

30 SEPTEMBER 1970

FOR: COLONEL RICHARD KENNEDY
THE WHITE HOUSE

PLEASE PASS THE FOLLOWING MESSAGE TO DR. KISSINGER FROM HELMS:

"1. WE HAVE FORWARDED AMBASSADOR KORRY'S MESSAGES TO GENERAL HAIG FOR YOU. TWO THEMES PREVAIL. THE FIRST IS THAT FREI IS APPARENTLY SINCERELY IN PURSUIT OF A FORMULA WHICH WOULD ALLOW A LOGICAL AND ACCEPTABLE MILITARY SOLUTION, BUT FREI CANNOT BRING HIMSELF TO PLAY THE VITAL ROLE OF STARTING THE ACTION.

"2. KORRY'S SECOND THEME IS THAT THE ONLY PRACTICAL WAY TO CREATE THE TENSE ATMOSPHERE IN WHICH FREI COULD MUSTER THE COURAGE TO ACT IS TO SEE TO IT THAT THE CHILEAN ECONOMY, PRECARIOUS ENOUGH SINCE THE ELECTION, TAKES A DRASTIC TURN FOR THE WORSE. AT LEAST A MINI-CRISIS IS REQUIRED.

"3. INTERESTINGLY, OUR BEST INTELLIGENCE INDICATES THAT THERE IS ANOTHER IN CHILE WHO SHARES KORRY'S VIEWS THAT A SUDDENLY DISASTROUS ECONOMIC SITUATION WOULD BE THE MOST LOGICAL PRETEXT FOR A MILITARY MOVE -- PRESIDENT FREI.

"4. KORRY HAS AN ABUNDANCE OF ECONOMIC IDEAS WHICH, IF EXPLOITED ENERGETICALLY, MIGHT CREATE A CHAOTIC SITUATION. AT A MEETING OF THE FORTY COMMITTEE ON 29 SEPTEMBER THERE WAS ACCEPTANCE OF KORRY'S ARGUMENTS.

"5. AMBASSADOR KORRY IS MARKEDLY DISTRESSED WITH THE POSTURE OF THE BRITISH. THEY HAVE BEEN AROUND A LONG TIME IN CHILE, AND EXERT CONSIDERABLE INFLUENCE, ESPECIALLY WITH ADMIRAL PORTA AND THE NAVY. KORRY FEARS THE BRITISH ARE MOVING WITH LIMITED VISION IN THEIR HASTE TO FILL ANY VACUUM LEFT BY AMERICAN ECONOMIC DENIAL. HE IS CONCERNED WITH THE

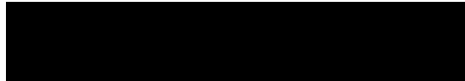
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BLATANTLY PRO-ALLENDE ATTITUDES OF THE BRITISH AMBASSADOR, WHO KORRY BELIEVES RESPONSIBLE FOR THE LOAN OFFER OF FOUR MILLION STERLING TO CHILEAN BANKS FROM BRITISH PRIVATE BANKS.

"6. I SHARE KORRY'S CONCERN. IN ANY EVENT, IT IS UNFORTUNATE THAT THE SIXTY-FOUR PERCENT OF CHILEAN VOTERS WHO DID NOT VOTE FOR ALLENDE ARE OBSERVERS OF A BRITISH POSTURE WHICH INDICATES CONFIDENCE IN ALLENDE'S FUTURE.

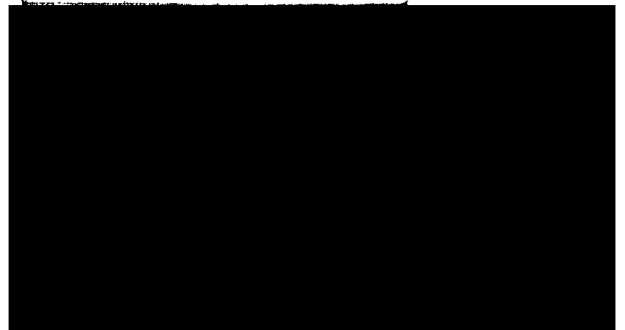
"7. THE FOREGOING IS TO UPDATE YOU, SO THAT CHILE CAN HAVE AN IMPORTANT PLACE ON THE AGENDA OF THE PRESIDENT WITH PRIME MINISTER HEATH."

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RICHARD HELMS
DIRECTOR

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Approved For Release

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