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Memorandum From the Assistant Secretary of State for Inter-American Affairs (Meyer) to the Under Secretary of State for Political Affairs (Johnson)

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Nota de Archivo: *Summary: This memorandum requested Johnson's approval of the proposal in the attached memorandum for the 40 Committee that recommended that the U.S. Government continue its funding of opposition parties and private-sector groups through the March 1973 elections. Source: Department of State, Bureau of Intelligence and Research, INR/IL Historical Files, Box 1, Chile, July–December 1972. Secret; Sensitive. The memorandum was sent through the Acting Director of INR, James R. Gardner. Johnson initialed his approval on October 18, and a handwritten note indicates the White House was notified that day. Attached to another copy of the memorandum is an October 25 memorandum from Ratliff to Kissinger on which Haig approved for Kissinger the financial support on October 26. (National Security Council, Nixon Intelligence Files, Subject Files, Chile, 1971–72)*

Covert Support for Chilean Opposition Looking to March 1973 Congressional Elections

In the attached memorandum CIA proposes assistance to the Chilean political parties and private sector groups opposed to the Popular Unity (UP) coalition in preparation for the congressional elections scheduled for March 1973. The Agency suggests for this purpose a sum of [1 line not declassified] would go to the Christian Democratic Party (PDC); [dollar amount not declassified] to the Nationalist Party (PN), [dollar amount not declassified] to the Radical Party of the Left (PIR) and [dollar amount not declassified] to the Democratic Radical Party (PDR). [less than 1 line not declassified] would be reserved for contingencies and to preserve flexibility for the program.

The remaining [dollar amount not declassified] would be for [number not declassified] private sector organizations. It will be recalled that the Committee already has approved aid to [number not declassified] of these organizations, [less than 1 line not declassified], and that aid for the other [number not declassified] might be provided if there were specific concurrence by CIA, the Department of State and the NSC. (The requirement for NSC concurrence was noted in a 21 September memorandum from the 40 Committee Secretariat; we understand that Dr. Kissinger's concurrence is meant.)

The Agency memorandum notes that although the opposition parties have the requisite organization and will to organize a strong campaign, their economic strength has been so undermined by government policy that financial assistance of the scope requested is essential if they are to campaign effectively. The Agency, stating that a substantial popular vote for the opposition would demonstrate degradation of the UP government's mandate, estimates that anything in excess of a 55/45 percent split in favor of the opposition would represent an opposition victory. It is difficult to predict with accuracy the results in the Chamber or in the Senate of any particular distribution of the popular vote; a 60/40 split in favor of the opposition perhaps could maintain the present opposition majority, which stands at 93 to 55 in the Chamber (there are two vacancies) and 32 to 18 in the Senate. A vote that would give the opposition a two-thirds majority in both houses is extremely unlikely. All Chamber seats and one-half of the Senate seats are to be contested. The opposition, as is the UP, is

campaigning as a confederation; that is, the component parties are arranging to field an agreed list of candidates so that their aggregate strength will be reflected in the election results to the maximum measure.

The risks appear to be acceptable as far as disbursement to the parties is concerned. [5½ lines not declassified]

ARA and INR believe that you should support this proposal in Committee. It is consistent with the history of our assistance to the Chilean opposition, which, in part because of our past help, maintains what appears to be a preponderant measure of support among the Chilean electorate. The March elections are manifestly critical and we concur in the Agency estimate that our support is essential to the fortunes of the opposition.

Ambassador Davis is familiar both with the general proposal and with the details of the financial assistance that are contemplated. He concurs in the proposal.

Recommendation

That you support in Committee the proposal for financial support to the Chilean opposition.

Chile—Financial Support of Opposition Parties and Private Sector in 4 March 1973 Congressional Elections

I. Summary

This memorandum proposes that [dollar amount not declassified] be approved for the support of political parties and private sector organizations opposed to the Popular Unity (UP) coalition of President Salvador Allende during the period from 1 November 1972 to 4 March 1973, when the Chilean congressional elections will take place. Funds previously approved by the Committee for the four opposition parties and for emergency assistance to [less than 1 line not declassified] covered a period ending on 31 October 1972.

Budgets requested for the four opposition parties, which will confront the UP as a single political confederation, are as follows: [dollar amount not declassified] for the Christian Democratic Party (PDC); [dollar amount not declassified] for the National Party (PN); [dollar amount not declassified] for the Radical Party of the Left (PIR); and, [dollar amount not declassified] for the Democratic Radical Party (PDR). These budgets are primarily for the campaign period (1 November 1972 to 4 March 1973), but also provide for subsidy payments to each party [2 lines not declassified]. The budget requested for the entire private sector is [2 lines not declassified]. Funds provided [less than 1 line not declassified] will be used for specific activities in support of the overall campaign effort. A contingency fund of [dollar amount not declassified] is also included for unforeseen emergencies.

The requested financial support is considered to be realistic in terms of the critical importance of the elections and of opposition needs and capabilities. Although the opposition parties have the organization and the will to mount a strong election campaign, the Allende government has been so successful in undermining the economic strength of individuals and groups which support the opposition that financial assistance of the scope requested is essential if an effective campaign is to be carried out. The attention of the Chilean nation will be focused almost exclusively on the elections in the coming months, since the vote will determine whether or not the government has a popular mandate to continue the implementation of its revolutionary program, or whether opposition action to force a change in government policies would have massive popular support.

[1 paragraph (6 lines) not declassified]

This proposal has the concurrence of the Ambassador and the Assistant Secretary of State for Inter-American Affairs.

II. Political Background

Conditions in Chile continue to deteriorate. Rampant inflation, economic shortages and outbursts of violence recently raised political tensions so dramatically that rumors of an imminent military coup were widely credited. President Allende publicly denounced the existence of a “September Plan” to overthrow his government, blaming foreign imperialism and the CIA, and skillfully exploiting the Kennecott copper issue to mobilize popular support for his government. The military, however, have apparently accepted the forced retirement of General Alfredo Canales, who was generally acknowledged to be the leader of the military coup plotters. If no new crisis occurs before mid-October the attention of the nation will thereafter be focused increasingly on the elections, which will provide a concrete reading of public sentiment for or against the government at its mid-term point. The extent of popular support received by the government will determine whether the UP continues to try to implement its revolutionary program legally. A substantial popular vote in favor of the opposition would demonstrate that the government has lost the popular mandate it received in the 1971 municipal election, when the UP received 49.74% of the total vote. If the government can in fact be proved to represent a definite minority of the Chilean people, this would tend to strengthen opposition determination to force a change in government policies.

III. Electoral Background

On 4 March 1973 Chileans will elect all 150 members of the Chamber of Deputies and 25 of the 50 members of the Senate. During the most recent Congressional elections, held in 1969 during the Frei administration, the opposition political parties obtained a majority in both houses of Congress. Since Allende’s inauguration on 3 November 1970, Congress has been the major obstacle to the UP’s efforts to impose an irreversible Marxist regime in Chile, with the opposition parties making effective use of their legislative control to harass the government and to block the revolutionary reforms proposed by the UP.

During the municipal elections, held in April 1971 during the “honeymoon period” which followed Allende’s inauguration, the UP parties received almost 50% of the total popular vote. The opposition will use the municipal election results as a base from which to draw conclusions about the March 1973 results, since it is generally assumed that UP popular support has deteriorated since 1971. In short, the opposition will claim that anything in excess of a 55/45% split of the popular vote in their favor represents an opposition victory. The political and psychological impact of the election will increase in direct proportion to the magnitude of an opposition victory. A strong electoral effort will be needed if the opposition is to attain the roughly 60% of the vote which it will need to maintain its present substantial Congressional majority. A few seats may be lost, but if the opposition succeeds in approximating its present Congressional strength, it will have proved that the UP represents a distinct minority of the population.

The optimum opposition goal, which unfortunately appears to be out of reach, would be for the opposition to obtain a two-thirds majority in both houses of Congress (100 deputies and 34 senators). Such a majority would enable the opposition parties to override presidential vetoes of legislative bills and would theoretically provide the necessary votes for a presidential impeachment. The opposition parties would, however, have to obtain at least 65% of the popular vote to acquire this two-thirds majority. They are unlikely to achieve this goal, however, unless economic conditions deteriorate even more dramatically. Since the Allende government will spare no effort to insure that its working class electorate receives good wages and adequate food supplies during the pre-election period, even if government resources are exhausted in the process, it will probably be able to maintain some semblance of economic stability during the normally prosperous summer months ahead.

IV. Electoral Data

A. Chamber of Deputies

Following the 1969 election there has been considerable party-switching. In the opposition, the PDC lost nine deputies to the Unitary Popular Action Movement (MAPU) and to the Organization of the Christian Left (OIC), groups which are now

part of the UP coalition. In the UP, the Radical Party lost eleven deputies to the PDR and to the PIR which are now opposition parties. The current alignment is 93 opposition deputies to 57 UP deputies. All deputy seats will be contested in the March 1973 elections.

B. Senate

The Senate is now divided 32 to 18 in favor of the opposition parties. Of the 25 Senatorial seats up for election, 16 are held by the opposition and 9 by the UP.

C. Party Confederations

A recent ruling by the Chilean Electoral Tribunal enables political parties to form electoral confederations for the March 1973 elections. Both the UP and the opposition have registered for confederation status, and thus are eligible to present unified lists of candidates. The number of candidates on each confederation list cannot exceed the number of seats to be filled in each electoral district. Extensive meetings have been held to select candidates for the confederation slates, but neither the opposition nor the UP has completed this process. This is understandable for the selection process is delicate both because of the competing interests of the various parties and the personal ambitions of incumbent and aspiring candidates. Although it is believed that the opposition parties will be able to resolve their immediate problems and to agree on a unified slate, individual party campaigns for candidates will be conducted separately. The mechanics of the Chilean electoral system tend to magnify inter-party differences, even within the same confederation where parties still compete with each other as well as with the rival confederation. This situation will plague the UP confederation campaign as well as the opposition. UP control of the government will probably enable the UP to orchestrate its campaign more effectively than the opposition. Similarly, the financial and material resources available to the government will probably enable the UP to overwhelm the opposition if the latter does not obtain external support as proposed in this paper.

D. Mechanics of the Election

Chile uses the D'Hondt proportional representation electoral system. Each voter is permitted to vote for only one Deputy and one Senator. According to the electoral regulations permitting political confederations, the number of deputy and senate seats won by each confederation will be based on the total number of votes each confederation receives. Within each confederation, seats will then be awarded to those candidates who receive the largest number of votes in each district. Thus, while every vote for every candidate counts for a confederation's overall slate, each party will obviously be maneuvering to insure maximum electoral benefits for each of its own candidates. This electoral system creates rivalries even within individual parties which have more than one candidate on the confederation slate in a particular district, because they will also be competing with each other. For this reason, Chilean politicians tend to campaign individually, and as a result the parties generally lack the organization and discipline which are essential to an optimum campaign effort. The combination of the confederation and D'Hondt system used in Chile also means that the larger political parties will tend to gain at the expense of the smaller ones.

E. The Campaign

The opposition parties will differ in their campaign styles. The PN can be expected to adopt the strongest anti-government line, emphasizing its anti-Communism and doctrinaire differences with the UP program, while the PDC will concentrate its attack on the government's method of governing, inefficiency, and failure to carry out its promises. Both opposition Radical parties will focus on issues designed to induce further defections from the original Radical Party's clientele. In spite of the divisive factors which will hinder opposition efforts to organize a unified campaign, the opposition parties are making an attempt to coordinate their activities. The opposition confederation has established a joint electoral commission which has almost completed the selection of candidates and which will meet regularly to coordinate propaganda and to try

to insure that none of the parties sponsors legislation or makes public statements which are objectionable to other members of the confederation.

F. The Role of the Private Sector

Private sector organizations have helped to create or to dramatize issues which have damaged the prestige and popular support of the Allende government. They can help to mobilize popular support for the opposition confederation and to insure a maximum voter turnout for the opposition. Financial support to these organizations will also assist them in defending what remains of private enterprise in Chile for as long as possible. [5½ lines not declassified]

G. Contingency Fund

Because of the extreme importance of these elections, a contingency fund of [dollar amount not declassified] is deemed desirable to handle emergencies. Expenditure of this contingency fund would be subject to the approval of the Ambassador.

V. Proposal

It is proposed that [dollar amount not declassified] be approved for passage to four opposition political parties and [number not declassified] private sector organizations for the 4 March 1973 Congressional election campaign. In addition to the campaign budgets, funds are also requested to permit financial subsidies to the political parties in the immediate post-electoral period [less than 1 line not declassified] to keep them viable while electoral results are being assessed and a future course of action is being determined. The dollar costs shown in the budgets, which are attached as annexes, are calculated on the basis of the current black market rate of approximately 300 escudos to the dollar.

The funds requested are considered sufficient to provide each of the four opposition parties with a sound basis for conducting an effective campaign. These funds will be supplemented by money obtained by these parties and the individual candidates through their own fund-raising drives. A large portion of the funds expended in political campaigns in Chile has traditionally been raised by the individual candidates.

The four political parties differ in their approaches to providing direct campaign assistance to individual candidates. The PDC is concentrating its campaign appeal on broad target sectors such as neighborhood, labor and campesino groups, and is allocating relatively few funds to specific candidates. The PN has taken the approach that candidates will receive materials and services from the party rather than being provided with direct financial aid. The PIR and PDR, which lack nationwide organizational structures, allocate larger amounts of funds to their individual candidates.

[4 lines not declassified] will be provided for specific activities designed to undermine the popularity and prestige of the government and to mobilize electoral support for the opposition political confederation.

A contingency fund, which will not be expended without the Ambassador’s concurrence, is included for unforseen emergencies.

The following is a summary of the financial requirements of the political parties and private sector organizations. [1 line not declassified]

VI. Funding and Security

[3 paragraphs (47 lines) not declassified] All the political parties and private sector organizations are conducting fund-raising campaigns, and will intensify their fund-raising efforts as election time draws near.

VII. Coordination

This proposal has the concurrence of the Ambassador and the Assistant Secretary of State for Inter-American Affairs.

VIII. Costs

The cost of this proposal is [dollar amount not declassified]. These funds are not available within the Agency budget and would have to come from the [less than 1 line not declassified].

IX. Recommendation

It is recommended that the 40 Committee approve the proposal as set forth in Section V above, authorizing a total of [dollar amount not declassified] which consists of [dollar amount not declassified] for the support of the PDC, PN, PIR and PDR; [dollar amount not declassified], [less than 1 line not declassified] and [dollar amount not declassified] as a contingency fund.

[5 annexes (13 pages) not declassified]