

'64 Allende Loss Backed by U.S.

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Major intervention by the Central Intelligence Agency and the State Department helped to defeat Socialist Salvador Allende in the 1964 election for president of Chile, according to knowledgeable official sources.

American corporate and governmental involvement against Allende's successful candidacy in 1970 has been the controversial focus of a Senate Foreign Relations subcommittee investigation into the activities of U.S. multinational companies abroad.

But the previously undisclosed scale of American support for Christian Democrat Eduardo Frei against Allende six years earlier makes the events of 1970 seem "like a tea party," according to one former intelligence official deeply involved in the 1964 effort. Up to \$20 million in U.S. funds reportedly were involved, and as many as 100 U.S. personnel.

The story of the American campaign, early in the Johnson administration, to prevent the first Marxist government from coming to power by constitutional means in the Western Hemisphere was pieced together from the accounts of officials who participated in the actions and policies of that period.

Cold war theology lingered, and the shock of Fidel Castro's seizure of power in Cuba was still reverberating in Washington. "No more Fidels" was the guide-

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post of American foreign policy in Latin America under the Alliance for Progress. Washington's romantic zest for political engagement in the Third World has not yet been dimmed by the inconclusive agonies of the Vietnamese war.

"U.S. government intervention in Chile in 1964 was blatant and almost obscene," said one strategically placed intelligence officer at the time. "We were shipping people off right and left, mainly State Department but also CIA with all sorts of covers."

One of the key figures in the 1964 intervention was Cord Meyer Jr., the redoubtable Cold War liberal. He directed the CIA's covert programs to neutralize Communist influence in important opinion-molding sectors such as trade unions, farmer and peasant organizations, student activists and communication media.

At least one conduit for CIA money, the International Development Foundation, was employed in the 1964 campaign to subsidize

Chilean peasant organizations, according to a former official who was responsible for monitoring assistance to Chile from the Agency for International Development.

One former member of the IDF board, who quit when he discovered it was financed by the CIA, said: "Some of us had suspected for a long time that the foundation was subsidized by the agency. Then it finally surfaced, and it was impossible to continue serving on it. Nonetheless, what they were doing was consonant with President Kennedy's policies in the alliance — political development."

The foundation is still in existence, although its CIA funding was terminated. It now is financed by AID appropriations.

Covert financing was arranged for a newspaper friendly to the political interests of Christian Democrat Frei. "The layout was magnificent. The photographs were superb. It was a Madison Avenue product far above the standards of Chilean publications," recalled another State Department veteran of the campaign.

One former high-ranking diplomat said CIA opera-

tions at the time were bypassing the ambassador's office, despite the 1962 Kennedy letter issued by the late President after the Bay of Pigs debacle in Cuba. The letter designated ambassadors as the primary authority for all U.S. operations within their countries.

"I remember discovering one operation within my last week of service in Chile that I didn't know about. The boys in the back room told me it was 'deep cover' and I told them: 'You guys were supposed to tell me everything,'" the former diplomat reminisced.

As the 1964 election campaign unfolded in Chile, the American intelligence and diplomatic establishments were divided from within over whether to support

Frei or a more conservative candidate, Sen. Julio Duran.

CIA's traditional line organization, centered in the Western Hemisphere division and working through the traditional station chief structure, favored Duran initially. So did then Ambassador Charles Cole and the bulk of top State Department opinion. The remaining Kennedy administration policymakers, on the other hand, leaned toward Frei and the "democratic left" coalition he represented. So, reportedly, did the CIA's Cord Meyer.

"For a while, we were at war among ourselves on the question of who to support," recalled a participant in those events.

Duran dropped from consideration when he lost an important by-election to the Communists, and gradually the entire thrust of American support went to Frei.

"The State Department maintained a facade of neutrality and proclaimed it from time to time," according to one source who played an important Washington role in inter-American policy at the time of the election.

"Individual officers — an economic counselor or a political counselor — would look for opportunities. And where it was a question of passing money, forming a newspaper or community development program, the operational people would do the work.

"AID found itself suddenly overstaffed, looking around for peasant groups or projects for slum dwell-

ers," he recalled. "Once you established a policy of building support among peasant groups, government workers and trade unions, the strategies fell into place."

A former U.S. ambassador to Chile has privately estimated that the far-flung covert program in Frei's behalf cost about \$20 million. In contrast, the figure that emerged in Senate hearings as the amount ITT was willing to spend in 1970 to defeat Allende was \$1 million.

The number of "special personnel" dispatched at various stages of the campaign to Chile from Washington and other posts was calculated by one key Latin American policy maker at the time as being in the range of 100.

AID funds alone were substantially increased for the year of the crucial election. The first program loan in Latin America, a \$40 million general economic development grant, was approved to buoy the Chilean economy as the election approached.