

5 MAR 1970

Approved
3-25-70

MEMORANDUM FOR: The 40 Committee

SUBJECT : Political Action Related to 1970
Chilean Presidential Election

1. Purpose of the Memorandum

A. This memorandum will bring the members of the Committee up to date on the political developments which have taken place since the March 1969 congressional election and recommend that the Committee endorse certain covert activities designed to reduce the possibility of a victory by a Popular Unity (UP) candidate in the September 1970 presidential election. The UP is a coalition of Communists, Socialists and other leftists, and is similar to the Popular Action Front (FRAP) which supported leftist coalition candidates in past elections. This memorandum also discusses the leading presidential candidates, the major campaign issues and the political climate. The recommended covert activities involve support to individuals in the Democratic Radical Party (PDR) and the use of a propaganda mechanism.

B. The most reliable political surveys indicate that the presidential contest will be a close race with an

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By WALH NARA, Date 10/25/12

[pp. 1 of 14]

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estimated 10-15% of the vote still undecided or floating, and, therefore, crucial. The Embassy in Santiago, the Department of State and the CIA have agreed that the election of the UP candidate would be detrimental to the U.S. and that, spoiling operations should be undertaken to influence a portion of the uncommitted vote away from the UP. It has also been agreed that the U.S. Government should not support either of the other two presidential candidates in the sensitive political environment currently found in Chile, since there is little to choose between them.

2. Political Developments and Candidates

A. The months following the March 1969 election have been marked by intense political activity. The six parties which currently make up the UP agreed to nominate the Socialist Senator Salvador Allende in January 1970 after a bitter and prolonged struggle involving intense ideological and personality differences. The other two announced candidates are Jorge Alessandri, an independent, and Radomiro Tomic, the former Ambassador to the U.S. who bears the Christian Democratic Party (PDC) standard.

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- 3 -

(1) Tomic's attempts to form a coalition of leftists in support of his candidacy not only were rebuffed by the Communist Party of Chile (PCCh) but also succeeded in alienating the political right. He is running on a progressive platform, basing his campaign appeal on the continuation and intensification of the "revolution in liberty" theme begun by President Frei in 1964. Although the PDC won 30% of the popular vote in March 1969, Tomic cannot count on this percentage and recent polls indicate that he is presently running third. - The PDC also has been weakened since March 1969 by the defection of some of its best-known revolutionary figures who left the party to form the opposition United Popular Action Movement (MAPU) in mid-1969. The MAPU since has allied with the PCCh and the Socialist Party of Chile (PS) in a series of university elections and is now counted upon in the UP camp.

(2) The Radical Party (PR), whose leadership led it into the UP, at first fought to have its own candidate, Senator Alberto Baltra, chosen as the leftist unity candidate. The PCCh (and later the UP) rejection

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ULN 02-21/5I [pp. 3 of 14]

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- 4 -

of Baltra was a blow to the PR, which in March 1969 held 13% of the vote. In addition, the PR was weakened by the expulsion of its more moderate members who formed the Democratic Radical Party (PDR) after the July 1969 PR party convention.

(3) The National Party, which attracted 20% of the March vote, is supporting former President Jorge Alessandri. Current voting surveys indicate that Alessandri, whose support crosses party lines, is the early leader in the presidential race. Ambassador Edward M. Korry believes, however, that Alessandri's strength may be at its peak and will weaken before election day.

(4) The Communists and Socialists had difficulty in forming an electoral alliance similar to the FRAP. They disagreed on which political parties should be included in the front and on the election issues. The PCCh, for example, wanted a broad alliance (including elements which the Socialists viewed as bourgeois) and it objected to Socialist encouragement of violence and support to ultra-revolutionary groups. The selection of

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NLW 02-21/5I [pp. 4 of 14]

~~SECRET/EYES ONLY~~

- 5 -

Senator Allende came after five months of political bargaining, and the intense bitterness which became increasingly evident during the writing of the UP platform will linger on. At the same time, the PCCh, which is one of the best-organized and most pro-Soviet Communist parties in the hemisphere, was successful in forging a broad-based electoral machine which it will support with its experienced campaign organization. If the UP partners retain the votes they polled in March 1969, their September 1970 aggregate will amount to approximately 40% of the total popular vote. The split within the PR will, however, reduce its contribution to the Allende campaign.

B. On 21 October 1969 a recently-retired Chilean general led a limited military protest designed to exploit the Army's discontent over the failure of its high command to respond to requests for higher pay and more modern military equipment. Although the protest was short-lived and confined to two Santiago regiments, the fact that it occurred at all is significant because of the military's traditionally apolitical behavior and its support of the constitution. The Frei Government acceded to many demands by the disgruntled

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NLW 02-21/51 [pp. 5 of 14]

~~SECRET//EYES ONLY~~

- 6 -

officers, including the granting of a wage increase which it was ill-equipped to finance. Military pay raises have sparked similar demands by other public sector employees thereby adding to the already serious inflation.

Another serious consequence of the military unrest, and the handling of it by the Frei administration, was a public charge that the U.S. Government was involved in the protest's origins. Although the Chilean Government eventually stopped its participation in the anti-U.S. campaign, other voices in the Chilean Congress and the press continued, for a time, in their attacks. The end result was that Chile was made unusually sensitive to the presence of the U.S. Government and CIA.

3. Campaign Issues

The issues at stake during this presidential campaign center around Chile's economic problems -- chronic inflation, housing shortages and unemployment. The need for agrarian reform is treated as a vital problem as is the general concern over the rising tide of violence. Now aware that the traditional apolitical stance of the military can no longer be taken for granted, the candidates are under mounting pressure to be more responsive to the increasing social, economic and political demands of the electorate.

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NW 02-21/5I [pp. 6 of 14]

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- 7 -

4. Covert Activities

On 19 January 1970 representatives of State and CIA, including Deputy Assistant Secretary of State John H. Crimmins, Ambassador Wymberley Coerr and Ambassador Korry, met to discuss the current political situation in Chile and the covert action operations which were being conducted or proposed to reduce the chance of a UP victory.

A. One covert activity involves the continued and expanded use of the propaganda mechanism established during the March congressional election period. The mechanism's effectiveness and security were tested during the March election operation when it performed the dual role of providing propaganda support to the candidates chosen by the State/CIA election team, and disseminating anti-Marxist propaganda via press, poster and radio outlets.

(1) The propaganda mechanism was created as a bona fide publicity firm [REDACTED] [REDACTED] was staffed with technicians and propaganda experts who have access to some of the more influential

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PER 3.3(b)(1)

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NLN 02-21/SI [pp. 7 of

SANITIZED COPY

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- 8 -

radio and press outlets in the country. The security of the mechanism, plus its proven talents in the propaganda field, permit the mounting of an anti-UP campaign on a country-wide basis in which the U.S. hand will not show. In addition to producing posters, radio and newspaper ads, and leaflets directed against the UP, a bi-weekly newsletter will be mailed to 2,200 journalists, academicians, politicians, labor leaders and other influential opinion makers. The newsletter will discuss and reveal the tactics and strategy of Communism and popular fronts, and will suggest courses of action for those interested in countering UP election efforts.

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per 3.3(b)(1)

(2) The [REDACTED] who formed the propaganda mechanism may attempt to use it to further the candidacy of Alessandri. With this possibility in mind it has been made clear to them that our interest in the mechanism is solely to draw votes away from the UP and to divide the coalition. Although a conflict of interest is not expected to arise, the propaganda will be

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NEW 02-21/51 [REDACTED] 8 of 4

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- 9 -

monitored closely and should the tone or content become pro-Alessandri rather than anti-UP, our support will cease.

B. The second covert activity supports the PDR in its efforts to reduce the number of votes which the Radical Party can deliver to the UP.

(1) Historically the Radical Party has been an important party in Chilean politics. From 1938-1952 it ruled essentially alone by outmaneuvering its Marxist allies. From 1952-1964 it remained the largest single political party but suffered defeats in the congressional elections of 1965 and 1969, and in the latter case fell to fourth place in voter popularity. Its opportunistic leaders now view alliance with the UP as the only avenue to regain a measure of power. Although the PR currently represents only about 13% of the vote, it could play a decisive part in a close presidential race and it is therefore necessary to work against the present leaders thereby reducing the number of votes they can deliver to Allende.

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NLU 02-21/51 [pp. 9 of 14]

SANITIZED COPY

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- 10 -

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(2) The Special Group first authorized covert contacts with members of the PR [REDACTED] when approval was given to assist moderate Radicals in their efforts to gain influence within the party. In December 1963, the Special Group approved financial support to [REDACTED] [REDACTED] whose [REDACTED] candidacy kept [REDACTED] votes from going to the FRAP candidate, Allende. On 28 April 1967, the 303 Committee approved a special [REDACTED] subsidy to assist moderate Radicals in their contest with pro-FRAP leaders for control of the June 1967 party convention. Failing that, the moderates were encouraged to gain sufficient strength to restrict the policy control then being exercised by Marxist-oriented PR leaders. The PR moderates failed to gain sufficient control and the party moved closer to an alliance with the Communists and Socialists. This trend was confirmed during the July 1969 convention when dissident moderates were purged from the PR hierarchy. The dissidents then organized

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NLW 02-21/51 [pp. 10 of 14]

SANITIZED COPY

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- 11 -

the PDR in opposition to the parent party and its proposed alliance with the PCCh and the Socialists.

(3) With the approval of Ambassador Korry, we continued to work with dissident PR leaders to establish the PDR as a political base. Assistance during the July-December 1969 period amounted to approximately [REDACTED]. Funds were provided for specific activities such as publicity for the new party's manifesto, the campaign to get the 10,000 signatures needed for legal inscription, and for meetings of PR women. The PDR acquired 14,000 signatures and was registered as a legal party in December 1969.

(4) Ambassador Korry has agreed to two recent proposals to assist the PDR in its efforts to undercut PR and UP strength. The first involves financing [REDACTED] trips throughout Chile to weaken and divide the PR and to rally Radical voters against the UP at an estimated cost of [REDACTED]. The second involves payment of about [REDACTED] to a PDR staff member so that he can maintain an office to be used for party work.

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NLN 02-21/51 [pp. 11 of 14]

(5) Our interest in the PDR is in its ability to reduce the electoral support which the PR can deliver to Allende. This spoiling operation will be monitored closely by the Ambassador and the CIA Station in Chile and will be discontinued should it become more of a vehicle for promoting Alessandri's candidacy than an anti-UP weapon.

C. There are other existing political action capabilities available to the CIA Station which are being used to attack and weaken the UP. These include a radio commentator with a nation-wide audience, several journalists, and a leader of an independent women's group who will encourage the traditionally anti-Communist Chilean women to register and vote in September. Additional agents produce non-attributable circular letters and posters which appear to be the work of dissident UP elements.

5. Recommendations

A. There is a State/CIA consensus that the 1970 presidential election will be a close race in which no candidate is likely to win an absolute majority. No U.S. Government support is planned for Tomic or Alessandri. Tomic is now running a distant third and it is unlikely that external support

could swing a sufficiently large number of votes to make him a serious contender. Even if this were a possibility, Tomic's views on economic and political matters would indicate that a government led by him would be apt to take some actions not consonant with U.S. interests. Alessandri's advanced age (he is now 73 years old), and the undistinguished record of his 1958-1964 administration, are factors which argue against support of his candidacy. In addition, the present political climate in Chile is very sensitive to the presence of the U.S. and the CIA, and it is not conducive to the mounting of a large-scale election operation.

B. The UP candidate, Allende, running as the standard-bearer of a broad leftist coalition and benefiting from the extensive organization talents of the strong PCCh, is a formidable contender; he is presently running second, according to an October 1969 public opinion survey. Intelligence indicates that the Chilean military would probably not prevent him from assuming office. Based on Allende's own views, plus the public platform of the UP, we must assume that an Allende victory would mean the emergence of a Castro-type government in Chile.

C. Since the race is expected to be close, in which 10-15% of the vote is floating and crucial, there is a reasonable chance that the spoiling operations, involving the PDR and the propaganda mechanism, could influence a small but critical number of votes away from the UP. It is therefore considered advisable to attack and attempt to divide the UP by means of these two spoiling operations. There is also the justified expectation that these operations will be conducted without the U.S. hand showing.

D. The estimated costs of these two activities through September 1970 are: (1) \$35,000 for assistance to the PDR and (2) \$90,000 for the propaganda mechanism. It is recommended that the 40 Committee endorse these activities at the funding level mentioned above. Funds are available within the Agency.