MEMORANDUM FOR THE RECORD

SUBJECT: Minutes of the Meeting of the 40 Committee, 7 August 1970

PRESENT: Mr. Kissinger, Mr. Mitchell, Mr. Packard, Mr. Johnson, Admiral Moorer, and General Cushman

Mr. William Broe was present for Item 1.

Mr. William Wells was present for Items 4, 5 and 6.

Mr. Archibald Roosevelt was present for Items 7 and 8.

Ambassador David D. Newsom was present for Item 8.

Messrs. Thomas Karamessines and were present for all items.

1. Chile - Summary of Developments

a. The minute of the Committee meeting of 27 June 1970 contains the statement, "The Committee will keep close watch on Chilean developments from now until September." In compliance, Mr. Broe brought the principals up to date with the following observations: There was some evidence that Alessandri had stemmed his downward trend; Allende was intensifying his drive, particularly in the heavily populated Santiago area; Tomic, still enthusiastic, was wooing the left rather than the right. There was additional evidence that Allende was sensitive to the attacks organized against him and was attempting to respond.

b. The country team indicated as they headed into the home stretch that additional funds might be needed. In response to Mr. Kissinger's question as to whether phase two was, in fact, realistic, Mr. Broe pointed out that no Americans could accurately assess the direction individuals would take should the election go to Congress. The only reliable way to identify the "persuadables" would be to confide fully in Frei and/or Duran and get their assessments based on life-long associations, but it would be disastrous to show our hand at this stage. The Committee would have to consider granting this authority if and when the election went to Congress. Another complicating factor is that the ballot would be secret.

c. Mr. Mitchell asked if American industry was participating in the election, and Mr. Broe replied that he understood they were but their efforts were covert and independent of the USG involvement.