UNITED STATES GOVERNMENT

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ARA - Ambassador Shlaudeman

DATE: July 15, 1976

Chile Project (#\$199900006) U.S. Department of State

SUBJECT: The Charles Horman Case.

ARelease Excise Deny X Declass Exemption(s)

Here is a draft letter to Kennedy on the Horman case. Factually, it is the best Driscoll and I have been able to dredge up in about four man-days. It will not do. It will only deepen suspicions by the Washington Post and by the Hill that we have deliberately been less than candid. The letter does not, cannot, lay to rest suspicions that the USG "fingered" Horman and Teruggi:

- -- We "withheld" for almost two years any reference to a Chilean memorandum which accused Teruggi, and Horman, of leftist activities. At these times we are not accused of ineptness but of byzantine maneuverings.
- -- We failed to pursue the basis for the GOC's allegations concerning Horman and Teruggi. This is a lead. We have done nothing about it.
- -- The Horman family reportedly has a letter from CIA in response to an FOI request, which "admits" the Agency knew something of Horman's alleged activities. However, CIA told teruggi their information was unrelated to Horman's death. CIA is checking this out for me.
- -- Lew Diuguid insists he has a source for his assertion that the Embassy superiors were informed early on of Horman's fate but failed to follow-up. (He claims similar reports from Chilean sources were also ignored.) Lew hints broadly that his source is an FSO here in Washington who was in Santiago at the time of the coup. Lew has asked this person to repeat his statements to us.
- \* -- Vice Consul Anderson's participation in this matter will eventually be the subject of further probing.
- -- We keep telling the families and the press that we are diligently pursuing every lead, doing everything to develop the circumstances surrounding the deaths of these

Americans. This is overdrawn. And the matter has been handled by too many offices, with the result reflected in the draft letter.

- -- The files are in such disarray that we cannot begin to assure anyone that we know what we are talking about without a further thorough research and necessary follow-up with the authors. This will require a lot more time than we have had until now to work on this project. There is some spare manpower about: Fred Smith, formerly with L, SCA, and Embassy Mexico City, is back in the building, without a forward assignment.
- -- Finally, because BC also is unconvinced the total U.S. role is honestly and accurately reflected in the records available to the Department, I cannot recommend that you sign this letter -- it will just recycle more accusations and questions from the Hill and the press. With respect to other U.S. agencies, I don't believe BC is in the position of responding in their behalf. I suggest that we only speak for the Department. But you may be able to accept the agency's categorical denial on the basis of what you know and your talks with Langley.

## Attachment:

Draft letter to Senator Kennedy, with incoming and attachments.

ARA/BC: RFimbres:ng

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