

~~SECRET/SENSITIVE~~
EYES ONLY

28 September 1970

TRACK II

A. Actions:

1. LEADER [redacted] contacted Frei and [redacted] *A PDC* to establish direct Agency channel to Frei. (b)(1)
(b)(3)

2. Headquarters proposed establishing small staff of "false-flag" officers in Santiago to handle high risk target-of-opportunity activities. (b)(3)

3. COS, [redacted] has requested meeting with [redacted] Army General [redacted] to discuss contingency planning and possible role of [redacted] military. (b)(1)
(b)(3)

4. Headquarters approved operational program for "Patria y Libertad" and urged Station attempt develop additional similar capability and to plan maximum exploitation of mass rally scheduled for 20 October. (b)(1)
(b)(3)

5. Steps have been taken to enlist support of key U.S., [redacted] industrialists in economic warfare intended to provoke economic crisis in Chile. (b)(1)
(b)(3)

B. Accomplishments: (b)(1)
(b)(3)

Our [redacted] succeeded in contacting Frei and [redacted], establishing direct channel to Frei.. The first tentative steps were taken to: (a) establish a base of "false-flag" officers in Santiago; (b) initiate a program of economic warfare; and (c) make contact with key [redacted] military officers to discuss contingency role for [redacted] military. (b)(1)
(b)(3)

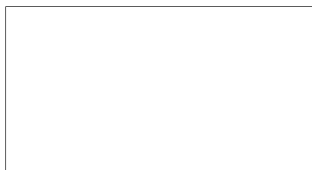
C. Situation:

There is no apparent change in the status of planning for a military coup. Frei does not trust the military to follow through and prevent the installation of Allende and therefore refuses to give them the order to act. The military is unwilling to act on its own. Economic warfare is emerging as the only practical hope for creating a climate for a coup with the Ambassador, Headquarters and the Station moving more rapidly in the direction of planning for and implementing specific actions to contribute to a rapid economic decline.

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6-11-86

(b)(3)



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