

~~SECRET/SENSITIVE EYES ONLY~~

1 October 1970

TRACK II

A. Actions:

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(13)

1. C/WHD contacted a high level ITT representative in NYC to discuss economic aspects of denying Allende's presidency; and the DDP telephoned Mr. John McCone, former Staffer, to request his views and assistance.

✓

2. [The DCI sent a message to Dr. Kissinger [redacted] advising him of Ambassador Korry's concern over the posture [redacted] on Chile. This message emphasized the desirability of creating an atmosphere of economic doom.] (b)(1)  
(b)(3)

✓

3. [redacted] (b)(1)  
(b)(3)

4. [Santiago Station advised Ambassador Korry that we see a possibility of influencing the Chilean operation of [redacted] at a high level.] (b)(1)  
(b)(3)

5. [Santiago Station will surface to President Frei a fabricated story concerning Communist plan to launch a worldwide campaign to discredit Frei.]

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6. [redacted] (b)(1)  
(b)(3)

7. [Contact instructions have been received from Santiago Station for the arrival of the first "false-flag" officer who is arriving 2 October.]

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8. [Santiago Station has reactivated its underground black propaganda press activity.]

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

[At the highest levels of the Agency steps have been taken to influence major [redacted] with interest in Chile to help create an atmosphere of economic crisis in Chile. We have also initiated discussions with [redacted] officials to advise them of our concern about their posture in Chile which, of late, has favored Allende and hampered our economic program.]

(b)(1)  
(b)(3)

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[redacted]

(b)(3)

2347

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C. Situation:

P.111  
(24)

While we are pushing forward with our efforts to create an atmosphere of economic doom in Chile, President Frei remains unable or unwilling to take actions that would precipitate a coup. While Frei has been exploring with the military the possibilities for intervening, and realizes that General Schneider is the major stumbling block, he has not yet been able to muster sufficient courage to neutralize Schneider or send him out of the country.

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