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MEMORANDUM FOR THE PRESIDENT

SUBJECT: Senate Select Committee Publication of Chile Covert Action Report

The Senate Select Committee has conducted an extensive examination of the files of the Central Intelligence Agency with respect to covert action in general and five countries in particular: Chile, Congo, [redacted] Indonesia and Laos. The Committee has prepared a comprehensive study on Chile which it intends to publish. While it has postponed public hearings on Chile, it is the Committee's intention to hold such hearings. Your approval of CIA's decision not to permit CIA officers or former officers to participate in public hearings has been communicated to the Committee, but this would not stop the Committee from developing the facts as they see them by calling non-government witnesses or even Committee staff investigators to testify.

The Committee staff study on covert action in Chile is a detailed revelation with specifics. It exposes intelligence sources and methods -- the foundation of clandestine operations which the Director of Central Intelligence is required by statute to protect. It identifies political parties, government entities, media, private organizations and individuals with whom the United States collaborated in a clandestine, confidential relationship. It cites the amounts of money authorized, the recipients, the purposes and the results. Committee sources have admitted that the public hearings would be used to give emphasis to selected portions of the Committee study, elaborating with first-hand knowledge, where possib

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The Committee's intention to make these intimate details public would:

-- In Chile, jeopardize organizations and individuals with whom CIA established confidential relationships; confirm associations which might subject Chileans to prosecution (legally and/or by terrorists); expose clandestine assets; and adversely affect inter-government relationships.

-- Elsewhere, as well as in Chile, generate fear and reluctance among potential clandestine associates because of our inability to guarantee the confidentiality of such relationships; subject the U. S. to a wave of "authoritative" charges of local involvement, citing as evidence the methods and techniques used in Chile; limit the cooperation of liaison with other intelligence services; and greatly diminish our capability to conduct covert operations and to acquire intelligence clandestinely.

One may argue the effect the Committee's intended revelations might have on institutions and the conduct of intelligence operations, but more definite is the potential impact upon individual Chileans who entered into a relationship with representatives of the U. S. Government, and the faith and trust in our Government this involved. It would not be melodramatic to say that the Committee's revelations might jeopardize the livelihood, if not the life, of individual Chileans.

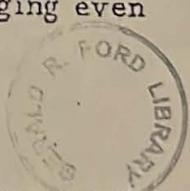


In the area of our general foreign relations, the Committee's course would have damaging consequences on our foreign relations in this Hemisphere and beyond. Because there is no yardstick by which to measure the magnitude of the operations described and because the Allende government ultimately fell, a document of the nature proposed even if expurgated, would be widely accepted as official acknowledgement of U.S. involvement in Allende's overthrow.

The last five years have seen forces friendly to the U.S. take control in a number of countries in Latin America entirely independent of any US involvement. Bolivia before Chile, then Argentina and in recent weeks Peru have all purged themselves of radical and antagonistic leadership and replaced it with independent but moderate regimes.

Publication of a case study of our involvement in Chile could encourage irresponsible elements to make inaccurate accusations against the new leaders, lead these same leaders to be extremely wary of any overt manifestation of friendship or cooperations with us and incline them to look elsewhere for support and assistance. Any event in Latin America which appeared to result in favorable consequences for the US would find more persons willing to believe that "improper" U.S. action was responsible for it.

There are other more obvious causes for concern. Publication of such a report would confirm in the eyes of many in Europe and elsewhere the illegitimacy of the present Chilean regime, damaging even



further its foreign image at a time when it acutely needs foreign financial support. It would also be safe to assume that the willingness of other governments to share confidences with us would be decreased. In countries like Mexico, Venezuela and Colombia, radical elements would use the publication of details of covert involvement in Chile to attempt to coerce moderate governments to adopt postures critical of the U.S. At the least, any attempt by moderate leaders to overtly support U.S. policies or positions would risk constant political undercutting by the opposition.

In the face of the Committee's intention to publish its study and hold public hearings on Chile, three major options are available:

-- The Executive Branch can refuse to testify in public, but watch as the Committee proceeds on its course of revelation.

Pro: Confrontation is avoided; Executive Branch involvement is minimized; publicity may be minimized (or at least reduced from that generated by a confrontation).

Con: Sources and methods would be exposed with the consequences cited above; the Committee would not be likely to refrain from similar exposés of other countries.

The Executive Branch can protest the Committee's intention to publish and hold public hearings.



Pro: Would limit and possibly avoid the consequences of the Committee's intended revelations; would dramatize the issues for the Committee and possibly influence members to adopt modifications, if not completely abandon their plans; would put the onus on the Committee for the consequences of its publicity.

Con: Might provoke an intransigent attitude which would result in more publicity, more revelations and more damage; would generate elements of confrontation which might be damaging politically, as well as substantively.

-- The Executive Branch can attempt to reach a compromise which would protect the sources and methods, insofar as possible, while providing sufficient general information for the Committee to make its conclusions and recommendations.

Pro: Avoids direct confrontation; limits the degree of revelation; attempts to protect sources and methods; reduces publicity; might provide restraints on further Committee revelations; would avoid appearance of lack of cooperation and charges that the Administration was "hiding" its activities in Chile to protect itself politically.

Con: Might whet Committee's appetite for more revelations; would allow some exposure of sources and methods which might be damaging and subject to the same consequences as a full-revelation; might be breached by unofficial leaks and



revelations; associates the Executive Branch more closely with whatever comes out in the Committee's publication or public hearings; and could have an escalating effect on the Pike Committee's desires to make public [the details of the Kurdish operation] -- or even more sensitive data not yet "leaked" to the public.

A possible compromise was discussed with Senators Church and Mathias on 5 November. It would call for:

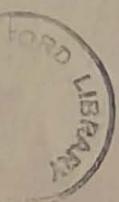
1. CIA to work with the Committee staff to delete from the proposed report specifics concerning Agency employees, U. S. Government officials, foreign officials and organizations;
2. a preface to the report indicating the unique nature of the revelation regarding covert activities;
3. a statement indicating that the information contained in the report came from many sources;
4. a commitment from the Committee that no other covert action would be made the subject of a public hearing or public report; and,
5. the structuring of the public hearing so that no present or former U. S. officials are asked to appear as witnesses. The Committee would also minimize the appearance that the Executive Branch willingly divulged the circumstances surrounding the covert actions.



If the Committee agreed to these provisions, there would still remain arguments over what should and should not be deleted, and the over-all thrust of the Committee study would remain a revealing document the uniqueness of which would be recognized by the preface cited in paragraph 2 of the possible compromise. This "uniqueness" would not erase all of the potential consequences of the content of the study, and would not avoid the details that remain from being exploited by our enemies abroad. In addition, the proposed attempts to hide the fact that the CIA is the source of most of the information would appear to be a copy-out on our responsibility as a matter of faith and trust to protect those with whom we have entered into a clandestine relationship, and to afford them as much protection as possible. It would also appear to undercut our efforts to maintain and establish clandestine relationships in the future.

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You have echoed the declarations of previous Presidents in determining that covert operations are necessary and desirable as an adjunct of our foreign policy in the national interest and security. In order to have covert operations, the essential ingredients must be protected and preserved. Fundamental is the sanctity of the agreement by which individuals enter into a clandestine relationship with a representative of the U. S. Government, as are the methods which are employed.



In summation:

To completely disengage and allow the Committee to carry out its intentions to publish and to hold public hearings on covert actions in Chile is unthinkable.

To compromise before taking a firm stand on this report would mean an abandonment of the principle you have so far maintained with regard to the assassination report. It offers some political advantage in avoiding a confrontation over what appears to be "inevitable" but otherwise will mean revelations limited only in degree over those which would be brought forth if the Committee moves ahead as it wishes.

To declare a firm Presidential position against any revelations of sources and methods for reasons outlined in this paper would underscore the risks and consequences involved and impress upon the Committee the great concern of those most familiar with the necessity and conduct of covert operations. It would not rule out a compromise, should that appear desirable, but it would surely strengthen Executive Branch negotiators in developing the details of any such compromise, should one prove workable.

