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23 September 1952

MEMORANDUM FOR THE DIRECTOR OF CENTRAL INTELLIGENCE

SUBJECT: Significance of the Election of Ibanez as President of Chile

1. The Chilean Congress, on 24 October, will almost certainly elect Carlos Ibanez as President of Chile, in deference to his large plurality of the popular vote.

2. A majority of the present Congress, however, will remain antagonistic toward Ibanez, and may prevent radical changes in Chilean domestic and foreign policy until the Congressional elections in 1953, insofar as such changes would require legislative action.

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assume dictatorial powers as long as his supporters continue to have an excellent chance of gaining control of Congress in the March 1953 elections.

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4. Even before the elections, Ibanez will almost certainly pursue the following policies:

- a. greater concessions to labor and the establishment of a Peronista-type labor confederation;
- b. further demands on US copper interests;
- c. a neutralist or "third position" policy for Chile in the East-West struggle;
- d. closer relations with Argentina, particularly with respect to Latin American economic solidarity against the "imperialistic" pressure of the great powers.

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5. Even with a friendly Congress, Ibanez is not likely to press for immediate nationalization of the copper industry. He is likely, however, to demand abrogation of the US-Chilean Military Assistance Agreement.

6. Ibanez will also probably re-establish diplomatic and some commercial relations with the USSR and some of the European Satellites.

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