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Chile: A Case Study

The U.S. began its heavy investment in the political fate of Chile in the early 1960s. President John Kennedy had met Eduardo Frei, leader of the Christian Democratic Party in Chile, and decided that he was the hope of Latin America. Frei was a man of the left, but not too far left, a man who was not hostile to U.S. interests and just might be able to achieve needed reform without violent revolution. When Frei faced Salvador Allende, a self-professed Marxist with a Communist following, in the 1964 election, the U.S. made no secret of where its sympathies lay.

Frei became the recipient of American political advice, encouragement and hefty financial aid. Between 1962 and 1965, the U.S. gave Chile \$618 million in direct economic assistance—more per capita than any other Latin American country. In a diary due to be published in Britain this year, former CIA Operative Philip Agee describes how he was called upon for assistance from his post in Montevideo in 1964: "The Santiago station has a really big operation going to keep Salvador Allende from being elected President. He was almost elected at the last elections in 1958, and this time nobody's taking any chances. The trouble is that the office of finance in headquarters [Langley, Va.] couldn't get enough Chilean escudos from the New York banks; so they had to set up regional purchasing offices in Lima and Rio. But even these offices can't satisfy the requirement, so we have been asked to help." The results were gratifying. Frei won with 56% of the vote, and the future of Chile seemed to be assured.

But from the outset, Frei ran into trouble. He was attacked by the right for moving too fast and by the left for going too slowly. Allende's Socialist Party continued to grow, picking up defecting left-wing Christian Democrats and uniting with other opposition parties. It became a case for the CIA. A station chief had been sent to Santiago in 1964; later the agency's presence began to multiply in preparation for the 1970 election, when Frei would be constitutionally barred from seeking a second term and Allende would pose more of a threat than before.

TIME has learned that a CIA team was posted to Chile with orders from the National Security Council to keep the election "fair." The agents interpreted these instructions to mean: Stop Allende, and they asked for a whopping \$20 million to do the job. They were given \$5 million and ultimately spent less than \$1 million. "You buy votes in Boston, you buy votes in Santiago," commented a former CIA agent assigned to the mission. But not enough votes were bought; Allende had a substantial following. He was prevented from winning a majority, but with only 36% of the vote he narrowly won a three-way race that was finally decided in the Chilean Congress. CIA officials in Washington were furious.

The Nixon Administration saw the Allende regime as more of a threat than Cuba to the hemisphere. The White House feared that Chile would serve as a base for South America's revolutionary left as well as a convenient outpost for the Soviet Union. So many Marxist activists were pouring in from Cuba, Czechoslovakia and China that a special team of CIA clerks was dispatched to Chile to start indexing thousands of cards on their activities. Publicly, Henry Kissinger warned of the domino effect in Latin America. If Communism could find a secure berth in Chile, it would be encouraged to spread throughout the continent. Privately, the 40 Committee, the top-level intelligence panel headed by Kissinger, authorized \$8 million to be spent to make life even tougher for Allende than he was making it for himself.

The extent of the CIA's involvement was revealed earlier this month by congressional sources who had been privy to earlier testimony by CIA Director William Colby. Further details have been supplied by other agency officials. Precisely how much was spent by foreign Communists—principally Moscow—to get Allende into office and then to keep him

there is not known. Most Western intelligence experts figure that the CIA campaign was scarcely comparable in terms of expenditures or intensity. Nonetheless, the agency went further than even many of its critics imagined.

For a Marxist government, the Allende regime had moved relatively slowly toward suppressing free institutions. But the CIA believed it was only a matter of time before all dissent would be muffled. Approximately half the CIA funds were funneled to the opposition press, notably the nation's leading daily *El Mercurio*; Allende had steered government advertising to the papers supporting him while encouraging newsprint prices to rise high enough to bankrupt the others. Additional CIA funds went to opposition politicians, private businesses and trade unions. "What we were really doing was supporting a civilian resistance movement against an arbitrary government," argues a CIA official. "Our target was the middle-class groups who were working against Allende."

Covert assistance went beyond help for the democratic opposition. The CIA infiltrated Chilean agents into the upper echelon of the Socialist Party. Provocateurs were paid to make deliberate mistakes in their jobs, thus adding to Allende's gross mismanagement of the economy. CIA agents organized street demonstrations against government policies.

As the economic crisis deepened, the agency supported striking shopkeepers and taxi drivers. Laundered CIA money, reportedly channeled to Santiago by way of Christian Democratic parties in Europe, helped finance the Chilean truckers' 45-day strike, one of the worst blows to the economy. Moreover, the strikers doubtless picked up additional CIA cash that was floating round the country. As an intelligence official notes, "If we give it to A, and then A gives it to B and C and D, in a sense it's true that D got it. But the question is: Did we give it to A knowing D would get it?"

While owning up to CIA efforts to weaken Allende, Colby insists: "We didn't support the coup, we didn't stimulate it, we didn't bring it about in any way. We were quite meticulous in making sure there was no encouragement from our side." Most U.S. policymakers would have preferred that Allende be ousted in democratic fashion at the election scheduled for 1976. That kind of exit, they feel, would have decisively proved the bankruptcy of his policies.

Clearly the CIA considers the junta to be the lesser of two evils. Still, it rates the Chilean enterprise a failure since it ended in military dictatorship. Several years of dangerous, costly and now nationally divisive intervention in another country's internal politics might better have been avoided. Though Soviet propaganda blames the CIA for the Chilean coup and the death of Allende, Soviet intelligence analysts do not give the CIA any credit. The Russians think the fault lay with Allende himself for not being enough of a strongman. He temporized with constitutional processes when he should have disregarded them. He did not follow the example of Fidel Castro, who executed more than 1,000 of his opponents when he came to power; 15 years later, he still rules Cuba. Nor did the CIA have any better luck against him.

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ALLENDE'S LAST HOURS

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