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SECRET 181156Z JUN 70 CITE SANTIAGO 2044

DIRECTOR

SECTION 1 2/3 4/3

RYBAT

18 JUN 70 106021

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. Vakey

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DECLASSIFIED

E.O. 13526, Section 3.5

NLN 02-21 No PER SEC. 3.3(b)(1)(6); HR. 7/23/10

By WJH NARA, Date 11/8/10

[pp. 1 of 10]

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DATE: 18 JUNE 70

RECD: 18 JUN 1156

FROM: SANTIAGO

IN 106021

~~SECRET~~

PLEASE DELIVER THE FOLLOWING MESSAGE FROM AMBASSADOR KORRY TO DIRECTOR HELMS, UNDERSEC JOHNSON, ASST SEC MEYER

1. SANTIAGO 2210 OF JUNE 12 REPORTED THE VERY STRONG RACE MARXIST ALLENDE IS MAKING IN THE PRESIDENTIAL CAMPAIGN.

DESPITE THE STRIKING SIMILARITY WITH OUR UNSCIENTIFIC ANALYSIS OF TWO AND A HALF YEARS AGO, THE PERCENTAGES CITED IN THAT CABLE AS OUR RECKONING OF THE RESPECTIVE CURRENT STRENGTHS OF THE THREE CANDIDATES ARE IN FACT BASED ON THE ALMOST COMPLETE RESULTS OF THE LATEST POLL CONDUCTED BY THE ONE CHILEAN MECHANISM IN WHICH WE HAVE CONFIDENCE. THOSE RESULTS REVEAL A SPREAD OF ONLY FOUR PERCENT BETWEEN ALESSANDRI AND ALLENDE AND ABOUT THE SAME DISTANCE BETWEEN THE LATTER AND TOMIC.

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

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JUN 20 1970

SANTIAGO 2044

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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 CONSEQUENCE, 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 BALLOTING 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 CONVINCING 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-ALLENDE 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 ALLENDE IS

ALLENDE
Post
*

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 PROMPTS ME TO SEEK NOW TO REINFORCE VERY SUBSTANTIALLY OUR ONGOING

ANTI-ALLENDE EFFORT. IT IS THE MARXISTS STRENGTH NOT THE WEAKNESSES 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 AWAITING 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 REMAINING

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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 COMPRISES 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 RPT 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,

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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 HA^S 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 D^EPUTIES IN THEIR UNDERGROUND CAMPAIGN OF DISLOYALTY TO ALLENDE HAS BEEN LAUNCHED. TO NAME ONLY ONE LIKELY TARGET OF OPPORTUNITY, THERE IS

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PER SEC 3.3
(b)(1)(6)

[REDACTED]
[REDACTED]
[REDACTED] ABOUT \$30,000

ARE 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

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CONGRESSIONAL VOTE, AMPLE FUNDS MAY WELL BE REQUIRED TO DISSUADE HESITANT RADICAL OR CHRISTIAN DEMOCRATIC CONGRESSMEN FROM INDULGING THEIR CREDULITY. YOU WILL RECALL THAT NOMINALLY, 82 OF THE 200 SENATORS AND DEPUTIES WHO WILL DECIDE THE RUNOFF IN OCTOBER ARE PLEDGED TO ALLENDE, 75 TO LGMIC 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 SOPPING 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^{ET} 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 CONTRIBUT-

ING 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

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HARMONIOUS. ANACONDA IS SO PERILOUSLY INDISCREET AND SO INSISTENT ON THE RECIPIENT'S AWARENESS OF THE BENEFACITOR 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

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PER SEC 3.3(b)(1)(i)
ITR. 9/11/08

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 DOLLARS IS A VERY SMALL INSURANCE POLICY TO PAY WHEN CHILE IS INDEBTED TO, THE EX-IM BANK ALONE FOR ROUGHTLY \$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. EXPROPRIATION 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-ALLENDE PROGRAM MIGHT RESULT IN BENEFITTING ONE CANDIDATE MORE THAN ANOTHER. BUT I AM PERSUADED THAT THERE ARE SO MANY EXTRANEIOUS 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. ALLENDE 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.

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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 "NO^TTHING 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 MALADROIT, THE NEGLIGENT^{EN} AND THE CREDULOUS." GP-1

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