A green to be a first that the state of	ng garaga ang ang ang ang ang ang ang ang ang		San All Control of the Control of th
C BLE SLORETARIAT DISSEMINATE	The state of the s		ROUTING AND/OR II
PERION UNIT NOTIFIED	SIC	TAKES INCESCO FROM ANTOMATIC	5
The same of the sa	(When F	illed In) GENERATION 2 3.	/ 6 7
OVANCE COPY ISSUED SL	OTTED REPRODUCTION OF	THIS COPY PROHIBITED 4	
4.50	INDEX: YES	□ NO	· ^ ^ / /
Annual State of the State of th	CLASSIFY TO CS FI	I NO.	- Chil
) DYI AT	X REF TO CS FILE	NO	
DISSEN BY G DEP OF	# 125 D FILE RID	RETURN TO	BRANCH
CWH4 & FILE,	VR MINMI	of, Aoof, ELA	
~147		EYE	SONLY
SECRET 131156	SZ JUN 70 CITE SA	ANTIAGO 2044	
DIRECT OR			18 Junior 1 0 6 0 2
SECTION 1 OF 2		•	· · · · · · · · · · · · · · · · · · ·
RYBAT			
*	المعادة من وأود ورسوع ما التهاولات و دارات المعادلة المعادة المعادد المعادد و المعادد و المعادد المعادد المعاد المعادد المعادد والمعادد المعادد المعا	m e a con y grego ante a para para para para para para para p	and the state of t
PLEASE DELIVER T	HE FOLLOWING MESSAG	E FROM AMBASSADOR KO	ODV TA
ora, and a second of the seco			KKI 10
DIRECTOR HELMS, UNDERS	EC JOHNSON, ASST SE	C MEYER:	
			•
•			
•	TEXT CONTINUED ON	NEXT DAGE	
	(TEXT CONTINUED ON	NEXT PAGE)	
	(TEXT CONTINUED ON N RESTRICTED. TEXT		
		NON-CIA.	
		NON-CIA.	h. m. Vake
		NON-CIA.	hy Ini Vaky
		NON-CIA.	heg Ini Vaky
		NON-CIA.	hey mi Vaky
		NON-CIA.	hy Ini Vaky
		NON-CIA.	hy Ini Vaky
		NON-CIA.	heg Ini Vaky
		NON-CIA.	heg Ini Vaky
		NON-CIA.	hy mi Vaky
		NON-CIA.	hy mi Vaky
		NON-CIA.	heg Ini Vaky
		NON-CIA.	hy mi Vaky
		NON-CIA.	hy mi Vaky
COMMENT: DISSEMINATIO		NON-CIA.	hey me Vaky
COMMENT: DISSEMINATIO	N RESTRICTED. TEXT	NON-CIA.	hy Ini Vaky
COMMENT: DISSEMINATIO	N RESTRICTED. TEXT	NON-CIA.	hy mi Vaky
DECLASSIFIED E.O. 13526, Section 3.5 NO 02-21 to pre Sec. 3-3(b)(10);	N RESTRICTED. TEXT	NON-CIA.	hy In Vaky
DECLASSIFIED E.O. 13526, Section 3.5	N RESTRICTED. TEXT	NON-CIA.	hey Ini Vaky

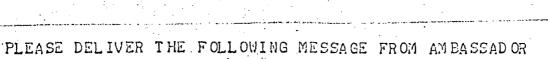
INS E CRET

DATE: 18 JUNE 70

FROM: SANTIAGO

RECD: 18 JUN 1156

IN 106021

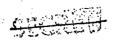


1. SANTIAGO 2210 OF JUNE 12 REPORTED THE VERY STRONG RACE MARXIST ALLENDE IS MAKING IN THE PRESIDENTIAL CAMPAIGN. DESPITE THE STRIKING SIMILARITY WITH OUR UNSCIENTIFIC ANALYSIS OF TWO AND A HALF YEARS AGO, THE PERCENTAGES CITED IN THAT CABLE AS OUR RECKONING OF THE RESPECTIVE CURRENT STRENGTHS OF THE THREE CANDIDATES ARE IN FACT PASED 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.

KORRY TO DIRECTOR HELMS, UNDERSEC JOHNSON, ASST SEC MEYER

2. MORE SIGNIFICANT ARE THE TREND LINES FOR THE PAST MONTH: CONTINUED DECLINE OF ALESSANDRI, STAGNATION OF TOMIC AND GATHERING STRENGTH OF ALLENDE. MOREVOVER 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.

- J. UNLESS ALTERED, THESE TRENDS COULD WELL CULMINATE IN THE ELCTION OF ALLENDE AS PRESIDENT AND, AS A CONSEQUENCE, THE INEVITABLE IMPOSITION OF A LEHINIST 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 CHRISITIAN 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.

1 4

5. TACTICS ADOPTED TO SUIT THESE ASSUMPTIONS WERE:

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-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 ORGAN-IZATIONS FOR ELECTORAL INTERVENTION IS ANY GAUGE.

0

 \bigcirc

0 ... 7 ...

1

自己

itt

0

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.

- 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. COUR 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

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 STRENGHT.
- 6. THE ARISTOTLEAN INJUNCTION THAT POLITICAL WISDOM
 CONSISTS IN THE ABILITY TO MAKE DISTINCTIONS PROPMTS ME TO
 SEEK NOW TO REINFORCE VERY SUBSTANTIALLY OUR ONGOING

ANTI-ALLENDE EFFORT. IT IS THE MARIXISTS 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 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 TAGETS IN THE REMAINING

Simple

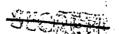
SHORT TIME SHOULD BE FRIE, WOMEN AND RADICAL PARTY MEMBERS.

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 DESPTITE 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



SANITIZED COPY

PAGE 6



中的 CDATTMAR.

IN 106021

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 HAS PROMISED \$80,000. IT IS CLEAR
TO US THAT A GOOD DEAL MORE-- IN EXCESS OF \$350,000 ACCORDIING TO OUR CALCULATIONS-- WILL BE REQUIRED TO MAKE THIS
EFFORT, WHICH HAS BEGUN, SUCCESSFUL IN THE LAST TWO MONTHS
OF THE CAMPAIGN.

PARTY SENATORS AND EPUTIES IN THEIR UNDERGROUND CAMPAIGN OF DISLOYALTY TO ALLENDE HAS BEEN LAUNCHED. TO NAME ONLY

ABOUT \$30,000

(PX1)(P)

ARE REQUIRED FOR THIS UNDERTAKING.

0

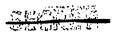
 \bigcirc

 \bigcirc

 \bigcirc

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

CECIOE -



SANTIAGO 2044 IN 106021

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, 82 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:

 \bigcirc

 \bigcirc

O

 \circ

- 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 THE IR KEN AND THEIR CAPACITY TO HANDLE. I

 ANTICIPATE THAT THE ALESSANDRI FORCES WILL BEGIN TO

 TARGAM 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

SANITIZED COPY

PAGE 8

SANTIAGO 2044

IN 106021

HARMONIOUS. ANACONDA IS SO PER ILOUSLY INDISCREET
AND SO INSISTENT 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

SANTIED

PER SC 3.3(b)(iX)

118. 9/11/08

13. IN SUM, I AM REQUESTING APPROVAL FOR

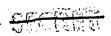
 \bigcirc

0

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 A ID HAS PROVIDED ALMOST THAT MUCH IN LOANS TO THER FREI GOVT PRIOR TOFY 69, WHEN U.S. EXPROPRIATION GUARANTIES ARE WELL OVER \$100,000,000, AND WHEN WE HAVE NOT SIGNED BY LOANS WORTH MENTIONING TOTAL \$2,500,000) FOR ALMOST TWO YEARS.

SANITIZED COPY

PAGE 9



SANTIAGO: 2044 IN 106021

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.

- 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 TO ITS HEADQUARTERS.
- 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 "NOGHING 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 NEGLIGNET AND THE CREDULOUS." GP-1

