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Reviewed by [unclear] [unclear]

EYES ONLY

BACKGROUND OF 40 COMMITTEE DELIBERATIONS
ON THE CHILEAN PRESIDENTIAL ELECTIONS

In April 1969 the 40 Committee was briefed on final results of the successful limited covert operations in the Chilean congressional elections the previous month.

In response to a question then raised by Dr. Kissinger, it was decided that no immediate steps should be taken with respect to the 1970 Chilean presidential election since the presidential candidates were not then formally declared and since Alessandri's prospects at that time seemed reasonably good. Mr. Helms urged that once candidates were declared an early decision should be taken as to whether or not covert election support would be provided any given candidate.

In March 1970 a proposal was submitted to the 40 Committee reflecting a joint State/CIA consensus that covert support should not be provided any individual candidate but that spoiling operations should be undertaken against the Popular Unity (UP) electoral front, a coalition of Communists, Socialists and Leftists supporting Allende. Total cost of these efforts was estimated at \$125,000. The Committee approved this proposal and also took cognizance of the fact that future developments might possibly entail direct support to one candidate.

During the following month, pressures from the Alessandri forces began to build for financial support from both U.S. business and the U.S. Government. On 29 April the CIA Station in Santiago concurred in the Embassy position that "no case can be made for U.S. Government funding of Alessandri and Tomic."

In June Mr. Donald Kendall, President of Pepsi-Cola, advocated in the White House, CIA and elsewhere in U.S. Government circles that the U.S. Government provide financial help to the Alessandri campaign.

On 27 June the 40 Committee met to consider a two-phase action proposal initiated by Ambassador Korry because of Alessandri's slippage in popularity as reflected in new polls. Phase One of Ambassador Korry's recommendation called for an expansion of the CIA covert spoiling operations aimed at reducing the possibility of an Allende electoral victory. Costs for this expansion were estimated at \$300,000. This proposal was approved by the Committee.

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E.O. 13526, Section 3.5

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By NALH NARA, Date 10/22/10
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The second phase of Ambassador Korry's proposal was a post-election contingency, in the event of a congressional run-off election between Allende and another candidate, to influence a sufficient number of members of Congress to vote in a manner which would assure that Allende was denied the presidency. Costs for this contingency were estimated at \$500,000. The Committee deferred decision on this phase and agreed to keep close watch on Chilean electoral developments between then and the September popular elections. CIA was instructed to proceed with plans toward identifying "persuadable" individuals in Congress but because of the risks involved to take no action without further approval by the Committee.

In its meeting of 7 August, the 40 Committee reviewed Chilean developments. CIA reported that the only really reliable way to identify the "persuadable" members of Congress to vote against Allende in a congressional run-off would be to confide fully in President Frei or Senator Duran and get their assessments based on life-long associations. It was agreed that it would be disastrous to take such a step at that time and that the Committee would have to consider granting this authority if and when the election went to Congress.

Following the Chilean elections on September 4th, the 40 Committee met on September 8th to assess the situation. There was general agreement that more time to assess developments in Chile was essential. It was also agreed that there was then little likelihood of success in the previously proposed phase two operation to influence the 24 October congressional run-off election against Allende. CIA stressed that President Frei's full participation was an essential cog to success in any action, congressional or military, to frustrate an Allende take-over and that thus far Frei had shown little inclination to act.

At the conclusion of this meeting, Dr. Kissinger directed that the Embassy in Santiago be requested for an immediate cold-blooded assessment of:

- (1) the pros and cons and problems and prospects involved should a Chilean military coup be organized now with U.S. assistance, and
- (2) the pros and cons and problems and prospects involved in organizing an effective future Chilean opposition to Allende.

The Committee met to consider the new Embassy assessment on 14 September. In the interim, Alessandri had issued a statement saying that if he were elected president in the congressional run-off election he would immediately thereafter resign the office. This statement was designed to encourage Frei's Christian Democratic Party (PDC) members of Congress to join forces with Alessandri's congressional supporters

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to frustrate Allende's election. If successful, such a move would leave Frei constitutionally free to campaign for the presidency in new elections which he would have an excellent chance of winning because of his great popularity.