

TECHNIQUES OF COVERT ACTION

**Expenditures in Chile, 1963 - 1973
(to nearest \$100,000)**

Techniques

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 ...	Less than \$ 200,000

HEARINGS EXHIBITS
EXHIBIT 1

EXHIBIT 2

MEETING WITH PRESIDENT
ON CHILE AT 1525 SEPT 15, '70
PRESENT: JOHN MITCHELL & HENRY KISSINGER

1 in 10 chance perhaps, but save Chile!

with spending

not involved with interest

no involvement of embassy

70, 80, 90 available, more if necessary

full-time job - but men we have

same plan

make the economy screen

48 hours for plan of action

White pe's, 75, 80, 85

Sullivan

MEETING WITH THE PRESIDENT
ON CHILE

15 SEPTEMBER 1970 -- PRESENT WERE: 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 G. TOWER, TEXAS, VICE CHAIRMAN
 PHILIP A. HART, MICH. HOWARD M. DAKIN, JR., TENN.
 WALTER F. MONDALE, MINN. BARRY GOLDWATER, ARIZ.
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 ROBERT MORGAN, N.C. RICHARD S. SCHWEIKER, PA.
 GARY HART, COLO.

WILLIAM G. MILLER, STAFF DIRECTOR
 FREDERICK A. O. SCHWARTZ, 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, 89TH 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 or any specific involvements in the 1969 Congressional elections and the 1970 Presidential elections.

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30-11
2. Did your assessment differ from that of the Department in Washington? From CIA Headquarters? From the Chief of Station?

30-11
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.

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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, reading "Gregory Treverton". The signature is written in dark ink and is positioned above the printed name.

Gregory F. Treverton

EXHIBIT 4

EDWARD M. KORRY
351 ELM ROAD
BRIARCLIFF MANOR, NEW YORK 10510
914 941-0137

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 interaction 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--strode, 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

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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 idle 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-bright, 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

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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 vintage 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

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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

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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

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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 Dueseldorf 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?

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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 throw-tie 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

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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, ^{I had won support for} 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

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Administration decision? Did Mr. Levenson, (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 "Commisear". Nor would I suggest here that you perceived the thread of logic that led from Mr. Levenson'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

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postulations, 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 ^{compromise} ~~xxxxxxxx~~ 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~~ ^{absent} 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, Levenson, next acted as one of the two channels for Congressman Harrington, according to published reports, to divulge, to leak,

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in September, 1974, Mr. Colby's secret testimony on Chile. (Congressman Harrington's other channel was Mr. Laurence Stern of the Washington Post, a confidante of Levinson and of the aforementioned "Commissioner" ^{who} published during the March, 1973, hearings of your Subcommittee a front-page story stating that the United States government had funnelled 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. Stern's above-mentioned story had), that the US government had sought 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 ~~from the State Department~~ 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 andillum and Senator Joseph McCarthy's Cohn

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and Shing? 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?

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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.

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What unredeeming rubbish! Morally shameless, intellectually insulting, factually incredible and politically asinine.

Either the United States condones or does not 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 Fortresses 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 predicated 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

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 vote 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 election 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 knew 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 ^{about} 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,

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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 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 in ~~the~~ 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

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their individual Senators and Congressmen, by threatening 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/control of ^{irreversible} ~~the~~ 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, or 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

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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 ^{was} softened my previous iron determination, often expressed, to have the US stay on the sidelines, to follow a strictly non-interventionist policy. ~~There~~ I suggested a modest electoral propaganda program ^{and then, one for political action}. You may not wish to have all my reasons discussed in public but I am prepared to do so. ~~There~~, 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 ^{the US,} in Chile and in Latin America---to treat/ 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~~ 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 ^{an} 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

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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 ^{Soviet Union's} 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-

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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--

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a country which the US Government had told the Congress repeatedly would be the model for 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^{by} 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)

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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 Pino government; I said the US had to avoid a self-fulfilling prophecy however correct my reporting and analysis might be, by seeking

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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 guarantee 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 I followed and the

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"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 attaches, 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

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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 schemes, 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 shifted 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 belabored 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.

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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 ^{agencies} had considered and, in effect, ^{we} adopted:---(1) to work out a modus vivendi, (2) to follow a cool but correct approach, (3) to harass and hinder. ^{and all of these} 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

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arose
 occasion 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.)

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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.

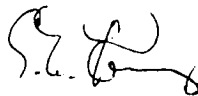
But if the public is once again to be cheated, if it is to have dart guns pulled from a dusty shelf to wave for lurid titillation and headlines---and not be told openly and adultly that the same gun had been displayed years earlier to an approving Congressional committee---then I fear the ultimate result 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

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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,

A handwritten signature in dark ink, appearing to read 'E. M. Kerry', with a stylized flourish at the end.

Edward M. Kerry

EXHIBIT 5



Department of State

TELEGRAM

UNCLASSIFIED

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42-12-B-1
42-12-C-1

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TO SECSTATE WASHDC IMMEDIATE 8865
INFO AMEMBASSY BUENOS AIRES
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AMEMBASSY LIMA
AMEMBASSY CARACAS
AMEMBASSY MEXICO
AMEMBASSY ROME
AMEMBASSY BONN
AMEMBASSY PARIS
AMEMBASSY BRUSSELS
AMEMBASSY LONDON
AMEMBASSY MOSCOW

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*Santiago 5020
9-29-71*

CONFIDENTIAL SECTION 1 OF 2 SANTIAGO 5020

ENDIS

PASS OPIC

SUBJECT: COPPER CRUNCH (PART I:)

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)

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



Department of State TELEGRAM

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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 FERRO 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 TENTENTIOUSLY-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--

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STATE
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AMERICA

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LEGATION

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A RHYTHM OF CONCORD MIGHT CONDUCT THE MARXISTS TO
ACILIATORY VIEW OF THE MOST VOLATILE AND WEIGHTY OF
NTIAL PROBLEMS

IN PARTICULAR, THE SUCCESS ACHIEVED IN THE BETHLEHEM
GOTIATED NATIONALIZATION AND THE LESSONS DERIVED FROM THE
TENTIALLY CONSTRUCTIVE USE OF OPIC INSURANCE IN SUCH
RGAINING STRENGTHENED A FEELING THAT PERHAPS THE LONG SHOT
OULD PAY OFF. WHEN WE HAD APPEARED TO HAVE WON ANOTHER
YTERIM BET--THE 56,000,000 DOLLAR CERRO COPPER ACCORD IN
30-MAY--THE AGE OF AQUARIUS SEEMED TO BE DAWNING. BUT
HEN ALLENDE WAS TOLD HE COULD NOT SIGN THE AGREEMENT HE
HAD PERSONALLY APPROVED, WHEN HOW 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
WELL 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--

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THE BIG TWO OF COPPER AND THE THEN INTERVENTION-MENANCED
KORRY

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ACTION SS-25

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 INFO AMEMBASSY BUENOS AIRES
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 AMEMBASSY CARACAS
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~~CONFIDENTIAL~~ SECTION 2 OF 2 SANTIAGO 5020

EXDTS

TELEPHONE COMPANY OF ITT (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 (ITT) 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

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COMPENSATION. THUS, COMPENSATION WOULD BE SUBSTANTIALLY LOWERED AND UNILATERALLY IMPOSED BY SOC YET ACCEPTABLE TO THE COMPANIES BECAUSE OF THE MUCH FASTER AND MORE CERTAIN PAYOUT. THE USG, FOR ITS PART, WOULD AVOID IMMEDIATE OPIC 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 FONKIN ALMEYDA, THEN ON A TOUR OF NORTHERN COUNTRIES, I FIRST SOUNDED FELIPE HERRERA, THE EX-PRESIDENT OF THE IDB WHOM CHILE HAS NOW FORMALLY PROPOSED AS SUCCESSOR TO U THANT. HIS REACTION WAS UNRESERVEDLY FAVORABLE. HE SO TOLD THE ACTING PRESIDENT, MININTERIOR TOMA, 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 (SEPT 28). I BROACHED THE SUBJECT TOO WITH THE CHIEF NEGOTIATOR IN THE ITT CASE, SUBSECRETARY OF ECONOMY GARRETON. HIS INTEREST WAS SUFFICIENTLY PIQUED TO BRIEF HIS MINISTER VUSKOVIC AND TOMA.

10. NEXT I RESPONDED IN DETAIL FOR TWO HOURS TO A DELEGATION

WHO WERE PROMPTED TO CALL ON ME SEPT 28 *and* EN MASSE TO INQUIRE ABOUT THE STATE OF NEGOTIATIONS. I TOLD THEM THERE WERE NO NEGOTIATIONS, ONLY A COURTEOUS

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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.

!! 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" (THIS 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 ELCITED SPECIFIC QUESTIONING (VIA THE INTERPRETER)

THEY WERE NOT ASHAMED TO ASK ME WHY I WOULD THE USG AS A
INTELLIGENCE AGENCY TO CONSIDER THIS SITUATION WERE EVEN THOUGH
THEY WERE NOT ASHAMED TO ASK ME WHY I WOULD THE USG AS A

SO MUCH FOR THE HISTORICAL RECORD. ERASMUS SAID THAT IN
GREAT THINGS, IT IS GOOD ENOUGH TO HAVE TRIED. MAY BE OF SOME
MAY BE OF SOME



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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

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COVERT ACTION EXPENDITURES AND 40 COMMITTEE APPROVALS IN CHILE, FY 1962 - 1974

(in thousands of dollars)

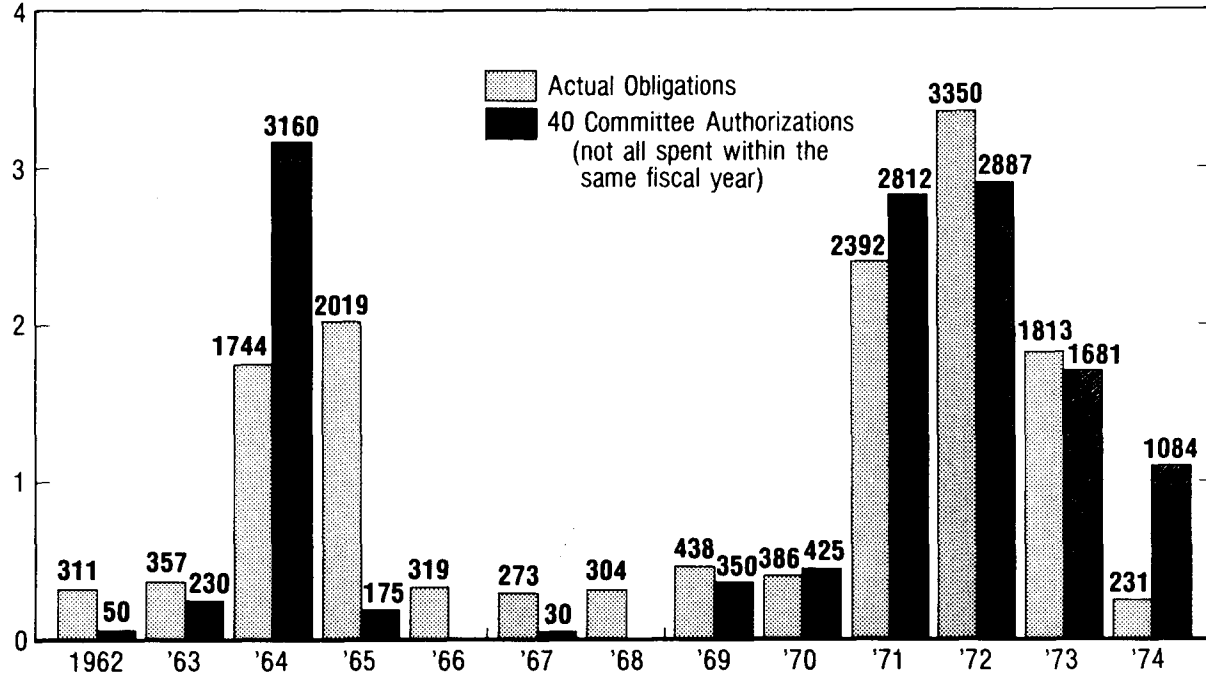


EXHIBIT 6

EXHIBIT 7

PRESIDENT KENNEDY TO CHIEFS OF MISSION, MAY 29, 1961¹

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 . . .

¹ 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.