DIRECT OR DIRECTOR HELMS, UNDERSEC JOHNSON, ASST SEC MEYER:

(Please deliver the following message from Ambassador Korry to Director Helms, Undersec Johnson, Asst Sec Meyer:

(TEXT CONTINUED ON NEXT PAGE)

COMMENT: DISSEMINATION RESTRICTED. TEXT NON-CIA.

Read by Mr. Vaky
DATE: 18 JUNE 70
FROM: SANTIAGO

PLEASE DELIVER THE FOLLOWING MESSAGE FROM AMBASSADOR KORRY TO DIRECTOR HELMS, UNDERSEC JOHNSON, ASSISTANT SECRETARY MEYER


2. MORE SIGNIFICANT ARE THE TREND LINES FOR THE PAST MONTH: CONTINUED DECLINE OF ALESSANDRI, STAGNATION OF TOMIC AND GATHERING STRENGTH OF ALLENDE. MOREOVER THE
LATEST POLL DOES NOT FULLY REFLECT THE IMPACT OF ALLENDE'S
RECENTLY UNWRAPPED PACKAGE OF GIVEAWAY PLEDGES. WHAT IT
DOES SHOW IS A SHIFT OF WOMEN FROM ALESSANDRI TO ALLENDE.
3. UNLESS ALTERED, THESE TRENDS COULD WELL CULMINATE
IN THE ELECTION OF ALLENDE AS PRESIDENT AND, AS A CONSE-
QUENCE, THE INEVITABLE IMPOSITION OF A LENINIST STATE IN
SOUTH AMERICA. AN ALLENDE PRESIDENCY WOULD RESULT EITHER
FROM HIS WINNING THE FIRST PLURALITY IN THE SEPT 4 BALLOT-
ing OR FINISHING SUCH A STRONG SECOND THAT THE CONGRESS
MIGHT IN THE RUNOFF PREFER HIS ELECTION IN PREFERENCE TO
THAT OF ALESSANDRI'S.
4. MY POSITION HAS RESTED ON THESE ASSUMPTIONS:
   A. NO CANDIDATE WOULD RECEIVE AN ABSOLUTE
      MAJORITY.
   B. THE CRITICAL PERIOD WOULD OCCUR IN THE PERIOD
      BETWEEN SEPT. 4TH AND OCT 24TH WHEN THE CONGRESS
      WOULD HAVE TO CHOOSE BETWEEN THE TOP TWO CONTENDERS.
   C. PRESIDENT FREI WOULD RE-EMERGE IN THAT PERIOD
      AS THE MOST INFLUENTIAL ANTI-ALLENDE FORCE IN THE
      COUNTRY AND IN HIS CHRIStIAN DEMOCRATIC PARTY (PDC).
   D. U.S. INTEREST WAS UNIQUELY CONCERNED WITH
      THE DEFEAT OF ALLENDE.
   E. U.S. SUPPORT OF ANY CANDIDATE WOULD BE
      COUNTER-PRODUCTIVE.
5. TACTICS ADOPTED TO SUIT THESE ASSUMPTIONS WERE:
A. A major effort to convince all here, in Washington and elsewhere of our total non-involvement in the campaign. Unless everyone believed it, no one would. Unless the cover of aloofness were firmly established, our relatively modest ongoing program to divide the leftist camp and to finance anti-Alle nde propaganda might not have been as securely established as it is. This endeavor has been successful if the current Marxist campaign to blame Anaconda and other private organizations for electoral intervention is any gauge.

B. A major effort to cater to Frei by personal inflation of his ego, by repeated messages through his most trusted lieutenants that he would be the key man come September 5 in the presidential decision and by abstention from any interim conversation with him on the election. This message has been heard and fully understood by Frei.

C. An effort to maintain good contacts with the army and other services despite the lack of map hardware by personal contact and by responding to their minimal needs. (Our ability to satisfy promptly the armed services' request to buy emergency equipment is critical in this regard).

D. A coordinated effort to exploit on appropriate occasions our much-respected fame here as unmatched electoral seers to propagate the view that Al le nde is...
RUNNING STRONG AND IF HIS TWO OPPONENTS DID NOT MODIFY
THEIR FIXATION OF MUTUAL DESTRUCTION, ALLENDE WOULD
WIN.

E. A FUNDING OF RADICAL PARTY DISSIDENCE DESIGNED
TO WEAKEN THAT REED OF ALLENDE STRENGTH.

6. THE ARISTOTLEAN INJUNCTION THAT POLITICAL WISDOM
CONSISTS IN THE ABILITY TO MAKE DISTINCTIONS PROPITS ME TO
SEEK NOW TO REINFORCE VERY SUBSTANTIALLY OUR ONGOING
ANTI-ALLENDE EFFORT. IT IS THE MARXISTS STRENGTH NOT THE
WEAKENESSES OF THEIR OPPONENTS WITH WHICH WE MUST DEAL. I
SAY "MUST" BECAUSE OF OUR UNANIMOUS CONVICTION THAT THE
CONSEQUENCES OF AN IMPRESSIVE ALLENDE POLLING WOULD BE
VERY GRAVE FOR CHILE AND SOUTH AMERICA, SUFFICIENTLY
SERIOUS TO UNDERMINE TOTALLY THE NEW LATIN POLICY LAUNCHED
BY THE OCT 31 SPEECH OF PRESIDENT NIXON AND IMPLEMENTED
IN MANY SUBSEQUENT ACTIONS. I AM ALSO PERSUADED THAT IT
WOULD SAP U.S. WILL TO IMPLEMENT OUR POLICIES IN ASIA AND
ELSEWHERE.

7. WHAT WE RECOMMEND IS CONSISTENT WITH OUR PREVIOUS
SUBMISSION, WITH OUR ORIGINAL ASSUMPTIONS AND WITH OUR
ONGOING TACTICS. WE HAVE BEEN WAITING THE MAY OPINION
POLL FOR SIX MONTHS AND HAVE BEEN UTILIZING THAT INTERIM
TIME IN ORDER TO PREPARE A BASE FOR SUBSEQUENT GREATER
EFFORT IF REQUIRED. THE POLL SIMPLY CONFIRMS OUR ORIGINAL
ANALYSIS SUFFICIENTLY TO MOBILIZE OUR LATENT RESOURCES.

8. OUR THREE PRINCIPAL TARGETS IN THE REMAIN-
SHORT TIME SHOULD BE FRIE, WOMEN AND RADICAL PARTY MEMBERS. OF THESE THE MOST CRITICAL AND IMMEDIATE ARE THE WOMEN WHO AS A GROUP REMAIN LEAST RESPONSIVE TO ALLENDE AND MOST SENSITIVE TO THE IMPLICATIONS OF A LENINIST STATE. THE RADICAL PARTY CLIENTELE COMPRISSES THE LARGEST SINGLE "SWING" POTENTIAL IN THE CHILEAN ELECTORATE; TOTALLING AT LEAST 12 PERCENT OF THE VOTERS, THEY ARE NOT LENINISTS AND DESPITE THE INCLUSION OF THEIR PARTY IN THE POPULAR FRONT MOST HAVE MISGIVINGS ABOUT THE IMPLICATIONS OF AN ALLENDE GOVT.

9. RECENTLY BECAUSE OF THE FAILURE OF ANYONE TO LAUNCH A NATIONWIDE ANTI-ALLENDE CAMPAIGN A GROUP OF U.S. BUSINESSMEN RESUSCITATED A 1964 ANTI-ALLENDE ORGANISM. ITS NAME IS THE CHILEAN COOPERATIVE SOCIETY (CCS) WITH AN ENTIRELY CHILEAN FRONT. CONTRARY TO MY ORIGINAL ASSUMPTION, THIS OPERATION IS NOT KNOWN TO THE COUNCIL FOR LATIN AMERICA (CLA) AND ONE OF CCS GROUND RULES IS THAT THE CLA WHICH HAS A REPUTATION FOR INDISCRETION IN SUCH MATTERS BE KEPT IGNORANT. ANOTHER GROUND RULE IS THAT CCS WILL NOT
UTILIZE THESE U.S. PRIVATE FUNDS FOR ELECTORAL PROPAGANDA IN FAVOR OF A CANDIDATE. THE PRIVATE U.S. GROUP HAS PLEDGED $250,000 FOR THE ANTI-ALLENDE PROPAGANDA CAMPAIGN AND THEIR CHILEAN COUNTER-PARTS HAVE PROMISED $80,000. IT IS CLEAR TO US THAT A GOOD DEAL MORE— IN EXCESS OF $350,000 ACCORDING TO OUR CALCULATIONS— WILL BE REQUIRED TO MAKE THIS EFFORT, WHICH HAS BEGUN, SUCCESSFUL IN THE LAST TWO MONTHS OF THE CAMPAIGN.

10. ANOTHER EFFORT TO SUBSIDIZE ORTHODOX RADICAL PARTY SENATORS AND DEPUTIES IN THEIR UNDERGROUND CAMPAIGN OF DISLOYALTY TO ALLENDE HAS BEEN LAUNCHED. TO NAME ONLY ONE LIKELY TARGET OF OPPORTUNITY, THERE IS ABOUT $30,000 REQUIRED FOR THIS UNDERTAKING.

11. THE RADICAL PARTY IS BEING TARGETED NOW TO PRODUCE VOTES FOR ALESSANDRI AS WE RECOGNIZED WOULD ALSO BE THE CONSEQUENCE OF THE POLITICAL ACTION PROGRAM APPROVED BY THE 40 COMMITTEE. IT HAS ANOTHER FACET AS WELL. IF ALLENDE IS TO BE PREVENTED FROM GAINING THE PRESIDENCY VIA THE
CONGRESSIONAL VOTE, AMPLE FUNDS MAY WELL BE REQUIRED TO
DISSUADE HESITANT RADICAL OR CHRISTIAN DEMOCRATIC CONGRESS-
MEN FROM INDULGING THEIR CREDULITY. YOU WILL RECALL
THAT NOMINALLY, 22 OF THE 200 SENATORS AND DEPUTIES
WHO WILL DECIDE THE RUNOFF IN OCTOBER ARE PLEDGED TO ALLENDE,
75 TO LOMIC AND 43 TO ALESSANDRI. HENCE THE RADICAL PARTY
OPERATION IS THE PRECURSOR TO A SECOND PHASE FOR WHICH THERE
IS A MAXIMUM CONTINGENCY FUND NEED NOW OF SOME $500,000.

12. OTHER PERTINENT FACTORS INCLUDE:
A. THE ALESSANDRI-CAMPAIGN WHICH PROJECTS A
DEFICIT (COVERED BY CREDITS) OF AT LEAST $700,000 BY
SEPT 4 IS STOPPING ALL LOCAL AVAILABLE FUNDS SO THAT
THE THREE OPERATIONS OUTLINED IN PARAS 9-11 ABOVE ARE
OUT OF THEIR KEN AND THEIR CAPACITY TO HANDLE. I
ANTICIPATE THAT THE ALESSANDRI FORCES WILL BEGIN TO
TARGET MORE ON ALLENDE IN THE COMING WEEKS BUT THE
CONFUSION THAT REIGNS IN THAT CAMP PRECLUDES ANY
INCLUSION OF THEIR EFFORTS IN OUR CALCULATIONS.

B. THE ANACONDA COMPANY, FROM INDICATIONS WE HAVE
HERE, HAS BEEN HAVING SECOND THOUGHTS ABOUT CONTRIBUTING
DIRECTLY TO ALESSANDRI. ANACONDA IS A COMPANY
THAT HAS THE BIGGEST STAKE IN THESE ELECTIONS AND
COULD WELL INVEST FAR MORE THAN THE $500,000 THEY
HAD IN MIND ONLY A FEW WEEKS AGO. HOWEVER THEY ARE NOT RPT NOT INVOLVED IN THE CHILEAN COOPERATIVE
SOCIETY ENDEAVOR AND THEIR NEGOTIATIONS WITH
HARMONIOUS. ANACONDA IS SO PERILOUSLY INDISCREET
AND SO INSENT ON THE RECIPIENT'S AWARENESS OF THE
BENEFACTOR THAT NO ONE IS ANXIOUS TO RECEIVE ITS
EMBRACE.

C. BOTH THE CHILEAN COOPERATIVE SOCIETY AND THE
RADICAL PARTY OPERATION ARE LINKED AT THE TOP

13. IN SUM, I AM REQUESTING APPROVAL FOR
FUNDING OF THREE ACTIVITIES, TWO DURING THE ELECTORAL
PERIOD REQUIRING A TOTAL OF WHAT WE CALCULATE TO BE
$390,000 (OF WHICH $90,000 IS ALREADY AVAILABLE) AND A
THIRD FOR THE IMMEDIATE POST-ELECTORAL PERIOD OF $500,000.
I DO SO IN CALM PURSUIT OF UNCHANGED GOALS AND IN COLD
CALCULATION THAT LESS THAN ONE MILLION DOLARS IS A VERY
SMALL INSURANCE POLICY TO PAY WHEN CHILE IS INDEBTED TO
THE EX-IM BANK ALONE FOR ROUHTLY $500,000,000(M),
WHEN ANACONDA IS COUNTING ON RECEIVING AT LEAST AN
EQUIVALENT SUM, WHEN AID HAS PROVIDED ALMOST THAT MUCH IN
LOANS TO THE FREI GOVT PRIOR TO FY 69, WHEN U.S. EXPRO-
PRIATION GUARANTIES ARE WELL OVER $100,000,000, AND WHEN
WE HAVE NOT SIGNED ANY LOANS WORTH MENTIONING TOTAL
$2,500,000) FOR ALMOST TWO YEARS.

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14. I am, of course, fully aware that our anti-Alende program might result in benefiting one candidate more than another. But I am persuaded that there are so many extraneous factors beyond our capacity to influence or to manipulate (Alessandri’s physical condition to mention one glaring factor) that the final beneficiary is beyond accurate prediction. Alende and he alone is our target.

15. I am also personally satisfied that there is an absolute minimum risk of exposure in the expanded program we are proposing—a program which contemplates use of existing mechanism and relationships. Operational details are being provided separately by [redacted] to its headquarters.

16. Finally, the time factor is critical. If our funding is to be used efficiently and effectively with the essential advance preparation, we must have an early decision, at the very latest by July 1.

17. I suppose that one should always apologize for doing the right thing since “nothing wounds people more” but “it is not at all the wicked who do the most harm in this world,” as Paul Valery wrote. “It is the maladroits, the negligent and the credulous.” GP-1