

SECRET

THE WHITE HOUSE
WASHINGTON

DECISION

November 1, 1975

DECLASSIFIED

E.O. 13526 (as amended) SEC 3.3

MR # 09-01-#19

NSC letter 3/19/12

By dal HARA, Date 5/29/12

MEMORANDUM TO: THE PRESIDENT

FROM: JACK MARSH

SUBJECT: Senate Select Committee Plans for Open
Hearing on Covert Activities in Chile

BACKGROUND

The Senate Select Committee intends to hold an open session on the range of CIA covert activities in Chile from 1964 to present. The hearing, which is scheduled for next Tuesday, is intended as a case study on covert activities and is the only one of its kind scheduled for an open hearing.

The CIA has been asked by the Committee to declassify certain facts (Attachment A) for the proposed public hearing. The Committee plans on calling two witnesses: David Philips, CIA's former head of the Latin America Division of the Directorate of Operations and Ambassador Korry who had been stationed in Chile from 1967 to 1971. In addition to declassification of the facts obtained from CIA files, the Senate Select Committee also wishes to quote from certain classified National Intelligence Estimates in an effort to prove that Allende was not considered to be a threat to the democratic processes of Chile. No other classified documentation has been requested for the hearing. The CIA has been advised that if Bill Colby wishes to appear, the Committee would hear his testimony.

During a recent executive session, strong objections were raised by Colby to holding a public session on this subject. Senator Church wishes to be advised as to whether or not the CIA will comply with the Committee requests.

ISSUE FOR DECISION

Should the Administration object to open hearings on Chile?



Reasons for Opposing Open Hearing:

The argument that much information about the Agency's activities in Chile has already appeared publicly fails to take account of the important distinction between unofficial reporting, rumors and allegations and the official verification of facts which would be the result of public hearings based on declassified documents and testimony.

People other than employees, including U. S. citizens and companies as well as foreigners who cooperated willingly with the Agency, could be exposed and become subject to harassment or even threat of physical violence. The confirmation of CIA covert activities in Chile would doubtless lead to the identification of highly placed political leaders of Chile who we have assisted over the years. In particular, former President Edwardo Frei, whose election in 1964 we contributed to and whose tacit participation in coup plotting in 1970 may be divulged.

Declassification of the facts or the appearance of the Director at an open hearing testifying to a declassified series of events in a covert action operation would have the following adverse results:

1. It would establish a precedent that would be seized on by the Congress in the future to hold additional open hearings on covert action.
2. It would have a shattering effect on the willingness of foreign political parties and individuals to cooperate with the U. S. in the future on such operations.

Finally, it should be noted that public, officially confirmed, rehashing of the Agency's activities in Chile would result, according to Colby, in a rekindling of the Soviet, Cuban and other adversaries worldwide campaign against CIA and the U. S. Government.

Advantages in Not Opposing the Open Hearing:

Since it is apparent that the Senate Select Committee will hold open hearings on Chile, cooperating with the Committee with respect to the scope of the hearing could give us limited protection. In such fashion we could hope to keep out of the public record a substantial number of names of Chilians who cooperated with the U. S. Government. We avoid further charges of "cover-up".



It would give an opportunity for Colby to demonstrate that the nature of our covert activity over a ten-year period was, in general, in support of the democratic process in Chile. It would also give him an opportunity to categorically deny any CIA participation in the 1973 coup and the death of Allende.

If the Senate publishes the assassination report, including Chile material, there will be little, if anything, left to protect.

Finally, if the CIA is to appear at open hearings, it would negotiate a more accurate statement of facts (e.g., paragraph 4 of Attachment A -- from the Committee -- is in error).

What Would Happen If We Oppose Open Hearings:

1. David Philips, former CIA officer, would be advised that the terms of his secrecy agreement are still in effect and that he could not testify in open session on the subject of covert activities in Chile. Philips would likely adhere to the CIA request to avoid public testimony. Although the State Department does not have a comparable post-employment agreement with Ambassador Korry, he could be notified that the subject matter remains classified and that it was the State Department's desire that he not testify in open session regarding covert activities in Chile. Both of these efforts could be construed by the Committee, and eventually by the press, as an attempt to "gag" committee witnesses. State Department officials believe that if Ambassador Korry is told that you want testimony in Executive Session only, he will object to appearing in public hearings. However, others point out that Korry could be unpredictable.
2. The basic facts relating to covert action in Chile from 1964 forward have appeared in the press. The Committee could, using non-official sources, proceed with Ambassador Korry as a witness. In this fashion they could maintain the fiction of not having declassified the Chile covert activities.
3. The Chairman could attempt to declassify the pertinent material through a committee vote. While this is not consistent with Senate rules, Senator Church used this technique in declassifying the Sinai Accords earlier this month.



DECISION

Agree to open hearings on Chile and try to structure as best as possible.

Favor:

Oppose: Buchen, Colby, Levi, Marsh, Scowcroft

Approve _____ Disapprove _____

Oppose open hearings; executive session only.

Favor: Buchen, Colby, Levi, Marsh, Scowcroft

Oppose:

Approve _____ Disapprove _____



~~SECRET~~

ATTACHMENT A

FACTS TO BE DECLASSIFIED FOR PUBLIC HEARINGS ON CHILE

1. The Central Intelligence Agency, acting under programs approved by the Special Group, spent nearly \$3,000,000 in covert efforts to insure the election of the Christian Democratic candidate in the 1964 Chilean Presidential elections.
2. In 1970, the 40 Committee - the Special Group's successor -- decided not to support a single candidate in the 1970 Presidential elections. Rather it decided that the CIA should undertake propaganda and other cover activities designed to prevent the election of the leftist candidate, Salvador Allende. \$425,000 was spent on that effort, in addition to ongoing Station activities.
3. Allende was the narrow victor in the September 4 elections. Because no candidate received a majority, the Chilean Congress was to vote between Allende and Jorge Alessandri, the conservative runner-up, on October 24. During the interim, the CIA undertook two lines of activity designed to prevent Allende from becoming President. One line was approved and coordinated by the 40 Committee. It included propaganda, contacts with members of Frei's cabinet and the use of military aid as an inducement to the Chilean military. It also included a 40 Committee authorization of funds to attempt to influence the outcome of the Congressional vote. It was, however, determined that the money could not usefully be spent, and it was not.

At the President's request, the CIA opened a second track of activity. This became an attempt to induce the Chilean military to stage a coup before Allende could be voted into office by the Chilean Congress. The CIA passed weapons to one group of Chilean military officers who plotted a coup. However, that group was apparently not the group which carried on the kidnap attempt in which the Chilean Chief of Staff, General Rene Schneider, was fatally wounded. The CIA knew of the latter group's plans but several days before had tried to discourage it from carrying them out.

4. Between Allende's inauguration in November, 1970 and his overthrow and death in September, 1973, the CIA spent over \$6,000,000 in support of opposition political parties and media. Included in that support were limited amounts of money for private sector organizations. Proposals for support of private sector organizations suspected of involvement in strike or for direct support of strikers were

~~SECRET~~

PHOTOCOPY FROM GERALD FORD LIBRARY



~~SECRET~~

-2-

rejected. At the same time, the CIA remained in contact through third parties with a right-wing terrorist organization, Patria y Libertad. The CIA also passed considerable money to the conservative National Party, whose right-wing members were known to have links with Patria y Libertad.

PHOTOCOPY FROM GERALD FORD LIBRARY

~~SECRET~~

