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Backchannel Message From the Ambassador to Chile (Korry) to the Deputy Assistant Secretary of State for Inter-American Affairs (Crimmins)

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Please Deliver Following to Ambassador Crimmins (at Opening of Business Monday 22 June).

1. Bless your superior internal communications and the appropriate questions that you present. Indeed I did not have results of nationwide poll when I presented proposal. Before I respond to question re modification, I prefer to answer questions in your cable first.

2. I would have thought Broe and company would have complete dossier on [less than 1 line not declassified] since it was one of the significant instrumentalities in the 1964 US effort to elect Frei. It was established for the purpose of transferring funds from US private business to Chileans who handled what the Communists call a “terror campaign” against Allende. The only active American in the 1964 operation still here is [6 lines not declassified].

3. [name not declassified] decided to resurrect the [less than 1 line not declassified] some two months ago whereupon he went to the US to gain the approval of his executives and to acquire the first contribution to the kitty. He then contacted another charter member of [less than 1 line not declassified] to act as operating agent in the US in the fund-raising campaign. The second man is [2 lines not declassified]. A third [2 lines not declassified]. They in all have contacted the headquarters of such firms as [2 lines not declassified]. Recently to [2 lines not declassified], for a contribution. Perhaps that contact explains why Communist El Siglo a few days ago (as we reported) headlined that Anaconda was contributing $250,000 to launch a terror campaign against Allende. Siglo cited very accurately that the ground rules for the operation were that no rpt no candidate would be supported with these funds and that the money would be targetted uniquely against Allende. The Siglo report coincided with a coordinated campaign by all three Marxist dailies in Santiago to propagate the notion that USG and US companies really preferred Tomic. As I commented in a State cable, I welcomed this development for a variety of obvious reasons: —that US companies were taking the expected heat on contributions, but not the USG; that the USG was described as being favorable to Tomic with one breath and to Alessandri with the other and that our opposition to Communism remained implacable. These three ideas will not rpt not help Allende in my judgement nor do the US anything but good.

4. [name not declassified] has kept me alone of US officials informed of [less than 1 line not declassified] activities. He has not and does not expect any US complementary activity since I have gone to considerable pains to propound to everyone the well-based reasoning for a hands-off US policy in the Chilean elections. Even the Communists seem to have so far accepted it. [2 lines not declassified]. All that US companies are required to do is to deposit dollars to accounts in the Bahamas. Therefore there is no rpt no entry of escudos or dollars into Chile since [less than 1 line not declassified] makes

their escudos available at the blackmarket rate. It is flight of capital and defense of interest at the same time.

5. Any additional funds going to [less than 1 line not declassified] would be handled in the same manner to expand the current operation. The US business-Chilean business activity would simply be amplified. The Agency's assumption is that only [name not declassified] himself would know of any additional funding and the source. As for CLA, my guess is that once Anaconda and [name not declassified] were brought unwisely into the act, CLA must be aware of what their member companies are doing. [less than 1 line not declassified] Now that Siglo has surfaced the accusation against Anaconda, it is largely irrelevant as to whether CLA is conscious of the activity. I have, as you know, always expected the Communist charge, the Anaconda muddling and the activity. Hence there is no new element. Rather there is a better USG cover.

6. Frei, with whom I had a private dinner last night at his initiative (see below) could in certain circumstances play a very significant role in the period between Sept. 4 and Oct 24 when the Congress must choose the President. To buttress his role, funds will be required to influence congressional votes. Our proposal is simply to make available to [less than 1 line not declassified] who have close relations with Frei and many intermediaries and levers, resources for those indirectly designated by Frei. He would not rpt not be privy to our interest under any circumstances. This type of operation is not unusual in Chile or in many other lands of this world where the US is not involved in them. Frei would not rpt not get directly involved in any buying of votes operations nor would we.

7. You are correct in your assumption about "another effort to subsidize orthodox Radical Party." The prior effort is that already approved and ongoing [less than 1 line not declassified].

8. I believe that the foregoing replies indirectly to your justifiable concern about the "moon launch" reaction to a significant sum. We are not rpt not talking any longer about either significant sums by my measure nor about their arriving here. That brings me to the crux of the problem we confront per your para 6 and the degree of support for Alessandri.

9. As Broe, [name not declassified] and others know, I have always had the greatest disdain for polls and poll figures. The only time they can be reasonably accurate is in the last week before the election when they can no longer affect operational decisions. Leaving aside the most recent example of the British elections and turning to positive examples, the Embassy (that is State alone) called the Congressional elections of 1969 within one percent of error and in December 1967 in the only significant by-election in Chile in three years, we predicted the upset outcome with an error of zero. All of which is to say that I am not moved one way or the other by the polls but since I must deal with established and conventional wisdom and since I recognize that an "unscientific" approach would not be universally convincing, supporting data is welcome. Frankly, had I know that the weighted national poll results to which you refer in your para 1 and 2 will become available after cross-checking on July 2nd, I would not have requested a decision from Washington by July first. But in all candor, I regard the poll data from here more as debating points than as contributions of intrinsic value, particularly some two months before an election.

10. So for administrative reasons, I am now compelled to fall back now on the "unscientific" labor for which political animals such as I are paid. I might prepotently add that one reason Frei sought me last night in his first private dinner party in the five or six months since his wife suffered a serious illness is that he believes (unfairly to the Embassy) I am the most objective and accurate political reporter in Chile. Aside from the above examples, he recalls that ten weeks before the US Presidential elections I forecast to him the exact percentages of our national vote.

11. What I offer now as one man's view without the advice or consent of any other here are the views I gave to Frei in his lengthy interrogation of me last night and with which he agrees completely. His concurrence counts for me because I regard him as the most perceptive and successful politician in Chile without any close competitor.

12. The three candidates are now fairly bunched. In my view Allende is over 30 percent, perhaps by one percentage point, perhaps by some two. This is the base Marxist strength in the country. Tomic is now at or very close to the vote that the Christian Democratic Party received in 1969 which was roughly 30 percent. Alessandri is at 35 percent or slightly above or below that level. (Even the national poll pre-weighted results to which you refer show a gap of only 7 percent between high and low and those figures have some very curious statistics for some regions that understate my assessment of the real Allende strength. This understatement factor is important because in examining other pollings in the 1969 elections, the Communists were to my mind so outrageously under-calculated that I decided then to ignore polls in Chile; the actual results in the elections confirmed our arithmetic and belied the polls on the Communists. There is a well known unwillingness in Chile to declare in favor of Communist candidates.)

13. If Tomic were to make any kind of appeal to the tens of thousands ready to abandon Alessandri as the ineffectual, disorganized, non-programmatic old bumbler that he really is, Tomic would have a reasonable chance to finish a strong second and possibly first. But Tomic is still looking beyond the elections to governing with Communist support and hence has no rpt no evident desire to consider even the possibility of attacking Allende in such a way as to draw a clear distinction between his approach and that of the Popular Unity candidate. On the contrary, two of his closest advisors told me at dinner a few nights ago that if Tomic loses they will seek to enter an Allende govt and they made no bones that they would go all out for the Congressional election of Allende if he were to finish second and Tomic third. There is nothing novel in these “revelations” since Tomic is committed intellectually to the need for a through-going “revolution” in Chile in which capitalism and neo-capitalism are eliminated. He believes it erroneous not rpt not to treat Communists here as Chileans first and as Communists second. At the same time he sent to me last Thursday (and Frei was astounded to learn of it) an elaborate 36 page profile of his life which the PDC is now distributing and in which Tomic does the one thing that will surely put up the back of the Communists—a defense of the US and its overall foreign policy.

14. Given Alessandri’s steady erosion, Allende’s base, Tomic’s inability so far to catch fire we have a true horse race. The fact that in Santiago, where we have evidence from many quarters, the latest being Frei to me, that women are abandoning Alessandri for Allende, is significant. Frei said he had never anticipated that kind of shift and he blamed the Tomic campaign line for the phenomenon, adding that no one could understand what Tomic was saying and that women above all want clarity and authority. It has been my assumption from the outset that unless Alessandri won by at least five percent, he would not be President. Frei agreed and said that “nothing except providence” could alter the inevitability of the second man, be it Allende or Tomic, being elected President if the margin were under five. At five, he thought it would be close in the Congress and he only saw daylight at the six to seven percent range. He said there was no doubt that the PDC would elect Allende by abstention or by vote if the margin were under five.

15. In our proposal we recognized that [name not declassified] support of Alessandri meant that willy-nilly there would be indirect US support for Alessandri even if we did nothing but anti-Allende work since the internal transfer of resources [less than 1 line not declassified] would free funds for Alessandri campaigning and since some of the mechanisms the Agency wishes to use (for women and Protestants) are laboring for Alessandri. The same situation prevails [name not declassified] which Washington approved. I would like to be in a position to say that the US was doing nothing but hitting Allende but in order to hit him, we have no option but to use mechanisms that are effective at reaching voters. Some of those mechanisms happen to be committed to Alessandri. Since that part of our proposal does not involve much money and since the foregoing rationale converts qualms into hyprocisy, I am not much bothered by the concept.

16. Frei agrees totally with my assumption that an Allende government would mean the imposition within Chile within two to three years of a govt that would be not significantly different than those of Eastern Europe. He believes Allende must be defeated.

17. He agrees too that Allende must be the electoral target and more importantly, he believes that it is impossible to say who would be the beneficiary of an assault on Allende. He is convinced that the most effective attack would be one from the PDC but he despairs of that possibility. No matter what the mechanism, Tomic might well benefit sufficiently, in my view, to finish second and to be elected. Frei has heard that the PCCh is planning to focus criticism on Tomic and he is praying that it will occur and provoke a response.

18. Frei recognizes that many Chileans who might vote for Alessandri would do so simply to assure stability and the earlier than usual return of Frei to power. At the same time he seconds my judgement that Alessandri as President would seek to buy off Communist neutrality by concessions in foreign policy and by cooperating in the reduction if not destruction of the PDC. This latter factor would mean the PCCh would build on the expanding base they are providing themselves via the Allende campaign machinery by having a free hand to amplify their hold on labor, on schools and universities and in the countryside. However he, like I, would prefer to buy time with Alessandri than to risk Allende. He too believes that Alessandri has all the symptoms of Parkinson's disease (trembling hand, dragging leg and slurred speech) and that his tenure might be considerably shortened.

19. Frei's judgement on his Army is more bitter than our own. He says they are not only extraordinarily ignorant but they suffer from moral cowardice. He compared them in very unfavorable terms with the level in Peru and said they would have to be driven like cattle to play any role of any significance in Chile. He dismisses them as a factor in this election but believes that if the MIR and Socialists provoked true unrest in the country, the Army would have to be employed. He gives high marks to the Carabineros.

20. In sum, your position is very much akin to that Moliere character who counselled: "You should always act in conformity with the majority and never make yourself conspicuous." To which I respond that I will neither make you conspicuous nor can I guaranty any majority. But I do believe it is prudent to seek some guaranty against a majority that would become very conspicuous indeed in Latin America—that of Allende. If he were to gain power, what would be our response to those who asked, what did we do. I am seeking by political action all that I can conceive to get the Chileans to muster their own forces—and I think with some success. But when I examine those three areas that contain almost 55 percent of the electorate—Santiago, Valparaiso and Concepcion Provinces—I see considerable Allende strength and potential. I conclude that our inputs while imperfect and modest could conceivably provide the margin of safety. I am aware that we have no ironclad assurances of enduring secrecy; I am also troubled by many of the doubts that provoked your cable and your questions. But I would be derelict in my convictions if I were not to flag the danger and to offer a proposal to deal with it.