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Memorandum for the 40 Committee

Identificador Archival:	frus:frus1969-76ve16/d93
Agencia Emisora:	NSC / Casa Blanca
Fecha del Documento:	1971-12-10
Colección / Serie:	FRUS 1969–1976, vol. E-16: Documentos sobre Chile, 1969–1973

Nota de Archivo: *Summary: This memorandum requested funds to further strengthen the Chilean opposition by supporting two candidates in the January 1972 special election for two vacant congressional seats. Source: National Security Council, Nixon Intelligence Files, Subject Files, Chile, 1971–72. Secret; Sensitive; Eyes Only. A notation on the first page reads, "Telephonically approved by the 40 Committee on 15 December 1971."*

Request for Funds for 16 January 1972 By-Elections in Chile

I. Summary

A special election will be held on 16 January 1972 to fill two vacant seats in the Chilean Congress. The Christian Democratic Party (PDC) and the National Party (PN) have agreed that a single opposition candidate will run in each by-election. Rafael Moreno of the PDC will be the candidate for his party's former seat in the 5th Senatorial District and Sergio Diez of the PN will run for Deputy in the Linares District. Both men are strong candidates, but past voting patterns indicate that the races will be extremely close. Popular Unity (UP), the government coalition, has just officially named its candidates, and it is evident from the caliber of the UP nominees that the government is going all out to win in January.

These by-elections must be viewed in the context of the uncertain political atmosphere developing in Chile as the UP government enters its second year in power. The political opposition is becoming increasingly bold, unified, and effective while the government finds itself being confronted with mounting problems and situations which must be faced and on which political capital must be expended.

At the same time the political opposition is becoming increasingly dependent on external (and U.S. Government) financial support. A total of [dollar amount not declassified] is requested for the January by-elections, [dollar amount not declassified] for the Senate race and [dollar amount not declassified] for the Deputy contest.

The proposal has the concurrence of the Ambassador, the Deputy Chief of Mission, and the Deputy Assistant Secretary of State for Inter-American Affairs. The funds requested are not available within the Agency budget and would have to be sought from the Agency Reserve for Contingencies.

II. Present Situation

As the Allende government enters its second year, it is evident that the opposition has acquired new strength and confidence. The organizations and media that are financially supported by the Santiago Station have been in the forefront of this increased resistance to the Allende regime. This new opposition spirit is evident not only in the political parties themselves, but also in professional, labor and women's organizations which are reorganizing with a new vitality and purpose. Non-Marxist forces have recently won important victories in union and student elections. The opposition newspapers, led by El Mercurio and including La Prensa of the Christian Democratic Party (PDC) and La Tribuna of the

National Party (PN), carry a regular fare of strong editorials against the UP and extensive criticism of government policies. Opposition radio stations, the newscasts on Catholic University's TV Channel 13, and a number of weekly publications responsive to different sectors of the opposition also contribute to the increasing sense of the opposition unity which cuts across party lines.

In Congress, parliamentarians belonging to the opposition parties have united to block the passage of two bills which the government considers essential: one of these, which defines three areas of the Chilean economy (social, mixed and private), would enable the government virtually to eliminate free enterprise; the other would replace the two houses of Parliament with a single Popular Assembly. The government may call for a national plebiscite on either of these two issues. In addition, opposition parliamentarians have moved to block a Presidential attempt to dissolve Congress by tabling a bill that would make it mandatory for the President to resign and call new elections if the UP should lose a national plebiscite.

In the University of Chile, a protracted battle between Marxist and non-Marxist forces has already led to bloodshed and sparked violence in other universities throughout the country. PDC and PN youth organizations [less than 1 line not declassified] have led the forces supporting the Rector of the University against the government. This power struggle is still unresolved, but the opposition is pushing for a University plebiscite on 21 December.

Opposition parties are also cooperating with Chilean businessmen in a campaign to try to stop the government from taking control of the nation's largest paper company. State control of newsprint could mean the end of the free press in Chile, and an opposition "Freedom of Expression" fund has been set up to buy paper company shares, while a massive publicity campaign urges the company's shareholders not to accept the government's offer to buy their shares at higher than market prices. This was the first organized public effort to oppose the Popular Unity program, and preceded the 1 December women's march. This march, which was organized by the opposition to protest food shortages and the climate of violence in Chile included some 30,000 women of all ages and social strata. Independent women's groups [1 line not declassified] participated in the march along with PN and PDC women's organizations. The peaceful marchers were attacked by rock-throwing UP supporters and dispersed by police tear grenades; repercussions have been so great that a State of Emergency has been declared in Santiago Province. The three radio stations controlled by the opposition were closed by the government, but reopened on 2 December.

While the political opposition has become increasingly bold, unified and effective, the government has begun to suffer the consequences of its own economic policies. Shortages of basic commodities, particularly food products, have become a major political issue, and these shortages are expected to become more severe in the first quarters of 1972. Internal dissensions between the parties comprising the Popular Unity coalition and a bitter power struggle within the Socialist Party have added to the problems facing the government, which is having increasing difficulty in controlling its more radical supporters, especially the Movement of the Revolutionary Left (MIR). The MIR and other extremist groups are agitating for violent confrontation with non-UP forces, a confrontation they believe is essential to win the power necessary to carry out the UP revolution.

III. Proposal

It is proposed that funds [less than 1 line not declassified] be made available to support the opposition party candidates in the two by-elections which will be held on 16 January 1972. There will be only one opposition candidate in each race: Rafael Moreno of the Christian Democratic Party (PDC) will compete for the 5th Senatorial District area which represents the provinces of O'Higgins and Colchagua and was left vacant by the death of PDC Senator Jose Isla. Sergio Diez of the National Party (PN) will run for the seat in the Linares District left vacant when PN Deputy Carlos Avendano fled to Australia. Although neither the PDC nor the PN will openly endorse the other's candidate, there is an agreement that both

parties will covertly support each other's candidates in the two by-elections. The small Democratic Radical Party (PDR) will also support both of these candidates.

An analysis of past voting patterns in the by-election areas covered indicates that both races will be close. The 5th Senate District statistics give the UP candidate, Socialist labor leader Hector Olivares, an even chance for election, so that the outcome may well be decided by the intensity of effort as well as the effectiveness of the campaign strategy and tactics employed by the opposition. In Linares, a statistical analysis slightly favors the UP candidate who is the sister of Chile's first agrarian reform "martyr". Both districts are primarily agricultural areas which have been the scene of recent violence as the result of illegal land occupations. Thus, the elections will be held in a political climate which is increasingly tense and polarized. A large anti-UP vote is essential to provide tangible evidence of the government's unpopularity and to maintain the momentum and cohesion of opposition forces. The loss of these elections would check the forward impetus of the opposition, but may not be too disheartening provided that a strong opposition showing is made.

A. Fifth Senatorial District (O'Higgins and Colchagua Provinces)

The opposition candidate in this district, where there are approximately 155,000 registered voters, is Rafael Moreno Rojas, a 35-year-old agricultural engineer. Moreno was only 28 when he was appointed by former President Frei to the highest office of the Agrarian Reform Corporation (CORA) which carried out the PDC's agrarian reform program. Because of CORA's function (expropriating lands which had not been used efficiently and turning them over to the campesinos), Moreno has been a target of past criticism by the PN. Moreno is, however, well-known and popular in the district and can be expected to be a strong contender for the uncommitted swing vote, particularly in rural areas. Moreno was unanimously nominated by the PDC National Council as its candidate on 17 November and has already begun his campaign which is being coordinated by Ricardo Valenzuela, the remaining PDC Senator from the district.

Moreno's opponent will be Socialist Hector Olivares, president of the Copper Workers' Confederation who is currently a Deputy from O'Higgins Province. Olivares, who has long been a top labor leader at the El Teniente copper mine, is expected to be a potent candidate. He is familiar to the electorate and has proven voter appeal in O'Higgins, where he finished second among the six successful parliamentary candidates in the 1969 Congressional elections. Olivares' personal popularity, coupled with the fact that the Socialist Party is the strongest of the UP parties in both O'Higgins and Colchagua Provinces, means that Moreno will face the strongest possible competition.

B. Linares District

Carlos Avendano, the PN Deputy who fled to Australia, continued to draw his salary as Deputy for a full year after his departure—the time when he was required by law either to appear in Congress or to resign from office. This fact will undoubtedly be played to the hilt by the UP, so that the PN candidate in this district starts with a handicap. The PN, however, has come up with a candidate who is well liked by all the opposition parties and who can mobilize their support: Sergio Diez Urzua, a 46-year-old lawyer and university professor who was a Deputy from 1957 until 1965. Diez' candidacy was officially announced on 1 December, and the campaign began immediately with a rally and press conference. Diez has named his brother, a member of the PDC, to be his campaign manager and enlisted Silvia Alessandri, niece of the former President, to handle the women's vote. There are approximately 56,000 registered voters in Linares.

Diez' campaign organization will include "Committees for Democratic Unity" in district wards. Radio time has already been contracted for, and plans made for street and wall writing, slogans, and press publicity. Basic themes will be land for the people who work it, defense of the "little" man, independence of the commercial sector from state control, and anti-Communism. Diez will attempt to emphasize points of similarity between his stance and that of Moreno in the 5th Senate District. In addition to Diez' own campaign, the PDC will be working independently through its own provincial organizations to insure a maximum PDC effort on Diez' behalf.

Strong PDC support will be essential to Diez, since the UP candidate will be Maria Eliana Mery, whose brother Hernan, then a young PDC leader and local chief of the Agrarian Reform Corporation (CORA), was killed by land owners during an April 1970 expropriation scuffle. Miss Mery represents the Organization of the Christian Left (OIC) which split from the PDC in early August 1971 and which has just formally joined the UP. Miss Mery will presumably run as an independent, since the OIC has not been registered as a party long enough to be able to run a candidate in its own right. Although Miss Mery is an unknown quantity as a campaigner, the UP is evidently counting on the aura of her surname in a rural constituency where a high proportion of the voters are campesinos. Her candidacy also represents a clever UP effort to split the PDC vote and to create tensions between the PDC and the PN in both by-election districts.

IV. [less than 1 line not declassified]

[1 paragraph (24 lines) not declassified]

V. Coordination

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

VI. Cost

The cost of this proposal is [2 lines not declassified].

VII. Recommendation

It is recommended that the 40 Committee approve funds in the amount of [dollar amount not declassified] to support the two opposition candidates in the 16 January by-elections.