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ASSOCIATED PRESS

9 January 1985

PINOCHET FEARS CIA COUP, OFFICIALS SAY
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WASHINGTON

The Reagan administration's efforts to promote a democratic transition in Chile have failed partly because President Augusto Pinochet is convinced the CIA is plotting to oust his government, American officials say.

Pinochet's refusal to permit a democratic opening after 11 years of military rule has distressed the administration, and some officials believe the result will be a continuing increase in violence, possibly leading to "permanent destabilization."

However, the officials, who asked not to be identified, said they do not feel that a communist takeover is likely because Chile's army remains a highly disciplined, anti-Marxist force.

U.S. attempts at quietly encouraging an internal dialogue in Chile leading to a democratic transition have given way to a far more public posture since Pinochet imposed a state of siege on Nov. 6.

"Pinochet believes the CIA is out to overthrow him," one senior official said. "All actions by the United States are viewed by him with suspicion."

Asked about Pinochet's reported concerns, Deputy Assistant Secretary of State Lowell Kilday said Tuesday that American policy is to "encourage a transition to democracy in Chile in a way and at a pace that can be agreed to by Chileans themselves without in any way intervening in the political processes of the country."

But American influence is limited partly because Chile receives no U.S. economic or military assistance. The United States has, however, generally supported Chilean loan requests in international lending institutions.

Since the state of siege was declared, mass raids have been carried out on working class neighborhoods, hundreds of political activists have been sentenced to internal exile and press censorship has been strictly enforced, with some publications shut down altogether. Kilday said the United States is "very hopeful" the state of siege will be lifted as soon as possible.

Confronted with an end to what had been a period of limited political liberalization, the Reagan administration has initiated a policy of reassessment. As a first step, President Reagan plans to replace U.S. Ambassador James Theberge, a political appointee, with the U.S. ambassador in India, career diplomat Harry Barnes, the officials said.

They said Barnes' principal task will be to win the confidence of both the government and the democratic opposition.

Pinochet believes, however, that the alternative to his government is the restoration of leftist rule in Chile. In justifying the state of siege, Pinochet said recently, "The people asked me for the hard hand and I gave it."

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