DECLASSIFIED // SECRET; SENSITIVE; EYES ONLY; OUTSIDE SYSTEM

Memorandum From Arnold Nachmanoff of the National Security Council Staff to the President's Assistant for National Security Affairs (Kissinger)

Identificador Archival:	frus:frus1969-76v21/d270
Agencia Emisora:	NSC / Casa Blanca
Fecha del Documento:	1971-11-03
Colección / Serie:	FRUS 1969–1976, vol. XXI: Chile, 1969–1973

Nota de Archivo: *Washington. Source: National Security Council, Nixon Intelligence Files, Subject Files, Chile, Minutes of 40 Committee. Secret; Sensitive; Eyes Only; Outside System. Sent for action.*

---

40 Committee Meeting—CHILE—Financial Support for Opposition Parties

Friday, November 5, 1971—4:00 pm

The attached paper from CIA proposes that continuing support totalling [dollar amount not declassified] for the next year be provided to the opposition parties in Chile—the Christian Democrats (PDC), the National Party (PN), and the Democratic Radical Party (PDR)—so that they can:

—oppose the UP plans to replace Congress with a unicameral legislature via a plebiscite;

—prepare for the 1973 congressional elections;

—maintain and increase their mass media capabilities.

The Agency also proposes that [dollar amount not declassified] be authorized for possible passage to the Independent Radical Movement of the Left (MRII), a non-Marxist splinter of the Radical Party which has remained within the UP coalition. The purpose of our support for MRII would be to try to keep the Radical Movement split and to foster dissension within the UP. (Only [dollar amount not declassified] would be passed initially, [less than 1 line not declassified] the MRII would not know the real source of the funds at this stage.)

Opposition leaders believe that popular support for the Popular Unity coalition has peaked and is now declining. Growing economic problems—as evidenced by Allende's decision Tuesday to sharply restrict imports—are likely to result in a further reduction of support for the Popular Unity parties. Thus, Allende may try to move soon to improve his political control through a plebiscite, before economic conditions deteriorate further. He might try to parley the nationalistic support he would obtain in a copper confrontation with the U.S. into a plebiscite victory on the unicameral legislature. The Agency argues that the opposition parties must be able to keep the Chilean public informed about UP plans and pressures while maintaining party organization and discipline in preparation for the plebiscite and the 1973 elections. However, the opposition parties, in particular the PDC, are very weak organizationally and structurally. Most of the funds which the Agency proposes to provide would be used to strengthen the Party's administration, staff support, and propaganda capabilities.

The Agency proposes to divide the funds as follows:

The PDC has been promised [dollar amount not declassified] from European sources if it can obtain a matching amount from other sources. Thus, the Agency believes that its support would prime the pump for the European funds.

CIA believes that the funds can be passed securely, though it notes that the Chilean security services are increasing their capabilities and will probably give increasing attention to the opposition parties' sources of funds.

The objectives of the proposed program are generally consistent with previous policy decisions—i.e., to help maintain a viable opposition and to promote dissension within the UP. You may wish to use the 40 Committee meeting to obtain a status report on the capabilities and prospects of the opposition parties, and the tensions within the UP. With regard to the specific proposal, you may wish to focus the discussion on the following points:

—To what extent will our input of funds be a dis-incentive to the parties to develop other sources of funding? Aren't we in effect providing a permanent subsidy for the major part of their expenses?

—If we are in fact the major source of funds, isn't there a high risk that that will become obvious to Allende before long? How serious is the risk of exposure?

—What is the rationale for the distribution of funds among the parties?

You may also wish to note that the proposal focuses solely on the opposition parties and the one splinter group in the UP, but that a key element for any serious internal change in Chile is the military. There seems to be indications that Allende is increasingly concerned about opposition within the military. Is there anything that might be done, beyond regular military contacts and the military assistance program, to strengthen opposition elements in the military?

Assistant Secretary Meyer and the Deputy Chief of Mission in Santiago (because of Korry's departure) have concurred in the CIA proposal.