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Memorandum for the Record

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Minutes of the Meeting of the 40 Committee, 5 November 1971

Mr. Kissinger, Mr. Mitchell, Mr. Packard, Mr. Johnson, General Knowles, and General Cushman

Messrs. Egil Krogh, John Holdridge, and William Nelson were present for Item 1.

Messrs. Arnold Nachmanoff and William Broe were present for Item 2.

[name not declassified], Mr. Wymberley Coerr, and Mr. Thomas Karamessines were present for Items 1 and 2.

[Omitted here is discussion unrelated to Chile.]

2. Chile—Financial Support of Opposition Parties and of the Independent Radical Movement of the Left

The discussion opened with Mr. Kissinger asking about the current role of the military in Chile.

Mr. Broe replied that the military could be considered an opposition, but they don't have the will coupled with their built-in nonintervention syndrome. The Navy was considered solidly in opposition to Allende but not so the Air Force.

Mr. Kissinger asked how is it that Allende has not yet learned of outside support.

Mr. Broe replied that [less than 1 line not declassified] support served as a smoke screen. He went on to note that demands on us will be quite substantial. [less than 1 line not declassified] for example, needed immediate help and PDC's [name not declassified] had only recently asked for monies for media shoring. At the same time, when Chile's economy is deteriorating, the opposition finds it almost impossible to raise money inside the country. He said Ambassador Davis and the Chief of Station had been asked for an estimate of how much will be needed altogether. Between now and election it could run as high as $3.5 million. Of course, he added, we can't provide total support.

Mr. Kissinger commented that for that kind of money we could have had a landslide last election.

Mr. Broe said the figure could reach even $4.5 million and he requested long-range guidance as to how far our support should go.

Mr. Johnson asked if Mr. Broe meant that if we aren't going all the way there is little point in going for the [dollar amount not declassified] now.

Mr. Broe said, yes, in effect. They just don't have the money themselves.

Mr. Kissinger asked why they don't have any money.

Mr. Broe said that Allende was rapidly drying up the sources.

Mr. Kissinger asked: Doesn't Allende wonder where the money continues to come from when he knows it's drying up? He's not stupid. How do they account for their funds?

Mr. Broe: In Chile, they are not required to account for it; they indulge in double bookkeeping and anonymous gifts, and there has been no seizure of opposition party books as yet.

Mr. Kissinger asked what the [dollar amount not declassified] will do, and Mr. Mitchell asked how long it will last.

Mr. Broe said for about a year and supplied a rundown of proposed allocations. He then added, "We just have to face up to the fact that if we want an opposition we're just going to have to provide most of the support."

Mr. Kissinger said Mr. Johnson's point had not been answered, that there's not much point to giving the initial [dollar amount not declassified] now if we're not going to follow up with more.

Mr. Karamessines said a watershed point had been reached. Allende's fortunes are not on the uprise. By mid-1972 he'll either make it or his fortunes will fall rapidly. He urged that the opposition be kept going until then by the proposed infusion.

Mr. Johnson asked what was the optimum estimate.

Mr. Broe replied that if Allende should win a plebiscite and the opposition loses out, then there's nothing left to support. On the other hand, if Allende holds back from a plebiscite or loses in the vote, then there will be an opposition to face in the 1973 congressional elections. We believe he will go for a plebiscite.

Mr. Kissinger asked whether Allende can hold a plebiscite legally.

Mr. Broe said he thought so but would have to check. Mr. Nachmanoff also thought the plebiscite was legal. (Later checking has proved Messrs. Broe and Nachmanoff to be correct.)

Mr. Mitchell asked for the rationale for the distribution of funds among the parties.

Mr. Broe stated that this was based on the size of the constituencies.

Mr. Mitchell asked if Mr. Frei was actually able to raise funds in Europe.

Mr. Broe: Yes, there is a regular flow from Europe to the PDC organizations. Former President Frei has been promised [dollar amount not declassified] if he could raise an equal amount at home.

Mr. Johnson: Where is the CDU money from, primarily [less than 1 line not declassified]?

Mr. Broe: Not all.

Mr. Mitchell asked about the urgency.

Mr. Broe: They're hurting right now.

Mr. Packard: Won't this increase our visibility?

Mr. Broe: No, it will be fed in slowly.

Mr. Mitchell: What ever happened to El Mercurio?

Mr. Broe: It's still going.

Mr. Karamessines: Not any thanks to Agustin Edwards; he did very little in Chicago.

Mr. Kissinger: Isn't he Kendall's man? Why don't you tell me if you need something from Kendall.

Mr. Mitchell: I would still like to know what happened to the last [dollar amount not declassified] and what the prospects are in regard to the plebiscite.

Mr. Broe provided a detailed rundown of the allocated funds and what the expenses were for.

Mr. Johnson: I am extremely skeptical of programs of this magnitude. If you have to provide such huge subsidies I cannot be sanguine about the viability of any opposition which has to be primed to that extent.

Mr. Kissinger: But the Allende purpose is to destroy the viability of the opposition. This is not a normal situation here.

Mr. Johnson: Well, I will not oppose if the others agree.

Mr. Packard: We can't tell how much good it will do, but we have no other alternative. You can't beat something with nothing.

General Knowles: It is worth the gamble.

Mr. Kissinger: This will keep the opposition viable. We can have another crack at specifics later.

Mr. Mitchell: I still want to know what happened to the last [dollar amount not declassified]. Even the Republicans don't spend money like that.

Mr. Broe continued with a rundown of earlier expenditures.

The principals agreed to proceed on the basis of the proposal and approved the requested sum of [dollar amount not declassified]. They asked for progress reports every 60 days or earlier if advisable.

[Omitted here is discussion unrelated to Chile.]