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At the 28 October Executive Session of the Senate Select Committee, strong objections were raised by the DCI to holding a public session on this subject. The Chairman wishes to be advised as to whether or not the CIA will comply with the requests of the SSC.

Reasons for Opposing Open Hearing:

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

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

E.O. 13526, section 3.3(b)(6)

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support who might be identified.

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

1. It would establish a precedent that would be seized on by the Congress in the future to hold additional open hearings on covert action.

2. It would have a shattering effect on the willingness of foreign political parties and individuals to cooperate with the U. S. in the future on such operations.

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

What Would Happen if we Oppose Open Hearings:

1. David Phillips, former CIA officer, would be advised that the terms of his secrecy agreement are still in effect and that he could not testify in open session on the subject of covert activities in Chile. Although the State Department does not have a comparable post-employment agreement

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with Ambassador Korry, he could be notified that the subject matter remains classified and that it was the State Department's desire that he not testify in open session regarding covert activities in Chile. Both of these efforts could be construed by the Committee and eventually by the press as an attempt to "gag" Committee witnesses.

2. The basic facts relating to covert action in Chile from 1964 forward have appeared in the press. The Committee could, using non-official sources, proceed with Ambassador Korry as a witness. In this fashion they could maintain the fiction of not having declassified the Chile covert activities.

3. The Chairman could attempt to declassify the pertinent material through a committee vote. While this is not consistent with Senate rules, Senator Church used this technique in declassifying the Sinai Accords earlier this month.

Advantages in Not Opposing the Open Hearing:

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

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

3. The publication of the assassination report, including Chile material, can be expected shortly.

4. If the CIA is to appear at open hearings, it would negotiate a more accurate statement of facts (paragraph 4 of Attachment A is in error).

Recommendation:

On balance I recommend against declassification of the facts in Attachment A and that I be authorized to hold Mr. Phillips to his secrecy agreement. I support a firm Administration position that public discussion of covert action by U. S. officials is not in the overall U. S. interest.

W. E. Colby  
Director

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ATTACHMENT A

FACTS TO BE DECLASSIFIED FOR PUBLIC HEARINGS ON CHILE

1. The Central Intelligence Agency, acting under programs approved by the Special Group, spent nearly \$3,000,000 in covert efforts to insure the election of the Christian Democratic candidate in the 1964 Chilean Presidential elections.

2. In 1970, the 40 Committee--the Special Group's successor--decided not to support a single candidate in the 1970 Presidential elections. Rather it decided that the CIA should undertake propaganda and other covert activities designed to prevent the election of the leftist candidate, Salvador Allende. \$425,000 was spent on that effort, in addition to on-going Station activities.

3. Allende was the narrow victor in the September 4 elections. Because no candidate received a majority, the Chilean Congress was to vote between Allende and Jorge Alessandri, the conservative runner-up, on October 24. During the interim, the CIA undertook two lines of activity designed to prevent Allende from becoming President. One line was approved and coordinated by the 40 Committee. It included propaganda, contacts with members of Frei's cabinet and the use of military aid as an inducement to the Chilean military. It also included a 40 Committee authorization of funds to attempt to influence the outcome of the Congressional vote. It was, however, determined that the money could not usefully be spent, and it was not.

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

4. Between Allende's inauguration in November 1970 and his overthrow and death in September 1973, the CIA spent over \$6,000,000 in support of opposition political parties and media. Included in that support were limited amounts of money for private sector organizations. Proposals for support of private sector organizations suspected of involvement in strike or for direct support of strikers were rejected. At the same time, the CIA remained in contact through third parties with a right-wing terrorist organization, Patria y Libertad. The CIA also passed considerable money to the conservative National Party, whose right-wing members were known to have links with Patria y Libertad.

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