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ONLY SET OF DOCUMENTS
ON CHILE IN THE CINNAM
FILES. HALE IS
MENTIONED ON
P. 4.



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SECURITY CLASSIFICATION APPEALS PANEL.
E.O. 13526, SECTION 5.3(b)(3)
ISCAP No. 2010-009, document 6

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CENTRAL INTELLIGENCE AGENCY

OFFICE OF THE DIRECTOR

29 April 1975

Mr. David W. Belin
Executive Director
Commission on CIA Activities
Within the United States

Dear Mr. Belin:

This material, requested by Mr. Gray for you, is provided to meet an urgent deadline and has not been subjected to usual Agency procedures governing release of Agency documents.

Accordingly, please consider it on loan and returnable. If you should require the material for Commission files, please let me know and we will arrange to provide it.

Faithfully yours,

E. H. Knoche
Assistant to the Director

Attachment: a/s

P.S. As you know, Mr. Colby's memo of 25 September 1974 on Chile has been over-taken by subsequent events.

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Classified by
Exempt from general
declassification schedule of E.O. 11652
exemption schedule 53 (1), (2), (3)
Automatically declassified on
Date Impossible to Determine

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| Executive Registry |
| 74-4758 |

25 September 1974

74-0233

MEMORANDUM FOR THE RECORD

SUBJECT: ITT/CIA/Chile Matter

The legality of certain of the matters surfaced in the memorandum to the Inspector General from Mr. Thomas C. Lawler dated 5 September 1974 has been studied by the offices of General Counsel and Legislative Counsel. To date, I have been advised by my General Counsel that the study has resulted in no finding that there is clear evidence of perjury or other crimes. Accordingly, I have decided not to refer any of the matters discussed in that memorandum to the Attorney General at this time. The study of these matters will continue and a final decision as to whether referral of any of these matters to the Attorney General is necessary will be made whenever clear evidence is available of any criminal conduct. I am also reserving decision at this time as to whether any of these matters require being brought to the attention of any of the congressional committees or OPIC.

/s/ WEC
W. E. Colby
Director

cc: IG ✓
OLC
OGC

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DUTING- AND RECORD SHEET

36

SUBJECT: (Optional)

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FROM: C/WHD

EXTENSION

NO.

DATE

21 February 1973

TO: (Officer designation, room number, and building)

DATE

OFFICER'S INITIALS

COMMENTS (Number each comment to show from whom to whom. Draw a line across column after each comment.)

RECEIVED

FORWARDED

1. Mr. Broe
IG

21 FEB 1973

2.

3. Mr. Maury
OLC

21 FEB 1973

MEMORANDUM FOR: DFC

The attached memo by Shackley (21 Feb 73) dwells on the question of CIA endorsing Helms' testimony although the Senate subcommittee staff wouldn't show it to us. It also emphasizes the issue of whether CIA gave money to Helms — or vice versa — for political action in 1970, as distinguished from what we did ourselves.

Also attached is an "overview" paper that reports on 1970 activity to spoil Allende's chance of election without, however, supporting either of the two non-communist candidates. After the election CIA conducted operations "to prevent the accession of Allende," including providing weapons to instigate an uprising. Helms' testimony TOL tells us of direct conflict to testimony TOL tells us given before Congress.

John Warner has a copy and has been told that you have a copy. He has not yet authorized TOL's showing it to the SAC people with whom he is working.

(DATE)

26 Sept 74

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NO. 101 REPLACES FORM 10-101 WHICH MAY BE USED.

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DURING AND RECORD SHEET

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SUBJECT: (Optional) Withheld under statutory authority of the Central Intelligence Agency Act of 1949 (50 U.S.C., section 403g)

FROM: C/WHID EXTENSION NO.

DATE: 21 February 1973

TO: (Officer designation, room number, and building) **DATE** **OFFICER'S INITIALS** **COMMENTS (Number each comment to show from whom to whom. Draw a line across column after each comment.)**

| NO. | TO | DATE | | OFFICER'S INITIALS | COMMENTS |
|-----|--------------------|-------------|-----------|--------------------|--|
| | | RECEIVED | FORWARDED | | |
| 1. | Mr. Broe IG | 21 FEB 1973 | | | <div style="border: 1px solid black; padding: 5px; margin-bottom: 10px;">Withheld under statutory authority of the Central Intelligence Agency Act of 1949 (50 U.S.C., section 403g)</div> <div style="border: 1px solid black; padding: 5px; margin-bottom: 10px;">[Redacted]</div> <div style="border: 1px solid black; padding: 5px; margin-bottom: 10px;">[Redacted]</div> <div style="border: 1px solid black; padding: 5px; margin-bottom: 10px;">[Redacted]</div> <div style="border: 1px solid black; padding: 5px; margin-bottom: 10px;">[Redacted]</div> <div style="border: 1px solid black; padding: 5px; margin-bottom: 10px;">[Redacted]</div> <div style="border: 1px solid black; padding: 5px; margin-bottom: 10px;">[Redacted]</div> <div style="border: 1px solid black; padding: 5px; margin-bottom: 10px;">[Redacted]</div> <div style="border: 1px solid black; padding: 5px; margin-bottom: 10px;">[Redacted]</div> <div style="border: 1px solid black; padding: 5px; margin-bottom: 10px;">[Redacted]</div> <div style="border: 1px solid black; padding: 5px; margin-bottom: 10px;">[Redacted]</div> <div style="border: 1px solid black; padding: 5px; margin-bottom: 10px;">[Redacted]</div> <div style="border: 1px solid black; padding: 5px; margin-bottom: 10px;">[Redacted]</div> <div style="border: 1px solid black; padding: 5px; margin-bottom: 10px;">[Redacted]</div> <div style="border: 1px solid black; padding: 5px; margin-bottom: 10px;">[Redacted]</div> <div style="border: 1px solid black; padding: 5px; margin-bottom: 10px;">[Redacted]</div> |
| 2. | | | | | |
| 3. | Mr. Maury OLC | 21 FEB 1973 | | | |
| 4. | | | | | |
| 5. | Mr. Houston OGC | 21 FEB 1973 | | | |
| 6. | | | | | |
| 7. | Mr. Colby | 21 FEB 1973 | | | |
| 8. | | | | | |
| 9. | DDP | 21 FEB 1973 | | | |
| 10. | DCI | 22 FEB 1973 | | | |
| 11. | C/WHID | | | | |
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21 FEB 1973

MEMORANDUM FOR: The Director of Central Intelligence

VIA: Deputy Director for Plans

SUBJECT: Proposed CIA Response to Request for Information Which Have Been Received From the Senate Foreign Relations Subcommittee on Multinational Corporations

1. This memorandum contains action recommendations in paragraphs 4 and 5.
2. On 12 February 1973, in response to their request for a meeting, Mr. Maury, CIA Legislative Counsel, contacted Messrs Jerome Levinson and Jack Blum, staff members of the Senate Foreign Relations Subcommittee on Multinational Corporations. This resulted in Mr. Maury receiving five questions which the staff members wanted answered. The questions focus on the 1970 elections in Chile and the CIA and ITT role in these elections. Mr. Maury took note of the questions and told the staff members he was not familiar with the substantive issues which were involved in the inquiries. Mr. Maury did agree, however, to refer the questions to appropriate CIA officials for study. The staff members are, therefore, expecting a response. Attachment A, which is for information purposes only, lists the five questions and their correct answers.
3. It should be noted that in formulating the paragraph 4 recommendation, special note was taken of the 12 February statement by Mr. Levinson to Mr. Maury that he felt there were significant discrepancies between the 5 and 7 February 1973 testimony of Mr. Richard Helms before the Senate Foreign Relations Committee on the 1970 events in Chile and data which ITT had previously provided to the Subcommittee on Multinational Corporations. In this context Mr. Levinson made the point that these contradictions might require the Subcommittee to ask Mr. Helms to provide additional testimony at a later date, even if this meant Mr. Helms would have to return to Washington from Iran. The

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CIA debriefing of Mr. Helms on 12 February did not identify any deviations in his testimony from the known facts. This debriefing, however, did not have the benefit of our being able to compare the transcript of Mr. Helms' testimony with his recollections of the salient points that were discussed with him by the Senate Committee. This was due to the fact that to date the staff members of the Senate Foreign Relations Committee have refused to release a copy of Mr. Helms' testimony to either CIA or the Department of State.

4. The recommended CIA response to the staff members' questions is as follows:

"The testimony of Mr. Helms on 5 and 7 February 1973 before the Senate Foreign Relations Committee clearly established that CIA neither gave to nor received from ITT funds for use in Chile in 1970 for the support of political parties. In addition, Mr. Helms' testimony brought out the fact that there were no joint action programs established between CIA and ITT for implementation in the context of the 1970 political developments in Chile. CIA regards Mr. Helms' testimony on this topic to be accurate, thus no further elaboration is planned."

5. The Subcommittee staff members will undoubtedly find the paragraph 4 response less than satisfactory. It is to be anticipated, therefore, that they will refer the issue inherent in this answer to the Subcommittee in an attempt to set in motion action which would be designed to produce what they would regard as a more forthcoming reply from CIA. In the interim between forwarding the paragraph 4 answer to the Subcommittee staff members and their reaching agreement with the Subcommittee on how to proceed on the basis of this answer, it is recommended that CIA take the following actions:

a. The Legislative Counsel be authorized to sound out Senator Jackson on the prospects of CIA being able to obtain, either Senator Stennis or Senator Symington's assistance in arranging for the CIA Subcommittee of the Senate Armed Services Committee to consider the problems of how CIA sources and techniques could be protected before the Agency proceeds further with the Senate Foreign Relations Subcommittee on Multinational Corporations. In this connection it should be noted that Senator Jackson has a proven record of

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supporting CIA and in the past his advice on how CIA might handle a particular piece of Congressional business has been sound. In addition, Senator Jackson is discreet and can be counted on not to comment further on what he learns about CIA or ITT actions in Chile during 1970. It must be noted, however, that for the discussion with Senator Jackson to be meaningful and for his advice to be sound, CIA would have to give him a briefing on the nature of CIA's relations with ITT in 1970 during the Chilean election period. In short, a risk would be taken for sensitive information would be surfaced to a Senator with there being no guarantee he would be helpful. This is a risk which is worth taking, for the net gain from such action favors CIA if the desired results are obtained.

b. If Senator Jackson believes that it would be useful for the Agency to approach Senator Stennis or Senator Symington, then such an approach should be made. Perhaps Senator Jackson could pave the way for such a contact. In the discussion with either Senator Stennis or Symington, CIA should work toward the goal of having its testimony on events in Chile during 1970 shifted to the Senate Committee on CIA. Once that objective is achieved, the DCI could spell out in Executive Session to the Senate Committee on CIA that the Agency and ITT did not engage in joint action programs in Chile. The DCI would indicate, however, that CIA and ITT did exchange views on political and economic trends in Chile. This in turn led to possible courses of political and economic action being discussed but no agreement was ever reached on any joint action programs. Having received such a briefing as a member of the Senate Committee on CIA, it is believed that Senator Stennis or Symington could be persuaded to work out with the Senate Foreign Relations Subcommittee on Multinational Corporations an arrangement whereby the DCI could make a controlled presentation before the latter group. In such an appearance the DCI would want to make the critical point i. e., CIA neither received from nor gave to ITT funds for the support of political parties in Chile in 1970. See Attachment B for a proposed statement that would be used by the DCI in making a controlled appearance before the Subcommittee on Multinational Corporations.

c. As it is anticipated that even though Senators Stennis or Symington might arrange for a controlled appearance by the DCI

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before the Subcommittee on Multinational Corporations, it is possible that at the time of the DCI's appearance, some Senator might choose to violate the understanding. In such a case the DCI would have to fall back on Executive Privilege, and in so doing would have to avoid answering any questions that would compromise instructions which the Agency received from the President, Dr. Kissinger or the 40 Committee. Since it may be necessary to invoke Executive Privilege, we note that Presidential instructions state that this should be coordinated with Justice but in this instance the DCI should discuss this line of strategy with the White House first for basic policy guidance.

6. In considering the paragraph 4 and 5 recommendations, it should be noted that all of this involves unilateral action by CIA. This is due to the fact that while it would be desirable to have an agreed-upon interdepartmental coordination mechanism whereby CIA, the Department of State and the White House could jointly work out a governmental strategy for dealing with the various aspects of the Senate Foreign Relations Subcommittee Hearings on Multinational Corporations, the simple realities indicate that it has not been possible to date to establish such an arrangement. CIA has worked with the Department of State to establish a coordinating group, but this effort has not been successful, primarily because the Department of State has not received the guidance it requested from the White House. In short, the lack of a coordinating mechanism forces CIA to respond to events on an ad hoc basis. In so doing CIA has to keep its options open so that flexibility can be preserved for as long as possible, pending resolution of the policy issue of how the hearings will be handled on an interdepartmental basis.

7. Special mention also has to be made of the fact that CIA has passively received, on a voluntary basis from several reliable individuals, data on ITT's actions in Chile in 1970.

E.O. 13526, section 3.3(b)(1)

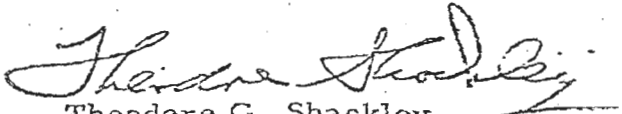
In short,

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we must protect intelligence sources and techniques whether we proceed to handle the Subcommittee Hearings on Multinational Corporations unilaterally or via an interdepartmental coordinating mechanism.

8. Attachment C provides an overview of CIA's involvement in the Chile electoral situation of 1970. This document is forwarded for information purposes only.



Theodore G. Shackley
Chief
Western Hemisphere Division

Attachment:

- A - Questions and Answers
- B - Proposed Statement
- C - Overview

cc: DDCI

CONCUR:


Deputy Director for Plans

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3. QUESTION: Will Mr. Broe and the Station Chief be available to the Subcommittee for questioning?

ANSWER: No.

4. QUESTION: If Mr. Broe and the Station Chief are not made available, will other CIA spokesmen be available to discuss the Agency's operations and involvements in Chile in 1970 and under what ground rules?

ANSWER: CIA is prepared to be helpful and to this extent the DCI would be prepared to work with the Subcommittee on a statement which CIA could make before the Committee and which would deal with the central issue of the 1970 political situation in Chile. That is, CIA did not give to or receive from ITT funds for political activities in Chile.

5. QUESTION: Will CIA make available any Agency officer to describe our relations with ITT in general -

ANSWER:

E.O. 13526, section 3.3(b)(1)

20 February 1973

1. QUESTION: Who was the Station Chief in Chile during
calendar year 1970?

E.O. 13526, section 3.3(b)(1)

ANSWER: [redacted] was the CIA Station Chief
in Chile from mid-1967 to 12 November 1970.

During this [redacted]

E.O. 13526, section 3.3(b)(1)

2. QUESTION: What was Mr. Broe's exact title during 1970 and
what were his responsibilities?

ANSWER: Mr. Broe was Chief of the Western Hemisphere
Division with the responsibility for directing CIA's
covert activities in Latin America to include the
Caribbean area. Mr. Broe became the Inspector
General of CIA on 1 February 1972.

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21 February 1973

OPENING STATEMENT

Gentlemen,

In my view the basic questions which interest this group and which impact on CIA can be dealt with promptly by my commenting on what are perhaps a few of the key issues which are involved in this Hearing. In short, at no times in the period preceding President Allende's election in 1970 or following this event did CIA give to or receive from ITT any funds for any political purpose.

CIA officers did, however, talk to ITT officials in the period July to October 1970 about political developments in Chile. This was in keeping with our long established policy of maintaining contact with knowledgeable businessmen, journalists or diplomats in order to discuss trends and developments in a particular area. It was in this frame of reference that ITT and CIA officials exchanged views on how things were going in Chile. This exchange led, however, to no joint action program, stated or implied, being agreed upon by CIA and ITT.

I should note in this context that CIA had no monopoly on United States Government contacts with ITT, either preceding or following Allende's election. Other government departments or agencies also talked to ITT

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representatives in this time frame, for such dialogues are part of the process of keeping abreast of what is going on in a country like Chile, when it is in a high state of political and economic flux.

Chile remains a topic of more than passing intelligence interest to the United States. As a result I am not at liberty to comment further on items dealing with Chile which affect intelligence techniques or personnel. I do hope, however, that my comments have been useful in terms of the basic issues being considered by this Committee.

Thank you.

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20 February 1973

OVERVIEW STATEMENTS ON CIA INVOLVEMENT IN
CHILE IN 1970

1. CIA was directly involved in two types of operational activity in Chile in 1970 and monitored a third activity conducted unilaterally by ITT. A limited amount of advice and guidance was provided by CIA to ITT for its consideration relative to how it would carry out ITT activities in Chile.
2. The primary CIA activity in Chile was to conduct spoiling operations against the candidacy of Salvador Allende in the 4 September 1970 elections without, however, supporting either of the two non-Marxist presidential candidates. This effort focused on a propaganda program to alert the Chilean people to the dangers of a Marxist regime under Allende. A total of \$425,000 was spent in this endeavor which was approved by the 40 Committee and was carried out in close coordination with Ambassador Korry in Chile and State Department officials in Washington.
3. A second Agency activity was conducted between 15 September 1970, after the popular plurality won by Allende, and before the election of Allende by the Congress on 24 October and his inauguration on 3 November. A total of \$153,000 was spent in this effort to prevent the accession of Allende to the presidency by attempting to induce various Chilean groups, notably the Christian Democratic Party, the Armed Forces and a number of independent

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organizations and individuals to use legislative or military means to thwart his investiture. At one point three submachine guns were provided to three military officers who planned to use them in instigating an uprising by the Armed Forces. This program was conducted at the request of President Nixon with the understanding that it was not to become known to the State Department or other members of the 40 Committee. It is believed that State Department officials are still unaware that this program was conducted by CIA. This is an important consideration which governs future actions, for in large part Mr. Broe's 29 September 1970 contact with Mr. Gerrity of ITT was influenced by a desire to get ITT involved in a more active way in Chile. ITT took note of Mr. Broe's presentation on economic warfare but did not respond to it in any active way.

4. The Agency became aware of an ITT decision to consider election activities in Chile through an approach by Mr. McCone of ITT to the DCI in July 1970. This initial approach subsequently led to two contacts during July 1970 between Mr. Geneen and Mr. Broe. Mr. Broe turned down a request by Mr. Geneen to transmit ITT funds to a political group in Chile but did agree, and so instructed the Station Chief who was already in informal contact with ITT representatives in Chile, to advise the ITT representatives in Chile as to the most secure channels which could be used in transmitting ITT funds to the campaign of Jorge Alessandri. The Station Chief subsequently monitored the passage of additional ITT funds to Alessandri

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and to the Nationalist Party (PN) in Chile. The Station Chief kept Ambassador Korry informed about the ITT funding of Alessandri. It must be noted that the Station Chief provided "steering tips" to the ITT representative in Chile on what support was needed by groups opposing the candidacy of Allende, explaining that CIA and the U.S. Government had decided to abstain from any involvement in the elections. At least \$350,000 was provided by ITT to Chilean groups during the 1970 election period according to information furnished us at various times by the two ITT representatives,

[redacted] E.O. 13526, section 3.3(b)(1) [redacted] did not inform their superiors in ITT that they were receiving information and suggestions from the senior CIA representative in Chile. It is our understanding that

[redacted] E.O. 13526, section 3.3(b)(1) [redacted] regarded the information that they received from the Station Chief as personal but expert advice which they were free to accept or reject.

5. At present an officer at CIA Headquarters maintains discreet contact with [redacted] E.O. 13526, section 3.3(b)(1) [redacted] of ITT who is keeping CIA advised of what he knows about ITT activities regarding Chile matters [redacted] E.O. 13526, section 3.3(b)(1) [redacted]

[redacted] E.O. 13526, section 3.3(b)(1) [redacted] is not a paid agent of CIA nor does any special relationship exist between him and CIA except that he is willing to volunteer information. His Agency contact acts as a sponge and is careful not to aggressively levy requirements on him for information or specific actions that are being considered by ITT.

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