CONFIDENTIAL

Case Number: S199900030

Chile Project (#S199900030)
U.S. Department of State
Release: X Excise: ___ Deny: ___

Exemption(s)

INFO LOG-00 ADS-00 AID-00 INR-10 EUR-00 SS-00 OIC-02
CIAE-00 EB-00 DODE-00 H-01 IO-19 EXIM-06 NSCE-00
NSAE-00 COME-00 SSO-00 HA-09 L-03 LAB-04 CTME-00
TRSE-00 PM-10 ITC-01 OPIC-07 PA-01 CEA-01 OMB-01
TRSE-00 PM-10 ITC-01 OPIC-07 PA-01 CEA-01 OMB-01
STR-17 INRE-00 OCS-06 SEC-01 CA-02 FRB-03 JUSE-00
SP-02 FDIC-01 SNP-01 C-01 PRS-01 DS-01 SCT-02
E-01 P-02 T-01 /117 W

O 072156Z OCT 88
FM AMEMBASSY SANTIAGO
TO SECSTATE WASHDC IMMEDIATE 8570
INFO USMISSION USUN NEW YORK IMMEDIATE
USIA WASHDC PRIORITY 8779
AMEMBASSY ASUNCIÓN PRIORITY
AMEMBASSY ATHENS PRIORITY
AMEMBASSY BOGOTA PRIORITY
AMEMBASSY BONN PRIORITY
AMEMBASSY BRASILIA PRIORITY
AMEMBASSY BRUSSELS PRIORITY
AMEMBASSY BUENOS AIRES PRIORITY
AMEMBASSY CARACAS PRIORITY
AMEMBASSY LA PAZ PRIORITY
AMEMBASSY LIMA PRIORITY
AMEMBASSY LONDON PRIORITY
AMEMBASSY MADRID PRIORITY
AMEMBASSY MONTEVIDEO PRIORITY
AMEMBASSY QUITO PRIORITY
AMEMBASSY PARIS PRIORITY
AMEMBASSY ROME PRIORITY
AMEMBASSY SAN JOSE PRIORITY
AMEMBASSY THE HAGUE PRIORITY
USCINCSO QUARRY HEIGHTS PRIORITY
USCINCLANT NORFOLK PRIORITY
E.O. 12356: DECL: OADR
TAGS: PGOV, PREL, CASC, PINS, CI
SUBJ: THE CHILEAN PLEBISCITE: SITREP EIGHT

GENERAL ASSESSMENT

1. (U) THINGS ARE NOT QUITE BACK TO NORMAL YET, BUT CHILEANS ARE GRADUALLY ABSORBING THE RESULTS OF WEDNESDAY'S PLEBISCITE AND THE NEW PHASE OF POLITICAL MANEUVERING FOR THE TRANSITION HAS BEGUN. PRESIDENT PINOCHET REMOVED A MAJOR ELEMENT OF UNCERTAINTY WHEN HE SCOTCHED RUMORS OF HIS RESIGNATION AND ANNOUNCED THAT HE AND HIS GOVERNMENT WOULD REMAIN IN OFFICE IN STRICT ACCORD WITH THE CONSTITUTION ORDER. THERE WAS SPONTANEOUS DANCING IN THE STREETS AS "NO" SUPPORTERS CELEBRATED THEIR VICTORY. AFTERNOON CONFRONTATIONS WITH THE CARABINEROS ATTEMPTING TO RESTRAIN THE HUGE CROWDS DOWNTOWN FROM CONGREGATING AROUND KEY GOVERNMENT BUILDINGS WERE MARKED BY A NUMBER OF INCIDENTS OF VIOLENCE. MUCH TEAR GAS WAS EXPENDED AND THE WATER CANNONS OPENED UP TO DISPERSE DEMONSTRATORS. ON THE WHOLE, HOWEVER, THE SECURITY FORCES EXERCISED CONSIDERABLE RESTRAINT GIVEN THE THOUSANDS OF PEOPLE INVOLVED. THIS IS A GOOD SIGN FOR THE PEACEFUL CONDUCT OF THE "NO" FORCES' BIG VICTORY CELEBRATION IN O'HIGGINS PARK TODAY.

ELECTION RETURNS

2. (U) YESTERDAY, THE MINISTRY OF INTERIOR (MININT) RELEASED THE FINAL TOTALS FOR ELECTION RETURNS WITH ALL VOTING TABLES REPORTED. THE MININT RESULTS CLOSELY TRACK WITH THE STILL INCOMPLETE PARALLEL COUNT CONDUCTED BY THE "NO" COMMAND. TOTAL VOTES AND PERCENTAGES FROM THE TWO COUNTS WERE AS FOLLOWS:
<table>
<thead>
<tr>
<th>MININT</th>
<th>PERCENT</th>
<th>NO COMMAND</th>
<th>PERCENT</th>
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<tr>
<td>SI</td>
<td>3,106,099</td>
<td>43.04</td>
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<td>82,684</td>
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<tr>
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<td>71,334</td>
<td>.99</td>
<td>61,454</td>
</tr>
<tr>
<td>TOTALS</td>
<td>7,216,391</td>
<td>100.00</td>
<td>6,353,914</td>
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FROM THE MININT TOTAL AN AMAZING NINETY SEVEN PERCENT OF REGISTERED VOTERS CAST BALLOTS ON OCTOBER 5.

GOVERNMENT/SECURITY FORCES

3. (U) ON A NATIONAL RADIO AND TELEVISION HOOKUP LAST NIGHT AT 2130, PRESIDENT PINOCHET REFUSED TO ACCEPT THE RESIGNATION OF THE CABINET AND STATED THAT "THE CONSTITUTIONAL ITINERARY WILL BE STRICTLY COMPLIED WITH." RUMORS WERE RAMPANT DURING THE DAY THAT THE PRESIDENT WOULD ANNOUNCE HIS RESIGNATION,
BUT THIS PROVED TO BE WISHFUL THINKING. LOOKING TIRED AND HAGGARD, AND HIS VOICE BREAKING MORE THAN USUAL, PINOCHET NONETHELESS SPOKE FORCEFULLY IN SAYING THAT HE AND HIS GOVERNMENT WOULD CONTINUE IN OFFICE. ABANDONING HIS ROLE AS CIVILIAN CANDIDATE,
THE PRESIDENT WAS DRESSED IN THE ARMY'S FORMAL WHITE SUMMER TUNIC. THE PRESIDENT ACCEPTED THE RESULTS OF THE PLEBISCITE BUT EMPHASIZED THAT THE VOTE HAD NOTHING TO DO WITH THE ESTABLISHED CONSTITUTIONAL ORDER "AND NO ONE SHOULD FEEL THAT THERE IS A MANDATE FROM THE PEOPLE TO DISTORT THAT WHICH THE PEOPLE THEMSELVES.... DEMOCRATICALLY APPROVED IN 1980."

4. (U) THE PRESIDENT ALSO THANKED THOSE CHILEANS WHO HAD SUPPORTED HIS CANDIDACY. IN COMMENTS EARLIER THAT DAY, MINISTER OF INTERIOR SERGIO FERNANDEZ DEScribed THE PRESIDENT AS IN EXCELLENT SPIRITS AND CHALLENGED REPORTERS TO NAME ANOTHER RULER ANYWHERE IN THE WORLD WHO AFTER FIFTEEN YEARS IN OFFICE COULD HAVE WON SUCH A HIGH PERCENTAGE OF THE VOTE.

5. (C) COMMENT: AS ATTENTION NOW FOCUSES ON PINOCHET'S FUTURE PLANS, FERNANDEZ' COMMENTS CAN BE INTERPRETED AS LAYING THE GROUNDWORK FOR A POSSIBLE PINOCHET CANDIDACY FOR THE PRESIDENTIAL ELECTIONS TO BE HELD IN DECEMBER NEXT YEAR. LEGAL EXPERTS HAVE BEEN DIVIDED ON THE ISSUE OF WHETHER THE PRESIDENT COULD AT SOME POINT RESIGN AND THUS CIRCUMVENT THE CONSTITUTIONAL PROHIBITION AGAINST HIS SERVING CONSECUTIVE TERMS. END COMMENT.

6. (C) A SENIOR CNI OFFICIAL DISCUSSED THE PLEBISCITE RESULTS WITH AN EMBASSY OFFICER ON OCTOBER 6. THE CNI OFFICIAL SAID THAT THE CHILEAN MILITARY WILL ACCEPT AND HONOR THE RESULTS OF THE PLEBISCITE, BUT WILL NOT ALLOW THE GOVERNMENT TO BE PRESSURED INTO CHANGING CURRENTLY ESTABLISHED CONSTITUTIONAL PROCEDURES. GOVERNMENT AUTHORITY WILL BE MAINTAINED. HE EMPHASIZED THAT NOW IN PARTICULAR, WHILE ADJUSTING EMOTIONALLY TO THE SHOCK OF THE LOST ELECTION, THE CHILEAN GOVERNMENT...
AND MILITARY SHOULD BE FREE FROM EXTERNAL PRESSURES. THIS WAS FOLLOWED BY COMMENTARY INDICATING CONCERN ABOUT ANTICIPATED INTERNAL PRESSURES FOR CHANGE, ESPECIALLY SHOULD THE PCCH BE ACCEPTED BY AND MAKE COMMON CAUSE WITH THE PDC AND OTHER POLITICAL PARTIES OF THE "NO" COMMAND.

NO AND SI CAMP DEVELOPMENTS

7. (U) AT HIS PRESS CONFERENCE YESTERDAY, THE SPOKESMAN FOR THE OPPOSITION COALITION OF SIXTEEN PARTIES PATRICIO AYLWIN REITERATED THAT THE VICTORY OF THE "NO" DID NOT REPRESENT A DEFEAT FOR THE ARMED FORCES, AND COMPLIMENTED THE ARMED FORCES FOR THEIR
E.O. 12356: DECL: OADR
TAGS: PGOV, PREL, CASC, PINS, CI
SUBJ: THE CHILEAN PLEBISCITE: SITREP EIGHT

CORRECT PERFORMANCE DURING THE VOTING PROCESS.
AYLWIN AGAIN CALLED FOR DISCUSSIONS WITH THE ARMED
FORCES ON CONSTITUTIONAL REFORMS AND THE DEMOCRATIC
TRANSITION, INCLUDING CHANGES IN THE SCHEDULE OF
ELECTIONS AND REFORM OF THE CONSTITUTION. HE
STRESSED THAT THE OPPOSITION IS "NOT PROPOSING A
RUPTURE OF THE INSTITUTIONAL STRUCTURE."

9. (C) COMMENT: THE NO COMMAND COULD BEGIN DIVIDING INTO TWO DISTINCT TENDENCIES WITH THE ALMEYDA SOCIALISTS JOINING THE COMMUNISTS TO AGITATE A POLITICAL UPRISING. THE MODERATE LEADERSHIP, LED BY THE CHRISTIAN DEMOCRATS, HOWEVER, WILL CONTINUE TO PROMOTE UNDERSTANDING WITH THE ARMED FORCES.

10. (U) IN THE "SI" CAMP, NATIONAL RENEWAL (RN) PARTY AND UDI SPOKESMEN ACKNOWLEDGED THE "NO" VICTORY. SPECIFICALLY, RN PRESIDENT SERGIO ONOFRE JARPA CALLED FOR REFORM OF THE PROVISIONS FOR AMENDING THE CONSTITUTION WHILE WARNING THAT THIS WAS NOT THE MOMENT TO PRESSURE PINOCHET. THE UDI’S JAIME GUZMAN DID NOT DISCOUNT THE POSSIBILITY FOR CONSTITUTIONAL REFORM, BUT INSISTED THAT THE INSTITUTIONAL STRUCTURE SHOULD REMAIN ESSENTIALLY THE SAME.

11. (C) COMMENT: THE POLITICIANS OF THE RIGHT ARE ALREADY JOCKEYING FOR POSITION IN THE COMING PRESIDENTIAL AND CONGRESSIONAL ELECTIONS. JARPA MAY BE PUTTING SOME DISTANCE BETWEEN HIMSELF AND PINOCHET TO CAPTURE THE CENTER RIGHT. THE RN, AND POSSIBLY THE UDI, CAN AGREE WITH THE OPPOSITION ON THE NEED FOR GREATER FLEXIBILITY IN THE PROVISIONS
FOR CONSTITUTIONAL REFORM. THE RN WOULD ALSO UNDOUBTEDLY LIKE TO SEE THE SENATE BECOME FULLY ELECTIVE BY ELIMINATING THE ONE FOURTH OF THE SEATS APPOINTED BY THE EXECUTIVE AND JUDICIAL BRANCHES, SINCE THIS WOULD GIVE THEIR MEMBERS MORE CHANCES TO ATTAIN OFFICE. ON THE OTHER HAND, UDI MEMBERS MAY HAVE THEIR EYE ON SOME OF THE APPOINTIVE SENATE SEATS.

PRIVATE SECTOR
13. (U) THE BUSINESS COMMUNITY: THE "NO" WIN HAS UNSETTLED THE CHILEAN BUSINESS COMMUNITY. THE MOST FREQUENTLY HEARD COMMENT IS THAT INVESTMENT DECISIONS WILL BE PUT ON HOLD UNTIL THE POLITICAL SITUATION CLEAR. INVESTMENT IN MINING AND OTHER EXTRACTIVE NATURAL RESOURCES OPERATIONS, IN PARTICULAR, COULD SLOW SHARPLY.

14. (U) GOVERNMENT REACTIONS: MID-LEVEL OFFICIALS AT THE BANCO CENTRAL AND HACIENDA WERE REASSURED BY PINOCHET'S DECISION TO REJECT THE RESIGNATIONS OF HIS CABINET. THIS ACTION CALMED MID-LEVEL BUREAUCRATS' IMMEDIATE CONCERNS ABOUT THE NEAR-TERM DIRECTION OF POLICY, AND THEIR OWN PERSONAL SITUATIONS.

15. (U) OPPOSITION COMMENTS ON THE ECONOMY: OPPOSITION LEADERS AND ECONOMISTS ASSOCIATED WITH THE OPPOSITION HAVE CALLED FOR CALM IN THE BUSINESS COMMUNITY. THEY ARE SEEKING TO REASSURE INVESTORS THAT THE "NO" WIN DOES NOT MEAN A MAJOR SHIFT IN ECONOMIC POLICY.

THE MEDIA

16. (U) THE DEPARTMENT'S STATEMENT OF OCTOBER 6 WAS CARRIED BY ALL MAJOR NEWSPAPERS. WE NOTE THAT OPPOSITION PARTY SPOKESMEN ARE BEING GIVEN WIDER AND MORE IMPARTIAL COVERAGE IN THE PRO-GOVERNMENT PRESS IN THE IMMEDIATE AFTERMATH OF THE PLEBISCITE.

POLITICAL VIOLENCE/DEMONSTRATIONS

17. (U) MAJOR VICTORY CELEBRATIONS DIDN'T BEGIN IN SANTIAGO UNTIL MIDDAY THURSDAY. ALTHOUGH THEY WERE FESTIVE AND GENERALLY NONCONFRONTATIONAL, INCIDENTS OF VIOLENCE DID FLARE UP AS YOUNGER DEMONSTRATORS AND
CARABINEROS CLASHED. SECURITY FORCES WERE ESPECIALLY INTENT ON KEEPING THE MASSIVE CROWDS AWAY FROM THE MONEDA (PRESIDENTIAL PALACE) WHICH OF COURSE WAS THE GOAL OF MANY OF THE MORE RAMBUNCTIOUS MARCHERS. TEAR GAS AND WATER CANNONS WERE EMPLOYED REPEATEDLY IN THE LATE AFTERNOON TO CONTROL THE PRESSING CROWDS. AT LEAST THREE REPORTERS (INCLUDING A PBS SOUND MAN) WERE BEATEN BY CARABINEROS WHEN THEY FAILED TO DISPERSE QUICKLY ENOUGH FROM CONTESTED AREAS. AWAY FROM THE MONEDA, HOWEVER, THE ENORMOUS CROWDS MARCHED CALMLY, HAPPILY AND NONAGRESSIVELY THROUGH THE
CENTRAL CITY, CHANTING ANTI-PINOCHET SLOGANS AND OCCASIONALLY SINGING THE NATIONAL ANTHEM. ALTHOUGH YOUTH WERE PREDOMINATE, THE CROWDS CONSISTED OF PEOPLE OF ALL AGES AND INCOME LEVELS. IN SCENES REMINISCENT OF THE 60’S, SEVERAL NEWSPAPERS FEATURED PICTURES OF HAPPY "NO" SUPPORTERS HUGGING AND SHAKING HANDS WITH SMILING CARABINEROS. ONLY ISOLATED EXAMPLES OF THE FAR LEFT WERE EVIDENT (OCCASIONAL BANNERS FOR MAPU, MIR OR COMMUNIST PARTY). ATTEMPTS BY THE "NO" COMMAND TO MOVE THE DEMONSTRATION TO THE RIVERSIDE PARQUE FORESTAL HAD SOME EFFECT AS LARGE CROWDS MOVED THERE IN THE EARLY EVENING.

18. (U) IN THE POSH NEIGHBORHOOD OF PROVIDENCIA, THE
CELEBRATION TOOK THE FORM OF A MASSIVE CAR CARAVAN, WHICH CONTINUED TO THREAD ITS WAY THROUGH THE STREETS UNTIL ABOUT 10 P.M. NOT EVERYONE WAS CELEBRATING, HOWEVER. AN EMBOFF WHO LIVES NEAR PRESIDENT PINOCHET'S HOME REPORTED THAT "A LARGE GROUP OF THUGS" WERE STOPPING CARS, ASKING HOW THE OCCUPANTS HAD VOTED AND THEN SERIOUSLY DAMAGING THE VEHICLES OF SUPPOSED "NO" VOTERS. THIS CONTINUED FOR AT LEAST AN HOUR DESPITE THE PRESENCE OF LARGE NUMBERS OF SECURITY FORCES ASSIGNED TO PROTECT THE PRESIDENT.

19. (U) THREE PEOPLE HAVE BEEN REPORTED KILLED SO FAR, INCLUDING A FOURTEEN YEAR OLD BOY, AND TWO YOUNG MEN. ALL THREE WERE SHOT WHILE PARTICIPATING IN DEMONSTRATIONS IN POOR NEIGHBORHOODS. IT HAS NOT BEEN REPORTED WHO MAY HAVE DONE THE SHOOTING.

20. (U) THE "NO" COMMAND HAS RECEIVED PERMISSION FROM THE METROPOLITAN REGIONAL INTENDENTE TO HOLD A RALLY AT PARQUE O' HIGGINS FRIDAY AT 4 P.M.

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OBSERVERS
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NO EFFORT WAS MADE TO DENY THEM ACCESS TO THE POLLS. ADOLFO SUAREZ, SPEAKING FOR THE NATIONAL DEMOCRATIC INSTITUTE, DESCRIBED THE PLEBISCITE VOTE AS AN EXAMPLE OF CIVIC RESPONSIBILITY AT A PRESS CONFERENCE HELD BY THE NDI YESTERDAY AFTERNOON. OVERALL, FROM EMBOFFS' AND OBSERVERS' COVERAGE OF THE VOTING, WE AGREE THAT THE ELECTION WAS CONDUCTED IN AN EXEMPLARY FASHION. AFTER A SLOW START AS INEXPERIENCED PERSONNEL COPED WITH MASSIVE EARLY MORNING TURNOUT.
VOTING TABLES ACROSS THE NATION WERE EFFICIENTLY AND
FAIRLY ADMINISTERED. SUAREZ, AT THE NDI'S FAREWELL
PRESS CONFERENCE, WAS ASKED WHAT HE WOULD SAY TO
PINOCHET IF HE MET WITH HIM. SUAREZ REPLIED THAT
WAS "SCIENCE FICTION," SINCE HE DOUBTED THAT PINOCHET
WOULD SEE HIM, AND IN ANY EVENT THE CHILEAN PEOPLE
HAD ALREADY SAID EVERYTHING THAT NEEDED TO BE SAID
TO GENERAL PINOCHET. GOVERNOR BRUCE BABBITT,
CO-CHAIRMAN WITH SUAREZ OF THE NDI DELEGATION, SAID
HE HAD ASKED ONE MAN HOW LONG HE HAD BEEN STANDING
IN LINE TO VOTE. WHEN THE MAN SAID FOUR HOURS,
BABBITT ASKED IF THAT WASN'T AN AWFULLY LONG TIME.
NOT AT ALL, THE MAN SAID. "I'VE BEEN WAITING 15
YEARS."

STATUS OF US CITIZENS

22. (U) TWO AMERICAN CITIZENS WORKING IN THE MEDIA
REPORTED TO THE CONSUL AND PAO THAT THEY WERE BEATEN
BY CARABINEROS THURSDAY EVENING AND THEIR EQUIPMENT
DAMAGED OR CONFISCATED WHEN THEY FAILED TO RESPOND
QUICKLY ENOUGH TO POLICE ORDERS TO LEAVE THE AREA.
MARTIN LUCAS, A PBS SOUND MAN AND PHOTOGRAPHER LEE
MALLIN (THE PICTURE GROUP) SAID THEY WERE ASSAULTED
IN SEPARATE INCIDENTS BY CARABINEROS WHO HAD ORDERED THEM TO LEAVE THE VICINITY BUT DID NOT GIVE THEM ANY TIME TO DO SO. BOTH WERE HIT REPEATEDLY WITH NIGHTSTICKS AND MALLIN WAS KNOCKED TO THE GROUND AND KICKED. FILM WAS TAKEN FROM MALLIN'S CAMERAS AND BOTH SAID THEIR EQUIPMENT WAS DAMAGED AND/OR CONFISCATED. THEY RECEIVED FIRST AID AT NEARBY HOSPITALS AND, EXCEPT FOR MULTIPLE BRUISES, ARE NOW OKAY. BOTH INDICATED THEY WOULD NOT FILE FORMAL CHARGES BUT DID PROVIDE STATEMENTS TO THE PAO FOR A POSSIBLE EMBASSY PROTEST OF VIOLENCE AGAINST JOURNALISTS.

BARNES