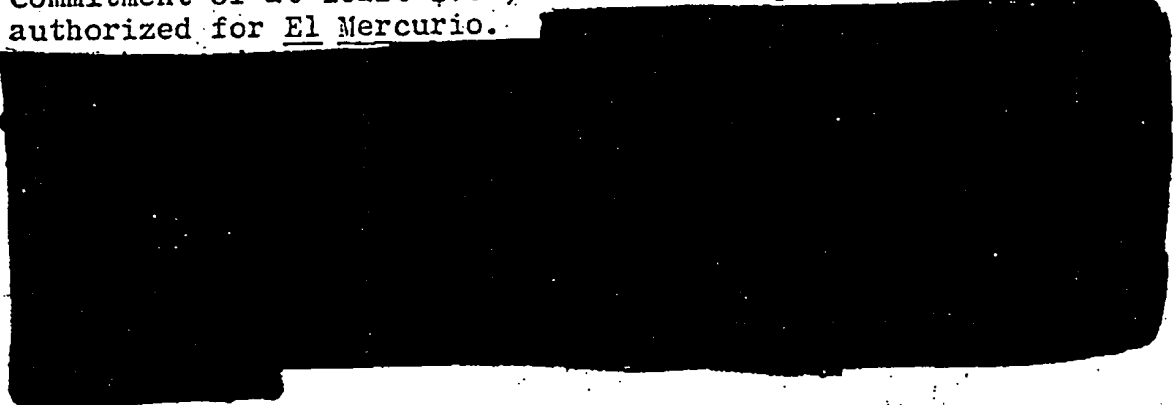


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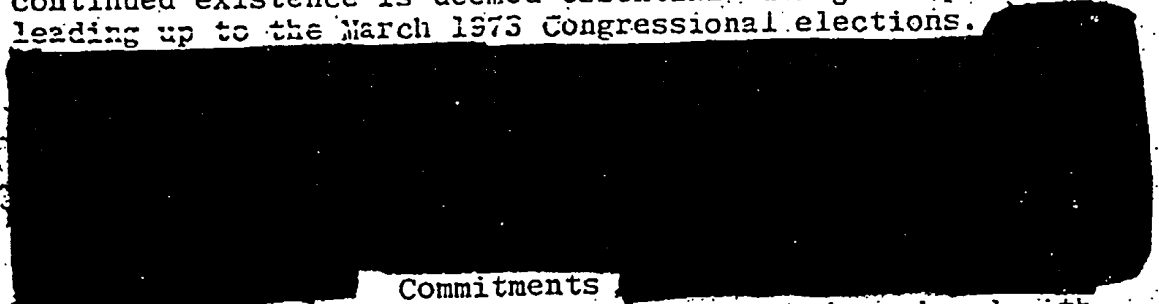
MEMORANDUM FOR: Director of Central Intelligence

SUBJECT : Request for Additional Funds for El Mercurio

1. In September 1971, the 40 Committee was presented with two options with regard to El Mercurio, which was being subjected to heavy pressure by the Allende government. One option would have withheld any financial support and allowed El Mercurio to go out of business, while the other involved financing the paper in the amount of \$1,000,000 with an initial commitment of at least \$700,000. On 13 September \$700,000 was authorized for El Mercurio.



2. This memorandum to the 40 Committee requests that an additional \$965,000 be made available to El Mercurio, whose continued existence is deemed essential during the period leading up to the March 1973 Congressional elections.



Commitments would be made only on the basis of documented need and with the endorsement of the Ambassador. It is considered that the funds requested in this memorandum can be inserted securely, using the same techniques previously employed.

Declassified and
Approved for Release
July 2000

3. In terms of public impact and political effectiveness, El Mercurio is considered by both the Allende government and the political opposition as the most effective anti-Allende media outlet in the country. The Ambassador and Santiago Station believe that its continued publication is vital to the opposition cause.

4. El Mercurio will continue to be vulnerable to various forms of government harassment, including physical attack. If Allende is determined to silence El Mercurio he will probably find the means with some semblance of legality, regardless of the amount of financial support the U.S. Government may provide. Under these circumstances a decision with regard to further financial support must be based not on financial considerations, but on a value judgment of the importance of attempting to ensure the paper's continued existence for political purposes.

5. The proposal has the concurrence of the Assistant Secretary of State for Inter-American Affairs, Mr. Charles A. Meyer. Ambassador Nathaniel Davis has also endorsed this proposal.

6.

Theodore G. Shackley
Chief
Western Hemisphere Division

CONCUR:

Release of the attached memorandum to the members of the 40 Committee is authorized:

Deputy Director for Plans

ISI Richard Helms

Director of Central Intelligence

Date

10 April 1972

Date

Executive Director-Comptroller

Date