

S E C R E T

11 March 1976

MEMORANDUM FOR: The Review Staff

25X1A

ATTENTION: [REDACTED]

VIA: [REDACTED]

SUBJECT: State Department Request for Cables from AmEmb,  
Santiago, Chile, Transmitted [REDACTED]

REFERENCE: Review Staff 76-0305, 10 March 1976

25X1C

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1. Per [REDACTED] 25X1A verbal request of 10 March 1976, attached herewith are two cables from Ambassador Korry to Under Secretary Johnson which were transmitted [REDACTED] on 25 September 1970 and 8 October 1970. These two cables were included in a group of cables provided the Review Staff on 1 August 1975 for transmittal and review by the State Department for release to the Senate Select Committee Staff. We are unaware whether the State Department made these cables available to the SSC Staff.

2. It is our understanding that these cables will be forwarded to Mr. Verne H. Jennings, Jr., INR/DDC/RPS, for perusal by Under Secretary Eagleburger.

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[REDACTED]  
Chief  
Latin America Division

Attachments:

1. [REDACTED] 25 September 1970
2. [REDACTED] 8 October 1970

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CL BY 055762

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State Dept. declassification & release instructions on file

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IMMEDIATE DIRECTOR  
SECTION 1 OF 3

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25 SEP 70 170054

FOR UNDERSEC JOHNSON AND HENRY KISSINGER FROM AMB KERRY  
(PART II)

1. BEFORE OFFERING COMMENTS AND RECOMMENDATIONS, ONE MORE FACT: PDC TECHNICIANS WEIGHING THEIR FUTURES HAVE GONE THIS WEEK TO COMMUNIST DEPUTY JORGE INSUNZA, TO MAPU DEPUTY SILVA SOLAR AND TO MAPU LEADER CHONCHOL, THE LATTER TWO EX-PDC, TO INQUIRE ABOUT THEIR CHANCES OF LEAVING CHILE AFTER NOV. 4. THE COMMUNIST SAID THEY HAD LEARNED FROM CUBA THEY COULD NOT PERMIT LOSS OF NATION'S BRAINS AND THE OTHER TWO HAD SAID THERE WOULD BE NO CLOSING OF FRONTIERS BUT THE RED TAPE BLOCKS WOULD BE VERY FORMIDABLE.

2. I HAVE SOUGHT TO PROVIDE AS MUCH MOBILITY AND AS MANY OPTIONS AS I COULD FOR FREI AND FOR CHILE IN PROTECTION OF U.S. INTERESTS HERE, IN THE AREA AND BEYOND. FREI HAS FULFILLED MOST OF MY SUGGESTIONS; HE HAS

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CREATED AN ENVIRONMENT IN WHICH SOMETHING COULD STILL HAPPEN, PARTICULARLY IF SPARKED BY A DECLINING ECONOMIC SITUATION. BUT HE HAS NOT MOVED BEYOND STAGE-MANAGING TO PLAYING THE DECISIVE ROLE AND HE WILL NOT.

3. HE WOULD WELCOME THE U.S. DOING HIS DIRTY WORK FOR HIM BY SEEKING TO PROVOKE A MILITARY COUP. ASIDE FROM THE MERITS OF A COUP AND ITS IMPLICATIONS FOR THE U.S., I AM CONVINCED WE CANNOT PROVOKE ONE AND THAT WE SHOULD NOT RUN ANY RISK SIMPLY TO HAVE ANOTHER BAY OF PIGS. HENCE I HAVE INSTRUCTED VERY STRONGLY OUR MILITARY

25X1A [REDACTED] TO ENGAGE IN NO ENCOURAGEMENT OF ANY KIND.

4. ONE OF THE "IN" PEOPLE ON THAT ABORTIVE OPERATION, MAY I UNGRACIOUSLY INSERT HERE, WAS MY PREDECESSOR. IN THIS POST, RALPH DUNGAN, WHOSE ARTICLE IN THE WASHINGTON POST YESTERDAY HAS HAD PROFOUND EFFECT TODAY, PARTICULARLY ON THE PDC. IT IS INTERPRETED QUITE ACCURATELY AS A VOTE FOR ALLENDE AND AS AN EARNEST OF

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U.S. SUPPORT FOR WHAT SOME CALL A FASCINATING EXPERIMENT. I SHALL COMMENT VIA STATE CHANNELS ON DUNGAN EVENTUALLY. BUT I WOULD ONLY NOTE FOR THE MOMENT THAT HIS PLEA FOR NON-INTERVENTION AND USG MATURITY IS FROM THE SAME VOICE THAT IS REGARDED UNIVERSALLY IN THIS COUNTRY AS THE SINGLE GREATEST INTERVENER IN THE HISTORY OF OUR RELATIONS AND THE ORGANIZER OF THE MASSIVE INTERVENTION TO STOP ALLENDE IN 1964.

5. BUT RATHER THAN WRING MY HANDS A LA FREI ABOUT DUNGAN OR OTHER PROBLEMS, LET US MOVE TO THE NEXT CHALLENGE: --HOW TO CREATE A SITUATION IN WHICH THE TASK OF IMPOSING A MARXIST-LENINIST STRUCTURE IS MADE MORE DIFFICULT FOR ALLENDE AND HOW TO ATTAIN THIS GOAL WHILE BUTTRESSING OUR LEVERAGE IN THE DIFFICULT NEGOTIATIONS WITH HIM. AS STRESSED FROM THE OUTSET OF THIS CRISIS, THESE OBJECTIVES HAVE ALWAYS BEEN UPPERMOST IN MY MIND AND CONVERGENT WITH THE NOT-YET-NORIBUND EFFORT TO BLOCK

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ALLENDE.

6. LEST ANYONE IMAGINE THAT WE HAVE TIME FOR MORE SERIOUS REFLECTION AND DECISION, I STRESS THAT WHAT WE DO NOW, AND I MEAN TOMORROW AND EVERY DAY UNTIL OCT 24TH, WILL AFFECT THE LONGER-TERM OBJECTIVES AS WELL AS THE IMMEDIATE ONE. INDEED, IF DONE EFFECTIVELY AND IF, BY PROVIDENCE'S HAND, IT WERE TO MESH WITH OTHER LOCAL EVENTS, OUR ACTIONS COULD HELP TO BLOCK ALLENDE BEFORE OCT 24TH.

7. POPULAR UNITY WILL COME TO POWER AS AN INHERENTLY UNSTABLE COALITION, AFFLICTED FROM THE OUTSET BY IDEOLOGICAL DIFFERENCES, POLITICAL OPPORTUNISM AND CORRUPTION, INCOMPETENCE AND INEVITABLE ADMINISTRATIVE CONFUSION. ITS PARTNERS RANGE FROM FANATIC AND VIOLENT REVOLUTIONARIES OF THE CASTROITE STRIPE (LEFT WING OF THE SOCIALIST PARTY AND THE MIR) TO A NOTORIOUS GROUP OF POLITICAL THUGS AND THIEVES (SENATOR TARUD AND THE RADICALS).

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ITS DECISION-MAKING MACHINERY INCLUDING A PROJECTED HIGH-LEVEL POLICY COUNCIL WITH REPRESENTATION FROM ALL U.P. GROUPS, IS LIKELY TO FUNCTION IN THE CREAKIEST OF FASHIONS; ITS ECONOMIC AND MANAGERIAL EXPERTISE IN KEY POSITIONS IS LIKELY TO BE MEDIOCRE OR WORSE. THESE PROBLEMS CAN BE OVERCOME AS ALLENDE AND HIS COMMUNIST PARTNERS GRADUALLY GAIN CONTROL. BUT MEANTIME ALLENDE'S GOC WILL FACE THE CRITICAL PROBLEMS OF MAKING A FAIRLY COMPLEX ECONOMY AND GOVERNMENT WORK, WHILE DELIVERING ON PROMISES OF REVOLUTION AND A BETTER LIFE FOR ALL.

8. IT WILL BE DURING THIS PERIOD--PERHAPS SIX TO NINE MONTHS--THAT ALLENDE'S POPULAR UNITY WILL BE MOST VULNERABLE. IF THE ECONOMIC AND ADMINISTRATIVE PROBLEMS ARE SUFFICIENTLY SEVERE, POPULAR UNITY COULD CRUMBLE. IF THEY ARE UNABLE TO COPE, THE "UNITY" COULD DISSOLVE, THE "REVOLUTION" TURN INTO CHAOS AND THE PEOPLE'S SUPPORT FOR THEIR GOVERNMENT MELT AWAY. THIS IS THE

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SCENARIO THAT WOULD UNITE THE ARMY AND SET THE SCENE FOR EFFECTIVE, POPULARLY-BACKED MILITARY INTERVENTION.

9. THE PDC IS PREPARING FOR THAT DAY--AT LEAST SOME OF THE HEALTHIER ELEMENTS BY WORSENING THE ECONOMIC SITUATION A LA ZALDIVAR SPEECH AND BY BUYING UP A MASS OF MEDIA OUTLETS FROM FRIGHTENED OR HARD-PRESSED ALESSANDRISTA ELEMENTS. MASSAD'S ADVICE IS AS MUCH DIRECTED TO THAT SLIGHTLY LONGER-TERM ASPIRATION AS IT IS TO THE IMMEDIATE ONE OF STOPPING ALLENDDE.

10. IF ONE LARGE INTERPRISE HERE WERE TO SHUT ITS DOORS NEXT WEEK, IF ONE BANK WERE TO FAIL, IF ONE SAVINGS AND LOAN ASSOCIATION WERE TO COLLAPSE, WE WOULD STILL HAVE LIFE BEFORE OCT 24TH AND WE WOULD BE CONTRIBUTING TO THE CHAOS THAT HAS ITS NATURAL YEAST IN ANY CASE.

11. I SEE NO RISKS IN PURSUING WITH U.S. COMPANIES IN THE U.S., PARTICULARLY IF ONE TOTALLY DISCREET LEADER WERE SELECTED (MAY I SUGGEST THE NAME OF HAROLD GENEEN),

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THE SUGGESTIONS PUT FORWARD BY MASSAD. FOR U.S. COMPANIES IT WOULD BE NATURALLY PRUDENT TO TAKE PRECAUTIONARY MEASURES AND EVEN MORE IN ONE OR TWO CASES, PARTICULARLY SINCE ALL THE HARD INTELLIGENCE ON ALLENDE--AND THAT INCLUDES HIS TALKS WITH THE PDC--HAS HIM SAYING UNEQUIVOCALLY THAT ALL FOREIGN ENTERPRISES ARE TO BE NATIONALIZED. THE QUESTION FOR THE COMPANIES IS WHETHER IT WILL BE THE FIRST OR SECOND YEAR OF POPULAR UNITY AND WHETHER THEY GET ANY EFFECTIVE COMPENSATION. FOR THE VAST MAJORITY OF U.S. COMPANIES THAT WILL BE AFFECTED, CHILE IS NOT THE COSTLY PROBLEM; RATHER IT IS THE EFFECT ON ARGENTINA AND THE REST OF LATIN AMERICA AND BEYOND.

12. MAY I CITE ONE FUNNY DETAIL IN SUPPORT. ALEJANDRO HALES, THE MINISTER OF MINES CALLED IN THE REPS OF SHELL, ESSO, AND THE CHILEAN COPEC COMPANY YESTERDAY. HE USED A PRETEXT BUT HIS MESSAGE ACCORDING TO THE ESSO MAN WAS VERY CLEAR: THE ECONOMIC SITUATION

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IS BAD AND IT WOULD BE GOOD IF IT GOT WORSE. IT WAS HANDLED WITH THE USUAL CLEVERNESS OF MY GOOD ARAB MINISTERIAL FRIEND (WHOM I HAVE NOT SEEN AND WHO UNTIL THIS WEEK WAS LISTED AS LESS THAN 100 PER CENT ANTI-ALLENDE) MALES THEN TOOK ASIDE THE SHELL MAN (A CHILEAN) TO ASK WHY IN HELL HE COULD NOT CONTROL THE BRITISH AMBASSADOR.

13. THE ECONOMY WILL TEND TO TURN UP IF A CONSCIENTIOUS EFFORT IS NOT MADE TO HAVE IT GO DOWN. PEOPLE WILL START TO BUY IN NORMAL TERMS ONCE THEY BELIEVE ALLENDE IS DEFINITELY THE PRESIDENT. THAT IS WHY THE ALLENDE FORCES ARE PUSHING SO HARD AND FAST FOR PDC BLESSING NOW. HOWEVER MASSAD AND ZALDIVAR WILL COOPERATE IN BLICKING AN UPTURN IF THERE IS ANY POSSIBILITY TO DO SO LEGITIMATELY AND IN SOME CASES, ILLEGITIMATELY.

14. SOME OBJECTIVES WE COULD SUPPORT WITHOUT RPT WITHOUT SHOWING THE USG HAND ARE THE FOLLOWING:

A. LET THE BUSINESS COMMUNITY KNOW ABOUT THE

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UNLIKELIHOOD OF ANY EXIT FOR TECHNICIANS AND MANAGERS AND PROFESSIONALS AFTER NOV 4TH. IT IS A MATTER OF SEMI-PUBLIC RECORD. THE FEWER THE BRAINS, THE MORE DIFFICULT THE MANAGEMENT PROBLEM FOR ALLENDE.

B. STOP BANK CREDIT AND AS MUCH OTHER CREDIT AS POSSIBLE.

C. GIVE THE WIDEST DISTRIBUTION TO THE BLEAK ZALDIVAR ANALYSIS. BUSINESS EXECUTIVES COULD INFLUENCE BANKING AND OTHER RESPECTED JOURNALS TO DIFFUSE THIS MESSAGE WIDELY AND QUICKLY.

D. CONSIDER HAVING ONE LARGE U.S. COMPANY FOLD UP. FORD HAS A PERFECT JUSTIFICATION FOR DOING SO AND IT IS DOOMED. GENERAL MOTORS SHOULD NOT TRY TO HANG ON TO GET A TASTE OF THE NEW POSITION, BY BRINGING IN SPARE PARTS BY AIR AS IT DID

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THIS WEEK. THE BANK OF AMERICA IS ALMOST BANKRUPT HERE; WHY SHOULD IT HANG ON?

E. MENTION SPECIFICS IN ANY PROPAGANDA THAT THE BUSINESS COMMUNITY (AGAIN I CAUTION NOT THE USG) CAN SPREAD. THE TWO SAVINGS AND LOAN ASSOCIATIONS I MENTIONED IN PART I (CALICANTO AND CASA CHILENA) AND THE BANCO HYPOTECARIO (AN ALESSANDRISTA GROUP THAT IS THE NO. 1 TARGET OF BOTH PDC AND <sup>U.P.</sup>P.) ARE ON THE ROPES AND ONLY NEED A VERY SLIGHT SHOVE.

F. PERSUADE ANACONDA IN THE CURRENT NEGOTIATIONS WITH ITS UNIONS TO ACCEDE TO THEIR DEMANDS. ANACONDA COULD SUGGEST THAT A U.P. ECONOMIST BE PRESENT AT THE NEGOTIATIONS, PERHAPS VUSKOVICH THE ALLENDE LIAISON TO ZALDIVAR AND THE FUTURE MINECONOMY. AFTER ALL, ALLENDE SAID PUBLICLY AFTER THE ELECTION THAT COPPER WORKERS WERE VASTLY UNDERPAID AND THE CHUQUICANATA MINING AREA (ANACONDA) VOTED AGAINST GP-1.

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ALLENDE. IT IS NATURAL FOR THE GOC'S 51 PER CENT MANAGEMENT (ALL PDC) TO CEDE TO THEIR WISHES AND GIVE A WHOPPING BIG RAISE THAT WOULD HAVE ALL OTHER WORKERS IN THE COUNTRY CLAMORING FOR ONE.

14. IN THE MOST DISCREET FASHION POSSIBLE, THE TREASURY SHOULD ASCERTAIN AND PROVIDE (US TOO) THE AMOUNT OF CHILEAN GOVT'S DOLLAR HOLDINGS IN THE U.S. I HAVE IN MIND FOR LONGER-TERM USE--ON NOV. 3 OR 4 TO BE PRECISE-- THE BLOCKING OF CHILE'S ASSETS IN THE U.S. I RECOGNIZE THAT SUCH A PROPOSAL IS VERY HAIRY INDEED AND THAT IT WOULD REPRESENT A FORM OF ECONOMIC WARFARE <sup>A</sup> AGAINST ALLENDE. BUT THE JUSTIFICATION WOULD BE THE ALMOST IMMEDIATE NATIONALIZATION OF COPPER--ALLENDE HAS SAID HE WOULD DO IT NOV. 5--AND THE UNLIKLIHOOD OF ANY EFFECTIVE COMPENSATION. CHILEAN RESERVES MIGHT BE 200 TO 300 MILLIONS IN THE U.S., IN FACT,, MOST OF ITS HARD CURRENCY CUSHION. A U.\$S. FREEZE WOULD PUT ALLENDE TO THE WALL FROM THE START. IT SHOULD BE, NEEDLESS TO

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SAY, VERY CAREFULLY CONSIDERED BY THE MINIMUM NUMBER OF PEOPLE AT THE HIGHEST LEVELS OF THE GOVT.

15. FINALLY IT WOULD OF COURSE BE VERY HELPFUL TO HAVE SOME EARLY WASHINGTON AGREEMENT AMONG CREDIT-GIVING AGENCIES. OUR PROPOSAL IS TO HOLD IN ABEYANCE ANY FRESH U.S. CREDITS. MY REASONING IS THAT OUR EXPOSURE IS VERY LARGE INDEED ALREADY: --\$800,000,000 IN AID GUARANTIES; \$300,000,000 IN A.I.D. AND EXIM LOANS AND MORE THAN A BILLION IF NOT TWO BILLIONS IN REPLACEMENT VALUE OF US ENTERPRISES. I SEE NO REASON TO GRANT ANY FURTHER CREDITS UNTIL WE KNOW ALLENDE'S INTENTIONS.

16. IN THIS CONNECTION IT WOULD BE VERY HELPFUL IF WE COULD GET SOME WIDER WASHINGTON AGREEMENT ON HOW TO DEAL WITH THE ALLENDE CONTINGENCY. THE EMBASSY'S PAPER SENT TO ARA/AP JULY 24TH ("THE ALLENDE CONTINGENCY") SPELLED IT OUT CLEARLY. BUT TODAY FOR EXAMPLE AFTAC, THE PEACE CORPS, AID AND ALMOST EVERY AGENCY HERE HAS COME UP WITH ESSENTIAL REASONS FOR DOING BUSINESS AS

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USUAL. THESE PAROCHIAL ATTITUDES COMPLICATE OUR PROBLEMS ENORMOUSLY. TODAY FOR EXAMPLE, DR. SEABORG FROM VIENNA INFORMED US THAT HE HAD TOLD THE CHILEAN DELEGATE TO THE IAEC GENERAL ASSEMBLY THAT THE U.S. WOULD OF COURSE HONOR ITS COMMITMENT TO DELIVER ENRICHED URANIUM FUEL (OF BOMB-MAKING CAPACITY) TO CHILE WITHIN THE NEXT FEW MONTHS. DID ANYONE CLEAR THIS? IF SO, WHAT WAS THE LOGIC? (VIENNA 5484)

17. WE SHALL SEEK TO PROVIDE VERY SHORTLY THE ELEMENTS IN THE PDC REQUESTS TO ALLENDE THAT HE DOES NOT WISH TO MAKE PUBLIC AND WE SHALL BE EQUALLY ALERT TO ANY OTHER POSSIBILITIES THAT CAN PRODUCE THE IMMEDIATE AND LONGER-TERM IMPACTS WE WANT:

A. TO <sup>MA</sup> MAKE THE ARMY MORE SUSPICIOUS OF ALLENDE'S INTENTIONS.

B. (TO MAKE THE MEDIA (AND PUBLIC) MORE ALERT TO ENCROACHMENTS AND TO INSPIRE MORE RESISTANCE..

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C. TO MAKE THE CONSUMER MORE DOUBTFUL ABOUT THE ECONOMY AND LESS WILLING TO SPEND.

D. TO MAKE THE PDC AND OTHER MODERATE ELEMENTS MORE CONSCIOUS OF THEIR ROLE AS GUARDIANS OF CHILE'S DEMOCRATIC TRADITIONS AND STRUCTURE.

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*Mitt (L. i.)*


*D 2210*

**PRECEDE.**

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EYES ONLY FOR DR. KISSINGER AND ALEXIS JOHNSON FROM  
AMB. KORRY

1. I HAVE TAKEN EVERY APPROPRIATE MEASURE TO MAKE KNOWN TO CHILEAN MILITARY THE POINTS CONTAINED PARA 1 OF REFTEL. MY DUAL PURPOSE WAS, AS YOU WILL RECALL, TO PROVIDE FREI WITH ADDITIONAL LEVERAGE AS LONG AS THERE WAS ANY HOPE OF HIS TAKING ANY ACTION AND AT THE SAME TIME TO IMPROVE OUR BARGAINING POSITION WITH ALLENDE IF HE WERE TO COME TO POWER. IT WOULD APPEAR FROM THE LATEST *CIA* REPORTS THAT THE FREI HOPE IS ALMOST DEAD. AS FOR THE POSSIBILITY OF A COUP FROM ANY QUARTER (SEE PARA 7 ETSEQ OF THIS MESSAGE) I AM UNALTERABLY PERSUADED THAT WE CAN AND SHOULD DO NOTHING TO ENCOURAGE SUCH AN ACTION IN THE CIRCUMSTANCES THAT PREVAIL TODAY.

2. CARABINERO HEAD GEN. HUERTA CALLED ME TODAY TO INQUIRE IF MY LETTER TO OSSA YESTERDAY APPLIED TO ALL

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COURSES AND IF IT REPRESENTED MY OWN DECISION. I REPLIED AFFIRMATIVELY TO FIRST AND SAID THAT SECOND DECISION WAS WASHINGTON'S. I ADDED THAT UNTIL WE KNEW WHAT WERE NEW GOVT'S POLICIES WE COULD NEITHER AFFORD TO CONTINUE OUR "MILITARY PROGRAMS OF ANY KIND" NOR PUT CHILEAN MILITARY IN POSITION OF BEING PUNISHED FOR ASSOCIATING WITH U.S. MILITARY. IT WOULD BE IMPRUDENT FOR BOTH. HUERTA SAID HE UNDERSTOOD PERFECTLY.

3. HOWEVER YOU SHOULD ALSO KNOW THAT DAO HAS INFORMED ME THAT U.S. MILITARY DELIVERIES ARE CONTINUING TO ARRIVE BY AIR AND SEA AND THEREFORE VERY DIFFICULT FOR MILITARY TO BELIEVE FULLY OUR ACTIONS ALTHOUGH I THINK MY LETTER WILL ASSIST IN CONVEYING THE IDEA THAT WE ARE SERIOUS.

4. YOU SHOULD ALSO KNOW THAT IT IS LIKELY THAT NOW THAT MY LETTER IS BEING TRANSMITTED TO THE SERVICES BY OSSA THAT THE CHILEAN MEDIA MAY SOON BE ON OUR BACKS ACCUSING US OF TENDENTIOUS EFFORT TO PROVOKE COUP. THERE ARE A NUMBER OF AMBITIOUS CHILEAN OFFICERS WHO WOULD WANT TO GRATIFY ALLENDE.

5. YOU WILL NOTE TOO FROM DATT CHILE MESSAGE 0279.

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FACTORY NO 25X1A

PAGE 3 XXXXXXXXXX S E C R E T

THAT CHILEAN AIR FORCE GENERAL CARLOS TORO MAZOTE IS IN THE PROCESS OF PREPARING A LETTER TO USAF OFFICERS CONCERNING FUTURE RELATIONS BETWEEN THE TWO AIR FORCES. TORO APPARENTLY DISCUSSED SUBJECT WITH THESE OFFICERS (UNIDENTIFIED HERE) DURING VERY RECENT VISIT TO U.S. AND NOW, FOLLOWING SECRET MEETING WITH ALLENDE, CONSIDERS HIMSELF AUTHORIZED TO CONFIRM THAT RELATIONS WILL CONTINUE AS BEFORE. IT IS EQUALLY LIKELY THAT SIMILAR ACTIONS WILL BE TAKEN BY NAVAL AND ARMY OFFICERS.

5. TURNING TO YOUR PARA 2. I HAVE AGAIN CONSULTED OUR DEFATTS AND MILGROUP TO ASCERTAIN MOOD OF THE MILITARY. THEY, LIKE I AND OSSA, ARE UNANIMOUS THAT ANY EFFORT TO BLOCK ALLENDE BY OFFERING MORE MAP WOULD BE TOTALLY INEFFECTIVE AND MIGHT EVEN PRODUCE A CONTRARY REACTION. OUR VIEW IS THAT THE CHILEANS OPPOSED TO ALLENDE WISH TO ACT ON THEIR OWN FOR THEIR OWN MOTIVES OR NOT AT ALL; THEY WOULD EITHER BE UNIMPRESSED BY OR WOULD RESENT AN EFFORT TO PROVOKE THEIR ACTION BY BRIBERY. WE ARE ALSO AGREED THAT:

A. THE MAJORITY OF CHILEAN MILITARY FEEL THAT

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PAGE 4

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UNLESS FREI AND/OR GEN. SCHNEIDER MAKE THE CRITICAL MOVES THE ARMED FORCES WILL NOT ACT IN ANY PURPOSEFUL AND UNITED WAY.

B. THE CHILEAN ARMY IS FAR FROM UNITED AND THAT A SIGNIFICANT PERCENTAGE OF OFFICERS ARE READY TO ADAPT TO ALLENDE, HOWEVER WATCHFUL OF HIS ACTIONS THEY MAY BE IN THE FUTURE.

C. THERE IS ONLY THE SLIGHTEST POSSIBILITY THAT A COUP EFFORT LAUNCHED BY EX-GEN. VIAUX THROUGH HIS SUPPORTERS IN THE ARMY COULD SPARK ENOUGH OF THE MILITARY TO PRODUCE A CHAIN REACTION.

7. MY OWN VIEW AND THAT OF MY SENIOR STATE ASSOCIATES IS THAT THE ODDS ARE OVERWHELMINGLY AGAINST A SUCCESSFUL COUP WITHOUT THE COMPLICITY AND COMMITMENT OF FREI AND/OR SCHNEIDER. THE MILITARY WILL NOT CARRY OUT A COUP TO PUT VIAUX IN POWER. NOR IS THERE A PUBLIC MOOD THAT WOULD PROVIDE A MORAL JUSTIFICATION FOR A COUP. THE ACTION OF THE PDC MAJORITY AT THE JUNTA SUNDAY FOLLOWED BY YESTERDAY'S ANNOUNCEMENT OF A QUICK AGREEMENT BETWEEN THE PDC AND THE U.P. NEGOTIATORS ON THE SO-CALLED GUARANTEES

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ATTEN NO. 25X1A

PAGE 5 [REDACTED] S E C R E T

SHARPLY DIMINISH WHATEVER POTENTIAL CLIMATE OF PUBLIC SUPPORT THERE MAY HAVE BEEN. AND I HAVE JUST BEEN INFORMED

[REDACTED] THAT THE RIGHTIST NATIONAL PARTY IS MAKING 25X1A

ITS DEAL WITH ALLENDE.

8. IN SUM, I THINK ANY ATTEMPT ON OUR PART ACTIVELY TO ENCOURAGE A COUP COULD LEAD US TO A BAY OF PIGS FAILURE. I AM APPALLED TO DISCOVER THAT THERE IS LIAISON FOR TERRORIST AND COUP PLOTTING AMONG PABLO RODRIGUEZ, LEADER OF THE POST-ELECTORAL PATRIA Y LIBERTAD ORGANIZATION, VIAUX, MAJOR MARSHALL AND SEVERAL WELL-KNOWN DISCREDITED RIGHTISTS (E.G. RICARDO CLARO.) I HAVE NEVER BEEN CONSULTED OR INFORMED OF WHAT IF ANY ROLE THE U.S. MAY HAVE IN THE FINANCING OF RODRIGUEZ. BUT YOU SHOULD TAKE MOST SERIOUSLY THE FACT THAT PDC PARTY PRESIDENT PRADO THIS WEEK ACCUSED RIGHTISTS AND "FOREIGN AGENTS" (BY WHICH HE CLEARLY MEANT CIA) OF BEING BEHIND THE INFATILE EFFORTS TO STIR A REACTION THROUGH BOMBINGS. YOU SHOULD ALSO RECALL THAT PDC SENATOR FUENTEALBA ACCUSED THE U.S. OF BEING RESPONSIBLE FOR VIAUX'S UPRISING LAST OCTOBER.

9. AN ABORTIVE COUP, AND I AND MY CHIEF STATE

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PAGE 6 [REDACTED] S E C R E T

COLLEAGUES ARE UNALTERABLY CONVINCED THAT THIS IS WHAT IS  
 HERE UNDER DISCUSSION (IF NOT MORE, UNBEKNOWNST TO ME),  
 WOULD BE AN UNRELIEVED DISASTER FOR THE U.S. AND FOR THE  
 PRESIDENT. ITS CONSEQUENCES WOULD BE STRONGLY TO REINFORCE  
 ALLENDE NOW AND IN THE FUTURE AND DO THE GRAVEST HARM TO  
 U.S. INTERESTS THROUGHOUT LATIN AMERICA IF NOT BEYOND.

10. EVEN BEFORE RECEIPT OF RETTEL I HAVE FOR DAYS  
 BEEN GIVING MUCH THOUGHT TO HOW TO COMMUNICATE TO YOU MY  
 GROWING CONCERNS OVER WHAT I SENSED WAS BECOMING A DISASTROUSLY  
 RISKY UNDERTAKING FOR THE PRESTIGE OF THE PRESIDENT. HENCE  
 YOU SHOULD READ THIS MESSAGE AS NOT SIMPLY BEING A RESPONSE  
 TO YOURS BUT A CAREFULLY CONSIDERED VIEW THAT I HAVE TESTED  
 IN DIFFERENT WAYS WITH THE MOST COMPETENT OF CHILEANS  
 AND AMERICANS.

11. FINALLY, YOU SHOULD BEAR IN MIND THAT :

A. I HAVE REPEATEDLY TOLD THE CHILEAN GOVERNMENT  
 THAT I AND I ALONE (AS THE PRESIDENT'S REPRESENTATIVE)  
 ASSUME THE RESPONSIBILITY IN CHILE FOR ALL ACTIONS OF  
 ALL U.S. AGENCIES INCLUDING THE CIA IF IT WERE HERE.

B. I HAVE REPEATEDLY WARNED THE CHILEAN GOVERNMENT

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FILE, VR

25X1A

PAGE 7 [REDACTED] S E C R E T

THAT I HAVE TOLD THEM FULLY OF ALL OUR ACTIVITIES WITH RESPECT TO ANTI-ALLENDE ACTIONS. IT WAS CLEAR TO ME THAT ONE OF OSSA'S PRIMARY PURPOSES IN SEEKING ME OUT NIGHT OF OCT 6TH WAS TO LEARN WHAT IF ANYTHING WE HAD TO DO WITH ARMY OR VIAUX PLOTTING AND WAS AWAITING SOME DISCLOSURE FROM ME.

12. I AM CONFIDENT THAT YOU ARE SUFFICIENTLY AWARE OF MY VIEWS TO KNOW THAT I WOULD GIVE THE FULLEST BACKING TO ANY ACTION PROGRAM IF THERE WERE ANY REASONABLE CHANCE OF ITS SUCCESS. THERE IS NO LONGER ANY BASIS FOR SUCH HOPE.

13. ACTION RECOMMENDATIONS:

A. DISASSOCIATE OURSELVES PROMPTLY FROM ANY ASSOCIATION WE MIGHT HAVE WITH PABLO RODRIGUEZ AND HIS ORGANIZATION.

B. END ALL INDIRECT CONTACTS THAT MAY EXIST WITH VIAUX, MARSHALL, CLARO, ET. AL. EVEN IF IT SIGNIFIES AN INFORMATIONAL SACRIFICE.

C. REQUEST THE DOD TO IDENTIFY OFFICERS TO WHICH EACH GENERAL TORO MAY HAVE SPOKEN DURING VISIT, TO WHOM HE MAY BE WRITING AND TO MONITOR ANY CORRESPONDENCE ON

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PAGE 8 [REDACTED] SECRET

THIS SUBJECT. TORO MUST BE MADE CLEARLY AWARE IN ANY RESPONSES FROM HIS USAF COLLEAGUES THAT THE CHILEAN AIR FORCE CANNOT LOOK FORWARD TO NORMAL RELATIONS IF ALLENDE COMES TO POWER AND CARRIES OUT HIS ANNOUNCED PROGRAMS. I WOULD APPRECIATE OPPORTUNITY TO REVIEW BOTH TORO'S LETTER AND PROPOSED RESPONSES.

14. FILE: 15-124-50/3. GP-1

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CS Comment: \*Dr. Kissinger and Alexis Johnson's message advising that highest levels continue to be concerned that, with October 24 rapidly approaching, anti-Allende forces in Chile do not seem to be coalescing around any effective action to block his election.

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### ROUTING AND RECORD SHEET

SUBJECT: (Optional)

Review Staff 76-0305, 10 March 1976

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| FROM: <span style="background-color: black; color: black;">[REDACTED]</span><br>25X1A Chief<br>Latin America Division | EXTENSION | NO.  |
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| TO: (Officer designation, room number, and building) | DATE     |           | OFFICER'S INITIALS | COMMENTS (Number each comment to show from whom to whom. Draw a line across column after each comment.) |
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|---|----------|-----------|--------------------|---|
| 1. <span style="background-color: black; color: black;">[REDACTED]</span> |          |           | ✓                  | <p><i>Response to Review Staff 76-0305 of 10 Mar 76.</i></p> <p><i>For Dept of State</i></p> <p>25X1A <span style="background-color: black; color: black;">[REDACTED]</span></p> <p><i>1 set hand carried by <span style="background-color: black; color: black;">[REDACTED]</span> to State 3/12</i></p> <div style="text-align: right; margin-top: 20px;"> <p>1 / MAR 76 17 06</p> <p>SM/DDO</p> </div> |
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