

~~SECRET/SENSITIVE EYES ONLY~~

26 September 1970.

TRACK II

A. Action:

1. [ Santiago reported on a meeting between Frei and a group of three key ministers who told him he stands in way of a solution asked him to resign, and authorize them to order army to intervene. ] (b)(3)

2. [ Station was authorized to discuss the possibility of the Army attempting to sway Chilean military. ] (b)(1) (b)(3)

3. [ The Ambassador's response to the Department through our channels indicates he taking steps to implement "economic pressure campaign". ] (b)(1) (b)(3)

4. [ ]

5. [ Soviets reporting on developing situation in Chile based primarily on press and radio ] (b)(1) (b)(3)

B. Accomplishments:

[ A major step was taken in the direction of increasing the climate for a coup with the approval and funding of the program. Tentative moves were made in soliciting assistance and in planning for increasing economic pressures. And additional intelligence was collected about PDC internal maneuverings in connection with a military coup. ] (b)(1) (b)(3)

C. Situation:

[ Latest reporting indicates that key PDC ministers are continuing efforts to get Frei to have the military intervene or authorize them to order the military to make its move. Meanwhile Minister of Economy Zaldivar's public address describing the rapid decline of the Chilean economy may have set the stage for follow-up economic action. At least the Ambassador appears to believe this and has already taken some steps to hasten this general economic decline. ]

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330

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