HEADQUARTERS WILL HAVE NOTED THAT STATION HAS ABSTAINED FROM EVALUATING LONG RANGE CONSEQUENCES OF THIS MORNING'S EVENTS. THIS QUITE DELIBERATE. EVENTS SINCE SCHNEIDER WAS STRUCK LEND THEMSELVES TO ANY NUMBER OF INTERPRETATIONS. I FEEL THAT MILITARY THUS FAR APPEAR TO HAVE FOLLOWED SCENARIO PREVIOUSLY OUTLINED BY GEN. VALENZUELA TO HIM. IN OTHER WORDS, NOTHING HAS HAPPENED THUS FAR WHICH COULD NOT BE CONSTRUED AS EXECUTION OF STEPS PREVIOUSLY PLANNED IN WAKE OF GEN SCHNEIDER'S "ABDUCTION". STATION UNAWARE IF ASSASSINATION WAS PREMEDITATED OR WHETHER IT CONSTITUTED BUNGLED ABDUCTION ATTEMPT. IN ANY CASE, IT IMPORTANT TO BEAR IN MIND THAT MOVE AGAINST SCHNEIDER WAS CONCEIVED BY AND EXECUTED AT BEHEST OF SENIOR ARMED FORCES OFFICERS. WE KNOW THAT GEN. VALENZUELA WAS INVOLVED. WE HAVE REASON FOR BELIEVING THAT GEN. VIAUX AND NUMEROUS ASSOCIATES FULLY CLUED IN, BUT CANNOT PROVE OR DISPROVE THAT EXECUTION

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OF ATTEMPT AGAINST SCHNEIDER WAS ENTRUSTED TO ELEMENTS LINKED WITH VIAUX. IMPORTANT FACTOR TO BEAR IN MIND IS THAT ARMED FORCES, AND NOT RETIRED OFFICERS OR EXTREME RIGHTISTS, SET SCHNEIDER UP FOR EXECUTION OR ABDUCTION. SHOULD THIS BECOME KNOWN, IMPACT ON ARMED FORCES WOULD BE TREMENDOUS. UNIDAD POPULAR MAY ACTUALLY SUSPECT THIS TO BE THE CASE. BEFORE TRYING TO ANTICIPATE FURTHER COURSE OF EVENTS STATION WOULD LIKE TO AVOID EVENTS OF 23RD OCT WHICH WILL OBVIOUSLY BE DECISIVE. PREVAILING OPINION IN EMBASSY APPEARS TO BE THAT ARMED FORCES WILL CAVE AND THAT SCHNEIDER'S SUCCESSOR GEN. CARLOS PRATTS, IS GOING TO INSURE ORDERLY TRANSFER OF POWER TO ALLENDE. WE HAVE AS YET RECEIVED NO INDICATIONS THAT UNIDAD POPULAR WILL RESORT TO RASH ACTION WHICH COULD PROVOKE ARMED FORCES INTO TAKING OVER. IN SUM THEREFORE WE BELIEVE IT TO BE RISKY TO MAKE ANY KIND OF PREDICTION AT THIS STAGE. ALL WE CAN SAY IS THAT ATTEMPT AGAINST SCHNEIDER IS AFFORDING ARMED FORCES ONE LAST OPPORTUNITY TO PREVENT ALLENDE'S ELECTION IF THEY ARE WILLING TO FOLLOW VALENZUELA'S SCENARIO.