

MEMORANDUM

THE WHITE HOUSE  
WASHINGTON

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MEMORANDUM FOR THE RECORD

SUBJECT: Cabinet Meeting, September 17, 1974 - 11:00 a.m.

President: A number of news stories have appeared, and I commented last night on the Chile deal. It is my judgment, and I think that of every President, that the prime consideration is the national interest of the United States. We need a CIA and we need covert operations. This has been done since 1948.

Henry, could you give the details.

Kissinger: There are three aspects of the problem: What is the 40 Committee? What was the Chile situation? What did we do, overtly and covertly?

We face over the world threats to democratic institutions and we need covert action to deal with them. By their nature, we don't talk about these. So how do we deal with the leaks? Britain is certainly a democracy, yet a British paper couldn't print this stuff.

Every President has instituted safeguards. The 40 Committee has existed all this time.

Most projects are checked with the American Embassy involved. Projects are circulated, and if they are minor, they are signed off and go to the President for approval. The Assistant to the President doesn't decide; he presides as the representative of the President. If there is disagreement -- which happens rarely -- or if they are major matters, there is a meeting, and either a meeting is held or an options paper goes to the President. After six months there is automatic review of each program. The chairmen of the relevant committees are briefed.

Covert operations are those which can't be done in any other way. If they are leaked, we cannot conduct this policy. Not much is being done, but what is, is being done because they are important and can't be done in any other way.

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On Chile, the procedures were very regular, following those established under Truman.

One can argue that Allende wouldn't have won if we hadn't reduced the aid levels under Kennedy and Johnson.

What was the situation in Chile? In Chile, elections are won either by a popular majority or if there is no majority, an election in the Parliament. Allende got only 36% of the vote, and then proceeded to try to turn it into an irreversible dictatorial regime. On his left he had a group led from Cuba which accused him of not being extreme enough. This required that he concentrate on anti-US policies.

The effort of the 40 Committee was not to overthrow Allende but to preserve the democratic system for the 1976 elections. There was one famous newspaper they tried to put out of business, and they tried to throttle the opposition. Is this destabilizing? Sure, to a dictator.

The coup was produced by Allende's attempt to turn the regime into a Communist dictatorship, and the military eventually rebelled.

Last, there is the claim we waged economic warfare against Allende.

President Nixon did say we should be careful about aid to him, but the fact is that Allende nationalized American companies and defaulted on the obligation to give compensation. We did the minimum possible. We didn't give any new aid but continued what was in the pipeline, and PL 480, IDB loans, and humanitarian programs. The World Bank cut them off because they were in default.

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We did the same thing [redacted] There might have been proclivity for economic warfare, but the issue never came up. What happened was the result of his mismanagement and his nationalization and expropriations. Besides, we were cutting down on Chile and before 1970. He actually got more in multilateral aid than Frei.

Remember, he was an opponent of the U.S., and one can ask why shouldn't we oppose him?

President: I wanted you all to have the story. The decisions made were in accordance with the law. I think it is essential for the government to carry out certain covert activities. We will continue to carry them out.

I will meet with the Leaders and see whether new procedures are needed. In the House I was the beneficiary of these sorts of briefings by Dulles and McCone. We knew about the U-2 and the follow-up to the U-2. We will continue to carry on these operations.

Schlesinger: Most of the current money goes to support of political parties and is appropriated funds. [REDACTED]

[REDACTED] It was decided the U.S. would use only appropriated funds.

There are funds flowing out of the Soviet Union, China, Cuba -- all over the world. If anything, we do too little. There is nothing wrong with spending money to support political parties. Dr. Kissinger did his duty and did it very well. The public expects two things -- that knowledgeable officials know of the use of appropriated funds and at the same time that they don't know about it. This attack is an attempt to get at Henry.

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[REDACTED] In no way were the Chilean problems due to external forces. The stories leaked were based on Harrington's interpretation, and, were the facts known, they would reflect credit on those involved. Unfortunately, the leaks are usually by those opposed, and the intelligence people can't respond.

President: The reason I spoke so fully [at the press conference] was because I feel these operations are essential and were properly handled. In the future they will be continued and will be properly handled as they have been. That is my responsibility.

When we got briefed in the Congress, the CIA would sweep the room and there was the tightest security. The five of us were fully informed.

Morton: Now that the press has taken it on, can we at least get to the editorial level and get the straight story out and stop this vicious distortion, and get at least some press educated to the importance of these and of restoring confidentiality?

President: I don't think we should take on the press. It is only a few, and the best weapon is the truth.

Schlesinger: Britain has an Official Secrets Act. We don't have one. We can't blame the press -- the fault is a Member of Congress who used the material in an irresponsible way.

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President: To show the different climate from the time we served, we weren't even known as a committee. It is changed now, and apparently Harrington did have access to the transcript. And Nedze has acted responsibly.

I will meet with the Congressional people to see if they want any change in the procedure.

Saxbe: You spoke of the environment. We suffer the same. We are under attack for surveillance, Wounded Knee, the break-in of the Justice Department [?]. We are under attack for enforcing the law. It is a new kind of ball game, and right now we are not prepared to handle it.

President: Our position is that the law will be upheld and we won't deal with these things on a political basis.

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