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Memorandum From the Central Intelligence Agency to the Ambassador to Chile (Davis)

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Nota de Archivo: *Summary: This memorandum responded to questions raised by Ambassador Davis concerning the proposal to fund private-sector opposition groups in Chile. Source: National Security Council, Nixon Intelligence Files, Subject Files, Chile 1973–. Secret; Sensitive; Eyes Only. Initialed by Shackley. Attachment A is not attached.*

Replies to Questions Regarding Funding Proposals

1. The following are the Santiago Station's replies to the questions you raised on 10 January 1973 in connection with the Station's proposals for funding [1 line not declassified].

2. [4½ lines not declassified]. Many Chileans, especially those members of [less than 1 line not declassified] whose party loyalties are weak, are saying that the March 1973 elections will not really solve anything. A special effort is required to counter this possible voter apathy and to try to maximize this sector's electoral participation. Funds provided [name not declassified] would be used as follows:

A. To make a special appeal to individual [less than 1 line not declassified] members pointing out the importance of the elections and of their individual votes. This appeal would be conducted through various media, including radio, press, television and leaflets.

B. To enable [less than 1 line not declassified] leaders to travel and to fund local person-to-person efforts to convince members to participate in the elections and to mobilize them for this purpose.

C. To provide transportation and whatever other assistance is required on election day to assure that members get to the polls.

3. Under no circumstances will any funds be made available to Patria y Libertad, which does not form part of [less than 1 line not declassified]. This has been a standing and inflexible policy of the Santiago Station.

4. With regard to the proposed use of [dollar amount not declassified] of the contingency fund to provide additional campaign assistance to the Democratic Radical Party (PDR), the Station believes that this proposed support is essential to enable the PDR to make the strongest possible campaign effort. These funds are especially important for senatorial races since the PDR is running three candidates (Julio Mercado—2nd District; Julio Duran—8th District; Raul Morales—10th District). In each of these races the PDR candidates seem to be among the weakest opposition links to winning extra senatorial seats. Opposition ability to capture an additional seat in these districts appears to hinge on a strong campaign effort by PDR, and the Station requested additional funds to make sure this effort is made.

5. Unfortunately the PDR badly underestimated its needs. The party failed to allow for significant price rise of recent months, assuming that the black market rate would keep pace with inflation spiral. In addition, the PDR's plans were based on the belief that the PDR would run only two senatorial candidates. The party did not anticipate that CODE would slate Mercado as candidate in the 2nd District. As a consequence an extra [dollar amount not declassified] is needed alone [less than 1 line not declassified].

6. [9 lines not declassified] The Station believes this funding of the PDR to be as secure as possible and doubts that the PDR would be singled out by the government for attack as to its source of funding.