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Paper Submitted by Acting Director of Central Intelligence Cushman to the President's Assistant for National Security Affairs (Kissinger)

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Nota de Archivo: *Washington. Source: National Archives, Nixon Presidential Materials, NSC Files, Box 774, Country Files, Latin America, Chile, Vol. III. Secret. Printed from a copy that bears Cushman's stamped signature, as well as notations indicating that the original was signed by John Ingersoll, Director of the Bureau of Narcotics and Dangerous Drugs, and had been signed on behalf of Miles J. Ambrose, Commissioner of Customs. The paper was submitted to Kissinger attached to a December 29 memorandum from Nachmanoff recommending that nothing further be done in view of the agencies' findings. Nachmanoff added he would remain in contact with the agencies and would inform Kissinger if any additional significant information developed. On this memorandum, Kissinger wrote, "OK but I want follow-up given high priority—we may be able to develop something we can use later." (Ibid.)*

SUMMARY. After examination of all source material available in Washington and the field, we do not find confirmed information that directly implicates Chilean President Salvador Allende or his top government associates with narcotics trafficking to the United States. What we do find is Chilean Government tolerance of this traffic at too many levels for Allende (or his predecessor, Eduardo Frei, for that matter) to be ignorant of it for long. Whether Allende will take action against this rather widespread drug trafficking by Chilean Nationals is not known but Frei, whose rectitude was well-established, saw no reason to do so, possibly because drug abuse is not a serious domestic problem in Chile.

An ominous new fact, however, is Allende's appointment of a known narcotics trafficker to a lower down but still important position in a new Chilean internal security service being organized under Cuban Government direction. Also of concern is Allende's close personal relationship with a known narcotics trafficker who maintains extensive connection with the international drug traffic.

Not only is Allende still new in office, but also U.S. Government coverage of drug traffic from Latin America is being intensified. It is therefore possible that firmer links between Allende and this traffic may yet appear as a result of additional information or that Allende's conscious condoning of the traffic may become demonstrated.

[Omitted here is the Discussion Section.]

Conclusions.

We conclude that Chilean Nationals have a large role in smuggling narcotics into the United States, and in nearly every instance of large-scale narcotics traffic from Latin America there has been Chilean involvement in one way or another. Nevertheless, we are unable to associate the present narcotics traffic with any one political leader or political party.

The mere fact that this traffic flourished during the regime of Christian Democratic President Eduardo Frei as well as under the present government demonstrates that Chilean involvement in illegal narcotics traffic is not a new phenomenon.

Contributing to this involvement, we believe, are numerous factors which in some sense are unique to Chile. These include the geography of the country with long and relatively unpatrolled borders; an abundance of processing chemists; large numbers of educated people with few profitable employment opportunities, who then turn to other practices, and a local political climate in which many officials and politicians are available for a price.

We found no evidence which linked President Allende or his government per se with drug trafficking to the United States. Whether he is aware that a sizeable number of people, including those he knows personally and those who helped in his election, are engaged in the narcotics business is open to conjecture. He can, of course, deny any knowledge of such traffic and we would not be able effectively to dispute such a denial on the basis of information now available.

We believe, however, that Budnevich, as an official in the Allende government's security apparatus, will be in a position to contribute to further expansion of Chilean participation in the narcotics traffic and as such constitutes a clear and present danger.

We lack a definitive reading on Allende's own views on narcotics. Although our files on him are extensive and by our standards he has vices and is not judged by us to be morally strong, at no time has he himself been associated with narcotics traffic. The question thus remains whether Allende as a doctor would find drug trafficking repugnant, once he came to focus on it, or whether he would sanction the same for financial or political ends, or support the interest certain of his supporters certainly have in it for their sake. He is still feeling his way in office and more information will be needed definitely to establish his position vis-à-vis this traffic.