is respected in some circles for his abilities, he is also looked upon with suspicion by senior officers because of his close ties to Jaime Guzman, an influential young civilian adviser to the President and the ideological spokesman for the corporatist guild movement that has staunchly backed the military regime. They distrust Guzman because of his role in persuading Pinochet to adopt recent liberalizing measures. In Santiago, [redacted] that the President was considering relinquishing office in favor of Covarrubias. We believe Pinochet is floating this idea in order to intimidate military leaders critical of his handling of the Letelier case. The Chilean leader may also be trying to use the threat of a Covarrubias presidency to persuade Contreras not to reveal anything incriminating, since Contreras strongly resents Covarrubias, whom he blames for forcing his resignation from the army after widely publicized charges that Contreras had a hand in the Letelier murder.

If Pinochet falls, the present junta would probably be forced to step aside also. Military leaders might hope that a complete change of faces would give the government a fresh start in improving its image. A new president would probably emphasize the interim nature of military rule and promise to advance the process of reconstituting democratic institutions. This is by no means certain, however, because of the authoritarian leanings of many officers. Military factions with strong nationalist inclinations might chafe at appearing to crumble under outside pressure for a rapid transition to civilian government.

Residual opposition within the military to advancing the timetable would probably be offset by the widespread popular demands likely to emerge once the floodgates were opened by Pinochet's departure. These pressures would be hard for a new junta to ignore, especially if its president were a moderate. Critics of the military government such as the Christian Democratic Party--the country's largest--would seek a political opening, perhaps offering to cooperate in return for pledges of continued movement toward a shorter period of military tutelage. Other groups--such as democratic labor organizations--might also find a post-Pinochet atmosphere more conducive to increasing their pressure for broader liberalization. Greater civilian participation in government might be one immediate spinoff of a changeover, as the armed forces moved to placate a public anxious for their return to the barracks and impatient for full reinstatement of the political liberties traditionally enjoyed in Chile.