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Backchannel Message From the Ambassador to Chile (Korry) to the Under Secretary of State for Political Affairs (Johnson) and the President's Assistant for National Security Affairs (Kissinger)

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SITREP—October 1

1. Allende rejection of PDC is major development. Although leftist press seeking to present Allende's response as "positive" as trumpeted by all his considerable assets in media, they cannot bury PDC leader Prado's statement that reply was "unsatisfactory." Allende's tactic does provide a political lever we have been seeking from the outset. But I have my doubts that Frei or the PDC Junta can be persuaded to take the step that Benes turned away from in 1948.

2. To provide additional pressure for that step and to strip away any illusions, I informed Minister of Defense Ossa this morning [1 line not declassified] that "if Allende wins, the U.S. will not repeat not be in a position to provide any financial support to the PDC for any activity." In other words, a negative reply to Frei's and Ossa's query about U.S. support for the purchase by their group of newspapers and radio stations, etc., for the post-Allende period. Frei and the PDC have too long counted on the U.S. turning the other cheek and although I have done a great deal to end the mutually debilitating link that my predecessor forged with fatal damage to both, I wanted them to know before the Junta that it is now or never.

3. I also provided Ossa with a dispatch that I concocted under a Reuters June 3, 1948 repeat 1948 London dateline for translation by him and distribution to the PDC Junta of the events that led to the Communist takeover of Czechoslovakia. Ossa was told the dispatch came from Reuters archives. (It would take Reuters months to search its files and even then it would never be certain of what it sent in the pre-microfilm era. Moreover it will give my active British colleague a useful additional responsibility.) The dispatch begins: "The Communist Party has imposed a dictatorship on Czechoslovakia less than three years after its leader Klement Gottwald pledged to maintain a parliamentary democracy. Here is the sequence of events:"

4. Today is October 1 when a great many bills come due throughout the economy. How enterprises and the GOC react to the conflicting pressures will have additional significant impact. But the uncertainty created by the negative Allende response will not in my opinion provide incentive to the public to reduce its enormous liquidity and begin buying.

5. The Chuquicamata (Anaconda) miners went out on strike at midnight today. The fact that the GOC did not soften is very indicative and heartening. It followed a message that I sent Ossa the morning of September 29th to the effect that Anaconda was willing to cede because of GOC pressures on it to cede but that the company would follow the GOC line. It is interesting to note that Minister of Mines Hales, previously considered doubtful, is now playing his role loyally with

Frei.

6. We shall have shortly the eight points that the PDC presented to Allende but has hid from the public at Allende's request. These must be leaked, I think I could handle a local leak with the overly cautious NY Times man (Novitski) who is writing pap generally but my preference is a very strong effort by you to get them to the U.S. press—an exclusive to the Washington Post would be my suggestion (I am sending a separate message re the Post to Helms.) They will also be made available to Mercurio here.

7. In this connection I am sending as much unclassified material via State so as to ease the leakage problem. See Santiago 4022 today on the PDC's statement re Allende and also the daily press sitreps I have begun yesterday with Santiago 4014. Today's will include the fact contained in Santiago 3956 that Frei's intervention at Vina del Mar is still totally unreported in the media, the most telling indictment of the muzzling of the press.

8. I have just read in the press clips Tad Szulc Times story of September 21 which clearly indicates that one of his prime sources is Linowitz and I would make the further guess that Dungan is also a source. I believe it useful to have them spread the word of U.S. non-involvement since that was also my purpose in the pre-voting and post-voting sessions I had with the U.S. press here. As a consequence we do not have any effective U.S. reporters in town and that is a great blessing—Novitski being the only one who remained once the news-men were convinced we were not going to intervene. However it is of the utmost importance that the two ex-ambassadors not have the slightest whiff of what is going on except through the unclassified cables mentioned above and that the USG continue to give the appearance of confronting quietly the "inevitabilities."

9. While hoping for the best, we continue to prepare for the worst. We have sought to establish a position compatible with Option Two in the Allende contingency paper prepared by the Department for the NSC—cool correct and pragmatic. Our contacts with Chileans are the minimal possible but the Chileans are educating Allende about the realities of Chile's dependence on the U.S. I believe the time has come to consider when I should come to Washington for meetings to set our policy and tactics. I would suggest that barring unexpected developments, I travel early next week and that all appropriate meetings be arranged with policy-makers. At the same time I think it would be useful that I be made available for off the record questioning by key congressional and senatorial groups and editors for the purpose of providing reassurance about U.S. non-intervention while furnishing some of the true non-polemical facts about what is actually occurring in Chile.

10. The actions taken by Washington as detailed in your message of September 30 are helpful. I think that the unclassified cables mentioned above provide a basis for conversations with Geneen and others whose views and actions could buttress our efforts here.