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Memorandum From the Executive Secretary of the 40 Committee (Ratliff) to the President's Assistant for National Security Affairs (Kissinger)

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Financial Support to the Chilean Private Sector

CIA has developed access to leaders of several important groups in Chile's private sector and requests authority to contact and provide limited financial assistance to them in order to assess their capabilities to support the over-all covert political action program (TAB A).

Allende's Popular Unity (UP) government has continued to increase its control of the Chilean economy. The private sector only recently has become alarmed and started to resist in an organized way. CIA thinks that support and encouragement of the politically-oriented activities of the private sector might be a significant adjunct to the current main effort of direct support to opposition political parties.

To explore and develop this potential, CIA proposes working with [number not declassified] private sector organizations of particular capability and potential: [5 lines not declassified].

Recent developments in Chile, including strikes, street demonstrations and coup threats, caused State to request additional review of the original proposal. A compromise position on timing (TAB B) asks approval for immediate support of up to [less than 1 line not declassified] which is in danger of collapse due to lack of funds, and up to [dollar amount not declassified] to the other two private sector organizations after mid-October (with precise timing to be recommended by the Ambassador and Chief of Station and approved by State and CIA).

State, Defense and JCS concur.

Recommendation

That you approve immediate support to [less than 1 line not declassified] of up to [dollar amount not declassified] and post mid-October assistance to [less than 1 line not declassified] and [less than 1 line not declassified] of up to [dollar amount not declassified] subject to State–CIA–NSC approval of the precise timing.