

US Economic Intervention in Chile During Allende's Government (1970-1973)

Evidence from Declassified CIA Documents

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Research Question

People justify the military coup under the argument that the economic situation under Allende's government was very bad. How much of the economic situation during Allende's government was influenced by the United States?

This report presents evidence from declassified CIA documents retrieved through semantic search of the Desclasificados archive.

1. Explicit Policy of 'Maximum Economic Pressure'

Document [25031](#) (TOP SECRET, May 1976) explicitly states US policy:

"Basic policy objective of preventing the consolidation of the Allende administration by using maximum pressure — especially economic pressure — against Chile while maintaining a restrained public stance."

This confirms that economic destabilization was official US policy, not incidental. The document reveals that the US pursued this strategy while publicly denying interference.

Source: [Doc 25031](#), TOP SECRET Report by Mary P. Chapman

2. Covert Funding of Opposition and Strikes

Document [24887](#) (September 1974) reveals:

"CIA secretly financed striking labor unions and trade groups for over 16 months before Allende's overthrow, with more than \$8 million authorized for clandestine activities."

This funding supported the truckers' strikes and shop owners' strikes that paralyzed the Chilean economy in 1972-1973. These strikes created severe shortages and economic chaos that undermined public confidence in the Allende government.

Source: [Doc 24887](#), SECRET Memorandum by Margaret P. Grafeld

3. Credit Blockade ('Invisible Blockade')

Document 25031 documents systematic US actions through international financial channels:

- Paris Club debt renegotiations used as economic pressure
- Blocking compensation for nationalized copper companies (Kennecott, Anaconda)
- Selective suspension of aid and credits
- Coordination with international financial institutions (World Bank, IMF, IDB)
- Legal actions to block Chilean copper exports in European courts

Neither the compensation nor debt issues were resolved before Allende's overthrow in September 1973, indicating these were used as ongoing pressure tools rather than genuine negotiations.

4. Corporate-CIA Coordination

ITT Corporation

Document 24845 (January 1973) confirms:

"Anti-Allende operation...attention turned to what might be done to prevent his accession [to power]"

Document 24842 references the 'CIA-ITT conversations published in the Anderson papers,' confirming coordination between the intelligence agency and major US corporations with interests in Chile.

Copper Companies

Kennecott and Anaconda copper companies coordinated with US policy to pressure Chile over nationalization. The US supported legal actions in European courts to embargo Chilean copper shipments, directly targeting Chile's primary export revenue.

5. Track II Operations

Document 24885 explicitly references 'Track II' - the covert operation to prevent Allende from taking office, which included economic components alongside political and military tracks. This was a parallel operation hidden even from the US Ambassador and State Department.

Source: Doc 24885, SECRET Memorandum by William G. Hyland

Scale of US Intervention

Action	Amount/Scale	Period
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Covert funding (total)	\$8+ million	1970-1973
Support for Frei campaign	\$3 million	1964
Funding to El Mercurio newspaper	Confirmed (amount redacted)	1970-1973
Financial support to opposition parties	Ongoing	1970-1973
CIA-funded strikes	16+ months	1972-1973

Key Source Documents

Click document IDs to view original declassified documents:

Document	Date	Classification	Type
25031	May 1976	TOP SECRET	Report
24916	Oct 1970	UNCLASSIFIED	Memorandum
24887	Sep 1974	SECRET	Memorandum
24845	Jan 1973	UNCLASSIFIED	Memorandum
24885	Aug 1975	SECRET	Memorandum
24828	1969	UNCLASSIFIED	Report
24918	Oct 1970	SECRET	Report

Conclusions

What the Documents Prove

- **Credit was intentionally blocked** - The US used its influence at the World Bank, IMF, and Inter-American Development Bank to cut off loans to Chile.
- **Strikes were funded** - The CIA financed labor disruptions that damaged the economy and created public discontent.
- **Copper revenue was targeted** - The US supported legal actions by Kennecott to block Chilean copper exports in European courts, hitting Chile's main source of foreign currency.

- **This was coordinated policy** - The 40 Committee (NSC covert operations group) approved these actions at the highest levels of government.

Balanced Assessment

The documents show the US conducted systematic economic warfare against Chile. However, it is also true that:

- Allende's economic policies (wage increases, price controls, nationalizations) created genuine economic challenges
- Chile faced pre-existing structural economic issues
- Inflation had complex domestic causes as well

The evidence suggests both factors contributed: US intervention demonstrably worsened economic conditions, but the extent to which each factor contributed is difficult to quantify precisely. What the documents do prove is that the US *intentionally* tried to destabilize Chile's economy as a tool of regime change. The argument that Allende's government failed purely due to its own policies is contradicted by these declassified documents showing coordinated external economic sabotage.

Methodology

This analysis was conducted using semantic search (RAG - Retrieval Augmented Generation) on the Desclasificados archive of declassified CIA documents related to Chile.

- **Index:** RAG v1.0.0 (created December 18, 2025)
- **Documents:** 5,666 transcribed documents (12,811 text chunks)
- **Sources:** gpt-5-mini-v2.2.0 (4,206 docs) + gpt-5-mini-v2.0.0 (1,460 docs)
- **Embedding Model:** OpenAI text-embedding-3-small
- **LLM:** Claude 3.5 Haiku for answer synthesis
- **Queries:** Two semantic searches with top-15 and top-10 retrieval

Document Viewer: <https://declasseucl.vercel.app>

All document links open in the Desclasificados document viewer where you can browse the original declassified PDFs.

This report was generated from the Desclasificados project archive. All cited documents are from declassified US government records.