This IR forwards information concerning recent covert operations in Chile by the Centro Nacional de Informaciones (CNI) and by the Intelligence Services of the three military services. A reliable source provided information on operations, all of which relate to efforts on the part of either CNI or military services to deal with the threat, real or imagined, of extremist influence.
UNCLASSIFIED

Kidnapping of former Patria y Libertad leader Victor LlDA Dublé. According to a reliable source, CNI says it has determined an underground faction at the extreme right of the Chilean political spectrum has been responsible for at least some of Santiago's recent left-style bomb explosions. CNI believes that this faction is composed of former members of Patria y Libertad, a right-wing cadre which d encouraged subversive activities against the government of Salvador Allende 1970 to 1973. This group evidently assumes that the Chilean public blame leftist subversive elements in Santiago for the bombings, and that their efforts by moderates within the Chilean government are to bring about a change in the present state of siege will be torpedoed. CNI, in order to gain information about the bombings and any other current rightist projects, planned and executed the "kidnapping" of Victor LlDA Dublé, a prominent Santiago real estate agent and a former Patria y Libertad leader, on 28 October 1977. Source states that after being picked up from a construction site which he was visiting, FUENZALIDA was held for two days by CNI, and was interrogated extensively concerning the activities of Patria y Libertad. According to source, CNI interrogators were unusually anxious to learn the identity of FUENZALIDA's supposed contacts. Source told RO that FUENZALIDA revealed a great deal of information concerning his faction's current operations during his interrogation; source did not relate to RO, however, the revelations were. CNI released FUENZALIDA on 30 October.

MENT: (S/NOTFORWINTEL) The Santiago press reported extensively on LlDA's "kidnapping", but attributed it to "MIR terrorist." Sources lend some credibility to former CNI Director CONTRERAS' rumormation of his agency's non-involvement in the bombings. CNI itself suspects that the 1 is somehow linked with FUENZALIDA's faction, source emphasized that FUENZALIDA's CNI interrogators were concerned whether FUENZALIDA had contacts, but rather who his contacts were.

Robbery at Bendjerodt Pharmacy. At 2300, 1 November 1977, masked men entered the Bendjerodt Pharmacy in Santiago, apparently on a robbery. Although they held the eight people present in the store at gunpoint, one of the pharmacy's employees managed to telephone Carabineros, who responded promptly, and surrounded the drugstore. There was a brief period of negotiation between the Carabineros and the robbers. The robbers finally surrendered. As they were arrested, however, the traders surprised the Carabineros, according to source, by producing identification cards and stating that they were conducting a covert CNI operation. Source states that CNI had apparently intended in some manner to hold up appear to be a leftist operation, but that this intent was
circuited by the quick response of the Carabineros to the telephone for assistance. The two men were released to CNI after interrogation by neros.

(UNINTEL) There is an interesting connection between this case of realtor FUENZALIDA mentioned above. Source stated that during arrest interrogation by the Carabineros, one of the drugstore robbers that he had stood duty at CNI headquarters over the weekend of 28th, and during that time, saw FUENZALIDA in custody in the same building.

(UNINTEL) Local newspapers reported this incident as simply without any political overtones and made no mention of the CNI capture of the two suspects. RO was unable to evince any explanation by a source of how the two CNI men had intended to make the holdup seem to have been engineered by anti-government subversives. Source remained that however it was a CNI operation, and that its purpose was to win the threat of terrorism in the public consciousness. Conceivably, a terrorist flavor could have been added by verbal statements made to the press during the holdup.

(UNINTEL) Service Intelligence Countersubversive Operations. Source stated that the directors of Army, Navy, and Air Force Intelligence services coordinated with each other to conduct operations against two safe houses in Santiago, one in the Conchali area and the other in the Miguel district. Source did not state whether or not these operations were conducted with the knowledge or cooperation of CNI. A strike composed of members of each of the service's intelligence organizations at the Conchali safe house at 2300, 2 November 1977, and confiscated an identified quantity of arms and explosives. Possibly due to a leak of information, no one was present at the safe house, and no arrests were made. Source noted that since the raid, the explosives confiscated at the safe house have disappeared, but he could offer no explanation of this event. In a second countersubversive operation, another composite group planted a bomb at the second safe house, in San Miguel, on 5 November 1977. Two persons were killed in the subsequent explosion. After e. Source told RO that such is the character of the battle against...
IT: (S/HQFORM) Local press reported an incident on 6 November involving an accidental explosion of a natural gas cylinder of the type used with the stove, but on 7 November, Santiago's newspapers carried articles implying that what actually occurred was that two MIR terrorists had been killed when a bomb which they were fabricating prematurely exploded. Source specifically identify the two victims as MIR when he talked with RO, with this version of events at Conchali and San Miguel, it is the assertion that they were planned and executed not by CHI, but by members of the intelligence community of the military services.

RO's own assessment is that source's ability is highest when he discusses the service intelligence branches, operations, the existence of which were the most surprising of his revelations. His information in this area could indicate that CNI do not have a monopoly on covert anti-subversive operations in Chile. It also indicate that the military service intelligence branches are ahead with operations of their own because they do not feel that CNI is in a position to subvert effectively.

/NOFORM/WHINTEL General Source Comments on CNI. This source states that under new Director General Mena, CNI will closely adhere to statutory charter. General Mena was chosen to replace Col Contreras because of his upright character and integrity. Source said he feels that the CNI in any form is unnecessary and should be hed completely. The Air Force, the Carabineros, and particularly the Army, he says, with this opinion wish to reduce their level of influence on CNI. Strongest support, both ideologically and from the point of manpower will probably continue to come from the Army.

/NOFORM/WHINTEL/ RO told source that what was of primary interest to policymakers at this time is the question of whether or not the modus operandi and direction of CNI are really any different from the notorious DINA. RO said that, based on what source had been told, it seemed that CNI was still conducting business as usual.

T: (S/HQFORM) All of the foregoing information was clearly passed to publication/dissemation. Source claimed that his information with respect to the FUENZALIDA kidnapping, pharmacy holdup, and safe house raid at San Miguel was unimpeachable. He could not be as certain about the action at San Miguel. In regard to the future of CNI, it is clear that...
e has great confidence in General MENA's ability to halt the past of DINA. Source seemed to feel that the critical step in the taming of intelligence 'monster' as he termed it, was not in the change DINA to CNI, but rather in the change from CONTRERAS to MENA. This ordered with POL and POL/R.