

**INTELLIGENCE ACTIVITIES**  
**SENATE RESOLUTION 21**

---

---

**HEARINGS**  
**BEFORE THE**  
**SELECT COMMITTEE TO STUDY**  
**GOVERNMENTAL OPERATIONS WITH**  
**RESPECT TO INTELLIGENCE ACTIVITIES**  
**OF THE**  
**UNITED STATES SENATE**  
**NINETY-FOURTH CONGRESS**  
**FIRST SESSION**  

---

**VOLUME 7**  

---

**COVERT ACTION**  
**DECEMBER 4 AND 5, 1975**



Printed for the use of the Select Committee To Study Governmental  
Operations With Respect to Intelligence Activities

U.S. GOVERNMENT PRINTING OFFICE

67-146 O

WASHINGTON : 1976

For sale by the Superintendent of Documents, U.S. Government Printing Office  
Washington, D.C., 20402 - Price \$2.30

Stock Number 052-070-03264-2

**SENATE SELECT COMMITTEE TO STUDY GOVERNMENTAL OPERATIONS  
WITH RESPECT TO INTELLIGENCE ACTIVITIES**

**FRANK CHURCH, Idaho, *Chairman***

**JOHN G. TOWER, Texas, *Vice Chairman***

**PHILIP A. HART, Michigan**

**WALTER F. MONDALE, Minnesota**

**WALTER D. HUDDLESTON, Kentucky**

**ROBERT MORGAN, North Carolina**

**GARY HART, Colorado**

**HOWARD H. BAKER, Jr., Tennessee**

**BARRY GOLDWATER, Arizona**

**CHARLES McC. MATHIAS, Jr., Maryland**

**RICHARD SCHWEIKER, Pennsylvania**

**WILLIAM G. MILLER, *Staff Director***

**FREDERICK A. O. SCHWARZ, Jr., *Chief Counsel***

**CURTIS R. SMOTHERS, *Counsel to the Minority***

**AUDREY HATBY, *Clerk of the Committee***

# CONTENTS

## HEARING DAYS

	Page
Thursday, December 4, 1975-----	1
Friday, December 5, 1975-----	49

## LIST OF WITNESSES

### THURSDAY, DECEMBER 4, 1975

Miller, William G., staff director, Senate Select Committee To Study Governmental Operations With Respect to Intelligence Activities-----	3
Bader, William, professional staff member of the Senate Select Committee-----	7
Inderfurth, Karl, professional staff member of the Senate Select Committee-----	10
Treverton, Gregory, professional staff member of the Senate Select Committee-----	13
Dungan, Ralph, former U.S. Ambassador to Chile-----	23
Meyer, Charles A., former Assistant Secretary of State for Inter-American Affairs-----	26
Korry, Edward M., former U.S. Ambassador to Chile-----	29

### FRIDAY, DECEMBER 5, 1975

Clifford, Clark, Counsel to President Truman; former member and Chairman, President's Foreign Intelligence Advisory Board; former Secretary of Defense-----	50
Vance, Cyrus, former General Counsel, Department of Defense; former Secretary of the Army; former Deputy Secretary of Defense; former Special Representative of the President; former member of the delegation to the Vietnam peace negotiations in Paris-----	54
Phillips, David A., former officer, Central Intelligence Agency; president, Association of Retired Intelligence Officers-----	55
Halperin, Morton H., former Deputy Assistant Secretary of Defense for International Affairs; former Assistant for Planning, National Security Council staff-----	57

## HEARINGS EXHIBITS

No. 1—Chart showing covert action expenditures in Chile by technique, 1963-73-----	95
No. 2—Handwritten notes by Richard Helms taken during a meeting on September 15, 1970 with President Nixon-----	96
No. 3—October 20, 1975 letter from Gregory Treverton to Edward M. Korry-----	97
No. 4—October 23, 1975 letter from Edward M. Korry to Senator Church-----	100
No. 5—September 29, 1970 Department of State cable from Ambassador Edward Korry to the Secretary of State <sup>1</sup> -----	128
No. 6—Chart showing covert action expenditures and 40 Committee approval of funds for Chile, 1962-74-----	136
No. 7—May 29, 1961 letter from President Kennedy to all U.S. Chiefs of Mission-----	137
No. 8—October 25, 1961 letter from Clark M. Clifford to President Kennedy with attached memorandum re Central Intelligence Agency-----	139

<sup>1</sup> This exhibit, with declassification stamp and deletions, was given to the Select Committee by Ambassador Korry.

IV

APPENDIX A<sup>1</sup>

"Covert Action in Chile, 1963-73," Staff Report of the Senate Select Committee To Study Governmental Operations With Respect to Intelligence Activities -----	Page 144
---	-------------

APPENDIX B

The National Security Act of 1947, as amended-----	210
--	-----

APPENDIX C

The War Powers Resolution of 1973-----	226
--	-----

APPENDIX D

Section 662 of the Foreign Assistance Act as amended in 1974 (the Hughes-Ryan amendment)-----	230
---	-----

---

<sup>1</sup> Since the December 4, 1975 hearing the Select Committee has, in the course of its continuing investigation received new information which supplements the following sections of the Staff Report on Covert Action in Chile: Section III.A.4, the Role of Multinational Corporations; Section IV.B.1.e, Intelligence Estimates and Covert Action; and Section IV.C, Congressional Oversight. All pertinent information on the above will be reflected in the Select Committee's Final Report to the Senate.



# INTELLIGENCE ACTIVITIES—COVERT ACTION

THURSDAY, DECEMBER 4, 1975

U.S. SENATE,  
SELECT COMMITTEE TO STUDY GOVERNMENTAL OPERATIONS  
WITH RESPECT TO INTELLIGENCE ACTIVITIES,  
*Washington, D.C.*

The committee met, pursuant to notice, at 1:45 p.m., in room 318, Russell Senate Office Building, Senator Frank Church (chairman) presiding.

Present: Senators Church, Tower, Hart of Michigan, Mondale, Huddleston, Morgan, Hart of Colorado, Goldwater and Schweiker.

Also present: William G. Miller, staff director; Frederick A. O. Schwarz, Jr., chief counsel; Curtis R. Smothers, counsel to the minority; William Bader, Karl Inderfurth, and Gregory Treverton, professional staff members.

The CHAIRMAN. The hearing will please come to order.

The select committee's public hearings for the next 2 days will be on the subject of covert action by the U.S. Government abroad. Tomorrow's hearings will be on the more general question of whether covert action should continue as an instrument of American foreign policy, and, if so, what kinds, and under what restraints.

Today the committee holds public hearings on the involvement of the United States in covert activities in Chile from 1963 through 1973. It takes this unusual step because the committee believes the American people must know and be able to judge what was undertaken by their Government in Chile. The nature and extent of the American role in the overthrow of a democratically-elected Chilean Government are matters for deep and continuing public concern. While much of this sad story has been revealed already, the public record remains a jumble of allegations, distortions, and half-truths. This record must be set straight.

President Ford has defended covert U.S. activities in Chile during 1970-73 as "in the best interest of the Chilean people and certainly in our best interest." Why was that so? What was there about the situation in Chile and the threat it posed to our national security which made covert intervention into the political affairs of another democratic country either good for Chile or necessary for the United States? These questions must be answered. The committee's purpose is less to pass judgment on what has been done than to understand, so that it may frame appropriate legislation and recommendations to govern what will be done in the future.

Given the President's statement, it is particularly unfortunate in my opinion that the administration has refused to testify and has planned to boycott the committee's hearings. The American people

deserve to know the reasons why the United States first undertook extensive, if not massive, covert operations within a democratic state in this hemisphere. They deserve to know why their Government sought, in 1970, to overthrow a popularly elected government. The administration's prohibition on testifying in a public forum on this subject has extended to the point of preventing CIA employees, both past and present, from coming before this committee. I find this particularly ironic since I spent the whole morning at the Pacem in Terris conference at the Sheraton Park Hotel here in Washington, publicly debating with Mr. Colby the covert operations that occurred in Chile during the period under investigation. And so it is not denied to him to discuss such matters publicly and before the assembled press at the Sheraton Park Hotel. It is denied him that he should come and testify here at the Capitol before this committee.

I believe the position of the administration is completely unjustified. Secretary Kissinger has argued that it would be inappropriate to appear before Congress and the American people to discuss covert action operations in which he was involved, yet only last week he gave a speech defending covert action. If the Secretary can give speeches on covert action, I believe he should be prepared to answer questions before Congress and the people of the country.

The committee has taken the utmost precautions, both during its investigations and in what it has written publicly, to protect sensitive sources of intelligence, methods of intelligence operations, and the names of agents. With regard to Chile, the administration has joined in that effort. Thus, there is no merit to the charge that holding a public hearing on Chile will cause harm to the national security interests of the United States.

What will damage the American interest is an administration that refuses to speak to the issue of why we intervened so heavily in the internal affairs of Chile. The public has every legitimate right to such an explanation.

This committee and the American people cannot wait forever until the administration decides to honor the rights of the citizens of this Nation to know the policies of their Government. Today we make public the results of our own committee investigation into the Chilean intervention. We will also take testimony today from former State Department officials who have consented to appear and have shown a sense of responsibility to speak to the issues raised by our Chilean policy.

This is the one covert action hearing the committee will hold in public session. We have taken this unusual step because the committee believed that revealing the truth about the Chile episode would serve two important purposes. First, on the basis of an accurate record, the public would be in a position to decide for itself the wisdom and propriety of the actions taken by its Government in Chile. And, second, the Chile case provides a good example of the full range of covert action. It permits the committee, the Senate, and the country to debate and decide the merits of future use of covert action as an instrument of U.S. foreign policy.

Our committee report (app. A, p. 144) which is being released in conjunction with these hearings this afternoon, is based on an extensive review of documents obtained from the files of the Central

Intelligence Agency, the Departments of State and Defense, and the National Security Council, as well as testimony by present and former Government officials. Except when already well-known, names of Chileans and of Chilean institutions have been omitted in order to avoid revealing intelligence sources and methods, and to limit needless harm to individual Chileans who cooperated with the Central Intelligence Agency. Despite these deletions, the report conveys an accurate picture of the purposes and magnitude of U.S. covert action in Chile.

The hearings will begin with a presentation by the staff, laying out the bare facts about covert U.S. activities in Chile in the decade between 1963 and 1973. The committee will then hear three former State Department officials: Ralph Dungan and Edward Korry, American Ambassadors in Chile from 1964 through 1967, and 1967 through 1971, respectively; and Charles Meyer, Assistant Secretary of State for Inter-American Affairs from 1969 through 1973. Tomorrow, with the Chile case out in the open, a panel of distinguished Americans will discuss covert action in general, its value and costs, its limits and effects. They will offer recommendations concerning whether it should be employed in the future and, if so, in what situation and under what restrictions and controls.

Senator Tower, do you have an opening statement?

Senator TOWER. Yes. Thank you, Mr. Chairman.

I have always clung to the view that information concerning the details of U.S. covert operations should not be made public because of the possible hazards created for individuals and because the release of such information may jeopardize necessary activities. Therefore, while I believe it has been appropriate and useful for this committee to conduct an executive examination of covert activities and programs, I have been opposed to public sessions; I remain opposed to public sessions. I believe the national interest would be better served if we had canceled these particular public sessions.

I yield, of course, to the majority of the committee, that voted to make these hearings public, but in recognizing the right of the majority of the committee to do so, I must express my own very serious reservations.

Thank you.

Senator GOLDWATER. Mr. Chairman, I would like to be recorded as being in favor of what Senator Tower has said. I think it is a mistake that we are holding these hearings in public.

The CHAIRMAN. Very well, Senator Goldwater.

Any other comment from any other member of the committee at this time? If not, we will turn to our panel of staff experts that will examine the Chilean intervention, and I will call first on staff director of the committee, Bill Miller.

**STATEMENT OF WILLIAM G. MILLER, STAFF DIRECTOR, SENATE  
SELECT COMMITTEE TO STUDY GOVERNMENTAL OPERATIONS  
WITH RESPECT TO INTELLIGENCE ACTIVITIES**

Mr. MILLER. Mr. Chairman and members of the committee, the 2 days of public hearings on covert action as an instrument of U.S. policy, which begin today, are based upon an in-depth inquiry done by the committee and staff over the past 8 months. The committee has

been able to examine the full scope of covert action techniques that have been used by the U.S. Government since the end of World War II, how they relate to publicly declared foreign policy, and how they are initiated, approved, and monitored. These techniques range from relatively passive actions, such as passing money to shape the outcome of elections, to the influencing of men's minds through propaganda and "misinformation" placed in the media of other nations, to the more aggressive and belligerent techniques of organizing coups d'etat and engaging in paramilitary warfare. Out of the thousands of covert action projects throughout the world undertaken by the Central Intelligence Agency since 1947, the committee chose to examine the programs in six countries in detail. These six country programs, which the committee has already examined in executive session, span 30 years of activity since the end of World War II, and five administrations.

From the outset of the committee's inquiry, it has been clear that a major question to be decided upon by the committee is to what extent, if any, covert action should be authorized by the Congress and the people of the United States.

A useful place to begin, therefore, in examining the past activities and possible future scope of covert action is a review of the present state of the law.

To begin first with definitions of what the law is supposed to govern: According to the CIA's own present definition, covert action means any clandestine or secret activities designed to influence foreign governments, events, organizations, or persons in support of U.S. foreign policy conducted in such manner that the involvement of the U.S. Government is not apparent.

The present law cited by the executive branch covering such activities is ambiguous and circumlocutious at best. Section 102(d)5 of the National Security Act of 1947, as amended, authorizes the CIA to "perform such other functions and duties related to intelligence affecting the national security as the National Security Council may, from time to time, direct."

The committee, over the past 8 months, has examined the legislative history of the 1947 act, and has interviewed most of the principal living participants who helped draft that act. From the fruits of the investigation thus far, there is little in the legislative history, in either committee, executive session, or floor debate of that time, that gives credence to the notion that Congress intended to authorize what is now the full range of covert action. In particular, there is no evidence that Congress ever addressed the question of whether the U.S. Government should undertake assassination, a coup d'etat, or paramilitary warfare. The law that is now on the books reflects the fact that neither the executive branch nor the Congress was able to foretell what perils the future two or three decades would hold for the United States or what activities the Government would use to meet situations that emerged.

It has been argued that the Congress voted appropriations for covert actions and thereby tacitly approved these activities. There has never been an annual authorization of the CIA budget. The Congress has never as a body voted with knowledge on CIA appropriations. But rather, it has voted for appropriations in which CIA funds were concealed. There are those who maintain that because of that, the Congress

has never authorized through the appropriations process covert actions by the CIA. Two years ago, section 662 of the Foreign Assistance Act, as amended by the Ryan-Hughes amendment, was passed. It requires the President to report to the appropriate committees in a timely fashion all covert action programs that he has approved.

It has been argued that that legislation provides congressional authorization of covert action. Informing committees of the Congress and subsequent congressional awareness of covert action is not the same thing as approval. A strongly held point of view is that the aim of that legislation was to insure that sufficient knowledge of covert action would be available before approval could be considered. The committee has been studying covert action in order to decide whether to provide statutory authority for covert action.

The executive branch has defended covert actions as necessary to meet the situations in the gray area between declared war and peace. The committee must decide whether it wishes to enact specific limitations or to permit this area to remain vague and circumlocutious, as one witness has called it, and subject to the failures and abuses, and the lack of fixed responsibility and accountability for actions taken. The committee's inquiry into assassinations and of large-scale covert action program failures that have come before the committee's inquiry is proof of the problems created by this vague and inadequate law.

The record examined thus far shows that covert action programs over the last 30 years have been generally successful against weak nations and far less so against our potential enemies. In the view of many who have looked at the question, covert action has become the national means, the "functional equivalent" to use Secretary Katzenbach's phrase, for acts of deception, subversion, and violence, including instances of warfare—

The CHAIRMAN. Mr. Miller, I wonder if you could suspend for a moment. There's a vote on by virtue of which the other committee members have absented themselves. I'm going to miss the vote unless we take a very brief recess. You can renew your testimony as soon as other members begin to reappear.

[A brief recess was taken.]

Senator TOWER. Let's have order, please.

Mr. Miller, you will continue, please.

Mr. MILLER. Mr. Chairman, although there has been a considerable degree of congressional acquiescence, many of these aggressive covert activities have been undertaken without the awareness of the Congress as a whole of the circumstances and reasons for these actions; they have been taken without an annual authorization, or without any explicit statutory authority.

The costs of past covert action are considerable. Since the end of World War II, the United States has expended many billions of dollars in the carrying out of covert action programs.

As is evident in the Chile case, the amounts spent on covert action programs are considerable; however, they are extremely small when compared to the amounts spent on various forms of aid. The secrecy required to carry out covert action programs all too often has created confusion not only in the public mind, but has served to cause the Government to work at cross purposes. The positive effects of AID programs and the good will created by programs such as the Peace Corps have been negated by the covert action undertaken in Chile.

As pointed out by the former head of covert operations, Mr. Richard Bissell, there have been many short-term tactical victories but very few lasting successes. The committee's review of covert action tends to support Bissell's view. It appears that where covert action programs are consistent with declared American foreign policy supported by the Congress and the people, there has been a significant measure of long-term success; where there was a contradiction between the public rhetoric of our policymakers and open programs such as AID and the Peace Corps and the secret actions undertaken, there is a record in all too many instances of ultimate failure and damage to overall U.S. interests.

In order to examine the broad questions of policy raised by covert action, a detailed examination of Chile has been undertaken. The staff study which members of the committee have before them is as factual as the committee staff has been able to make it. Its purpose is to clear up questions arising from allegations of U.S. involvement in Chile, to arrive at an understanding of the general nature of covert action in Chile, to come to an understanding of the general nature of covert action, and perhaps most important, how covert action in this instance served to negate openly-avowed diplomatic policies of the United States.

The Chile case presents great paradoxes. In 1964, the United States through covert action assisted a candidate for the presidency to achieve a majority. CIA judged that he probably would have come to power anyway by achieving a plurality. This clandestine assistance to a moderate candidate was ostensibly given to strengthen democratic purposes.

In the period 1970 through 1973, in order to prevent a Marxist leader from coming to power by democratic means, the United States worked through covert action to subvert democratic processes. The means used went far beyond those used in 1964 in money, propaganda, and political manipulation. The means used were economic warfare, the encouragement of a coup d'etat and military violence.

Yet the means were hardly democratic; this assistance, this interference in the internal affairs of another country, served to weaken the party we sought to assist and created internal dissensions which, over time, led to the weakening and, for the present time at least, an end to constitutional government in Chile.

The contrast between covert action in Chile during the sixties and seventies, with the responsibility of the United States under the Organization of American States and the rhetoric of the Alliance for Progress, could not be more graphic. Let me quote from the OAS Charter to which the United States is a signatory.

Article 18 states:

No State or group of States has the right to intervene, directly or indirectly, for any reason whatever, in the internal or external affairs of any other State. The foregoing principle prohibits not only armed force but also any other form of interference or attempted threat against the personality of the State or against its political, economic and cultural elements.

Article 19 states:

No State may use or encourage the use of coercive measures of any economic or political character in order to force the sovereign will of another State and obtain from it advantages of any kind.

Article 21 of the OAS Charter, akin to Article 51 of the U.N. Charter, provides for the use of force for purposes of self-defense, but this could hardly be construed as a justification for the covert activities undertaken in Chile, since the intelligence estimates of the U.S. Government concluded that the Allende government posed no threat to vital U.S. interests or U.S. national security.

On October 31, 1969, President Nixon delivered an address on his Action for Progress for the Americas program. His first principle was as follows:

A firm commitment to the inter-American system, to the compacts which bind us in that system, as exemplified by the Organization of American States and by the principles so nobly set forth in its charter.

In his State of the World Address delivered on February 25, 1971, to the Congress, President Nixon said:

The United States has a strong political interest in maintaining cooperation with our neighbors regardless of their domestic viewpoints. We have a clear preference for free and democratic processes. We hope that governments will evolve toward constitutional procedures. But it is not our mission to try to provide—except by example—the answers to such questions for other nations. We deal with governments as they are. Our relations depend not on their internal structure or social systems, but on actions which affect us and the inter-American system. The new government in Chile is a clear case in point. The 1970 election of a Socialist President may have profound implications not only for its people but for the inter-American system as well. The government's legitimacy is not in question, but its ideology is likely to influence its actions. Chile's decision to establish ties with Communist Cuba, contrary to the collective policy of OAS, was a challenge to the inter-American system. We and our partners in the OAS will therefore observe closely the evolution of Chilean foreign policy.

Our bilateral policy is to keep open lines of communication. We will not be the ones to upset traditional relations. We assume that international rights and obligations will be observed. We also recognize that the Chilean Government's actions will be determined primarily by its own purposes, and that these will not be deflected simply by the tone of our policy. In short, we are prepared to have the kind of relationship with the Chilean Government that it is prepared to have with us.

At the very time this speech was delivered, the United States was already embarked on a Presidentially approved covert action program designed to control the outcome of the elections in Chile.

At this point, Mr. Chairman, I want to turn to Mr. Bader who will describe the pattern of covert action as it was used in Chile.

Senator TOWER. Mr. Bader is recognized.

Mr. BADER. Thank you, Mr. Chairman.

**STATEMENT OF WILLIAM B. BADER, PROFESSIONAL STAFF  
MEMBER OF THE SENATE SELECT COMMITTEE**

Mr. BADER. The staff study on Chile focuses on what is labeled "covert action" by the Central Intelligence Agency. Covert action, as defined by the Central Intelligence Agency, describes a policy tool for all seasons and purposes. To the Agency the term "covert action" means, as Mr. Miller has already stated, "any clandestine operation or activity designed to influence foreign governments, organizations, persons, or events in support of the U.S. foreign policy objectives."

The definition of "covert action" was not always so embracing, and indeed the term itself was only coined in recent years. This question of defining "covert action" is important as the committee addresses the central questions: The central questions are, as an instrument of foreign policy, what can covert action do and under what circumstances? What are costs? We need to answer these questions in order to address the more fundamental issue of whether or not covert action should be permitted. If so, under what rules and constraints?

Therefore, our interest in Chile, and in this report, is not only what happened there but what the Chilean experience tells us about covert action as a foreign policy operation of a democratic society.

It is important to note that the objectives, the techniques, and the political control of covert operations have changed rather fundamentally over the years.

It was only in late 1947—2½ years after the end of World War II—that the United States formally decided that clandestine intelligence collection activities had to be supplemented by what was described at the time as covert psychological operations. These were described as propaganda and manipulation of the press, and the like.

By the late spring of 1948, the Soviet threat was held to be of such seriousness that "covert operations" were expanded to include countering Soviet propaganda and Soviet support of labor unions, student groups, support political parties, economic warfare, sabotage, assistance of refugee liberation groups, and support of anti-Communists groups in occupied or even in threatened areas.

Gradually, covert action was extended to include countries all around the world. Burgeoning from the experience of countering the Soviet Union and its satellites in this early period of 1947 and 1948, the CIA had major covert operations underway in roughly 50 countries by 1953; this represented a commitment of over 50 percent of the Agency's budget during the fifties and sixties.

In broad terms—and in the language of the trade—covert activities since the so-called coming of age in 1948 have been grouped around three major categories: propaganda, political action, and paramilitary activities. In the experience with Chile, the largest covert activities were those in the general categories of propaganda and political action such as has been described in this chart [exhibit 1<sup>1</sup>], disseminating propaganda, supporting media, influencing institutions, influencing elections, supporting political parties, supporting private sector organizations, and the like.

Now as far as paramilitary activities are concerned, the last category is covert and military operations. They were not employed to a significant degree in Chile with the possible exception of the Track II operation and the Schneider kidnaping.

As far as propaganda is concerned, as revealed in the staff paper, the largest covert action activity in Chile in the decade 1963–73 was propaganda. The CIA station in Santiago placed materials in the Chilean media, maintained a number of assets or agents on major Chilean newspapers, radio, and television stations, and manufactured

<sup>1</sup> See p. 95.



"black propaganda"—that is, material falsely purporting to be the product of a particular group.

Let me give you an illustrative range of the kinds of propaganda projects that were undertaken in Chile during the years under discussion, 1963 to 1973: subsidization of two news services to influence Chilean public opinion; operation of press placement service; support of the establishment of a commercial television service in Chile; support of anti-Communist propaganda activity through wall posters, leaflets, and other street actions; use of a CIA-controlled news agency to counter Communist influence in Chile and Latin America; placement of anti-Soviet propaganda on eight radio news stations and five provincial newspapers.

By far the largest—and probably the most significant in this area of propaganda, was the money provided to *El Mercurio*, the major Santiago daily during the Allende regime.

The second category is that of political action. In the intelligence trade, covert political action aims to influence political events in a foreign country without attribution to the United States. Political action can range from recruiting an agent from within a foreign government for the purpose of influencing that government, to subsidizing political parties friendly to U.S. interests. Starkly put, political action is the covert manipulation of political power abroad.

In Chile the CIA undertook a wide range of projects aimed at influencing political events in Chile, and here are some of them: wresting control of Chilean university student organizations from the Communists; supporting a women's group active in Chilean political and intellectual life and hostile to the Allende government; combating the principal Communist-dominated labor union in Chile.

The most impressive political action in Chile was the massive efforts made over the decade from 1964 to 1974 to influence the elections. The Central Intelligence Agency in 1964, for example, spent over \$3 million in election programs, financing in this process over half of the Christian Democratic campaign.

The figures give you some idea of the measure and extent of the support that I have been talking about: propaganda, \$8 million; producing and disseminating propaganda and supporting mass media, roughly \$4 million [exhibit 1<sup>1</sup>].

These are the various techniques of covert actions and the expenditures from 1963 to 1973 to the nearest \$100,000 that we have been able to determine in the staff's work on the techniques of covert action in Chile.

Finally, Mr. Chairman, in all the cases I have described, the major objective of U.S. covert policy in Chile was to influence, control, contain, and manipulate political power in the country.

Mr. Chairman, against this background on the meaning and varieties, and in certain respects, the funding of covert action in Chile, I want to turn to Mr. Inderfurth, who will discuss the major covert activities taken in Chile in specific detail.

Thank you, Mr. Chairman.

---

<sup>1</sup> See p. 95.

The CHAIRMAN. Thank you, Mr. Bader. What is the population of Chile? How many voters?

Hold that chart for a moment.

Mr. BADER. The total population is about 10 million; there are roughly 3 million voters.

The CHAIRMAN. Roughly 3 million. And the total we spent in attempting to influence the political process in Chile came to what?

Mr. BADER. In the 1964 election it came to roughly \$3 million, \$2.6 million, or \$2.7 million.

The CHAIRMAN. The total on this chart comes to what?

Mr. BADER. \$14 million, Senator.

The CHAIRMAN. \$14 million. Have you worked that out on a per capita basis?

Mr. BADER. I believe Mr. Inderfurth has.

The CHAIRMAN. The \$3 million represents just a little less than \$1 per voter in direct contributions to the political party.

Senator TOWER. Mr. Chairman, to get it into perspective, I might say that I spent \$2.7 million to run for election in 1972 in a State with a population of 11 million.

The CHAIRMAN. If we look at that in terms of all population, national population of 200 million, that would be comparable to almost \$60 million of foreign funds. If a foreign government were given to interfere directly with the American political process in comparable terms, that \$3 million would equate roughly with almost \$60 million of foreign government money pumped into our process, wouldn't it?

Mr. BADER. That's right. That's correct, sir.

The CHAIRMAN. Based on comparable per capita population.

Mr. BADER. In 1964, for example, it would be comparable in the American political scene of \$60 million of outside foreign funds coming to the American election, the Presidential election of 1964.

Mr. Inderfurth. As a comparison in the 1964 election, President Johnson and Senator Goldwater combined spent \$25 million. So there would have been a \$35 million difference there.

The CHAIRMAN. Would you please restate that?

Mr. Inderfurth. The \$3 million spent by the CIA in Chile in 1964 represents about 30 cents for every man, woman, and child in Chile. Now if a foreign government had spent an equivalent amount per capita in our 1964 election, that government would have spent about \$60 million, as Mr. Bader indicated. President Johnson and Senator Goldwater spent \$25 million combined, so this would have been about \$35 million more.

The CHAIRMAN. More than twice as much as the two American Presidential candidates combined actually spent.

Mr. Inderfurth. That's right.

The CHAIRMAN. All right. Mr. Inderfurth, would you continue?

Mr. Inderfurth. Yes.

**STATEMENT OF KARL F. Inderfurth, PROFESSIONAL STAFF  
MEMBER OF THE SENATE SELECT COMMITTEE**

Mr. Inderfurth. This portion of the staff presentation will outline the major programs of covert action undertaken by the United States

in Chile from the early sixties through 1973. In every instance, covert action was an instrument of U.S. foreign policy, decided upon at the highest levels of the Government. We will begin with the first major U.S. covert action in Chile, which was the 1964 Presidential election.

The 1964 Chilean election was viewed with great concern in Washington. The New York Times reported:

Officials said they could recall no other foreign election since the Italian elections in 1948 that had caused as much anxiety in Washington as the one in Chile.

The United States was involved in the 1964 election on a massive scale. The Special Group, which was the predecessor of today's 40 Committee, authorized over \$3 million between 1962 and 1964 to prevent the election of a Socialist or Communist candidate. In all, a total of nearly \$4 million was spent by the CIA on some 15 covert action projects. These projects ranged from organizing slum dwellers to passing funds to political parties.

The groundwork for the election, or the plumbing as it is sometimes called, was laid early in 1961. The CIA established relationships with key political parties, as well as propaganda and organizational mechanisms, to influence key sectors of the population. Projects that had been conducted since the fifties among peasants, slum dwellers, organized labor, students, and the media provided a basis for much of this pre-election covert action.

Covert action during the 1964 campaign was composed of two major elements. The first was direct financial support to the Christian Democratic Party. The Christian Democrats spent about \$6 million to get their candidate, Eduardo Frei, elected. The CIA's contribution was slightly more than half of this sum, or \$3 million.

In addition to support for the Christian Democratic party, the CIA mounted a massive anti-Communist propaganda campaign. That campaign was enormous. Extensive use was made of the press, radio, films, pamphlets, posters, direct mailings, and wall paintings. To give some feel for this campaign, a few statistics might be helpful. During the first week of intensive activity, a CIA-funded propaganda group in Chile produced 20 radio spots per day in Santiago and on 44 provincial stations. Twelve-minute news broadcasts were produced five times daily on three Santiago stations and on 24 provincial outlets. By the end of June, the group was producing 24 daily newscasts nationwide and 26 weekly commentary programs. In addition, 3,000 posters were distributed daily.

The propaganda campaign was, in fact, a scare campaign. It relied heavily on images of Soviet tanks and Cuban firing squads and was pitched especially to women. Misinformation and black propaganda were used as well. The CIA regards this anti-Communist scare campaign as its most effective activity undertaken on behalf of Eduardo Frei.

In addition to support for the Christian Democratic Party and the propaganda campaign, the CIA ran a number of political action operations aimed at important Chilean voter blocs, including slum dwellers, peasants, organized labor, and dissident socialists. This effort made extensive use of public opinion polls and grassroots organizing. In other words, it was political campaigning American style.

Eduardo Frei won an impressive victory in the 1964 election. He received 56 percent of the vote. Now let's turn to CIA activities in Chile between Presidential elections.

During the 1964 to 1970 period, the CIA spent almost \$2 million on 12 covert action projects in Chile. One-fourth of this amount was authorized by the 40 Committee. Various sectors of the Chilean society were affected. All of these activities were intended to strengthen groups which supported President Frei and opposed Marxist influences.

Two of the projects during this period were directed toward congressional campaigns, one in 1965 and one in 1968. The 1965 election project is representative. The 303 Committee approved \$175,000 for this effort. Twenty-two candidates were selected by the CIA station and the U.S. Ambassador to receive funds. Nine of these candidates were elected. Thirteen candidates of the Socialist-Marxist coalition, known then as FRAP, were defeated.

Election efforts were not the only projects conducted by the CIA during this period. Covert action efforts were also undertaken to influence the political development of various sectors of the Chilean society. One project helped train and organize anti-Communists among peasants and slum dwellers. Two projects worked within organized labor. One was designed to combat a Communist-dominated labor union; another was conducted in the Catholic labor field.

The media received particular attention during this period. One project supported and operated wire services, equivalent to our AP and UPI. Another supported a right-wing weekly newspaper. The CIA also developed "assets" within the Chilean press. Assets are foreign nationals who are either on the CIA payroll or are subject to CIA guidance. One of these assets produced radio political commentary shows attacking the political parties on the left and supporting CIA-selected candidates. Other assets placed CIA-inspired editorials almost daily in *El Mercurio* and, after 1968, exerted substantial control over the content of that paper's international news section.

Now let's turn to the period immediately preceding the 1970 Presidential election. The 303 Committee first discussed the upcoming election in April 1969. According to a report of that meeting, Director Helms commented that an election effort would not be effective unless an early enough start was made. However, a year passed before any action was taken. In March 1970, the committee decided that the United States would not support any one candidate, as it had in the 1964 election, but that it would instead wage a spoiling operation against Allende's Popular Unity coalition. In all, the CIA spent about \$1 million for this activity. Half was approved by the 40 Committee.

The CIA's spoiling operation had two objectives: first, to undermine Communist efforts to bring about a coalition of leftist forces; and second, to strengthen non-Marxist political leaders and forces in Chile.

In working towards these objectives, the CIA made use of a half-dozen covert action projects. An extensive propaganda campaign

was begun. It made use of virtually all the media within Chile and placed and replayed items in the international press as well. Propaganda placements were achieved through subsidizing rightwing women's and civic action groups. Previously developed assets in the Chilean press were used as well. As in 1964, propaganda was used in a scare campaign. An Allende victory was equated with violence and Stalinist repression. Sign-painting teams were instructed to paint slogans on walls evoking images of Communist firing squads. Posters warned that an Allende victory in Chile would mean the end of religion and family life.

Unlike 1964, however, the 1970 operation did not involve extensive public opinion polling, grass roots organizing, or, as previously mentioned, direct funding of any candidate. The CIA funded only one political group during the 1970 campaign. This was an effort to reduce the number of Radical Party votes for Allende.

The CIA's spoiling operation did not succeed. On September 4, Allende won a plurality in Chile's Presidential election. He received 36 percent of the vote; the runner-up, Jorge Alessandri, received 35 percent of the vote. Since no candidate had received a majority, a joint session of the Chilean Congress was required to decide between the first- and second-place finishers. The date set for the joint session was October 24.

Now we will turn to the period between Allende's plurality victory and the congressional election. Mr. Treverton will go into this period.

**STATEMENT OF GREGORY F. TREVERTON, PROFESSIONAL STAFF  
MEMBER OF THE SENATE SELECT COMMITTEE**

Mr. TREVERTON. Thank you.

The reaction in Washington to Allende's victory was immediate. The 40 Committee met on September 8 and 14, to discuss what action should be taken. On September 15, President Nixon met with Richard Helms, Henry Kissinger, and John Mitchell at the White House. U.S. Government actions proceeding along two separate but related tracks. Track I, as it came to be called, aimed to induce President Frei to act to prevent Allende from being seated. Track I included an anti-Allende propaganda campaign, economic pressures and a \$250,000 contingency fund to be used at the Ambassador's discretion in support of projects which Frei and his associates deemed important in attempting to influence the outcome of the October 24 congressional vote. However, the idea of bribing Chilean Congressmen to vote for Alessandri—the only idea for use of this contingency fund which arose—was immediately seen to be unworkable. The \$250,000 fund was never spent.

Track II, as it was called by those inside the U.S. Government who knew of its existence, was touched off by the President's September 15 instruction to the CIA. It is the subject of the Schneider portion of the committee's recent Report on Alleged Assassinations. I will merely summarize Track II here.

Track II was to be run without the knowledge of the Ambassador, or the Departments of State and Defense. Richard Helms' handwritten

notes of the meeting with the President [exhibit 2<sup>1</sup>] convey the flavor of that meeting. I will quote from his note:

“One-in-ten chance perhaps, but save Chile.

“Not concerned risks involved.

“No involvement of Embassy.

“Ten million dollars available, more if necessary.

“Full-time job—best men we have.

“Make the economy scream.”

Between October 5 and October 20, the CIA made 21 contacts with key military and police officials in Chile. Coup plotters were given assurances of strong support at the highest levels of the U.S. Government both before and after a coup. The CIA knew that the coup plans of all the various conspirators included the removal from the scene of Chilean Gen. Rene Schneider, the Chief of Staff of the Army and a man who opposed any coup. CIA officials passed three submachine guns to two Chilean officers on October 22. Later that day, General Schneider was mortally wounded in an abortive kidnap attempt. However, the group which received CIA weapons was not the same group as the one which carried off the abortive kidnaping of Schneider.

Along the other line of covert action, Track I, the U.S. Government considered a variety of means considered as constitutional or quasi-constitutional to prevent Allende from taking office. One of these was to induce the Christian Democrats to vote on October 24 for Alessandri instead of Allende, who finished in first place, with Alessandri to promise to resign immediately, thereby paving the way for new Presidential elections in which Frei would be a legitimate candidate.

Another scheme considered by the government was to persuade Frei to step down, permitting the military to take power.

Both the anti-Allende propaganda campaign and the program of economic pressure were intended to support these efforts to prevent Allende's accession to power. The propaganda campaign focused on the ills that would befall Chile should Allende be elected, while the economic offensives were intended to preview those ills and demonstrate the foreign economic reaction to an Allende presidency.

A few examples: Journalist-agents traveled to Chile for on-the-scene reporting; by September 28, the CIA had journalists from 10 different countries in, or en route to, Chile. The CIA placed individual propaganda news items, financed a small newspaper, and engaged in other propaganda activities.

Finally, the CIA gave special intelligence briefings to U.S. journalists. For example, Time magazine requested and received a CIA briefing on the situation in Chile, and, according to the CIA, the basic thrust and timing of the Time story on Allende's victory were changed as a result of the briefing.

In the end, of course, neither Track I nor Track II achieved its aim. On October 24, the Chilean Congress voted 153 to 35 to elect Allende. On November 4, he was inaugurated. U.S. efforts, both overt and covert, to prevent his assumption of office had failed.

Now let me turn to covert action between 1970 and 1973. As Mr. Miller mentioned a moment ago, is his 1971 state of the world message, President Nixon announced: “We're prepared to have the kind of re-

<sup>1</sup> See p. 96.

lationship with the Chilean Government that it is prepared to have with us." This cool but correct public posture was articulated by other senior officials. Yet, public pronouncements notwithstanding, after Allende's inauguration, the 40 Committee approved a total of \$7 million in covert support to opposition groups in Chile. That money also funded an extensive anti-Allende propaganda campaign.

The general goal of United States covert action toward Allende's Chile was to maximize pressures on his government to prevent its internal consolidation and limit its ability to implement policies contrary to U.S. interests in the hemisphere. That objective was stated clearly in a Presidential decision issued in early November 1970. U.S. policy was designed to frustrate Allende's experiment in the Western Hemisphere and thus limit its attractiveness as a model; there was a determination to sustain the principle of compensation for U.S. firms nationalized by the Allende government.

Throughout the Allende years, but especially after the first year of his government, the American Government's best intelligence—National Intelligence Estimates, prepared by the entire intelligence community—made clear that the more extreme fears about the effects of Allende's election were not well-founded. There was, for example, never a significant threat of a Soviet military presence in Chile, and Allende was little more hospitable to activist exiles from other Latin American countries than had been his predecessor, Eduardo Frei. Nevertheless, those fears, sometimes exaggerated, appeared to have activated officials in Washington.

Covert action formed one of a triad of official American actions toward Chile. Covert action supported a vigorous opposition to Allende, while the "correct but cool" overt posture denied the Allende government a handy foreign enemy to use as a rallying point. The third line of U.S. action was economic. The United States did what it could to put economic pressure on Chile and encourage other nations to adopt similar policies.

The subject of this report is covert action, but those operations did not take place in a vacuum. It is worth spending a moment to describe the economic pressures, overt and covert, which were applied simultaneously. The United States cut off further new economic aid to Chile, denied credits, and made partially successful efforts to enlist the cooperation of international financial institutions and private firms in tightening the economic squeeze on Chile.

Now to turn to the effort of covert action itself. More than half of the 40 Committee-approved funds supported the opposition political parties in Chile: the Christian Democratic Party, the National Party, and several splinter groups. CIA funds enabled the major opposition parties to purchase their own radio stations and newspapers. All opposition parties were passed money prior to the April 1971 municipal elections, the March 1973 congressional elections, and periodic by-elections. Covert support also enabled the parties to maintain a vigorous anti-Allende propaganda campaign throughout the Allende years.

Besides funding political parties, the 40 Committee approved large amounts to sustain opposition media and thus to maintain a large-scale propaganda campaign.

As mentioned before, \$1½ million went to one opposition publication alone, the major Santiago newspaper, El Mercurio, Chile's oldest newspaper. The U.S. Government calculated that El Mercurio, under pressure from the Allende government, would not survive without covert U.S. support. At the same time, however, CIA documents acknowledged that only El Mercurio, and to a lesser extent, the papers belonging to the opposition parties were under severe pressure from the Chilean Government. Freedom of the press continued in Chile until the military coup in 1973.

Let me say just a word about two specific topics which have been the subject of great public interest: The first of these is U.S. relations with private sector opposition groups during the Allende years; the other is United States actions vis-a-vis the Chilean military. Covert support for private sector groups was a sensitive issue for the U.S. Government during this period because some of these groups were involved with anti-Government strikes and were known to agitate for a military intervention. In September 1972, the 40 Committee authorized \$24,000 for "emergency support" of a powerful businessmen's organization. At the same time, the 40 Committee decided against financial support to other private sector organizations because of their possible involvement in anti-Government strikes. In October 1972, the 40 Committee approved \$100,000 for three private sector groups, but, according to the CIA, this money was earmarked only for activities in support of opposition candidates in the March 1973 congressional elections. On August 20, 1973, the 40 Committee approved further money for private sector groups, but that money was dependent on the approval of the U.S. Ambassador and Department of State, and none of these funds were passed before the military coup.

American decisions during this period suggest a careful distinction between supporting opposition groups on one hand and aiding elements trying to bring about a military coup on the other. But, given the turbulent conditions in Chile, such a distinction was difficult to sustain. There were many close links among the opposition political parties, private sector groups, militant trade associations, and the paramilitary groups of the extreme right. In one instance, a CIA-supported private sector group passed several thousand dollars to striking truck owners. That support was contrary to Agency ground-rules, and the CIA rebuked the group, but nevertheless passed it money the next month.

With respect to the covert links with the Chilean military during the Allende years, the basic United States purpose was monitoring coup-plotting within the Chilean military. To that end, the CIA developed a number of information "assets" at various levels within the Chilean military. Once this network was in place by September 1971, the CIA station in Santiago and headquarters in Washington discussed how it should be used.

At one point, the station in Santiago suggested that the ultimate goal of its military program was a military solution to the Chilean problem. But CIA headquarters cautioned that there was no 40 Committee approval for the United States to become involved in coup plotting. There is no evidence that the United States did become so involved. Yet several CIA efforts suggest a more active stance than merely



collecting information. One of these operations was a deception operation involving the passage of information, some of it fabricated by the CIA, which would alert Chilean officers to real or purported Cuban involvement in the Chilean Army.

At another point, the CIA station in Santiago provided short-lived financial support to one small magazine aimed at military officers.

On September 11, 1973, of course, Salvador Allende was toppled by a military coup. Let me just say several words about Chile since the coup, and about United States covert action in Chile since that time.

After the coup the military junta moved quickly to consolidate its political power. Political parties were banned, Congress was put in indefinite recess, and censorship was instituted. Supporters of Allende and others deemed opponents of the new regime were jailed, and the military leader, Augusto Pinochet, indicated that the military might have to rule Chile for two generations.

The prospects for revival of democracy in Chile have not improved over the past 2 years. Charges concerning the violations of civil rights in Chile persist. Most recently, the United Nations report on Chile charged that torture centers are being operated in Santiago and other parts of the country. The Pinochet government continues to prevent international investigative groups from free movement in Chile, and in several instances, has not permitted these groups to enter Chile at all.

After the coup, the United States covert action program in Chile sank dramatically. No major new initiatives were undertaken, and what projects were continued operated at a low level. These consisted mainly of maintaining media assets and several other small activities.

During this period, the CIA also renewed its liaison assets with Chilean Government's security and intelligence forces. However, in doing so the CIA was sensitive to worries that liaison with such organizations would open the CIA to charges of political repression, and the CIA sought to insure that its support for activities designed to control external subversives was not used on internal subversives as well.

Thank you, Mr. Chairman.

The CHAIRMAN. Thank you very much. That concludes the panel presentation.

There is another vote on the Senate floor. I think this might be a good time for a brief recess to give the members a chance to return.

[A brief recess was taken.]

The CHAIRMAN. The staff members on the panel have finished their presentation, and before we go to our next witnesses, Senator Goldwater has indicated that he has some questions for the panel, and so I recognize Senator Goldwater for that purpose.

Senator GOLDWATER. Mr. Miller, in your presentation, you say the record examined thus far shows that covert action programs over the past 30 years have been successful generally against weak nations and far less so against our major potential enemies. How many cases have you examined over the past 30 years?

Mr. MILLER. How many cases has the committee staff reviewed? Well, in depth, Senator, we have done six. We have reviewed in general terms the entire scale of covert action, both in budgetary terms,

geographical coverage, and with some attempt to measure success and quality.

The reasons for this disparity of success against the major potential enemies such as the Soviet Union and China I think are fairly clear. Those nations have very strong authoritarian governments. It is very difficult to collect information there. It is very difficult to mount operations. It is not the case in the nations which are not authoritarian in structure or do not have such disciplined secret services, and have a police state that is not as effective as those of the Soviet Union and China, but I do not think I should go into any detail in open session.

Senator GOLDWATER. Well, has the committee examined any cases that involved Soviet Russia or Red China or any other potential strong adversary?

Mr. MILLER. We have in certain areas. We have had an inquiry into particularly the areas of counterintelligence, and also the area of collection.

Senator GOLDWATER. Are you saying we've conducted covert actions against major potential enemies?

Mr. MILLER. There have been attempts, particularly in the period immediately following the end of the Second World War, the beginning of the cold war.

Senator GOLDWATER. Well, Mr. Chairman, I think this is a rather important statement. I know we cannot discuss it in public, but I would suggest that proper officials of the CIA be recalled to testify as to what we have done in this general field. If we are going to pick on Chile alone as an example of covert action while we have heard testimony that there have been covert actions against major enemies, I think we have to look into that also, and I would request that Mr. Bader or any representative of the CIA be called back to testify as to what we're talking about when we hear this kind of testimony.

The CHAIRMAN. Senator, I have no objection to your request of this committee. As far as I am concerned, I would like to examine all of these covert actions in the past, because I think so many of them have been wrong, and our problem is that we cannot get the administration to agree to any kind of public presentation to any of these operations. It has only been as a result of very extended efforts that we have been able to present the Chilean case, to obtain the cooperation of the administration in a very limited way, with respect to sanitizing the presentation to protect legitimate security interests of the United States. We've had no such offer from the administration with respect to any covert operation.

Senator GOLDWATER. We've heard nothing about any other covert action such as has been discussed by Mr. Miller. Had we heard of it, I think the Members on my side would certainly have requested that a study to be done, and I would suggest that if this team can do as thorough a job on Chile as they have done, they certainly ought to be able to do an equally good job on a much larger country such as the Soviet Union or Red China or any other large potential enemy. I don't think we can let a statement like this stand.

Now, if Mr. Miller wants to change it, fine. But I don't want to see this made a matter of public record that we, without saying so, that we

have conducted covert actions against potential enemies of a large scale. I think this is wrong.

However, before you start I might say that had we seen Mr. Miller's statement before he read it, we might have been able to clear this up. We did not see any statements on this side of the table. We listened to them, and I think this is the first time in the whole history of this committee that the minority side has been sort of kept outside the tent.

And I just want to register my protest against that kind of treatment. If the press is going to be given statements that we're not allowed to see, I've served on these committees before and I can tell you, when the bell of end comes, that is when it rings. We didn't see the report until we sat down today. If we're going to have to put up with that—

The CHAIRMAN. Senator Goldwater, may I simply say that no member of the committee on either side had the statement. That was an oversight on the part of the committee. Each member should have had these statements before every Senator. That is the normal procedure. That is the procedure that we have followed in the past and will follow in the future. This was purely an oversight and when it was called to my attention I immediately asked that the statements be placed before all members.

Senator GOLDWATER. Well, I would like to have an answer to my request that we get a statement from the CIA—if they say they can't do it, then we're going to have to go higher, to see what we've done against the Soviets and Red China, because to my knowledge we have done nothing.

The CHAIRMAN. Well, the covert operations have been reviewed in executive session, all of them, and it has been the objection of the administration itself that has largely prevented the committee from developing any more cases in public session than this one, and so I have no objection to your request, Senator Goldwater, but I would solicit your help with the administration in hopes that we could clear the way for a public presentation of other covert actions. But it has been the opposition of the administration and their refusal to make witnesses available that has handicapped the committee in this regard.

Senator GOLDWATER. It might have been done in some other administration. I'd like to find out whether it happened under Kennedy or Johnson or Nixon or just who was the one that thought they could perpetrate a covert action upon the Soviets. That's a rather sneaky task. I'd like to know how they came out, not that I'm opposed to it.

The CHAIRMAN. Well, Mr. Miller, do you have any further response to the Senator's question?

Mr. MILLER. No; I will endeavor to fulfill Senator Goldwater's request. I think that is the best response.

The CHAIRMAN. Very well.

Well, while the panel is here, if anybody wants to question members, please feel free.

Senator Mondale?

Senator MONDALE. Thank you, Mr. Chairman.

What do the records show to be the threat that we thought we had to meet by frustrating and overthrowing Allende?

Mr. TREVERTON. Let me say a word about that. The question is what the perception of officials in Washington was.

Senator MONDALE. Why did we want to get rid of Allende? What did our specialists say was at stake?

Mr. TREVERTON. There is some difficulty with that question because, as we pointed out in the report, there is some difference between what the Government's intelligence specialists—the national intelligence estimates—were saying about Chile and the threat it posed to the United States and what senior officials apparently believed.

Senator MONDALE. In other words, this was the apparatus that we established to collect information and evaluate it, is that right?

Mr. TREVERTON. That's right.

Senator MONDALE. What did they say about the threat that Mr. Allende posed to this country?

Mr. Inderfurth. I think the threats perceived by officials had to do with the presence of the Soviets in Chile and the question of subversion of other Latin American Governments using Chile as a base. There was a concern about a movement by Allende, despite the fact that he had been elected constitutionally, down the road toward a Marxist totalitarian state.

There was a press conference given September 16, 1970—it was a background press briefing—in which Dr. Kissinger referred to the irreversibility of the Chilean election, meaning that it was doubtful there would be another free election in Chile.

So I think there were these concerns, as well as economic concerns. The United States had quite a bit of private capital invested in Chile. I think these were the motivating factors.

Now, in our examination of the NIE's, over a period of time, the threat that Allende posed to Chile seemed to be less shrill.

Senator MONDALE. On page 229 of our assassination report the CIA's Director of Intelligence circulated an intelligence community assessment on the impact of the Allende government on U.S. national interest.

Mr. Inderfurth. That's right.

Senator MONDALE. September 7, 1970. It says that: One, the United States has no vital national interest in Chile but there could be some economic losses; two, the world military balance would not be significantly altered by the Allende government; three, an Allende victory would create considerable political and psychological cost and the hemisphere would be threatened by the challenge of Allende. Is that right?

Mr. Inderfurth. Yes, sir.

Senator MONDALE. So that in terms of this Nation's interest, at least the 1970 estimate was that it did not directly threaten America.

Mr. Inderfurth. That's correct.

Senator MONDALE. Now did Mr. Allende ever act in a way which undermined the democratic procedures established by the constitution of Chile?

Mr. Inderfurth. That has been the subject of debate. Charges have been raised about his opposition to political parties, as well as his opposition to the media. We have looked into both of those areas and despite the fear that there would never be another free election in Chile, there were in fact national elections, municipal elections, there were congressional elections, trade union elections continued, the

political parties survived. Of course today you see there are no political parties functioning in Chile.

Concerning the press, the record there does indicate that Allende was exerting some pressure on the opposition press, especially *El Mercurio*. There were instances in which radio stations were closed. I think the number is three. *El Mercurio* itself was closed down for a day, but the court invalidated that and it was reopened the next day. There are also charges that the government was attempting to take over a paper company which was the supplying company for newsprint in Chile. The government backed off.

The NIE's took note of this growing government domination of the press, but indicated that *El Mercurio* had managed to retain its independence and had been able to continue operating. This was in 1971.

In 1972 the NIE stated that the opposition news media in Chile persisted in denouncing the Allende regime and continued to resist government intimidation. At no point during Allende's regime was there press censorship. Of course that is the case today.

So I think the record shows that in some ways he was moving forcefully to stifle some of the opposition press, but certainly not all.

Senator MONDALE. In the hearings with Mr. David Phillips, who had extensive background and experience in Chile, I asked him whether it was his judgment that although Allende was Marxist and espoused Marxism, he also wanted to achieve this through the democratic process, and although there was some rough stuff in the press, whether that was essentially the course he was pursuing.

Mr. Phillips said—I don't recall what he said but he indeed acted that way. And I asked Mr. Phillips if Allende attempted to achieve his Marxist philosophy with popular support under the constitutional system. Mr. Phillips said that, yes; essentially that is true.

Mr. Inderfurth. That is the record we have seen. In Chile they have a term for it, *via pacifica*, the peaceful road, which is the road that Allende had followed. He had run for the presidency four times, each time coming back to try again. And the record is unclear, obviously, where he would have taken Chile.

Senator MONDALE. They were afraid that although he had never made a move by force to take it over, that he might.

Mr. Inderfurth. That was the concern.

Senator MONDALE. Even though he'd never done it.

Mr. Inderfurth. That's right.

Senator MONDALE. I think Mr. Kissinger, when we asked him that, said what we were afraid of was that he would establish a Communist-dominated dictatorship very similar to Portugal.

Mr. Inderfurth. He's used that example as well as Cuba. The fear of another Cuba in Latin America was very strong.

Senator MONDALE. Thank you, Mr. Chairman.

The CHAIRMAN. Senator Hart.

Senator HART of Colorado. I don't know to which member of the staff to direct the question, but there have been suggestions that a considerable amount of the money that was funneled into Chile from this country went into assistance of labor unions, trade unions, in Chile in support of strike efforts against the Allende government. Could you provide information to the committee in this regard as to amounts of

money and whether substantial amounts did in fact provide covert support to strikers, particularly between 1971 and 1973?

Mr. **INDERFURTH**. I think the record here is clear, at least at the approval stage. We have reviewed the records and there was never a 40 Committee authorization for funding strikers in Chile.

Shortly before the coup there was a CIA recommendation for funding the strikers. It is unclear whether or not that proposal ever reached the 40 Committee, but it is clear that the 40 Committee never approved any funds; 40 Committee approval for funding private sector organizations is another matter. These organizations were sympathetic to and in support of the strikers, and on three separate occasions the 40 Committee did approve funding for these private sector organizations.

The total amount authorized was something over \$1 million. The total amount spent was something around \$100,000.

Now these funds were provided with the contingency that they would not filter down to the strikers, but at least in one instance they did. The sum was rather small, \$2,800. These funds did go through a private sector organization to a striking group. This was against the Agency's ground rules for funding strikers. In fact, Nathaniel Davis, U.S. Ambassador to Chile, and the State Department, had strenuously objected to any funding of the strikers.

So I think where we come out is that the 40 Committee never approved any funds. A small amount did, however, filter down.

Whether or not other CIA money that went into private sector operations or political parties ever made it to the strikers, we have not been able to determine from the record.

Senator **HART** of Colorado. Why was there a policy against this assistance to strikers?

Mr. **INDERFURTH**. There's no question that the strikers were creating the climate in which a military coup appeared to be inevitable. So any direct assistance to the strikers would be directly heating up, building up, tension in Chile, which eventually did lead to the coup.

So we would support El Mercurio and the political parties. But when you moved into the private sector area, you got closer and closer to the real tension within the society and eventually to the coup.

So I think that was a concern.

Senator **HART** of Colorado. That's all, Mr. Chairman.

The **CHAIRMAN**. Do any other Senators desire to ask questions of the panel. Senator Schweiker?

Senator **SCHWEIKER**. Yes, Mr. Chairman. In what time frame did we start funding El Mercurio? Do you have any kind of date as to when we started putting money into El Mercurio as a CIA expenditure?

Mr. **TREVERTON**. The first funds went to El Mercurio in the late fall of 1970 or the early spring of 1971.

Senator **SCHWEIKER**. Did we previously put money into assets prior to that period in El Mercurio?

Mr. **TREVERTON**. Yes. Part of that period we financed assets—that is, people who worked for El Mercurio and who received small amounts of money from the CIA to write or run stories favorable to American interests.

We had not prior to that time provided substantial support to the operation of the paper.

Senator **SCHWEIKER**. And we are not certain when the support for the operation began, or are we?

Mr. TREVERTON. We are certain. I just don't have it right here in front of me.

Senator SCHWEIKER. Is it prior to our involvement with going ahead with the 1970 program against Allende? Or don't we have that?

Mr. TREVERTON. It would have been after Allende's inauguration—that is, after the Track I, Track II period, after the election period. It came in the period after Allende's inauguration. We decided on the program to support opposition parties and media.

Senator SCHWEIKER. Would it have been before the September 15 meeting in 1970?

Mr. TREVERTON. It was after that. It was either November 1970, or April 1971. Perhaps I can give you the exact date. Perhaps it was as late as September 1971, so it was surely after the 1970 election period.

Senator SCHWEIKER. That's all I have, Mr. Chairman. Thank you.

The CHAIRMAN. Senator Huddleston?

Senator HUDDLESTON. Thank you, Mr. Chairman.

I've not heard all the questioning and I hope I'm not repetitious. In our relationship with the removal and subsequent death of General Schneider it was not clear that our policy was that he should not be done away with. There was no tension there, although we were attempting to foment a coup d'état to prevent the ascension of Allende to the presidency. And, I think its important to understand that the reason that General Schneider had to be removed was that even though he was not a particular sympathizer with Allende, he was a constitutionalist, and he believed in his Government's constitution, which subordinated the military to civilian rule. And because of that, he was not interested in leading a coup or participating in one.

Is that not accurate?

Mr. TREVERTON. Yes; those points are correct and well taken.

Senator HUDDLESTON. Thank you, Mr. Chairman.

The CHAIRMAN. Any further questions of this panel? If not, thank you very much, gentlemen. We will call the next three witnesses, Mr. Ralph Dungan, Mr. Charles Meyer, and Mr. Edward Korry.

[Pause.]

The CHAIRMAN. Gentlemen, in accordance with the practice of the committee would you stand and be sworn?

Do you solemnly swear that all the testimony you will give in this proceeding will be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. KORRY. I do.

Mr. DUNGAN. I do.

Mr. MEYER. I do.

The CHAIRMAN. Thank you.

I understand each of you has an opening statement and perhaps the logical way to proceed would be chronologically, starting with Mr. Dungan, please.

#### TESTIMONY OF RALPH DUNGAN, FORMER UNITED STATES AMBASSADOR TO CHILE

Mr. DUNGAN. Thank you, Mr. Chairman.

Mr. Chairman and members of the committee, I appreciate your invitation to testify in this public hearing on U.S. intelligence activities in Chile. You are ultimately interested, I take it, in the question of

what changes in policies, laws, and administrative procedures are indicated as a result of this committee's inquiries and other information which has been made public recently.

I am prepared to answer questions about any matter of interest to the committee about which I had knowledge and which I can recollect, but I shall refrain with your indulgence from mentioning names of either Chilean or U.S. nationals. As a citizen who for many years in and out of Government had advocated stringent curbs on covert action, I must candidly state that I have very serious doubts that further public disclosure of specific instances of excess, of illegal or immoral operations are necessary to enable the Congress to act forthrightly, intelligently, and effectively in correcting what has been for many years—we now see with the amazing clarity of hindsight—a national disgrace. But whatever the committee's decision is with respect to the revelation of specific actions, I intend to assist in any way that you think I can in your difficult task. With the greatest respect to the members of this committee, to the Senate, to the House, it is well to remember that to the extent that excesses have occurred in the past in Chile, or elsewhere, they have transpired under imprecise congressional mandates, haphazard congressional oversight, and with congresses provided by the Congress.

During the 1964-67 period, when I was Ambassador to Chile, U.S. covert activities in Chile were not extensive and most were irrelevant to and not directed at Chilean political institutions. They were on the whole directed toward the gathering and cross checking of intelligence about internal, hemispheric, and international affairs. The chief of station was an old hand in Latin America and had a strong bias toward the intelligence function and shared my personal skepticism about the desirability or utility of U.S. involvement in covert activities not specifically oriented toward the collection of intelligence. The names of CIA agents or sources were not made known to me except on specific request. First-hand sources tended to be on the political right.

In addition to covert intelligence gathering there were three other types of covert activities—my classification: those involving international targets or problems such as surveillance of suspected agents from other countries; those activities of the agency of a benign nature—my term, benign—albeit interventionist, such as support for a private agency engaged in social or economic development; and finally those directed toward the influencing of some Chilean institution, individual, or even for the purpose of producing a result which ostensibly advanced U.S. interests.

None of these three types of actions was extensively engaged in Chile during the 1964-67 period. To the extent that they were, especially as regards the latter category, that is, intervening political activity, they were reprehensible in principle, I now believe. I might add that at the time they were relatively harmless and ineffective.

To sum up, during the 1964-67 period in Chile relatively little covert activity was undertaken and little of more than marginal significance or effectiveness was directed at Chilean institutions or political processes.

It seems to me, Mr. Chairman, that we should accept the fact that covert activity has characterized and will continue to characterize



statecraft. It would be foolish and hypocritical for the Congress or the executive branch to pretend that we can, will, or should abstain from covert activity. Nor do I think that it is realistic to confine covert actions by law solely to intelligence gathering or counterintelligence, much as one might be tempted to follow this course.

I noted with interest the staff report makes that point very clear. You cannot distinguish intelligence from other kinds of covert activity.

On the other hand, the inquiries of this committee seem to me to establish conclusively the urgent need to define with greater clarity and precision than in the past, the limits we impose on ourselves in utilizing covert action in the pursuit of our objectives. Of equal importance is the necessity to establish processes and procedures which establish an effective system of checks and balances in accordance with the fundamental constitutional principle to which we subscribe. I submit that as regards our treatment of covert action we have neglected to apply rigorously either this principle or the principle of enumerated powers.

It is difficult to specify in detail covert actions which may be utilized but I believe that Congress should examine the basic statutes under which the Agency operates with a view to introducing general prohibitions against certain types of actions except under extraordinary circumstances and pursuant to specific approvals defined by regulation. For example, one might wish to prohibit generally any action to be taken outside the United States which if committed in the continental limits would be subject to criminal penalties. Murder would be one of those. I do not mean to suggest that this is the only or necessarily the most important statutory guideline or restriction. I use it only as an example.

If anything is clear from the record you have compiled and from the experience of many over the years, it is that individuals at all levels have taken great liberties without the knowledge or authorization or any responsible person or group. To be fair, responsible persons may have knowingly or unwittingly given some signal or tacit approval, or so it may have been perceived by those with operational responsibility. Suffice it to say that it is high time we state at least in general what type of covert actions we as a Nation believe are permissible and in accord with our values and traditions.

I think that with respect to our intelligence activities, we have forgotten that we are a Government of laws and not of men. We have relied excessively on the best and the brightest. We need to return to a system grounded in law, regulation, and procedure. Therefore, I believe that, at a minimum, we need to develop more explicit procedures which must be followed, and approvals which must be obtained before departing from the usual standards which should be set forth generally in statute and, with greater particularity, in regulation.

Mr. Chairman, as important as a general statutory definition of the rules of the game is, it is of paramount importance that a structure of statutory and regulatory checks and balances be created promptly. One should strive for simple mechanisms so that the lines of responsibility and accountability are clear and unambiguous.

My experience and a reading of the record suggests that any future President would be well advised to appoint a deputy to the National

Security Advisor whose sole responsibility would be to monitor intelligence activities of all agencies, especially covert actions. It is apparent to me now and should have been in years past, that the special intricacies of this field and the special responsibility of the President strongly suggests the need for more capability than we had in the early 1960's in the Office of the National Security Adviser. Those who might argue that this arrangement unnecessarily concentrates in the President's Office superoperational power ignore, I believe, the burden which the President bears in this area and his need for capable, informed, and independent judgment.

While I feel less secure in this suggestion because I do not consider myself an expert in the internal organization and structure of the CIA, I think it worth considering the adverse results which often-times flow from the establishment of a permanent organization and cadre of bright, active persons. Like any other bureaucracy, private or public, an established group tends, following the Parkinson principle, to generate work to keep it occupied. Where, as I believe has been the case with CIA, a unit is amply funded and prides itself in being gung ho and capable of response to the most extravagant demands, you have the ingredients of trouble. If you add a degree of ideological bias within the unit and lack of restraint by political authority outside the unit, almost any excess is imaginable.

All of this leads me to suggest that a drastic cutback in the number of persons involved both in the field and Washington should be examined. As regards what is now known as DDO, I would venture to say that the elimination of permanent personnel and units dedicated to the perfection of devices or techniques to meet esoteric contingencies would go far to eliminate some of the excesses which have crept into the system, and which you have documented very well.

I do not maintain that there are some capabilities which should be maintained at the ready, but I suspect that most could be energized as requirements arose and that any delays which might be involved would be beneficial rather than otherwise.

I am hopeful that these few remarks may be helpful to the committee, Mr. Chairman, and I stand ready to answer any questions you may have.

The CHAIRMAN. Thank you very much, Mr. Dungan.  
Mr. Meyer?

#### **TESTIMONY OF CHARLES A. MEYER, FORMER ASSISTANT SECRETARY OF STATE FOR INTER-AMERICAN AFFAIRS**

Mr. MEYER. Thank you, Mr. Chairman, distinguished Senators.

I am present by your invitation, Mr. Chairman, and as I wrote this on December 3, I hadn't received for study your committee paper on Chile. I had received the published document on alleged assassination. And quite obviously, I hadn't a clue as to the staff statement which I understood would introduce this meeting.

My statement, therefore, does not respond to any of the specifics of your Chilean examination except that I am not, have never been, and never expect to be party to assassination.

Instead, if I may, I'll simply say that my reason for being here in the context of the long work of your committee is that I believe

it is fundamentally of great importance to our country. I know little or nothing of the domestic aspect of your work—I'm focused on the international aspect.

I want to start with a bit from the past, an excerpt from a fascinating article in *Smithsonian Magazine* of January 1975. The article, by Robert Wallace, is called, in short, "The Barbary Wars."

In Washington, Eaton, the U.S. Consul in Tunis, laid before Jefferson a scheme that had been developing among Americans in the Mediterranean for a couple of years. The Bashaw of Tripoli was a usurper, having stolen the throne from an older brother who was now wandering forlornly somewhere in Africa. Eaton proposed to find the brother, give him sympathy and support, and install him as rightful head of state. Jefferson approved the idea and thus was launched the first, although not the last, American effort to overthrow an objectionable foreign ruler and put a cooperative one in his place. Jefferson also chose to have that plot proceed quietly, in twilight. He would send the would-be bashaw, through Eaton, a few artillery pieces and 1,000 small arms. Eaton himself was to be given a vague title—"Navy agent of the United States for Barbary regencies"—and placed under the jurisdiction of the commodore of the Mediterranean squadron. If he could accomplish something, fine. If not, small loss.

This issue, resolved by the U.S. Navy in 1815, was piracy against American merchantmen and tribute paid by the U.S.A. It was in modern translation, expropriation with negative compensation.

Interestingly, the Barbary Wars story, while unique in its time and place, has in it many of the seeds which over 160 years have grown into the forest of U.S. interest versus foreign policy versus practice, which this committee is trying, or so it seems to me, to cut its way through, not just intelligence.

Speaking to intelligence, I have to reminisce about visiting President Kennedy at his request shortly after the Bay of Pigs. He met me outside the Oval Office door and after hellos from both families, he held his arm next to mine and said, "Hey, look, we're wearing the same suit." I answered, "Not exactly, Mr. President, because I bought mine at X and you bought yours at Y." He looked at me, paused, smiled wryly and said, "Charlie, your intelligence is a hell of a lot better than mine."

In support of his implication, I understand—and I hope accurate—character of an intelligence capability of the highest order as indispensable to the national and vital interests of our country and indeed the free world.

If that is correct, the next question is, what do you do with it. And that question cannot be fully answered without concurrent consideration of the evolution of:

The perceived national interests, and the perceived vital interests of our country.

The actions taken in the defense of these interests.

The decisionmaking process, both in relation to definition of national and vital interest and in relation to actions taken.

All of us know that the Congress has played a large part in the overt decisionmaking process in relation to national interest, and the laws of our land are heavy with overtly interventionist intent.

All of us know that an overview linkage has long existed between the Executive and the legislative in the pure intelligence area, designating those on the Hill, by congressional action, who had a "need to know."

Therefore, when asked, as I constantly have been, what is the Church committee trying to do, I've replied that I believed that this committee under your chairmanship, Senator Church, was working apolitically toward a responsible mechanism for definition of and defense of the national interest—further, that I thought I knew many of you well enough to be able to discern a high level of concern for the future quality of and maintenance of U.S. moral leadership in concert with the responsibility of political and economic and military pre-eminence, and in a very tough world.

Given the accuracy of that evaluation, and the excellence of the staff work done to date, I have in honesty asked myself the question continuously whether the committee really needs further testimony in depth on any geographical or national area. That is not a question motivated by SYA—but rather by the hope that the formation by new parameters for policy and practice at the dawn of our third century does not require that we throw the baby out with the bath water.

You all recognize that any action by the U.S.A.—or even perhaps specifically the action of revelation—can be destabilizing where least expected. My point is not whitewash but that the staff has information from which to proceed constructively. We three here, as Ralph has already said, and countless others, can be useful in consultation toward a desired end and can be helpful in arriving at answers to the many parts of the great questions your committee has raised, generic questions from the past, but most importantly, questions for the future and not answered easily:

Who in our sovereign Nation should define and periodically update our national and vital interests?

Who shall be the judge as to whether intelligence collected indicated movements inimical to our interests?

What may our sovereign Nation do, if anything, when intelligence is judged to indicate movements inimical to our interests, and who makes that decision?

And a question of my own—given the ideal solutions to these questions, what should our Nation do about the kiss-and-tell syndrome which confuses public confession and traitorous action. I wonder if somebody wrote that with an expatriate entrepreneur agent in mind.

The future credibility of the U.S.A. will be tough to maintain no matter how high the level of international judiciousness to which we aim if nobody trusts the U.S.A. to keep a shared confidence in confidence or a shared secret in secret. I know that all of you know from career experiences that one of the agonizing processes in any aspect of public life is that of learning what not to disclose.

Mr. Chairman and gentlemen, it has taken me since Thanksgiving Day to compress a kaleidoscopic view of the complex world out there and my 4 years in it into these observations. They are not subjectively motivated, but they do reflect my objective conviction of the great responsibilities you have shouldered.

Thank you for your invitation.

The CHAIRMAN. Thank you, Mr. Meyer, for your statement. We have a vote again. I think we had better stretch so we will hold a brief recess for the vote.

[A brief recess was taken.]

The CHAIRMAN. The members of the panel will please return.

Mr. Korry, you have a statement you would like to make at this time?

**TESTIMONY OF EDWARD M. KORRY, FORMER U.S.  
AMBASSADOR TO CHILE**

Mr. KORRY. Thank you, Mr. Chairman and gentlemen.

I requested the CIA program in Chile. I planned much of the covert action in 1970. I drafted most of the policy that the United States pursued with the Allende government in 1971, the year of my departure. I met with President Nixon in the Oval Office 2 weeks before General Schneider was murdered. I talked with Dr. Kissinger before and after that grotesque and inexcusable episode, and met with several layers of CIA official men. I was propositioned by key Chileans anxious to involve the United States in hair-brained plots. I even attended a 40 Committee meeting.

Yet this is the first time I appear before your committee. For the past year I assumed, and I requested and demanded, finally I implored to be interrogated by you gentlemen. I said, as I said today, that every cable of mine, good and bad, and there were plenty of bad ones, could be open to the public. No Daniel has ever tried so hard to get inside the lion's den.

The CHAIRMAN. Well, you are here, Mr. Korry.

Mr. KORRY. Yes. The equivalent of due process is what I was counting upon; fair play, decency, justice, call it what you will, guaranteed, I thought, at least one occasion to talk to you before you wrote and published a report which deals with serious public issues, grave questions of morality, and which invokes my name often.

Again, and again, you, Senator Church, and your staff promised a hearing. The fact, though, is that I was barred from speaking to this committee, even in executive session, before your assassination report was published and propagated, even delayed this public appearance until they had their second report on Chile written, reviewed and ready for printing.

The CHAIRMAN. Mr. Korry, I don't mean to interrupt you because if we're going to make charges—

Mr. KORRY. I will make many so, sir, so perhaps it would be better to save it to the end.

The CHAIRMAN. I just want to say that you were interviewed for about 5 hours by a member of the staff. At that time we were looking into the assassination question. We were informed by the staff that you had no knowledge. Your transcript showed that you had no knowledge of the so-called Track II, which was the thing we were looking at, and it was for that reason that we didn't call you in executive session for further testimony. It was not for the purpose of excluding you. We were looking for witnesses at that time who could give us testimony relating to the general subject of assassination, which was then the subject of our executive hearing. But it was not for any purpose of excluding you.

The staff member who interviewed you concluded that you had no information to give on that subject. That was the only reason why you were not called.

Mr. KORRY. Mr. Chairman, if I may respond to just that one point, if that were true, Mr. Treverton, the man who interviewed me, would not have written subsequently to me asking me to be prepared to address myself to questions on the assassination report. I will submit his letter in the record. [Exhibit 3.<sup>1</sup>]

So, to get back to the narrative. I wrote a 27½ page typewritten statement, 10,000 words, which you received October 28, according to the Postal Service. I asked that each Senator be given a copy promptly so that each would have 1 full week to consider it with care, but without publicity, before I testified on the scheduled date, November 4. I thought it was only fair and honorable to give you an opportunity to review the rather meaty disclosures I make, as well as the charges I level against you, Senator Church, and the staff of another committee that you chair.

I also wanted everyone to reflect on some rescuing truths that America deserves and needs, truths that will push some air into the suffocating national guilt that you, Mr. Chairman, have done so much in the past 3 years to propagate.

Your staff, though, blamed your peers, Senator Church, for the decision that the public hearing be delayed. I was told that you, Senator, wanted the hearing, but minority members, Republicans, were responding to White House pressure. The majority members, Democrats, were chary about what might be said in public concerning the Kennedy years.

I now formally resubmit that written statement for the record. [Exhibit 4.<sup>2</sup>]

The CHAIRMAN. Well, for the record, then, it is incumbent upon me to say that your original statement, when it was received, was distributed to all members of the committee.

Mr. KORRY. I didn't say that it wasn't.

The CHAIRMAN. They did have an opportunity to read it, and I received no special request, based upon the reading of this document, that you be called at executive session from any member of the committee, Republican or Democrat.

Mr. KORRY. The assassination report was sent to me after it was made public, out of courtesy, your staff wrote, with what I considered to be an exquisite irony. And I read it; I comprehended why it was indispensable that we be kept apart. Almost every page of the chapter dealing with Chile, almost every page, that is, of which I have some knowledge of the facts, contains a dishonesty, a distortion, or a doctrine.

Much is made in the assassination report of the "two tracks" that the U.S. policy followed in Chile in September and October of 1970. The report stitches a new myth to suit some consciences or some ambitions or some institutions. There are many who it might wish the public and history to believe that no real difference existed between the diplomatic Track I that I followed, and the covert military Track II that the White House launched. It is hogwash. Track I followed Mr. Frei, then the President of Chile and its constitutional leader. It adopted certain minimal and cosmetic suggestions put forward by one purportedly in President Frei's confidence. Track

<sup>1</sup> See p. 97.

<sup>2</sup> See p. 100.

I led nowhere because President Frei would not encourage or lead any Chilean military action, and because I would neither have the United States through the CIA, or anyone else even in the private community, assume a responsibility that had to be Chilean. I never informed President Frei of the money which was authorized for work for Track I, and not a penny, as you also say, was spent on it.

Track II, on the other hand, did not deal with Frei, did not seek his concurrence, did not follow his lead, did not pretend to be within any constitutional framework of Chile. Track II is the track to which I've often alluded and to which my Embassy had alluded in cables since 1969. The Socialist Party, Allende's party, had conspired with the same plotters in 1969's abortive coup by General Viaux and the extreme left that is part of Allende's party, was very much involved, as the Embassy reported. Indeed, the Allende government was remarkably lenient in its punishment of killers, of Schneider's killers, and of those incriminated, because among other considerations, the military investigators who tracked and named the murderers and their accomplices discovered the links to the extreme left activists who were intimates of and supporters of Allende.

Now, why suppress that? Because of the propensity for rewriting history, I state here some of the actions that I took to follow a policy totally different in direction than Track II and to protect the United States from any complicity in Chilean military inventions.

A. I barred, from 1969 on, any U.S. Embassy or U.S. military contact with the circle around General Viaux, the man who planned the murder of Schneider. I renewed this ban in the strongest terms again and again in 1970 and thereafter.

B. I barred the CIA, in late 1968 or early 1969, from any operational contact with the Chilean military without my prior knowledge and approval. I can recall no permissive instance, from any contact with President Frei or any minister or deputy minister, from any contact with any major political figure without my prior approval, which was rarely given, or any contact with the head of, or a leading figure in a government agency.

C. I informed the Frei government at great personal risk, without daring to inform the White House, in the September 15 to October 15 period of 1970, of the most likely assassin of Allende, a military man who was then involved in provocative acts, bombings throughout Santiago. Major Arturo Marshal, General Viaux's right hand man, was arrested thereafter, a few days before the assassination of General Schneider. Why suppress that?

D. I dissuaded U.S. private citizens who were about to be drawn into the machinations of Chilean military opponents of Allende in the September-October 1970 period. I steered them clear, on pain of being reported to their home offices.

E. I informed the Frei government unequivocally in September and in October 1970 on several occasions that the United States had not supported, had not encouraged, would not support any action by the Chilean military taken outside the constitution, independent of President Frei.

F. I consistently warned the Nixon administration, starting in early 1970, months before the election, that the Chilean military was no policy alternative in Chile. I was pressed in September and October by

Washington to develop possible scenarios for independent Chilean military intervention in Chile. Without exception, my responses excluded all possibilities. Indeed, I warned gratuitously and very strongly on two occasions that if anyone were considering such schemes, it would be disastrous for U.S. interests.

Let me read from two cables sent to Undersecretary of State U. Alexis Johnson and Dr. Henry Kissinger, so that the public can judge for itself.

One, on September 25: "Aside from the merits of a coup and its implications for the United States, I am convinced we cannot provoke one and that we should not run any risks simply to have another Bay of Pigs. Hence I have instructed our military and CAS" that is, the CIA, "not to engage in the encouragement of any kind."

Again on October 9, the same two addresses, "Eyes Only," "In sum, I think any attempt on our part actively to encourage a coup could lead us to a Bay of Pigs failure. I am appalled to discover that there is liaison for terrorists and coup plotting," names deleted. "I have never been consulted or informed of what, if any, role the United States may have in the financing of" names deleted. "An abortive coup, and I and my chief State colleagues, FSO's, are unalterably convinced that this is what is here under discussion, not more bekownst to me, would be an unbelievied disaster for the United States and for the President. It's consequences would be to strongly reinforce Allende now and in the future, and do the gravest harm to U.S. interests throughout Latin America, if not beyond."

G. I was so alarmed by a coup possibility that I requested my deputy, now the U.S. Ambassador to Venezuela, in late September or early October to investigate my suspicion that the CIA was "up to something behind my back." I questioned him and others closely and repeatedly as to whether they had discovered anything corroborative. No one could find any basis for suspicion. So I asked on October 1 to fly to Washington for consultations on how to deal with Allende in office. Permission was refused for 10 days. I requested in that same cable that executive sessions be arranged with Senators and Congressmen. Permission was denied. At no time did I suggest or did Washington instruct me to work for the overthrow of the Allende government. Let that be very clear. At no time, to my knowledge, did the United States engage in bribery of any Chilean Congressman, at no time did anyone give me a green light, in September 1970, or any instruction in that period, not firmly predicated on prior constitutional action and concurrence of the Frei government.

At no time until I read it 4 years later in the New York Times, did I see or hear the word "destabilize" in connection with the policy toward the Allende government.

At no time did I recommend nor did I receive instructions from Washington to follow with the Allende government any policy other than the one I launched, against Presidential preference, the policy I launched and pursued to reach an understanding with it; the sole policy to which I adhered throughout my 4 full years in Chile was to protect and to strengthen liberal and progressive democracy in one of the shrinking circle of nations that practices that form of government.

I told President Nixon in the Oval Office in mid-October 1970 that the United States had to avoid a self-fulfilling prophecy however cor-



rect my reporting and analysis might be, by seeking generally an understanding with Allende, starting even before his inauguration. I said this effort need not prevent subsidies by the CIA to nonconformist media and to nonconformist, nonextremist political parties which we knew, we knew from superb CIA penetrations and from excellent State Department reporting were soon going to be squeezed to the wall.

Starting a fortnight after Allende's inauguration in mid-November 1970, the United States, through me, with the support of the State Department, made an unremitting, strenuous, innovative effort to reach a *modus vivendi* with Allende, the culmination of which was to offer to have the U.S. Treasury guarantee long-term bonds of the Chilean Government.

And I would like to submit the declassified cable [exhibit 5<sup>1</sup>] summarizing that entire effort. It is my only copy so I would appreciate it if somebody would make a copy and return it.

The only deletions in it, sir, are those that refer to the four Western European countries who were briefed in detail and who supported me in that effort.

Incidentally, that offer was far more generous than the one made to the city of New York and New York State very recently as you will see in that document.

Allende chose not to accept. The ultras in the leadership of the Socialist Party vetoed compromising in any way with imperialism, and let me add that President Allende in July of 1970, 3 months before he was elected, said from a public platform that the No. 1 public enemy in the hemisphere was the United States. They ruled out also any cooperation with "the bourgeois reformists" in the Christian Democratic Party. They insisted on an all or nothing policy, even though by 1973 the Soviet Union, China and others had refused to encourage such a self-destructive egocentrism. I hope you comprehend my view that your report on Track I and Track II does not accord with the facts. The authors do not seem to be able to distinguish between a consultative process and an action, nor do they comprehend that an ambassador, as the highest ranking American in the country and the personal representative of a President, can ignore, can reject, can string out, can string along, can do many things with an "authorization."

Hence the report unconsciously falls in with a monstrous black-white mythology foisted on this country during the past 3 years, a morality fable in which American officials were all Nazi-like bully boys cuffing around decent Social Democrats, although Dr. Allende and his left Leninist Socialist Party had nothing but contempt for Social Democrats, and although Dr. Allende, as the Embassy had reported for many, many years, had personally been financed from foreign Communist enemies.

My time has run out. I had intended on November 4, when I thought I would come here, to address the very complex and serious questions rightly raised by an inquiry into the intelligence community. You forced me today to try to expose what is wrong with government by headline. What happens when the public interest turns into a porno-

---

<sup>1</sup> See p. 128.

flick, a sensate experience into a cynical careening from one superficial sensation, dart guns, poison, and all that, to another, to divert the public from the complexity of reality, what happens to the civil rights of an individual, me in this case, but it can happen to anybody, to the quality of political life, to the national interest, to the truth, when moral fervor runs over into the moral absolutism that has now led to the desolation of Chile.

Thank you.

The CHAIRMAN. Yes, I agree it has led to the desolation of Chile. I will have some questions. But we have another vote, I am sorry to say, and we'll have to take a short recess, and we'll come back for questions.

[A brief recess was taken.]

The CHAIRMAN. All right. The hearing will please come back to order.

Mr. Korry, if I understood your testimony correctly, are you saying that you did not know about Track II, or that there was no Track II?

Mr. KORRY. I am saying that I did not know about Track II, and I am further saying that the assertion that there was a blurring of Track I into Track II, and that both were concerned with coup, is an outrageous falsehood.

The CHAIRMAN. Then apart from your strong feelings, with respect to that particular passage in the committee's report, I take it you were never told about Track II, not that you deny that it didn't take place?

Mr. KORRY. I was never told, but I started to get terribly suspicious, as I told your staff, and I tried to do something about it. I thought that that pertained to any discussion of Track I and Track II.

The CHAIRMAN. Don't you think that any American ambassador representing the United States in any foreign country, as you were, should have been fully advised of all aspects of American policy toward that country, including all covert activity?

Mr. KORRY. Without question.

The CHAIRMAN. And you were not so told.

Mr. KORRY. I was not. Moreover, I was kept on for 1 more year with the certain knowledge of many in the Government that I did not know that the Allende government thought I was involved in those plots, and that the consequences for any exposure of that plot would fall upon me.

The CHAIRMAN. Well, with all respect, I would think that you should be more outraged at that kind of treatment from the administration, the State Department and the CIA, than this committee.

Mr. KORRY. I am outraged with many people, and as I say in my letter to the Times, I said that the President had made clear to me that he did not wish me to testify in public, that I got a letter from the CIA warning me that public testimony was not in the national interest. At other times in the past 14 or 15 months, private organizations have sought to silence my public testimony, not before this committee, so I am getting used to it.

The CHAIRMAN. What private organizations?

Mr. KORRY. I don't think that that necessarily pertains to the intelligence investigations, so I would prefer to keep that to myself for the time being.

The CHAIRMAN. Well, I defer to you on that.

In any case, it has been no purpose of this committee to avoid your public testimony, and I commend you for being here today to give it along with the other two gentlemen on the panel.

Mr. KORRY. Thank you.

The CHAIRMAN. Now, Mr. Meyer, you will remember about 2 years ago I was chairman of a subcommittee that was looking into the charges that ITT had offered the CIA \$1 million to prevent Mr. Allende from being installed as President, and we were able to make some findings based on documents the committee received that were largely those of the ITT Co. itself.

You appeared before that subcommittee on March 29, 1973, and I asked you then about what our official policy, that is to say, our governmental policy was toward Chile, and you may remember that Mr. Broe, who was an employee of the CIA, had suggested a series of actions to Mr. Gerrity of ITT, a series of economic actions that could be taken on the part of the large American companies that would tend to create economic confusion, economic chaos inside Chile. And I was attempting to determine whether those suggestions by the CIA's agent, Mr. Broe, to ITT corresponded with the policy of the U.S. Government toward the Allende regime. And I asked you the following question:

Then does it follow that the serious discussion of this thesis and ways to implement it by Mr. Broe with Mr. Gerrity on September 29 conflicted with the policy of the American Government toward Chile?

And you replied as follows, reading from the record:

Forgive me, Mr. Chairman, but let me reiterate, and I know this is a redundancy, so forgive me, but appropriately I think it is important that we remember that during the period really covered in this chronology, we are talking of three Chiles. If you go beyond the September 29 date, we are talking of three Chiles: the Chile of the tail end of the Frei administration during the popular elections, the Chile during the period of September 4 to October 24, and the period subsequent to Dr. Allende's confirmation by the Congress.

The policy of the United States was that Chile's problem was a Chilean problem to be settled by Chile. As the President stated in October of 1969, "We will deal with governments as they are." I do not find in total sincerity, sir, anything inconsistent with the Agency, as I now know, having explored the possibility or series of possibilities that might have been inputs to change a policy but were not.

Now that we have all the facts out concerning our policy in Chile, how do you reconcile that answer to what we now know concerning the extent of our attempts to intervene in Chile, even to the point of attempting a military coup to prevent Allende from securing his office?

Mr. MEYER. Mr. Chairman, let me answer by taking the last allegation first. The alleged attempted coup to prevent Allende from becoming President or confirmed by the Senate, if that indeed existed, must be Track II, and I was totally, totally honest when I made that statement to you.

And now, you touched on economic pressures. There is a chapter—

The CHAIRMAN. Just so that I may understand, you are saying that when you testified, that our policy was one of nonintervention, and that it was entirely correct in relation to Chile, and I believe I remember your using both terms; you are now testifying that you then had no knowledge of the covert attempt by the Government of the United States to secure a military coup d'etat in Chile that would prevent

Allende, having won the popular vote, being installed as President.

Mr. MEYER. Correct.

The CHAIRMAN. In the committee's report, we quote the testimony of Secretary Kissinger, and he stressed the links between Tracks I and II, and this is the quotation from Kissinger :

There was work by all the agencies to try to prevent Allende from being seated, and there was work by all the agencies on the so-called Track I to encourage the military to move against Allende. The difference between the September 15 meeting and what was being done in general within the government was that President Nixon was encouraging a more direct role for the CIA, and actually organizing such a coup.

So you were aware, weren't you, Mr. Meyers, of a very extensive American effort inside Chile even though you may not have known of the direct Presidential order to attempt a military coup d'etat.

Mr. MEYER. I think, Senator Church, if my memory serves me, in your other committee to which you referred, we agreed that there was a considerable preoccupation with what methodology, if any, might exist within Chile that would elect Alessandri rather than Allende. There was a very real examination of Chilean mechanisms available within Chile, a very, very—I think Ed's statement amplifies that. What is the situation in Chile now? Is Allende going to be elected? Is there any antipathy to the thought of Allende being elected, and where would that antipathy congeal or solidify?

I don't, in honest, wholly—well, I'm under oath. I relate Secretary Kissinger's interpretation, and that's not critical—that's not being critical of the Secretary, if indeed he knew that his apparent Track II—I mean, humanly one would assume that some of the intensity of Track II must have been related to what is called Track I, but we were not promoting a coup, which I think is what I finally came up with, on the policy.

The CHAIRMAN. That is to say you didn't know you were promoting a coup.

Mr. MEYER. I didn't know.

The CHAIRMAN. And you were then Assistant Secretary for Latin American Affairs.

Mr. MEYER. Yes.

The CHAIRMAN. We have another vote, and we'll have to take another recess. I'm sorry.

[A brief recess was taken.]

The CHAIRMAN. It has been a long afternoon, gentlemen. Let us try to finish up.

I just have one further question for you, Mr. Meyer. As the facts clearly establish, we were deeply involved in Chilean politics. We had been so ever since 1964. We had pumped millions of dollars into Chile to try to influence the results of those elections. We had helped secretly finance certain political parties. We had helped to support certain newspapers, commentators, columnists, radio stations, and you were aware of all of that.

Mr. MEYER. [Nods in the affirmative.]

The CHAIRMAN. And you knew that that kind of activity certainly had not been called off just with Mr. Allende's election, but it was continuing to be pursued rather intensely, and you were also aware of the economic squeeze that we were placing on that regime.

Now, quite apart from whether you believe that to be proper policy, how could you describe to the subcommittee such a policy as being one of absolute correctness, accepting Chilean decisions as Chilean, and standing at arms length, so to speak, from this new regime? I mean, really, how does that description in any way correspond to what you knew we were doing, even if you didn't know that the President actually instructed the CIA to attempt to secure a CIA overthrow of the Allende regime?

Mr. MEYER. To come back to the overthrow, Senator Church, I hope I make myself clear, I knew nothing about an attempt.

The CHAIRMAN. That part is clear. The other part of my question—

Mr. MEYER. There are two, if I understood you. One is support of selected areas in the media, and one is the economic "pressure," is that correct? Am I right?

The CHAIRMAN. Well, not only certain parts of the media, but extensive contributions to political parties.

How do you describe these things, knowing correctly, to a subcommittee of the Congress as being representative of a policy which you defined as correct and at arms length, leaving Chilean affairs to the Chileans?

Mr. MEYER. This way, and I will take shared responsibility for a banker of last resort, which may be specious, in my overview, in two areas, which are the fourth estate and the political plurality in which Chile has prided itself on as the unique quality of Chilean democracy in this hemisphere. I was fully supporting, Senator Church, and I did not feel that it was in any way other than a Chilean posture. We did not, or at least to my knowledge, say to so-and-so, who we found somewhere in the woodwork, here's a lot of money, do something.

To my knowledge, we did not create newspapers. To my knowledge, we did not create radio stations.

The CHAIRMAN. No; but you supported them financially and you made contributions.

Mr. MEYER. Yes, sir.

The CHAIRMAN. How does that—don't you think you were misleading the subcommittee? You were under oath.

Mr. MEYER. No, sir, I don't.

The CHAIRMAN. You don't think you were? Why?

Mr. MEYER. Because I feel very strongly about this, Senator Church, and I said it to some of the very bright guys and girls on your staff. Everything that comes out of here, in a very real sense, is analogous to the old story, if you will, of the optimist and the pessimist. To the pessimist that's half empty. To the optimist it's half full.

Let me make that analogous to Chile. Now, I know you don't agree. The definition you used, my words, which were the words of the administration, "cool and correct," I suppose from where you sit, is both uncool and incorrect, to operate, which I would have with my own money, had I had it, to assure a continuity in Chile of pluralistic democracy and freedom of the press. And this may be subjective. I do not consider it either uncool or incorrect. My interest is not in fomenting—

The CHAIRMAN. Yes, sir, but you are defending the policy. The point of my question is that you did not really relate to the subcommittee the facts of the policy. You described it in a way that could not possibly have led any member of the subcommittee to even suspect so

widespread and penetrating an American involvement in the political process of Chile.

Those words, if those words have any meaning at all—"cool and correct and detached"; "letting Chileans handle their own affairs"—these are not words that describe the facts that we have been told today.

Mr. MEYER. Well, I don't know where those figures come from, No. 1. I mean, I just don't know.

The CHAIRMAN. I can assure you of their accuracy.

Mr. MEYER. Well, I am sure I would never have access to them in terms of dollars, if that is important. What I am trying to say, and I feel this very strongly, is that I take responsibility for, or certainly share responsibility for, what I felt was not an improper intervention in Chilean affairs, possibly not cool by your definition, or correct. When the fourth estate said to the Government of the United State, *sui generis*, not solicited, we are going to go out of business, can you help—

The CHAIRMAN. Well, I am afraid that your answer still seems to me nonresponsive.

Mr. MEYER. Well, let me—I've known you too long to be cute, and also, I don't believe I could get away with it.

Senator Church, when I met with you on ITT, the multinational corporation hearing, it was a focus at least, and if this is specious, forgive me, it was a focus on the period between the popular election and the Senatorial confirmation of Salvador Allende. You did not ask me then if we were supporting or helping to continue publication of *El Mercurio* when we weren't at that point in Chile's history.

Now, that may be dirty pool, but that was the point to which I was testifying, and as I say now, I take shared responsibility for the support of the fourth estate in Chile. I had been subjectively convinced over the years, watching the demise of Goar Maestre in Cuba and the periodic demise of the Gamza Paz family in Argentina, and the Beltran family in Peru, to feel that it should not be considered to be interventionist to enable a newspaper to publish.

The CHAIRMAN. Well, I am all in favor of newspapers. We can agree on the desirability of a free press, wherever it may exist. But I have been a member of the Senate Foreign Relations Committee for 18 years and I know something about words of art, and a "correct" policy is a word of art, and what it means is that we are not engaging in covert penetration of the political processes of another country with whom we maintain such correct relationship.

Mr. MEYER. Is the support of the press a covert operation, a destabilizing nature?

The CHAIRMAN. Yes, I think any secret use of American money is a policy of intervention, whatever the argument may be, for or against it, and it does not correspond to what is known as a correct posture toward a foreign government, any more than the large contributions we gave to the Chilean political parties, unless you would think that a foreign power was conducting correct relationships with the United States if it secretly contributed large amounts of money to an American Presidential campaign or an American political party or American newspapers.

I don't think—your answer certainly left the committee with a very different impression of American policy from the facts as we subsequently found them. That's my only point.

Mr. MEYER. Senator Church, to my knowledge, and I will reaffirm this, what I knew of our policy toward Chile in the period which was under examination at the time when ITT was alleged to have offered a million dollars to do something, while at the moment destabilizing to the degree that President Allende would not be confirmed, I go back to exactly what I said to you then.

The CHAIRMAN. Well, Mr. Dungan, in your testimony, as I recall it, you spoke of the necessity for continuing covert operations in the future, but hoped that we would manage them somewhat differently than we have in the past.

What restriction do you place upon covert operations in the future? What is your distinction between a benign or a proper secret intervention in the affairs of a foreign country, and one that is improper and malignant?

Mr. DUNGAN. I was dying to get into that last discussion. If I may preface my comment in answer to your question, there are a whole range of activities in which the United States engages, from traditional diplomatic conversations on a political level, USIA, AID, the Export-Import Bank—all of those activities, I submit, are interventionist. I think, without trying to speak for my colleague Mr. Meyer, what he was saying was that some of those covert activities of which he had knowledge and I had knowledge when I was ambassador, were benign.

Now, I think you are driving to the point. I believe they should be overt. Most of the activities in the period I was there, with the exception of the involvement in the political processes, that is, support of parties or candidates, I would say are permissible and should be overt. I can conceive of circumstances where they might be done covertly, but only under a system of controls outside the agency which is the operational agency involved. In other words, according to your report, about a quarter of the covert operations, in terms of dollar value, were approved by the 40 Committee. I don't consider the 40 Committee a very adequate control mechanism, but even assuming that it was, I would say 100 percent of them should have been under the control of that interagency group, and not left to the discretion of the Agency, complete with its biases, its weaknesses in terms of people.

The CHAIRMAN. Well, Mr. Dungan, we think that is so wrong for foreign citizens, let alone foreign governments, to make contributions to our political candidates and our political parties that we outlawed it. Does a different standard apply to us than we apply to others?

Mr. DUNGAN. I believe, as you are suggesting, that the same standards should apply and that is why I suggested in my testimony that anything that is criminal in the United States ought to be precluded, except under extraordinary circumstances, abroad. That should be a self-denying ordinance that we should adopt. There may be other things that you would want to throw in that were not included under our criminal law, but that's not a bad start.

The CHAIRMAN. Well, under your definition of that which separates a benign from a malignant covert action, once Allende had been elected by the people of Chile in a free election, and had been confirmed by the Congress, would an attempted overthrow of his government by a military coup d'etat, initiated and supported secretly by the United States, represent a benign or a malignant covert action?

Mr. DUNGAN. Clearly malignant, clearly malignant, if that were the case.

Mr. KORRY. Excuse me, sir. There was no government at that time.

The CHAIRMAN. Whether or not there was a government, there was an election which was to be followed by a ratification by the Congress that was fully in accord with the customs of Chile. The attempt was to obtain the intervention of the Chilean military to take over the Government.

Mr. KORRY. I just want to be precise. To say overthrow the government, there has to be a government in power. He hadn't even been confirmed in office.

The CHAIRMAN. Well, that isn't the distinction. The whole purpose was to prevent his ratification by the Chilean Congress through a military takeover, and you, Mr. Dungan, would say that is a wrongful action on our part.

Mr. DUNGAN. And indeed, not to be self-serving about it, at the time we were in that situation, I wrote for the Washington Post an article which said we ought to keep our hands off completely. We were not, apparently. So I think there's no question. And I would not only say in that kind of a situation, but I would say the pre-election, situation, I think it is not sensible, although as the record clearly indicates I was involved in the support, or tacitly or explicitly gave my approval to the support of candidates in the 1965 election. I want the record very clear. I'm not drawing any kind of cloak over myself.

There's an important point, though, if I may, on that question. I think a question that this committee really ought to look at is where did the initiative come from for most of the political activities or the interventions which I think you would say were malignant, and I would tend to agree with you. I think that was an important thing for you to investigate and you have, I think, to some extent. But the point I am driving home, or trying to drive home here, is that the shift for political judgments in the international sphere from President and the Department of State to the Central Intelligence Agency, particularly that part of it concerned with covert action, has been dramatic since the Second World War, and I would say in the last two decades. That is, to me an unconstitutional shift, or shift away from our constitutional form, and we'd better jolly well get back to it. I would say that's probably the most significant underlying general characteristic that your investigation should uncover.

The CHAIRMAN. Senator Tower?

Senator TOWER. Mr. Chairman, you and I have agreed on a number of things. I think that in the area of foreign policy we may have some disagreement. I'm not a member of the Foreign Relations Committee. I'm a member of the Armed Services Committee, and I assume our mentality is somewhat different, but it would strike me as being a naive course for us to follow where there is in existence in a country less sophisticated and less developed than our own, a clandestine political infrastructure directed by interests hostile to the United States and charged with the objective of ultimately destroying pluralistic democracy and establishing a dictatorship: I think that we would not be very cool and correct if we did not act, not only in our interests, but to do what we can to preserve some sort of climate in that country in which democracy and democratic concepts and experience in self-government could develop.

I don't think that the situations in the United States and Chile are analogous insofar as the exclusion of political contributions.



Now, of course, none of us in the Senate knows but what at some time through some third party we ourselves might have received financial support in our political campaigns from a foreign source. I don't think I ever have, but I could not swear to it because I do not know because there are ways in which these things can be concealed.

The fact of the matter is that had it not been for clandestine activity on the part of the United States in many parts of this world, far more of it would be under Communist totalitarianism than is the case now, and the fact of the matter is that should Chile have remained Communist—and I do not express either approval or disapproval at this point—indeed, I register disapproval with some aspects of it, the fact remains that had the Communists been successful, and our own staff report indicates that Allende was moving in the direction, although he had some obstacles, of reducing freedom of the press, freedom of expression, it could be expected that he would have moved much more quickly had he been elected by a majority. The fact of the matter was he was elected by 36 percent of the people in Chile.

But I think that the pattern is clear. Portugal is a good case in point. Twelve percent of the people in the country voted Communist; Communists got control of it until finally at last it seems the moderates have wrested control. But we've been engaged in covert activity elsewhere, but in good reason and with good conscience, and I think to damn the whole institution of American covert activity would be the height of tragedy on our part.

I have no questions.

The CHAIRMAN. Thank you very much, Senator. I would only observe that I made a speech on the subject today I'd like you to read.

Senator TOWER. I will read it.

The CHAIRMAN. Because I think that that would give you a better understanding of my view on covert action.

But as for Mr. Allende being an elected President by a plurality of the vote, so too was Mr. Nixon, who ordered his removal because he found Allende unacceptable as President.

Senator TOWER. So was Harry Truman.

The CHAIRMAN. That's right. We've had men who were plurality presidents who we thought were legitimate enough under the law.

Senator TOWER. But none so low as 36 percent.

The CHAIRMAN. Well, you never can tell when we'll get there. Look at the size of the Republican Party today.

Senator TOWER. Well, like the Communists in Portugal, we have an influence out of proportion to our number.

The CHAIRMAN. Senator Schweiker, do you have a question?

Senator SCHWEIKER. Yes, sir, Mr. Chairman. I would like to ask Ambassador Korry: What positions of influence did Mr. Edwards hold in Chile while you were there?

Mr. KORRY. Until the election of Allende—he left right after the election of Allende, I think a week after, I'm sure your staff has the exact date, and he was out of the country most of the time in my 3 years there—he was the proprietor of—it's quite a list—first, El Mercurio newspaper, which is published in eight cities in the morning—has afternoon newspapers. He was probably the chief stockholder in the Lord Cochran Press. He and Lever Brothers were partners. He and Pepsi-Cola were partners. He and—he had the largest granary, he has

the largest chicken farm. It was the best, I don't know if it was the largest. I'm sure I'm leaving out quite a bit. He and his family, if I'm correct.

Senator SCHWEIKER. What was the relationship with the Pepsi-Cola Co., and was he ever international vice president?

Mr. KORRY. After he left Chile.

Senator SCHWEIKER. Had he previously had a relationship with them?

Mr. KORRY. He was their bottler.

Senator SCHWEIKER. Well, my next question, Mr. Korry, is what impact did the substantial U.S. investment in Chile have on the decisions to intervene in Chile through covert means?

Mr. KORRY. The substantial U.S. investment was the \$2 billion, voted mostly by this Congress. That was the substantial investment, and over and over and over again I said I had a responsibility as the fiduciary agent for that \$2 billion. I compared it to New York City.

Now, you people vote laws, and you expect the bureaucrats who represent you to carry out those laws, and what you specifically voted for, and if you would like I will give you the citations, was to keep Allende out of power. If you look up the AID, AID justifications for 1963, 1964, 1965, 1966, you will see that there was a specific instruction. Now, when I went there in 1967, my predecessor, Mr. Dungan, had left, but the money, as you know, flows long after the votes.

Now, money started to come in while I was there. It came in in a great rush, and I had a terrible moral dilemma and a terrible managerial dilemma. All of this money that you had voted precisely for a purpose was arriving at the same time that I reported that the purpose you had voted for could not possibly be achieved.

Now—

Senator SCHWEIKER. Just because the Congress votes money for a country doesn't mean that that is going to dictate whether we have a covert action program for that country. We didn't vote covert action programs. We voted investment.

Now you're saying that because we had that investment of dollars, we set the policy in Chile. That's what you're telling us. That's exactly what you're telling us.

Mr. KORRY. No, I'm not.

Senator SCHWEIKER. And that's where the whole system is wrong.

Mr. KORRY. Well, excuse me. I want to say exactly what I mean. I am talking about AID loans, Export-Import Bank loans for more than \$1 billion, and those loans were given specifically—I have been informed that the AID briefed the relevant committees of this Congress specifically to stop Allende in 1963 and 1964. That was the specific explanation given to the committees. I'm not going to get into the names.

Senator SCHWEIKER. Not by kidnapping Gen. Rene Schneider can we stop them.

Mr. KORRY. I had nothing to do with that.

Senator SCHWEIKER. And not by buying the Chilean Congress should we stop them.

Mr. KORRY. We didn't do either of those things.

Senator SCHWEIKER. You certainly tried.

Mr. KORRY. I certainly did not.

Mr. DUNGAN. Senator, I think if I may intervene, that the point of your question is, to what extent do we believe, any of us, that the United States' either public or private investment in the country influences the political policies of the U.S. Government.

Senator SCHWEIKER. Ambassador Korry mentioned the public investment. He didn't mention the private investment: ITT, Anaconda, Kennecott, Pepsi-Cola. You didn't go in that direction at all?

Mr. KORRY. Well, as I testified in front of Senator Church in 1973, it was not they who I was concerned with, as that cable you will see and if you dig out the cable I wrote following my initiative to get the Chilean nationalization of Anaconda in 1969. It was the U.S. guarantee, the taxpayers' guarantee of that investment that was passed by the Congress.

Now, let me just add one other thing, if I may. In 1966 I was brought home by President Johnson to write a new policy for Africa, and again in 1969 I was brought home by the executive branch to do a preliminary study on a new foreign aid policy. Now, in the 1966 report on Africa, which bears my name, I proposed that at least for internal accounting within the U.S. Government, that when we spend money that had really political premise, be it an Export-Import Bank loan or an AID loan or military assistance, that for internal purposes it should be put on the side of the ledger that says this is political in intent, and on the other side of the ledger you say this is truly development, because sir, if you don't do those two things, people are not going to understand what you are doing with development money when it's really used for political money.

Now, who stopped the proposal? Most of my report was in. That proposal was stopped by other bureaucracies in this city because they said the CIA has its kitties, we want ours. That is, it's nice to have \$25, \$100, \$200 million to walk in and say we'll bribe you for a boat. That's a hell of a lot better than \$10,000 under the table.

Senator SCHWEIKER. Well, I would like to respond to that and also to Mr. Dungan's question, which I think was a very salient question. Where did the initiatives come from for intervention? I think it's all very much related, and I would just like to read from Mr. Helms' testimony from our assassination report on where the initiative came from and see where this is involved.

Mr. Helms says, and I quote, "I recall that prior to this meeting with the President the editor of El Mercurio had come to Washington and I had been asked to go and to talk to him at one of the hotels here, this having been arranged through Don Kendall of the Pepsi-Cola Co., the head of the Pepsi-Cola Co. I have this impression, that the President called this meeting where I had my handwritten notes because of Edwards' presence in Washington and what he heard from Kendall about what Edwards was saying about conditions in Chile, and what was happening there."

Now, this is really ironic. Here is a person who has all of the capital investment that you so ably described, concerned about his obvious capital investment, comes up here, gets a multinational corporation to intervene with President Nixon, and that is how they go into Chile, and then you're saying it's public loan voted by the Congress. Then you're saying it's this and that when in fact that was the trigger, that's the catalyst, and that's what's wrong with the system.

The CIA makes a sweetheart contract to go and take care of El Mercurio with loans after that for thanking them.

Mr. KORRY. Well, if I may, after having read two reports that I considered thoroughly dishonest, inject an honest statement. I recommended the intervention.

Senator SCHWEIKER. I'm not surprised.

Mr. KORRY. But not what you're talking about. I said there are two things that count in this world as far as the United States, and I said these things as a Kennedy appointee, as a Johnson appointee. I said, and I have all my life been in two fields of endeavor. One, newspapers, which included labor organizing. I helped to negotiate the first \$100 a week contract in the American Newspaper Guild's history. Now, at United Press, in 1947, and I said that if I am sitting there and I know beyond the shadow of a doubt in my mind—you can say you don't know what the hell you're looking at, you don't understand, but if I know beyond a shadow of a doubt, having had more than 20 years experience in the newspaper business all over this world, and having negotiated the first agreements with Tito, if I say that these two things are going to be eliminated, freedom of press and the freedom of association because we have penetrated the Communist Party so totally we know exactly what they are doing, we've penetrated the Socialist Party, we know exactly what they are doing. I say to myself, I have a terrible moral dilemma. Do I in the first instance sit there idly and say, well, that's all right.

Now, this gets more and more complicated because there are people who say it's only 8 or 9 or 10 million people. If I accepted that argument, and I do not, then I would say Israel is only 1 or 2 or 3 million, what the hell do we care about. That is not the point. It's not a matter of dimension, it's a matter of quality. And in 1969 I had a ringding fight with Mr. Meyer and the Nixon administration when they came in because they said that we should not continue aid to Chile, and the reasons that they used, in large measure, came from a national intelligence estimate at the end of 1968 which said that if you concentrate on social progress, that's bad.

Now, you know, it's a thicket of ironies and it's terribly hard to figure this out, and you cannot figure it out by headlines and you cannot figure it out by slap-bang type of staff work. The problem was in 1969 that you simply could not, you simply could not ethically, morally say that you know that a free press is going to be eliminated under a certain set of circumstances—free unions, as they were. Chile was the only place in the world which imitated the Soviet Union in having the minister of labor also be the head of the one confederation of trade unions.

Second, is that yes, I agree with you 100 percent, it is outrageous that a multinational can go in and get this kind of action, if that is what happened. But Chile would not have had a free press. Every statistic, and I have checked this out with the most knowledgeable people I know in Chile who are not fat cats, who are not in the multinationals, who are not conservatives—without our assistance the free press would have collapsed. There's no question about it.

Now, Chile was the most democratic country in Latin America, the most liberally oriented in terms of social legislation. It had carried out more reforms than any other country in the hemisphere under Ambassador Dungan and in my time, and the real issue was do you con-

tinue with what the Congress has voted for, what you morally believe in, or do you do nothing, and it's a very tough issue.

Senator SCHWEIKER. Well, I just want to close with two points. First, I think the most ridiculous argument I've heard in these hearings this year is to say that because we voted for the Alliance for Progress, that this is a covert action trigger.

Mr. KORRY. I didn't say that.

Senator SCHWEIKER. It was wrong for the executive to follow Congress' action up and to do just about everything under the sun to see that the Alliance for Progress doesn't fail or we get our money back.

Second, I think your actions in Chile have proved the Communists right. The Communists argue that we capitalists will never give Communists a chance to get elected through democratic means, and Socialists can never succeed in our kind of government because we would never let them. I never believed it and I didn't believe it until we come up here and say in essence that we'll overthrow the government, even if the chief of staff gets killed in the process, even if we have to buy all the newspapers, we'll stop them coming to power. We have proved Castro and the Communists right by our inept and stupid blundering in Chile, and that's my opinion. I have no more questions.

[General applause.]

Mr. KORRY. Do I have the right to answer those comments?

The CHAIRMAN. I think they were intended for the Senator to express his opinion to the other members of the committee. I think we should go on.

Senator TOWER. Mr. Chairman. I think the audience should be instructed to—

The CHAIRMAN. I meant by the gavel to admonish the audience, please, to refrain from demonstration.

Senator Mondale?

Senator MONDALE. Thank you, Mr. Chairman. I would like to limit my questions to Mr. Dungan, if I might.

Mr. Dungan, in your statement you say that we must remember that many of these excesses which occurred in the past have transpired under imprecise congressional mandates, haphazard congressional oversight, and with moneys provided by the Congress. I believe everyone on this committee agrees that these are a part of the problem that we must focus upon.

But would you not also agree that the record is pretty disturbing and that there are several ways in which the Congress has been misled? For example, in 1973 Senator Symington asked Mr. Helms if the CIA tried to overthrow the Government of Chile:

Mr. HELMS. No, sir.

Senator SYMINGTON. Do you have any money passed to the opponents of Allende?

Mr. HELMS. No, sir.

Senator Church asked Mr. Helms if the CIA attempted at any time to prevent Mr. Allende from being elected President of Chile in 1970, and Helms said no.

We have a document here which states directly that the public was to be told that our relationship with Chile during this period was one of cool correctness. But in fact, the same document goes on, we're going to put the squeeze on them and starve them to death by every manner and conceivable way to just strangle them through cutting off loans,

grants, and Export-Import loans, every way we can get to them. We were going to bring Allende down.

In other words, the public was told one thing while we knew in this document that in fact our policy and our actions were entirely different.

It was about this time that Mr. Nixon said our policy toward Chile will be what their policy is toward us. So that in every way publicly, privately, in executive sessions, the Congress was led to believe that this sort of thing was not going on.

Now, in light of that record, would you not say that one of the essential problems we have as a country under this constitutional system is to somehow correct this, that from here on out there will be direct and honest accountability to the Congress? Do you agree with that?

Mr. DUNGAN. I certainly do.

Senator MONDALE. Do you agree that the record reflects that that was missing to a grievous extent?

Mr. DUNGAN. Yes; I think so.

Senator MONDALE. Would you agree that there has been a tendency in the Executive over the years, when they talked of accounting to and informing the Congress, to pursue what you call the buddy system?

You don't report to the Congress. What you do is come up and whisper to a friend who you know is on your side anyway.

Mr. DUNGAN. Yes.

Senator MONDALE. So if the thing becomes known later on, you say, "Well, I told John over a cocktail about all this stuff and so I informed the Congress." I think one of the big problems we've got is that for all of the inadequacies of the Congress during this period, and I believe there were many, fundamentally the Executive did not want the Congress to know about this dirty work going on in Chile. Would you agree with that?

Mr. DUNGAN. I think that's true, Senator. I would only add to it that that kind of dissembling, lying if you will, occurs within the executive branch, for example, among agencies. You have to ask precisely the right question and use precisely the right words in order to get an answer. Nobody ever lies, they just don't tell you.

Senator MONDALE. They play guess-the-question with you.

Mr. DUNGAN. That's right.

Senator MONDALE. How do you ask questions about something you don't know about?

Mr. DUNGAN. As a matter of fact, that's happened here today, if I may say so, I don't think by any deliberate action of anybody's.

Senator MONDALE. Well, if it didn't happen today, that's the first time, and we've got to stop playing guess-the-right-question with the executive. They've got to start telling us what they're doing.

Mr. DUNGAN. Well, if I may say so, Senator, and I don't mean in any way—I think there are deficiencies on either side, and there are fundamental deficiencies among individuals in the Congress and in the executive branch, obviously.

But Congress has permitted a system to endure by which that game of the buddy system, as you mentioned it, continues, and I think—I submit while there are lots of remedies that need to be applied, one of them, it seems to me, is to simplify the oversight structure that the Congress has, the appropriations process itself, as well as the way—

Senator MONDALE. I think there's a lot of validity to that.

The final question I have is, while you were in this position, did you feel that the CIA and the others involved in these policies ever seriously and adequately considered the side effects, the long-term repercussions of these matters?

Mr. DUNGAN. Certainly individuals I think within the Agency were sensitive and intelligent and did, I think one of the fundamental things that has not come out, I think, anywhere in the record that I was aware of, or in this discussion today, it is an ideological bias within the CIA, which is a hangover from the cold war. I do not put myself in any category as soft on communism, a détenteist or whatever else, but I think it is important to recognize that most people within the Agency believe that anything that aids Soviet communism is the ultimate enemy of the United States—anything—and is reprehensible and ought to be gotten at by—

Senator MONDALE. Yes; and would you not agree that because of that attitude, they pursued tactics that have helped the Communists far more than if they had just looked at the broader picture? Surely—well, I see Mr. Meyer shaking his head.

Let me say what was said to Mr. Kissinger. This is what they said was the danger of the policy, which he chose to disregard. He said that the biggest danger is exposure of U.S. involvement. This would wreck our credibility, solidify anti-U.S. sentiment in Chile in a permanent way, create an adverse reaction in the rest of Latin America and the world, and perhaps domestically. Exposure of U.S. involvement with an effort that would fail would be disastrous. It would be this administration's Bay of Pigs. I suggest that he should have read that, and he wouldn't be in a position where he has to try to excuse himself from appearing here personally and answering these questions.

It is this administration's Bay of Pigs. It's a disgrace, and it was all predicated on the notion that it could be kept quiet, which was a naive and foolish thing to believe. It did violence to the American principles and ideals, and I don't think any serious thought was given to the side effects and ramifications of these kinds of policies.

This runs through all of these covert activities that I have seen. For example, we asked Mr. Phillips what he thought were the chances of success. He said, "On this Chile thing, I assure you that those people that I was in touch with at the Agency just about universally said, 'my God, why are we given this assignment'—reproach from all points. The first reaction from the station when they heard they wanted to do this was, 'you're sort of out of your mind. This is not going to work.'"

Then I asked him, "What was your estimate of the chances of success?"

He said, "At best, 2 out of 20." So he went ahead with a policy that the people in the station thought was crazy. We disregarded the side effects. We thought we could keep it a secret from the American people, despite the fact that if it were known, it would be tremendously dangerous.

Now, what do we do about this? How do we correct this?

Mr. DUNGAN. Well, I think there are a number of ways, some of which I suggested in my testimony, and I don't want to go over it.

I would like to make one point though. On the adverse side effects, getting back to the point that Senator Church was making, when

one involves oneself in artificial support of any free institution, political party, the press or whatever else, you weaken it. You weaken it. You provide support for something that then becomes dependent on that external support, and really in the long pull, if you look at it philosophically, I mean, you could take the Republican or the Democratic Party, and maybe the way to destroy either one of them would be to put them on the bag.

Senator MONDALE. Amen.

It seems to me that when we come in and prop up a leader that way, we do the one thing that will ultimately destroy him. We give him reason to believe that he can avoid facing up to the political problems in his own country.

Second, by giving him outside help and risking exposure to that help, we risk the possibility that he will be seen to be a threat to the nationalistic sentiments of his own country, which in my opinion is the most dangerous posture any politician can ever get into.

When I read these documents, I very rarely see expression of any concern of this kind in these matters.

I would like to hear more about it. I would like to, but I think we'd better go vote.

Senator TOWER. If there's no more questioning, Mr. Schwarz, would you tell us who we will hear tomorrow?

Mr. SCHWARZ. Mr. Cyrus Vance, Mr. Clark Clifford, Mr. Morton Halperin, and Mr. David Phillips from CIA.

Senator TOWER. Thank you very much.

And gentlemen, thank you for your cooperation. Thank you for appearing.

The committee is recessed until 10 o'clock tomorrow morning.

[Whereupon, at 6:05 p.m., the committee recessed, to reconvene at 10 a.m., Friday, December 5, 1975.]



FRIDAY, DECEMBER 5, 1975

U.S. SENATE,  
SELECT COMMITTEE TO STUDY GOVERNMENTAL OPERATIONS  
WITH RESPECT TO INTELLIGENCE ACTIVITIES,  
*Washington, D.C.*

The committee met, pursuant to notice, at 10:10 a.m., in room 318, Russell Senate Office Building, Senator Frank Church (chairman) presiding.

Present: Senators Church, Hart of Michigan, Mondale, Huddleston, Hart of Colorado, Baker, Mathias, and Schweiker.

Also present: William G. Miller, staff director; Frederick A. O. Schwarz, Jr., chief counsel; and Curtis R. Smothers, counsel to the minority.

The CHAIRMAN. The hearing will please come to order.

The purpose of today's hearings is to consider the major question of whether covert action should continue as an instrument of American foreign policy. If so, what kinds of covert action should be permitted and under what restraints.

We are fortunate to have as one of our panel of witnesses Mr. Clark Clifford, who was one of the framers of the 1947 National Security Act [see app. B, p. 210], which created the Central Intelligence Agency and the National Security Council. Mr. Clifford is in a unique position to comment on how changes in the world scene since 1947 have impacted upon that 1947 National Security Act. The committee will be particularly interested in hearing his views as to the changes required because of the different times in which we now live, and the impact of intelligence activities upon the domestic life of the United States.

An important element in covert action in the past has been the use of clandestine military operations, so-called secret wars. It is important for the committee to come to a judgment as to how covert military operations, if they are considered necessary, can be made accountable to and consistent with the constitutional role of Congress to declare war. In this respect, we are fortunate to have as a witness Mr. Cyrus Vance, who was Deputy Secretary of Defense and can from an informed perspective address the question of what the United States should do to bring the gray area between declared war and peace under constitutional control.

Mr. David Phillips brings to bear the long career of experience in covert action. He will be able to inform the committee of the utility of covert action techniques, and on the basis of that experience point out the limitations for covert operations as a part of American foreign policy.

Finally, Mr. Morton Halperin will speak to the view that covert action should be prohibited. The committee's interest in examining this point of view will be to weigh the possible disadvantages that

the prohibition of covert action might bring to the valid national security interests of the United States, and, I might say, to consider on balance whether through the years the whole activity has done the country more harm than good.

Mr. Halperin was a former Deputy Assistant Secretary of Defense for International Affairs and a member of the National Security Council staff; he has also been a longtime student and practitioner in the area of national security affairs.

Gentlemen, we are pleased to welcome you this morning.

And since I understand that each of you has an opening statement you would like to make, I will call first on Mr. Clark Clifford.

**STATEMENT OF CLARK M. CLIFFORD, COUNSEL TO PRESIDENT TRUMAN; FORMER MEMBER AND CHAIRMAN, PRESIDENT'S FOREIGN INTELLIGENCE ADVISORY BOARD; FORMER SECRETARY OF DEFENSE**

Mr. CLIFFORD. Thank you, Senator Church.

My statement is shortened, for I thought it would be of advantage to leave as much time as possible for questioning so that we might then determine more accurately just which areas the committee is interested in.

I welcome your invitation to appear here today to discuss with your committee the problems surrounding the conduct of covert activities. The public has given much attention to this subject and a national dialog has ensued. Some contend that it is necessary in the preservation of our democratic form of government to have a full disclosure of operations in this delicate area to ascertain if abuses have occurred. Others contend, with equal sincerity, that such an inquiry damages our country's image in the world and adversely affects the ability of our intelligence services to perform their tasks.

It is my opinion that the inquiry being conducted by this committee became absolutely necessary as the result of certain disclosures which demonstrated that gross abuses had occurred. Our country may sustain some temporary reduction in the effectiveness of its intelligence operations, but I consider this temporary in nature, and an appropriate price to pay in presenting the facts to the American people and in making progress toward the goal of preventing repetition of such abuses in the future. With the right kind of machinery, our country can take those actions which it believes necessary to help maintain freedom in the world and, at the same time, avoid the opprobrium that has been directed toward us as the result of improper activities in the field of clandestine and covert operations.

In 1946, President Truman stated that we must have a formalized intelligence agency. The lessons learned as the result of Pearl Harbor and increased tensions following World War II convinced him that we needed an institutionalized peacetime intelligence agency. As a result, the Central Intelligence Agency was created in the National Security Act of 1947 [see app. B. 210].

Because those of us who were assigned to this task and had the drafting responsibility were dealing with a new subject with practically no precedents, it was decided that the act creating the Central Intelli-

gence Agency should contain a "catch-all" clause to provide for unforeseen contingencies. Thus, it was written that the CIA should "perform such other functions and duties related to intelligence affecting the national security as the National Security Council may from time to time direct." It was under this clause that, early in the operation of the 1947 Act, covert activities were authorized. I recall that such activities took place in 1948 and it is even possible that some planning took place in late 1947. It was the original concept that covert activities undertaken under the act were to be carefully limited and controlled. You will note that the language of the act provides that this catch-all clause is applicable only in the event that the national security is affected. This was considered to be an important limiting and restricting clause.

However, as the cold war continued and Communist aggression became the major problem of the day, our Government felt that it was necessary to increase our country's responsibilities in protecting freedom in various parts of the world. It seems apparent now that we also greatly increased our covert activities. I have read somewhere that as time progressed we had literally hundreds of such operations going on simultaneously.

It seems clear that these operations have gotten out of hand. The knowledge regarding such operations has become so widespread that our country has been accused of being responsible for practically every internal difficulty that has occurred in every country in the world. Our reputation has been damaged and our capacity for ethical and moral world leadership has been impaired. The need to correct this unfortunate development is long past due.

As one attempts to analyze the difficulty, and hopefully offer constructive suggestions for improvement, he finds much confusion existing within the system. It is clear that lines of authority and responsibility have become blurred and indistinct.

The National Security Council, under the act of 1947, is given the responsibility of directing our country's intelligence activities. My experience leads me to believe that this function has not been effectively performed. The members of the NSC already have full-time jobs and do not have the time to oversee meticulously the actions of the intelligence community. Even though special committees have been set up from time to time to perform this task, we learn that many covert activities are undertaken without the knowledge of the National Security Council or its special committee. In the staff report on covert action in Chile [see app. A, p. 144], the startling statement is made that only one-fourth of all covert action projects are considered by the 40 Committee.

Another condition exists that helps explain the unfortunate predicament in which we find ourselves. I believe, on a number of occasions, a plan for covert action has been presented to the NSC and authority is requested for the CIA to proceed from point A to point B. The authority will be given and the action will be launched. When point B is reached, the persons in charge feel that it is necessary to go to point C, and they assume that the original authorization gives them such a right. From point C, they go to D and possibly E, and even further. This has led to some bizarre results, and, when an investi-

gation is started, the excuse is blandly presented that authority was obtained from the NSC before the project was launched.

I believe that the present system is no longer adequate to meet the task. The lack of proper controls has resulted in a freewheeling course of conduct on the part of persons within the intelligence community that has led to spectacular failures and much unfortunate publicity. A new approach is obviously needed for it is unthinkable that we can continue to commit the egregious errors that have caused such consternation to our friends and such delight to our enemies.

This inquiry today is part of the broad investigation conducted by this committee to ascertain the facts. This is a preliminary phase which hopefully will lead to recommendations that will help eliminate the errors of the past, and provide the country with the expectation that we can operate successfully in the future in this sensitive area with dignity and effectiveness. I know that this committee will be considering the means by which we can attain the improvement that is so necessary and is so desired by our people.

In this connection, permit me to present to the committee a brief five-point plan that I believe would make progress toward achieving our goal.

First, the 1947 law creating the CIA should be substantially amended and a new law should be written covering intelligence functions. We have had almost 30 years of experience under the old law and have learned a great deal. I believe it has served us reasonably well, but its defects have become increasingly apparent. A clearer, more definitive bill can be prepared that can accomplish our purposes. By creating clearer lines of authority and responsibility and by carefully restricting certain activities, we can hopefully prevent the abuses of the past.

Second, the creation of an effective joint House-Senate Committee to oversee intelligence operations. I consider this the most important function of a new law. Proper congressional oversight has been sadly lacking. I would hope that a small oversight committee of possibly five members of each chamber might be created. It should be considered an assignment of outstanding importance and the members should be willing to give the necessary time to it. By keeping the committee small, security can be maintained and the possibility of disclosures can be minimized.

With reference to covert activities, I believe it would be appropriate for this committee to be informed in advance by the executive branch of the Government before a covert project is launched. The committee should be briefed and, if it approves, then the activity can go forward. If the committee disapproves, it should inform the President of its disapproval so that he will have the benefit of the joint committee's reaction. If necessary, the President and the committee can confer, after which the President may decide to abandon the project or possibly modify it. If he persists in going ahead despite the committee's disapproval, then the committee might choose to withhold funds necessary to finance the activity in question. It is my feeling that the importance of the decisionmaking process in this very delicate field is such that there should be a joint effort by the executive and legislative branches.

I would assume that this committee will have questions in that regard, and I'm sure it will be valuable for us to discuss it.

Third, a new position of Director General of Intelligence should be created. This man would be the chief intelligence officer of the United States. It would be his responsibility to correlate and synchronize the activities of the various agencies within the intelligence community. Under this concept there would still be a director of the CIA, but his duties would be confined to the day-by-day operation of that agency. The Director General would be responsible for the product that would be produced by the intelligence community, and he would be the chief adviser to the President on intelligence matters.

The Director General would also be charged with the duty of seeing that the various agencies operated effectively and complied with the law. In this connection, he would have under him a number of inspectors who would assist him in carrying out this function.

Fourth, the decision regarding the undertaking of covert projects should be made by the Director General of Intelligence and the National Security Council, and he would have the responsibility of seeing that such covert projects were properly carried out by the CIA and other members of the intelligence community.

In the beginning, there was a separation between the CIA and the group charged with covert activities. In the early 1950's, they were consolidated. I believe that there should be much stricter control over the launching of covert projects, but that after the basic decision is made, then all the assets possessed by the CIA and other agencies should be utilized.

The close supervision provided for in this concept will inescapably diminish the number of covert operations. In my opinion, this is a highly desirable result. Many of the plans launched in the past should have been vetoed at their inception. I am sure that decisions have been made in the field that never would have been made in higher levels of our government. The guiding criterion should be the test as to whether or not a certain covert project truly affects our national security.

Fifth, the new intelligence agency should be forbidden to undertake any domestic operations except to police its own employees. There should not be any type of catch-all provision in the new law which would permit the intelligence agency to spy on American citizens. All domestic operations of this nature should be handled by the FBI. It is equipped to do it and a close cooperation between the CIA and the FBI is desirable and necessary. Certainly one agency charged with the responsibility of domestic surveillance activities is enough.

We have a big job to do in this country. Our people are confused about our national goals and cynical about our institutions. Our national spirit seems to have been replaced by a national malaise. It is my conviction that the efforts of this committee will assist us in regaining confidence in our national integrity, and in helping to restore to our Nation its reputation in the world for decency, fair dealing and moral leadership.

Thank you, Mr. Chairman.

The CHAIRMAN. Thank you very much for a very fine statement. We will go next to Mr. Vance, please.

**STATEMENT OF CYRUS VANCE, FORMER GENERAL COUNSEL, DEPARTMENT OF DEFENSE; FORMER SECRETARY OF THE ARMY; FORMER DEPUTY SECRETARY OF DEFENSE; FORMER SPECIAL REPRESENTATIVE OF THE PRESIDENT; FORMER MEMBER OF THE DELEGATION TO THE VIETNAM PEACE NEGOTIATIONS IN PARIS**

Mr. VANCE. Thank you, Mr. Chairman.

I do not have any written statement. However, I would like to speak briefly to what I believe is the central thrust of this committee's investigation: should there be any covert action? If so, what kinds and under what restraints?

At the outset, I think it is important to underscore the distinction between covert collection of intelligence and covert actions other than collection. I believe that with respect to covert collection of intelligence, the continuation of such collection should be permitted as I believe it is essential to the national security.

With respect to covert actions, I would not recommend that all covert actions be prohibited by law. I believe it is too difficult to see that clearly into the future. I believe it would be wise to enact legislation prohibiting involvement in assassinations, as has been suggested by this committee. In addition, I would be in favor of legislation prohibiting interference with the electoral processes in other countries. I would note that the drafting of such legislation is a complex business, and it would have to be so drafted as not to block covert intelligence collection.

Now, with respect to other covert actions, I believe it should be the policy of the United States to engage in covert actions only when they are absolutely essential to the national security.

The statutes, as now drafted, use the words "affect" or "are important to." [See app. B, p. 210.] I think those words are inadequate. I think covert actions should be authorized only when they are essential to the national security. Under such a test, I believe that the number of covert actions would be very, very small.

As to procedures to insure that such a policy would be carried out, I would suggest the following, and in this connection I might note that I agree with most of the recommendations that Mr. Clifford has made.

First, I believe that any proposal for a covert action should first go to the National Security Council, not a sub-Cabinet level committee. The highest level of the Government should focus upon the question, and therefore it should go before the National Security Council.

I would further suggest that the Attorney General of the United States be made a member of the National Security Council. This would insure that the chief legal officer of the United States would be one of those who would be passing upon the recommendation that goes to the President if it is in the affirmative.

I would also recommend that the President be required to give his approval in writing, certifying that he believes the proposed action is essential to the national security. After the President's approval, I would suggest that a full and complete description of the proposed action be communicated immediately to a joint Congressional oversight committee along the lines which Mr. Clifford has suggested. I believe that such a step would then put the committee or any of its members

in a position to express their disapproval or concerns about the proposed action, and to communicate them to the President of the United States.

I am not suggesting that the committee should have a veto. I do not believe that is necessary. I am suggesting that the committee or its individual members would be able to communicate with the President, thus giving him the benefit of the committee's advice or of the advice of individual members.

I believe this is and would be important to Presidents. I do not believe there would be inevitable leaks from such a committee. I know that the Congress can safeguard security matters which are essential to our national security.

Finally, I believe it's necessary that a monitoring system be set up which would require frequent reports. I would suggest at least monthly to the highest level; namely, the National Security Council and the Congress and to the joint oversight committee as to the progress of any action which has been authorized to go forward. I think this would tend to help in meeting the problem that Mr. Clifford suggested with respect to a covert operation moving from A to B and then from B to C and so on.

Again, Mr. Chairman, I would stress that I believe such actions should and would be very rare and that under such a set of procedures there would be adequate oversight to control such activities.

Thank you, Mr. Chairman.

The CHAIRMAN. Thank you very much, Mr. Vance. I appreciate the specificity of your recommendations, as well as Mr. Clifford's.

They will be very helpful.

May we go next to Mr. Phillips, please?

**TESTIMONY OF DAVID A. PHILLIPS, FORMER OFFICER, CENTRAL INTELLIGENCE AGENCY; PRESIDENT, ASSOCIATION OF RETIRED INTELLIGENCE OFFICERS**

Mr. PHILLIPS. Mr. Chairman and Senators, for the record I would like to make it clear that any viewpoints that I express today are personal ones. They do not represent the Association of Retired Intelligence Agents, an organization of intelligence people from all services, of which I happen to be President.

I would like to discuss covert action and covert activity. There's nothing new about covert action, the term which describes a variety of hugga-mugga gambits which can be taken to influence another nation's actions, attitudes, or public opinion.

What is new is the current controversy as to whether our country should engage in covert action. This is a valid subject for debate. Even though covert operations have been drastically reduced, American intelligence personnel realize that many of the problems which beset the intelligence community result from historical slips on the banana peels of covert action. The biggest banana peel of all is that vague phrase in the charter of CIA which reads "and other such functions and duties \* \* \*" an ambiguous instruction which should be omitted from future legislation.

There are two dimensions to covert operations. The first is the major political or paramilitary endeavor, such as an attempt to change a

government—Guatemala, for instance—or to finance a secret army in Southeast Asia. You might call this covert action with a capital “C,” capital “A.” King-size.

There is a second level of covert action, in the lower case; covert action with a small “c,” small “a.” I call this “covert activity.” Little money, sometimes none, is spent on covert activity, where cooperative friends are persuaded to influence a foreign government or some element of it. The friend might be a government official responsive to an ambassador’s off-the-record request that the local government tighten up its laws concerning illegal narcotics traffic to the United States. When the friend is met clandestinely by CIA, he is called an “agent of influence”. He might be a radio commentator or a local Bernard Baruch whose park bench opinions carry political weight. The agent of influence might be the foreign minister’s mistress. Most covert activities utilizing the agent of influence are useful to American ambassadors in achieving low-key but important objectives of U.S. foreign policy. These activities are known in intelligence jargon as “motherhood,” and revelations concerning them would not shock or disturb the American public. To proscribe CIA operations in covert activities would be imprudent.

Covert action, capital “C,” capital “A”, is another matter. In 25 years as a practitioner of covert action and covert activity in seven countries I have found that most of our mistakes occur when we attempt to persuade foreigners to do something which the United States wants more than they do.

The most successful operations have been those in which we were requested to intervene—the percentage of such operations, when a foreign leader has asked for secret assistance, has been quite high. Some aspects of covert operations are anachronistic. Dirty tricks, such as besmirching the reputation of an individual, have been abandoned and should not be revived. The expensive accessories of covert action in the past, such as airlines and paramilitary units, should not and need not be maintained as secret capabilities.

There is a basic question to be answered: Given the distemper of the times, and the lack of credibility in government following Watergate, can covert operations remain covert? If not, they should be terminated. Macy’s window is not the place for secret operations.

Some sort of compromise seems to be in order. If American intelligence operators demand secrecy as essential in covert operations, executive and congressional overseers have the even more important duty of knowing what intelligence agencies are doing.

I am convinced that the CIA is the organization best suited to carry out covert action operations. Despite this, I have reluctantly come to the conclusion that the charter for covert action should rest elsewhere. I say this more in sorrow than anything else. Effective and responsible accountability override practical operational considerations. This will be best achieved in the conduct of covert action by the creation of a new, very small bureau or office. By statute this organization would be staffed by no more than 100 persons.

Some 60 would be in a support role; perhaps 40 officers would be engaged in the planning for and, on request, the execution of covert action operations. All U.S. covert action eggs then, would be in one small basket, a basket which could be watched very carefully. Even if not



utilized, such an office would be justifiable in terms of money and effort as a war plans unit, expandable in case of international conflict. A joint congressional committee should find such a unit easy to monitor, and the intelligence personnel working in it could then expect a reduced number of congressional overseers, as opposed to the six committees now observing covert operations.

The office I propose would call on expertise derived from experience. It would not employ airlines or mercenaries or exotic paraphernalia, but would need the capability to provide friends with imaginative advice and what British intelligence officers have sometimes called "King George's cavalry"—money.

Covert action is a stimulating business, a heady experience for those who sponsor it and for its practitioners. If not used in moderation it is as dangerous as any stimulant. But to suggest that covert action be abandoned as a political option in the future is, in my opinion, injudicious, if not frivolous. Some say that covert action should be abolished because of past mistakes. This would be as foolish as abolishing the office of the President because it has been once abused, or to disband our army in peace time would be.

The committee is aware of the 2-year study recently conducted by the Murphy commission.<sup>1</sup> A conclusion of this review is that:

Covert action should not be abandoned but should be employed only where such action is clearly essential to vital U.S. purposes, and then only after careful high level review.

I agree. Thank you, Mr. Chairman.

The CHAIRMAN. Thank you, Mr. Phillips. That was a very interesting presentation. And now, Mr. Halperin.

**STATEMENT OF MORTON H. HALPERIN, FORMER DEPUTY ASSISTANT SECRETARY OF DEFENSE FOR INTERNATIONAL AFFAIRS; FORMER ASSISTANT FOR PLANNING, NATIONAL SECURITY COUNCIL STAFF**

Mr. HALPERIN. Thank you, Mr. Chairman.

It's a great honor to be here and especially by the fact that I'm appearing on a panel with two gentlemen under whom I had the great honor of serving in the Department of Defense, Mr. Vance and Mr. Clifford.

I have a somewhat longer statement than the others, Mr. Chairman, and I would, therefore, propose to summarize it. But I would ask that the full statement be included in the record.

The CHAIRMAN. Very well.

[The prepared statement of Morton H. Halperin follows:]

**PREPARED STATEMENT OF MORTON H. HALPERIN**

Mr. Chairman, I consider it an honor and a privilege to be invited to testify before this committee on the question of covert operations. From this committee's unprecedented review of the activities of our intelligence agencies must come a new definition of what the American people will permit to be done in their name abroad and allow to be done to them at home. No problem is more difficult and contentious than that of covert operations.

<sup>1</sup> Report of the Commission on the Organization of the Government for the Conduct of Foreign Policy, June 1975.

It appears that I have been cast in the role of the spokesman on the left on this issue. It is an unaccustomed position and one that I accept with some discomfort. It should be clear to the committee that there are a great many thoughtful and articulate Americans whose views on this question are considerably to the left of mine, at least as these terms are normally used. I would not presume to speak for them. Nor, Mr. Chairman, am I speaking for the organizations with which I am now affiliated. I appear, as you requested, as an individual to present my own views.

I believe that the United States should no longer maintain a career service for the purpose of conducting covert operations and covert intelligence collection by human means.

I believe also that the United States should eschew as a matter of national policy the conduct of covert operations. The prohibition should be embodied in a law with the same basic structure as the statute on assassinations which the committee has already recommended.

These proposals are not put forward because I believe that no covert operation could ever be in the American interest or because I could not conceive of circumstances where the capability to conduct a covert operation might seem to be important to the security of the United States. I can in fact envision such circumstances. However, I believe that the potential for covert operation has been greatly over-rated and in my view the possible benefits of a few conceivable operations are far out-weighed by the costs to our society of maintaining a capability for covert operations and permitting the executive branch to conduct such operations.

The revelations made by this committee in its report on assassinations are in themselves sufficient to make my case. I will rely on these illustrations not because there are not many others of which we are all aware but rather to avoid any dispute over facts.

The case against covert operations is really very simple. Such operations are incompatible with our democratic institutions, with Congressional and public control over foreign policy decisions, with our constitutional rights, and with the principles and ideals that this Republic stands for in the world.

Let me begin with the last point. The CIA operations described in this committee's assassination report are disturbing not only because murder was planned and attempted, but also because the operations went against the very principles we claim to stand for in the world. In Cuba, the Congo and Chile we intervened in the internal affairs of other countries on our own initiative and in the belief that we had the right to determine for others what kind of government their country needed and who posed a threat to their welfare. We acted not because we believed those that we opposed were the tools of foreign powers kept in office by outside intervention; rather we acted in the face of assertions by the intelligence community that the leaders we opposed were popular in their own lands.

In the Congo our efforts were directed at keeping Lumumba from speaking and keeping the parliament from meeting because we believed that allowing him to speak or allowing the parliament to meet would have meant that Lumumba would be back in office. In Chile we preached to the military the need to ignore the constitution and to overthrow a democratically elected government. We warned that the alternative was deprivation and poverty for the Chilean people.

All of these things were undertaken in the name of the United States but without the knowledge or consent of the Congress or the public. Nor could such consent have been obtained. Can you imagine a President asking the Congress to approve a program of seeking to reduce the people of Chile to poverty unless their military, in violation of the constitution, seized power; or the President seeking funds to be used to keep the Congolese Parliament out of session so that it could not vote Lumumba back into office; or the authority to promise leniency to Mafia leaders if they would help to assassinate Castro. These programs were kept covert not only because we would be embarrassed abroad, but also because they would not be approved if they were subjected to the same Congressional and public scrutiny as other programs. That is one major evil of having a covert capability and allowing our Presidents to order such operations. The assassinations themselves may have been an aberration; the means and purposes of our interventions were not.

Another inevitable consequence of conducting covert operations is that it distorts our democratic system in ways that we are only beginning to understand. Covert operations by their nature cannot be debated openly in ways required by our constitutional system. Moreover, they require efforts to avoid the structures

that normally govern the conduct of our officials. One obvious area is lying to the public and the Congress.

We should not forget that the erosion of trust between the government and the people in this Republic began with the U-2 affair and has continued through a series of covert operations including Chile. Whether or not perjury was committed—and I see little doubt that it was—it is surely the case that the Congress and the public were systematically deceived about the American intervention in Chile. Such deception must stop if we are to regain the trust needed in this nation; it cannot stop as long as we are conducting covert operations. Given the current absence of consensus on foreign policy goals, such operations will not be accorded the deference they were given in the past. Critics will press as they do now on Angola and Portugal. And administrations will feel the need and the right to lie.

Surely at this point in time it is not necessary to remind ourselves of the certainty that the techniques that we apply to others will inevitably be turned on the American people by our own intelligence services. Whether that extends to assassination has sadly become an open question but little else is.

The existence of a capability for covert operations inevitably distorts the decision making process. Presidents confronted with hard choices in foreign policy have to face a variety of audiences in framing a policy. This in my view is all to the good. It keeps us from straying far from our principles, from what a majority of our citizens are prepared to support, from a policy out of touch with reality. The overt policies of the American government ultimately come under public scrutiny and Congressional debate. Long before that they have been subject to bureaucratic struggles in which the opponents of the policy have their day in court.

Our intelligence analysts are free to explain why the policy will not work. With covert policies none of this happens. Intelligence community analysts were not told of the plans to assassinate Castro and so they did not do the careful analysis necessary to support their view that it would make no difference. The Assistant Secretary of State for Latin America was kept in the dark about Track II in Chile so he was not able to argue against it and inadvertently deceived the public.

In fact, I would argue that the route of covert operations is often chosen precisely to avoid the bureaucratic and public debate which our Presidents and their closest advisers come to despise. That is precisely what is wrong with them. Our Presidents should not be able to conduct in secret operations which violate our principles, jeopardize our rights, and have not been subject to the checks and balances which normally keep policies in line.

You will hear, I am sure, various proposals to cure these evils by better forms of control. Such proposals are important, well-intentioned and certainly far better than the status quo, but I have come to believe that they cannot succeed in curing the evils inherent in having a covert capability. The only weapon that opponents of a Presidential policy, inside or outside the executive branch, have is public debate. If a policy can be debated openly, then Congress may be persuaded to constrain the President and public pressure may force a change in policy. But if secrecy is accepted as the norm and as legitimate, then the checks put on covert operations can easily be ignored.

Let me conclude by violating my self-imposed rule to draw only on cases in the assassination report and discuss some rumored current covert operations. I ask you to assume (since I assume that the committee is not prepared to confirm) that the United States now has underway a major program of intervention in Angola and a plan to create an independent Azores Republic should that prove "necessary". I ask you to consider how the Congress and the public would treat these proposals if they were presented openly for public debate. Congress could, in principle, vote publicly to send aid to one side in the Angolan civil war as other nations are doing and we could publicly invite the people of the Azores to choose independence and gain our support. But because we maintain a covert operations capability and because such operations are permitted, the President can avoid debate in the bureaucracy and with the Congress and the public. We can be drawn deeply into commitments without our consent and have actions taken on our behalf that we have no opportunity to stop by public pressure or to punish at the polls.

Mr. Chairman, in response to the position I have outlined briefly this morning, one is confronted with a parade of hypothetical horrors—the terrorists with

the nuclear weapons, a permanent oil embargo and the like. To these I would reply in part that such scenarios seem implausible and should they occur the likelihood that covert capabilities could make an important difference also seems remote. As to the consequences of legislating a total prohibition in light of the possible unexpected catastrophe, I am content to call your attention back to the committee's excellent treatment of this issue in your assassination report.

This country is not, in my view, in such dangerous peril that it need continue to violate its own principles and ignore its own constitutional system to perpetuate a capability which has led to assassination attempts, to perjury, and to the subversion of all that we stand for at home and abroad. We are secure and we are free. Covert operations have no place in that world.

Mr. Chairman, let me say again how grateful I am for this opportunity to participate in this historic debate. I have published two articles on this subject which I have attached to this statement and which I request be made part of the record of your hearings.

I look forward to your questions.

MR. HALPERIN. Mr. Chairman, my view is really very simple. I believe that the United States should no longer maintain the career service for the purpose of conducting covert operations or covert intelligence collection by human beings.

I also believe that the United States should outlaw as a matter of national policy the conduct of covert operations, and I think this prohibition should be in a law similar to the assassination statute that the committee has already proposed.

Now I do not put forward these proposals because I believe that there never would be a situation in which the United States might want to conduct a covert operation or indeed, that there might not be a situation where that would seem important to people.

I do so because I believe that the evil of having a capability for covert actions, the harm that has come to our society and to the world from the existence of that capability, and the authority in the President for using that capability far outweighs the possible potential benefits in a few situations of using covert means. And I believe that in such situations the United States will have to use other means to promote its interest.

I think that the revelations made by this committee in its assassination report are sufficient to make that case, and I will therefore draw my illustrations from those.

It seems to me that covert operations are incompatible with our democratic institutions with congressional and public control of foreign policy decisions, with the constitutional rights of American citizens, and with the principles and ideals that we thought this Republic stood for in the world.

Let me begin with the last item.

The CIA operations described in this committee's assassination report are disturbing, not only, I would say, much less because murder was planned and attempted, but because these operations went against all of the principles that we believe in and stand for in the world. In Cuba and the Congo and in Chile we intervened in the internal affairs of other countries on our own initiative because we thought that we knew better than the people of those countries what kind of government they should have and whether they should be prepared to resort to assassination to change the kind of government that they seemed to be getting.

We acted not in the belief that the leaders of those countries were tools of the Soviet Union or of the international Communist con-

spiracy. Our intelligence agencies were telling us correctly that these men were popular leaders at home who had broad support within their societies, whether or not we liked their policies.

Indeed, it seems to me the case that we acted against them because we feared their popularity, we feared that Lumumba was a spellbinding speaker and so on.

In the Congo our efforts were directed at keeping Lumumba from speaking and directed at keeping the Parliament from meeting. We thus violated basic principles of American values, that a society should determine its course by free speech and by parliamentary democracy.

These are the things precisely that we feared and that our agents sought to defeat.

In Chile we preached to the military the need to ignore the constitution and to overthrow a popularly elected government. We warned them that the alternative would be the deprivation and starvation of the people of Chile. And then we carried out that plan after they ignored our proposals.

In my view these proposals and these operations were covert, not only because we would be embarrassed abroad if they came out, but precisely because they would not and could not be approved by the Congress and the public if they were revealed.

This is in my view the major evil of having a covert operations capability and permitting our Presidents to order covert operations, namely that they will order things that they know this society would not condone and that the Congress would not condone if they were made public.

Another inevitable consequence of conducting covert operations is that it distorts our democratic system, it distorts the way we should make decisions and normally do make decisions in this society, and it distorts the way public officials are supposed to deal with the Congress and the public.

One obvious area and one very disturbing area is lying. I think it is clear that lying is an essential part of covert operations, and the history of that bears it out. I think we should not forget, Mr. Chairman, that the erosion of confidence between the President, the executive branch, and the people in the society, in my view, started with the U-2 affair. We learned then that Presidents lied to us about what we do to other countries and what the United States is about. And that has continued through a long series of covert operations, the latest of which is perhaps Chile, or perhaps now Angola.

In my view, in the case of Chile, actual perjury was committed before Senate committees. Whether or not that is the case, it surely is clear that the Congress and the public were systematically deceived and systematically lied to about what we had done in Chile.

Now in my view such deception needs to be stopped if we're going to regain the trust that we need in this society. It cannot stop as long as we conduct covert operations. Given the current lack of consensus in our society about what our foreign policy interests are, every major covert operation will produce controversy inside the executive branch. It will produce controversy among those few Congressmen and Senators who are told about it, and the inevitable results will be press

leaks and the inevitable response to press leaks will be additional lies or additional deception of the American people.

Now, Mr. Chairman, I wrote those remarks before I read the committee's report on Chile, and I must say that reading that very much reinforces this view, and I would like to just call your attention back to the description in this committee's report on covert action in Chile.

From independence in 1818 until the military coup d'etat of September 1973 Chile underwent only three brief interruptions of its democratic conditions. From 1932 until the overthrow of Allende in 1973 constitutional rule in Chile was unbroken.

[See Appendix A, p. 144.]

Mr. Chairman, we are all aware of the precious few number of countries in which that is true, and I think all of us believed that the function of American policy in part was to maintain those kinds of institutions in those kinds of countries, and indeed, apologists of covert operations tell us that that is the purpose of covert operations.

But if one looks at the objective of the American covert operation in Chile during this period, they were not designed to maintain that system.

Our objective was not to preserve a free democratic election process in Chile. Our objective was very simple. It was to keep Salvador Allende from coming to power. We tried to do that by intervening in elections. We tried to do that by buying newspapers. We tried to do that by creating false propaganda which would scare the people of Chile. And when all that failed, when Salvadore Allende received the vote and was going to be elected President of Chile, we went to the military of Chile, and said, you now have a higher duty. It is the duty to prevent him from coming to power by overthrowing the constitution, by overthrowing more than 40 years of constitutional democratic rule and the tradition going back more than a century.

We told them that if they did not violate those conditions, that we would do everything we could to destroy the economy of Chile, and when Salvador Allende came to power we did everything in our power to destroy the economy of Chile. And then we were told by the administration that we were not responsible for the coup because the day before the coup the generals who carried it out did not come to us and say, "should we carry out the coup?"

I think our responsibility for the coup in Chile, for the fascist dictatorship that exists there now, for the repression that exists there now, is very clear and is very clearly spelled out in the committee's report on covert action in Chile. We are told in that report that the actions in Chile are striking, but not unique. Unusual, but not unprecedented.

And I must say, Mr. Chairman, that in my own view, what the United States did in Chile would stand as a reason to abolish covert operations almost on its own.

I think we also know how these techniques can be turned back on our own people. The false propaganda, the surveillance, the COINTELPRO operations of the FBI, are of a piece with the things the CIA was doing abroad. Moreover, the existence of a covert operations capability inevitably distorts the decisionmaking process both within the executive branch and outside.

When the President proposes to do something overtly, he must consult with a large number of people within the executive branch. There is often an opportunity for debate. Officials on the intelligence side of the CIA can give their views and are consulted, and then the President must come before the Congress and debate the issue.

All of this can be avoided, all of this is avoided with covert operations. A very small number of people, most of whom are career officials who have spent their life planning covert operations, propose these things, and then four or five very busy senior officials, we now learn, by telephone approved these operations.

The United States is now conducting operations throughout the world which had been subjected to a telephone vote of senior officials based on the recommendation of career covert operators. Indeed, I would argue, Mr. Chairman, that one of the reasons Presidents choose covert operations is precisely to avoid the bureaucratic and public debates that they come to despise. They want to do things quickly. They want to do things without debate. Covert operations provide a way to do that, and that is why they choose those policies, and that is my view of what is wrong with them.

Now, Mr. Chairman, in response to the proposal that we should abolish covert operations, one is confronted with a parade of hypothetical horrors. The terrorists armed with the nuclear weapon, a permanent oil embargo, and the like.

To these I would reply that these scenarios seem to be exceedingly implausible, and should they occur, the likelihood that a covert capability would make an important difference also seems to me to be remote.

And if there is an unexpected total catastrophe, I would refer the committee back to its own dealing with this subject in the question of assassinations. The Constitution is not a suicide pact. The President does have the responsibility to act if it is genuinely necessary to save the Republic, and then he has the obligation to do what Lincoln did, to come before the congress and the public and to say openly, "Impeach me, don't reelect me. Stop this operation."

With covert operations as they now exist, the President never has the responsibility to come before the Republic to say what he did and to ask that it be approved or ratified.

Just to conclude, in my view this country is not in such dangerous peril that it needs to continue to violate its own principles and to ignore its own constitutional system to perpetuate a capability which has led to assassination attempts, to perjury at home, and to the subversion of all that we stand for in the world.

In my view, Mr. Chairman, we are secure and free and I do not believe that covert operations have any place in that world.

Thank you very much.

The CHAIRMAN. Thank you very much, Mr. Halperin.

I think I will begin my questions with you, if I may. The committee chose the Chilean case as a case history of a covert operation which should be made public because of its belief that it contained all of the elements, nearly all, that are normally associated with covert operations, and for that reason it is a highly instructive kind of report to issue. Second, because in the view of most members of this com-

mittee, at least, it contained the most drastic examples of abuse conflicting with all of our professed principles as a Nation and interfering with the right of the Chilean people to choose their own government by peaceful means in accordance with their own constitutional processes.

Now, you have suggested that all covert activity be banned. Would you include in that clandestine collection of information important to the intelligence needs of the country?

Mr. HALPERIN. I would not, but I do not believe we can collect intelligence information vital to the security of the United States by having human agents in the developing parts of the world. We could have a spy in the Kremlin. I'm quite prepared to have that. But as the committee report itself shows, if we send people to Chile to find out day to day whether there's going to be a coup, they end up influencing that coup just in the way they respond to the information, thus the Chilean military learned that we would want a coup.

In my view, the only purpose for which information of that kind is essential is to carry out coups, and if we give up covert operations in the Third World, then I think we can give up the presence on a routine basis of individuals in those countries who collect information.

Now, there may be cases where one can in fact collect very important information about the Soviet Union by having an agent in Paraguay. I would suggest that those be done on a case-by-case basis. I would say no agents abroad except if they are approved on a case-by-case basis to collect information about countries of genuine concern to us, and then put under very tight control.

The CHAIRMAN. In other words, you are not actually proposing a total ban on all covert operations but you would impose severe restrictions, even on the use of clandestine agents, for the purpose of collecting intelligence information.

Mr. HALPERIN. I am proposing, without the exception I mentioned, a total ban on all covert operations. I am suggesting that we greatly control but not eliminate human collection.

The CHAIRMAN. I personally believe that in our society, sooner or later, any covert operation of any scale is going to surface. It's just a question of time, and since that is one of the attributes of a free society, and a price that we are willing to pay, we might as well face up to it. This means that sooner or later any sizable covert operation that we undertake in a foreign country is going to come to light one way or another.

It is also my personal view that since that is true, and has indeed happened, the cumulative effect of these exposures has had an extraordinarily damaging effect on the good name and reputation of the United States throughout the world.

I'm concerned about the propriety, however, of writing into law an absolute ban for two reasons. The first you have covered. Who can forecast the future? We might be on the brink of some horrifying nuclear holocaust, and a covert operation of some kind might prevent the destruction of civilization. You say in that case don't worry because the Constitution is not a suicide pact and the President has and could draw upon his constitutional authority to preserve the Republic.

But I see a second case, unrelated to the imperatives of national survival, and that is a case like Portugal, where 85 percent of the



people have expressed themselves against a Communist regime and are struggling to achieve some kind of democratic government.

Now, assume in that case, that a very small and militant Communist minority covertly supported and financed by the Soviet Union is attempting to impose such a regime against the express will of a commanding majority of the people. Now, in that kind of case, if we were to elect to attempt to assist the democratic parties in the struggle, and the facts surfaced some months or some years later, that's not the kind of thing that we would have to plausibly deny in accordance with that doctrine. It would be a case that we can say, "Yes, we were there and we are proud of it, because what we tried to do clearly conformed with our traditional values as a nation. We stand for that."

I think that kind of covert activity would not be damaging to the good name and reputation of the United States, given those circumstances.

Now, my question to you is, what about cases of this kind in connection with your recommendation of a total ban?

Mr. HALPERIN. Let me answer that in two ways, Mr. Chairman. First, I would say that one has to weigh whatever benefits you think might accrue from that kind of activity in those situations against the cost of having the capability and having the President able to use it.

Second, my recommendation is not that we do not interfere in the affairs of other countries, but simply that we not do it by covert operations.

In my view the United States and the countries of Western Europe have quite properly interfered in the affairs of Portugal by saying to the Portuguese people, if you maintain a democratic, open system, we will give you some substantial economic assistance. If you get a government we consider closed and repressive, we will not. And I would say that we might well want to step up and increase that aid.

Now, as far as covert aid, I would say first of all I would not go to them, I would let them come to us. And then I would say, we will do it, but we will not do it covertly, and you have to choose between taking the aid openly or not taking it at all. It is no secret, for example, that the socialist parties of Western Europe give aid to Portugal, and Portugal takes it.

The CHAIRMAN. The difficulty I find with your answer to the situation I posed is simply this. It is easy to say in such situations, "Do it openly." But in the situation I described, there is a struggle going on for the kind of government that is going to be established, and overt, open foreign interference in that struggle would probably be highly counterproductive. It would be resented the way open, foreign interference in the political process in the United States would be resented. Doubtless it would backfire on the very groups we sought to help. Thus, I think that answer is too easy. It is too easy to say in such a situation, "let it be overt, let it be open, let them come to us and we will give them economic assistance or foreign aid," when that doesn't really address itself to the kind of situation that exists there.

The Russians, if it were profitable for them to come in openly, would be doing it openly, but they recognize, I suppose, that such open intervention would be counterproductive to their cause. I'm saying that there may be situations where the United States could act covertly, but would not be embarrassed later when it became known because our

action was in line with our best traditions, helping people when they needed help to achieve free government.

The problem I see with covert operations in the last 20 years is that they have been utterly directed toward the opposite objective, keeping all kinds of despotisms, corrupt, rotten regimes in power all over the world. When we have been exposed in having done it, we have been severely damaged, and we have really lost our capacity for moral leadership.

Mr. HALPERIN. If you say that, if the situation is one in which the aid could only be given secretly, I would think one would have to weigh how often you think it will occur, how important you think that will be against the consequences which we have seen in the past of having a covert capability, and whether you think you can correct it. But I agree that is a hard balance, and my view is that we can help those people enough in open ways that we should not take the course of having covert operations.

The CHAIRMAN. Would any other members of the panel care to comment on this particular question?

Mr. CLIFFORD. Might I do so?

The CHAIRMAN. Please.

Mr. CLIFFORD. I find Mr. Halperin's eloquence on Chile very impressive. The main reason I find it so is that I agree with him completely insofar as Chile is concerned. I think we never should have gone into Chile. I think that our so doing violates the restriction that we should use covert operations only when the national security of the United States is involved.

I do not believe the national security of the United States is involved in Chile. I think we never should have gone in. So when he talks about Chile, I agree with all that he says, and I agree also with the emotional factor that is present there in his comment. At the same time, we must be careful when we feel emotionally about a situation of that kind that we don't permit ourselves to be affected when we must reason out a legislative enactment for the future.

We cannot foresee what lies ahead. We must be very careful that we do not restrict ourselves because of the lack of prescience that we have as to what the future will bring.

Now, I know there have been covert activities on the part of our Government that have been very valuable. Almost the first one that we took, the first step that we took was in early 1948 under President Truman, when it was entirely possible that the future of Western Europe was at stake. You will remember that he enunciated the Truman doctrine message in 1947 that saved Greece and Turkey, most historians believe, and then in the spring of 1948 there was an enormously important election in Italy. The Communists were very prominent. It looked as though they were going to win. If Italy had gone Communist, at that time, the Mediterranean could have very well gone Communist, and the impact on France and Belgium and other countries in Europe would have been very profound.

The United States saw fit to conduct a covert operation in Italy. Had they done so openly, it not only would have been counterproductive, but I think it would have assured a Communist victory.

The United States is not liked in a great many parts of the world. It isn't particularly liked in South America, for instance, and as soon

as the United States presence is known, then its allies in that particular country are under suspicion. I think, for instance, one of the curious results of our efforts in Chile is probably to reduce substantially the standing of the Socialist Democratic Party which we were attempting to help. And that's what we have to be so careful about.

So, because there have been failures, we should not restrict ourselves because there have been successes. We should not freewheel. We should find a middle ground so that we profit from the mistakes of the past but still leave ourselves open to the opportunities of the future.

Thank you.

The CHAIRMAN. I have just one followup question for you in that regard, Mr. Clifford, and then I will turn to other members of the committee.

You have given us some recommendations concerning changes that need to be made, and one of those recommendations was to establish a joint congressional oversight committee which would participate in future covert action decisionmaking.

I take it from what you said that this is not a matter that can be likened to the present law in which the Executive decides to undertake covert action and afterward simply reports that decision to six different committees of the Congress, but that your concept would be such that a new committee would at the very least have a consultative role. In other words, it would be advised in advance of the initiation of any new significant covert operation. This proposed committee would be given an opportunity to express its own opinion either for or against it, and thus bring its influence to bear on the final decision of the President. It would have the tools, that is, the fiscal tools, if an administration persisted in going against its advice, to reduce appropriations or to retaliate in some way that is consistent with the congressional control of the purse strings.

Mr. CLIFFORD. Yes, Mr. Chairman. I think that on this particular issue, the whole future of the efforts of this committee and the future of our country insofar as covert activities are involved, depend on that major premise. You cannot be assured of proper oversight if you leave it all to the executive branch of the Government. It doesn't work that way. The power of the institution of the Presidency is so great in the executive branch of the Government that he can avoid almost any kind of oversight that you might set up within the executive branch. He, as a member of the National Security Council, appoints the other members of the National Security Council, so they become his men.

They in turn appoint the 40 Committee, so he has complete control over them.

The Rockefeller Commission suggested that the President's Foreign Intelligence Advisory Board be greatly strengthened and that they could constitute the oversight. I disagree. It is very limited, the function that they can perform. They are all appointed by the President. If the President chose to, technically he could just appoint individuals whose views he already knew, and whose attitudes were exactly similar to his.

So there is no real protection there within the executive branch of the Government. If you're going to get the protection that we have to have, you'll get it only, I believe, from the legislative branch of our Government. In this regard, if I might say with all respect, I believe

the Congress has failed up until now because since the enactment of the National Security Act of 1947, 200 bills have been presented in the Congress of the United States looking toward greater control and oversight. Of these, about 147 of them had to do with setting up a special committee of the kind that we are talking about.

Out of 200 bills, all of them died in committee, I think, except two, and those two got to the floor and were very substantially defeated.

Now, what the background of that is I do not know. Lots of time I don't understand the legislative mind, but I'm telling you only what the result is of those particular efforts.

Now, what we must do is recognize that this is where the oversight must be. I think that we can arrive at a plan which is constitutional and does not involve the encroachment upon the executive branch, as you suggest. If the President is under the obligation of referring a covert plan to the special committee, I would hope it would be a small committee, and after referring the plan, the committee has a chance to study it. They then report to the President, and they could report to him that they are opposed to it.

Now, that cannot control the President under our Constitution, but he certainly proceeds at his peril after that. He might choose to abandon it if he finds that the oversight committee refuses to approve it. He might choose to modify it in such a manner that he would gain their consent. If, however, they still say we reject it, and he chooses to go ahead, he must have that right to do it under our Constitution. Then, however, the Congress, through this committee, can choose to exert its appropriating capacity, and can refuse to appropriate the money.

In this way I think we get a kind of oversight that we need. We know that the whole CIA operation has been abused in the past because of the enormous power of the President. This plan, I believe, in this area will prevent the kind of concern that Mr. Halperin properly has about many mistakes of the past that we have engaged in. Thank you.

The CHAIRMAN. Thank you. Do you have any comment you'd like to make, Mr. Vance, on that aspect of the committee's function?

Mr. VANCE. No. As I indicated in my opening remarks, Mr. Chairman, I agree with what Mr. Clifford suggested.

The CHAIRMAN. Let's go then to Senator Hart.

Senator HART of Michigan. Maybe my asking you to define national security is asking the impossible, but if it is, the Congress won't be able to define it either. So we ought to face it. So I ask you, Mr. Clifford, what do you mean by "national security" specifically? Today in Angola? Years ago in the Congo?

We're told that Soviet aid and Cuban military people are in Angola, and there are a lot of financial resources there. If the national security of this country involved—

Mr. CLIFFORD. Senator, there is no definitive decision or definition of the expression "national security" and there cannot be. What is a national security problem today might not be a national security problem at all 6 months from now, and vice versa. But we have to have an inclusive type of expression of that kind so that those who are in charge of our Government will be faced with the responsibility of determining whether the threat that exists is such that it has a profound impact upon the continued existence of our country.

I give a rather serious and rather restrictive connotation to the expression. At one time it was said that we were in Southeast Asia because our national security was involved. I think that was erroneous. I don't need to go back over that whole thing, but I think our national security was not involved in Southeast Asia. I believe our national security was never involved in Chile.

Now whether Portugal involvement is a matter of national security is a question that must be left to our country's leaders who have the information to understand what other countries are doing there, who understand how serious the threat is, whether there would be an impact upon NATO, and whether to have a communist country within the confines of the NATO organization would lead us into a posture where we would be concerned about the continuation of that program in Europe.

Also, Senator, I think our country's leaders must have a general idea of where our country's interests lie in the world.

Now we know, for instance, that all that happens in the northern hemisphere is of importance to us. We're very concerned with what happens in Canada and Mexico, and perhaps in the Caribbean. That's an area of immediate concern to us. Also, Europe, traditionally after two world wars, we know, is an area of enormous interest and concern to us.

I think we have come to know the Middle East is. I think we know that the position that Japan occupies in the Pacific is a matter of continuing concern.

So I believe we have to have some general concepts in our mind as to where the areas in the world are that really involve our national security. This then eliminates a lot of areas in the world where we are spending a lot of money now and spinning our wheels and I think doing it improperly.

Senator HART of Michigan. But your answer suggests that there are many factors which, forgetting the geographical location, could be assigned as justification for the conclusion that there is national security sufficient to justify covert action.

Several of you have spent time in the White House. Is there something about the White House that generates the tendency to view as a grave threat activities and developments which are seen by outsiders as merely intense economic competition? Is there something about the responsibility, perhaps attached to the Executive that produces this kind of dynamic that you and I outside would think was just hard-nosed diplomatic convenience, but if you were the President you would regard it as—

Mr. CLIFFORD. I'm not conscious that such an attitude exists, Senator. To a great extent the attitudes within the White House are controlled by the attitude of the President of the United States. And if a President has, as a part of his makeup, a feeling of concern over certain types of developments in the world, if, for instance, on occasion, he feels that his personal reputation is involved in some international imbroglio, those attitudes will be reflected by the men who work for him in the White House.

We've had some men in the White House who reacted very conservatively to developments abroad and handled them very intelligently. We've had some dire emergencies like American planes being

shot down or ships being sunk, and some men reacted violently to such incidents and some reacted, I think, with great maturity.

So that there is no generalization that can be made. We've had a recent incident, as you know, that I think to a great extent divided the American people, and that was the decision that was made with reference of the *Mayaguez*.

Senator HART of Michigan. That wasn't covert.

Mr. CLIFFORD. But I'm talking about the general reaction to danger that occurs in the world. Some felt that that was the thing to do, and I thought it was a disaster from the standpoint of our country. But that's the way different men look at it. So there is no generalization that I think can be made.

Senator HART of Michigan. Mr. Vance, do you have a memory of those days?

Mr. VANCE. Yes. In addressing the first question that you put to Mr. Clifford, I don't know whether it really helps but I think I would define national security as a matter that affects the vital interest of the United States. That helps me a little bit in trying to describe the kind of matters that would be encompassed within the national security. I don't know whether that would help others, but it helps me.

Senator HARR of Michigan. Where does that leave you on the business of the Congo and the threat of a pro-Communist government involved in the Congo [now Zaire]? Does that justify covert action in the Congo?

Mr. VANCE. I can only answer that by saying that one has to, I think, take it in the context of the world situation as viewed by the President and his advisers at that particular point in history. I agree with what Mr. Clifford has said and I don't think that you can write a statute which is so precise that one is going to have a yardstick against which to measure it. So it's ultimately going to depend on the President and his advisers and those in the Congress with whom he will be consulting.

Therefore, that would lead me to the conclusion that if you established the oversight committee that we had been talking about, this then broadens the focus that is brought to bear in determining whether or not the matter in question indeed affects a vital interest of the United States and thus its national security.

Mr. CLIFFORD. Senator, could I add a sentence to that? I think what we've been going through as a country is that after the Second World War we felt very strongly the responsibility that existed upon this Nation because we came out of the war with enormous power. The rest of the world really was prostrate and so we accepted more and more responsibility. When any trouble happened in the world, we felt it was our burden to go and straighten it out, whether it was in the Congo or whether it was in Chile or wherever it was. Well, finally, it got to be in Southeast Asia, so we had an international concept at that time which I think, as the years have passed, has proved to be erroneous.

So that today I think the proper attitude is, we do not have this worldwide responsibility if we're talking about being the policeman of the world.

So if before we thought that the Congo was important, I don't think it is so today. I don't believe that Chile affects our national security.

It's difficult for me to find places in the world outside of the major powers that I believe actually affect our national security.

So my hope is that we have been through a period that greatly enlarged the term "national security," and I hope now in the future it will be greatly restricted.

Mr. VANCE. I would like to say I agree with that.

Senator HART of Michigan. When Mr. Halperin commented that actions had been undertaken covertly which Congress and the people of this country would not have tolerated if they had been brought up to debate, I made a little note here. I'm not so damn sure, because it's hard to recreate the mood of the 1950's. We shouldn't have permitted them, but I'm not sure we would have prohibited them.

The suggestion is made, however, that we grapple with the definition of national security. Mr. Clifford says "whether or not a certain covert project really affects our national security." Mr. Vance suggests "essential to our national security." And however we handle that, you then say both of you that we need a joint congressional committee so that we can filter the covert action proposals that a President wants to undertake.

Mr. Halperin makes the point that the basic charm to covert action is its secrecy, and that joint committee is going to come in and respond to the problem of secrecy. There will be a vigorous public debate with respect to the justification for it or the assumption which gives rise to the conclusion via the White House that this is essential to our national security.

My question is—and this admits to something less than perfection on the part of Congress—is it realistic to expect 5 or 10 Members of Congress, no matter how dedicated, to really be able to challenge the arguments of the whole national security apparatus without having the political support of public debate and public reaction?

Mr. CLIFFORD. If you're asking me, Senator, I think the answer to that has to be, yes.

Senator HART of Michigan. You mean you hope the answer is yes?

Mr. CLIFFORD. Well, it has to be yes, if we're going to continue to stay in the covert business.

Senator HART of Michigan. Well, that's the big "if."

Mr. CLIFFORD. And I am convinced that it is important that we stay in the covert business on a greatly restricted basis. I find that in analyzing all of the different oversight plans suggested to me, the best is where a President or his chief intelligence officer must bring the matter to a congressional committee and there get their reactions. I believe that any President would proceed under substantial duress if he was proceeding against, let's say, the unanimous opinion of a 10-member committee in the Senate and the House.

Senator HART of Michigan. I'd like to have Mr. Halperin react quickly to that, but I described the massive national intelligence apparatus and I don't know how massive it is when it comes up here, but we can't wrestle really effectively even with public debate with the massive professionalism of the Pentagon. They run us around this track even with the benefit of public debate.

Mr. Halperin, how do you feel?

Mr. HALPERIN. Senator Hart, I disagree with Mr. Clifford only at great peril. I think that what he has told you comes out of a profound knowledge and experience in the executive branch that what many members of the Congress think is a solution to the problem, executive oversight, will not work and cannot work. I think it's very important that you take the experience of men like Mr. Clifford to understand that.

I would submit that if Mr. Clifford had spent 15 or 20 years working in the Congress, as he has with the executive branch, that he would be equally pessimistic about the possibility of the Congress exercising that oversight. And it is only out of an ignorance of how the Congress works, that he told us about before, that he thinks that Congress can fulfill that role.

My view is that neither executive oversight nor legislative oversight can work, precisely for the reason that you suggest, namely, that there is no standard. What is vital to the national security interest is what the President wants, and the President will always be able to overrule or persuade 10 Members of Congress, or people he's appointed in the executive branch.

Senator HART of Michigan. I think the records should show that Mr. Vance is shaking his head in disagreement with Mr. Halperin.

The CHAIRMAN. I would like to ask Mr. Phillips a few questions about his proposal that covert action should be taken out of the CIA entirely and lodged with a very small, new agency which would be available on those few occasions when it was needed. But it would not be an apparatus of the kind that we have today which initiates, or tends to initiate, covert action on a broad scale.

I think that this point has a great deal of validity. From what I have seen, the apparatus that exists today is not only self-perpetuating but it tends in the direction of expanding covert actions of every kind and character, because those who are engaged in it are professionals and depend for their promotions, for their advancement within the Agency, upon thinking up such schemes and pulling them off. Thus, you have a kind of self-initiating process that presents these schemes to the President in such a way that he can scarcely resist them, and off we go this way and that. Are you proposing something that is comparable to the discreet sort of British system that I am told once existed and maybe still exists? Is that your idea?

Mr. PHILLIPS. Not precisely, Senator, but perhaps to some degree. There are a number of reasons. I think perhaps the first reason is that there has been a debate for a number of years and this debate has ensued within the CIA intelligence community, as well as the public, as to whether it is appropriate to have covert action practitioners working in the same organization which comes up with intelligence estimates.

As I say, this has been pretty much of a 50-50 proposition, but I think that if you can take a vote out at Langley, you will get sort of that split. And I would hope by changing this, it certainly would resolve that problem. I think a step like this might be important because there's no question that at this moment the CIA and the intelligence community has a public relations problem of some magnitude. When you have public relations problems of that kind, you try to take some



sort of action to help resolve it, and this would be one of the steps that would do it.

By limiting such a new office in its capabilities and paraphernalia, there would be less chance that we would engage in those massive kinds of covert actions, the Bay of Pigs for instance, which are clearly not going to be covert and not in the long run going to be productive.

There's a third reason, and that reason is that I know that there are an awful lot of people working in American intelligence, dedicated people who have spent their lives working in intelligence, and some percentage of that time, perhaps, in covert action.

Until recently, these people have been pleased that they have been called to the White House and thanked by American Presidents, but now they feel that they are shabby people.

If covert action were taken from the CIA, these people could get on with the essential business that they have of foreign intelligence collection. It would restore some faith that has been lost between different departments of the Government.

In this committee's report on covert action in Chile there was the question: Was this an aberration? There is one aspect of it, while there may have been other examples around the world, in 25 years of covert operation and covert activities, the Chile example is the only one that I know of in which the Department of State did not advise the ambassador on the scene of the covert operations.

Now this separation would erase, I think, any tension that might arise from that sort of thing. I think probably the real answer is that with the large public relations problem, you have to do something and do something decisive.

The CHAIRMAN. Well, the public relations problem is really more acute for the United States than it is for the CIA. I sometimes think that the Army Corps of Engineers is a cement mixer run amok, and I feel that the CIA in its compulsive intervention in the affairs of other countries, and all the techniques that have been used to try to manipulate foreign governments and events abroad, have caused the United States of America to be supplanted by the CIA in the minds of millions of foreigners, and that has created an acute public relations problem for the United States, and accounts. I think, for the fact that we now lack the capacity to give the kind of leadership that once commanded the support of most of the world. We can't even win any votes in the United Nations anymore, such is the present disability under which we operate.

Senator Mondale?

Senator MONDALE. Thank you, Mr. Chairman.

I think the suggestions we've heard from the panel are very helpful because, it seems to me, running through them is a couple of crucial principles which must be at the core of any legislative reform.

One, you all seem to agree on the need for executive accountability, namely, that the President himself should be clearly and unquestionably responsible and accountable for the actions, so that we can get away from this fog that we have been trying to penetrate in determining who did what and why and so on.

Second, you all seem to agree that there has to be congressional accountability from the Executive to the Congress, structured in a

way that, to the fullest extent possible, requires full and candid consultation prior to the time covert activities are developed. I think this is essential.

It seems to me, then, that the one crucial policy question in dispute which must be decided by the Congress is what should be the role, if any, of this country in covert activities and covert collection. The work of this committee shows that that could be a very fateful decision.

Running through all of these covert activities, in my opinion, has been an incredibly naive view that somehow covert operations could be kept from the public, even though we have an open society. They never have been. They never will be. Because of that, our public officials are put in the position of lying about it or perjuring, or dissembling in one way or another, and that certainly has been a humiliating experience for this great Nation.

Third, since covert activities are secret, the record shows that there is an almost uncontrollable tendency to play God with other societies in a very naive way, to believe that we can manipulate, control, and direct another society secretly with a few dollars or a few guns or a few bucks or a few lives, in a way that we know we would never be controlled by another society that attempted the same tactics on us.

The question that we have to ask ourselves as a nation, despite all of these risks which the record now clearly shows exist, is: Must we nevertheless agree to permit the authority for some covert activities? And three of you say yes and one of you says no.

Could you try to make your case, very briefly, as to why you think it is essential to this Nation's interest to continue to grant that authority to the Executive?

Mr. CLIFFORD. I would take a first try at it.

I think it would be a serious mistake for this committee to recommend, and for the Congress to adopt language that would restrict future governments, future Presidents, and future Senators and Congressmen from meeting the problems that confront or will confront the United States which we cannot now foresee. I believe there is not such a moral or ethical question involved that we have to say now this must never happen, this is so bad that under no circumstances can we ever go down this road again. I think covert action does not fall into that category.

I think that even though later on our covert activities in some areas might have become known, yet because they were unknown at the time the action was taken, I think they brought great benefit to the world and to this country. I think that some covert actions have assisted us in maintaining freedom in the world, and that's what we have stood for, and I think that if we restrict our actions in that regard, there could be in the future, areas of the world that might lose their freedom because of our inability under a law to go in and help under those circumstances.

So I think that when we talk about possibly the men in the CIA playing God, I think that has happened. I think we have to be awfully careful that we don't make the same mistake in attempting to play God in writing legislation that would so restrict our future actions that it might damage our hopes for freedom in the world.

Senator MONDALE. Mr. Vance?

Mr. VANCE. I essentially agree with what Mr. Clifford has said. He said it very eloquently. I really do not think that we can foresee at

this time what the indefinite future is going to bring. I think it is possible, under revised procedures and concepts, to prescribe the extent and the manner in which any covert action would be permitted. I believe that with that kind of change, it is possible to maintain reasonable control and not to take what is a drastic and awfully hard step to change by saying by law there shall be no covert action in the future.

Much of what Mr. Halperin has said is very persuasive, but I don't think he answered the question of what one does if one comes to the point where there is a proposed action that is determined to be essential to the national interest. Do you then call the Congress into session or put before the Congress a change in legislation which says we want to change what we have said before; that is, that there will be no covert actions?

It seems to me that raises all kinds of problems, that what we ought to address ourselves to is how you limit action in this area to a very, very limited number of operations and provide the controls and oversight to permit that to occur.

Mr. PHILLIPS. Senator, let me answer you from the viewpoint of the field operator. In working with the CIA I knew roughly three CIA's. There's one CIA that I don't know, and I'll do this within the framework of Latin America because that's the area of my experience.

There was the time of the cold war in the fifties. The United States adopted the policy of containment, which started out to work pretty well in Europe and turned out to be folly in Southeast Asia. But the fallout from that was very evident in Latin America. In a cold war, less than a hot war, the skirmishes in that conflict turned out to be between opposing intelligence services, the Soviet KGB and the American CIA.

The Marshall plan saved Europe. A minor role was played in the skirmishes. It seems to me important work and perhaps the sort of thing that an American President might decide would fit in the category of national security.

Next was roughly a period of 10 years in the sixties in Latin America. During that period Fidel Castro attempted to export violent revolution to most—not some, but to most—of the countries of Latin America. He was completely unsuccessful, and I believe that I can state unequivocally that covert action played a major role in that defeat of Castro.

The next period that I have known was the seventies, the tail end of covert action on a grand scale in Latin America. My secrecy oath means that I can't talk about things that the CIA has done that I learned while working there, but there's nothing in my oath, Senator, to tell you what the situation is about things that are not happening.

This is what is not happening in Latin America in the field of covert action. Since the Chile project, which had gone on for more than a decade, that was the tail end; and at this moment, if you accept my previous definition of covert action as opposed to covert activity, there is no covert action going on in Latin America, or at least there wasn't when I resigned less than 7 months ago, and the reason, I believe, was that Fidel Castro abandoned his concept of the export of violent revolution and there's no need.

I've been making a number of speeches around the country, and I make this point, and people—I find this is one of the things that people

sort of give me a funny look about. They don't really believe it, but the CIA, before the current controversy began, before the revelations in Latin America, did not have a single covert action problem. No group of students was getting money. No newspaper was subsidized. No radio stations were being purchased. No intelligence services were being subsidized.

So there's three. There's one role of the CIA that I don't know, and that's the eighties. Are we ready to legislate for the eighties? Say in the case of Castro, we read in the newspapers that he has perhaps 3,000 soldiers in Angola. Is it entirely out of the question that Castro, heady from some success in Africa, might renew his attempt to create not one, but many Vietnams in Latin America? I just don't see how we can legislate against such a possibility.

Senator MONDALE. Mr. Halperin?

Mr. HALPERIN. I've already made my comments, but first I would urge Mr. Vance and Mr. Clifford to look at this committee's assassination report on page 284, where it seems to me it deals very well with the question of assassinating Hitler or seizing a terrorist's weapon. There's no way that we can rule that out. You don't need the authority to do something because of this one grave emergency.

Second, I think we have to understand that we're not talking about whether we should keep three individuals locked up in a room in a safe house in Virginia who we must turn loose if there was a national consensus that we have a covert operation, because the covert operators would tell you that it is too late if you called those men out of the room and said "go fix the election in Chile."

They will tell you that it's a long, slow process that requires permanent assets, and if we were to leave open the possibility of a covert operation in Latin America, it means that we must have a permanent career service, it means we must have people constantly stationed in these countries, it means they must continue to make contacts to locals, they must continue to collect information which would otherwise be irrelevant, and we're talking about them. What are those people likely to be doing all that time while we're waiting for this one decision, that there be a covert operation?

So we're not talking about should we, once or twice in a century, do a covert operation. We're talking about whether, because we think the future is uncertain and obviously it is, should we maintain a very large permanent establishment which has done all the things in the past that this committee knows very well it has done, and which I submit and Mr. Clifford has told you cannot be controlled by the executive branch, and as you know very well, cannot be controlled by the Congress.

Senator MONDALE. One final question. Mr. Phillips suggested something that I think makes a lot of sense; namely, if we decide there must be some residual authority remaining for covert activity, then he said regretfully he would propose taking it out of the CIA entirely and putting it in some other institution. I gather, from Mr. Clifford's testimony, this was the way it originally started, with a separate office for covert action from the CIA.

That makes sense to me because it seems first, that the separation would serve as a restraint upon it. Second, it would avoid what I think is the inevitable corruption of the intelligence gathering and esti-

mating function when the same agency that is already engaged in an action is also in the process and charged with the responsibility of reporting and evaluating it.

Would the other members of the panel agree that if you have covert action, it should be separated as Mr. Phillips suggests, and would you also agree that the line between covert action and collection is not nearly as fine as is suggested. A lot of the dirty work we've seen has occurred in the name of covert collection, and therefore there's a nasty question of how you sort those two out.

Mr. CLIFFORD. A brief response to that. I doubt that the question is fundamentally important. I would be satisfied either way. I believe that if Congress creates this new intelligence individual, a director general of intelligence who is over the entire intelligence community, I think that he could then direct the covert activities, Senator, whether they come under a separate agency or whether they stay as a division in the CIA.

The reason I did not specifically recommend it is twofold. One, I would be a little concerned that if you took out the covert operation and set it up as a separate agency and you had maybe, as you mentioned, 50 to 75 people, because they are solely the covert operators, I think that their attention is given to developing covert opportunities. They have to justify their existence, and I believe as you say, you 75 men must devote yourself to covert activity, and I think they would all go to work and begin to find where there are covert opportunities in the world.

The second concern I would have about it is that if they also, in addition to planning covert operations, are to carry them out, then I think you begin to get some competing factor between that separate agency and the CIA. That would bother me.

We would have two outfits perhaps operating in something of the same area. I believe that if you leave it where it is and give it the kind of control that a new director general would give it, in the event that their decision had been made, after going through this elaborate process, to launch a covert project, then the covert project, after being planned, must be able to use all the assets of the rest of the intelligence community. It might very well need the rest of the assets.

So I don't think it can ever just operate separately. For those reasons, rather than create what I think would be an artificial distinction, I think I would rather prefer to leave it where it is, if the Congress would see fit to create a new position of the director general of intelligence.

Mr. VANCE. Senator Mondale, I simply must confess that I don't have the knowledge to give you a precise answer. I think the proposal that has been suggested by someone as knowledgeable as Mr. Phillips requires very careful consideration. Indeed, I don't know whether or not you need any so-called continuing capability. I don't know what the facts are that would lead to the conclusion that you would have to have that capability. I'm not sure that you couldn't, when it was decided that it was necessary or essential to the national interest to go forward on a project, put together an *ad hoc* small group to carry the project forward.

So I would want to know a lot more about it before I came to the conclusion that the maintenance of a continuing capability is necessary.

Mr. HALPERIN. Senator, I would think—I would make a different point. I don't think you can separate human collection from covert operations and I think the Chile report shows that and everything we know shows that. But I think it's important to take that service in whatever dimension it's going to have and separate that from the CIA, and I propose that for two reasons.

One, I think it's very important that we have a director of CIA for analytical purposes who doesn't have any programs to defend, who is not operating, whether it's covert intelligence collection or operations.

Senator MONDALE. That was the original idea of the 1947 act, and I think one of the great crises in the CIA has been the number of times we've been caught without mature, balanced estimates of what's going on, whether it's the last Middle East war or the collapse of the South Vietnamese forces, or the collapse of Portugal.

Time and time again, perhaps understandably, this whole apparatus has been established to gather and evaluate information, but I think there is a crucial issue of how we can restore to the CIA the capability and the structure that permit it to perform its most crucial and essential function.

Mr. HALPERIN. I think part of the answer to that is to have it do nothing else and whatever else you're going to do, have it be done in separate organization.

I think another answer is to have it be headed by an analyst, which has never been done, someone who understands the problems in producing good intelligence analysis.

Another reason I think it's important to separate it is that I would look to the director of this analytic organization as the one person in the executive branch who would be the natural enemy of covert operations. I would think he would be the man that Congress would call and say, have you done intelligence evaluations? If we kill Castro, are we going to get a worse leader? How popular is Lumumba? What are we doing here? And he is the man to hopefully go to. The President and the Congress can look to him to say, is this going to work? If it will, is it going to be worse than if it doesn't work? Have we considered the alternatives and so on? And that even for covert human collection, he would be the person who would be called in to say, do we really need to infiltrate the cabinet, or whatever it is. Can't you find out that information by other means?

So I would look to that individual as a possible check on the excesses of covert collection as well as covert operations.

Mr. PHILLIPS. I'd just like to add something, Senator. First, I welcome the opportunity to agree with my good friend and next door neighbor, Morton Halperin, which we don't always do. I want to make another point about my proposition. Those people I'm talking about who would be operating that small unit would not be allowed to operate overseas. They would be allowed to travel overseas, but not to reside in a foreign country.

Another element of my proposal is based on this. I believe that the CIA is highly professional and very capable of doing certain kinds

of covert actions. Those are one-shot deals, small in concept, the sort of thing that you really can do and keep secret.

I think that even your own report on Chile acknowledged the fact that a lot of it was done professionally. I think that a capability should be retained. With such a small unit we would avoid the temptation to be drawn into ever greater operations.

I was listening when the last broadcast was made from the survivors at the beach at the Bay of Pigs. I talked to a man whom I considered to be very wise, and said: "I know that before you told me you were concerned about this operation, and that we decided how it happened that we were involved in a secret operation that involved tanks landing on a beach. Did you really realize there was going to be such a fiasco and it would be such a failure?"

His answer was, "No, not in this case." But he said that he knew that failure was inevitable. He explained, "As you are aware, the popular characterization of the role played by CIA in Iran was that the CIA also got on the top of the tanks and led the troops into the palace. A year later in Guatemala a relatively limited number of advisers accomplished a facet of American foreign policy that our President at the time wanted. And so," my friend explained, "it is inevitable. Every success will leave the desire on the part of a chief executive or secretary of state to seek the easy way to do things and to task us with an impossible job."

That's why I think it has to be small.

Senator MONDALE. I think that last statement makes the whole hearing worthwhile.

The CHAIRMAN. Senator Huddleston.

Senator HUDDLESTON. Thank you Mr. Chairman.

I think it's apparent in our inquiry and the responses that you gentlemen have made that we have a very difficult problem, the resolution of which, designing legislative requirements and guidelines to meet every possible contingency, is certainly not going to be simple.

One thing that is evident is that when you speak of covert action, when you think of devising a policy related to covert actions, you're in a very broad area of operation. I think, as Mr. Phillips has pointed out in his statement, that there can be covert action with a capital "C" or with a small "c," and it can involve all the way from giving a few dollars to a political organization that may be favorable, to supplying weapons for assassination or military material for a paramilitary operation, which is in essence a war. So I'm wondering whether or not in that context there is any way, or should there be any way, of delineating between various types of covert action, some specifically limited and some acceptable under certain conditions? Is there any way to approach that problem on that basis?

Mr. PHILLIPS. Senator, I think there is a very easy way for a professional intelligence officer to understand.

In my mind, the difference between covert activity and covert action might be characterized in this way. If you decide that it's necessary to have a public opinion molder working for you, and you do something nice for him or he's cooperating because he likes your government or perhaps because you give him a stipend, that's covert activity. If he decides that he wants to start a weekly newspaper and needs only a few thousand dollars to get it started, and you give him that money,

you are engaging in covert action. If you are abroad and there's a problem of terrorists threatening the lives of American diplomats, and you say to the man that you are working with in another security system, why don't you do something so it's a little safer for us around the embassy, that's covert activity if you are an intelligence officer. If you say to him, I want to help you create a unit to attack local terrorists, that's a covert action.

Let me put it in a more specific way. If a cable comes in from overseas to CIA headquarters and says we have a politician we would like to hire or rent, and this man is going to cost us \$1,500 a month, the answer would go back, no, you're not, you're engaging in covert action. You want to help that man with his political ambitions.

And so the line really is there. Over a period of time the rules of that game can be learned, and learned very quickly.

Senator HUDDLESTON. Well, I think the basic decision that has to be made is whether or not the policy of the U.S. Government will be to intervene in the life and political and social direction of a foreign country.

Now once you make the decision that we will keep our policy flexible enough that we will be able to intervene when we deem it to be in the best interest of this country, you still ought to have some guidelines or some parameters about that intervention.

Maybe there's some extent to which you will not go. Now I don't know which is more dangerous to this country: a heavy media-type intervention which we have indulged in on a number of occasions, or the more direct intervention of supporting an individual.

Mr. Phillips, in your experience, where we have gone into a heavy media campaign to the extent of renting, as you say, commentators or newspaper reporters, owning newspapers or broadcasting facilities ourselves, what are the inherent dangers of that kind of operation to our position in the world and within the specific country?

Mr. PHILLIPS. Well, Senator, I think that within the framework of your question and the dangers that have been discussed this morning, there may be problems in such an operation. Let me draw an analogy between ambassadors and Congressmen, because I had a good deal of experience with ambassadors and some with Congressmen, and I find that there are two kinds. There's an ambassador, and you go to him and you say: I have this clandestine operation and it's going to be tricky. And a good ambassador will say, fine, tell me all about it and let's decide whether it's worth the risk.

There have been some ambassadors who say, that's your department. That analogy holds true to some extent with the relations between the intelligence agencies and Congress. As to what is covert activity and what is covert action, I assure you that the very good and very dedicated American ambassadors around the world know in 1 minute whether you're engaging in one or another. Certainly the more senior officials in Washington know.

The problem, Senator, I think is this. One, you're absolutely right in saying that the first decision is whether we are going to have covert action. If we're going to have it, how can you achieve a perfect covert action system? The answer is very simple: have a perfect foreign policy.



Senator HUDDLESTON. That's not any more likely to happen than to remove us from our intervention in other countries. But it seems to me that there are calculated risks relating to each of the kinds of actions that we think of as covert actions which would in some cases totally preclude the use of some.

You mentioned of course that we ought to outright eliminate assassinations. Paramilitary operations are a little fuzzier category and there's some question as to whether we should keep that capability. I'm concerned really about the internal propaganda effort, the use of the media. I think this is something that we ought to be very careful about.

I don't know how effective it is. You may be able to point to instances where it has been very effective. But this is a situation where in this country, at least, we think very strongly that the media ought to be as free as we can make it. Our Founding Fathers thought that and court decisions through the years have strengthened that. And here we are willing to subjugate a media in another country in order to accomplish our ends. It's contrary from the very beginning to our own basic and fundamental beliefs. I don't see how we can really gain in the world or in a specific country when this is revealed, as it nearly always is.

Do you know of any instances, for instance, where we have been the victim of our own media effort within the country, that our intelligence information gatherers sometimes lose sight of the fact that they are picking up information that we have supplied ourselves and thereby get a false impression of what the true picture is within the country?

Mr. PHILLIPS. Certainly, Senator, that has happened. But there are mechanisms set up to see that such information shouldn't reach policy-making decisions, but I don't think anyone would tell you that secret operations, covert operations, are going to always be perfect in every detail.

The word "hugger-mugger" means, in stealth and secrecy, and it has a second meaning, in confusion. It's inevitable that when you're dealing in these tricky fields, there's going to be some foulup that you don't want.

The point that I made and the answer which I hope will not appear to be flip about foreign policy, is this: I believe that you gentlemen, with as much as you're learning about intelligence operations overseas and especially covert operations, have observed that in covert operations the intelligence services have served as instruments of foreign policy. It's just that simple.

So if a President says, do everything you can in a given situation, everything includes working with newspapermen. I don't think it should include assassination, but it does say work with newspapers. It would make it very simple, indeed, if legislation said covert action cannot use media. But it would take away a major part of covert action, and that would have an impact.

Senator HUDDLESTON. Mr. Clifford?

Mr. CLIFFORD. I have this feeling that when you get into that degree of detail, Senator, we have a tendency to get away from what would be my major concern. If you get it down to the point where in legislation you begin to define what is a covert activity or what is a covert plan, then I become deeply concerned.

Now, not to be overly dramatic, but suppose at some time in the future we were to learn that the Soviets had a plan to place offensive nuclear weapons in a circle around the continental United States, and suppose they picked points in southern Europe and in Africa, and then suppose some effort was being made in either South America or Mexico, and then suppose they came around and entered into the Pacific, and then suppose they came into the Arctic, and then it came to our attention that there was a conceived plan by the Soviets to try to get the degree of control that they could in various countries so that they could place offensive weapons that were directed against the United States.

I would suggest to you that it would be unwise, if, under those circumstances, our Government at that time was to find itself restricted in its efforts to prevent that plan from being carried through to fruition.

Senator HART of Michigan. Could I ask a question here? What would Mr. Halperin say?

Mr. HALPERIN. Well, I think that we would be obviously free to take the various kinds of steps with overt action we would take to that. The notion that the way to deal with that problem is a covert capability I find exceedingly dubious. We presume the Soviet Union is trying to extend its influence, and I think we can counter it and have countered it by a variety of overt means. One would have to look at the details of the scenario. I find it a very implausible scenario, and one in which I would say that our capability to deal with it would be sufficient without a covert capability.

Now, if it got to the point where we really were talking about a threat to survival of the United States, then the President would act, and I think it would be appropriate for him to act. I find it hard to believe, even in this kind of scenario, that the critical thing would be a covert operation, not to say that a covert operation might not be of some value, but the question is whether it's critical to the success of the operation, or whether we want to maintain the capability for having it.

The CHAIRMAN. I've been called away and I'm going to ask Senator Hart of Michigan to take over as chairman.

Before I leave, I just want to make this one point. I can't recognize the double standard being applied in all of this kind of talk. When we talk about a benign intervention in Chile involving a contribution by our Government to El Mercurio, one of the most important newspapers in Chile and suggest what's wrong with that, what would we think if the Government or Brazil were subsidizing the New York Times?

Do we live by a separate standard? Do we have a superior right? Or do we recognize that if we can play this kind of game, then other governments are free to play it here. Are we to be treated on the basis of a different principle than we apply to foreign people?

That's the thing that never seems to get answered, because I think the question answers itself. We do live by a double standard and do we have certain rights against other people that we would not tolerate for a moment for them to assert against us?

Senator HUDDLESTON. The chairman suggested that we should perhaps invoke the old Biblical standard of do unto others as we would have them do unto us.

Mr. CLIFFORD. I think the trouble with that is that if they did it to us first, then it might be all over.

Senator HUDDLESTON. Are you suggesting, Mr. Halperin, that in most or even all of the instances in which we have become involved in covert activity, we might have had just as great an opportunity for success if we had proceeded in an overt way?

Mr. HALPERIN. I'm not saying that there's never been a case where covert action was important. I'm saying that in most cases a decisive form of intervention, as in Western Europe after the war, was public and overt and had the virtue of debate within the American society and would be decided within a constitutional procedure, whether to do it or not. In my view, that's not only an appropriate but an inevitable form of intervention in most of the countries in the world. We are too rich and powerful to avoid that. But that's very different from our deciding to secretly intervene.

Senator HUDDLESTON. I think my time is up, Mr. Chairman.

Senator HART of Michigan [presiding]. The Senator from Maryland?

Senator MATHIAS. Thank you, Mr. Chairman.

I would first like to thank all of the members of the panel for sharing their thoughts and experiences with us. I personally feel that what we're doing today will have more value for the future than some of the previous hearings that we've held which may have been more dramatic but which will have less real positive force in deciding what ought to be done in the reform of our institutions and the changes in our system. This may not only prevent abuses we have been learning about, but will also make the system work better than it has worked before.

One of the interesting facets of today's discussion, I think, has revolved around the question of what is national security, what is a question of vital or essential national security? And I was interested in Mr. Clifford's suggestion as to certain areas in which we might say that there was indeed a vital national security.

But leaving aside for a moment what particular subjects would be called vital to national security, because good men could disagree on that, by what procedural process do we arrive at a definition in any given moment of what is vital to national security? Is that to be the decision of the President alone? Is it to be the decision of the President acting on the advice of the National Security Council? Is it to be the decision of the Congress alone? Or in fact, if it is to be defined as something which is truly a matter of the ultimate national security, doesn't it require the joint action of the executive and the legislative branches in some form?

Mr. CLIFFORD. If it is a public matter, then obviously we understand what happens. We understand that when there is a threat to our country, and the President presents the fact, he will say it in a message to the Congress, and the Congress will debate that threat. This is an ordinary instance. And then the Congress with its constitutional power may choose to declare war, after which the President goes about carrying on the functions given to him.

Senator MATHIAS. That is, of course, the ultimate example of joint action.

Mr. CLIFFORD. That's right. That's under ordinary circumstances. But in the world in which we live today, we have found in these past years, particularly since the Second World War, that you cannot conduct all of our Nation's affairs in that manner. That is the conclusion that I think a number of people have reached, so that when the question has come up as to whether the national security of our country is involved, generally speaking up until now the President of the United States has made that decision alone in a number of instances. We assume that he knows of all the covert activities that have taken place. It is written in the 1947 law that before one can take an action of this kind, that national security must be involved. So one assumes he has made that decision in a number of cases.

Now, I find that a faulty method for reaching this very important conclusion. I have suggested that the Congress should have a part to play. It really has not up until now, and I think that it must meet its responsibility and pass a law so that it will assume some part of that burden. Now, it may be—and I do not say this critically—it may be that Congress has not wanted to assume this burden because it is better to stay on the sidelines, and if a President's decision turns out badly, then the Congress is in a position to say they had no part of it, and they can then criticize the decision made. The world is too dangerous today for that attitude, in my opinion. I think that Congress must agree that it must divide some of this responsibility with the President under the kind of plan we have discussed.

Senator MATHIAS. Mr. Vance?

Mr. VANCE. I really have nothing to add to that. What I was trying to say earlier was just that there must be a way of having the Congress share in this process. What a number of us have recommended is that it share the process through the review function with the right to express their dissent to the President, but not veto.

As Mr. Clifford has said, if it continues thereafter, then they have the power of the purse which they can apply.

Senator MATHIAS. But this is a very hard power to apply under emotional circumstances such as those we had during the Vietnam war.

Mr. VANCE. That's entirely correct. I share with Mr. Clifford the feeling that if a President, after proposing to the oversight committee the undertaking of a covert action, finds that he gets a unanimous view from the oversight committee that this should not be done, and he meets with them and hears the reasons for it, then he is very likely to change his mind.

Senator MATHIAS. Moving to a slightly different subject, Mr. Vance, a lot of the discussions today have centered around political covert action. What about the somewhat different problem of paramilitary action, the kind of thing that went on in Laos, which was a Defense Department operation but which was essentially concealed from the Congress for a long period of time?

Mr. VANCE. I would consider that a form of covert action. It is a larger form of covert action than other types that Mr. Phillips has referred to. That clearly is a form of covert action, with special problems involved with it, particularly in light of the enactment of the War Powers Act. The issue is raised as to whether or not the War

Powers Act prohibitions would cover paramilitary action if U.S. military personnel were not being used and if the action was being conducted by a foreign country with nonmilitary advisers, but with equipment provided by the United States. [See app. C, p. 226.] So that's a different complex of problems.<sup>1</sup>

Mr. CLIFFORD. Senator, under the law that has existed up until now, President's had the feeling that their obligation to the Congress was minimal. Even under the 1974 Foreign Assistance Act, which required a President to report to this special congressional committee, there is considerable doubt as to whether he had to report in advance of taking the covert action, or whether he could report after it had been started or even after it was concluded. [See app. D, p. 230.]

I think that grants him much too much power. Under the concept that we have discussed here, I think that we could prevent actions that have taken place in the past. You will recall in early 1969 our Government started the bombing of Cambodia, and then in order to conceal the bombing of Cambodia they filed false reports with both the Senate and the House of Representatives.

Now, I am suggesting that there was no original obligation upon a President, one might assume under the law, to come in and make a report to the Congress. It would be infinitely more difficult, I believe, to follow a course of action of that kind if a President were under an obligation of reporting to this oversight committee before he launched such an activity.

Senator MATHIAS. I would agree, certainly, with that recommendation.

I have one other question for Mr. Phillips. Could he estimate for us what proportion of the covert actions run by your stations were initiated at the station level?

Mr. PHILLIPS. I'll take a rough stab at that. There are a lot of different countries with different circumstances, but I would say perhaps 25 percent. Of that 25 percent I would say that the first 20 percent originated because of some feeling that the President of that country had and would be having lunch with the American Ambassador, and he would say now look, I'm fighting a "just war" and someone's coming over the mountain and trying to topple my government and I need some help. And if the American Ambassador said fine, we will send in troops and go through with it and have an overt program of help, that President, in most countries of Latin America, would say thanks very much, but I can't stand that politically from a domestic standpoint. I want clandestine help. So that's why I made the point that the best operations in the covert field have been where we have tried to help friends because they felt they were in situations where they were in peril.

Senator MATHIAS. But that by definition would be originated or initiated by a hint or a suggestion from the host government. But what

<sup>1</sup> On December 5, 1975, Mr. Vance wrote the select committee with the following supplement to his response to Senator Mathias' question: " \* \* \* paramilitary operations are perhaps unique in that it is more difficult to withdraw from them, once started, than covert operations. This is well illustrated by the case of the Congo, where a decision was taken to withdraw in early 1966, and it took about a year and a half before the operation was terminated. Once a paramilitary operation is commenced, the recipient of the paramilitary aid tends to become dependent upon it and inevitably advances the argument that to cut back or terminate the aid would do the recipient great damage. This makes it especially difficult to disengage."

about projects that were genuinely thought up, the brain children of the station?

Mr. PHILLIPS. By saying that it was 5 percent of a total of 25, I would say it's about 5 percent. And those proposals would generally be characterized as ones that I might call covert activity rather than covert action.

Senator MATHIAS. Were these ever vetoed by the Washington headquarters, in your experience?

Mr. PHILLIPS. Oh, yes, absolutely. Senator, I think that Foreign Service personnel in general feel the obligation to report back to Washington as many ideas as they can about how certain things should be handled. Intelligence officers certainly fit that category, and they try to come up with imaginative proposals and so forth. Sometimes their proposals are absolutely ridiculous and they get slapped on the wrist. It happens quite frequently. Usually the ambassador tells them, don't be silly.

Senator MATHIAS. Has your experience been that the ambassadors have played an important and significant role in these decisions?

Mr. PHILLIPS. Absolutely, with one exception.

Senator MATHIAS. What was that?

Mr. PHILLIPS. Chile.

Senator MATHIAS. Have they generally had an effective veto?

Mr. PHILLIPS. Yes. There's a myth about people who work overseas in intelligence, that the ambassador really doesn't know about them. He knows a great deal of them, who they are, where they're working. Indeed, he finds out what their personal problems are. And so on ambassador overseas is really a very important man. He has a long black car and he is the President's representative.

After President Kennedy sent out a letter, it was made quite clear to station chiefs that the ambassador was a very important man [exhibit 7<sup>1</sup>]. As I said before, the only time I've known that an ambassador was not in a position to say stop or go slow or start, was in one single case.

Senator MATHIAS. Thank you very much.

Senator HART of Michigan. The Senator from Colorado?

Senator HART of Colorado. Thank you, Mr. Chairman.

I think each of the witnesses today has repeatedly said something very important. That is, there is a temptation to allocate responsibility to and, in fact, blame the intelligence community without equally involving Congress. This is a theme which this committee constantly has to be aware of in my judgment.

Many of the abuses of the past have in fact flowed either from the lack of congressional involvement and congressional lassitude, or in fact even from pressure from Congress to take action of some kind to resolve some sticky situation abroad. So I think Congress and politicians generally have to share the blame. As President Kennedy said with regard to Cuba, there's plenty of blame to go around. So I think that we always have to resist the temptation to point the finger at the CIA or FBI or someone else.

But Mr. Clifford, I note a distressing theme in the correspondence that you had with President Kennedy in October of 1961 in response to a request from him for advice on how to handle the CIA particularly

<sup>1</sup> See p. 137.

[exhibit 8<sup>1</sup>] I think you outlined four of five points to keep in mind in early discussions with the Director of the CIA what might be done to make the CIA more effective.

The fifth point is the one that I think is of most concern. And you say—

from time to time, efforts are made in Congress to institute investigations of intelligence activity or establish a joint congressional committee on foreign intelligence. Such efforts must be stoutly and intelligently resisted for they can seriously hamper the efficient and effective operation of our intelligence activities.

Now, you pointed out the 147 out of 200 bills that had to do with establishing just this kind of committee and the success with which they all met in the Congress. What, in your judgment, can be done first of all to resist the temptation on the part of the White House to treat the Congress as a second-class branch of government? Second, if your own views have substantially changed since this memorandum was written, what can be done to get the Congress back in the ballgame?

Mr. CLIFFORD. Senator, I think they have changed somewhat but I think the context at that time had to do with efforts that were being made in some areas by some members of the Congress to bring the Bay of Pigs into such focus that it brought it into the political arena in the United States.

And Senator, as President Kennedy said at the time, there was a good deal of blame, and enough blame to go around.

Now at the time there was a very substantial effort being made in some quarters to point out that the incident had been poorly planned, that those involved should have known better, and the attitude at the time was that their culpability should be decided and the CIA was under bitter attack in a number of areas. The NSC came under attack also for certain failures on their part.

There was a very real concern within the executive branch of Government that should this attitude be carried on indefinitely, that serious damage could occur to the whole intelligence operation of the United States.

The comment was not made in the light of informing Congress on the subject we're now discussing but in efforts that were being made at the time that we felt would be so damaging to elements in the intelligence community that it would be inimical to our interests.

Now in addition there is a second answer. I think that that's 1961—that's 14 years ago—I think that a great deal has transpired since then. I think that to a certain extent we felt that the system was working reasonably well at the time insofar as the Congress was concerned. There were senior Members of the Congress in both the Senate and the House who were in contact with the intelligence community and I think that we felt that the system was going reasonably well.

However, in the last 14 years the operation has not gone well, so that I think that we must face up to the fact that there have been dangerous developments. Our country has been damaged severely by the publicity that has come out, and because of the lessons of the past, I would like to make the Congress somewhat of a partner with the executive branch before we launch on these very dangerous missions.

<sup>1</sup> See p. 139.

Senator HART of Colorado. Well, in that connection, I again, with my colleagues, would like to open this question up to all the members of the panel and not to a specific individual and would invite other responses. Is it feasible to erect a standard for the people making the decisions about future operations, either in the White House or in the Congress, or hopefully in both; a standard that the operation will only be undertaken if it is the opinion of the people making the decisions that a majority of the American people would favor that operation if they were given all the facts?

Now that kind of standard is difficult in two regards. It still leaves a great deal of judgment in the minds of those making the decision. And second, it is based upon a very difficult premise, and that is, if all the facts were available.

We have difficulties with these operations in two respects. In the case of the *Mayaguez*, which has been discussed, apparently all the facts were not available, even to the person, the President of the United States, making the decision at the time. In other cases the facts had been available, as in Vietnam and other places where the President or whomever was making the decision, sought afterward to conceal the facts available to him or to them, from the Congress or from the American people.

So I think the political realities or the recent political history is such that that's a very difficult standard to achieve, if all the facts were available.

But can any of you respond to that general proposed standard?

Mr. VANCE. I will try to respond to it, Senator Hart. It seems to me that could be one of the criteria and I would expect that to be in the minds of the President, his advisers in the National Security Council and on the joint oversight committee. This would be a factor, particularly in light of history and the problems that we have seen with respect to covert actions. But I don't think you can make that the sole standard.

Senator HART of Colorado. How do you avoid the situation that apparently we had in Vietnam where the President or successive Presidents knew, if all the facts were available to the American people, that that venture would not have had the support of the majority?

Mr. VANCE. That gets to another factor and it doesn't relate to intelligence operations. I, for one, have felt that many Presidents have failed to make proper use of their Cabinets. When it came to sensitive foreign policy or national security issues, it was always a small group of us who were involved in such matters on a day-to-day basis, who were called in to advise on making the decisions.

In my judgment it would have been better if on some of those broad issues that affected the future of the country the matter had been discussed more with the full cabinet so that the views of those who are out and around the country or those of us involved in national security affairs, could have been heard and could have brought to bear the thoughts of the people of the United States on what's going on.

I don't think that's unique in the administrations that were around in the sixties. I think that that has always been a problem. Whether anyone can do anything about it, I don't know. I think that's one of the things that has been a problem.

Senator HART of Colorado. But there's some horror stories that are in print that have not been substantially denied about the Johnson



Cabinet—that Cabinet members at various times were so intimidated by the President that any dissent was tantamount to termination with some prejudice.

Mr. VANCE. I never saw anything to support that. It may be a factor, but, not in my experience.

Mr. CLIFFORD. You have touched upon a subject that I think is not susceptible to legislation. I believe that, perhaps more in Washington than any other place, there is a human sentiment that is as deep as any that fixes itself in a man's mind, and that is the desire for vindication.

So if a President launches upon a certain course of action, he will feel that given some more time and some more effort, it's all going to turn out as he thinks it will turn out, and, if along the way he has to get a little more time and possibly a little more force in order to accomplish his end, this overpowering desire will be vindicated, and his judgment is such that at some times these individuals, not only the Presidents, will perhaps be in false positions.

Senator HART of Colorado. Mr. Phillips, what is appalling to many of us and I think it's unfortunate that our committee has not gotten into it more, is the quality of intelligence.

We spend billions of dollars a year; estimates range from \$6 to \$8 billion for the entire community. The House Intelligence Committee and others have gotten into the fact that as often as not, presuming you want to get into covert operations, decisions which are made about when and where and how to launch these operations are based upon a chaotic, insufficient set of facts or on misinformation, and they result in great tragedies in this country or to some other country, or both.

In your judgment what can be done to get people out of the kind of farcical kinds of operations or tragic situations that have gone on, and get them in the business of hard intelligence and coming up with a better set of information, a higher quality of work?

Mr. PHILLIPS. In answer to the first part of your question, I must say very frankly that predicting and estimating is not an exact science. It's a little bit like putting together a Broadway show. You can have a number of facts—David Merrick can be the producer, Katherine Hepburn will be the star, Tennessee Williams will write the script. It's going to be a big hit. Right? Not necessarily.

It's pretty much the same with putting together the pieces of an intelligence jigsaw puzzle, and it's very easy to forget in this mosaic that you should put in a little piece about people being irrational. So it's a very inexact science and very difficult. You would be deceived if someone told you they could always tell you just what the facts were, so you could make a rational decision.

The answer to the second part of your question is so broad. Staying out of things that we shouldn't. That, I find that with my experience, I believe that. While I'm absolutely convinced that we should have a capability to do these things, we shouldn't have one so that it can be turned into a circus. By reducing the personnel and reducing the equipment and paraphernalia that is available to them, it will be less likely to happen.

Senator HART of Colorado. Well, I think that if I were an investor in a Broadway show, I would try that formula once and if I got burned, I wouldn't invest in that kind of a show any more. The American people are investing in this show all the time, and you get a *Mayaguez* and you get a Vietnam and you get a Gulf of Tonkin.

I mean this committee in the last 10 months has seen instance after instance where decisions were made on the most bizarre and incomplete and wrong sets of information. They were instant decisions and a lot of them had to do with Mr. Clifford's description of the desire of the politician for revenge—a kind of a macho, we will show them, and they can't do this to the United States, and all that.

The *Mayaguez* incident, and again retrospect is easy for all of us, would have been a common occurrence had it not cost 50 or 60 American lives. We were bombing at a time they were trying to give more people back to us. Now I know that's not a set of facts or a circumstance that the CIA is best equipped to deal with—raid aboard a ship at sea—but almost the same type of situation got us into Vietnam.

Mr. PHILLIPS. Senator, your question is certainly a good one. It encompasses most of the aspects of the dilemma over secret operations and having to operate sometimes on secret information which cannot be perfect.

I think that all of us here agree that in resolving this difficult question it is implicit that Congress must play a role. Perhaps playing a role in the decisionmaking process is the best answer we can expect.

Senator HART of Colorado. Do any of you draw any political or economic conclusions from the fact that overwhelmingly in the last couple of decades covert operations have involved the Third World and not involved major nations, that we, in fact, suspended our operations to assassinate Castro at a time when he was most intimidating us? What I'm getting at is obvious. Are we picking on the small countries?

Mr. PHILLIPS. Senator, it has been my experience that throughout this time there is one country that's not a small country, and that most of the covert action, direct or indirect, even though it's done in a third, country, is proposed and approved and executed within the framework of our conflict with the Soviet Union.

Senator HART of Colorado. But carried out in the arena of the small emerging nations of the world? How many Soviet leaders have we attempted to assassinate? How many covert actions have we had inside the Soviet Union?

Mr. PHILLIPS. We've had a number of clandestine operations, not covert.

Senator HART of Colorado. I'm talking about covert actions with a capital "C."

Mr. PHILLIPS. Senator, you're putting me in a corner where I'd have to come back and ask a question. Defending the idea that we must engage in covert action because other people do—I do not want to take that stand. My point was that it is absolutely true that the Soviet Union does have intentions which include all the countries of the world, if they can manage it.

Only a few years ago the Soviet Union had relations with four countries in Latin America. Today they have relations with twelve. I think that it is incumbent upon us at least to be prepared, should that mechanism turn into a national security threat, to be able to meet it.

Senator HART of Colorado. I think you would recognize above all others that the Soviet Union is conducting operations clandestine and otherwise in Great Britain and France and Scandinavia and all over the world and that we are not overthrowing those governments. Does

anyone have a comment on this fact that the covert actions, covert operations, are Third-World-oriented?

Mr. CLIFFORD. Perhaps this would help answer it.

After the Bay of Pigs debacle I went to see President Kennedy and I remember very well the way he had analyzed that failure in his mind.

He said he had made a catastrophic decision to get into the Bay of Pigs. He said he made that decision because his advice was wrong. He said the advice he received was wrong because it was based upon incorrect facts, and those incorrect facts were due to faulty intelligence.

So that's how he traced it in his mind, which confirms the point that you are making. That was when he appointed the Presidents Foreign Intelligence Advisory Board. A group of nine citizens went to work and worked hard for the next 2 years. I think they had some beneficial effect upon the product that was being turned out.

But this is an extraordinarily difficult job to do. You would suppose that with all of the contacts we had with Cuba, that we would have some penetration in Cuba, and we do not. We don't have any penetration.

The difficulty is if you go into a totalitarian type of country, it is organized to prevent your getting information. They have a top intelligence man and then they have one for each province, for each town, for each block, and then the blocks are even broken down, so that there is a constant web of information flowing in.

We sent teams at one time or another in Cuba to try to get information. They were "all rolled up," is the expression, and we never heard from them again.

We have no penetration in the Soviet Union. We would like to have but the job of penetrating a totalitarian government is enormously difficult. We've had to turn to other means, and we have been enormously successful in that regard with the Soviets, that is in our scientific effort. We get most of our intelligence, the percentage is overwhelming, we get most of our intelligence from scientific means. We have means by which everybody knows. We have satellites and a photograph force. We have agencies that analyze all the electronic signals that go through the air that emanate from the different countries.

So we get a great deal of our intelligence this way. We hope it's improving all the time. It's not been very good in the past. I hope it's better now, but I assure you they will continue to make mistakes in the future because of the difficulties.

Senator HART of Colorado. I think your observations are true about the Soviet Union, Eastern Europe, China, Cuba and so on. I'm talking about the Latin and Southeast Asian countries which for all purposes are intelligence sieves. We had agents all over Vietnam and still for reasons that have been detailed did not get accurate information. Or at least it didn't get to the President or he chose not to pay attention to it. We had all kinds of operations going on in Chile which were described yesterday. The predominant situation and set of circumstances in most of these countries is that we have little or no trouble infiltrating and operating.

One final question, particularly for Mr. Phillips. Do you think that we should be held, because of our Constitution and traditions, to a

different standard, a higher standard than our principal adversary, the Soviet Union?

Mr. PHILLIPS. First, for 1 minute, Mr. Clifford, about your statement that we don't have penetration of the Soviet Union and Cuba. I think that's not entirely accurate. I think that would be unfair to our intelligence service.

Answering your question, Senator, the people who work in intelligence have had these same problems which have been posed today. It's obvious that this committee has been agonizing about them, and you can imagine that the people who have been instructed to carry out the tasks that entailed these ambiguities find it even more difficult. It has often been suggested to me that if you were in the intelligence business so long, and you admit there were mistakes and things went wrong, why didn't you quit? And the reason is that when you are faced with a personal, ethical, moral problem of this kind, you must resolve it in the context of a long period of time, throughout your experience.

I recently read a book called "Resignation and Protest," by Thomas Franck and Edward Weisband, that indicated there were only two U.S. officials in our political history who had resigned successfully in protest. One of them was Harold Ickes, and the other was Elliot Richardson.

So you face this personal situation, and that leaves the broader question. My answer to that is I wish that the problem did not exist. I wish there weren't dark alleys. I wish that the policemen in London still wore those funny little hats and didn't carry guns, but I'm afraid they must.

So we must try to resolve this dilemma, given these different facts. It's a question I find very difficult to answer, Senator.

Senator HART of Colorado. Is it impossible to answer?

Mr. PHILLIPS. I think we now hope that we can with this very distinguished group of Senators wrestling with the problem. I think it's a good test of whether or not it's resolvable.

Senator HART of Colorado. I think the Senators are going to turn out all right on it. We're concerned about the CIA agents.

Mr. PHILLIPS. Yet, it's easily resolved, when CIA people are concerned. What are the guidelines, what does the instruction "other duties and functions" mean? It's a very simplified answer. Legislation written by someone who has the Constitution at his left elbow. That's the way to resolve it.

Senator HART of Colorado. Or maybe a director of the CIA who kept the Constitution at his left elbow also.

Mr. PHILLIPS. Absolutely.

Senator HART of Michigan. I don't know who wrote that book, but we might make a footnote. You know, Richardson's resignation was the result of a commitment he made under oath to the Judiciary Committee, after 2 weeks of wrangling.

Mr. PHILLIPS. Sir, I was quoting the author.

Mr. HALPERIN. I think we're down to one person who resigned under protest successfully.

Senator HART of Michigan. Gentlemen, you've been patient with us for a long morning.

Before expressing my thanks again, one or more of you might have something that you would like to add to the record.

Mr. Vance?

Mr. VANCE. No.

Mr. CLIFFORD. No, I think we've covered everything.

Mr. PHILLIPS. No.

Mr. HALPERIN. No.

Senator HART of Michigan. Well, as I'm sure Senator Church did at the outset, as we conclude I would like to thank each of you on the panel. As Senator Mathias said, there are fewer skyrockets this morning but a lot more substance.

We are grateful to you.

[Whereupon, at 12:55 p.m., the committee recessed subject to the call of the Chair.]

# **TECHNIQUES OF COVERT ACTION**

**Expenditures in Chile, 1963 - 1973  
(to nearest \$100,000)**

## **Techniques**

<b>Propaganda for Elections and Other Support for Political Parties .....</b>	<b>\$8,000,000</b>
<b>Producing and Disseminating Propaganda and Supporting Mass Media .....</b>	<b>\$4,300,000</b>
<b>Influencing Chilean Institutions: (labor, students, peasants, women) and Supporting Private Sector Organizations ..</b>	<b>\$ 900,000</b>
<b>Promoting Military Coup d'Etat ...</b>	<b>Less than \$ 200,000</b>

HEARINGS EXHIBITS  
EXHIBIT 1

## EXHIBIT 2

MEETING WITH PRESIDENT  
ON CHILE AT 1525 SEPT 15, '70  
PRESIDENT JOHN MITCHELL & HENRY KISSINGER

1 in 10 chance perhaps, but save Chile!

with spending

not incurred risk involved

no involvement of embassy

\$10, 20, 25 available, more if necessary

full-time job - best man we have

same plan

make the economy scream

48 hours for plan of action

White papers, 25, 20, 25

Sullivan

MEETING WITH THE PRESIDENT  
ON CHILE

15 SEPTEMBER 1970 -- PRESENT WORK: JOHN MITCHELL AND HENRY KISSINGER

ADDED 18 JULY 1975 to Chile  
Materials Provided Senate  
Select Committee, 15 July 1975

## EXHIBIT 3

FRANK CHURCH, IDAHO, CHAIRMAN  
 JOHN D. TOWER, TEXAS, VICE CHAIRMAN  
 PHILIP A. HART, MICH.  
 WALTER F. MONDALE, MINN.  
 WALTER D. HULL, ILL.  
 ROBERT MORGAN, N.C.  
 GARY HART, COLO.

HOWARD H. BAKER, JR., TENN.  
 BARRY GOLDWATER, ARIZ.  
 CHARLES McC. MATHIAS, JR., MD.  
 RICHARD S. SCHWEIKER, PA.

WILLIAM G. MILLER, STAFF DIRECTOR  
 FREDERICK A. D. SCHWARZ, JR., CHIEF COUNSEL  
 CURTIS R. SMOTHERS, MINORITY COUNSEL

## United States Senate

SELECT COMMITTEE TO  
 STUDY GOVERNMENTAL OPERATIONS WITH  
 RESPECT TO INTELLIGENCE ACTIVITIES

(PURSUANT TO S. RES. 21, 93RD CONGRESS)

WASHINGTON, D.C. 20510

October 20, 1975

The Honorable  
 Edward M. Korry  
 351 Elm Road  
 Briarcliff Manor  
 New York

Dear Mr. Ambassador:

I am pleased that you will be able to testify before the Committee about Chile. As I mentioned, the hearings will take place November 4, beginning at 10:00 a.m. It is planned as an open session; the ground rules still have not been agreed upon, but I will be in touch with you as soon as they are.

I thought it useful to send you suggested issues around which to organize a ten- to fifteen-minute opening statement, even in the absence of agreed ground rules. No doubt you will want to make a number of the specific points you made in our interview: the 1964 antecedents, your view of the 1970 elections, your ignorance of what we now call "Track II," your understanding of the limits of "Track I" and of any attempt to affect the outcome of the Congressional vote, your perception of Allende and of his government's attitude toward the copper negotiations.

In addition, you might address the following more general issues in your statement:

1. What was there in the Chilean situation after 1967--and especially in 1970--that made other than overt, acknowledged action by the U.S. necessary or advisable? That might include both the advisability of general programs and of any specific involvements in the 1969 Congressional elections and the 1970 Presidential elections.



*2. 3. 4. 5. 6. 7. 8. 9.*

2. Did your assessment differ from that of the Department in Washington? From CIA Headquarters? From the Chief of Station?

3. What was the nature of consultation between you and members of the mission regarding the advisability of covert action? Did the sensitivity of the subject preclude consultation with officers whose knowledge and judgment would have been helpful?

4. What was the nature of consultation between you and Washington on the same question? Did the sensitivity of the subject preclude consultation with, for example, INR, DDI/CIA, or the Country Director?

5. Were you kept closely informed of any consultations between the Chief of Station and CIA Headquarters regarding Agency capabilities and the advisability of covert operations? What was your understanding of those consultations at critical junctures?

6. Did you seek to assess those capabilities yourself before recommending or concurring in covert action?

7. To what extent did you seek to supervise and/or keep informed of the details of covert operations? What procedures were used? Was there full cooperation by the Chief of Station?

8. What ground rules did you set down for Agency activity? Did you, for instance, prohibit certain kinds of activity, certain tactics or approaches to specific individuals? Are you confident your guidelines and prohibitions were complied with?

9. Did you review ongoing operations periodically to determine whether they should be terminated or expanded?

Obviously, these are suggestions, neither exhaustive nor binding. The focus of this portion of the Committee's inquiry is covert action as an element of American foreign policy. You should, of course, make whatever comments on specific issues or events that seem important to you; but the major subjects of the testimony ought to be your assessments of the situation in Chile, your sense of Washington's perception and your sense of your control of covert operations in the field.

If I can answer any questions or provide any additional material, please let me know. I'll await your letter.

Yours sincerely,

A handwritten signature in cursive script, appearing to read "Gregory Treverton".

Gregory F. Treverton

## EXHIBIT 4

EDWARD M. KORRY  
351 ELM ROAD  
BRIARCLIFF MANOR, NEW YORK 10510

814 941-0137

October 23, 1975

The Honorable  
Frank Church  
United States Senate  
Washington, D.C. 20510

Dear Senator Church:

I have, as you know, confirmed my desire to testify before the Senate Select Committee at its pleasure. Since I requested a CIA program and since that program has been linked both to the tragedy that wracked Chile and to the abuse of Executive power in this country, my appearance before your Committee is a moral imperative and a civic necessity.

As Ambassador to Chile four full years (October 12, 1967 to October 12, 1971) I wrote more cables and dispatches than any of my rank in that period, deliberately accounting, as best I could, to current consumers throughout the government, and to future political, economic and social historians, the motives, the atmospherics, the hopes and disappointments that enveloped my decisions and actions. For reasons of ignorance, of self-interest, of conflicting loyalties, of clashing principles and of percussive pressures of various types, not everything salient or sentient could be recorded even if comprehended then. Hence, new facts and fresh insights still can be contributed to an illuminating case study of the dizzying inter-  
action of national security actions abroad, partisan competition for votes at home, covert activity, economic interests, espionage, ideological rivalries, social factors and individual wills, of how, in sum, the United States--not just the White House, and/or the CIA, the Embassy, and other Executive agencies, but the nation as a dynamic entity--strove, stumbled or sneaked to find its proper footing in the massive tides of history.

The Committee, as I understand it, has judicial powers. In effect, it sits as a court, a court of the people, one might say. As such, then, its function is to expose and to explore, without prejudice, the relevant facts, to sift their implications and to reach conclusions on past performance which will, in turn, permit judgments on future lines of conduct. Your direction as presiding officer of the proceedings have demonstrated that the Committee

-2-

is not interpreting its mandate narrowly; it is examining an Executive branch decision-making-and-action process as it was affected by the intelligence agencies. It is, I submit, investigating one manifestation of Authority at a time when all forms of it are in, or near, crisis.

The US-in-Chile case is a thicket of ironies. Good and bad lie so close together, as Acton said, that to seek artistic unity of character, or purpose, or performance, is, in this instance, an awful absurdity. Your own role, no less than CIA's, illustrates the point. You would be judge and jury when justice and decency suggest that it would be more appropriate for you to be witness and defendant.

An outrageous proposition, you will doubtless retort, one that might, as I recognize from past experience with another of your investigative committees, provoke a prodigiously hostile and costly reaction. No matter. "My heart has followed all my days," the poet writes; "Something I cannot name." Mine cannot and will not live or die quiescently while you and others fashion a bedlam of humbug and a blaze of unwarranted national guilt. If we have entered the new era of ultra-bribe, klieg-lighted honesty and openness, of "letting it all hang out" as you and your admirers advertise, then your wash must be pinned on the same sunlit line with mine. By that, I mean this appalling, disqualifying record:

1. You were Chairman of the Subcommittee responsible for Inter-American affairs of the Senate Foreign Relations Committee in 1969 and 1970 when I inquired of its staffmen on three separate occasions, in Washington and in Santiago, if a Subcommittee meeting could be arranged. Each time, Mr. Pat Holt replied, with some embarrassment, that the Chairman did not wish hearings. He gave me to understand that Latin American affairs did not arouse sufficient interest or promise enough headlines to merit even one executive rump session. Your successor as Subcommittee Chairman was subsequently briefed on CIA operations in Chile, I am reliably informed, long before the leaks to the media by Congressman Harrington (and your staff) in 1974 of Mr. Colby's secret testimony earlier that year to a House Committee.

Is it unfair to compare your looking-the-other-way in 1969-70 to a sentry asleep on duty on the eve of battle? Is it not right to inquire how such a negligent guard turns up as presiding judge in the resultant court martial? Is it not logical to speculate that you did not wish to

-3-

know too much, did not want to be saddled with any responsibility for the agonizing decisions or recommendations that the best of public servants willingly confront, must confront, if our system is to avoid a demoralizing paralysis? Or was it disinterest in a taxpayer investment, authorized step by step by the Congress, of approximately \$2,000,000,000 (billions)--dollars of 1964-69 vintages and values?

2. You were, next, Chairman of the Subcommittee on Multinational Corporations of the Senate Foreign Relations Committee, having transferred to that limelighted role in mid-1972 when Jack Anderson published the sensational and grotesque ITT memos. Because my name appeared in several of those papers, I was, quite rightly, soon contacted (the summer of 1972) by Mr. Jack Blum, Subcommittee deputy Counsel. In his second utterance on the telephone, he said "ITT is trying to make you the fall guy, you know" (I didn't) and added that if I did not cooperate with the Subcommittee to "get" ITT and the White House people behind the corporation, the Subcommittee would "let" me be a scapegoat. My employers' attorney contacted Mr. Blum straightaway and in November, 1972, accompanied me as a silent inhibitor to my one pre-hearing interrogation with Blum and his superior, Mr. Jerry Levinson, the Counsel; we insisted they tape the multi-hour session. Events have justified your staff's zeal to expose and to rid the country of the then-abusers of Executive authority although, I might add parenthetically, their lack of pursuit in certain areas is intriguing.

I ask, in this connection, however, if the Senate empowers its Subcommittees to abuse its authority with the same "enemies list" tactics of its targets? Would you say that the ends justify the means?

3. Your Counsel, Mr. Levinson, and I participated soon after in a Dusseldorf, Germany, Conference on Multinational Corporations, January 5-7, 1973 (two months before your Subcommittee began hearings). Levinson recounted to several participants one evening, in my presence, that the US government in 1963-64 had spent "\$12,000,000--even more" to defeat Allende. He elaborated briefly on the effort and purpose. When I asked him, in privacy later, how he could justify such past intervention and yet be so outraged by a very muted US hostility in 1970 against the same man and the same forces---a CIA program, in fact, whose reach and cost were tiny fractions of the earlier one---he replied that "we had a democratic alternative worth

-4-

backing in 1964". Not for a second did he, your representative, argue that the United States had no moral right to intervene or that the CIA had no legal basis to engage in covert political action overseas or that international treaties forbade such intervention or that Allende and his forces had changed stripes. Quite the contrary. His was a partisan, an ideological, distinction. He contended, entirely erroneously, that the US in 1970 had supported a conservative candidate, Jorge Alessandri, when, in truth, my position, and therefore the Embassy's, was strongly biased (much to the annoyance of all of the CIA) in favor of President Eduardo Frei and his Christian Democratic party---the "Democratic Left" force that Mr. Levinson extols in his book The Alliance That Lost Its Way (Quadrangle, 1970); I had even argued in writing to the Nixon Administration that if the Democratic Christian candidate in 1970, Tomic, were, by the most unlikely miracle, to fashion and to lead a coalition with the Communists, as he proclaimed he would, it should not trigger US hostility. Even more relevant to the US Committee's inquiry, one powerful incentive for the structure I recommended of anti-Allende covert propaganda action in the 1970 campaign---no funds to any candidate or party---was my determination to guard against an indirect commitment by the US to a discredited Right that was so clearly in a minority and with whose tactics and objectives I was in profound disagreement.

My question to you here, Sir, is whether you were no less aware than Levinson in January 1973, and before, of the pervasive US intervention in the Chilean electoral campaign of 1963-64? Is it not a fact that you deliberately suppressed this chapter of US activities in Chile in your 1973 hearings and later, because of its partisan embarrassment, because it involved a President we both cherished? Is it not true, therefore, that you expended public funds to convert a public investigation into a private, internecine vendetta? Did you not grasp, by the way, that the 1963-64 covert operations involved the de facto overthrow of an existing government---that the program conceived by the Kennedy Administration and executed by the Johnson team to elect Christian Democracy depended on the prior repudiation by the Chilean electorate of the conservative political coalition in power, and that the US government, in many ways, worked to this end? Is it not, therefore, correct to assert that your energetic campaign the past three years to persuade the media and the world of the CIA's alleged "overthrow of a

democratic government" in 1973 was, among other things, an effort to draw a false distinction between a past you labored to cover up and a present you willfully distorted for partisan and personal advantage?

4. Twice during our European stay in January, 1973, Mr. Levinson pleaded with me to help "get" President Nixon, Dr. Kissinger and others involved in the 1970 decisions affecting Chile. He asked how I, a lifelong "liberal" and a Kennedy admirer and appointee, could "defend" Nixon and Kissinger and company. I told Levinson, as I had others over the years, I had never voted for Nixon and had never contributed a penny or anything else to any of his campaigns; nor was Kissinger a friend, as I, no less than Levinson, was painfully aware. The issues for me, I told Levinson, were of another order:

A. I had been so opposed to the Marxist-Leninist forces represented by Dr. Allende, it would be craven dishonesty to seek dispensation by accusing others of actions based on shared perceptions;

B. It would entail the dredging of secret decisions and activities in a country where the Kennedy and Johnson Administrations had placed their highest hopes and the greatest per capita American investments, moral and material, in the hemisphere; such muck-raking, I said, might bury living Chilean politicians, and would muddy two dead US Presidents. The costs, I held, would be very high to this country's standing and to Chile's stability.

C. The Allende government had entered its third critical year and the US taxpayer still had in the balance hundreds of millions of dollars of US-Treasury-backed guarantees of American corporate investors plus more than one and a quarter billion dollars of other public monies; although I had no doubt that the Allende government was determined to levy this charge on the US taxpayer, I did not wish to give any further pretext.

D. The sum of these constraints, subjective and objective, and of the unending complexities flowing from them, were too overwhelming for me to play the dummy for him and for you.

My question here, Senator, is who authorized your Subcommittee to concentrate on "getting", to use the recurrent parlance of your staff, Dr. Kissinger, and to rewrite history, if necessary, to achieve that end? Why did you and Mr. Levinson, for example, manipulate the subsequent hearings

-6-

and the background briefings to selected journalists---before, during and after those sessions---to propagate the demagogic, specious suspicion that US actions in Chile, in my time, were motivated importantly because of fealty to, or concern for, the monetary interests of, the multinational corporations there? (What was true is that I had argued that the "Allende doctrine" of non-negotiable, unilateral grabs of US property, if unopposed, would be emulated by many others, in one fashion or another; I had said that the consequences of Allende's uncompromising behaviour would also reduce aid and investment, bilateral and multilateral, by a more isolationist US in those areas of the world that needed it most; I had avowed my fiduciary responsibility for the heavy taxpayer exposure through guaranties and the tied risks of other US government funds.) Did you not believe what Senor Raul Prebisch, the first Secretary General of UNCTAD (the third world grouping) and an Argentine economist and socialist of international repute had gratuitously declared, in Levinson's presence, to the Dusseldorf Conference, as the published record (Institute for International and Foreign Trade Law, Georgetown University, and Praeger, 1974) states:

"Ambassador Korry has given only part of the information

on this matter (the evolution of relationships between multinational corporations and less developed countries) and I will complete it. The truth is that he was one of the first---perhaps the first---to develop this idea (of foreign corporate fade-out from absolute to shared or minority ownership in LDCs) but only within a narrow circle of friends. Indeed I had the privilege in 1967 to listen to his ideas about this matter presented with his customary lucidity. I have ample proof Ambassador Korry, while Ambassador to Chile, was instrumental in shaping new ideas in this matter of investment."

(He was, as you will see below, speaking of both the Allende and the Frei years.) Did Mr. Levinson not tell you, as he had written in his book, that my defiance of the Anaconda Company in 1969 enabled the Chilean government to gain immediate majority interest and control of that giant corporation's mines in what was the largest-ever peaceful transfer of resources in an LDC?



-7-

Had you not been briefed on my persistent maneuverings in 1971 to prevent ITT from exploiting its Chilean difficulties at the US taxpayers' expense? Did you and Levinson not manage events to avoid any public airing of this or of additional reasons for ITT's hostility to me because it would not fit the single-minded partisan script you had drafted? Where was the moral compulsion to "get" at the truth as the public expected and indeed paid for?

5. Mr. Levinson's interrogation of me in public Subcommittee hearing brought out, inter alia, my confirmation of a CIA electoral program in Chile in 1970 as the New York Times reported prominently in a two column story March 28, 1973,---a full year and a half, no less, before the disclosures by Congressman Harrington (and Mr. Levinson) that led to the formation of the Select Committee. I denied then, as I do now, that we had ever attempted to bribe Chilean Congressmen. I asserted then, as I do again now, that I had imposed the most extraordinary precautions to prevent any U. S. complicity in a Chilean military insurrection against the Chilean government, either Frei's or Allende's, and that between 1969 and 1971, I had personally taken unusual---some today might say "high-risk"---measures to guard against such an eventuality. I maintained then, as I do now, that the United States had dealt with the Allende government, from the moment of his inauguration to the day of my departure eleven months and one week later more generously than anyone could have imagined or anticipated.

The United States was following, in fact, a sophisticated three-tier policy: diplomatically doing its utmost to negotiate a solution acceptable to the majority of Congress and to most Americans as fair and just by the most liberal measure; publicly adhering to a cool but correct posture; covertly providing funds that did, in fact, permit newspapers (and their labor unions), other media outlets and two major political parties to fulfill their democratic functions.

Is it not true that you and your staff were aware in 1972-3 of the hundreds of cables sent from Embassy Santiago between November 1970 and October 1971 reporting to Washington in swamping detail the genuine, the strenuous and the innovative efforts to reach an accommodation with the Allende regime? Is it not true that you decided to muffle this aspect

-8-

of the US-in-CHILE case? Is it not true that you and your counsel conscientiously stifled any public ventilation of an offer that Mayor Beame, Governor Carey and the people of New York, might have been intrigued by-- my offer to the Allende government, Marxist-Leninist in composition and thrust, to have the US guaranty its almost worthless bonds as part of a fair, non-dogmatic and inexpensive settlement of its conflicts with the US? Had I not provided on tape in 1972 the precise details to Levinson and Blum? Had I not informed four major Western powers of them in timely fashion? Was not Levinson also cognizant that even within the Allende government, not to mention several Santiago residents of international standing, such as Prebisch, <sup>had won support for</sup> this unusual proposition?

Why shouldn't the public conclude that your deliberate coverup of a major initiative was indispensable to your concoction of a simplistic and monstrous black-white mythology---a legend in which the American bullyboys kicked and cuffed small and innocent social democrats because they only wanted control of their resources, and because they only wished to implement some progressive socio-economic programs, and besides, weren't they democratically elected? Why would a Senator of your moral repute and standing lend himself to, let alone lead and orchestrate, a campaign of such half-truths, outright lies or distortions to discredit not merely the Nixon Administration but an American society which had, in so many varied ways, participated in the government's covert operations?

Why was suppression so unavoidable or so essential when the truth, damning in some of its other implications, would have permitted a salutary and intelligent debate and appraisal of the perplexing issues involved in Chile? If Dr. Allende could, to my surprise, write a letter to the US President after my departure to praise my efforts, if his ultra-Socialist Foreign Minister Mr. Almeyda, could extol my endeavors to negotiate settlements before a multi-party farewell gathering for me in Santiago----- even though both men were aware of almost all CIA activities between 1963 and 1970-----why should a US Senator seek to erase so much of the tape of history?

Why, to take another example, did you and your staff let stand the impression in your final report that the US had not, in fact, ceased all further economic loaning to Chile in October 1968-----two years before the election of Allende and that in 1969, I had protested explosively this Nixon

-9-

Administration decision? Did Mr. Levinson, (himself ~~was~~ a high A.I.D. official in Guatemala and Brazil, both repressive military regimes by the way, before his bureaucratic career was ended by Nixon's election,) not demystify the misleading AID statistical tables included in your Subcommittee's record? Why, too, did you bar from the final report and from the public the no less crucial information concerning the US offers, through me, of loans and credits to the Allende government, again and again in 1971, if it would only cease reneging on President Allende's explicit promises to U.S. officials, reiterated often in Washington by its Ambassador? Did you and he not wish these rescuing facts, plain and provable, to kill your morality fable of the U.S. cutting off further economic aid to Chile because of Allende's "socialism" or "Marxism"?

Haven't your selective outrages and excisions the past three years been akin to a conductor performing Beethoven only with kettles and trumpets, reducing incredible complexity to the drum-and-bugle thumping of a political convention?

6. The State Department's Foreign Service observer at the 1973 hearings of your Subcommittee reported on the extraordinary daily working relationships between your staff and a Chilean Embassy diplomat. I witnessed it during my one day there. Doubtless, the State Department had not shared the coincidental intelligence that this Chilean had been nicknamed by fellow Embassy officials, also loyal to Allende, as the "Commissar". Nor would I suggest here that you perceived the thread of logic that led from Mr. Levinson's endorsement of this Chilean to the Chilean Embassy's reinforced influence with several very well-placed journalists in Washington, and how that success, in turn, amplified Allende's authority in Chile, in this country and in the world, at the price of moderation in Chile and of U. S. standing everywhere.

It is pertinent, though, to ask you why you should prefer such sources of information, guidance and judgments to the affirmation of not just one independent-minded Ambassador but the documented reports and analysis over many years of many, highly-regarded Foreign Service Officers? Why would you not even explore the antecedents of the Socialist Party of Chile of its best known member, Dr. Allende? Was it because the immutable imprint of the official Party histories would strike at the heart of so many of your

-10-

pustulations, preconceptions, and prejudices? Surely it wasn't necessary to agree with my recommendations or actions for you to let some light shine on the primordial phenomenon:---that the Socialist Party of Chile had unremittingly and vehemently opposed social democracy for a quarter of a century, that it was pledged against reform, and everything rational contained not only in the founding proclamations of Chile (and the US) but in those of the British, Swedish, or German Socialist parties? Why turn the blame uniquely on the U.S. when Dr. Allende's party had unwaveringly, for decades, espoused violent revolution for Chile and throughout Latin America---when it had gone on record in every national party conclave and in every meeting of its Central Committee for decades as extreme interpreters of Marxist - Leninist dogma who ruled out any ~~XXXXXXXXXX~~ <sup>compromise</sup> with the U.S.? Why hide the fact that the majority of this party's ruling Committee (by a vote of 11 for, 13 ~~absent~~ <sup>absent</sup> and six absent) had refused to endorse Allende as the party's candidate for President in 1970 because of his 18 years of close collaboration with the less violent, but stronger and totally subservient-to-Moscow Communist Party of Chile? Why shouldn't there be a sober study of the implications of Allende having been the compromised recipient of large amounts of funds over many years from various Communist capitals and organizations? Or that his first foreign political act on the very day of his inauguration was to promise covert support to the Puerto Rican Independence movement? Why not explore the reasons for the US Embassy, in advance of his election, reporting the step by step process by which US influence---cultural, economic, commercial, political, and military---was to be extirpated? Or why we concluded before the elections the Communist and Socialist parties planned to use the default of their debts to the American taxpayer as a means to impose their political will on Chile and the U.S.

Most important query, can you grasp that your refusal to permit any serious consideration by the Congress, and therefore, the public, allowed you and thereby the Senate to be exploited within and without Chile in a disastrous, in a catastrophic, manner---that you unwittingly became a powerful agent, as an Allende apologist, for the polarization within Chile, and for the reign of terror that ensued? No American, not even Mr. Nixon, had more devastating effect in Chile, as I have good reason to assert, than you, Sir. No one proved the adage that "what is earnest is not always true; on the contrary error is often more earnest than truth".

7. Your man, Levinson, next acted as one of the two channels for Congressman Harrington, according to published reports, to divulge, to leak,

-11-

in September, 1974, Mr. Colby's secret testimony on Chile. (Congressman Harrington's other channel was Mr. Laurence Starn of the Washington Post, a confidante of Levinson and of the aforementioned "Commissar" <sup>who</sup> published during the March, 1973, hearings of your Subcommittee a front-page story stating that the United States government had funneled up to \$20,000,000 through official agencies in 1964 to elect Eduardo Frei. By design or accident, that story was timed to obliterate Frei, the strongest single democratic, moral and intellectual obstacle to the Marxist-Leninist revolution then entering its runaway phase.) Mr. Levinson, still your ongoing Subcommittee Counsel, was the anonymous source for the publication of the Harrington leak in the New York Times by Seymour Hersh on September 8, 1974. The Hersh stories of the week disseminated the impression that I was Ambassador to Chile for the two Allende years following my departure in 1971, that the CIA programs in Chile began ~~was~~ with the Johnson Administration in 1964, rather than with Kennedy, (just as Mr. Starn's above-mentioned story had), that the US government had snought to bribe, through me, Chilean Congressmen at the time of Allende's election, that I had denied to you and your Subcommittee any CIA involvement in the 1970 campaign in Chile, that I had invoked executive privilege to evade responses, that I had lied under oath and would be subject to immediate investigation for perjury. In his telephone calls to me some days later ~~for more extensive details~~ Hersh identified Levinson as his source for the comments concerning me, as I stated in a letter to the Editor of the Times on September 13, 1974. He did so in the context of "now we are going to nail Kissinger" and "this time we have Kissinger" and appeals to me to help "gut" Kissinger (as I informed the Times in my letter). Then, on September 17, 1974, Hersh reported in the Times to the effect that Levinson had presented you with a staff report urging strong action against Secretary Kissinger along with recommendations for perjury and contempt charges against five other former and active US officials including me.

Do you not find these accusations by your staff, leaked in sneaky anonymity without any prior notification, without any communication to me, of any kind, without any opportunity to this date to examine the charges or to rebut them, a callous, even criminal, abuse of US judicial process? Where is fairness? Where is decency? Where is morality? Where is the essential difference between your Levinson andulum and Senator Joseph McCarthy's Cohn

-12-

and Shine? Or Mr. Nixon's dirty tricks department? How does it come about that a Senate employee paid by public funds can impose on the country, by trading secrets for space in the media on your behalf; his ideology, his politics, his double-standards of justice, morality, perception and action? Is it stretching the evidence to ask you why anyone in public life should not emulate this performance---to exploit the protection offered by a powerful and approving patron, to insist on his criteria, to convert every public interest matter into savage politics of ambition, to abuse his authority? Is this not the essence of the Watergate case? Is the lesson you would have the public draw that such abuse is tolerable as long as you agree with the abuser?

-0-

I recite these details to prove the existence from 1972 to the present of a web of connected events in the new era of openness you proclaim so often that neither the public or the Congress seemed to be privy to. Also, I wished to lay a foundation of fact to support the observations contained in this document, not the least of which is my initial questioning as to whether you have not disqualified yourself as judge and jury in anything relating to the US-in-CHILE case. They also provide an introduction to the fundamental issues on which the Congress must still decide.

You stated on national television this past summer (and on many other occasions in 1975) that you do not in any way criticize the efforts by the Social Democratic parties in Europe to aid their sister party and to save liberty and democratic process in Portugal. You added that if the US were to be involved in that effort, it would only embarrass and weaken the Europeans' endeavors and damage the Socialist Party of Portugal. You explained that your insistence on the CIA being tethered was based on the risk of exposure in Portugal. And then you emphasized with righteousness quivering from every pore that Portugal was quite the opposite of Chile because in the former a military dictatorship had been overthrown while in Chile the US engaged in overthrowing a democratically elected government.

-13-

What unredeeming rubbish! Morally shameless, intellectually insulting, factually incredible and politically asinine.

Either the United States condones or does not condemn covert political action. Either it does or does not condemn the interference by one government in another's internal political affairs and processes. (Because Olof Palme or Harold Wilson or Helmut Schmidt can wear the hat of party leader for such exercises, it does not dilute his role as the leader of the government responsible for them.) Either the United States can display the Aristotelean capacity to discern that is the source of political wisdom or it should renounce its claims to thought, to appreciation, to moral leadership. To contemplate with equanimity covert political action by others---presumably Soviet as well as Swedish or German or British---and to worry aloud that the most powerful democracy might be nabbed if it defended principles in which it believed, is, to my mind, an incitement to every American to abjure his religious faith, his political beliefs, his humanistic yearnings, his pluralistic attachments. Yours is a prescription for isolation. Not just the isolation of a Fortress American but the more devastating entombment of mind and of spirit. No wonder Americans despise all politicians!

It is also a reckless invitation. Why should militant, terroristic, willful, or dedicated groups not read such a declaration from you---as indeed they did in Chile---as a signal to advance their stratagems, their interests, their passions, their absolutisms? After all, if they have the courage of their convictions, why not? Wasn't the lack of an inhibiting signal from the Nixon Administration---if not worse---an encouragement to the Chilean military in September, 1973, and, more horrifying, later?

As for the consequences of US covert action, you prove how much easier it is to predict the future than the past. Before the disclosure of the US covert efforts to block the imposition of Marxism-Leninism on Chile, you and your supporters maintained uninterruptedly that such defense of US interest, as perceived by me and others, would worsen the cold war tensions---that they would, for example, delay, impede, hinder, block meaningful negotiations with the Soviet Union, or, say, with Cuba. The cold war would go on, you forecast. Of course, the exact contrary occurred. Not to my surprise. I had predicted my Chilean recommendations on the assumption that if the US prudently defended its declared policies---the Congress's declared policies---the USSR and China would respect us and that they would become moderating

-16-

influence in Chile. Even after your rigged IIT hearings, Allende sent in mid-1973 to me (a private citizen in New York, a high official of his government to inquire if my 1971 offers could somehow be updated and revived. (I immediately apprised the State Department. As with all Allende dealings, and as he often boasted in private, appearance was much more important than reality; he could not, would not, oppose the veto of the Socialist Party leadership which insisted on the same all-or-nothing terms, according to that same official, now living in exile.) In Portugal itself, the same point applies. No sooner did the New York Times publish last month the reports of large-scale CIA involvement than the Lisbon government concluded its first major negotiation with Washington.

What might well be hypothesized, on the other hand, is that your declarations emboldened the anti-democratic forces within Portugal to emulate their ideological cousins in Chile, to ignore the majority will and to hurl the country into civil war if necessary to have their way. If one accepts the unarguable evidence that the Socialist Party of Chile was, in fact, a Left Communist party (since it had scorned and spurned the Third International for decades) and that the Christian Democratic party was, in fact, the democratic socialist party of Chile, by western European political standards, then you will comprehend why every event in Portugal since the overthrow of the Salazar dictatorship has repeated a Chilean experience---even the manner in which the non-democratic Left deals with the military.

You talked of the democratic elections by which Allende became President. If we were to consider the most exaggerated instance, the democratic selection in prewar Germany of Hitler, am I to understand that you would have preferred the holocaust first rather than launch a covert action program to prevent excesses you know were being planned by a "democratically-elected government"? Obviously not. We are, in Allende's case, not speaking of diabolical perversities of the Hitlerian dimension, nor are we talking <sup>about</sup> more than a modest, covert US effort to dissuade immoderation and to prevent it from running wild, as it did. The point is only that a human judgment based on the real world cannot be evaded by recourse to hollow slogans. In Chile, three successive US Ambassadors---each originally appointed to government by the Kennedy Administration---plus the Foreign Service, not to mention the CIA or John F. and Robert Kennedy, or an army of liberal American academicians, churchmen,



-15-

labor observers had over a period of eight or nine years stated that a government led by Allende and dominated by the Communist and Socialist parties intended to constrict very markedly, at the least, the two freedoms on which our form of democracy is based---of press and of association, particularly labor unions. In 1970, as in 1963, we knew beyond a shadow of reasonable doubt that an Allende government intended to use the processes and laws of what it called "formal democracy" to eliminate ~~it~~ and replace it with what it called "popular democracy"---an accurate description whose meaning is known to every member of the Congress. From 1961 to 1970, the Embassy, like the majority of Congress, agreed that such a development would do serious harm to US interests and influence-for-good in the world.

As far as interference in internal political affairs is concerned, the US Congress has been knowingly engaged in it for years. At very high cost. Not always with candor either. The voting or withholding of funds for food, for arms, for loans, had political aim, as often as not, although cloaked in the pretext of "development". Is it not fair to say that when the Nixon Administration ignored my explosive protests and denied further economic aid to the Frei Government in early 1969, it was casting a massive and deliberate political vote---with CIA connivance---for the Right, and ironically, for Allende? It could do so with impunity, incidentally, because groups such as your subcommittee on Latin American affairs had no interest. Who, then, had to deal with the consequences?

Or consider the same problem from another angle. The majority of Congress and of the American electorate have expressed, one way or another, the suspicion, or the finding, that the events surrounding the Watergate affair threatened democratic process in the US. Yet nothing Richard Nixon and his associates did, or even contemplated, began to approximate the actions of a Chilean President you persist to this day in labeling "democratic". Rock-hard information shows that Allende:

- A. Arranged for the covert importation and distribution of illegal arms into his country.
- B. Sought by bribery, coercion and covert political action to gain ownership or control of all media not conforming to government's desires.
- C. Blackmailed, literally, the two major opposition parties (the Christian Democrats and the Nationals) and many of

-16-

- their individual Senators and Congressmen, by threatenng to expose incriminating, albeit generalized and customary, misuse of the loaning mechanism of the private banking system.
- D. Approved and shared very large bribes from foreign corporations.
  - E. Flouted the will of an independent Congress by invoking dozens of times the rarely-used, ultimate constitutional device of "a degree of insistence" to ignore vetoes and/or legislation.
  - F. Ignored major judicial decisions and denied the authority of the courts.
  - G. Approved and exploited the altering of union ballots to win determinant control of the centralized labor union confederation and to become the first government in the hemisphere whose Minister of Labor was also head of the labor confederation (as was once the case in the Soviet Union).

Much more could be said. I would only inquire here by what elastic yardstick do you gauge "democratic". Is it the double standard that some apply to race? Is it that Latin America is somehow inferior, as your lack of interest in the late 1960s might indicate, and that "democracy" has a diluted definition for Chile? If so, I state here categorically that under Frei, Chile was one of the most politically free places on earth, freer, in fact, than the US. I assert, too, that had the United States not pursued my suggestion to provide covert aid to the media and to key politicians committed, I believed, to democratic and ~~and~~ constitutional processes, Allende would have unquestionably won <sup>irreversible</sup> control of <sup>the</sup> non-conforming media that mattered, of the labor hierarchies, and of a Congress transformed into a "People's Assembly". How long, by the way, do you think the independence of some newspapers and some radio stations whose vigor so impressed you in 1972 and '73 would have endured if I had furnished the details Mr. Levinson was so anxious to pressure out of me?

I don't know whether the disappearance of democracy in Chile merited a \$2,000,000 insurance policy in covert action, as I proposed in 1970, on the two billion dollars voted by Congress in the previous decade to safeguard democracy in Chile and to make it a model for the rest of Latin

-17-

America. I know only that I had said at the beginning of 1968 and in the 1969 annual Embassy Policy Statements that the only vital interest the US had in Chile was that it remain a democracy and that if we were to become indifferent to the fate of democracy in a country of Chile's caliber, we would inevitably become indifferent to how we practiced democracy at home, a forecast that I believe was borne out.

By mid-1970, a number of other motivations---strategic and tactical, international and regional, weighed so heavily that I <sup>was</sup> softened my previous iron determination, often expressed, to have the US stay on the sidelines, to follow a strictly non-interventionist policy. ~~Instead~~ I suggested a modest electoral propoganda program <sup>and then, one for political action</sup>. You may not wish to have all my reasons discussed in public but I am prepared to do so. ~~However~~, I offer here the full catalogue for public perusal:

1. The avowed aims of the Marxist-Leninist Socialist and Communist parties, and of their governmental leader, Salvador Allende, to eliminate "formalistic" democracy---the kind that the United States, Canada, Sweden and Britain have---and to replace it with "popular democracy"---the kind that Cuba, East Germany and Czechoslovakia have.

2. The declared aims of the two parties to extirpate US influence in Chile and in Latin America---to treat <sup>the US</sup> in Allende's pre-election words, as "public enemy number one" in the hemisphere.

3. The Allende Government's intention, as reported painstakingly for ~~years~~ <sup>years</sup> in reams of Foreign Service Officer cables and dispatches, in thousands of CIA messages from clandestine sources, in the assessments of the three successive Ambassadors in Santiago, from 1961 to 1970, each appointed to government originally by John F. Kennedy, to align itself with the Castro government in Cuba in a hemispheric effort to wipe out US influences, and to become, in the words of John F. Kennedy "a second bridgehead" for the Soviet Union in the hemisphere.

4. The knowledge that an Allende government would seek to maneuver the United States into a scapegoat role so as to avoid repayment of <sup>an</sup> amount approaching one billion dollars in loans originating with the US taxpayer and to justify the unpaid--the uncompensated--nationalization of US citizens property guarantees by the US taxpayer under Congressional legislation in the amount of hundreds of millions of dollars.

5. The certain knowledge that the Soviet Union and other Communist governments and organizations had provided for many years and were providing

-18-

very substantial sums for covert political action to the Communist party, to the Socialist Party and to Allende himself. Therefore we anticipated (as quickly proved to be the case in 1971) that the USSR and Cuba would exploit fully these relationships and that the USSR might (as promptly occurred in 1971) exert strong pressures on the Chilean armed forces with the active support of Allende, to accept it as the main military supplier and military advisory group.

6. The certain knowledge that the Christian Democratic Party (PDC), the largest single political grouping in Chile and the representative of the Democratic Left, would be the main internal target of the Marxist-Leninist government. I had very, very, good reasons to anticipate that the party would not have the material means or the moral or organizational impetus to sustain itself as a vital party in Chile for very long without outside help in advance of its certain crisis. The PDC owed large amounts of money to banks the Allende government would quickly nationalize; we reckoned that the Allende government would exploit bank nationalization to blackmail, to coerce and to starve financially (as proved to be the case starting quickly in 1971) numerous and influential members of the party. The Allende <sup>so-called</sup> objectives were to silence political opposition, to compel the Congress to accept its bills, and most important, to destroy the PDC by sowing internal dissension at every level. The PDC owned no national newspaper, had no TV outlet and influenced few of Santiago's many radio stations at the time of Allende's election although it had been the government for six years.

7. The certain knowledge that the Allende government planned to gain quick control by coercion, bribery and monopoly authority (over all credit, imports and prices) of the major independent media outlets. The CIA persuaded me---and I believe today their assessment was probably correct---that the affluent proprietors could not alone sustain for long the huge deficits the Allende Government would (and did) rig or would be willing to undertake such risky and costly non-conformity on their own---without some material manifestation of a shared US concern for a free press.

8. The certain knowledge that the Allende government planned to use bribery, coercion and its monopoly powers to achieve monopoly control of organized labor. (The Allende government did, in fact, resort to large-

-19-

of  
scale stuffing/ballot boxes according to non-CIA, US government evidence to prevent Christian Democrats from diluting the Marxist-Leninist hold on Chile's one Confederation of Trade Unions. Under Allende, Chile became the only country in the hemisphere ever to imitate a Soviet example by having the Minister of Labor, a Communist, also head the trade Unions.

9. The certain knowledge that the Kennedy Administration had perceived the threat no differently than I and that it and the Johnson Administration had acted covertly on the same premises as I recommended, but in a far more pervasive, riskier and costly manner than I ever contemplated and that the inertia of the massive commitments, both covert and overt of President Kennedy and President Johnson, in and to Chile, could not be ignored. I saw my true role as not saying "whether" but "how" and "when" the US would intervene.

10. The conviction that were the US to act indifferently to the fate of a system as represented by a government (Frei's) it had most favored in the hemisphere because of its attachment to political democracy and to dynamic social justice, the effects would be devastating in other countries where a communist party had meaningful political influence or where ultra-Marxist-Leninists might play a significant role. I had in mind not only, or even primarily, Latin America. Chile appeared to share Western European political structure and outlook, so I spoke then to Washington of France, Italy, Spain--even Japan. It was a time, you may recall, when de Gaulle was almost swept from power by a Marxist-Leninist revolution.

11. The probability that the governments in Moscow and Peking would misread US indifference in Chile. I speak not of rhetoric but of action since neither of the governments in those places are impressed very much by words alone. The very highest levels of the Soviet Party dealt personally with Chile and the Chilean Communist party, before and after Allende's election. The Soviet Union sent as its Ambassador to Santiago, after Allende's election, one of only three members of the Central Committee of the Communist Party it stationed in non-Communist capitals--the other two being Washington and Paris. Many other evidences are available to support my belief that the Allende experience was seen in Moscow as a precursor for other places. At the time of the Chilean electoral campaign, the US engaged in the reordering of its relations with the USSR and the PRC. I speculated to and in Washington that if the US did nothing to sustain a democracy of the caliber of Chile--

-20-

a country which the US Government had told the Congress repeatedly would be the model for a progressive democracy--then either or both the two major Communist powers might conclude that the US disasters in Indochina, the subsequent demoralization within the US and abandonment in Chile---in our own hemisphere---taken together with the evident crises in Western Europe at that time, signified a general Western collapse in the offing. They might, I said, adopt the analysis of the leadership of Allende's own Socialist Party--that the US was incapable of defending its interests, and, as the leader of the Socialist Party, Sr. Altamirano, kept emphasizing in Chile, the collapse of the US would be hastened by kicking it hard and often.

12. The personal conviction that a "do nothing" policy would be a deliberate and cowardly disobedience of the intent of the Congress as repeatedly expressed in the legislative history of the Alliance for Progress, the Foreign Assistance Acts and National Security legislation. Moreover, in the particular case of Chile, the Executive Branch, from 1961 to 1968 had justified its massive involvement, both covert and overt, on the grounds that we were supporting a progressive and stable democracy, unique in Latin America. I said, and I say again today, that someone had to assume the fiduciary responsibility for commitments made by the Congress, in the taxpayers' name, moral and financial. My responsibility was to lay out the choices, to give my honest assessment, to argue lines of action, rather than await or hide the equivalent of a certain bankruptcy exploding in the face of policy-makers, taxpayers, and their elected representatives.

13. The conviction that a personal representative of a President has an inescapable obligation--moral, intellectual, and bureaucratic--to say to the White House what he honestly believes. Three successive Presidents had clearly enunciated to the public their vehement opposition to what Kennedy called the establishment of "a second bridgehead" in the hemisphere. Every president, like every Congress, has complained that deliberate disregard of their policies <sup>by</sup> self-serving bureaucracies undermined good government; in some cases, this Washington predilection encouraged paranoia.

14. The awareness that the US was overtly quite impotent. I had watched for three years how the extreme Left (the Communists and Socialists)

-21-

had joined the Right to thwart the massive investments and hopes of the US taxpayer and Congress. The Socialists and Rightists systematically sowed unrest in the military and combined to encourage Gen. Viaux in 1969 (as they would again with him and other Generals in 1970) to rebel against the Frei Government. The Communists destroyed the major party of the center, the Radicals, by wanton bribery and blackmail from 1966 to 1970; they also planted agents at key levels in the Christian Democratic Party to sow divisiveness at critical moments. The Communists, Socialists and Rightists combined to encourage inflation, to block land reform and other crucial Frei measures that might permit Chile to enjoy democracy and social justice in continued stability.

My views were thoroughly reported. They were aired, argued, weighed at every appropriate level in the State Department (in several offices thereof) as well as the CIA and, on very rare pre-election occasion, the White House. I disagreed vehemently with the CIA in 1968, 1969, and 1970 and so stated on the wires, or orally to responsible State Department officials. I know of no instance when I did not share my information or opinions with the Assistant Secretary of State for Latin America (including my private conversations in the White House) or when he, in turn, did not share my reports with his Foreign Service deputy and with his superiors. I know of no important instance when the Foreign Service Officers in Santiago most knowledgeable of the political situation were not consulted or did not share in the programming of US covert action. The US military was never consulted by me on covert programs.

I argued strenuously against any independent action by the Chilean military throughout my four years in Chile (see below for full details); I am told I "lost my credibility" in the White House because of my stubborn insistence in Sept.-Oct. 1970 on this point and that therefore the President used the CIA behind my back to deal directly with plotting Chilean generals to seek to prevent the inauguration of Allende. The bizarre episode had zero sum effect on either Chilean or US policies but it illustrates the dangers that were implicit in White House-CIA programs initiated in Chile by the Kennedy Administration without the knowledge of the then Ambassador.

I argued directly with President Nixon for a policy of attempted accommodation with Allende. I stressed the role I had played as a private citizen in the successful efforts in 1949-1950 to arrive at a modus vivendi with the Tito government; I said the US had to avoid a self-fulfilling prophesy however correct my reporting and analysis might be, by seeking

-22-

genuinely, an understanding with Allende. Starting a fortnight after Allende's inauguration, in mid-November 1970, the US, through me, with the support of the State Department, made an unremitting, strenuous, innovative effort to reach a modus vivendi with Allende, the culmination of which was the offer to have the US Treasury guaranty the almost worthless long-term bonds of the Chilean government.

Allende chose not to. The ultras in the leadership of the Socialist Party vetoed compromise in any way with "imperialism"; they also ruled out any cooperation with "bourgeois reformers" in the Christian Democratic leadership. They insisted on an all-or-nothing policy even though by 1973 the Soviet Union, China, and others had refused to encourage such a self-destructive egocentricity.

At no time did I suggest or did Washington instruct me to work for the overthrow of the Allende regime. At no time did anyone give me "a green light" or any instruction not firmly predicated on the prior action of the Frei government. At no time, until I read it four years later in the New York Times, did I hear or see the word "destabilize" in connection with US policy towards the Allende government. At no time did I recommend or did I receive instructions from Washington to follow with the Allende government any policy other than the one I launched (against Presidential preference) and pursued to reach understanding with it. (I have never been permitted, I should add here, to see the Colby testimony to the House Committee which the Messers Harrington and Levenson disseminated to the Washington Post and the New York Times. Nor in four subsequent years of sustained effort to root out the truth about what the Nixon Administration did in September-October 1970---and later---with the Chilean military, did anyone in State, CIA, NSC, or the military, verify my suspicions, articulated in timely and unmistakable alarms, by repeated cable before the events, until the staff of this Select Committee briefed me, sketchily too, this past summer.)

The sole policy to which I adhered throughout my four full years in Chile was to protect and strengthen liberal and progressive democracy in one of the shrinking circle of nations that practiced that form of government.

Much has been made by the staff of the Select Committee, and by others, of the "two tracks" US policy followed in Chile in September-October 1970; some would stitch a new myth to suit their consciences or their politics or their institutions; they would like the Committee to believe that no real difference existed between the "diplomatic" track I followed and the



-23-

"covert military" Track II the White House launched.

Hogwash!

Track I followed Mr. Frei, still the President of Chile and its Constitutional leader; it adopted certain minimal and cosmetic suggestions put forward by one purportedly in Frei's confidence; Track I led nowhere because President Frei would not encourage or lead any Chilean military action and because I would neither have the US, through the CIA, or anyone else, even in the private community, assume a responsibility that had to be Chilean. Track II, on the other hand, did not deal with Frei, did not seek his concurrence, did not follow his lead, did not pretend to be within the Constitutional framework of Chile. Track II slid into a trap to which I had oft alluded in my cables since 1969:---that the extreme Left had infiltrated the military plotters to encourage sedition and that it also acted, or would act, as agents-provocateurs. In the incident which ended with the murder of General Schneider, a man I respected greatly, the extreme Left was very much involved. Indeed, the Allende government was remarkably lenient in its punishment of General Schneider's killers and of those incriminated because, among other considerations, the military investigators who tracked and named the murderers and their accomplices discovered the links to extreme Left activists who were intimates of, and supporters of, Allende.

Because of your propensity for rewriting history, I list here in comprehensive form: the actions I took to follow a policy totally different in direction than Track II and to protect the US from any complicity in Chilean military adventures:

A. I barred, from 1969 on, any US Embassy or US military contact with the circle around General Viaux. I renewed this ban in the strongest terms again and again in 1970 and thereafter. I checked periodically by direct questioning of the CIA and of the military attaché, and by corroborative investigation, to satisfy myself that this order was being carried out.

B. I barred the CIA, in late 1968 or early 1969, from any operational contact with the Chilean military without my prior knowledge and approval, (I can recall no permissive instance), from any physical contact with a colonel or higher rank, from any contact with Frei or any Minister or deputy Minister, from any contact with any major political figure without my prior approval (rarely given) or any contact with the head of, or a leading

figure in a government agency aside from the approved liaison with the Chilean police. I checked in every conceivable way, regularly.

C. I barred from Chile, following the Viaux uprising in 1969, the visit of any general officer of the US armed forces unless an exceptional and persuasive case were made to Washington and to me; I barred the visits of most US military personnel for any reason other than a strictly professional one. Military visitors became so rare the Chilean government and Armed Forces complained to me.

D. I reduced in 1968 and 1969 over strong opposition in the Embassy, in the Canal Zone, in the Pentagon and elsewhere in Washington, the number of military slots in the MAAG from 68 to a maximum of 14; I gave the Frei government the choice of any number from 14 to zero and told them I preferred zero---as I also told the Allende government as soon as it was installed.

E. I reduced the Military Attache strength in 1967-69 to roughly half by elimination of the Air Attache's plane, the deputy Air and Naval Attaches' positions and corresponding reductions.

F. I was the field leader in the hemisphere, starting in 1968 and continuing until my departure in 1971, of a campaign to eliminate the Southern Command in the Canal Zone and to transfer to the continental United States responsibility for a stripped-down military presence in the hemisphere.

G. I rebuffed, peremptorily, a very, very influential Chilean in October, 1970, (and again in 1971) when he (and others) urged me to pay some attention to the military.

H. I consistently warned the Nixon Administration that the Chilean military was not a fourth and covert policy alternative in Chile.

I. I informed the Frei government, without daring to inform Washington, in the September 15-October 15 period of the most likely assassin of Allende--- a military man then involved in provocative acts throughout Santiago. He was arrested soon thereafter, well before the assassination of General Schneider.

J. I dissuaded US private citizens who were about to be drawn into the machinations of Chilean military opponents of Allende in the September-October 1970 period; I steered them clear on pain of being reported to their home offices.

K. I sought to dissuade certain well-placed Chilean citizens who were my friends from continuing their associations with Chilean military opponents

-25-

of Allende.

L. I informed the Frei government unequivocally in September and October 1970 on several occasions that the United States had not supported or encouraged, and would not, any action by the Chilean military taken independently of President Frei, and without his prior knowledge and consent.

M. I replied to a query by a Chilean General to our Army Attache in September 1970 as to the US attitude towards a military much concerned over Allende's intentions that I was pleased to know they shared some of our own concerns but that I was confident the military would find a democratic way to protect the constitution of Chile. (The oral message was drafted by my deputy, a FSO.) I never heard again from the Chilean military on that subject.

N. I was pressed in September and October by Washington to develop possible scenarios for independent Chilean military intervention in Chile. Without exception, my responses excluded all possibilities. Indeed I warned gratuitously and very strongly on two occasions, I believe, that if anyone were considering such schemas, it would be disastrous for US interests.

O. I requested my deputy (now the US Ambassador to Venezuela) in early October 1970, to investigate my suspicion that the CIA was "up to something behind my back". I questioned him closely and repeatedly as to whether he had discovered anything corroborative; I also sniffed around the Embassy on my own. The DCM told me there was no basis for my suspicion.

P. The Nixon Administration and the CIA went to such pains to hide from me the so-called Track: II---its covert dealings with the Chilean military---that my independent questioning the past five years failed to uncover an iota of proof. One former high US government official in mid-1975 told me only that I had "lost my credibility" in the White House when I opposed US actions to encourage or incite the Chilean military.

Q. The one occasion I lost my temper with another American in the presence of a witness was in September 1970 (see below) when the CIA station chief beleaguered me in the DCM's office for not applying pressure on Frei to move to stop Allende. I replied that either he renounce any such idea immediately or leave the country within 24 hours. No such pressures were ever applied as President Frei can attest and has attested.

-0-

-26-

Track II had legitimacy because the CIA told the President what he wished to hear and what I had rejected:---that the Chilean military was a possible alternative to the three other policies we in the Embassy, State, and ~~the~~ Executive <sup>Agency</sup> ~~and~~ considered and, in effect, <sup>we</sup> adopted:---(1) to work out a modus vivendi, (2) to follow a cool but correct approach, (3) to harass and hinder. <sup>and all of these</sup> ~~it was the same kind of legitimacy provided by the National Intelligence Estimate of 1968 which had so denigrated the Frei government's efforts, which echoed the views of only one minority segment of Chilean opinion (and, the Station Chief) and which led to the cutting-off of further aid to Frei's government.~~

The CIA is amoral. It was authorized by Congress to be so. It was paid to be. Its true power, I believe, originates not with its perceptions of the Soviet Union, or the Cold War, or even the dehumanizing nature of some of its operational assignments. It could operate behind my back, not merely with the President of the United States, but with Chileans, and private Americans, because the whole process of espionage and intelligence, like knowledge, confers immense power, and, because the CIA was the one permanent institution to tie the past to the present in the influential and pervasive arena of clandestine political activity. Neither the Kennedys or the Johnsons anticipated that their private, unrecorded, dealings with the CIA---and through the CIA with galaxies of foreign and domestic configurations---would inflate the independent power of the CIA; the Agency became the only repository of pregnant secrets once the Presidents and their respective advisers, left the scene. The CIA survived them. In Chile, the CIA could assert disingenuously to me that it was not involved in certain relationships because it was capitalizing on webs of relationships spun by the Kennedy Administration and unknown to me. In plain english, the CIA could deal with one person and calculate unerringly that the same person could deal with others, as they had in 1963 and 1964. In that sense, the CIA could be an "invisible" government.

The men and women of the CIA in Chile did a superb professional job for the most part; they were motivated by what they understood to be their rightful responsibilities and by precedents legitimized by successive presidents and Congresses. No law of the US was ever contravened, by letter or spirit, to my knowledge by anyone in Chile. (The one questionable

-27-

occasion<sup>arose</sup> when I was informed by the CIA that a CBS correspondent had been overheard in another country recounting, in an extremely provocative manner, to a Communist leader a background briefing I had provided the American press; I thanked the CIA for its solicitude and advised it to do absolutely nothing about it.)

-0-

I have written the details for the first time for the public record because it is a sort of last testament, because I am outraged by what this generation of the American public---and Swedes and Germans and Japanese and Chileans and everyone---has been led to accept by contemptible panderers of false fables, and because it is also a reaffirmation of my faith in our system---in those in the Congress or the press or government who have a respect for objectivity and for history. I am wholeheartedly for public debate to define the role, if any, of a CIA. I am prepared to answer any questions, to stay in Washington as long as is necessary, to speak for the record and to back anything said herein or to the Committee by any verifying device.

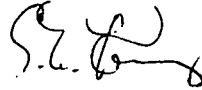
But if the public is once again to be cheated, if it is to have dart guns pulled from a dusty shelf to wave for lurid titillation and headlines--- and not be told openly and adultly that the same gun had been displayed years earlier to an approving Congressional committee---then I fear the ultimate result will be a still lower esteem for politicians and politics. And that, Mr. Chairman, is what the extreme Left of Chile cultivated throughout the Frei years with the aims of eliminating Chilean democracy and of imposing their moral absolutism.

This letter is my public statement to the Select Committee. It is not, cannot be, all-inclusive. However, I request its prompt distribution to the Committee's members. I send it in time for your and their careful and private, unpublicized consideration. I do so without any prior

-28-

consultation with anyone. I have lived in almost total seclusion for many months. I have no connections (nor contacts) with any person in government, in the press, in the law, in commerce, banking or industry; I have no pensions, no obligations or favors or debts to any person or institution to influence my testimony other than my debt to this country and to history. I ask only that this statement, this letter, be included in the public record whenever the Committee publishes its first report on any aspect of the Chilean affair. My oral, prepared statement in public session will draw briefly on the foregoing and will deal impersonally with those matters the Committee staff has indicated the Senators wish to explore.

Sincerely,



Edward M. Kerry

EXHIBIT 5

Department of State TELEGRAM



UNCLASSIFIED

*AS/Sec. A. J.  
4/29/75 - J. G.  
44 - July - 1975*

254

PAGE 01 SANTIAGO 05020 01 OF 02 292352Z

82  
ACTION SS-25

INFO OCT-01 SSO-00 CCO-00 NSCE-00 /026 W

*OK  
except in  
paras 4, 5, 7, 8, 10, 11  
25*

*Santiago - 5020  
9-29-71*

O R 292240Z SEP 71  
FM AMEMBASSY SANTIAGO  
TO SECSTATE WASHDC IMMEDIATE 8865  
INFO AMEMBASSY BUENOS AIRES  
AMEMBASSY BRASILIA  
AMEMBASSY LIMA  
AMEMBASSY CARACAS  
AMEMBASSY MEXICO  
AMEMBASSY ROME  
AMEMBASSY BONN  
AMEMBASSY PARIS  
AMEMBASSY BRUSSELS  
AMEMBASSY LONDON  
AMEMBASSY MOSCOW

014408

~~CONFIDENTIAL~~ SECTION 1 OF 2 SANTIAGO 5020

~~EXDIS~~

*Disseminated  
S/S - J. M.  
7/13/75*

PASS OPIC

*Very orig?*

SUBJECT: COPPER CRUNCH (PART II)

REF: SANTIAGO 4975

1. THE CRUNCH OVER COPPER IS A DELIBERATE POLITICAL DECISION BY ALLENDE. PRAGMATIC ALTERNATIVES WERE OFFERED THAT WOULD NEITHER HAVE DAMAGED CHILE'S ECONOMIC POSITION NOR AFFRONTED ITS GOVERNMENT'S IDEOLOGICAL PRETENSIONS. THEY WERE SPURNED IN FAVOR OF A CONSCIOUS CHALLENGE TO THE TRADITION OF US DEFENSE OF ITS MAJOR BUSINESS INTERESTS IN LATIN AMERICA AND IN PURSUIT OF AVOWED "REVOLUTIONARY" IDEALS AND AIMS.

2. ANY CONSUMER OF THIS EMBASSY'S MESSAGES ONE YEAR AGO WILL RECALL THAT WE REGARDED AS AN IRREVOCABLE INEVITABILITY THAT THE GOC WOULD IMPOSE UNILATERALLY A SEVERE JUDGMENT

(1)

~~CONFIDENTIAL~~

NOT TO BE REPRODUCED WITHOUT THE AUTHORIZATION OF THE EXECUTIVE SECRETARY

<sup>1</sup> This exhibit, with declassification stamp and deletions, was given to the Select Committee by Ambassador Korry.



Department of State **TELEGRAM**

PAGE 02 SANTIAGO 05020 01 OF 22 292352Z

ON THE ANACONDA AND KENNECOTT COPPER COMPANIES. DESPITE THIS AND OTHER GLOOMY FORECASTS, WE OPTED FOR A POLICY OF SEEKING TO PROVE WRONG OUR OWN ANALYSIS AND TO AVOID SELF-FULFILLING PROPHECIES.

3. THUS, STARTING LAST NOVEMBER, WE WORKED TO ESTABLISH PRAGMATIC RELATIONSHIPS WITH THE ALLENDE GOVERNMENT THAT COULD PERMIT PRACTICAL ARRANGEMENTS BETWEEN PRIVATE US COMPANIES AND A SOCIALIST STATE. OUR FIRST SUCCESSSES WERE QUITE MODEST: WE INTERVENED DISCREETLY TO DEFUSE A NOISY CONFRONTATION BETWEEN NIBCO AND THE GOC SO THAT THE INDIANA COMPANY RECEIVED COMPENSATION FOR ITS INTERVENED PLANT AND ITS AMERICAN MANAGER STAYED OUT OF JAIL. NEXT CAME THE RALSTON-PURINA ESPISODE, ALSO A CASE OF IMPETUOUS GOC INTERVENTION; ALMOST A YEAR LATER, AN AMICABLE ACCORD IS NEAR, THANKS IN LARGE MEASURE TO OUR GOOD OFFICES. IN JANUARY, BECAUSE OPIC INSURANCE WAS INVOLVED, WE COULD PERSUADE BETHLEHEM STEEL AND CERRO COPPER TO AVOID REFLEXIVE RECOURSE TO THE US TAXPAYER (VIA INSURANCE PAYMENT) OR TO BIG STICK DIPLOMACY AND TO PERSIST, WITH OUR HELP, TO CONVERT TENDENTIOUSLY-WORDED ULTIMATA FROM THE GOC INTO CONTRACTS. I GUIDED THESE NEGOTIATIONS OVER MANY MONTHS TO SUCCESSFUL ACCORDS, THE FORMER FINALLY BEING SIGNED AND THE LATTER STILL IN ABEYANCE DESPITE ALLENDE'S PERSONAL APPROVAL.

4. DEPENDING UPON THE DESIRE OF A COMPANY TO RETAIN A FOOTHOLD IN CHILE,

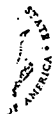
OR TO SALVAGE ADEQUATE COMPENSATION UPON BEING FORCED OUT

1. WE UNREMITTINGLY PURSUED PRACTICAL SETTLEMENTS. DESPITE SOME UNPLANNED EPISODES THAT BETRAYED MUTUAL OFFICIAL DISTRUST IN THE RESPECTIVE CAPITALS AND THAT NOURISHED HUNGRY TYPEWRITERS, OUR GOOD OFFICES, THE GOOD SENSE OF THE COMPANIES OR GOALS OF THE GOVT COINCIDED TO AVOID IRRECONCILABLE DISPUTES IN LABOR, PRODUCTION, FINANCIAL AND COMPENSATION MATTERS.

5. BEHIND THIS BROAD-GAUGED, FATIGUING AND PERSISTENT EFFORT, WELL DOCUMENTED IN THE CABLES, WERE THE IMPERATIVES OF RESPONSIBLE BEHAVIOR IMPOSED UPON BIG DEMOCRATIC POWERS. THERE WAS ALSO A LURKING LONG-SHOT POSSIBILITY--

NOT TO BE REPRODUCED WITHOUT THE AUTHORIZATION OF THE EXECUTIVE SECRETARY





## Department of State

U.S. DEPARTMENT OF STATE  
WASHINGTON, D.C. 20520

03 SANTIAGO 05020 01 OF 02 292352Z

A RHYTHM OF CONCORD MIGHT CONDUCT THE MARXISTS TO  
RECONCILIATORY VIEW OF THE MOST VOLATILE AND HEAVY OF  
CENTRAL PROBLEMS.

IN PARTICULAR, THE SUCCESS ACHIEVED IN THE BETHLEHEM  
NEGOTIATED NATIONALIZATION AND THE LESSONS DERIVED FROM THE  
POTENTIALLY CONSTRUCTIVE USE OF OPIC INSURANCE IN SUCH  
BARGAINING STRENGTHENED A FEELING THAT PERHAPS THE LONG SHOT  
WOULD PAY OFF. WHEN WE HAD APPEARED TO HAVE WON ANOTHER  
INTERIM BET--THE 56,000,000 DOLLAR CERRO COPPER ACCORD IN  
10-MAY--THE AGE OF AQUARIUS SEEMED TO BE DAWNING. BUT  
WHEN ALLENDE WAS TOLD HE COULD NOT SIGN THE AGREEMENT HE  
HAD PERSONALLY APPROVED, WHEN HIS OWN SOCIALIST PARTY MADE  
THIS VETO STICK AND WHEN THEIR COMMUNIST ALLIES WOULD OR  
COULD NOT ALTER THE LOGIC OF THIS MORE REVOLUTIONARY VIEW,  
NOT EVEN ALLENDE'S REPEATED PROMISES THAT ALL WOULD END  
HELL COULD UNCROSS OUR STARS IN CHILE.

7. NONETHELESS, IN MID-AUGUST

AN EXCEPTIONAL  
EFFORT TO DEFLECT THE DYNAMICS OF HISTORY WAS LAUNCHED  
HERE. I SOUGHT, FIRST IN NEW YORK, WITH SUCCESS, TO  
ENLIST THE SUPPORT OF THE COPPER COMPANIES FOR A MORE  
POSITIVE ATTITUDE, TO DANGLE CARROTS OF SUPPORT FOR  
INTERNATIONAL ASSISTANCE TO THE CHILEAN COPPER EXPANSION  
PROGRAM INSTEAD OF MERELY HAMMERING ON THE  
RETRIBUTIVE POSSIBILITIES.

UPON  
RETURNING TO SANTIAGO, ON MY OWN AUTHORITY, I SOUGHT TO  
INCITE THE INTEREST OF THE ALLENDE GOVT IN AN UNORTHODOX  
BARGAIN THAT WOULD HAVE PERMITTED SATISFACTION OF THE  
MINIMAL REQUISITES OF OUR TWO GOVTS AND OF THREE COMPANIES--

CONFIDENTIAL  
NOT TO BE REPRODUCED WITHOUT THE AUTHORIZATION OF THE EXECUTIVE SECRETARY



*Department of State* TELEGRAM

PAGE 04 SANTIA 05020 01 OF 02 292352Z

THE BIG TWO OF COPPER AND THE THEN INTERVENTION-MENANCED  
KORRY

NOT TO BE REPRODUCED WITHOUT THE AUTHORIZATION OF THE EXECUTIVE SECRETARY



Department of State

TELEGRAM

359

PAGE 01 SANTIAGO 05020 02 OF 02 300044Z

82

ACTION SS-25

INFO OCT-01 SSO-00 CCO-00 NSCE-00 /026 W

014679

O R 292240Z SEP 71  
 FM AMEMBASSY SANTIAGO  
 TO SECSTATE WASHDC IMMEDIATE 8866  
 INFO AMEMBASSY BUENOS AIRES  
 AMEMBASSY BRASILIA  
 AMEMBASSY LIMA  
 AMEMBASSY CARACAS  
 AMEMBASSY MEXICO  
 AMEMBASSY ROME  
 AMEMBASSY BONN  
 AMEMBASSY PARIS  
 AMEMBASSY BRUSSELS  
 AMEMBASSY LONDON  
 AMEMBASSY MOSCOW

~~CONFIDENTIAL~~ SECTION 2 OF 2 SANTIAGO 5020~~EXDTS~~

TELEPHONE COMPANY OF CHILE (WITH ITS 105 MILLION DOLLARS OF ACTIVE OPIC EXPROPRIATION INSURANCE). IF THE GOC WOULD INDICATE ITS WILLINGNESS TO CONSIDER MY FORMULATION, I UNDERTOOK TO SEEK WASHINGTON'S AND THE COMPANIES' SUPPORT.

8. THE GOC WOULD, UNDER THIS FORMULA OR SOME VARIATION, HAVE NEGOTIATED COMPENSATION TO BE PAID OVER 12 (TIT) TO 20 (COPPER) YEARS TO EACH COMPANY. PAYMENTS WOULD BE MADE IN BONDS WITH A REASONABLE RATE OF INTEREST. THE COMPANIES, IN TURN, WOULD REQUEST OPIC TO UTILIZE ITS LEGAL FLEXIBILITY TO GUARANTEE SOME OR ALL THE COMPENSATION BONDS EITHER DIRECTLY OR BY TRANSFER FROM EQUITY TO DEBT COVERAGE. WITH SUCH USG GUARANTY, THE COMPANIES COULD DISCOUNT AND TRANSFORM INTO CASH A SUFFICIENT AMOUNT OF THE ALMOST WORTHLESS LONG-TERM CHILEAN OBLIGATIONS; THIS ATTRACTION WOULD IN TURN BE AN INCENTIVE TO THE COMPANIES TO REDUCE THE AMOUNT OF

NOT TO BE REPRODUCED WITHOUT THE AUTHORIZATION OF THE EXECUTIVE SECRETARY



Department of State TELEGRAM

PAGE 02 SANIA 05020 02 OF 02 300644Z

COMPENSATION. THUS, COMPENSATION WOULD BE SUBSTANTIALLY LOWERED AND UNILATERALLY IMPOSED BY GOC YET ACCEPTABLE TO THE COMPANIES BECAUSE OF THE MUCH FASTER AND MORE CERTAIN PAYOUT. THE USG, FOR ITS PART, WOULD AVOID IMMEDIATE OPEC INSURANCE LIABILITY TO THE CORPORATIONS, WOULD ESCAPE CONGRESSIONAL BATTLES OVER THIS CONTINGENCY, WOULD SUBSTITUTE LONG-TERM OBLIGATIONS FOR SHORT-TERM LIABILITIES AND WOULD HAVE ACHIEVED A WORKING RELATIONSHIP WITH CHILE WITHOUT PLEDGING FRESH RESOURCES.

9. IN THE ABSENCE OF ALLENDE AND FONMIN ALMEYDA, THEN ON A TOUR OF NORTHERN COUNTRIES, I FIRST SOUNDED FELIPE HERRERA, THE EX-PRESIDENT OF THE IOB WHOM CHILE HAS NOW FORMALLY PROPOSED AS SUCCESSOR TO U THANT. HIS REACTION WAS UNRESERVEDLY FAVORABLE. HE SO TOLD THE ACTING PRESIDENT, MINISTERIOR TOHA, AND ARRANGED FOR ME TO BRIEF ALMEYDA. ON THE LATTER'S RETURN, ANOTHER CONTACT WAS CARLOS MATUS, THE SOCIALIST PRESIDENT OF THE BIGGEST ENTERPRISE IN CHILE, CAP, THE STEEL AND IRON STATE COMPANY, WHO HAD BEEN THE CHIEF NEGOTIATOR IN THE CERRO AND BETHLEHEM DEALS. HE, TOO, WAS VERY POSITIVE OVER WHAT HE DESCRIBED AS AN EASY ESCAPE FROM CONFRONTATION. LIKE HERRERA, HE FELT THAT THE PROPOSAL WOULD LEAD TO AN EASING OF THE CREDIT SQUEEZE ON CHILE, WOULD BE INTERPRETED BY THE REST OF THE WORLD AS A SIGN OF TOLERABLE RELATIONS AT LEAST BETWEEN OUR TWO COUNTRIES AND WOULD CONTRIBUTE TO A PROFOUND CHANGE IN THE NATURE OF RELATIONS BETWEEN LATAM AND THE US. HE, IN TURN, CONTACTED HIS RELATIVE, THE INFLUENTIAL YOUNG ECONOMIST, JORGE ARRATE, WHO HAD JUST BEEN APPOINTED BY ALLENDE TO BE HIS CHIEF COPPER TECHNICIAN. ARRATE, ON ALLENDE'S INSTRUCTIONS, MET WITH MATUS AND ME SEPT 16 AND WITHIN AN HOUR BRIEFED ALLENDE. THE PRESIDENT ASKED ME TO BE READY FOR A "MAN-TO-MAN" TALK THAT TOOK PLACE SEPT 27 (SEPTEL). I BROACHED THE SUBJECT TOG WITH THE CHIEF NEGOTIATOR IN THE IIT CASE, SUBSECRETARY OF ECONOMY GARRETONI. HIS INTEREST WAS SUFFICIENTLY PIQUED TO BRIEF HIS MINISTER VUSKOVIC AND TOHA.

10. NEXT I RESPONDED IN DETAIL FOR TWO HOURS TO A DELEGATION

WHO WERE PROMPTED TO CALL ON ME SEPT <sup>28</sup> ~~27~~ <sup>out</sup> ~~out~~   
 EN MASSE TO INQUIRE ABOUT THE STATE OF NEGOTIATIONS. I TOLD THEM THERE WERE NO NEGOTIATIONS, ONLY A COURTEOUS

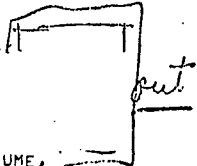
NOT TO BE REPRODUCED WITHOUT THE AUTHORIZATION OF THE EXECUTIVE SECRETARY



Department of State TELEGRAM

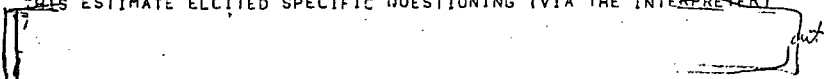
PAGE 03 SANTI 05020 02 OF 02 300044Z

AUDIENCE LISTENING TO A PROPOSAL THAT WAS PERSONAL



THEY UNDERSTOOD, TOO, I ASSUME, THAT MY MOTIVE IN FURNISHING A COMPLETE AND CANDID BRIEFING WAS TO FASHION A STRONG US DEFENSE IN THE EVENT OF THE GOC OPTING FOR A CRUNCH, AND TO PROVOKE THEM INTO SUPPORTING OUR EFFORTS.

11. THE SAME DAY, I USED A CHANCE ENCOUNTER WITH THE COMMUNIST PARTY'S GENIUS, SENATOR TEITELBOIM, TO TOUCH UPON THESE MATTERS AND TO INQUIRE WHY HE HAD ADOPTED AS HIS THE ADVICE. HE HAD CAUTIONED ME LAST NOV 4 TO ADJURE, THAT OF BEING A "CATASTROPHIST" (HIS WORD) IN PURSUIT OF WORSENING RELATIONS. AGAIN THE BRIEF BRUSH ALLOWED A SUBSTANTIVE EXCHANGE WHICH WAS SOON FOLLOWED BY THE LONG-DELAYED COURTESY CALL OF THE SOVIET AMBASSADOR BASSOV. THE LATTER WAS PARTICULARLY INTERESTED IN THE PROSPECTS OF OUR RELATIONS WITH CHILE AND MY PREDICTION OF UNRELIEVED PESSIMISM PROVOKED HIS PROLONGED (ALMOST TWO HOURS; INTERROGATION REGARDING THE OPTIONS. MY MAIN MESSAGE TO HIM WAS THAT IF THE SOVIETS HAD DECIDED OR WOULD DECIDE TO KEEP THE CHILEAN ECONOMY AFLOAT IN 1972, IT WOULD COST APPROXIMATELY 250 TO 350 MILLION DOLLARS IN HARD CURRENCY OR THE EQUIVALENT IN CONSUMER SUPPLY ITEMS. THIS ESTIMATE ELICITED SPECIFIC QUESTIONING (VIA THE INTERPRETER)



THEY WERE NOT WILLING TO BELIEVE I VIEWED THE USSR AS A THREAT TO THEIR POWER TO UNDERSTAND OUR SITUATION MORE EVEN THOUGH I BELIEVED THAT IT WAS THE SAME IN OTHER NATIONS.

12. SO MUCH FOR THE HISTORICAL RECORD. ERASMUS SAID THAT IN GREAT THINGS, IT IS GOOD ENOUGH TO HAVE TRIED. PERHAPS IT MAY BE OF SOME SOLACE FOR THE US TO HAVE



*Department of State*

TELEGRAM

PAGE 04 SANTIA 05020 02 OF 02 300044Z

DETAILED RECORD WITHOUT SHAME BEFORE ANY KIND OF AUDIENCE,  
 EVEN THOSE EDITORIALISTS AT HOME WHO HAVE NEVER READ THE  
 ALLENDE PROGRAM, WHO KNOW NOTHING OF THE COMMITMENTS OF  
 THE SOCIALIST AND COMMUNIST PARTIES HERE, WHO UNDERSTAND  
 LITTLE OF THE DYNAMICS OF CONTEMPORARY LATAM AND WHO  
 REVEL IN ASSUMING GUILT FOR THEIR OWN LAND AND GOVERNMENT.  
 GP-3.  
 KORRY

# COVERT ACTION EXPENDITURES AND 40 COMMITTEE APPROVALS IN CHILE, FY 1962 - 1974

(in thousands of dollars)

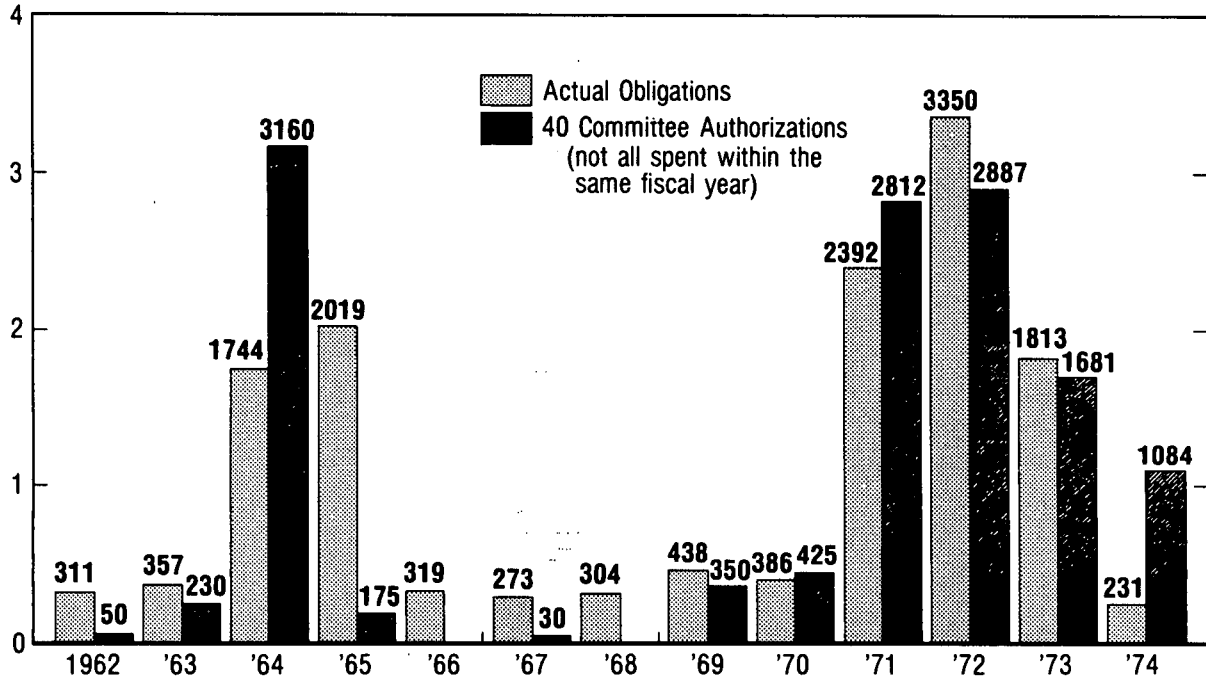


EXHIBIT 6

## EXHIBIT 7

PRESIDENT KENNEDY TO CHIEFS OF MISSION, MAY 29, 1961<sup>1</sup>

DEAR MR. AMBASSADOR: Please accept my best wishes for the successful accomplishment of your mission. As the personal representative of the President of the United States in . . . you are part of a memorable tradition which began with Benjamin Franklin and Thomas Jefferson, and which has included many of our most distinguished citizens.

We are living in a critical moment in history. Powerful destructive forces are challenging the universal values which, for centuries, have inspired men of good will in all parts of the world.

If we are to make progress toward a prosperous community of nations in a world of peace, the United States must exercise the most affirmative and responsible leadership. Beyond our shores, this leadership, in large measure, must be provided by our ambassadors and their staffs.

I have asked you to represent our Government in . . . because I am confident that you have the ability, dedication, and experience. The purpose of this letter is to define guidelines which I hope may be helpful to you.

The practice of modern diplomacy requires a close understanding not only of governments but also of people, their cultures and institutions. Therefore, I hope that you will plan your work so that you may have the time to travel extensively outside the nation's capital. Only in this way can you develop the close, personal associations that go beyond official diplomatic circles and maintain a sympathetic and accurate understanding of all segments of the country.

Moreover, the improved understanding which is so essential to a more peaceful and rational world is a two-way street. It is our task not only to understand what motivates others, but to give them a better understanding of what motivates us.

Many persons in . . . who have never visited the United States, receive their principal impressions of our nation through their contact with Americans who come to their country either as private citizens or as government employees.

Therefore, the manner in which you and your staff personally conduct yourselves is of the utmost importance. This applies to the way in which you carry out your official duties and to the attitudes you and they bring to day-to-day contacts and associations.

It is an essential part of your task to create a climate of dignified, dedicated understanding, cooperation, and service in and around the Embassy.

In regard to your personal authority and responsibility, I shall count on you to oversee and coordinate all the activities of the United States Government in . . .

<sup>1</sup> Paragraphs 16 and 17 were omitted from the letters sent to Ambassadors in countries in which there were no United States military forces under an area military commander.



You are in charge of the entire United States Diplomatic Mission, and I shall expect you to supervise all of its operations. The Mission includes not only the personnel of the Department of State and the Foreign Service, but also the representatives of all other United States agencies which have programs or activities in . . . . I shall give you full support and backing in carrying out your assignment.

Needless to say, the representatives of other agencies are expected to communicate directly with their offices here in Washington, and in the event of a decision by you in which they do not concur, they may ask to have the decision reviewed by a higher authority in Washington.

However, it is their responsibility to keep you fully informed of their views and activities and to abide by your decisions unless in some particular instance you and they are notified to the contrary.

If in your judgment individual members of the Mission are not functioning effectively, you should take whatever action you feel may be required, reporting the circumstances, of course, to the Department of State.

In case the departure from . . . . of any individual member of the Mission is indicated in your judgment, I shall expect you to make the decision and see that it is carried into effect. Such instances I am confident will be rare.

Now one word about your relations to the military. As you know, the United States Diplomatic Mission includes Service Attachés, Military Assistance Advisory Groups and other Military components attached to the Mission. It does not, however, include United States military forces operating in the field where such forces are under the command of a United States area military commander. The line of authority to these forces runs from me, to the Secretary of Defense, to the Joint Chiefs of Staff in Washington and to the area commander in the field.

Although this means that the chief of the American Diplomatic Mission is not in the line of military command, nevertheless, as Chief of Mission, you should work closely with the appropriate area military commander to assure the full exchange of information. If it is your opinion that activities by the United States military forces may adversely affect our over-all relations with the people or government of . . . . , you should promptly discuss the matter with the military commander and, if necessary, request a decision by higher authority.

I have informed all heads of departments and agencies of the Government of the responsibilities of the chiefs of American Diplomatic Missions for our combined operations abroad, and I have asked them to instruct their representatives in the field accordingly.

As you know, your own lines of communication as Chief of Mission run through the Department of State.

Let me close with an expression of confidence in you personally and the earnest hope that your efforts may help strengthen our relations with both the Government and the people of . . . . . I am sure that you will make a major contribution to the cause of world peace and understanding.

Good luck and my warmest regards,

Sincerely,

(Signed) JOHN F. KENNEDY

## EXHIBIT 8

STERLING 3-1544

*Clifford and Miller*  
*Attorneys and Counsellors at Law*  
*1523 L Street, Northwest*  
*Washington*

October 25, 1961

Honorable John F. Kennedy  
The White House  
Washington, D. C.

My dear Mr. President:

In compliance with your request, I enclose an original and two copies of a memorandum which you will wish to use in your conference with the new Director of the Central Intelligence Agency. This contains five points which I believe to be of the most importance as the new Director assumes his responsibilities. The memorandum is in such form that you can give a copy of it to the new Director, if you wish.

I know you will call upon me if I can be of any further assistance.

Respectfully yours,

*Clark M. Clifford*  
Clark M. Clifford

MEMORANDUM ON CENTRAL INTELLIGENCE AGENCY

For a new man assuming the responsibility of the directorship of the Central Intelligence Agency, the following five items would appear to be the most important subjects to which his attention should be directed as he takes over the duties of Director.

1. Redefining the Role of the Director  
of the Central Intelligence Agency.

The Director of the Central Intelligence Agency should be designated by the President as the chief Intelligence officer of the United States Government, having as his primary responsibility the coordinating of the total foreign intelligence effort. Although the new Director of Central Intelligence Agency should continue to have over-all responsibility for the Central Intelligence Agency, the Director should assign to the Deputy Director the day by day operational direction of the Agency. This is necessary because there is a crying need for coordination and over-all direction of the various agencies operating in the intelligence field.

It would be advisable to have the new Director of Central Intelligence housed in the Executive Office Building in order to

be closer to the President and to emphasize his role as chief Intelligence officer of the United States.

In order that the President have the best intelligence information possible, the Director of Central Intelligence should be responsible for assuring the timely flow of intelligence to the White House. He should oversee the preparation of the national intelligence estimates and should provide the intelligence briefings required by the President and other White House officials.

2. Internal Organization of the  
Central Intelligence Agency

The new Director of Central Intelligence should undertake at once organizational studies which would result in a strengthening of the Central Intelligence Agency. He should consider the question of the proper alignments within the organization and the proper staffing. Particular attention should be given to the budget and the number of personnel employed within the Agency. It is possible that benefit would result from relocating clandestine activities and covert operations to points outside of Washington in an effort to achieve deeper cover for such activities. More emphasis must be given to acquiring "hard" intelligence essential to the national security. In this connection, attention must be directed toward the expansion of those advanced scientific and

technical projects which are proving to be so valuable in the procuring of "hard" intelligence.

3. Restoring Public Confidence

in the Central Intelligence Agency

The new Director and the President will wish to work closely together to effect the restoration of public confidence which is so badly needed. As top coordination and direction is given to the over-all intelligence effort, the product will improve and the operation will become more efficient. This can serve as a basis for improving the reputation of the Agency and the morale within it.

4. Reducing Visibility of Intelligence Officials

The advent of a new Director of the Central Intelligence Agency is an opportune time to take steps in the direction of reducing the visibility of all foreign intelligence activities. In this regard, intelligence officials will desire to refrain from making public speeches; also, the President and the new Director will wish to work together in an endeavor to reduce the number of appearances of the Director of Central Intelligence, and other intelligence personnel, before congressional committees.

5. Congressional Investigation of  
Intelligence Activities

From time to time, efforts are made in Congress to institute investigations of intelligence activities or establish a joint congressional committee on foreign intelligence. Such efforts must be stoutly and intelligently resisted for they could seriously hamper the efficient and effective operation of our intelligence activities.

## APPENDIX A

94th Congress }  
1st Session }

COMMITTEE PRINT

**COVERT ACTION IN CHILE**  
**1963-1973**

---

**STAFF REPORT**  
**OF THE**  
**SELECT COMMITTEE**  
**TO STUDY GOVERNMENTAL OPERATIONS**  
**WITH RESPECT TO**  
**INTELLIGENCE ACTIVITIES**  
**UNITED STATES SENATE**

DECEMBER 18, 1975

Printed for the Use of the Select Committee To Study Governmental  
Operations With Respect to Intelligence Activities

U.S. GOVERNMENT PRINTING OFFICE

63-372

WASHINGTON : 1975

**NOTE:** Since the December 4, 1975 hearing the Select Committee has, in the course of its continuing investigation received new information which supplements the following sections of the Staff Report on Covert Action in Chile: Section III.A.4, the Role of Multinational Corporations; Section IV.B.1.e, Intelligence Estimates and Covert Action; and Section IV.C, Congressional Oversight. All pertinent information on the above will be reflected in the Select Committee's Final Report to the Senate.

**SENATE SELECT COMMITTEE TO STUDY GOVERNMENTAL OPERATIONS  
WITH RESPECT TO INTELLIGENCE ACTIVITIES**

**FRANK CHURCH**, Idaho, *Chairman*

**JOHN G. TOWER**, Texas, *Vice Chairman*

**PHILIP A. HART**, Michigan

**WALTER F. MONDALE**, Minnesota

**WALTER D. HUDDLESTON**, Kentucky

**ROBERT MORGAN**, North Carolina

**GARY HART**, Colorado

**HOWARD H. BAKER, Jr.**, Tennessee

**BARRY GOLDWATER**, Arizona

**CHARLES McC. MATHIAS, Jr.**, Maryland

**RICHARD SCHWEIKER**, Pennsylvania

**WILLIAM G. MILLER**, *Staff Director*

**FREDERICK A. O. SCHWARZ, Jr.**, *Chief Counsel*

**CURTIS R. SMOTHERS**, *Counsel to the Minority*

**AUDREY HATRY**, *Clerk of the Committee*

(II)



## PREFACE

The statements of facts contained in this report are true to the best of the Committee staff's ability to determine them. The report and any judgment expressed in it are tentative. Several areas are merely touched on; investigation in these areas is continuing. The purpose of the report is to lay out the basic facts of covert action in Chile to enable the Committee to hold public hearings.

This report is based on an extensive review of documents of the Central Intelligence Agency, the Departments of State and Defense, and the National Security Council; and on testimony by officials and former officials. With few exceptions, names of Chileans and of Chilean institutions have been omitted in order to avoid revealing intelligence sources and methods and to limit needless harm to individual Chileans who cooperated with the Central Intelligence Agency. The report does, however, convey an accurate picture of the scope, purposes and magnitude of United States covert action in Chile.

## TABLE OF CONTENTS

---

	Page
I. Overview and Background-----	1
A. Overview: Covert Action in Chile-----	1
B. Issues-----	3
C. Historical Background in Recent United States-Chilean Relations-----	3
II. The Range of Covert Action in Chile-----	6
A. Covert Action and other Clandestine Activities-----	6
B. Covert Action in Chile: Techniques-----	7
C. Covert Action and Multinational Corporations-----	11
III. Major Covert Action Programs and Their Effects-----	14
A. The 1964 Presidential Election-----	14
B. Covert Action: 1964-1969-----	17
C. The 1970 Election: A "Spoiling" Campaign-----	19
D. Covert Action Between September 4 and October 24, 1970-----	23
E. Covert Action During the Allende Years, 1970-1973-----	26
F. Post-1973-----	39
IV. Chile: Authorization, Assessment, and Oversight-----	41
A. 40 Committee Authorization and Control: Chile 1969-1973-----	41
B. Intelligence Estimates and Covert Action-----	43
C. Congressional Oversight-----	49
V. Preliminary Conclusions-----	51
A. Covert Action and U.S. Foreign Policy-----	51
B. Executive Command and Control of Major Covert Action-----	52
C. The Role of Congress-----	53
D. Intelligence Judgments and Covert Operations-----	54
E. Major Covert Action Programs-----	54
Appendix. Chronology: Chile 1962-1975-----	57

# COVERT ACTION IN CHILE: 1963-1973

## I. Overview and Background

### A. OVERVIEW: COVERT ACTION IN CHILE

Covert United States involvement in Chile in the decade between 1963 and 1973 was extensive and continuous. The Central Intelligence Agency spent three million dollars in an effort to influence the outcome of the 1964 Chilean presidential elections. Eight million dollars was spent, covertly, in the three years between 1970 and the military coup in September 1973, with over three million dollars expended in fiscal year 1972 alone.<sup>1</sup>

It is not easy to draw a neat box around what was "covert action." The range of clandestine activities undertaken by the CIA includes covert action, clandestine intelligence collection, liaison with local police and intelligence services, and counterintelligence. The distinctions among the types of activities are mirrored in organizational arrangements, both at Headquarters and in the field. Yet it is not always so easy to distinguish the effects of various activities. If the CIA provides financial support to a political party, this is called "covert action"; if the Agency develops a paid "asset" in that party for the purpose of information gathering, the project is "clandestine intelligence collection."

The goal of covert action is political impact. At the same time secret relationships developed for the clandestine collection of intelligence may also have political effects, even though no attempt is made by American officials to manipulate the relationship for short-run political gain. For example, in Chile between 1970 and 1973, CIA and American military attache contacts with the Chilean military for the purpose of gathering intelligence enabled the United States to sustain communication with the group most likely to take power from President Salvador Allende.

What did covert CIA money buy in Chile? It financed activities covering a broad spectrum, from simple propaganda manipulation of the press to large-scale support for Chilean political parties, from public opinion polls to direct attempts to foment a military coup. The scope of "normal" activities of the CIA Station in Santiago included placement of Station-dictated material in the Chilean media through propaganda assets, direct support of publications, and efforts to oppose communist and left-wing influence in student, peasant and labor organizations.

In addition to these "routine" activities, the CIA Station in Santiago was several times called upon to undertake large, specific projects.

<sup>1</sup> Moreover, the bare figures are more likely to understate than to exaggerate the extent of U.S. covert action. In the years before the 1973 coup, especially, CIA dollars could be channeled through the Chilean black market where the unofficial exchange rate into Chilean *escudos* often reached five times the official rate.

When senior officials in Washington perceived special dangers, or opportunities, in Chile, special CIA projects were developed, often as part of a larger package of U.S. actions. For instance, the CIA spent over three million dollars in an election program in 1964.

Half a decade later, in 1970, the CIA engaged in another special effort, this time at the express request of President Nixon and under the injunction not to inform the Departments of State or Defense or the Ambassador of the project. Nor was the 40 Committee<sup>2</sup> ever informed. The CIA attempted, directly, to foment a military coup in Chile. It passed three weapons to a group of Chilean officers who plotted a coup. Beginning with the kidnaping of Chilean Army Commander-in-Chief René Schneider. However, those guns were returned. The group which staged the abortive kidnap of Schneider, which resulted in his death, apparently was not the same as the group which received CIA weapons.<sup>3</sup>

When the coup attempt failed and Allende was inaugurated President, the CIA was authorized by the 40 Committee to fund groups in opposition to Allende in Chile. The effort was massive. Eight million dollars was spent in the three years between the 1970 election and the military coup in September 1973. Money was furnished to media organizations, to opposition political parties and, in limited amounts, to private sector organizations.

Numerous allegations have been made about U.S. covert activities in Chile during 1970-73. Several of these are false; others are half-true. In most instances, the response to the allegation must be qualified:

Was the United States *directly* involved, covertly, in the 1973 coup in Chile? The Committee has found no evidence that it was. However, the United States sought in 1970 to foment a military coup in Chile; after 1970 it adopted a policy both overt and covert, of opposition to Allende; and it remained in intelligence contact with the Chilean military, including officers who were participating in coup plotting.

Did the U.S. provide covert support to striking truck-owners or other strikers during 1971-73? The 40 Committee did not approve any such support. However, the U.S. passed money to private sector groups which supported the strikers. And in at least one case, a small amount of CIA money was passed to the strikers by a private sector organization, contrary to CIA ground rules.

Did the U.S. provide covert support to right-wing terrorist organizations during 1970-73? The CIA gave support in 1970 to one group whose tactics became more violent over time. Through 1971 that group received small sums of American money through third parties for specific purposes. And it is possible that money was passed to these groups on the extreme right from CIA-supported opposition political parties.

The pattern of United States covert action in Chile is striking but not unique. It arose in the context not only of American foreign policy, but also of covert U.S. involvement in other countries within and outside Latin America. The scale of CIA involvement in Chile was unusual but by no means unprecedented.

<sup>2</sup> The 40 Committee is a sub-Cabinet level body of the Executive Branch whose mandate is to review proposed major covert actions. The Committee has existed in similar form since the 1950's under a variety of names: 5412 Panel, Special Group (until 1964), 303 Committee (to 1969), and 40 Committee (since 1969). Currently chaired by the President's Assistant for National Security Affairs, the Committee includes the Undersecretary of State for Political Affairs, the Deputy Secretary of Defense, the Chairman of the Joint Chiefs of Staff, and the Director of Central Intelligence.

<sup>3</sup> This matter is discussed extensively in the Committee's interim report entitled, *Alleged Assassination Plots Involving Foreign Leaders*, 94 Cong., 1 sess. (November 1975), pp. 225-254.

## B. ISSUES

The Chilean case raises most of the issues connected with covert action as an instrument of American foreign policy. It consisted of long, frequently heavy involvement in Chilean politics; it involved the gamut of covert action methods, save only covert military operations; and it revealed a variety of different authorization procedures, with different implications for oversight and control. As one case of U.S. covert action, the judgments of past actions are framed not for their own sake; rather they are intended to serve as bases for formulating recommendations for the future.

The basic questions are easily stated:

(1) Why did the United States mount such an extensive covert action program in Chile? Why was that program continued and then expanded in the early 1970's?

(2) How was this major covert action program authorized and directed? What roles were played by the President, the 40 Committee, the CIA, the Ambassadors, and the Congress?

(3) Did U.S. policy-makers take into account the judgments of the intelligence analysts on Chile when they formulated and approved U.S. covert operations? Does the Chilean experience illustrate an inherent conflict between the role of the Director of Central Intelligence as a producer of intelligence and his role as manager of covert operations?

(4) Did the perceived threat in Chile justify the level of U.S. response? What was the effect of such large concentrated programs of covert political action in Chile? What were the effects, both abroad and at home, of the relationships which developed between the intelligence agencies and American based multinational corporations?

## C. HISTORICAL BACKGROUND TO RECENT UNITED STATES-CHILEAN RELATIONS

1. *Chilean Politics and Society: An Overview*

Chile has historically attracted far more interest in Latin America and, more recently, throughout the world, than its remote geographic position and scant eleven-million population would at first suggest.

Chile's history has been one of remarkable continuity in civilian, democratic rule. From independence in 1818 until the military *coup d'etat* of September 1973, Chile underwent only three brief interruptions of its democratic tradition. From 1932 until the overthrow of Allende in 1973, constitutional rule in Chile was unbroken.

Chile defies simplistic North American stereotypes of Latin America. With more than two-thirds of its population living in cities, and a 1970 per capita GNP of \$760, Chile is one of the most urbanized and industrialized countries in Latin America. Nearly all of the Chilean population is literate. Chile has an advanced social welfare program, although its activities did not reach the majority of the poor until popular participation began to be exerted in the early 1960's. Chileans are a largely integrated mixture of indigenous American with European immigrant stock. Until September 1973, Chileans brokered their demands in a bicameral parliament through a multi-party system and through a broad array of economic, trade union, and, more recently, managerial and professional associations.

## *2. U.S. Policy Toward Chile*

The history of United States policy toward Chile followed the patterns of United States diplomatic and economic interests in the hemisphere. In the same year that the United States recognized Chilean independence, 1823, it also proclaimed the Monroe Doctrine. This unilateral policy pronouncement of the United States was directed as a warning toward rival European powers not to interfere in the internal political affairs of this hemisphere.

The U.S. reaction to Fidel Castro's rise to power suggested that while the Monroe Doctrine had been abandoned, the principles which prompted it were still alive. Castro's presence spurred a new United States hemispheric policy with special significance for Chile—the Alliance for Progress. There was little disagreement among policymakers either at the end of the Eisenhower Administration or at the beginning of the Kennedy Administration that something had to be done about the alarming threat that Castro was seen to represent to the stability of the hemisphere.

The U.S. reaction to the new hemispheric danger—communist revolution—evolved into a dual policy response. Widespread malnutrition, illiteracy, hopeless housing conditions and hunger for the vast majority of Latin Americans who were poor; these were seen as communism's allies. Consequently, the U.S. undertook loans to national development programs and supported civilian reformist regimes, all with an eye to preventing the appearance of another Fidel Castro in our hemisphere.

But there was another component in U.S. policy toward Latin America. Counterinsurgency techniques were developed to combat urban or rural guerrilla insurgencies often encouraged or supported by Castro's regime. Development could not cure overnight the social ills which were seen as the breeding ground of communism. New loans for Latin American countries' internal development programs would take time to bear fruit. In the meantime, the communist threat would continue. The vicious circle plaguing the logic of the Alliance for Progress soon became apparent. In order to eliminate the short-term danger of communist subversion, it was often seen as necessary to support Latin American armed forces, yet frequently it was those same armed forces who were helping to freeze the status quo which the Alliance sought to alter.

Of all the countries in the hemisphere, Chile was chosen to become the showcase for the new Alliance for Progress. Chile had the extensive bureaucratic infrastructure to plan and administer a national development program; moreover, its history of popular support for Socialist, Communist and other leftist parties was perceived in Washington as flirtation with communism. In the years between 1962 and 1969, Chile received well over a billion dollars in direct, overt United States aid, loans and grants both included. Chile received more aid per capita than any country in the hemisphere. Between 1964 and 1970, \$200 to \$300 million in short-term lines of credit was continuously available to Chile from private American banks.

## *3. Chilean Political Parties: 1958-1970*

The 1970 elections marked the fourth time Salvador Allende had been the presidential candidate of the Chilean left. His personality and his program were familiar to Chilean voters. His platform was simi-

lar in all three elections: efforts to redistribute income and reshape the Chilean economy, beginning with the nationalization of major industries, especially the copper companies; greatly expanded agrarian reform; and expanded relations with socialist and communist countries.

Allende was one of four candidates in the 1958 elections. His principal opponents were Jorge Alessandri, a conservative, and Eduardo Frei, the candidate of the newly formed Christian Democratic Party, which contended against the traditionally centrist Radical Party. Allende's coalition was an uneasy alliance, composed principally of the Socialist and Communist Parties, labeled the Popular Action Front (FRAP). Allende himself, a self-avowed Marxist, was considered a moderate within his Socialist Party, which ranged from the extreme left to moderate social democrats. The Socialists, however, were more militant than the pro-Soviet, bureaucratic—though highly organized and disciplined—Communist Party.

Allende finished second to Alessandri in the 1958 election by less than three percent of the vote. Neither candidate received a majority, and the Chilean Congress voted Alessandri into office. If Allende had received the votes which went to a leftist priest—who received 3.3 percent of the votes—he would have won the election.

The Alessandri government lost popularity during its tenure. Dissatisfaction with it was registered in the 1961 congressional and 1963 municipal elections. The FRAP parties made significant gains, and the Christian Democratic Party steadily increased its share of the electorate until, in the 1963 elections, it became the largest single party.

The 1964 election shaped up as a three-way race. Frei was once again the Christian Democratic candidate, and the parties of the left once again selected Allende as their standard-bearer. The governing coalition, the Democratic Front, chose Radical Julio Duran as their candidate. Due in part to an adverse election result in a March 1964 by-election in a previously conservative province, the Democratic Front collapsed. The Conservatives and Liberals, reacting to the prospect of an Allende victory, threw their support to Frei, leaving Duran as the standard-bearer of only the Radical Party.

After Frei's decisive majority victory, in which he received 57 percent of the vote, he began to implement what he called a "revolution in liberty." That included agrarian, tax, and housing reform. To deal with the American copper companies, Frei proposed "Chileanization," by which the state would purchase majority ownership in order to exercise control and stimulate output.

Frei's reforms, while impressive, fell far short of what he had promised. Lacking a majority in Congress, he was caught between the FRAP parties, which demanded extreme measures, and the rightists, who withheld support from Frei in order to force a compromise on the agrarian reform issue. Like its predecessor, the Frei government lost popularity during its tenure; the Christian Democrats' portion of the vote in congressional elections fell from 43 percent in 1965 to 31 percent in 1969. During the Frei years the internal strains of the Party became more evident, culminating in the 1968 defection of the Party's left-wing elements.

Frei's relations with the United States were cordial, although he pursued an independent foreign policy. His government established diplomatic relations with the Soviet Union immediately after taking power and in 1969 reestablished trade relations with Cuba.

## II. The Range of Covert Action in Chile

### A. COVERT ACTION AND OTHER CLANDESTINE ACTIVITIES

This study is primarily concerned with what is labeled "covert action" by the United States government. Covert action projects are considered a distinct category and are authorized and managed accordingly. But it is important to bear in mind what the category excludes as well as what it includes. The Committee's purpose is to evaluate the intent and effect of clandestine American activities in Chile. Some secret activities by the United States not labeled "covert action" may have important political impacts and should be considered.

The CIA conducts several kinds of clandestine activity in foreign countries: clandestine collection of positive foreign intelligence; counterintelligence (or liaison with local services); and covert action. Those different activities are handled somewhat differently in Washington; they are usually the responsibility of different CIA officers in the field. Yet all three kinds of projects may have effects on foreign politics. All three rely on the establishment of clandestine relationships with foreign nationals.

In the clandestine collection of intelligence, the purpose of the relationship is the gathering of information. A CIA officer establishes a relationship with a foreign "asset"—paid or unpaid—in a party or government institution in order to find out what is going on inside that party or institution. There is typically no attempt made by the CIA officer to influence the actions of the "asset." Yet even that kind of covert relationship may have political significance. Witness the maintenance of CIA's and military attaches' contacts with the Chilean military after the inauguration of Salvador Allende: although the purpose was information-gathering, the United States maintained links to the group most likely to overthrow the new president. To do so was to walk a tightrope; the distinction between collecting information and exercising influence was inherently hard to maintain. Since the Chilean military perceived its actions to be contingent to some degree on the attitude of the U.S. government, those possibilities for exercising influence scarcely would have had to be consciously manipulated.

Liaison relationships with local police or intelligence services pose a similar issue. The CIA established such relationships in Chile with the primary purpose of securing assistance in gathering intelligence on external targets. But the link also provided the Station with information on internal subversives and opposition elements within Chile. That raised the difficulty of ensuring that American officials did not stray into influencing the actions of Chileans with whom they were in contact. And it meant that the CIA was identified, to some degree, with the internal activities of Chilean police and intelligence services,



whether or not the U.S. government supported those actions. That became a matter for great concern in 1973 with the advent of the Pinochet regime.

The purpose of this case study is to describe and assess the range of covert U.S. activities which influenced the course of political events in Chile. Most of the discussion which follows is limited to activities labeled and run as "covert action" projects. That category is itself broad. But it excludes other clandestine activities with possible political effects.

## B. COVERT ACTION IN CHILE: TECHNIQUES

Even if the set of activities labeled "covert action" does not include all clandestine American efforts with possible political effects, that set is nonetheless broad. U.S. covert action in Chile encompassed a range of techniques and affected a wide variety of Chilean institutions. It included projects which were regarded as the framework necessary for covert operations, as well as major efforts called forth by special circumstances. The following paragraphs will give a flavor of that range.

### 1. Propaganda

The most extensive covert action activity in Chile was propaganda. It was relatively cheap. In Chile, it continued at a low level during "normal" times, then was cranked up to meet particular threats or to counter particular dangers.

The most common form of a propaganda project is simply the development of "assets" in media organizations who can place articles or be asked to write them. The Agency provided to its field Stations several kinds of guidance about what sorts of propaganda were desired. For example, one CIA project in Chile supported from one to five media assets during the seven years it operated (1965-1971). Most of those assets worked for a major Santiago daily which was the key to CIA propaganda efforts. Those assets wrote articles or editorials favorable to U.S. interests in the world (for example, criticizing the Soviet Union in the wake of the Czechoslovakian invasion); suppressed news items harmful to the United States (for instance about Vietnam); and authored articles critical of Chilean leftists.

The covert propaganda efforts in Chile also included "black" propaganda—material falsely purporting to be the product of a particular individual or group. In the 1970 election, for instance, the CIA used "black" propaganda to sow discord between the Communists and the Socialists and between the national labor confederation and the Chilean Communist Party.

Table I—Techniques of Covert Action—Expenditures in Chile, 1963-73<sup>1</sup>

Techniques	Amount
Propaganda for elections and other support for political parties.....	\$8, 000, 000
Producing and disseminating propaganda and supporting mass media.....	4, 300, 000
Influencing Chilean institutions (labor, students, peasants, women) and supporting private sector organizations.....	900, 000
Promoting military coup d'etat.....	<200, 000

<sup>1</sup> Figures rounded to nearest \$100,000.

In some cases, the form of propaganda was still more direct. The Station financed Chilean groups who erected wall posters, passed out political leaflets (at times prepared by the Station) and engaged in other street activities. Most often these activities formed part of larger projects intended to influence the outcomes of Chilean elections (see below), but in at least one instance the activities took place in the absence of an election campaign.

Of thirty-odd covert action projects undertaken by Chile by the CIA between 1961 and 1974, approximately a half dozen had propaganda as their principal activity. Propaganda was an important subsidiary element of many others, particularly election projects. (See Table I.) Press placements were attractive because each placement might produce a multiplier effect, being picked up and replayed by media outlets other than the one in which it originally came out.

## *2. Support For Media*

In addition to buying propaganda piecemeal, the Station often purchased it wholesale by subsidizing Chilean media organizations friendly to the United States. Doing so was propaganda writ large. Instead of placing individual items, the CIA supported—or even founded—friendly media outlets which might not have existed in the absence of Agency support.

From 1953 through 1970 in Chile, the Station subsidized wire services, magazines written for intellectual circles, and a right-wing weekly newspaper. According to the testimony of former officials, support for the newspaper was terminated because it became so inflexibly rightist as to alienate responsible conservatives.

By far, the largest—and probably the most significant—instance of support for a media organization was the money provided to *El Mercurio*, the major Santiago daily, under pressure during the Allende regime. That support grew out of an existing propaganda project. In 1971 the Station judged that *El Mercurio*, the most important opposition publication, could not survive pressure from the Allende government, including intervention in the newsprint market and the withdrawal of government advertising. The 40 Committee authorized \$700,000 for *El Mercurio* on September 9, 1971, and added another \$965,000 to that authorization on April 11, 1972. A CIA project renewal memorandum concluded that *El Mercurio* and other media outlets supported by the Agency had played an important role in setting the stage for the September 11, 1973, military coup which overthrew Allende.

## *3. Gaining Influence in Chilean Institutions and Groups*

Through its covert activities in Chile, the U.S. government sought to influence the actions of a wide variety of institutions and groups in Chilean society. The specific intent of those activities ran the gamut from attempting to influence directly the making of government policy to trying to counter communist or leftist influence among organized groups in the society. That most of these projects included a propaganda component is obvious.

From 1964 through 1968, the CIA developed contacts within the Chilean Socialist Party and at the Cabinet level of the Chilean government.

Projects aimed at organized groups in Chilean society had more diffuse purposes than efforts aimed at government institutions. But the aim was similar: influencing the direction of political events in Chile.

Projects were directed, for example, toward:

- Wresting control of Chilean university student organizations from the communists;

- Supporting a women's group active in Chilean political and intellectual life;

- Combating the communist-dominated *Central Unica de Trabajadores Chilenos* (CUTCh) and supporting democratic labor groups; and

- Exploiting a civic action front group to combat communist influence within cultural and intellectual circles.

#### *4. Major Efforts To Influence Chilean Elections*

Covert American activity was a factor in almost every major election in Chile in the decade between 1963 and 1973. In several instances the United States intervention was massive.

The 1964 presidential election was the most prominent example of a large-scale election project. The Central Intelligence Agency spent more than \$2.6 million in support of the election of the Christian Democratic candidate, in part to prevent the accession to the presidency of Marxist Salvador Allende. More than half of the Christian Democratic candidate's campaign was financed by the United States, although he was not informed of this assistance. In addition, the Station furnished support to an array of pro-Christian Democratic student, women's, professional and peasant groups. Two other political parties were funded as well in an attempt to spread the vote.

In Washington, an inter-agency election committee was established, composed of State Department, White House and CIA officials. That committee was paralleled by a group in the embassy in Santiago. No special task force was established within the CIA, but the Station in Santiago was reinforced. The Station assisted the Christian Democrats in running an American-style campaign, which included polling, voter registration and get-out-the-vote drives, in addition to covert propaganda.

The United States was also involved in the 1970 presidential campaign. That effort, however, was smaller and did not include support for any specific candidate. It was directed more at preventing Allende's election than at insuring another candidate's victory.

Nor have U.S. involvements been limited to presidential campaigns. In the 1965 Chilean congressional elections, for instance, the Station was authorized by the 303 Committee to spend up to \$175,000. Covert support was provided to a number of candidates selected by the Ambassador and Station. A CIA election memorandum suggested that the project did have some impact, including the elimination of a number of FRAP (leftist coalition) candidates who might otherwise have won congressional seats.

### *5. Support For Chilean Political Parties*

Most covert American support to Chilean political parties was furnished as part of specific efforts to influence election outcomes. However, in several instances the CIA provided subsidies to parties for more general purposes, when elections were not imminent. Most such support was furnished during the Allende years, 1970-1973, when the U.S. government judged that without its support parties of the center and right might not survive either as opposition elements or as contestants in elections several years away.

In a sequence of decisions in 1971 through 1973, the 40 Committee authorized nearly \$4 million for opposition political parties in Chile. Most of this money went to the Christian Democratic Party (PDC), but a substantial portion was earmarked for the National Party (PN), a conservative grouping more stridently opposed to the Allende government than was the PDC. An effort was also made to split the ruling Popular Unity coalition by inducing elements to break away.

The funding of political parties on a large scale in 1970-73 was not, however, without antecedents, albeit more modest in scale. In 1962 the Special Group (predecessor to the 40 Committee) authorized several hundred thousand dollars for an effort to build up the PDC in anticipation of the 1964 elections. Small authorizations were made, in 1963 and 1967, for support to moderate elements within the Radical Party.

### *6. Support For Private Sector Organizations*

As part of its program of support for opposition elements during the Allende government, the CIA provided money to several trade organizations of the Chilean private sector. In September 1972, for instance, the 40 Committee authorized \$24,000 in emergency support for an anti-Allende businessmen's organization. At that time, supporting other private sector organizations was considered but rejected because of the fear that those organizations might be involved in anti-government strikes.

The 40 Committee authorized \$100,000 for private sector organizations in October 1972, as part of the March 1973 election project. According to the CIA, that money was spent only on election activities, such as voter registration drives and get-out-the-vote drives. In August 1973, the Committee authorized support for private sector groups, but with disbursement contingent on the agreement of the Ambassador and State Department. That agreement was not forthcoming.

### *7. Direct Efforts To Promote A Military Coup*

United States covert efforts to affect the course of Chilean politics reached a peak in 1970: the CIA was directed to undertake an effort to promote a military coup in Chile to prevent the accession to power of Salvador Allende. That attempt, the so-called "Track II," is the subject of a separate Committee report and will be discussed in section III below. A brief summary here will demonstrate the extreme in American covert intervention in Chilean politics.

On September 15, 1970—after Allende finished first in the election but before the Chilean Congress had chosen between him and the

runner-up, Alessandri,<sup>1</sup>—President Nixon met with Richard Helms, the Director of Central Intelligence, Assistant to the President for National Security Affairs Henry Kissinger and Attorney General John Mitchell. Helms was directed to prevent Allende from taking power. This effort was to be conducted without the knowledge of the Departments of State and Defense or the Ambassador. Track II was never discussed at a 40 Committee meeting.

It quickly became apparent to both White House and CIA officials that a military coup was the only way to prevent Allende's accession to power. To achieve that end, the CIA established contact with several groups of military plotters and eventually passed three weapons and tear gas to one group. The weapons were subsequently returned, apparently unused. The CIA knew that the plans of all groups of plotters began with the abduction of the constitutionalist Chief of Staff of the Chilean Army, General René Schneider. The Committee has received conflicting testimony about the extent of CIA/White House communication and of White House officials' awareness of specific coup plans, but there is no doubt that the U.S. government sought a military coup in Chile.

On October 22, one group of plotters attempted to kidnap Schneider. Schneider resisted, was shot, and subsequently died. The CIA had been in touch with that group of plotters but a week earlier had withdrawn its support for the group's specific plans.

The coup plotting collapsed and Allende was inaugurated President. After his election, the CIA and U.S. military attaches maintained contacts with the Chilean military for the purpose of collecting intelligence. Whether those contacts strayed into encouraging the Chilean military to move against Allende; or whether the Chilean military—having been goaded toward a coup during Track II—took encouragement to act against the President from those contacts even though U.S. officials did not intend to provide it: these are major questions which are inherent in U.S. covert activities in the period of the Allende government.

### C. COVERT ACTION AND MULTINATIONAL CORPORATIONS

In addition to providing information and cover to the CIA, multinational corporations also participated in covert attempts to influence Chilean politics. The following is a brief description of the CIA's relationship with one such corporation in Chile in the period 1963–1973—International Telephone and Telegraph, Inc. (ITT). Not only is ITT the most prominent and public example, but a great deal of information has been developed on the CIA/ITT relationship. This summary is based on new information provided to this Committee and on material previously made public by the Subcommittee on Multinational Corporations of the Senate Foreign Relations Committee.

#### *1. 1964 Chilean Elections*

During the 1964 presidential campaign, representatives of multinational corporations approached the CIA with a proposal to provide

<sup>1</sup> Allende received 36.3 percent of the vote, Alessandri 34.9 percent. Radomiro Tomic, the PDC candidate, finished third with 27.8 percent.

campaign funds to the Christian Democratic Party. The CIA decision not to accept such funds, as well as other CIA contacts with multinational corporations during that campaign, are fully described in Part III.

## *2. 1970 Chilean Elections: Phase I*

In 1970, the U.S. government and several multinational corporations were linked in opposition to the candidacy and later the presidency of Salvador Allende. This CIA-multinational corporation connection can be divided into two phases. Phase I comprised actions taken by either the CIA or U.S.-based multinational companies at a time when it was official U.S. policy not to support, even covertly, any candidate or party in Chile. During this phase the Agency was, however, authorized to engage in a covert "spoiling" operation designed to defeat Salvador Allende. Phase II encompassed the relationship between intelligence agencies and multinational corporations after the September 1970 general election. During Phase II, the U.S. government opposed Allende and supported opposition elements. The government sought the cooperation of multinational corporations in this effort.

A number of multinational corporations were apprehensive about the possibility that Allende would be elected President of Chile. Allende's public announcements indicated his intention, if elected, to nationalize basic industries and to bring under Chilean ownership service industries such as the national telephone company, which was at that time a subsidiary of ITT.

In 1964 Allende had been defeated, and it was widely known both in Chile and among American multinational corporations with significant interests in Chile that his opponents had been supported by the United States government. John McCone, a former CIA Director and a member of ITT's Board of Directors in 1970, knew of the significant American government involvement in 1964 and of the offer of assistance made at that time by American companies. Agency documents indicate that McCone informed Harold Geneen, ITT's Board Chairman, of these facts.

In 1970 leaders of American multinational corporations with substantial interests in Chile, together with other American citizens concerned about what might happen to Chile in the event of an Allende victory, contacted U.S. government officials in order to make their views known.

In July 1970, a CIA representative in Santiago met with representatives of ITT and, in a discussion of the upcoming election, indicated that Alessandri could use financial assistance. The Station suggested the name of an individual who could be used as a secure channel for getting these funds to the Alessandri campaign.

Shortly thereafter John McCone telephoned CIA Director Richard Helms. As a result of this call, a meeting was arranged between the Chairman of the Board of ITT and the Chief of the Western Hemisphere Division of the CIA. Geneen offered to make available to the CIA a substantial amount of money to be used in support of the Alessandri campaign. In subsequent meetings ITT offered to make \$1 million available to the CIA. The CIA rejected the offer. The memorandum indicated further that CIA's advice was sought with respect to an individual who might serve as a conduit of ITT funds to the Alessandri campaign.

The CIA confirmed that the individual in question was a reliable channel which could be used for getting funds to Alessandri. A second channel of funds from ITT to a political party opposing Allende, the National Party, was developed following CIA advice as to a secure funding mechanism utilizing two CIA assets in Chile. These assets were also receiving Agency funds in connection with the "spoiling" operation.

During the period prior to the September election, ITT representatives met frequently with CIA representatives both in Chile and in the United States and CIA advised ITT as to ways in which it might safely channel funds both to the Alessandri campaign and to the National Party. CIA was kept informed of the extent and the mechanism of the funding. Eventually at least \$350,000 was passed by ITT to this campaign. A roughly equal amount was passed by other U.S. companies; the CIA learned of this funding but did not assist in it.

### *3. Following the 1970 Chilean Elections: Phase II*

Following the September 4 elections, the United States government adopted a policy of economic pressure directed against Chile and in this connection sought to enlist the influence of Geneen on other American businessmen. Specifically, the State Department was directed by the 40 Committee to contact American businesses having interests in Chile to see if they could be induced to take actions in accord with the American government's policy of economic pressure on Chile. On September 29, the Chief of the Western Hemisphere Division of the CIA met with a representative of ITT. The CIA official sought to have ITT involved in a more active way in Chile. According to CIA documents, ITT took note of the CIA presentation on economic warfare but did not actively respond to it.

One institution in Chile which was used in a general anti-Allende effort was the newspaper chain *El Mercurio*. Both the United States government and ITT were funneling money into the hands of individuals associated with the paper. That funding continued after Allende was in office.

A great deal of testimony has been taken on the above matters, initially before the Subcommittee on Multinational Corporations. The degree of cooperation between the CIA and ITT in the period prior to the September 1970 election raises an important question: while the U.S. government was *not* supporting particular candidates or parties, even covertly, was the CIA authorized to act on its own in advising or assisting ITT in its covert financial support of the Alessandri campaign?

### III. Major Covert Action Programs and Their Effects

This section outlines the major programs of covert action undertaken by the United States in Chile, period by period. In every instance, covert action was an instrument of United States foreign policy, decided upon at the highest levels of the government. Each subsection to follow sets forth that policy context. Without it, it is impossible to understand the covert actions which were undertaken. After a discussion of policy, each subsection elaborates the covert action tactics employed in each case. Finally, the effect of each major program is assessed.

The section begins with the first major United States covert action in Chile—the 1964 presidential elections.

#### A. THE 1964 PRESIDENTIAL ELECTION

##### 1. *United States Policy*

The United States was involved on a massive scale in the 1964 presidential election in Chile. The Special Group authorized over three million dollars during the 1962–64 period to prevent the election of a Socialist or Communist candidate. A total of nearly four million dollars was spent on some fifteen covert action projects, ranging from organizing slum dwellers to passing funds to political parties.

The goal, broadly, was to prevent or minimize the influence of Chilean Communists or Marxists in the government that would emerge from the 1964 election. Consequently, the U.S. sought the most effective way of opposing FRAP (Popular Action Front), an alliance of Chilean Socialists, Communists, and several miniscule non-Marxist parties of the left which backed the candidacy of Salvador Allende. Specifically, the policy called for support of the Christian Democratic Party, the Democratic Front (a coalition of rightist parties), and a variety of anti-communist propaganda and organizing activities.

The groundwork for the election was laid early in 1961 by establishing operational relationships with key political parties and by creating propaganda and organizational mechanisms capable of influencing key sectors of the population. Projects that had been conducted since the 1950's among peasants, slum dwellers, organized labor, students, and the media provided a basis for much of the pre-election covert action.

The main problem facing the United States two years before the election was the selection of a party and/or candidate to support against the leftist alliance. The CIA presented two papers to the Special Group on April 2, 1962. One of these papers proposed support for the Christian Democratic Party, while the other recommended support of the Radical Party, a group to the right of the Christian Democrats. The Special Group approved both proposals. Although



this strategy appears to have begun as an effort to hedge bets and support two candidates for President, it evolved into a strategy designed to support the Christian Democratic candidate.

On August 27, 1962, the Special Group approved the use of a third-country funding channel and authorized \$180,000 in fiscal year 1963 for the Chilean Christian Democrats. The Kennedy Administration had preferred a center-right government in Chile, consisting of the Radicals on the right and the Christian Democrats in the center. However, political events in Chile in 1962-1963—principally the creation of a right-wing alliance that included the Radical Party—precluded such a coalition. Consequently, throughout 1963, the United States funded both the Christian Democrats and the right-wing coalition, the Democratic Front.

After a by-election defeat in May 1964 destroyed the Democratic Front, the U.S. threw its support fully behind the Christian Democratic candidate. However, CIA funds continued to subsidize the Radical Party candidate in order to enhance the Christian Democrats' image as a moderate progressive party being attacked from the right as well as the left.

## *2. Covert Action Techniques*

Covert action during the 1964 campaign was composed of two major elements. One was direct financial support of the Christian Democratic campaign. The CIA underwrote slightly more than half of the total cost of that campaign. After debate, the Special Group decided not to inform the Christian Democratic candidate, Eduardo Frei, of American covert support of his campaign. A number of intermediaries were therefore mobilized to pass the money to the Christian Democrats. In addition to the subsidies for the Christian Democratic Party, the Special Group allocated funds to the Radical Party and to private citizens' groups.

In addition to support for political parties, the CIA mounted a massive anti-communist propaganda campaign. Extensive use was made of the press, radio, films, pamphlets, posters, leaflets, direct mailings, paper streamers, and wall painting. It was a "scare campaign," which relied heavily on images of Soviet tanks and Cuban firing squads and was directed especially to women. Hundreds of thousands of copies of the anti-communist pastoral letter of Pope Pius XI were distributed by Christian Democratic organizations. They carried the designation, "printed privately by citizens without political affiliation, in order more broadly to disseminate its content." "Disinformation" and "black propaganda"—material which purported to originate from another source, such as the Chilean Communist Party—were used as well.

The propaganda campaign was enormous. During the first week of intensive propaganda activity (the third week of June 1964), a CIA-funded propaganda group produced twenty radio spots per day in Santiago and on 44 provincial stations; twelve-minute news broadcasts five times daily on three Santiago stations and 24 provincial outlets; thousands of cartoons, and much paid press advertising. By the end of June, the group produced 24 daily newscasts in Santiago and the provinces, 26 weekly "commentary" programs, and distributed 3,000

posters daily. The CIA regards the anti-communist scare campaign as the most effective activity undertaken by the U.S. on behalf of the Christian Democratic candidate.

The propaganda campaign was conducted internationally as well, and articles from abroad were "replayed" in Chile. Chilean newspapers reported: an endorsement of Frei by the sister of a Latin American leader, a public letter from a former president in exile in the U.S., a "message from the women of Venezuela," and dire warnings about an Allende victory from various figures in military governments in Latin America.

The CIA ran political action operations independent of the Christian Democrats' campaign in a number of important voter blocks, including slum dwellers, peasants, organized labor, and dissident Socialists. Support was given to "anti-communist" members of the Radical Party in their efforts to achieve positions of influence in the party hierarchy, and to prevent the party from throwing its support behind Allende.

### *3. U.S. Government Organization for the 1964 Chilean Election*

To manage the election effort, an electoral committee was established in Washington, consisting of the Assistant Secretary of State for Inter-American Affairs, Thomas Mann; the Western Hemisphere Division Chief of the CIA, Desmond Fitzgerald; Ralph Dungan and McGeorge Bundy from the White House; and the Chief of the Western Hemisphere Division Branch Four, the branch that has jurisdiction over Chile. This group was in close touch with the State Department Office of Bolivian and Chilean Affairs. In Santiago there was a parallel Election Committee that coordinated U.S. efforts. It included the Deputy Chief of Mission, the CIA Chief of Station, and the heads of the Political and Economic Sections, as well as the Ambassador. The Election Committee in Washington coordinated lines to higher authority and to the field and other agencies. No special task force was established, and the CIA Station in Santiago was temporarily increased by only three officers.

### *4. Role of Multinational Corporations*

A group of American businessmen in Chile offered to provide one and a half million dollars to be administered and disbursed covertly by the U.S. Government to prevent Allende from winning the 1964 presidential election. This offer went to the 303 Committee (the name of the Special Group after June 1964) which decided not to accept the offer. It decided that offers from American business could not be accepted, that they were neither a secure way nor an honorable way of doing business. This decision was a declaration of policy which set the precedent for refusing to accept such collaboration between CIA and private business. However, CIA money, represented as private money, was passed to the Christian Democrats through a private businessman.

### *5. Role of the Chilean Military*

On July 19, 1964, the Chilean Defense Council, which is the equivalent of the U.S. Joint Chiefs of Staff, went to President Alessandri to propose a *coup d'etat* if Allende won. This offer was transmitted to

the CIA Chief of Station, who told the Chilean Defense Council through an intermediary that the United States was absolutely opposed to a coup. On July 20, the Deputy Chief of Mission at the U.S. Embassy was approached by a Chilean Air Force general who threatened a coup if Allende won. The DCM reproached him for proposing a *coup d'etat* and there was no further mention of it. Earlier, the CIA learned that the Radical candidate for election, several other Chileans, and an ex-politician from another Latin American country had met on June 2 to organize a rightist group called the Legion of Liberty. They said this group would stage a *coup d'etat* if Allende won, or if Frei won and sought a coalition government with the Communist Party. Two of the Chileans at the meeting reported that some military officers wanted to stage a *coup d'etat* before the election if the United States Government would promise to support it. Those approaches were rebuffed by the CIA.

### 6. *Effects of Covert Action*

A CIA study concludes that U.S. intervention enabled Eduardo Frei to win a clear majority in the 1964 election, instead of merely a plurality. What U.S. Government documents do not make clear is why it was necessary to assure a majority, instead of accepting the victory a plurality would have assured. CIA assistance enabled the Christian Democratic Party to establish an extensive organization at the neighborhood and village level. That may have lent grassroots support for reformist efforts that the Frei government undertook over the next several years.

Some of the propaganda and polling mechanisms developed for use in 1964 were used repeatedly thereafter, in local and congressional campaigns, during the 1970 presidential campaign, and throughout the 1970-1973 Allende presidency. Allegations of CIA involvement in the campaign, and press allegations of CIA funding of the International Development Foundation contributed to the U.S. reluctance in 1970 to undertake another massive pre-election effort.

### B. COVERT ACTION: 1964-1969

During the years between the election of Christian Democratic President Eduardo Frei in 1964 and the presidential election campaign of 1970, the CIA conducted a variety of covert activities in Chile. Operating within different sectors of society, these activities were all intended to strengthen groups which supported President Frei and opposed Marxist influences.

The CIA spent a total of almost \$2 million on covert action in Chile during this period, of which one-fourth was covered by 40 Committee authorizations for specific major political action efforts. The CIA conducted twenty covert action projects in Chile during these years.

#### 1. *Covert Action Methods*

In February 1965 the 303 Committee approved \$175,000 for a short-term political action project to provide covert support to selected candidates in the March 1965 congressional elections in Chile. According to the CIA, twenty-two candidates were selected by the Sta-

tion and the Ambassador; nine were elected. The operation helped defeat up to 13 FRAP candidates who would otherwise have won congressional seats.

Another election effort was authorized in July 1968, in preparation for the March 1969 congressional election. The 40 Committee authorized \$350,000 for this effort, with the objective of strengthening moderate political forces before the 1970 presidential election. The program consisted of providing financial support to candidates, supporting a splinter Socialist Party in order to attract votes away from Allende's socialist party, propaganda activities, and assisting independent groups. The CIA regarded the election effort as successful in meeting its limited objective; ten of the twelve candidates selected for support won their races, including one very unexpected victory. The support provided to the dissident socialist group deprived the Socialist Party of a minimum of seven congressional seats.

The 303 Committee also approved \$30,000 in 1967 to strengthen the right wing of the Radical Party.

A number of other political actions not requiring 303 Committee approval were conducted. The project to increase the effectiveness and appeal of the Christian Democratic Party and to subsidize the party during the 1964 elections continued into late 1965 or 1966, as did a project to influence key members of the Socialist Party toward orthodox European socialism and away from communism. During this period, the CIA dealt with a Chilean official at the cabinet level, though with scant result.

Covert action efforts were conducted during this period to influence the political development of various sectors of Chilean society. One project, conducted prior to the 1964 elections to strengthen Christian Democratic support among peasants and slum dwellers, continued to help train and organize "anti-communists" in these and other sectors until public exposure of CIA funding in 1967 forced its termination. A project to compete organizationally with the Marxists among the urban poor of Santiago was initiated shortly after the 1964 election, and was terminated in mid-1969 because the principal agent was unwilling to prejudice the independent posture of the organization by using it on a large scale to deliver votes in the 1969 and 1970 presidential elections. In the mid-1960's, the CIA supported an anti-communist women's group active in Chilean political and intellectual life.

Two projects worked within organized labor in Chile. One, which began during the 1964 election period, was a labor action project to combat the communist-dominated *Central Unica de Trabajadores Chilenos* (CUTCh) and to support democratic labor groups. Another project was conducted in the Catholic labor field.

Various CIA projects during this period supported media efforts. One, begun in the early 1950's, operated wire services. Another, which was an important part of the 1964 election effort, supported anti-communist propaganda activities through wall posters attributed to fictitious groups, leaflet campaigns, and public heckling.

A third project supported a right-wing weekly newspaper; which was an instrument of the anti-Allende campaign during and for a time after the 1970 election campaign. Another project funded an asset who produced regular radio political commentary shows attacking

the political parties on the left and supporting CIA-selected candidates. After the Soviet invasion of Czechoslovakia, this asset organized a march on the Soviet Embassy which led to major police action and mass media coverage. Other assets funded under this project placed CIA-inspired editorials almost daily in *El Mercurio*, Chile's major newspaper and, after 1968, exerted substantial control over the content of that paper's international news section.

The CIA also maintained covert liaison relations with Chile's internal security and intelligence services, civilian and military. The primary purpose of these arrangements was to enable the Chilean services to assist CIA in information collection about foreign targets. A subsidiary purpose of these relationships was to collect information and meet the threat posed by communists and other groups of the far left within Chile.

## *2. Effects of Covert Action*

The CIA's evaluations of the 1965 and 1969 election projects suggest that those efforts were relatively successful in achieving their immediate goals. On the other hand, the labor and "community development" projects were deemed rather unsuccessful in countering the growth of strong leftist sentiment and organization among workers, peasants and slum dwellers. For instance, neither of the labor projects was able to find a nucleus of legitimate Chilean labor leaders to compete effectively with the communist-dominated CUTCh.

The propaganda projects probably had a substantial cumulative effect over these years, both in helping to polarize public opinion concerning the nature of the threat posed by communists and other leftists, and in maintaining an extensive propaganda capability. Propaganda mechanisms developed during the 1960's were ready to be used in the 1970 election campaign. At the same time, however, in a country where nationalism, "economic independence" and "anti-imperialism" claimed almost universal support, the persistent allegations that the Christian Democrats and other parties of the center and right were linked to the CIA may have played a part in undercutting popular support for them.

## C. THE 1970 ELECTION: A "SPOILING" CAMPAIGN

### *1. United States Policy and Covert Action*

Early in 1969, President Nixon announced a new policy toward Latin America, labelled by him "Action for Progress." It was to replace the Alliance for Progress which the President characterized as paternalistic and unrealistic. Instead, the United States was to seek "mature partnership" with Latin American countries, emphasizing trade and not aid. The reformist trappings of the Alliance were to be dropped; the United States announced itself prepared to deal with foreign governments pragmatically.

The United States program of covert action in the 1970 Chilean elections reflected this less activist stance. Nevertheless, that covert involvement was substantial. In March 1970, the 40 Committee decided that the United States should not support any single candidate in the election but should instead wage "spoiling" operations against the Popular Unity coalition which supported the Marxist candidate,

Salvador Allende. In all, the CIA spent from \$800,000 to \$1,000,000 on covert action to affect the outcome of the 1970 Presidential election. Of this amount, about half was for major efforts approved by the 40 Committee. By CIA estimates, the Cubans provided about \$350,000 to Allende's campaign, with the Soviets adding an additional, undetermined amount. The large-scale propaganda campaign which was undertaken by the U.S. was similar to that of 1964: an Allende victory was equated with violence and repression.

## *2. Policy Decisions*

Discussions within the United States Government about the 1970 elections began in the wake of the March 1969 Chilean congressional elections. The CIA's involvement in those elections was regarded by Washington as relatively successful, even though the Christian Democrats' portion of the vote fell from 43 per cent in 1965 to 31 per cent in 1969. In June 1968 the 40 Committee had authorized \$350,000 for that effort, of which \$200,000 actually was spent. Ten of the twelve CIA-supported candidates were elected.

The 1970 election was discussed at a 40 Committee meeting on April 17, 1969. It was suggested that something be done, and the CIA representative noted that an election operation would not be effective unless it were started early. But no action was taken at that time.

The 1970 Presidential race quickly turned into a three-way contest. The conservative National Party, buoyed by the 1969 congressional election results, supported 74-year-old, ex-President Jorge Alessandri. Radomiro Tomic became the Christian Democratic nominee. Tomic, to the left of President Frei, was unhappy about campaigning on the Frei government's record and at one point made overtures to the Marxist left. Salvador Allende was once again the candidate of the left, this time formed into a Popular Unity coalition which included both Marxist and non-Marxist parties. Allende's platform included nationalization of the copper mines, accelerated agrarian reform, socialization of major sectors of the economy, wage increases, and improved relations with socialist and communist countries.

In December 1969, the Embassy and Station in Santiago forwarded a proposal for an anti-Allende campaign. That proposal, however, was withdrawn because of the State Department's qualms about whether or not the United States should become involved at all. The CIA felt it was not in a position to support Tomic actively because ambassadorial "ground rules" of the previous few years had prevented the CIA from dealing with the Christian Democrats. The Agency believed that Alessandri, the apparent front runner, needed more than money; he needed help in managing his campaign.

On March 25, 1970, the 40 Committee approved a joint Embassy/CIA proposal recommending that "spoiling" operations—propaganda and other activities—be undertaken by the CIA in an effort to prevent an election victory by Allende. Direct support was not furnished to either of his opponents. This first authorization was for \$135,000, with the possibility of more later.

On June 18, 1970, the Ambassador, Edward Korry, submitted a two-phase proposal to the Department of State and the CIA for review. The first phase involved an increase in support for the anti-Allende campaign. The second was a \$500,000 contingency plan to influence the

congressional vote in the event of a vote between the candidates finishing first and second. In response to State Department reluctance, the Ambassador responded by querying: if Allende were to gain power, how would the U.S. respond to those who asked what actions it had taken to prevent it?

On June 27, the 40 Committee approved the increase in funding for the anti-Allende "spoiling" operation by \$300,000. State Department officials at the meeting voted "yes" only reluctantly. They spoke against the contingency plan, and a decision on it was deferred pending the results of the September 4 election.

CIA officials met several times with officials from ITT during July. The CIA turned down ITT's proposal to make funds available for CIA transmission to Alessandri but did provide the company advice on how to pass money to Alessandri. Some \$350,000 of ITT money was passed to Alessandri during the campaign—\$250,000 to his campaign and \$100,000 to the National Party. About another \$350,000 came from other U.S. businesses. According to CIA documents, the Station Chief informed the Ambassador that the CIA was advising ITT in funding the Alessandri campaign, but not that the Station was aiding ITT in passing money to the National Party.

The 40 Committee met again on August 7 but did not give further consideration to supporting either Alessandri or Tomic. As the anti-Allende campaign in Chile intensified, senior policy makers turned to the issue of U.S. policy in the event of an Allende victory. A study done in response to National Security Study Memorandum 97 was approved by the Interdepartmental Group (IG) on August 18. The approved paper<sup>1</sup> set forth four options, one in the form of a covert annex. The consensus of the Interdepartmental Group favored maintaining minimal relations with Allende, but the Senior Review Group deferred decision until after the elections. Similarly, a paper with alternatives was circulated to 40 Committee members on August 13, but no action resulted.

### 3. "Spoiling" Operations

The "spoiling" operations had two objectives: (1) undermining communist efforts to bring about a coalition of leftist forces which could gain control of the presidency in 1970; and (2) strengthening non-Marxist political leaders and forces in Chile in order to develop an effective alternative to the Popular Unity coalition in preparation for the 1970 presidential election.

In working toward these objectives, the CIA made use of half-a-dozen covert action projects. Those projects were focused into an intensive propaganda campaign which made use of virtually all media within Chile and which placed and replayed items in the international press as well. Propaganda placements were achieved through subsidizing right-wing women's and "civic action" groups. A "scare campaign," using many of the same themes as the 1964 presidential election program, equated an Allende victory with violence and Stalinist repression. Unlike 1964, however, the 1970 operation did not involve extensive public opinion polling, grass-roots organizing, or "community development" efforts, nor, as mentioned, direct funding of any candidate.

<sup>1</sup> The minutes of the Interdepartmental Group and Senior Review Group deliberations have not as yet been provided to the Committee.

In addition to the massive propaganda campaign, the CIA's effort prior to the election included political action aimed at splintering the non-Marxist Radical Party and reducing the number of votes which it could deliver to the Popular Unity coalition's candidate. Also, "black propaganda"—material purporting to be the product of another group—was used in 1970 to sow dissent between Communists and Socialists, and between the national labor confederation and the Chilean Community Party.

The CIA's propaganda operation for the 1970 elections made use of mechanisms that had been developed earlier. One mechanism had been used extensively by the CIA during the March 1969 congressional elections. During the 1970 campaign it produced hundreds of thousands of high-quality printed pieces, ranging from posters and leaflets to picture books, and carried out an extensive propaganda program through many radio and press outlets. Other propaganda mechanisms that were in place prior to the 1970 campaign included an editorial support group that provided political features, editorials, and news articles for radio and press placement; a service for placing anti-communist press and radio items; and three different news services.

There was a wide variety of propaganda products: a newsletter mailed to approximately two thousand journalists, academicians, politicians, and other opinion makers; a booklet showing what life would be like if Allende won the presidential election; translation and distribution of chronicles of opposition to the Soviet regime; poster distribution and sign-painting teams. The sign-painting teams had instructions to paint the slogan "*su paredón*" (your wall) on 2,000 walls, evoking an image of communist firing squads. The "scare campaign" (*campaña de terror*) exploited the violence of the invasion of Czechoslovakia with large photographs of Prague and of tanks in downtown Santiago. Other posters, resembling those used in 1964, portrayed Cuban political prisoners before the firing squad, and warned that an Allende victory would mean the end of religion and family life in Chile.

Still another project funded individual press assets. One, who produced regular radio commentary shows on a nationwide hookup, had been CIA funded since 1965 and continued to wage propaganda for CIA during the Allende presidency. Other assets, all employees of *El Mercurio*, enabled the Station to generate more than one editorial per day based on CIA guidance. Access to *El Mercurio* had a multiplier effect, since its editorials were read throughout the country on various national radio networks. Moreover, *El Mercurio* was one of the most influential Latin American newspapers, particularly in business circles abroad. A project which placed anti-communist press and radio items was reported in 1970 to reach an audience of well over five-million listeners.

The CIA funded only one political group during the 1970 campaign, in an effort to reduce the number of Radical Party votes for Allende.

#### 4. Effects

The covert action "spoiling" efforts by the United States during the 1970 campaign did not succeed: Allende won a plurality in the September 4 election. Nevertheless, the "spoiling" campaign had several important effects:



First, the "scare campaign" contributed to the political polarization and financial panic of the period. Themes developed during the campaign were exploited even more intensely during the weeks following September 4, in an effort to cause enough financial panic and political instability to goad President Frei or the Chilean military into action.

Second, many of the assets involved in the anti-Allende campaign became so visible that their usefulness was limited thereafter. Several of them left Chile. When Allende took office, little was left of the CIA-funded propaganda apparatus. Nevertheless, there remained a nucleus sufficient to permit a vocal anti-Allende opposition to function effectively even before the new President was inaugurated.

#### D. COVERT ACTION BETWEEN SEPTEMBER 4 AND OCTOBER 24, 1970<sup>2</sup>

On September 4, 1970, Allende won a plurality in Chile's presidential election. Since no candidate had received a majority of the popular vote, the Chilean Constitution required that a joint session of its Congress decide between the first- and second-place finishers. The date set for the congressional session was October 24, 1970.

The reaction in Washington to Allende's plurality victory was immediate. The 40 Committee met on September 8 and 14 to discuss what action should be taken prior to the October 24 congressional vote. On September 15, President Nixon informed CIA Director Richard Helms that an Allende regime in Chile would not be acceptable to the United States and instructed the CIA to play a direct role in organizing a military *coup d'état* in Chile to prevent Allende's accession to the Presidency.

Following the September 14 meeting of the 40 Committee and President Nixon's September 15 instruction to the CIA, U.S. Government efforts to prevent Allende from assuming office proceeded on two tracks.<sup>3</sup> Track I comprised all covert activities approved by the 40 Committee, including political, economic and propaganda activities. These activities were designed to induce Allende's opponents in Chile to prevent his assumption of power, either through political or military means. Track II activities in Chile were undertaken in response to President Nixon's September 15 order and were directed toward actively promoting and encouraging the Chilean military to move against Allende.

##### 1. Track I

#### A. POLITICAL ACTION

Initially, both the 40 Committee and the CIA fastened on the so-called Frei re-election gambit as a means of preventing Allende's assumption of office. This gambit, which was considered a constitutional solution to the Allende problem, consisted of inducing enough congressional votes to elect Alessandri over Allende with the understanding that Alessandri would immediately resign, thus paving the way for a special election in which Frei would legally become a candidate. At the September 14 meeting of the 40 Committee, the Frei gam-

<sup>2</sup> This period, and particularly Track II, are dealt with in detail in an interim Committee Report, *Alleged Assassination Plots Involving Foreign Leaders*, 94 Cong., 1st Sess. November 1975, pp. 225-254.

<sup>3</sup> The terms Track I and Track II were known only to CIA and White House officials who were knowledgeable about the President's September 15 order to the CIA.

bit was discussed, and the Committee authorized a contingency fund of \$250,000 for covert support of projects which Frei or his associates deemed important. The funds were to be handled by Ambassador Korry and used if it appeared that they would be needed by the moderate faction of the Christian Democratic Party to swing congressional votes to Alessandri. The only proposal for the funds which was discussed was an attempt to bribe Chilean Congressmen to vote for Alessandri. That quickly was seen to be unworkable, and the \$250,000 was never spent.

CIA's Track I aimed at bringing about conditions in which the Frei gambit could take place. To do this, the CIA, at the direction of the 40 Committee, mobilized on interlocking political action, economic, and propaganda campaign. As part of its political action program, the CIA attempted indirectly to induce President Frei at least to consent to the gambit or, better yet, assist in its implementation. The Agency felt that pressures from those whose opinion and views he valued—in combination with certain propaganda activities—represented the only hope of converting Frei. In Europe and Latin America, influential members of the Christian Democratic movement and the Catholic Church were prompted either to visit or contact Frei. In spite of these efforts, Frei refused to interfere with the constitutional process, and the re-election gambit died.

#### B. PROPAGANDA CAMPAIGN

On September 14, the 40 Committee agreed that a propaganda campaign should be undertaken by the CIA to focus on the damage that would befall Chile under an Allende government. The campaign was to include support for the Frei re-election gambit. According to a CIA memorandum, the campaign sought to create concerns about Chile's future if Allende were elected by the Congress; the propaganda was designed to influence Frei, the Chilean elite, and the Chilean military.

The propaganda campaign included several components. Predictions of economic collapse under Allende were replayed in CIA-generated articles in European and Latin American newspapers. In response to criticisms of *El Mercurio* by candidate Allende, the CIA, through its covert action resources, orchestrated cables of support and protest from foreign newspapers, a protest statement from an international press association, and world press coverage of the association's protest. In addition, journalists—agents and otherwise—traveled to Chile for on-the-scene reporting. By September 28, the CIA had agents who were journalists from ten different countries in or en route to Chile. This group was supplemented by eight more journalists from five countries under the direction of high-level agents who were, for the most part, in managerial capacities in the media field.

Second, the CIA relied upon its own resources to generate anti-Allende propaganda in Chile. These efforts included: support for an underground press; placement of individual news items through agents; financing a small newspaper; indirect subsidy of *Patria y Libertad*, a group fervently opposed to Allende, and its radio programs, political advertisements, and political rallies; and the direct mailing of foreign news articles to Frei, his wife, selected leaders, and the Chilean domestic press.

Third, special intelligence and "inside" briefings were given to U.S. journalists, at their request. One *Time* cover story was considered particularly noteworthy. According to CIA documents, the *Time* correspondent in Chile apparently had accepted Allende's protestations of moderation and constitutionality at face value. Briefings requested by *Time* and provided by the CIA in Washington resulted in a change in the basic thrust of the *Time* story on Allende's September 4 victory and in the timing of that story.

A few statistics convey the magnitude of the CIA's propaganda campaign mounted during the six-week interim period in the Latin American and European media. According to the CIA, partial returns showed that 726 articles, broadcasts, editorials, and similar items directly resulted from Agency activity. The Agency had no way to measure the scope of the multiplier effect—i.e., how much its "induced" news focused media interest on the Chilean issues and stimulated additional coverage—but concluded that its contribution was both substantial and significant.

### C. ECONOMIC PRESSURES

On September 29, 1970, the 40 Committee met. It was agreed that the Frei gambit had been overtaken by events and was dead. The "second-best option"—the cabinet resigning and being replaced with a military cabinet—was also deemed dead. The point was then made that there would probably be no military action unless economic pressures could be brought to bear on Chile. It was agreed that an attempt would be made to have American business take steps in line with the U.S. government's desire for immediate economic action.

The economic offensive against Chile, undertaken as a part of Track I, was intended to demonstrate the foreign economic reaction to Allende's accession to power, as well as to preview the future consequences of his regime. Generally, the 40 Committee approved cutting off all credits, pressuring firms to curtail investment in Chile and approaching other nations to cooperate in this venture.

These actions of the 40 Committee, and the establishment of an interagency working group to coordinate overt economic activities towards Chile (composed of the CIA's Western Hemisphere Division Chief and representatives from State, the NSC, and Treasury), adversely affected the Chilean economy; a major financial panic ensued. However, U.S. efforts to generate an economic crisis did not have the desired impact on the October 24 vote, nor did they stimulate a military intervention to prevent Allende's accession.

### 2. Track II

As previously noted, U.S. efforts to prevent Allende's assumption of office operated on two tracks between September 4 and October 24. Track II was initiated by President Nixon on September 15 when he instructed the CIA to play a direct role in organizing a military *coup d'etat* in Chile. The Agency was to take this action without coordination with the Departments of State or Defense and without informing the U.S. Ambassador. While coup possibilities in general and other means of seeking to prevent Allende's accession to power were explored by the 40 Committee throughout this period, the 40 Committee

never discussed this direct CIA role. In practice, the Agency was to report, both for informational and approval purposes, to the White House.

Between October 5 and October 20, 1970, the CIA made 21 contacts with key military and *Carabinero* (police) officials in Chile. Those Chileans who were inclined to stage a coup were given assurances of strong support at the highest levels of the U.S. Government both before and after a coup.

Tracks I and II did, in fact, move together in the month after September 15. Ambassador Korry, who was formally excluded from Track II, was authorized to encourage a military coup, provided Frei concurred in that solution. At the 40 Committee meeting on September 14, he and other "appropriate members of the Embassy mission" were authorized to intensify their contacts with Chilean military officers to assess their willingness to support the "Frei gambit." The Ambassador was also authorized to make his contacts in the Chilean military aware that if Allende were seated, the military could expect no further military assistance (MAP) from the United States. Later, Korry was authorized to inform the Chilean military that all MAP and military sales were being held in abeyance pending the outcome of the congressional election on October 24.

The essential difference between Tracks I and II, as evidenced by instructions to Ambassador Korry during this period, was not that Track II was coup-oriented and Track I was not. Both had this objective in mind. There were two differences between the two tracks: Track I was contingent on at least the acquiescence of Frei; and the CIA's Track II direct contacts with the Chilean military, and its active promotion and support for a coup, were to be known only to a small group of individuals in the White House and the CIA.

Despite these efforts, Track II proved to be no more successful than Track I in preventing Allende's assumption of office. Although certain elements within the Chilean army were actively involved in coup plotting, the plans of the dissident Chileans never got off the ground. A rather disorganized coup attempt did begin on October 22, but aborted following the shooting of General Schneider.

On October 24, 1970, Salvador Allende was confirmed as President by Chilean Congress. On November 3, he was inaugurated. U.S. efforts, both overt and covert, to prevent his assumption of office had failed.

## E. COVERT ACTION DURING THE ALLENDE YEARS, 1970-1973

### 1. *United States Policy and Covert Action*

In his 1971 State of the World Message, released February 25, 1971, President Nixon announced: "We are prepared to have the kind of relationship with the Chilean government that it is prepared to have with us." This public articulation of American policy followed internal discussions during the NSSM 97 exercise. Charles Meyer, Assistant Secretary of State for Inter-American Affairs, elaborated that "correct but minimal" line in his 1973 testimony before the Senate Foreign Relations Subcommittee on Multinational Corporations:

Mr. MEYER. The policy of the Government, Mr. Chairman, was that there would be no intervention in the political affairs of Chile. We were consistent in that we

financed no candidates, no political parties before or after September 8, or September 4. . . . The policy of the United States was that Chile's problem was a Chilean problem, to be settled by Chile. As the President stated in October of 1969, "We will deal with governments as they are." (*Multinational Corporations and United States Foreign Policy*, Hearing before the Subcommittee on Multinational Corporations of the Committee on Foreign Relations, United States Senate, Ninety-Third Congress, Washington: GPO, 1973, Part 1, p. 402)

Yet, public pronouncements notwithstanding, after Allende's inauguration the 40 Committee approved a total of over seven million dollars in covert support to opposition groups in Chile. That money also funded an extensive anti-Allende propaganda campaign. Of the total authorized by the 40 Committee, over six million dollars was spent during the Allende presidency and \$84,000 was expended shortly thereafter for commitments made before the coup. The total amount spent on covert action in Chile during 1970-73 was approximately \$7 million, including project funds not requiring 40 Committee approval.

Broadly speaking, U.S. policy sought to maximize pressures on the Allende government to prevent its consolidation and limit its ability to implement policies contrary to U.S. and hemispheric interests. That objective was stated clearly in National Security Decision Memorandum (NSDM) 93, issued in early November 1970. Other governments were encouraged to adopt similar policies, and the U.S. increased efforts to maintain close relations with friendly military leaders in the hemisphere. The "cool but correct" overt posture denied the Allende government a handy foreign enemy to use as a domestic and international rallying point. At the same time, covert action was one reflection of the concerns felt in Washington: the desire to frustrate Allende's experiment in the Western Hemisphere and thus limit its attractiveness as a model; the fear that a Chile under Allende might harbor subversives from other Latin American countries; and the determination to sustain the principle of compensation for U.S. firms nationalized by the Allende government.

Henry Kissinger outlined several of these concerns in a background briefing to the press on September 16, 1970, in the wake of Allende's election plurality:

Now it is fairly easy for one to predict that if Allende wins, there is a good chance that he will establish over a period of years some sort of Communist government. In that case you would have one not on an island off the coast which has not a traditional relationship and impact on Latin America, but in a major Latin American country you would have a Communist government, joining, for example, Argentina, which is already deeply divided, along a long frontier; joining Peru, which has already been heading in directions that have been difficult to deal with, and joining Bolivia, which has also gone in a more leftist, anti-U.S. direction, even without any of these developments.

So I don't think we should delude ourselves that an Allende takeover in Chile would not present massive problems for us, and for democratic forces and for pro-U.S. forces in Latin America, and indeed to the whole Western Hemisphere. What would happen to the Western Hemisphere Defense Board, or to the Organization of American States, and so forth, in extremely problematical. . . . It is one of those situations which is not too happy for American interests. (*Multinational Corporations and United States Foreign Policy*, Hearings before the Subcommittee on Multinational Corporations of the Committee on Foreign Relations, United States Senate, Ninety-Third Congress, Washington: GPO, 1973, Part 2, pp. 542-3)

As the discussion of National Intelligence Estimates in Section IV of this paper makes clear the more extreme fears about the effects of Allende's election were ill-founded: there never was a significant

threat of a Soviet military presence; the "export" of Allende's revolution was limited, and its value as a model more restricted still; and Allende was little more hospitable to activist exiles from other Latin American countries than his predecessor had been. Nevertheless, those fears, often exaggerated, appear to have activated officials in Washington.

The "cool but correct" public posture and extensive clandestine activities formed two-thirds of a triad of official actions. The third was economic pressure, both overt and covert, intended to exacerbate the difficulties felt by Chile's economy. The United States cut off economic aid, denied credits, and made efforts—partially successful—to enlist the cooperation of international financial institutions and private firms in tightening the economic "squeeze" on Chile. That international "squeeze" intensified the effect of the economic measures taken by opposition groups within Chile, particularly the crippling strikes in the mining and transportation sectors. For instance, the combined effect of the foreign credit squeeze and domestic copper strikes on Chile's foreign exchange position was devastating.

Throughout the Allende years, the U.S. maintained close contact with the Chilean armed forces, both through the CIA and through U.S. military attaches. The basic purpose of these contacts was the gathering of intelligence, to detect any inclination within the Chilean armed forces to intervene. But U.S. officials also were instructed to seek influence within the Chilean military and to be generally supportive of its activities without appearing to promise U.S. support for military efforts which might be premature. For instance, in November 1971, the Station was instructed to put the U.S. government in a position to take future advantage of either a political or a military solution to the Chilean dilemma, depending on developments within the country and the latter's impact on the military themselves.

There is no hard evidence of direct U.S. assistance to the coup, despite frequent allegations of such aid. Rather the United States—by its previous actions during Track II, its existing general posture of opposition to Allende, and the nature of its contacts with the Chilean military—probably gave the impression that it would not look with disfavor on a military coup. And U.S. officials in the years before 1973 may not always have succeeded in walking the thin line between monitoring indigenous coup plotting and actually stimulating it.

## *2. Techniques of Covert Action*

### A. SUPPORT FOR OPPOSITION POLITICAL PARTIES

More than half of the 40 Committee-approved funds supported the opposition political parties: the Christian Democratic Party (PDC), the National Party (PN), and several splinter groups. Nearly half-a-million dollars was channeled to splinter groups during the Allende years. Early in 1971 CIA funds enabled the PDC and PN to purchase their own radio stations and newspapers. All opposition parties were passed money prior to the April 1971 municipal elections and a congressional by-election in July. In November 1971 funds were approved to strengthen the PDC, PN, and splinter groups. An effort was also made to induce a breakup of the UP coalition. CIA funds supported

the opposition parties in three by-elections in 1972, and in the March 1973 congressional election. Money provided to political parties not only supported opposition candidates in the various elections, but enabled the parties to maintain an anti-government campaign throughout the Allende years, urging citizens to demonstrate their opposition in a variety of ways.

Throughout the Allende years, the CIA worked to forge a united opposition. The significance of this effort can be gauged by noting that the two main elements opposing the Popular Unity government were the National Party, which was conservative, and the reformist Christian Democratic Party, many of whose members had supported the major policies of the new government.

#### B. PROPAGANDA AND SUPPORT FOR OPPOSITION MEDIA

Besides funding political parties, the 40 Committee approved large amounts to sustain opposition media and thus to maintain a hard-hitting propaganda campaign. The CIA spent \$1.5 million in support of *El Mercurio*, the country's largest newspaper and the most important channel for anti-Allende propaganda. According to CIA documents, these efforts played a significant role in setting the stage for the military coup of September 11, 1973.

The 40 Committee approvals in 1971 and early 1972 for subsidizing *El Mercurio* were based on reports that the Chilean government was trying to close the *El Mercurio* chain. In fact, the press remained free throughout the Allende period, despite attempts to harass and financially damage opposition media. The alarming field reports on which the 40 Committee decisions to support *El Mercurio* were based are at some variance with intelligence community analyses. For example, an August 1971 National Intelligence Estimate—nine months after Allende took power—maintained that the government was attempting to dominate the press but commented that *El Mercurio* had managed to retain its independence. Yet one month later the 40 Committee voted \$700,000 to keep *El Mercurio* afloat. And CIA documents in 1973 acknowledge that *El Mercurio* and, to a lesser extent, the papers belonging to opposition political parties, were the only publications under pressure from the government.

The freedom of the press issue was the single most important theme in the international propaganda campaign against Allende. Among the books and pamphlets produced by the major opposition research organization was one which appeared in October 1972 at the time of the Inter-American Press Association (IAPA) meeting in Santiago. As in the 1970 period, the IAPA listed Chile as a country in which freedom of the press was threatened.

The CIA's major propaganda project funded a wide range of propaganda activities. It produced several magazines with national circulations and a large number of books and special studies. It developed material for placement in the *El Mercurio* chain (amounting to a total daily circulation of over 300,000); opposition party newspapers; two weekly newspapers; all radio stations controlled by opposition parties; and on several regular television shows on three channels. *El Mercurio* was a major propaganda channel during 1970-73, as it had been during the 1970 elections and pre-inauguration period.

The CIA also funded progressively a greater portion—over 75 percent in 1973—of an opposition research organization. A steady flow of economic and technical material went to opposition parties and private sector groups. Many of the bills prepared by opposition parliamentarians were actually drafted by personnel of the research organization.

### C. SUPPORT FOR PRIVATE SECTOR ORGANIZATIONS

The Committee has taken testimony that 40 Committee-approved funds were used to help maintain and strengthen the democratic opposition in Chile. It has been stressed that CIA had nothing to do with the truck owners' strike and the disorders that led to the coup. The question of CIA support to Chilean private sector groups is a matter of considerable concern because of the violent tactics used by several of these groups in their efforts to bring about military intervention.

The issue of whether to support private groups was debated within the Embassy and the 40 Committee throughout late 1972 and 1973. In September 1972, the 40 Committee authorized \$24,000 for "emergency support" of a powerful businessmen's organization, but decided against financial support to other private sector organizations because of their possible involvement in anti-government strikes. In October 1972, the Committee approved \$100,000 for three private sector organizations—the businessmen's organization, associations of large and small businessmen and an umbrella organization of opposition groups—as part of a \$1.5 million approval for support to opposition groups. According to CIA testimony, this limited financial support to the private sector was confined to specific activities in support of the opposition electoral campaign, such as voter registration drives and a get-out-the-vote campaign.

After the March 1973 elections, in which opposition forces failed to achieve the two-thirds majority in the Senate that might have permitted them to impeach Allende and hold new elections, the U.S. Government re-assessed its objectives. There seemed little likelihood of a successful military coup, but there did appear to be a possibility that increasing unrest in the entire country might induce the military to re-enter the Allende government in order to restore order. Various proposals for supporting private sector groups were examined in the context, but the Ambassador and the Department of State remained opposed to any such support because of the increasingly high level of tension in Chile, and because the groups were known to hope for military intervention.

Nevertheless, on August 20, the 40 Committee approved a proposal granting \$1 million to opposition parties and private sector groups, with passage of the funds contingent on the concurrence of the Ambassador, Nathaniel Davis, and the Department of State. None of these funds were passed to private sector groups before the military coup three weeks later.

While these deliberations were taking place, the CIA Station asked Headquarters to take soundings to determine whether maximum support could be provided to the opposition, including groups like the truck owners. The Ambassador agreed that these soundings should be taken but opposed a specific proposal for \$25,000 of support to the strikers. There was a CIA recommendation for support to the truck



owners, but it is unclear whether or not that proposal came before the 40 Committee. On August 25—16 days before the coup—Headquarters advised the Station that soundings were being taken, but the CIA Station's proposal was never approved.

The pattern of U.S. deliberations suggests a careful distinction between supporting the opposition parties and funding private sector groups trying to bring about a military coup. However, given turbulent conditions in Chile, the interconnections among the CIA-supported political parties, the various militant trade associations (*gremios*) and paramilitary groups prone to terrorism and violent disruption were many. The CIA was aware that links between these groups and the political parties made clear distinctions difficult.

The most prominent of the right-wing paramilitary groups was *Patria y Libertad* (Fatherland and Liberty), which formed following Allende's September 4 election, during so-called Track II. The CIA provided *Patria y Libertad* with \$38,500 through a third party during the Track II period, in an effort to create tension and a possible pretext for intervention by the Chilean military. After Allende took office, the CIA occasionally provided the group small sums through third parties for demonstrations or specific propaganda activity. Those disbursements, about seven thousand dollars in total, ended in 1971. It is possible that CIA funds given to political parties reached *Patria y Libertad* and a similar group, the Rolando Matus Brigade, given the close ties between the parties and these organizations.

Throughout the Allende presidency, *Patria y Libertad* was the most strident voice opposing all compromise efforts by Christian Democrats, calling for resistance to government measures, and urging insurrection in the armed forces. Its tactics came to parallel those of the Movement of the Revolutionary Left (MIR) at the opposite end of the political spectrum. *Patria y Libertad* forces marched at opposition rallies dressed in full riot gear. During the October 1972 national truckers' strike, *Patria y Libertad* was reported to strew "miguelitos" (three-pronged steel tacks) on highways in order to help bring the country's transportation system to a halt. On July 13, 1973, *Patria y Libertad* placed a statement in a Santiago newspaper claiming responsibility for an abortive coup on June 29, and on July 17, *Patria y Libertad* leader Roberto Thieme announced that his groups would unleash a total armed offensive to overthrow the government.

With regard to the truckers' strike, two facts are undisputed. First, the 40 Committee did not approve any funds to be given directly to the strikers. Second, all observers agree that the two lengthy strikes (the second lasted from July 13, 1973, until the September 11 coup) could not have been maintained on the basis of union funds. It remains unclear whether or to what extent CIA funds passed to opposition parties may have been siphoned off to support strikes. It is clear that anti-government strikers were actively supported by several of the private sector groups which received CIA funds. There were extensive links between these private sector organizations and the groups which coordinated and implemented the strikes. In November 1972 the CIA learned that one private sector group had passed \$2,800 directly to strikers, contrary to the Agency's ground rules. The CIA rebuked the group but nevertheless passed it additional money the next month.

### 3. *United States Economic Policies Toward Chile: 1970-1973*

#### A. COVERT ACTION AND ECONOMIC PRESSURE

The policy response of the U.S. Government to the Allende regime consisted of an interweaving of diplomatic, covert, military, and economic strands. Economic pressure exerted by the United States formed an important part of the mix. It is impossible to understand the effect of covert action without knowing the economic pressure which accompanied it.

#### B. CHILEAN ECONOMIC DEPENDENCE

The demise of the brief Allende experiment in 1970-73 came as the cumulative result of many factors—external and internal. The academic debate as to whether the external or the internal factors weighed more heavily is endless. This is not the place to repeat it. A brief description of the Chilean economy will suffice to suggest the probable effect on Chile of U.S. economic actions and the possible interactions between economic and political factors in causing Allende's downfall.

Chile's export-oriented economy remained, in 1970, dependent for foreign exchange earnings on a single product—copper—much as it had depended on nitrate in the 19th century. However, the Allende Administration consciously adopted a policy of beginning to diversify Chile's trade by expanding ties with Great Britain, the rest of the Western European countries, and Japan, and by initiating minor trade agreements with the Eastern Bloc countries.

Nevertheless, Chilean economic dependence on the United States remained a significant factor during the period of the Allende government. In 1970, U.S. direct private investment in Chile stood at \$1.1 billion, out of an estimated total foreign investment of \$1.672 billion. U.S. and foreign corporations played a large part in almost all of the critical areas of the Chilean economy. Furthermore, United States corporations controlled the production of 80 percent of Chile's copper, which in 1970 accounted for four-fifths of Chile's foreign exchange earnings. Hence, the Allende government faced a situation in which decisions of foreign corporations had significant ramifications throughout the Chilean economy.

Chile had accumulated a large foreign debt during the Frei government, much of it contracted with international and private banks. Chile was able, through the Paris Club, to re-negotiate \$800 million in debts to foreign governments and medium-term debt to major U.S. banks in early 1972. It also obtained in 1972 some \$600 million in credits and loans from socialist bloc countries and Western sources; however, a study done by the Inter-American Committee on the Alliance for Progress concluded that these credits were "tied to specific development projects and [could] be used only gradually."

Even with a conscious policy of diversifying its foreign trading patterns, in 1970 Chile continued to depend on the import of essential replacement parts from United States firms. The availability of short-term United States commercial credits dropped from around \$300 million during the Frei years to around \$30 million in 1972. The drop, a result of combined economic and political factors, seriously affected the Allende government's ability to purchase replacement parts and machinery for the most critical sectors of the economy: copper, steel, electricity, petroleum, and transport.

By late 1972, the Chilean Ministry of the Economy estimated that almost one-third of the diesel trucks at Chuquicamata Copper Mine, 30 percent of the privately owned city buses, 21 percent of all taxis, and 33 percent of state-owned buses in Chile could not operate because of the lack of spare parts or tires. In overall terms, the value of United States machinery and transport equipment exported to Chile by U.S. firms declined from \$152.6 million in 1970 to \$110 million in 1971.

C. THE INSTRUMENTS OF UNITED STATES FOREIGN ECONOMIC POLICY  
TOWARD ALLENDE

United States foreign economic policy toward Allende's government was articulated at the highest levels of the U.S. government, and coordinated by interagency task forces. The policy was clearly framed during the Track II period. Richard Helms' notes from his September 15, 1970, meeting with President Nixon, the meeting which initiated Track II, contain the indication: "Make the economy scream." A week later Ambassador Korrry reported telling Frei, through his Defense Minister, that "not a nut or bolt would be allowed to reach Chile under Allende."

While the Chilean economy was vulnerable to U.S. pressures over a period of a few years, it was not in the short run. That judgment was clearly made by intelligence analysts in the government, but its implications seem not to have affected policy-making in September and October of 1970. A February 1971 Intelligence Memorandum noted that Chile was not immediately vulnerable to investment, trade or monetary sanctions imposed by the United States. In fact, the imposition of sanctions, while it would hurt Chile eventually, was seen to carry one possible short-run benefit—it would have given Chile a justification for renouncing nearly a billion dollars of debt to the United States.

The policy of economic pressure—articulated in NSDM 93 of November 1970—was to be implemented through several means. All new bilateral foreign assistance was to be stopped, although disbursements would continue under loans made previously. The U.S. would use its predominant position in international financial institutions to dry up the flow of new multilateral credit or other financial assistance. To the extent possible, financial assistance or guarantees to U.S. private investment in Chile would be ended, and U.S. businesses would be made aware of the government's concern and its restrictive policies.

The bare figures tell the story. U.S. bilateral aid, \$35 million in 1969, was \$1.5 million in 1971. (See Table II.) U.S. Export-Import Bank credits, which had totalled \$234 million in 1967 and \$29 million in 1969, dropped to zero in 1971. Loans from the multilateral Inter-American Development Bank (IDB), in which the U.S. held what amounted to a veto, had totalled \$46 million in 1970; they fell to \$2 million in 1972 (United States A.I.D. figures). The only new IDB loans made to Chile during the Allende period were two small loans to Chilean universities made in January 1971.<sup>4</sup> Similarly, the World Bank made no new loans to Chile between 1970 and 1973. However, the International Monetary Fund extended Chile approximately \$90 million during 1971 and 1972 to assist with foreign exchange difficulties.

<sup>4</sup>As with bilateral aid, disbursements were continued under previous commitments. \$54 million was disbursed between December 1970 and December 1972. (IDB figures)

TABLE II.—FOREIGN AID TO CHILE FROM U.S. GOVERNMENT AGENCIES AND INTERNATIONAL INSTITUTIONS—TOTAL OF LOANS AND GRANTS

[In millions of dollars]

Fiscal year	1953-61	1962	1963	1964	1965	1966	1967	1968	1969	1970	1971	1972	1973	1974
Total U.S. economic aid.....	339.7	169.8	85.3	127.1	130.4	111.9	260.4	97.1	80.8	29.6	8.6	7.4	3.8	9.8
U.S. AID.....	76.4	142.7	41.3	78.9	99.5	93.2	15.5	57.9	35.4	18.0	1.5	1.0	.8	5.3
U.S. Food for Peace.....	94.2	6.6	22.0	26.9	14.2	14.4	7.9	23.0	15.0	7.2	6.3	5.9	2.5	3.2
U.S. Export-Import Bank.....	169.0	.8	16.2	15.3	8.2	.1	234.6	14.2	28.7	3.3	-----	1.6	3.1	98.1
Total U.S. Military aid.....	41.8	17.8	30.6	9.0	9.9	10.1	4.1	7.8	11.8	.8	5.7	12.3	15.0	15.9
Total U.S. economic and military aid.....	381.5	187.6	115.9	136.1	140.3	122.0	264.5	104.9	91.8	30.4	14.3	21.3	21.9	123.8
Total international organizations <sup>1</sup> .....	135.4	18.7	31.2	41.4	12.4	72.0	93.8	19.4	49.0	76.4	15.4	8.2	9.4	111.2
IBRD (World Bank).....	95.2	-----	-----	22.6	4.4	2.7	60.0	-----	11.6	19.3	-----	-----	-----	13.5
Inter-American Development Bank (IDB).....	5.7	15.1	24.4	16.6	4.9	62.2	31.0	16.5	31.9	45.6	12.0	2.1	5.2	97.3

<sup>1</sup> Includes Ex-Im: 57.0 and other: 41.1.

<sup>2</sup> Total per chart plus Export-Import Bank.

<sup>3</sup> U.S. contributions to I.O.'s included above; therefore U.S. aid and international aid should not be added together.

Source: U.S. Overseas Loans and Grants, Obligations and Loan Authorizations, July 1, 1945 to June 30, 1971, pp. 40, 179; and July 1, 1945 to June 30, 1974, pp. 39, 175. Prepared by Statistics and Reports Division, Office of Financial Management, Agency for International Development.

Reaction to events in Chile accounted for much of the momentum in the United States Government for the development of a policy on expropriation. In what came to be known as the Allende Doctrine, Chile proposed to deduct a calculation of "excess profits" (over and above reinvestments and a 10-12 percent profit margin) from any compensation paid to nationalized firms in the copper sector. By this calculation, U.S. copper companies were in fact told they owed money. The reaction of the U.S. Government was strong. In January 1972, President Nixon announced that, when confronted with such situations, the U.S. would cut off bilateral aid and "withhold its support from loans under consideration in multilateral development banks."

While the State Department, the CIA, and the Department of Commerce all participated in the United States economic policy toward Chile, a central point in the execution of this policy was the Department of the Treasury. The Department instructs U.S. representatives on multilateral lending institutions. In the IDB, for instance, the U.S. controlled 40 percent of the votes, sufficient to veto any "soft" IDB loans. Loan proposals submitted to the IDB were held under study, never coming up for a vote by the IDB Board. Whether U.S. actions, and those of the multilateral institutions, were motivated by political interests or economic judgments of Chile's "credit worthiness" is a debate not yet definitively settled. However, it seems clear from the pattern of U.S. economic actions and from the nature of debates within the Executive Branch that American economic policy was driven more by political opposition to an Allende regime than by purely technical judgments about Chile's finances.

The posture of the Export-Import Bank, a United States public institution, reflected the tone of U.S. economic policy toward Chile during the Allende period. In the fall of 1970, the Bank dropped Chile's credit rating from "B," the second category, to "D," the last category. Insofar as the rating contributed to similar evaluations by private U.S. banks, corporations, and international private investors, it aggravated Chile's problem of attracting and retaining needed capital inflow through private foreign investment. In mid-August 1971 the Bank decided that a \$21 million credit for Boeing passenger jets would be deferred pending a resolution of the controversy over compensation for nationalized U.S. copper companies. That Bank decision came one month after the nationalization and two months before the final decision on compensation. In fact, the Boeing decision had been first announced in May, *before* the nationalization occurred.

The United States linked the question of indemnization for U.S. copper companies with Chile's multilateral foreign debt. That foreign debt, an inheritance from the obligations incurred by the Alessandri and Frei governments, was the second highest foreign debt per capita of any country in the world. Yet, in the 1972 and 1973 Paris Club foreign debt negotiations with Chile's principal foreign creditor nations, the United States alone refused to consider rescheduling Chile's foreign debt payments until there was movement toward indemnization for the U.S. copper companies. The United States also exerted pressure on each of the other foreign creditor nations not to renegotiate Chile's foreign debt as a group.

#### 4. U.S. Relations with the Chilean Military

United States relations with the Chilean military during 1970–1973 must be viewed against the backdrop not only of the tradition of close cooperation between the American and Chilean military services and of continuing intelligence collection efforts, but also in the context of Track II—an attempt to foment a military coup. Track II marked a break in the nature of relations between U.S. officials and the Chilean military.

Close personal and professional cooperation between Chilean and U.S. officers was a tradition of long standing. The American military presence in Chile was substantial, consisting both of military attachés, the Embassy, and members of the Military Group who provided training and assistance to the Chilean armed services. In the late 1960's the Military Group numbered over fifty; by the Allende period, it was reduced to a dozen or so, for reasons which had primarily to do with U.S. budget-cutting.

##### A. PRE-TRACK II

In July 1969 the CIA Station in Santiago requested and received Headquarters approval for a covert program to establish intelligence assets in the Chilean armed services for the purpose of monitoring coup plotting. The program lasted for four years; it involved assets drawn from all three branches of the Chilean military and included command-level officers, field- and company-grade officers, retired general staff officers and enlisted men. From 1969 to August 1970, the project adhered closely to its stated objective of monitoring and reporting coup-oriented activity within the Chilean military.

During August, September and October of 1969, it became increasingly clear from the agents' reports that the growing dissatisfaction and unrest within the armed forces was leading to an unstable military situation. These events culminated in the abortive military revolt of October 1969—the *Tacnazo*, named after the Tacna regiment in Santiago. How close the amateurish *Tacnazo* came to success was a lesson to remember, particularly in light of the upcoming Presidential election of 1970 and the strong possibility that Salvador Allende would emerge victorious.

##### B. TRACK II

The Track II covert action effort to organize a military coup to deny Allende the Presidency caught the Santiago Station unprepared. Its two assets in the Chilean military were not in a position to spark a coup. To accomplish the mission directed by Washington, the Station had to use a U.S. military attache and other hastily developed contacts with the two main coup plotting groups in the Chilean military. These contacts not only reported the plans of the groups but also relayed the Station's advice about mechanics and timing, and passed on indications of U.S. Government support following a successful coup. With the death of Schneider, the plotters' effort collapsed in disarray, leaving the Station with only its initial assets in the military. It took the Station another ten months to rebuild a network of agents among the cautious Chilean military.

As part of its attempt to induce the Chilean military to intervene before the October 24 congressional vote, the United States had threatened to cut off military aid if the military refused to act. That was accompanied by a promise of support in the aftermath of a coup. However, military assistance was *not* cut off at the time of Allende's confirmation (see Table III). Military sales jumped sharply from 1972 to 1973 and even more sharply from 1973 to 1974 after the coup (see Table IV). Training of Chilean military personnel in Panama also rose during the Allende years (see Table V).

## C. 1970-73

After the failure of Track II, the CIA rebuilt its network of contacts and remained close to Chilean military officers in order to monitor developments within the armed forces. For their part, Chilean officers who were aware that the United States once had sought a coup to prevent Allende from becoming president must have been sensitive to indications of continuing U.S. support for a coup.

By September 1971 a new network of agents was in place and the Station was receiving almost daily reports of new coup plotting. The Station and Headquarters began to explore ways to use this network. At the same time, and in parallel, the Station and Headquarters discussed a "deception operation" designed to alert Chilean officers to real or purported Cuban involvement in the Chilean army. Throughout the fall of 1971, the Station and Headquarters carried on a dialogue about both the general question of what to do with the intelligence network and the objectives of the specific operation.

TABLE III.—MILITARY ASSISTANCE<sup>1</sup>

Fiscal year	Programed	Delivered
1966.....	\$8,806,000	\$8,366,000
1967.....	4,143,000	4,766,000
1968.....	1,801,000	7,507,000
1969.....	734,000	2,662,000
1970.....	852,000	1,966,000
1971.....	698,000	1,033,000
1972.....	870,000	2,227,000
1973.....	941,000	918,000
1974.....	912,000	619,000

<sup>1</sup> Figures are from a Department of Defense response to a Senate Select Committee document request and are unclassified.

TABLE IV.—MILITARY SALES<sup>1</sup>

Fiscal year	Orders	Delivered
1966.....	\$1,057,000	\$1,490,000
1967.....	2,559,000	1,690,000
1968.....	4,077,000	2,100,000
1969.....	1,676,000	2,147,000
1970.....	7,503,000	9,145,000
1971.....	2,886,000	2,958,000
1972.....	6,238,000	4,583,000
1973.....	14,972,000	2,242,000
1974.....	76,120,000	4,860,000

<sup>1</sup> Figures are from a Department of Defense response to a Senate Select Committee document request and are unclassified.

TABLE V.—TRAINING IN PANAMA<sup>1</sup>

Fiscal year	Number of people	Fiscal year	Number of people
1966.....	68	1971.....	146
1967.....	57	1972.....	197
1968.....	169	1973.....	257
1969.....	107	1974.....	260
1970.....	181		

<sup>1</sup> Figures are from a Department of Defense response to a Senate Select Committee document request and are unclassified.

The Station proposed, in September, to provide information—some of it fabricated by the CIA—which would convince senior Chilean Army officers that the Carabineros' *Investigaciones* unit, with the approval of Allende was acting in concert with Cuban intelligence (DGI) to gather intelligence prejudicial to the Army high command. It was hoped that the effort would arouse the military against Allende's involvement with the Cubans, inducing the armed services to press the government to alter its orientation and to move against it if necessary. A month later CIA Headquarters suggested that the deception operation be shelved, in favor of passing "verifiable" information to the leader of the coup group which Headquarters and the Station perceived as having the highest probability of success.

After a further Station request, Headquarters agreed to the operation, with the objective of educating senior Chilean officers and keeping them on alert. In December 1971 a packet of material, including a fabricated letter, was passed to a Chilean officer outside Chile. The CIA did not receive any subsequent reports on the effect, if any, this "information" had on the Chilean military. While the initial conception of the operation had included a series of such passages, no further packets were passed.

The Station/Headquarters dialogue over the use of the intelligence network paralleled the discussion of the deception operation. In November the Station suggested that the ultimate objective of the military penetration program was a military coup. Headquarters responded by rejecting that formulation of the objective, cautioning that the CIA did not have 40 Committee approval to become involved in a coup. However, Headquarters acknowledged the difficulty of drawing a firm line between monitoring coup plotting and becoming involved in it. It also realized that the U.S. government's desire to be in clandestine contract with military plotters, for whatever purpose, might well imply to them U.S. support for their future plans.

During 1970-73, the Station collected operational intelligence necessary in the event of a coup—arrest lists, key civilian installations and personnel that needed protection, key government installations which need to be taken over, and government contingency plans which would be used in case of a military uprising. According to the CIA, the data was collected only against the contingency of future Headquarters requests and was never passed to the Chilean military.

The intelligence network continued to report throughout 1972 and 1973 on coup plotting activities. During 1972 the Station continued to monitor the group which might mount a successful coup, and it spent a significantly greater amount of time and effort penetrating this



group than it had on previous groups. This group had originally come to the Station's attention in October 1971. By January 1972 the Station had successfully penetrated it and was in contact through an intermediary with its leader.

During late 1971 and early 1972, the CIA adopted a more active stance *vis à vis* its military penetration program, including a short-lived effort to subsidize a small anti-government news pamphlet directed at the armed services, its compilation of arrest lists and other operational data, and its deception operation.

Intelligence reporting on coup plotting reached two peak periods, one in the last week of June 1973 and the other during the end of August and the first two weeks in September. It is clear the CIA received intelligence reports on the coup planning of the group which carried out the successful September 11 coup throughout the months of July, August, and September 1973.

The CIA's information-gathering efforts with regard to the Chilean military included activity which went beyond the mere collection of information. More generally, those efforts must be viewed in the context of United States opposition, overt and covert, to the Allende government. They put the United States Government in contact with those Chileans who sought a military alternative to the Allende presidency.

## F. Post-1973

### 1. Chile Since the Coup

Following the September 11, 1973, coup, the military Junta, led by General Augusto Pinochet, moved quickly to consolidate its newly acquired power. Political parties were banned, Congress was put in indefinite recess, press censorship was instituted, supporters of Allende and others deemed opponents of the new regime were jailed, and elections were put off indefinitely.

The prospects for the revival of democracy in Chile have improved little over the last two years. A 1975 National Intelligence Estimate stated that the Chilean armed forces were determined to oversee a prolonged political moratorium and to revamp the Chilean political system. The NIE stated that the Junta had established tight, authoritarian controls over political life in Chile which generally continued in effect. It had outlawed Marxist parties in Chile as well as other parties which had comprised Allende's coalition. In addition, the Christian Democratic and National parties had been placed in involuntary recess. These two parties were forbidden from engaging in political activity and restricted to purely housekeeping functions.

In addition, charges concerning the violation of human rights in Chile continue to be directed at the Junta. Most recently, a United Nations report on Chile charged that "torture centers" are being operated in Santiago and other parts of the country. The lengthy document, issued October 14, 1975, listed 11 centers where it says prisoners are being questioned "by methods amounting to torture." The Pinochet government had originally offered full cooperation to the U.N. group, including complete freedom of movement in Chile. However, six days before the group's arrival in Santiago, the government reversed itself and notified the group that the visit was cancelled.

## 2. CIA Post-Coup Activities in Chile

The covert action budget for Chile was cut back sharply after the coup and all the anti-Allende projects except for one, a major propaganda project, were terminated. Covert activities in Chile following the coup were either continuations or adaptations of earlier projects, rather than major new initiatives.

The goal of covert action immediately following the coup was to assist the Junta in gaining a more positive image, both at home and abroad, and to maintain access to the command levels of the Chilean government. Another goal, achieved in part through work done at the opposition research organization before the coup, was to help the new government organize and implement new policies. Project files record that CIA collaborators were involved in preparing an initial overall economic plan which has served as the basis for the Junta's most important economic decisions.

With regard to the continuing propaganda project, a number of activities, including the production of books, a mailing effort, a military collection program, and the media coordination effort were terminated. However, access to certain Chilean media outlets was retained in order to enable the CIA Station in Santiago to help build Chilean public support for the new government as well as to influence the direction of the government, through pressures exerted by the mass media. These media outlets attempted to present the Junta in the most positive light for the Chilean public and to assist foreign journalists in Chile to obtain facts about the local situation. Further, two CIA collaborators assisted the Junta in preparing a *White Book of the Change of Government in Chile*. The *White Book*, published by the Junta shortly after the coup, was written to justify the overthrow of Allende. It was distributed widely both in Washington and in other foreign capitals.

After the coup, the CIA renewed liaison relations with the Chilean government's security and intelligence forces, relations which had been disrupted during the Allende period. Concern was expressed within the CIA that liaison with such organizations would lay the Agency open to charges of aiding political repression; officials acknowledged that, while most of CIA's support to the various Chilean forces would be designed to assist them in controlling subversion from abroad, the support could be adaptable to the control of internal subversion as well. However, the CIA made it clear to the Chileans at the outset that no CIA support would be provided for use in internal political repression. Furthermore, the CIA attempted to influence the Junta to maintain the norms the Junta had set in its "Instructions for Handling of Detainees" which closely followed the standards on human rights set by the 1949 Geneva Convention.

## IV. Chile: Authorization, Assessment, and Oversight

### A. 40 COMMITTEE AUTHORIZATION AND CONTROL: CHILE, 1969-1973

#### 1. 40 Committee Functions and Procedures

Throughout its history, the 40 Committee and its direct predecessors—the 303 Committee and the Special Group—have had one overriding purpose; to exercise political control over covert operations abroad. The 40 Committee is charged with considering the objectives of any proposed activity, whether or not it would accomplish these aims, and in general whether or not it would be “proper” and in the American interest. Minutes and summaries of 40 Committee meetings on Chile indicate that, by and large, these considerations were discussed and occasionally debated by 40 Committee members.

In addition to exercising political control, the 40 Committee has been responsible for framing covert operations in such a way that they could later be “disavowed” or “plausibly denied” by the United States government—or at least by the President. In the case of Chile, of course, this proved to be an impossible task. Not only was CIA involvement in Chile “blown,” but in September 1974, President Ford publicly acknowledged at a press conference U.S. covert involvement in Chile.

Before covert action proposals are presented to the Director for submission to the 40 Committee, an internal CIA instruction states that they *should* be coordinated with the Department of State and that, *ordinarily*, concurrence by the ambassador to the country concerned is required. “Should,” and “ordinarily” were underscored for an important reason—major covert action proposals are not always coordinated among the various agencies. Nor, for that matter, are they always discussed and/or approved by the 40 Committee. The Chile case demonstrates that in at least one instance, the so-called Track II activity, the President instructed the CIA not to inform nor coordinate this activity with the Departments of State or Defense or the ambassador in the field. Nor was the 40 Committee ever informed.

Not all covert activities are approved by the 40 Committee. Projects not deemed politically risky or involving large sums of money can be approved within the CIA. By CIA statistics, only about one-fourth of all covert action projects are considered by the 40 Committee. The Committee has not been able to determine what percentage of covert action projects conducted by the CIA in Chile were approved within the CIA or required 40 Committee authorization. Despite this fact, the Committee has found evidence of projects not considered by the 40 Committee, thus conforming to this general authorization rule. This is not to imply that the CIA undertook activities in Chile behind the back of the 40 Committee or without its approval. The Agency was

simply following the authorization procedures for covert projects that then existed. These same procedures exist today.

There have been numerous criticisms of 40 Committee procedures, some of which follow :

The criteria by which covert operations are brought before the 40 Committee appear to be fuzzy. The real degree of accountability for covert actions remains to be determined.

There is a basic conflict between sufficient consultation to insure accountability and sound decisions on the one hand, and secure operations on the other. The risk of inadequate consultation may be aggravated by the more informal procedure of telephone clearances, which has been used by the 40 Committee for the last few years.

The review of covert actions by the 40 Committee does not appear to be searching or thorough. There still appears to be a serious risk that operations will end only when they come to grief.

### *2. 40 Committee Approvals*

According to a chronology of 40 Committee meetings, the Committee met on 23 separate occasions between March 1970 and October 1973 to authorize funds for covert activities in Chile.<sup>1</sup> During this period, the Committee authorized a total of \$8.8 million for CIA covert activities in Chile. Of this amount, \$6.5 million was spent.

The range of CIA activities in Chile approved by the 40 Committee included "spoiling" operations against Allende prior to the September 4th election, assistance to Chilean political parties, a contingency fund for Ambassador Korry's use to influence the October 24 congressional vote, purchase of a Chilean radio station to be used as a political opposition instrument against Allende, assistance to specific political candidates, emergency aid to keep the Santiago paper, *El Mercurio*, afloat, and support for an anti-Allende businessmen's association.

### *3. Policy Splits Within the 40 Committee*

Unanimity was not a hallmark of 40 Committee meetings on Chile, at least during the period April 1969 to October 1970. Stated simply, the State Department was generally skeptical about intervening in the Chilean electoral process, whereas the CIA, the U.S. Ambassador to Chile, the Defense Department, and the White House favored intervention.

The question of whether anything should be done with regard to the September 1970 presidential election in Chile was first raised at a meeting of the 303 Committee on April 15, 1969. It was not until December 1969, however, that a joint Embassy-CIA proposal for a campaign directed against Allende was submitted to the Committee. At this December meeting, two State Department officials questioned

<sup>1</sup> The use of the term "40 Committee meetings" must not be taken in a literal sense. At the outset of the Nixon Administration, the 40 Committee did meet frequently to discuss and approve, as well as review, U.S. covert activities. However, within a relatively short period of time, these formal meetings of the 40 Committee were replaced by less frequent meetings and a system of telephone clearances. Today the 40 Committee rarely meets. Covert action proposals, prepared by the DCI, are distributed to the various 40 Committee principals and approvals or disapprovals are obtained over the phone by the 40 Committee Special Group officer, a CIA officer on loan to the NSC staff.

the need for U.S. involvement in the election. One State official commented that an Allende victory would not be the same as a Communist victory. The U.S. Ambassador to Chile, Edward Korry, who had been recalled for consultation, disagreed. He stated that operationally one must treat an Allende victory as the same thing as a Communist victory. Korry went on to state that, in his view, an Allende government would be worse than a Castro government.

On March 25, 1970, the 40 Committee approved a "spoiling operation" against Allende and approved \$125,000 for this purpose. Again, however, the State Department, represented by Under Secretary of State U. Alexis Johnson, indicated that the Department remained lukewarm to any involvement in the election and informed the 40 Committee that the Department would be quite cool to a more positive approach.

One further example of policy disagreement within the 40 Committee was evidenced in a summary of a September 29, 1970, 40 Committee meeting. This meeting occurred a little more than three weeks after Allende had won his plurality victory on September 4. The question of applying economic pressure to Chile was raised, with the hope that this pressure would create the conditions which would lead to a military coup. After a run-through of possible economic pressures that could be brought to bear on Chile, provided by the CIA's Deputy Director for Plans Thomas Karamessines, Under Secretary of State Johnson noted that to swerve from 40 Committee-type action to economic warfare was tantamount to a change in foreign policy. Despite this concern, the 40 Committee did decide to increase economic pressures in Chile. The State Department was not happy with this turn of events. Assistant Secretary of State Charles Meyer remarked that should Allende be confirmed, the U.S. could place the burden on Allende for all that he did, and, after all, he would not be around forever. This view was not accepted by the CIA. Director Helms remarked at the meeting that Allende's Marxist pronouncements should be taken at face value while Karamessines added that a hands-off policy in Chile at this time would be read as the U.S. throwing in the sponge. As evidenced by later 40 Committee authorizations, the sponge was not thrown in.

#### B. INTELLIGENCE ESTIMATES AND COVERT ACTION

The intelligence community produces several kinds of assessments for policy makers. Of these, the most important are National Intelligence Estimates (NIEs)—joint, agreed assessment of foreign politics and capabilities—produced by the U.S. intelligence community. This section, based on a review of NIEs and other intelligence memoranda<sup>2</sup> regarding Chile written during 1969–1973, will trace the intelligence community's best estimates of what an Allende government signified for U.S. interests.

NIEs are approved by the United States Intelligence Board (USIB); dissenting agencies can register footnotes. Prior to 1973, a formal Board of National Estimates supervised the production of

<sup>2</sup> These include Intelligence Memoranda produced by the CIA's Office of Current Intelligence (OCI) and Intelligence Notes produced by the State Department's Bureau of Intelligence and Research (INR).

drafts by a special Office of National Estimates. In 1973, that structure was replaced by a system of National Intelligence Officers (NIOs), senior analysts drawn from the CIA and other intelligence agencies.

There have been persistent criticisms of NIEs and many of these remain with the new structure: the documents are least-common-denominator compromises and thus are of little value to policy makers; they are oriented toward short-range predictions rather than long-run assessments. Another criticism deals not with the NIEs themselves but with their use or abuse. It is charged that policy makers ignore NIEs or consult them only when estimates confirm their pre-existing policy preferences.

### 1. *The Chile Estimates*

Between 1969 and 1973, five Chile NIEs were produced, one in each year. In addition, several Intelligence Memoranda and Intelligence Notes relating to Chile were prepared by CIA and State. The likely policies and goals of an Allende administration, as predicted by the intelligence community, follow.

#### A. CHILE UNDER ALLENDE

A July 1970 Chile NIE, prepared a little over a month before the September election, raised the question of what an Allende victory would mean to Chile and the United States. The NIE occasioned considerable disagreement within the Washington community. The disagreement reflected a division between the Department of State on one side and the U.S. Ambassador and the CIA Station on the other. The latter position was that an Allende victory would mean the gradual imposition of a classic Marxist-Leninist regime in Chile. This position was reflected, with some qualifying remarks, in the NIE.

The 1970 NIE stated, in strong terms, that an Allende administration would proceed as rapidly as possible toward the establishment of a Marxist-Socialist state. It would be a Chilean version of a Soviet-style East European Communist state. The intelligence community predicted that although democracy was likely to survive in Chile over the next two or three years, Allende could take Chile a long way down the Marxist-Socialist road during the six years of his administration. To do this, however, he would have to surmount some very important obstacles, such as Chile's security forces, the Christian Democratic Party, some elements of organized labor, the Congress, and the Catholic Church. The NIE noted that Allende undoubtedly expected progress on basic bread and butter issues which would afford him an opportunity to secure control of the Congress in the 1973 election and thereby enable him to impose a socialist state of the Marxist variety by the *via pacífica* ("peaceful road").

The next NIE issued on Chile, in August 1971, was less shrill on the threat which Allende represented to Chilean democracy. He had been in office nine months. The NIE stated that the consolidation of Marxist political leadership in Chile was not inevitable and that Allende had a long, hard way to go to achieve this. The NIE warned, however, that although Allende would almost certainly prefer to ad-

here to constitutional means, he was likely to be impelled to use political techniques of increasingly dubious legality to perpetuate his coalition and power. Up to that point, the NIE observed, Allende had taken great care to observe constitutional forms and was enjoying considerable popularity in Chile.

The next NIE came out in June 1972. The prospects for the continuation of democracy in Chile appeared to be better than at any time since Allende's inauguration. The NIE stated that the traditional political system in Chile continued to demonstrate remarkable resiliency. Legislative, student, and trade union elections continued to take place in normal fashion, with pro-government forces accepting the results when they were adverse. The NIE noted that the Christian Democratic Party and the National Party had used their combined control of both Houses of Congress to stall government initiatives and to pass legislation designed to curtail Allende's powers. In addition, the opposition news media had been able to resist government intimidation and persisted in denouncing the government. The NIE concluded that the most likely course of events in Chile for the next year or so would be moves by Allende toward slowing the pace of his revolution in order to accommodate the opposition and to preserve the gains he had already made.

One final NIE on Chile was issued prior to Allende's overthrow in September 1973. That NIE focused on the prospects for the consolidation of power by Allende's regime. It concluded that at that juncture a political standoff seemed to be the most likely course of events in Chile. The NIE stated that Allende had not consolidated the power of his Marxist regime; the bulk of low-income Chileans believed that he had improved their conditions and represented their interests; and the growth in support for his coalition reflected his political ability as well as the popularity of his measures. The NIE did warn, however, that the growing polarization of the Chilean society was wearing away the Chilean predilection for political compromise. Nevertheless, the analysts predicted that there was only an outside chance that the military would move to force Allende from office.

#### B. U.S.-CHILEAN RELATIONS

Almost two years before Allende was elected, the intelligence community predicted that future U.S.-Chilean relations would be under repeated strains, regardless of which party won the 1970 presidential election. A 1969 NIE stated that whoever succeeded Frei in the presidency was likely to continue to stress Chilean independence, to be less cooperative with the U.S. than Frei had been, and to explore somewhat broader relations with communist countries. This NIE noted that were Allende to win, his administration would almost certainly take steps aimed at moving Chile away from the U.S. The NIE also observed that steps toward either government participation in or outright nationalization of U.S. copper holdings in Chile were inevitable.

A 1970 NIE, issued one month before Allende's September victory, was quite pessimistic about future U.S.-Chilean relations. It stated that if Allende were to win the election, he would almost certainly take harsh measures against U.S. business interests in Chile and challenge U.S. policies in the hemisphere. The NIE cited several foreign policy

problems an Allende regime would pose for the U.S., including recognition of Cuba, possible withdrawal from the OAS, the deterioration of relations with Argentina, and anti-U.S. votes in the United Nations. The NIE predicted, however, that Allende would probably not seek a break with the United States over the next two years.

A 1971 NIE, issued ten months into Allende's term in office, stated that U.S.-Chilean relations were dominated by the problems of nationalization, although Allende himself seemed to wish to avoid a confrontation. A 1972 Chile NIE noted that Allende, to date, had sought to avoid irreparable damage to his relations with Washington. Although the major problem concerning U.S.-Chilean relations continued to be that of compensation for the nationalization of U.S. companies, the 1972 NIE stated that Allende had taken pains to publicly stress his desire for amicable relations. A 1973 NIE concluded that Allende had kept lines open to Washington on possible Chilean compensation for expropriated U.S. copper companies.

#### C. ALLENDE'S RELATIONS WITH SOCIALIST COUNTRIES

The 1969 Chile NIE predicted that any new administration would explore somewhat broader relations with communist and socialist countries. The NIE noted that Allende, in particular, would take such steps but that even he would be deterred from moving too far in this direction due to a Chilean nationalism which would as strongly oppose subordinating Chile to the tutelage of Moscow or Havana as to Washington. Allende did, over the years, expand Chile's relations with socialist and communist countries. However, Allende was, as a 1971 NIE stated, careful not to subordinate Chilean interests to any communist or socialist power or to break existing ties with non-communist nations on whom he continued to rely for aid. Chile NIEs in 1971 and 1972 emphasized that Allende was charting an independent, nationalistic course, both within the hemisphere and internationally. Allende was, in short, committed to a policy of non-alignment.

#### D. ALLENDE'S TIES WITH CUBA

The 1970 NIE on Chile predicted that Allende would recognize Cuba. He did so, shortly after he was inaugurated. However, the pattern of Chilean-Cuban relations was described in a 1971 NIE as one of ideological distance and closer economic ties. The NIE stated that despite Allende's long-standing personal relationship with Castro, he had refrained from excessive overtures to him. A 1972 NIE noted that Havana had been circumspect about trying to use Chile as a base for promoting revolution throughout Latin America.

#### E. SOVIET INFLUENCE IN CHILE

Concern about the expansion of Soviet influence in Chile under Allende and the possible establishment of a major Soviet military presence was expressed in 1970. A 1971 NIE predicted that although the Soviet Union would continue to cultivate channels of influence into Allende's government through the Chilean Communist Party, it would probably be unsure of its ability to make a decisive impact on key



issues given Allende's desire for an independent posture. The same NIE noted that neither Allende nor the Chilean military establishment would probably tolerate a permanent Soviet military presence in Chile. A 1972 Chile NIE focused on the Soviet attitude to the Allende regime and noted that Soviet overtures to Allende had thus far been characterized by caution and restraint. This was, in part, due to Soviet reluctance to antagonize the U.S. and, more importantly, a Soviet desire to avoid with Allende the type of open-ended commitment for aid that they had entered into with Castro. A 1972 Intelligence Note, prepared by the State Department, stated that a Soviet-Chilean communique, issued following Allende's December visit to the USSR, reflected Moscow's decision to continue a cautious policy toward Chile and to avoid a major open-ended commitment of aid to Allende. According to the Intelligence Note, the Soviets apparently advised Allende to negotiate his differences with the U.S.

#### F. CHILE AS A BASE FOR LATIN AMERICAN SUBVERSION

Prior to Allende's election, concern was expressed about Chilean subversion in other countries. An Intelligence Memorandum, prepared by the CIA and issued shortly after Allende's September 4 plurality victory, stated that Chile had long been a relatively open country for extreme leftists and would become even more so under Allende. The Memorandum noted, however, that Allende would be cautious in providing assistance to extremists for fear of provoking a military reaction in his own country. The Memorandum went on to observe that the degree to which revolutionary groups would be allowed to use Chile as a base of operations would be limited to some extent by the orthodox Communist Party in Chile which opposed violence-prone groups. A State Department Intelligence Note, prepared in June 1971, stated that, contrary to some earlier indications that Allende might provide clandestine assistance to neighboring insurgency movements, evidence to date suggested that he had been sensitive to the concerns of neighboring governments and had sought to avoid action which would strain bilateral relations. The Intelligence Note stated that Chile had warned Argentine and Mexican expatriates that they could reside in Chile only if they did not engage in political activities and that some of the more politically active Brazilian exiles had been encouraged to depart Chile. The Note concluded by predicting that it was unlikely that Allende would provide financial support or training to facilitate the export of insurgency. A 1972 NIE stated that Allende had gone to great lengths to convince his Latin American neighbors that he did not share Castro's revolutionary goals; although some revolutionaries in Chile had received arms and funds from extremists in Allende's political coalition, this had probably not occurred at his behest.

#### G. THREAT ASSESSMENT

The most direct statement concerning the threat an Allende regime would pose to the United States was contained in a CIA Intelligence Memorandum, issued shortly after Allende's September 4 election victory. The Memorandum summarized the views of the Interdepartmental Group for Inter-American Affairs, which prepared the re-

sponse to National Security Study Memorandum 97. The Group, made up of officials representing CIA, State, Defense, and the White House, concluded that the United States had no vital interests within Chile, the world military balance of power would not be significantly altered by an Allende regime, and an Allende victory in Chile would not pose any likely threat to the peace of the region. The Group noted, however, that an Allende victory would threaten hemispheric cohesion and would represent a psychological setback to the U.S. as well as a definite advance for the Marxist idea.

## *2. Estimates and Covert Action*

As a result of this look at the Chile estimates, a number of comments can be made concerning them and their relation to decisions about covert action:

(a) Despite the view expressed by the Interdepartmental Group, and reported in a CIA Intelligence Memorandum, that the U.S. had no vital national interest in Chile, the decision was made by the Executive Branch to intervene in that nation's internal political and economic affairs, before the election, between it and the congressional vote and during Allende's tenure in office.

It appears that the Chile NIEs were either, at best, selectively used or, at worst, disregarded by policy makers when the time came to make decisions regarding U.S. covert involvement in Chile. 40 Committee decisions regarding Chile reflected greater concern about the internal and international consequences of an Allende government than was reflected in the intelligence estimates. At the same time as the Chile NIEs were becoming less shrill, the 40 Committee authorized greater amounts of money for covert operations in Chile. The amounts authorized by the 40 Committee rose from \$1.5 million in 1970 to \$3.6 million in 1971, \$2.5 million in 1972, and, during the first eight months of 1973, \$1.2 million. Covert action decisions were not, in short, entirely consistent with intelligence estimates.

(b) As noted, NIEs are designed to provide economic and political assessments and an analysis of trends. As such, they are vulnerable to being interpreted by policymakers to support whatever conclusions the policymakers wish to draw from them. The estimates do, however, serve to narrow the range of uncertainty about future events in Chile, and thus narrow the range of justifiable U.S. policies. But a range remained.

For example, a 1971 estimate stated that, on the one hand, Allende was moving skillfully and confidently toward his declared goal of building a revolutionary nationalistic, socialist society on Marxist principles, but, on the other hand, the consolidation of the Marxist political leadership in Chile was not inevitable, and Allende had a long, hard way to go to achieve this. As a further example, a 1973 NIE which addressed the possibility of enhanced Soviet influence in Chile stated that the Soviets were interested both in increasing their influence in South America and in Allende's successful coalition of leftist parties as a model for a Marxist revolution through election. Yet, the estimate went on to say that the Soviets did not want another Cuba on their hands and they were reluctant to antagonize the U.S.

(c) The Committee has determined that the analysts responsible for drawing up the Chile NIEs were not privy to information concerning covert operations approved by the 40 Committee and being implemented in Chile by the CIA operators. The explanation for this is CIA compartmentation. Analysts and operators often exist in separate worlds. Information available to the Operations Directorate is not always available to the Intelligence Directorate. As a result, those who were responsible for preparing NIEs on Chile appear not to have had access to certain information which could have added to, or substantially revised, their assessments and predictions. That flaw was telling. It meant, for example, that the 1972 assessment of the durability of opposition sectors was written without knowledge of covert American funding of precisely those sectors. Thus, there was no estimate of whether those sectors would survive *absent* U.S. money.

### C. CONGRESSIONAL OVERSIGHT

With regard to covert action in Chile between April 1964 and December 1974, CIA's consultation with its Congressional oversight committees—and thus Congress' exercise of its oversight function—was inadequate. The CIA did not volunteer detailed information; Congress most often did not seek it.

Beginning in 1973, numerous public allegations were made concerning activities undertaken by the CIA in Chile. In response, Congress began to assume greater control in the exercise of its oversight function—which it had badly neglected in the past—both in the number and depth of consultations with the Central Intelligence Agency. Prior to 1973 there were twenty meetings between Congressional committees and the CIA regarding Chile; these meetings were held with the House and Senate Armed Services and Appropriation Committees in their Intelligence Subcommittees. From March 1973 to December 1974 there were thirteen meetings held not only with these Committees, but also before the Senate Foreign Relations Subcommittee on Multinational Corporations and the House Foreign Affairs Subcommittee on Inter-American Affairs.

Based on CIA records, there were a total of fifty-three CIA Congressional briefings on Chile between 1964 and 1974. At thirty-one of these meetings, there was some discussion of covert action; special releases of funds for covert action were discussed at twenty-three of them. After January 1973 these briefings were concerned with past CIA covert activity. From information currently in the possession of the Committee and public sources, several tentative conclusions emerge: on several important occasions the CIA did not report on covert action until quite long after the fact; and in one case—Track II—it omitted discussion of an important, closely held operation, but one whose outcome reverberated on the foreign policy of the United States and carried implications for domestic affairs as well.

Of the thirty-three covert action projects undertaken in Chile with 40 Committee approval during the period 1963–1974, Congress was briefed in some fashion on eight.<sup>3</sup> Presumably the twenty-five others were undertaken without Congressional consultation. These twenty-

<sup>3</sup> Under section 622 of the Foreign Assistance Act of 1974, the Director of Central Intelligence is required to notify six Congressional oversight committees of *every* 40 Committee approval once the President has issued a finding that the project is necessary for the national security of the United States.

five projects included: the \$1.2 million authorization in 1971, half of which was spent to purchase radio stations and newspapers while the other half went to support municipal candidates and anti-Allende political parties; and the additional expenditure of \$815,000 in late 1971 to provide support to opposition parties.

Of the total of over thirteen million dollars actually spent by the CIA on covert action operations in Chile between 1963 and 1974, Congress received some kind of briefing (sometimes before, sometimes after the fact) on projects totaling about 7.1 million dollars. Further, Congressional oversight committees were not consulted about projects which were not reviewed by the full 40 Committee. One of these was the Track II attempt to foment a military coup in 1970. The other—a later CIA project involving contacts with Chilean military officers—was an intelligence collection project and thus did not come before the 40 Committee, even though in this instance the political importance of the project was clear.

## V. Preliminary Conclusions

Underlying all discussion of American interference in the internal affairs of Chile is the basic question of why the United States initially mounted such an extensive covert action program in Chile—and why it continued, and even expanded, in the early 1970s.

Covert action has been a key element of U.S. foreign policy toward Chile. The link between covert action and foreign policy was obvious throughout the decade between 1964 and 1974. In 1964, the United States commitment to democratic reform via the Alliance for Progress and overt foreign aid was buttressed via covert support for the election of the candidate of the Christian Democratic party, a candidate and a party for which the Alliance seemed tailor made. During 1970 the U.S. Government tried, covertly, to prevent Allende from becoming President of Chile. When that failed, covert support to his opposition formed one of a triad of official actions: covert aid to opposition forces, “cool but correct” diplomatic posture, and economic pressure. From support of what the United States considered to be democratic and progressive forces in Chile we had moved finally to advocating and encouraging the overthrow of a democratically elected government.

### A. COVERT ACTION AND U.S. FOREIGN POLICY

In 1964, the United States became massively involved in covert activity in Chile. This involvement was seen by U.S. policy-makers as consistent with overall American foreign policy and the goals of the Alliance for Progress. The election of a moderate left candidate in Chile was a cornerstone of U.S. policy toward Latin America.

It is unclear from the record whether the 1964 election project was intended to be a one-time intervention in support of a good cause. It is clear that the scale of the involvement generated commitments and expectations on both sides. For the United States, it created assets and channels of funding which could be used again. For the Chilean groups receiving CIA funds, that funding became an expectation, counted upon. Thus, when opposition to Allende became the primary objective of covert action in 1970, the structure for covert action developed through covert assistance to political parties in 1964 was well established.

A fundamental question raised by the pattern of U.S. covert activities persists: *Did the threat to vital U.S. national security interests posed by the Presidency of Salvador Allende justify the several major covert attempts to prevent his accession to power?* Three American Presidents and their senior advisors evidently thought so.

One rationale for covert intervention in Chilean politics was spelled out by Henry Kissinger in his background briefing to the press on September 16, 1970, the day after Nixon's meeting with Helms. He argued that an Allende victory would be irreversible within Chile, might affect neighboring nations and would pose “massive problems” for the U.S. in Latin America:

I have yet to meet somebody who firmly believes that if Allende wins, there is likely to be another free election in Chile. . . . Now it is fairly easy for one to predict that if Allende wins, there is a good chance that he will establish over a period of years some sort of communist government. In that case, we would have one not on an island off the coast (Cuba) which has not a traditional relationship and impact on Latin America, but in a major Latin American country you would have a communist government, joining, for example, Argentine . . . Peru . . . and Bolivia. . . . So I don't think we should delude ourselves on an Allende takeover and Chile would not present massive problems for us, and for democratic forces and for pro-U.S. forces in Latin America, and indeed to the whole Western Hemisphere.

Another rationale for U.S. involvement in the internal affairs of Chile was offered by a high-ranking official who testified before the Committee. He spoke of Chile's position in a worldwide strategic chess game in 1970. In this analogy, Portugal might be a bishop, Chile a couple of pawns, perhaps more. In the worldwide strategic chess game, once a position was lost, a series of consequences followed. U.S. enemies would proceed to exploit the new opportunity, and our ability to cope with the challenge would be limited by any American loss.

#### B. EXECUTIVE COMMAND AND CONTROL OF MAJOR COVERT ACTION

In pursuing the Chilean chess game, particularly the efforts to prevent Allende's accession to power or his maintaining power once elected, Executive command and control of major covert action was tight and well directed. Procedures within the CIA for controlling the programs were well defined and the procedures made Station officials accountable to their supervisors in Washington. Unilateral actions on the part of the Station were virtually impossible.

But the central issue of command and control is *accountability*: procedures for insuring that covert actions are and remain accountable both to the senior political and foreign policy officials of the Executive Branch and to the Congress.

The record of covert activities in Chile suggests that, although established executive processes of authorization and control were generally adhered to, there were—and remain—genuine shortcomings to these processes:

Decisions about *which* covert action projects are submitted to the 40 Committee were and are made within the CIA on the basis of the Agency's determination of the political sensitivity of a project.

The form in which covert action projects were cleared with Ambassadors and other State Department officials varied. It depended—and still depends—on how interested Ambassadors are and how forthcoming their Station Chiefs are.

Once major projects are approved by the 40 Committee, they often continue without searching re-examination by the Committee. The Agency conducts annual reviews of on-going projects, but the 40 Committee does not undertake a review unless a project is recommended for renewal, or there is some important change in content or amount.

There is also the problem of controlling clandestine projects not labeled "covert action." Clandestine collection of human intelligence

is *not* the subject of 40 Committee review. But those projects may be just as politically sensitive as a "covert action"; witness U.S. contacts with the Chilean military during 1970-73. Similarly, for security reasons, ambassadors generally know CIA assets only by general description, not by name. That practice may be acceptable, provided the description is detailed enough to inform the ambassador of the risk posed by the development of a particular assets and to allow the ambassador to decide whether or not that asset should be used.

There remains the question of the dangers which arise when the very mechanisms established by the Executive Branch for insuring internal accountability are circumvented or frustrated.

By Presidential instruction, Track II was to be operated without informing the U.S. Ambassador in Santiago, the State Department, or any 40 Committee member save Henry Kissinger. The President and his senior advisors thus denied themselves the Government's major sources of counsel about Chilean politics. And the Ambassador in Santiago was left in the position of having to deal with any adverse political spill-over from a project of which he was not informed.

The danger was greater still. Whatever the truth about communication between the CIA and the White House after October 15, 1970—an issue which is the subject of conflicting testimony—all participants agreed that Track II constituted a broad mandate to the CIA. The Agency was given to believe it had virtual *carte blanche* authority; moreover, it felt under extreme pressure to prevent Allende from coming to power, by military coup if necessary. It was given little guidance about what subsequent clearances it needed to obtain from the White House. Under these conditions, CIA consultation with the White House in advance of specific actions was less than meticulous.

### C. THE ROLE OF CONGRESS

In the hands of Congress rests the responsibility for insuring that the Executive Branch is held to full political accountability for covert activities. The record on Chile is mixed and muted by its incompleteness.

CIA records note a number of briefings of Congressional committees about covert action in Chile. Those records, however, do not reveal the timeliness or the level of detail of these briefings. Indeed, the record suggests that the briefings were often after the fact and incomplete. The situation improved after 1973, apparently as Congressional committees became more persistent in the exercise of their oversight function. Furthermore, Sec. 662 of the Foreign Assistance Act should make it impossible for major projects to be operated without the appropriate Congressional committees being informed.

The record leaves unanswered a number of questions. These pertain both to how forthcoming the Agency was and how interested and persistent the Congressional committees were. Were members of Congress, for instance, given the opportunity to object to specific projects before the projects were implemented? Did they want to? There is also an issue of jurisdiction. CIA and State Department officials have taken the position that they are authorized to reveal Agency operations only to the appropriate oversight committees.

#### D. INTELLIGENCE JUDGMENTS AND COVERT OPERATIONS

A review of the intelligence judgments on Chile offered by U.S. analysts during the critical period from 1970-1973 has *not* established whether these judgments were taken into account when U.S. policy-makers formulated and approved U.S. covert operations. This examination of the relevant intelligence estimates and memoranda has established that the judgments of the analysts suggested caution and restraint while the political imperatives demanded action.

Even within the Central Intelligence Agency, processes for bringing considered judgments of intelligence analysts to bear on proposed covert actions were haphazard—and generally ineffective. This situation has improved; covert action proposals now regularly come before the Deputy Director for Intelligence and the appropriate National Intelligence Officer; but the operators still are separated from the intelligence analysts, those whose exclusive business it is to understand and predict foreign politics. For instance, the analysts who drafted the government's most prestigious intelligence analyses—NIEs—may not even have known of U.S. covert actions in Chile.

The Chilean experience does suggest that the Committee give serious consideration to the possibility that lodging the responsibility for national estimates *and* conduct of operational activities with the same person—the Director of Central Intelligence—creates an inherent conflict of interest and judgment.

#### E. EFFECTS OF MAJOR COVERT ACTION PROGRAMS

Covert Action programs as costly and as complex as several mounted by the United States in Chile are unlikely to remain covert. In Chile in 1964, there was simply too much unexplained money, too many leaflets, too many broadcasts. That the United States was involved in the election has been taken for granted in Latin America for many years.

The involvement in 1964 created a presumption in Chile and elsewhere in Latin America that the United States Government would again be involved in 1970. This made secrecy still harder to maintain, even though the CIA involvement was much smaller in 1970 than it had been in 1964.

When covert actions in Chile became public knowledge, the costs were obvious. The United States was seen, by its covert actions, to have contradicted not only its official declarations but its treaty commitments and principles of long standing. At the same time it was proclaiming a "low profile" in Latin American relations, the U.S. Government was seeking to foment a coup in Chile.

The costs of major covert ventures which are "blown" are clear enough. But there may be costs to pay even if the operations could remain secret for long periods of time. Some of these costs may accrue even within the calculus of covert operations: successes may turn to failures. Several officials from whom the Committee took testimony suggested that the poor showing of the Chilean Christian Democrats in 1970 was, in some part, attributable to previous American covert support. Of course there were many causes of that poor showing, but in 1964 the PDC had been spared the need of develop-



ing some of its own grass roots organization. The CIA did much of that for it. In 1970, with less CIA activity on behalf of the Christian Democratic Party, the PDC faltered.

Of course, the more important costs, even of covert actions which remain secret, are those to American ideals of relations among nations and of constitutional government. In the case of Chile, some of those costs were far from abstract: witness the involvement of United States military officers in the Track II attempt to overthrow a constitutionally-elected civilian government.

There are also long-term effects of covert actions. Many of those may be adverse. They touch American as well as foreign institutions.

The Chilean institutions that the United States most favored may have been discredited within their own societies by the fact of their covert support. In Latin America particularly, even the suspicion of CIA support may be the kiss of death. It would be the final irony of a decade of covert action in Chile if that action destroyed the credibility of the Chilean Christian Democrats.

The effects on American institutions are less obvious but no less important. U.S. private and governmental institutions with overt, legitimate purposes of their own may have been discredited by the pervasiveness of covert action. Even if particular institutions were not involved in covert action, they may have been corrupted in the perception of Latin Americans because of the pervasiveness of clandestine U.S. activity.

In the end, the whole of U.S. policy making may be affected. The availability of an "extra" means may alter officials' assessment of the costs and rationales of overt policies. It may postpone the day when outmoded policies are abandoned and new ones adopted. Arguably, the 1964 election project was part of a "progressive" approach to Chile. The project was justified, if perhaps not actually sustained, by the desire to elect democratic reformers. By 1970, covert action had become completely defensive in character: to prevent the election of Allende. The United States professed a "low profile" but at the same time acted covertly to ensure that the Chilean elections came out right, "low profile" notwithstanding.

A special case for concern is the relationship between intelligence agencies and multinational corporations.

In 1970, U.S. Government policy prohibited covert CIA support to a single party or candidate. At the same time, the CIA provided advice to an American-based multinational corporation on how to furnish just such direct support. That raised all of the dangers of exposure, and eliminated many of the safeguards and controls normally present in exclusively CIA covert operations. There was the appearance of an improperly close relationship between the CIA and multinational companies when former Director John McCone used contacts and information gained while at the CIA to advise a corporation on whose Board of Directors he sat. This appearance was heightened because the contacts between the Agency and the corporation in 1970 extended to discussing and even planning corporate intervention in the Chilean electoral process.

The problem of cooperation is exacerbated when a cooperating company—such as ITT—is called to give testimony before an appropriate Congressional Committee. The Agency may then be confronted with

the question of whether to come forward to set the record straight when it believes that testimony given on behalf of a cooperating company is untrue. The situation is difficult, for in coming forward the Agency may reveal sensitive sources and methods by which it learned the facts or may make public the existence of ongoing covert operations.

This report does not attempt to offer a final judgment on the political propriety, the morality, or even the effectiveness of American covert activity in Chile. Did the threat posed by an Allende presidency justify covert American involvement in Chile? Did it justify the specific and unusual attempt to foment a military coup to deny Allende the presidency? In 1970, the U.S. sought to foster a military coup in Chile to prevent Allende's accession to power; yet after 1970 the government—according to the testimony of its officials—did not engage in coup plotting. Was 1970 a mistake, an aberration? Or was the threat posed to the national security interests of the United States so grave that the government was remiss in not seeking his downfall directly during 1970-73? What responsibility does the United States bear for the cruelty and political suppression that have become the hallmark of the present regime in Chile?

On these questions Committee members may differ. So may American citizens. Yet the Committee's mandate is less to judge the past than to recommend for the future. Moving from past cases to future guidelines, what is important to note is that covert action has been perceived as a middle ground between diplomatic representation and the overt use of military force. In the case of Chile, that middle ground may have been far too broad. Given the costs of covert action, it should be resorted to only to counter severe threats to the national security of the United States. It is far from clear that that was the case in Chile.

## Appendix

CHRONOLOGY: CHILE 1962-1975<sup>1</sup>

- 1962
- Special Group approves \$50,000 to strengthen Christian Democratic Party (PDC); subsequently approves an additional \$180,000 to strengthen PDC and its leader, Eduardo Frei.*
- 1963
- Special Group approves \$20,000 for a leader of the Radical Party (PR); later approves an additional \$30,000 to support PR candidates in April municipal elections.*
- April 8      Municipal election results show PDC has replaced PR as Chile's largest party.
- 1964
- April      *Special Group approves \$3,000,000 to ensure election of PDC candidate Eduardo Frei.*
- May      *Special Group approves \$160,000 to support PDC slum dwellers and peasant organizations.*
- September 4      Eduardo Frei elected President with 55.7 percent of the vote.
- October 2      *Ralph A. Dungan appointed U.S. Ambassador to Chile.*
- 1965
- March 7      *303 Committee approves \$175,000 to assist selected candidates in Congressional elections.*
- November 15      PDC wins absolute majority in Chamber of Deputies; becomes largest party in Senate.
- Salvador Allende, in an interview reported in the New York Times, suggests the U.S. was among certain "outside forces" that had caused his defeat in the 1964 presidential election.*
- 1967
- June 16      *Edward M. Korry replaces Ralph A. Dungan as U.S. Ambassador to Chile.*
- 303 Committee approves \$30,000 to strengthen a faction of the Radical Party.*
- 1968
- July 12      *303 Committee approves \$350,000 to assist selected candidates in March 1969 congressional elections.*
- 1969
- March 1      Congressional elections reflect an increase in support for the National Party and a resulting loss in Christian Democratic strength.
- April 15      *At a meeting of the 303 Committee the question is raised as to whether anything should be done with regard to the September 1970 Presidential election in Chile. The CIA representative pointed out that an election operation would not be effective unless an early enough start was made.*

<sup>1</sup> U.S. actions are italicized throughout.

1969—Continued

- October 21 Tacna and Yungay army regiments revolt, ostensibly for the purposes of dramatizing the military's demand for higher pay. The revolt, engineered by General Roberto Viaux, is widely interpreted as an abortive coup.
- 1970
- March 25 40 Committee approves \$125,000 for a "spoiling operation" against Allende's Popular Unity coalition (UP).
- June The possibility of an Allende victory in Chile is raised at an ITT Board of Directors meeting. John McCone, former CIA Director and, at the time, a consultant to the Agency and a Director of ITT, subsequently holds a number of conversations regarding Chile with Richard Helms, the current CIA Director.
- June 27 40 Committee approves \$300,000 for additional anti-Allende propaganda operations.
- July 16 John McCone arranges for William Broe (CIA) to talk with Harold Geneen (ITT). Broe tells Geneen that CIA cannot disburse ITT funds but promises to advise ITT on how to channel its own funds. ITT later passes \$350,000 to the Alessandri campaign through an intermediary.
- August 18 National Security Study Memorandum (NSSM) 97 is reviewed by the Interdepartmental Group; the Group considers options ranging from efforts to forge amicable relations with Allende to opposition to him.
- September 4 Salvador Allende wins 38.3 percent of the vote in the Presidential election. Final outcome is dependent on October 24 vote in Congress between Allende and the runner-up, Jorge Alessandri, who received 35.3 percent of the vote. Allende's margin of victory was 89,000 votes out of a total of 3,000,000 votes cast in the election.
- September 8, 14 40 Committee discusses Chilean situation. The Committee approves \$250,000 for the use of Ambassador Korry to influence the October 24 Congressional vote.
- September 9 Harold Geneen, ITT's Chief Executive Officer, tells John McCone at an ITT Board of Directors meeting in New York that he is prepared to put up as much as \$1 million for the purpose of assisting any government plan designed to form a coalition in the Chilean Congress to stop Allende. McCone agrees to communicate this proposal to high Washington officials and meets several days later with Henry Kissinger and Richard Helms. McCone does not receive a response from either man.
- September 15 President Nixon instructs CIA Director Helms to prevent Allende's accession to office. The CIA is to play a direct role in organizing a military coup d'etat. This involvement comes to be known as Track II.
- September 16 At an off-the-record White House press briefing, Henry Kissinger warns that the election of Allende would be irreversible, might affect neighboring nations, and would pose "massive problems" for the U.S. and Latin America.
- September 29 A CIA official, at the instruction of Richard Helms, meets with a representative of ITT. The CIA officer proposes a plan to accelerate economic disorder in Chile. ITT rejects the proposal.

1970—Continued

- October** CIA contacts Chilean military conspirators; following a White House meeting, CIA attempts to defuse plot by retired General Viaux, but still to generate maximum pressure to overthrow Allende by coup; CIA provides tear gas grenades and three submachine guns to conspirators.
- October 14** 40 Committee approves \$60,000 for Ambassador Korry's proposal to purchase a radio station. The money is never spent.
- October 22** After two unsuccessful abduction attempts on October 19 and 20, a third attempt to kidnap Chilean Army General René Schneider results in his being fatally shot.
- October 24** The Chilean Congress votes 153 to 35 in favor of Allende over Alessandri.
- November 3** Allende is formally inaugurated President of Chile.
- November 13** 40 Committee approves \$25,000 for support of Christian Democratic candidates.
- November 19** 40 Committee approves \$725,000 for a covert action program in Chile. Approval is later superseded by January 28, 1971, authorization.
- December 21** President Allende proposes a constitutional amendment establishing state control of the large mines and authorizing expropriation of all foreign firms working them.

1971

- January 28** 40 Committee approves \$1,240,000 for the purchase of radio stations and newspapers and to support municipal candidates and other political activities of anti-Allende parties.
- February 25** In his annual State of the World message, President Nixon states, "We are prepared to have the kind of relationship with the Chilean government that it is prepared to have with us."
- March 22** 40 Committee approves \$185,000 additional support for the Christian Democratic Party (PDC).
- April 4** Allende's Popular Unity (UP) coalition garners 49.7 percent of the vote in 280 municipal elections.
- May 10** 40 Committee approves \$77,000 for purchase of a press for the Christian Democratic Party newspaper. The press is not obtained and the funds are used to support the paper.
- May 20** 40 Committee approves \$100,000 for emergency aid to the Christian Democratic Party to meet short-term debts.
- May 26** 40 Committee approves \$150,000 for additional aid to Christian Democratic Party to meet debts.
- July 6** 40 Committee approves \$150,000 for support of opposition candidates in a Chilean by-election.
- July 11** In a joint session of the Chilean Congress, a constitutional amendment is unanimously approved permitting the nationalization of the copper industry. The amendment provides for compensation to copper companies within 30 years at not less than 3 percent interest.
- August 11** The Export-Import Bank denies a Chilean request for \$21 million in loans and loan guarantees needed to purchase three jets for the national LAN-Chile airline.
- September 9** 40 Committee approves \$700,000 for support to the major Santiago newspaper, El Mercurio.
- September 28** President Allende announces that "excess profits" will be deducted from compensation to be paid to nationalized copper companies.

## 1971—Continued

- September 29 The Chilean government assumes operation of the Chilean telephone company (CHITELCO). ITT had owned 70 percent interest in the company since 1930.
- September 29 Nathaniel Davis replaces Edward Korry as U.S. Ambassador to Chile.
- October ITT submits to White House an 18-point plan designed to assure that Allende "does not get through the crucial next six months." The ITT proposal is rejected.
- November 5 40 Committee approves \$815,000 support to opposition parties and to induce a split in the Popular Unity coalition.
- December 1 The Christian Democratic and National Parties organize the "March of the Empty Pots" by women to protest food shortages.
- December 15 40 Committee approves \$160,000 to support two opposition candidates in January 1972 by-elections.

## 1972

- January 19 President Nixon issues a statement to clarify U.S. policy toward foreign expropriation of American interests. The President states that the United States expects compensation to be "prompt, adequate, and effective." The President warns that should compensation not be reasonable, new bilateral economic aid to the expropriating country might be terminated and the U.S. would withhold its support from loans under consideration in multilateral development banks.
- April 11 40 Committee approves \$965,000 for additional support to El Mercurio.
- April 24 40 Committee approves \$50,000 for an effort to splinter the Popular Unity coalition.
- May 12 President Allende submits a constitutional amendment to the Chilean Congress for the expropriation of ITT's holdings in the Chilean telephone company.
- June 16 40 Committee approves \$46,500 to support a candidate in a Chilean by-election.
- August 21 Allende declares a state of emergency in Santiago province after violence grows out of a one-day strike by most of the capital's shopkeepers.
- September 21 40 Committee approves \$24,000 to support an anti-Allende businessmen's organization.
- October 10 The Confederation of Truck Owners calls a nationwide strike.
- October 26 40 Committee approves \$1,427,666 to support opposition political parties and private sector organizations in anticipation of March 1973 Congressional elections.
- December 4 Speaking before the General Assembly of the United Nations, President Allende charges that Chile has been the "victim of serious aggression" and adds, "we have felt the effects of a large-scale external pressure against us."

## 1973

- February 12 40 Committee approves \$200,000 to support opposition political parties in the Congressional elections.
- March 4 In the Congressional elections, Allende's Popular Unity coalition wins 43.4 percent of the vote.
- March 22 Talks between the U.S. and Chile on political and financial problems end in an impasse.

## 1973—Continued

- June 5 Chile suspends its foreign shipments of copper as miners' strikes continue.
- June 20 Thousands of physicians, teachers, and students go on strike to protest Allende's handling of the 63-day copper workers' strike.
- June 21 Gunfire, bombings, and fighting erupt as government opponents and supporters carry out a massive strike. The opposition newspaper, *El Mercurio*, is closed by court order for six days following a government charge that it had incited subversion. The following day an appeals court invalidates the closure order.
- June 29 Rebel forces seize control of the downtown area of Santiago and attack the Defense Ministry and the Presidential Palace before troops loyal to the government surround them and force them to surrender. This is the first military attempt to overthrow an elected Chilean government in 42 years.
- July 26 Truck owners throughout Chile go on strike.
- August 2 The owners of more than 110,000 buses and taxis go on strike.
- August 20 *40 Committee approves \$1 million to support opposition political parties and private sector organizations. This money is not spent.*
- August 23 General Carlos Prats Gonzalez resigns as Allende's Defense Minister and Army Commander. General Pinochet Ugarte is named Army Commander on August 24. Prats' resignation is interpreted as a severe blow to Allende.
- August 27 Chile's shop owners call another anti-government strike.
- September 4 An estimated 100,000 supporters of Allende's government march in the streets of Santiago to celebrate the third anniversary of his election. The Confederation of Professional Employees begins an indefinite work stoppage.
- September 11 The Chilean military overthrows the government of Salvador Allende. Allende dies during the takeover, reportedly by suicide.
- September 13 The new military government names Army Commander Pinochet President and dissolves Congress.
- September-October The Junta declares all Marxist political parties illegal and places all other parties in indefinite recess. Press censorship is established, as are detention facilities for opponents of the new regime. Thousands of casualties are reported, including summary executions.
- October 15 *40 Committee approves \$34,000 for an anti-Allende radio station and travel costs of pro-Junta spokesmen.*
- 1974
- June 24 *40 Committee approves \$50,000 for political commitments made to the Christian Democratic Party before the coup.*
- September 16 *President Ford acknowledges covert operations in Chile.*
- October 25 The Inter-American Commission on Human Rights of the O.A.S. reports "grievous violations of human rights" in Chile.
- December 30 *U.S. military aid is cut off.*

1975

- June 20                    Pinochet declares there "will be no elections in Chile during my lifetime nor in the lifetime of my successor."
- July 4                    Chile refuses to allow the U.N. Commission on Human Rights to enter the country.
- October 7                The U.N. Commission on Human Rights reports "with profound disgust" the use of torture as a matter of policy and other serious violations of human rights in Chile.

Portions of the above chronology of events in Chile were extracted from chronologies prepared by the Congressional Research Service ("Chile, 1960-70: A Chronology"; "Chile Since the Election of Salvador Allende: A Chronology"; "Developments in Chile, March 1973 to the Overthrow of the Allende Government") and from material contained in the June 21, 1973, report of the Senate Foreign Relations Subcommittee on Multinational Corporations entitled "ITT and Chile."



## APPENDIX B

[CHAPTER 343]

## AN ACT

To promote the national security by providing for a Secretary of Defense; for a National Military Establishment; for a Department of the Army, a Department of the Navy, and a Department of the Air Force; and for the coordination of the activities of the National Military Establishment with other departments and agencies of the Government concerned with the national security.

July 26, 1947

[S. 758]

Public Law 2531

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

## SHORT TITLE

That this Act may be cited as the "National Security Act of 1947".

## TABLE OF CONTENTS

Sec. 2. Declaration of policy.

## TITLE I—COORDINATION FOR NATIONAL SECURITY

Post, p. 496.

Sec. 101. National Security Council.

Sec. 102. Central Intelligence Agency.

Sec. 103. National Security Resources Board.

## TITLE II—THE NATIONAL MILITARY ESTABLISHMENT

Post, p. 499.

Sec. 201. National Military Establishment.

Sec. 202. Secretary of Defense.

Sec. 203. Military Assistants to the Secretary.

Sec. 204. Civilian personnel.

Sec. 205. Department of the Army.

Sec. 206. Department of the Navy.

Sec. 207. Department of the Air Force.

Sec. 208. United States Air Force.

Sec. 209. Effective date of transfers.

- Sec. 210. War Council.  
 Sec. 211. Joint Chiefs of Staff.  
 Sec. 212. Joint staff.  
 Sec. 213. Munitions Board.  
 Sec. 214. Research and Development Board.

*Post*, p. 507.

#### TITLE III—MISCELLANEOUS

- Sec. 301. Compensation of Secretaries.  
 Sec. 302. Under Secretaries and Assistant Secretaries.  
 Sec. 303. Advisory committees and personnel.  
 Sec. 304. Status of transferred civilian personnel.  
 Sec. 305. Saving provisions.  
 Sec. 306. Transfer of funds.  
 Sec. 307. Authorization for appropriations.  
 Sec. 308. Defaultions.  
 Sec. 309. Separability.  
 Sec. 310. Effective date.  
 Sec. 311. Succession to the Presidency.

#### DECLARATION OF POLICY

SEC. 2. In enacting this legislation, it is the intent of Congress to provide a comprehensive program for the future security of the United States; to provide for the establishment of integrated policies and procedures for the departments, agencies, and functions of the Government relating to the national security; to provide three military departments for the operation and administration of the Army, the Navy (including naval aviation and the United States Marine Corps), and the Air Force, with their assigned combat and service components; to provide for their authoritative coordination and unified direction under civilian control but not to merge them; to provide for the effective strategic direction of the armed forces and for their operation under unified control and for their integration into an efficient team of land, naval, and air forces.

#### TITLE I—COORDINATION FOR NATIONAL SECURITY

##### NATIONAL SECURITY COUNCIL

SEC. 101. (a) There is hereby established a council to be known as the National Security Council (hereinafter in this section referred to as the "Council").

The President of the United States shall preside over meetings of the Council: *Provided*, That in his absence he may designate a member of the Council to preside in his place.

Function.

The function of the Council shall be to advise the President with respect to the integration of domestic, foreign, and military policies relating to the national security so as to enable the military services and the other departments and agencies of the Government to cooperate more effectively in matters involving the national security.

Composition.

*Post*, p. 500.

*Post*, p. 501.

*Post*, p. 502.

*Post*, p. 499.

The Council shall be composed of the President; the Secretary of State; the Secretary of Defense, appointed under section 202; the Secretary of the Army, referred to in section 205; the Secretary of the Navy; the Secretary of the Air Force, appointed under section 207; the Chairman of the National Security Resources Board, appointed under section 103; and such of the following named officers as the President may designate from time to time: The Secretaries of the executive departments, the Chairman of the Munitions Board appointed under section 213, and the Chairman of the Research and Development Board appointed under section 214; but no such additional member shall be designated until the advice and consent of the Senate has been given to his appointment to the office the holding of which authorizes his designation as a member of the Council.

*Post*, p. 505.

*Post*, p. 506.

(b) In addition to performing such other functions as the President may direct, for the purpose of more effectively coordinating the policies and functions of the departments and agencies of the Government relating to the national security, it shall, subject to the direction of the President, be the duty of the Council—

Duties.

(1) to assess and appraise the objectives, commitments, and risks of the United States in relation to our actual and potential military power, in the interest of national security, for the purpose of making recommendations to the President in connection therewith; and

(2) to consider policies on matters of common interest to the departments and agencies of the Government concerned with the national security, and to make recommendations to the President in connection therewith.

(c) The Council shall have a staff to be headed by a civilian executive secretary who shall be appointed by the President, and who shall receive compensation at the rate of \$10,000 a year. The executive secretary, subject to the direction of the Council, is hereby authorized, subject to the civil-service laws and the Classification Act of 1923, as amended, to appoint and fix the compensation of such personnel as may be necessary to perform such duties as may be prescribed by the Council in connection with the performance of its functions.

Executive secretary.

42 Stat. 1489.  
5 U. S. C. §§ 661-674.

(d) The Council shall, from time to time, make such recommendations, and such other reports to the President as it deems appropriate or as the President may require.

Recommendations and reports.

## CENTRAL INTELLIGENCE AGENCY

SEC. 102. (a) There is hereby established under the National Security Council a Central Intelligence Agency with a Director of Central Intelligence, who shall be the head thereof. The Director shall be appointed by the President, by and with the advice and consent of the Senate, from among the commissioned officers of the armed services or from among individuals in civilian life. The Director shall receive compensation at the rate of \$14,000 a year.

Director.

(b) (1) If a commissioned officer of the armed services is appointed as Director then—

Appointment of commissioned officer as Director.

(A) in the performance of his duties as Director, he shall be subject to no supervision, control, restriction, or prohibition (military or otherwise) other than would be operative with respect to him if he were a civilian in no way connected with the Department of the Army, the Department of the Navy, the Department of the Air Force, or the armed services or any component thereof; and

(B) he shall not possess or exercise any supervision, control, powers, or functions (other than such as he possesses, or is authorized or directed to exercise, as Director) with respect to the armed services or any component thereof, the Department of the Army, the Department of the Navy, or the Department of the Air Force, or any branch, bureau, unit or division thereof, or with respect to any of the personnel (military or civilian) of any of the foregoing.

(2) Except as provided in paragraph (1), the appointment to the office of Director of a commissioned officer of the armed services, and his acceptance of and service in such office, shall in no way affect any status, office, rank, or grade he may occupy or hold in the armed services, or any emolument, perquisite, right, privilege, or benefit incident to or arising out of any such status, office, rank, or grade. Any such commissioned officer shall, while serving in the office of Director, receive the military pay and allowances (active or retired, as the case

Status in armed services, etc.

may be) payable to a commissioned officer of his grade and length of service and shall be paid, from any funds available to defray the expenses of the Agency, annual compensation at a rate equal to the amount by which \$14,000 exceeds the amount of his annual military pay and allowances.

(c) Notwithstanding the provisions of section 6 of the Act of August 21, 1912 (37 Stat. 554), or the provisions of any other law, the Director of Central Intelligence may, in his discretion, terminate the employment of any officer or employee of the Agency whenever he shall deem such termination necessary or advisable in the interests of the United States, but such termination shall not affect the right of such officer or employee to seek or accept employment in any other department or agency of the Government if declared eligible for such employment by the United States Civil Service Commission.

(d) For the purpose of coordinating the intelligence activities of the several Government departments and agencies in the interest of national security, it shall be the duty of the Agency, under the direction of the National Security Council—

(1) to advise the National Security Council in matters concerning such intelligence activities of the Government departments and agencies as relate to national security;

(2) to make recommendations to the National Security Council for the coordination of such intelligence activities of the departments and agencies of the Government as relate to the national security;

(3) to correlate and evaluate intelligence relating to the national security, and provide for the appropriate dissemination of such intelligence within the Government using where appropriate existing agencies and facilities: *Provided*, That the Agency shall have no police, subpoena, law-enforcement powers, or internal-security functions: *Provided further*, That the departments and other agencies of the Government shall continue to collect, evaluate, correlate, and disseminate departmental intelligence: *And provided further*, That the Director of Central Intelligence shall be responsible for protecting intelligence sources and methods from unauthorized disclosure;

(4) to perform, for the benefit of the existing intelligence agencies, such additional services of common concern as the National Security Council determines can be more efficiently accomplished centrally;

(5) to perform such other functions and duties related to intelligence affecting the national security as the National Security Council may from time to time direct.

(e) To the extent recommended by the National Security Council and approved by the President, such intelligence of the departments and agencies of the Government, except as hereinafter provided, relating to the national security shall be open to the inspection of the Director of Central Intelligence, and such intelligence as relates to the national security and is possessed by such departments and other agencies of the Government, except as hereinafter provided, shall be made available to the Director of Central Intelligence for correlation, evaluation, and dissemination: *Provided, however*, That upon the written request of the Director of Central Intelligence, the Director of the Federal Bureau of Investigation shall make available to the Director of Central Intelligence such information for correlation, evaluation, and dissemination as may be essential to the national security.

(f) Effective when the Director first appointed under subsection (a) has taken office—

Authority to terminate employment, etc.  
6 U. S. C. § 632.

Coordination of intelligence activities.

Police, etc., powers.

Continuance of activities by other agencies.

Protection of sources.

Intelligence relating to national security.

Information of FBI.

(1) the National Intelligence Authority (11 Fed. Reg. 1937, 1939, February 5, 1946) shall cease to exist; and

(2) the personnel, property, and records of the Central Intelligence Group are transferred to the Central Intelligence Agency, and such Group shall cease to exist. Any unexpended balances of appropriations, allocations, or other funds available or authorized to be made available for such Group shall be available and shall be authorized to be made available in like manner for expenditure by the Agency.

Termination of  
NIA.

Termination of  
Central Intelligence  
Group, etc.

#### NATIONAL SECURITY RESOURCES BOARD

SEC. 103. (a) There is hereby established a National Security Resources Board (hereinafter in this section referred to as the "Board") to be composed of the Chairman of the Board and such heads or representatives of the various executive departments and independent agencies as may from time to time be designated by the President to be members of the Board. The Chairman of the Board shall be appointed from civilian life by the President, by and with the advice and consent of the Senate, and shall receive compensation at the rate of \$14,000 a year.

Composition.

Appointment of  
Chairman.

(b) The Chairman of the Board, subject to the direction of the President, is authorized, subject to the civil-service laws and the Classification Act of 1923, as amended, to appoint and fix the compensation of such personnel as may be necessary to assist the Board in carrying out its functions.

Compensation of  
personnel.

42 Stat. 1488.  
5 U. S. C. § 661-674.

(c) It shall be the function of the Board to advise the President concerning the coordination of military, industrial, and civilian mobilization, including—

Function.

(1) policies concerning industrial and civilian mobilization in order to assure the most effective mobilization and maximum utilization of the Nation's manpower in the event of war;

(2) programs for the effective use in time of war of the Nation's natural and industrial resources for military and civilian needs, for the maintenance and stabilization of the civilian economy in time of war, and for the adjustment of such economy to war needs and conditions;

(3) policies for unifying, in time of war, the activities of Federal agencies and departments engaged in or concerned with production, procurement, distribution, or transportation of military or civilian supplies, materials, and products;

(4) the relationship between potential supplies of, and potential requirements for, manpower, resources, and productive facilities in time of war;

(5) policies for establishing adequate reserves of strategic and critical material, and for the conservation of these reserves;

(6) the strategic relocation of industries, services, government, and economic activities, the continuous operation of which is essential to the Nation's security.

(d) In performing its functions, the Board shall utilize to the maximum extent the facilities and resources of the departments and agencies of the Government.

Utilization of de-  
partmental facilities.

## TITLE II—THE NATIONAL MILITARY ESTABLISHMENT

### ESTABLISHMENT OF THE NATIONAL MILITARY ESTABLISHMENT

SEC. 201. (a) There is hereby established the National Military Establishment, and the Secretary of Defense shall be the head thereof.

(b) The National Military Establishment shall consist of the Department of the Army, the Department of the Navy, and the Department of the Air Force, together with all other agencies created under title II of this Act.

#### SECRETARY OF DEFENSE

Noneligibility for appointment.

SEC. 202. (a) There shall be a Secretary of Defense, who shall be appointed from civilian life by the President, by and with the advice and consent of the Senate: *Provided*, That a person who has within ten years been on active duty as a commissioned officer in a Regular component of the armed services shall not be eligible for appointment as Secretary of Defense. The Secretary of Defense shall be the principal assistant to the President in all matters relating to the national security. Under the direction of the President and subject to the provisions of this Act he shall perform the following duties:

Duties.

(1) Establish general policies and programs for the National Military Establishment and for all of the departments and agencies therein;

(2) Exercise general direction, authority, and control over such departments and agencies;

(3) Take appropriate steps to eliminate unnecessary duplication or overlapping in the fields of procurement, supply, transportation, storage, health, and research;

(4) Supervise and coordinate the preparation of the budget estimates of the departments and agencies comprising the National Military Establishment; formulate and determine the budget estimates for submittal to the Bureau of the Budget; and supervise the budget programs of such departments and agencies under the applicable appropriation Act:

Reports, etc., of Secretaries of Army, Navy, and Air Force.

*Provided*, That nothing herein contained shall prevent the Secretary of the Army, the Secretary of the Navy, or the Secretary of the Air Force from presenting to the President or to the Director of the Budget, after first so informing the Secretary of Defense, any report or recommendation relating to his department which he may deem necessary: *And provided further*, That the Department of the Army, the Department of the Navy, and the Department of the Air Force shall be administered as individual executive departments by their respective Secretaries and all powers and duties relating to such departments not specifically conferred upon the Secretary of Defense by this Act shall be retained by each of their respective Secretaries.

Administration of Departments of Army, Navy, and Air Force.

Reports to President and Congress.

(b) The Secretary of Defense shall submit annual written reports to the President and the Congress covering expenditures, work, and accomplishments of the National Military Establishment, together with such recommendations as he shall deem appropriate.

Seal.

(c) The Secretary of Defense shall cause a seal of office to be made for the National Military Establishment, of such design as the President shall approve, and judicial notice shall be taken thereof.

#### MILITARY ASSISTANTS TO THE SECRETARY

SEC. 203. Officers of the armed services may be detailed to duty as assistants and personal aides to the Secretary of Defense, but he shall not establish a military staff.

#### CIVILIAN PERSONNEL

Special assistants.

SEC. 204. (a) The Secretary of Defense is authorized to appoint from civilian life not to exceed three special assistants to advise and

assist him in the performance of his duties. Each such special assistant shall receive compensation at the rate of \$10,000 a year.

(b) The Secretary of Defense is authorized, subject to the civil-service laws and the Classification Act of 1923, as amended, to appoint and fix the compensation of such other civilian personnel as may be necessary for the performance of the functions of the National Military Establishment other than those of the Departments of the Army, Navy, and Air Force.

42 Stat. 1468.  
5 U. S. C. §§ 661-674.

#### DEPARTMENT OF THE ARMY

SEC. 205. (a) The Department of War shall hereafter be designated the Department of the Army, and the title of the Secretary of War shall be changed to Secretary of the Army. Changes shall be made in the titles of other officers and activities of the Department of the Army as the Secretary of the Army may determine.

Change in designation; titles.

(b) All laws, orders, regulations, and other actions relating to the Department of War or to any officer or activity whose title is changed under this section shall, insofar as they are not inconsistent with the provisions of this Act, be deemed to relate to the Department of the Army within the National Military Establishment or to such officer or activity designated by his or its new title.

(c) The term "Department of the Army" as used in this Act shall be construed to mean the Department of the Army at the seat of government and all field headquarters, forces, reserve components, installations, activities, and functions under the control or supervision of the Department of the Army.

"Department of the Army."

(d) The Secretary of the Army shall cause a seal of office to be made for the Department of the Army, of such design as the President may approve, and judicial notice shall be taken thereof.

Seal.

(e) In general the United States Army, within the Department of the Army, shall include land combat and service forces and such aviation and water transport as may be organic therein. It shall be organized, trained, and equipped primarily for prompt and sustained combat incident to operations on land. It shall be responsible for the preparation of land forces necessary for the effective prosecution of war except as otherwise assigned and, in accordance with integrated joint mobilization plans, for the expansion of peacetime components of the Army to meet the needs of war.

U. S. Army.

#### DEPARTMENT OF THE NAVY

SEC. 206. (a) The term "Department of the Navy" as used in this Act shall be construed to mean the Department of the Navy at the seat of government; the headquarters, United States Marine Corps; the entire operating forces of the United States Navy, including naval aviation, and of the United States Marine Corps, including the reserve components of such forces; all field activities, headquarters, forces, bases, installations, activities, and functions under the control or supervision of the Department of the Navy; and the United States Coast Guard when operating as a part of the Navy pursuant to law.

"Department of the Navy."

(b) In general the United States Navy, within the Department of the Navy, shall include naval combat and services forces and such aviation as may be organic therein. It shall be organized, trained, and equipped primarily for prompt and sustained combat incident to operations at sea. It shall be responsible for the preparation of naval forces necessary for the effective prosecution of war except as otherwise assigned, and, in accordance with integrated joint mobilization plans, for the expansion of the peacetime components of the Navy to meet the needs of war.

U. S. Navy.

## Naval aviation.

All naval aviation shall be integrated with the naval service as part thereof within the Department of the Navy. Naval aviation shall consist of combat and service and training forces, and shall include land-based naval aviation, air transport essential for naval operations, all air weapons and air techniques involved in the operations and activities of the United States Navy, and the entire remainder of the aeronautical organization of the United States Navy, together with the personnel necessary therefor.

## Responsibility of Navy.

The Navy shall be generally responsible for naval reconnaissance, antisubmarine warfare, and protection of shipping.

The Navy shall develop aircraft, weapons, tactics, technique, organization and equipment of naval combat and service elements; matters of joint concern as to these functions shall be coordinated between the Army, the Air Force, and the Navy.

## U. S. Marine Corps.

(c) The United States Marine Corps, within the Department of the Navy, shall include land combat and service forces and such aviation as may be organic therein. The Marine Corps shall be organized, trained, and equipped to provide fleet marine forces of combined arms, together with supporting air components, for service with the fleet in the seizure or defense of advanced naval bases and for the conduct of such land operations as may be essential to the prosecution of a naval campaign. It shall be the duty of the Marine Corps to develop, in coordination with the Army and the Air Force, those phases of amphibious operations which pertain to the tactics, technique, and equipment employed by landing forces. In addition, the Marine Corps shall provide detachments and organizations for service on armed vessels of the Navy, shall provide security detachments for the protection of naval property at naval stations and bases, and shall perform such other duties as the President may direct: *Provided*, That such additional duties shall not detract from or interfere with the operations for which the Marine Corps is primarily organized. The Marine Corps shall be responsible, in accordance with integrated joint mobilization plans, for the expansion of peacetime components of the Marine Corps to meet the needs of war.

## Additional duties.

## Restriction.

## DEPARTMENT OF THE AIR FORCE

## Secretary of the Air Force.

SEC. 207. (a) Within the National Military Establishment there is hereby established an executive department to be known as the Department of the Air Force, and a Secretary of the Air Force, who shall be the head thereof. The Secretary of the Air Force shall be appointed from civilian life by the President, by and with the advice and consent of the Senate.

## 5 U. S. C. § 1.

(b) Section 158 of the Revised Statutes is amended to include the Department of the Air Force and the provisions of so much of title IV of the Revised Statutes as now or hereafter amended as is not inconsistent with this Act shall be applicable to the Department of the Air Force.

## "Department of the Air Force."

(c) The term "Department of the Air Force" as used in this Act shall be construed to mean the Department of the Air Force at the seat of government and all field headquarters, forces, reserve components, installations, activities, and functions under the control or supervision of the Department of the Air Force.

## Under Secretary; Assistant Secretaries.

(d) There shall be in the Department of the Air Force an Under Secretary of the Air Force and two Assistant Secretaries of the Air Force, who shall be appointed from civilian life by the President by and with the advice and consent of the Senate.

(e) The several officers of the Department of the Air Force shall perform such functions as the Secretary of the Air Force may prescribe.



(f) So much of the functions of the Secretary of the Army and of the Department of the Army, including those of any officer of such Department, as are assigned to or under the control of the Commanding General, Army Air Forces, or as are deemed by the Secretary of Defense to be necessary or desirable for the operations of the Department of the Air Force or the United States Air Force, shall be transferred to and vested in the Secretary of the Air Force and the Department of the Air Force: *Provided*, That the National Guard Bureau shall, in addition to the functions and duties performed by it for the Department of the Army, be charged with similar functions and duties for the Department of the Air Force, and shall be the channel of communication between the Department of the Air Force and the several States on all matters pertaining to the Air National Guard: *And provided further*, That, in order to permit an orderly transfer, the Secretary of Defense may, during the transfer period hereinafter prescribed, direct that the Department of the Army shall continue for appropriate periods to exercise any of such functions, insofar as they relate to the Department of the Air Force, or the United States Air Force or their property and personnel. Such of the property, personnel, and records of the Department of the Army used in the exercise of functions transferred under this subsection as the Secretary of Defense shall determine shall be transferred or assigned to the Department of the Air Force.

(g) The Secretary of the Air Force shall cause a seal of office to be made for the Department of the Air Force, of such device as the President shall approve, and judicial notice shall be taken thereof.

#### UNITED STATES AIR FORCE

SEC. 208. (a) The United States Air Force is hereby established under the Department of the Air Force. The Army Air Forces, the Air Corps, United States Army, and the General Headquarters Air Force (Air Force Combat Command), shall be transferred to the United States Air Force.

(b) There shall be a Chief of Staff, United States Air Force, who shall be appointed by the President, by and with the advice and consent of the Senate, for a term of four years from among the officers of general rank who are assigned to or commissioned in the United States Air Force. Under the direction of the Secretary of the Air Force, the Chief of Staff, United States Air Force, shall exercise command over the United States Air Force and shall be charged with the duty of carrying into execution all lawful orders and directions which may be transmitted to him. The functions of the Commanding General, General Headquarters Air Force (Air Force Combat Command), and of the Chief of the Air Corps and of the Commanding General, Army Air Forces, shall be transferred to the Chief of Staff, United States Air Force. When such transfer becomes effective, the offices of the Chief of the Air Corps, United States Army, and Assistants to the Chief of the Air Corps, United States Army, provided for by the Act of June 4, 1920, as amended (41 Stat. 768), and Commanding General, General Headquarters Air Force, provided for by section 5 of the Act of June 16, 1936 (49 Stat. 1525), shall cease to exist. While holding office as Chief of Staff, United States Air Force, the incumbent shall hold a grade and receive allowances equivalent to those prescribed by law for the Chief of Staff, United States Army. The Chief of Staff, United States Army, the Chief of Naval Operations, and the Chief of Staff, United States Air Force, shall take rank among themselves according to their relative dates of appointment as such, and shall each take rank above all other officers on the active

Transfer of functions.

National Guard Bureau.

Transfer of property, etc.

Seal.

Chief of Staff.

Transfer of functions.

10 U. S. C. § 291.

10 U. S. C. § 292a-2.

Rank of Chief of Staff, Army, and Chief of Naval Operations.

Transfer of personnel.

Status of personnel.

Transfer of property, records, etc.

U. S. Air Force.

list of the Army, Navy, and Air Force: *Provided*, That nothing in this Act shall have the effect of changing the relative rank of the present Chief of Staff, United States Army, and the present Chief of Naval Operations.

(c) All commissioned officers, warrant officers, and enlisted men, commissioned, holding warrants, or enlisted, in the Air Corps, United States Army, or the Army Air Forces, shall be transferred in branch to the United States Air Force. All other commissioned officers, warrant officers, and enlisted men, who are commissioned, hold warrants, or are enlisted, in any component of the Army of the United States and who are under the authority or command of the Commanding General, Army Air Forces, shall be continued under the authority or command of the Chief of Staff, United States Air Force, and under the jurisdiction of the Department of the Air Force. Personnel whose status is affected by this subsection shall retain their existing commissions, warrants, or enlisted status in existing components of the armed forces unless otherwise altered or terminated in accordance with existing law; and they shall not be deemed to have been appointed to a new or different office or grade, or to have vacated their permanent or temporary appointments in an existing component of the armed forces, solely by virtue of any change in status under this subsection. No such change in status shall alter or prejudice the status of any individual so assigned, so as to deprive him of any right, benefit, or privilege to which he may be entitled under existing law.

(d) Except as otherwise directed by the Secretary of the Air Force, all property, records, installations, agencies, activities, projects, and civilian personnel under the jurisdiction, control, authority, or command of the Commanding General, Army Air Forces, shall be continued to the same extent under the jurisdiction, control, authority, or command, respectively, of the Chief of Staff, United States Air Force, in the Department of the Air Force.

(e) For a period of two years from the date of enactment of this Act, personnel (both military and civilian), property, records, installations, agencies, activities, and projects may be transferred between the Department of the Army and the Department of the Air Force by direction of the Secretary of Defense.

(f) In general the United States Air Force shall include aviation forces both combat and service not otherwise assigned. It shall be organized, trained, and equipped primarily for prompt and sustained offensive and defensive air operations. The Air Force shall be responsible for the preparation of the air forces necessary for the effective prosecution of war except as otherwise assigned and, in accordance with integrated joint mobilization plans, for the expansion of the peacetime components of the Air Force to meet the needs of war.

#### EFFECTIVE DATE OF TRANSFERS

SEC. 209. Each transfer, assignment, or change in status under section 207 or section 208 shall take effect upon such date or dates as may be prescribed by the Secretary of Defense.

#### WAR COUNCIL

SEC. 210. There shall be within the National Military Establishment a War Council composed of the Secretary of Defense, as Chairman, who shall have power of decision; the Secretary of the Army; the Secretary of the Navy; the Secretary of the Air Force; the Chief of Staff, United States Army; the Chief of Naval Operations; and the

Chief of Staff, United States Air Force. The War Council shall advise the Secretary of Defense on matters of broad policy relating to the armed forces, and shall consider and report on such other matters as the Secretary of Defense may direct.

#### JOINT CHIEFS OF STAFF

SEC. 211. (a) There is hereby established within the National Military Establishment the Joint Chiefs of Staff, which shall consist of the Chief of Staff, United States Army; the Chief of Naval Operations; the Chief of Staff, United States Air Force; and the Chief of Staff to the Commander in Chief, if there be one.

(b) Subject to the authority and direction of the President and the Secretary of Defense, it shall be the duty of the Joint Chiefs of Staff—

Duties.

(1) to prepare strategic plans and to provide for the strategic direction of the military forces;

(2) to prepare joint logistic plans and to assign to the military services logistic responsibilities in accordance with such plans;

(3) to establish unified commands in strategic areas when such unified commands are in the interest of national security;

(4) to formulate policies for joint training of the military forces;

(5) to formulate policies for coordinating the education of members of the military forces;

(6) to review major material and personnel requirements of the military forces, in accordance with strategic and logistic plans; and

(7) to provide United States representation on the Military Staff Committee of the United Nations in accordance with the provisions of the Charter of the United Nations.

Military advisers.

(c) The Joint Chiefs of Staff shall act as the principal military advisers to the President and the Secretary of Defense and shall perform such other duties as the President and the Secretary of Defense may direct or as may be prescribed by law.

#### JOINT STAFF

SEC. 212. There shall be, under the Joint Chiefs of Staff, a Joint Staff to consist of not to exceed one hundred officers and to be composed of approximately equal numbers of officers from each of the three armed services. The Joint Staff, operating under a Director thereof appointed by the Joint Chiefs of Staff, shall perform such duties as may be directed by the Joint Chiefs of Staff. The Director shall be an officer junior in grade to all members of the Joint Chiefs of Staff.

#### MUNITIONS BOARD

SEC. 213. (a) There is hereby established in the National Military Establishment a Munitions Board (hereinafter in this section referred to as the "Board").

Composition.

(b) The Board shall be composed of a Chairman, who shall be the head thereof, and an Under Secretary or Assistant Secretary from each of the three military departments, to be designated in each case by the Secretaries of their respective departments. The Chairman shall be appointed from civilian life by the President, by and with the advice and consent of the Senate, and shall receive compensation at the rate of \$14,000 a year.

Chairman.

## Duties.

(c) It shall be the duty of the Board under the direction of the Secretary of Defense and in support of strategic and logistic plans prepared by the Joint Chiefs of Staff—

(1) to coordinate the appropriate activities within the National Military Establishment with regard to industrial matters, including the procurement, production, and distribution plans of the departments and agencies comprising the Establishment;

(2) to plan for the military aspects of industrial mobilization;

(3) to recommend assignment of procurement responsibilities among the several military services and to plan for standardization of specifications and for the greatest practicable allocation of purchase authority of technical equipment and common use items on the basis of single procurement;

(4) to prepare estimates of potential production, procurement, and personnel for use in evaluation of the logistic feasibility of strategic operations;

(5) to determine relative priorities of the various segments of the military procurement programs;

(6) to supervise such subordinate agencies as are or may be created to consider the subjects falling within the scope of the Board's responsibilities;

(7) to make recommendations to regroup, combine, or dissolve existing interservice agencies operating in the fields of procurement, production, and distribution in such manner as to promote efficiency and economy;

(8) to maintain liaison with other departments and agencies for the proper correlation of military requirements with the civilian economy, particularly in regard to the procurement or disposition of strategic and critical material and the maintenance of adequate reserves of such material, and to make recommendations as to policies in connection therewith;

(9) to assemble and review material and personnel requirements presented by the Joint Chiefs of Staff and those presented by the production, procurement, and distribution agencies assigned to meet military needs, and to make recommendations thereon to the Secretary of Defense; and

(10) to perform such other duties as the Secretary of Defense may direct.

Termination of Joint Army and Navy Munitions Board.

(d) When the Chairman of the Board first appointed has taken office, the Joint Army and Navy Munitions Board shall cease to exist and all its records and personnel shall be transferred to the Munitions Board.

Personnel and facilities.

(e) The Secretary of Defense shall provide the Board with such personnel and facilities as the Secretary may determine to be required by the Board for the performance of its functions.

## RESEARCH AND DEVELOPMENT BOARD

Composition.

SEC. 214. (a) There is hereby established in the National Military Establishment a Research and Development Board (hereinafter in this section referred to as the "Board"). The Board shall be composed of a Chairman, who shall be the head thereof, and two representatives from each of the Departments of the Army, Navy, and Air Force, to be designated by the Secretaries of their respective Departments. The Chairman shall be appointed from civilian life by the President, by and with the advice and consent of the Senate, and shall receive compensation at the rate of \$14,000 a year. The purpose of the Board shall be to advise the Secretary of Defense as to the status of scientific research relative to the national security,

Chairman.

Purpose.

and to assist him in assuring adequate provision for research and development on scientific problems relating to the national security.

(b) It shall be the duty of the Board, under the direction of the Secretary of Defense—

(1) to prepare a complete and integrated program of research and development for military purposes;

(2) to advise with regard to trends in scientific research relating to national security and the measures necessary to assure continued and increasing progress;

(3) to recommend measures of coordination of research and development among the military departments, and allocation among them of responsibilities for specific programs of joint interest;

(4) to formulate policy for the National Military Establishment in connection with research and development matters involving agencies outside the National Military Establishment;

(5) to consider the interaction of research and development and strategy, and to advise the Joint Chiefs of Staff in connection therewith; and

(6) to perform such other duties as the Secretary of Defense may direct.

(c) When the Chairman of the Board first appointed has taken office, the Joint Research and Development Board shall cease to exist and all its records and personnel shall be transferred to the Research and Development Board.

(d) The Secretary of Defense shall provide the Board with such personnel and facilities as the Secretary may determine to be required by the Board for the performance of its functions.

Duties.

Termination of Joint Research and Development Board.

### TITLE III—MISCELLANEOUS

#### COMPENSATION OF SECRETARIES

SEC. 301. (a) The Secretary of Defense shall receive the compensation prescribed by law for heads of executive departments.

(b) The Secretary of the Army, the Secretary of the Navy, and the Secretary of the Air Force shall each receive the compensation prescribed by law for heads of executive departments.

#### UNDER SECRETARIES AND ASSISTANT SECRETARIES

SEC. 302. The Under Secretaries and Assistant Secretaries of the Army, the Navy, and the Air Force shall each receive compensation at the rate of \$10,000 a year and shall perform such duties as the Secretaries of their respective departments may prescribe.

Compensation; duties.

#### ADVISORY COMMITTEES AND PERSONNEL

SEC. 303. (a) The Secretary of Defense, the Chairman of the National Security Resources Board, and the Director of Central Intelligence are authorized to appoint such advisory committees and to employ, consistent with other provisions of this Act, such part-time advisory personnel as they may deem necessary in carrying out their respective functions and the functions of agencies under their control. Persons holding other offices or positions under the United States for which they receive compensation while serving as members of such committees shall receive no additional compensation for such service. Other members of such committees and other part-time advisory personnel so employed may serve without compensation or

Compensation.

may receive compensation at a rate not to exceed \$35 for each day of service, as determined by the appointing authority.

Service of an individual.

(b) Service of an individual as a member of any such advisory committee, or in any other part-time capacity for a department or agency hereunder, shall not be considered as service bringing such individual within the provisions of section 109 or 113 of the Criminal Code (U. S. C., 1940 edition, title 18, secs. 198 and 203), or section 19 (c) of the Contract Settlement Act of 1944, unless the act of such individual, which by such section is made unlawful when performed by an individual referred to in such section, is with respect to any particular matter which directly involves a department or agency which such person is advising or in which such department or agency is directly interested.

35 Stat. 1107, 1109.  
58 Stat. 668.  
41 U. S. C. § 119.

#### STATUS OF TRANSFERRED CIVILIAN PERSONNEL

SEC. 304. All transfers of civilian personnel under this Act shall be without change in classification or compensation, but the head of any department or agency to which such a transfer is made is authorized to make such changes in the titles and designations and prescribe such changes in the duties of such personnel commensurate with their classification as he may deem necessary and appropriate.

#### SAVING PROVISIONS

Orders applicable to transferred functions, etc.

SEC. 305. (a) All laws, orders, regulations, and other actions applicable with respect to any function, activity, personnel, property, records, or other thing transferred under this Act, or with respect to any officer, department, or agency, from which such transfer is made, shall, except to the extent rescinded, modified, superseded, terminated, or made inapplicable by or under authority of law, have the same effect as if such transfer had not been made; but, after any such transfer, any such law, order, regulation, or other action which vested functions in or otherwise related to any officer, department, or agency from which such transfer was made shall, insofar as applicable with respect to the function, activity, personnel, property, records or other thing transferred and to the extent not inconsistent with other provisions of this Act, be deemed to have vested such function in or relate to the officer, department, or agency to which the transfer was made.

Nonabatement of suits, etc.

(b) No suit, action, or other proceeding lawfully commenced by or against the head of any department or agency or other officer of the United States, in his official capacity or in relation to the discharge of his official duties, shall abate by reason of the taking effect of any transfer or change in title under the provisions of this Act; and, in the case of any such transfer, such suit, action, or other proceeding may be maintained by or against the successor of such head or other officer under the transfer, but only if the court shall allow the same to be maintained on motion or supplemental petition filed within twelve months after such transfer takes effect, showing a necessity for the survival of such suit, action, or other proceeding to obtain settlement of the questions involved.

55 Stat. 539.  
59 U. S. C. app. § 715.  
59 U. S. C. app. § 601 note.  
59 U. S. C. app. § 601 note.

(c) Notwithstanding the provisions of the second paragraph of section 5 of title I of the First War Powers Act, 1941, the existing organization of the War Department under the provisions of Executive Order Numbered 9082 of February 28, 1942, as modified by Executive Order Numbered 9722 of May 13, 1946, and the existing organization of the Department of the Navy under the provisions of Executive Order Numbered 9635 of September 29, 1945, including the assignment of functions to organizational units within the War and Navy Departments, may, to the extent determined by the Secretary of Defense,

5 U. S. C. § 411 note.

continue in force for two years following the date of enactment of this Act except to the extent modified by the provisions of this Act or under the authority of law.

#### TRANSFER OF FUNDS

SEC. 306. All unexpended balances of appropriations, allocations, nonappropriated funds, or other funds available or hereafter made available for use by or on behalf of the Army Air Forces or officers thereof, shall be transferred to the Department of the Air Force for use in connection with the exercise of its functions. Such other unexpended balances of appropriations, allocations, nonappropriated funds, or other funds available or hereafter made available for use by the Department of War or the Department of the Army in exercise of functions transferred to the Department of the Air Force under this Act, as the Secretary of Defense shall determine, shall be transferred to the Department of the Air Force for use in connection with the exercise of its functions. Unexpended balances transferred under this section may be used for the purposes for which the appropriations, allocations, or other funds were originally made available, or for new expenditures occasioned by the enactment of this Act. The transfers herein authorized may be made with or without warrant action as may be appropriate from time to time from any appropriation covered by this section to any other such appropriation or to such new accounts established on the books of the Treasury as may be determined to be necessary to carry into effect provisions of this Act.

#### AUTHORIZATION FOR APPROPRIATIONS

SEC. 307. There are hereby authorized to be appropriated such sums as may be necessary and appropriate to carry out the provisions and purposes of this Act.

#### DEFINITIONS

SEC. 308. (a) As used in this Act, the term "function" includes functions, powers, and duties.

"Function."

(b) As used in this Act, the term "budget program" refers to recommendations as to the apportionment, to the allocation and to the review of allotments of appropriated funds.

"Budget program."

#### SEPARABILITY

SEC. 309. If any provision of this Act or the application thereof to any person or circumstances is held invalid, the validity of the remainder of the Act and of the application of such provision to other persons and circumstances shall not be affected thereby.

#### EFFECTIVE DATE

SEC. 310. (a) The first sentence of section 202 (a) and sections 1, 2, 307, 308, 309, and 310 shall take effect immediately upon the enactment of this Act.

Am. pp. 500, 493, 496.

(b) Except as provided in subsection (a), the provisions of this Act shall take effect on whichever of the following days is the earlier: The day after the day upon which the Secretary of Defense first appointed takes office, or the sixtieth day after the date of the enactment of this Act.

#### SUCCESSION TO THE PRESIDENCY

SEC. 311. Paragraph (1) of subsection (d) of section 1 of the Act entitled "An Act to provide for the performance of the duties of the office of President in case of the removal, resignation, death, or inability both of the President and Vice President", approved July 18,

510

PUBLIC LAWS—CHS. 343, 344—JULY 26, 1947 [61 STAT.]

*Ante*, p. 350.

1947, is amended by striking out "Secretary of War" and inserting in lieu thereof "Secretary of Defense", and by striking out "Secretary of the Navy,".

Approved July 26, 1947.



## APPENDIX C

Page 2149

TITLE 50.—WAR AND NATIONAL DEFENSE

§ 1541

## Chapter 33.—WAR POWERS RESOLUTION [NEW]

## Sec.

1541. Purpose and policy.
- (a) Congressional declaration.
  - (b) Congressional legislative power under necessary and proper clause.
  - (c) Presidential executive power as Commander-in-Chief; limitation.
1542. Consultation; initial and regular consultations.
1543. Reporting requirement.
- (a) Written report; time of submission; circumstances necessitating submission; information reported.
  - (b) Other information reported.
  - (c) Periodic reports; semiannual requirement.
1544. Congressional action.
- (a) Transmittal of report and referral to Congressional Committees; joint request for convening Congress.
  - (b) Termination of use of United States Armed Forces; exceptions; extension period.
  - (c) Concurrent resolution for removal by President of United States Armed Forces.
1545. Congressional priority procedures for joint resolution or bill.
1546. Congressional priority procedures for concurrent resolution.
1547. Interpretation of joint resolution.
- (a) Inferences from any law or treaty.
  - (b) Joint headquarters operations of high-level military commands.
  - (c) Introduction of United States Armed Forces.
  - (d) Constitutional authorities or existing treaties unaffected; construction against grant of Presidential authority respecting use of United States Armed Forces.
1548. Separability clause.

## § 1541. Purpose and policy.

## (a) Congressional declaration.

It is the purpose of this joint resolution to fulfill the intent of the framers of the Constitution of the

United States and insure that the collective judgment of both the Congress and the President will apply to the introduction of United States Armed Forces into hostilities, or into situations where imminent involvement in hostilities is clearly indicated by the circumstances, and to the continued use of such forces in hostilities or in such situations.

(b) Congressional legislative power under necessary and proper clause.

Under article I, section 8, of the Constitution, it is specifically provided that the Congress shall have the power to make all laws necessary and proper for carrying into execution, not only its own powers but also all other powers vested by the Constitution in the Government of the United States, or in any department or officer hereof.

(c) Presidential executive power as Commander-in-Chief; limitation.

The constitutional powers of the President as Commander-in-Chief to introduce United States Armed Forces into hostilities, or into situations where imminent involvement in hostilities is clearly indicated by the circumstances, are exercised only pursuant to (1) a declaration of war, (2) specific statutory authorization, or (3) a national emergency created by attack upon the United States, its territories or possessions, or its armed forces. (Pub. L. 93-148, § 2, Nov. 7, 1973, 87 Stat. 555.)

**EFFECTIVE DATE**

Section 10 of Pub. L. 93-148 provided that: "This joint resolution [this chapter] shall take effect on the date of its enactment [Nov. 7, 1973]."

**SHORT TITLE**

Section 1 of Pub. L. 93-148 provided that: "This joint resolution [this chapter] may be cited as the 'War Powers Resolution'."

§ 1542. Consultation; initial and regular consultations.

The President in every possible instance shall consult with Congress before introducing United States Armed Forces into hostilities or into situations where imminent involvement in hostilities is clearly indicated by the circumstances, and after every such introduction shall consult regularly with the Congress until United States Armed Forces are no longer engaged in hostilities or have been removed from such situations. (Pub. L. 93-148, § 3, Nov. 7, 1973, 87 Stat. 555.)

**EFFECTIVE DATE**

Section effective Nov. 7, 1973, see section 10 of Pub. L. 93-148, set out as a note under section 1541 of this title.

§ 1543. Reporting requirement.

(a) Written report; time of submission; circumstances necessitating submission; information reported.

In the absence of a declaration of war, in any case in which United States Armed Forces are introduced—

(1) into hostilities or into situations where imminent involvement in hostilities is clearly indicated by the circumstances;

(2) into the territory, airspace or waters of a foreign nation, while equipped for combat, except for deployments which relate solely to supply, replacement, repair, or training of such forces; or

(3) in numbers which substantially enlarge United States Armed Forces equipped for combat already located in a foreign nation;

the President shall submit within 48 hours to the Speaker of the House of Representatives and to the President pro tempore of the Senate a report, in writing, setting forth—

(A) the circumstances necessitating the introduction of United States Armed Forces;

(B) the constitutional and legislative authority under which such introduction took place; and

(C) the estimated scope and duration of the hostilities or involvement.

(b) Other information reported.

The President shall provide such other information as the Congress may request in the fulfillment of its constitutional responsibilities with respect to committing the Nation to war and to the use of United States Armed Forces abroad.

(c) Periodic reports; semiannual requirement.

Whenever United States Armed Forces are introduced into hostilities or into any situation described in subsection (a) of this section, the President shall, so long as such armed forces continue to be engaged in such hostilities or situation, report to the Congress periodically on the status of such hostilities or situation as well as on the scope and duration of such hostilities or situation, but in no event shall he report to the Congress less often than once every six months. (Pub. L. 93-148, § 4, Nov. 7, 1943, 87 Stat. 555.)

**EFFECTIVE DATE**

Section effective Nov. 7, 1973, see section 10 of Pub. L. 93-148, set out as a note under section 1541 of this title.

**SECTION REFERRED TO IN OTHER SECTIONS**

This section is referred to in section 1544 of this title.

§ 1544. Congressional action.

(a) Transmittal of report and referral to Congressional Committees; joint request for convening Congress.

Each report submitted pursuant to section 1543 (a) (1) of this title shall be transmitted to the Speaker of the House of Representatives and to the President pro tempore of the Senate on the same calendar day. Each report so transmitted shall be referred to the Committee on Foreign Affairs of the House of Representatives and to the Committee on Foreign Relations of the Senate for appropriate action. If, when the report is transmitted, the Congress has adjourned sine die or has adjourned for any period in excess of three calendar days, the Speaker of the House of Representatives and the President pro tempore of the Senate, if they deem it advisable (or if petitioned by at least 30 percent of the membership of their respective Houses) shall jointly request the President to convene Congress in order that it may consider the report and take appropriate action pursuant to this section.

(b) Termination of use of United States Armed Forces; exceptions; extension period.

Within sixty calendar days after a report is submitted or is required to be submitted pursuant to section 1543(a) (1) of this title, whichever is earlier, the President shall terminate any use of United

States Armed Forces with respect to which such report was submitted (or required to be submitted), unless the Congress (1) has declared war or has enacted a specific authorization for such use of United States Armed Forces, (2) has extended by law such sixty-day period, or (3) is physically unable to meet as a result of an armed attack upon the United States. Such sixty-day period shall be extended for not more than an additional thirty days if the President determines and certifies to the Congress in writing that unavoidable military necessity respecting the safety of United States Armed Forces requires the continued use of such armed forces in the course of bringing about a prompt removal of such forces.

(c) Concurrent resolution for removal by President of United States Armed Forces.

Notwithstanding subsection (b) of this section, at any time that United States Armed Forces are engaged in hostilities outside the territory of the United States, its possessions and territories without a declaration of war or specific statutory authorization, such forces shall be removed by the President if the Congress so directs by concurrent resolution. (Pub. L. 93-148, § 5, Nov. 7, 1973, 87 Stat. 556.)

EFFECTIVE DATE

Section effective Nov. 7, 1973, see section 10 of Pub. L. 93-148, set out as a note under section 1541 of this title.

SECTION REFERRED TO IN OTHER SECTIONS

This section is referred to in sections 1545, 1546 of this title.

§ 1545. Congressional priority procedures for joint resolution or bill.

(a) Any joint resolution or bill introduced pursuant to section 1544(b) of this title at least thirty calendar days before the expiration of the sixty-day period specified in such section shall be referred to the Committee on Foreign Affairs of the House of Representatives or the Committee on Foreign Relations of the Senate, as the case may be, and such committee shall report one such joint resolution or bill, together with its recommendations, not later than twenty-four calendar days before the expiration of the sixty-day period specified in such section, unless such House shall otherwise determine by the yeas and nays.

(b) Any joint resolution or bill so reported shall become the pending business of the House in question (in the case of the Senate the time for debate shall be equally divided between the proponents and the opponents), and shall be voted on within three calendar days thereafter, unless such House shall otherwise determine by yeas and nays.

(c) Such a joint resolution or bill passed by one House shall be referred to the committee of the other House named in subsection (a) of this section and shall be reported out not later than fourteen calendar days before the expiration of the sixty-day period specified in section 1544(b) of this title. The joint resolution or bill so reported shall become the pending business of the House in question and shall be voted on within three calendar days after it has been reported, unless such House shall otherwise determine by yeas and nays.

(d) In the case of any disagreement between the two Houses of Congress with respect to a joint resolution or bill passed by both Houses, conferees shall be promptly appointed and the committee of conference shall make and file a report with respect to such resolution or bill not later than four calendar days before the expiration of the sixty-day period specified in section 1544(b) of this title. In the event the conferees are unable to agree within 48 hours, they shall report back to their respective Houses in disagreement. Notwithstanding any rule in either House concerning the printing of conference reports in the Record or concerning any delay in the consideration of such reports, such report shall be acted on by both Houses not later than the expiration of such sixty-day period. (Pub. L. 93-148, § 6, Nov. 7, 1973, 87 Stat. 557.)

EFFECTIVE DATE

Section effective Nov. 7, 1973, see section 10 of Pub. L. 93-148, set out as a note under section 1541 of this title.

§ 1546. Congressional priority procedures for concurrent resolution.

(a) Any concurrent resolution introduced pursuant to section 1544(c) of this title shall be referred to the Committee on Foreign Affairs of the House of Representatives or the Committee on Foreign Relations of the Senate, as the case may be, and one such concurrent resolution shall be reported out by such committee together with its recommendations within fifteen calendar days, unless such House shall otherwise determine by the yeas and nays.

(b) Any concurrent resolution so reported shall become the pending business of the House in question (in the case of the Senate the time for debate shall be equally divided between the proponents and the opponents) and shall be voted on within three calendar days thereafter, unless such House shall otherwise determine by yeas and nays.

(c) Such a concurrent resolution passed by one House shall be referred to the committee of the other House named in subsection (a) of this section and shall be reported out by such committee together with its recommendations within fifteen calendar days and shall thereupon become the pending business of such House and shall be voted upon within three calendar days, unless such House shall otherwise determine by yeas and nays.

(d) In the case of any disagreement between the two Houses of Congress with respect to a concurrent resolution passed by both Houses, conferees shall be promptly appointed and the committee of conference shall make and file a report with respect to such concurrent resolution within six calendar days after the legislation is referred to the committee of conference. Notwithstanding any rule in either House concerning the printing of conference reports in the Record or concerning any delay in the consideration of such reports, such report shall be acted on by both Houses not later than six calendar days after the conference report is filed. In the event the conferees are unable to agree within 48 hours, they shall report back to their respective Houses in disagreement. (Pub. L. 93-148, § 7, Nov. 7, 1973, 87 Stat. 557.)

## EFFECTIVE DATE

Section effective Nov. 7, 1973, see section 10 of Pub. L. 93-148, set out as a note under section 1541 of this title.

## § 1547. Interpretation of joint resolution.

## (a) Inferences from any law or treaty.

Authority to introduce United States Armed Forces into hostilities or into situations wherein involvement in hostilities is clearly indicated by the circumstances shall not be inferred—

(1) from any provision of law (whether or not in effect before November 7, 1973), including any provision contained in any appropriation Act, unless such provision specifically authorizes the introduction of United States Armed Forces into hostilities or into such situations and states that it is intended to constitute specific statutory authorization within the meaning of this joint resolution; or

(2) from any treaty heretofore or hereafter ratified unless such treaty is implemented by legislation specifically authorizing the introduction of United States Armed Forces into hostilities or into such situations and stating that it is intended to constitute specific statutory authorization within the meaning of this joint resolution.

## (b) Joint headquarters operations of high-level military commands.

Nothing in this joint resolution shall be construed to require any further specific statutory authorization to permit members of United States Armed Forces to participate jointly with members of the armed forces of one or more foreign countries in the headquarters operations of high-level military commands which were established prior to November 7, 1973, and pursuant to the United Nations Charter or any treaty ratified by the United States prior to such date.

## (c) Introduction of United States Armed Forces.

For purposes of this joint resolution, the term "introduction of United States Armed Forces" includes the assignment of members of such armed forces to command, coordinate, participate in the movement of, or accompany the regular or irregular military forces of any foreign country or government when such military forces are engaged, or there exists an imminent threat that such forces will become engaged, in hostilities.

## (d) Constitutional authorities or existing treaties unaffected; construction against grant of Presidential authority respecting use of United States Armed Forces.

Nothing in this joint resolution—

(1) is intended to alter the constitutional authority of the Congress or of the President, or the provisions of existing treaties; or

(2) shall be construed as granting any authority to the President with respect to the introduction of United States Armed Forces into hostilities or into situations wherein involvement in hostilities is clearly indicated by the circumstances which authority he would not have had in the absence of this joint resolution.

(Pub. L. 93-148, § 8, Nov. 7, 1973, 87 Stat. 558.)

## EFFECTIVE DATE

Section effective Nov. 7, 1973, see section 10 of Pub. L. 93-148, set out as a note under section 1541 of this title.

## § 1548. Separability clause.

If any provision of this joint resolution or the application thereof to any person or circumstance is held invalid, the remainder of the joint resolution and the application of such provision to any other person or circumstance shall not be affected thereby. (Pub. L. 93-148, § 9, Nov. 7, 1973, 87 Stat. 559.)

## EFFECTIVE DATE

Section effective Nov. 7, 1973, see section 10 of Pub. L. 93-148, set out as a note under section 1541 of this title.

APPENDIX D



Public Law 93-559  
93rd Congress, S. 3394  
December 30, 1974

An Act

98 STAT. 1795

To amend the Foreign Assistance Act of 1961, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Foreign Assistance Act of 1974".

Foreign Assistance Act of 1974. 22 USC 2151 note.

\* \* \* \*

INTELLIGENCE ACTIVITIES AND EXCHANGES OF MATERIALS

Sec. 32. The Foreign Assistance Act of 1961 is amended by adding at the end of part III the following new sections:

22 USC 2422.

"Sec. 662. Limitation on Intelligence Activities. (a) No funds appropriated under the authority of this or any other Act may be expended by or on behalf of the Central Intelligence Agency for operations in foreign countries, other than activities intended solely for obtaining necessary intelligence, unless and until the President finds that each such operation is important to the national security of the United States and reports, in a timely fashion, a description and scope of such operation to the appropriate committees of the Congress, including the Committee on Foreign Relations of the United States Senate and the Committee on Foreign Affairs of the United States House of Representatives.

Presidential report to Congress.

"(b) The provisions of subsection (a) of this section shall not apply during military operations initiated by the United States under a declaration of war approved by the Congress or an exercise of powers by the President under the War Powers Resolution.

50 USC 1541 note.

\* \* \* \*

