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Executive Registry

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28 FEB 1978

MEMORANDUM FOR: Director of Central Intelligence

VIA : Deputy Director of Central Intelligence  
Deputy Director for Operations

FROM : Raymond A. Warren  
Chief, Latin America Division

SUBJECT : Chile

REFERENCE : DCI Memorandum to DDO and IG re Chile,  
dated 21 February 1978

1. Action Required: None; for information only.
2. Background: Attached are the following documents which will put into perspective Agency covert activities in Chile:
  - a. Statement to Senate Select Committee to Study Governmental Operations with Respect to Intelligence Activities (Church Committee) by former DDO William E. Nelson on 25 October 1975. (Attachment A)
  - b. Resume of contacts with ITT. (Attachment B)
  - c. General misconceptions (myths) regarding CIA activities in the 1970 Chilean elections. (Attachment C)

/s/ George V. Lauder

Raymond A. Warren

3 Attachments a/s

(b)(3)

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Statement

by

William E. Nelson  
Deputy Director for Operations

Executive Session

before

United States Senate

Select Committee to Study Governmental Operations

With Respect to Intelligence Activities

28 October 1975

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~~SENSITIVE~~CHILE

Mr. Chairman and Members of the Committee,

CIA covert action in Chile over the past decade is an emotion packed subject. As a result, the debate over the wisdom and propriety of this action is often filled more with heat than light. Public understanding of the facts of this activity and the intentions of the U. S. Government in pursuing it have been obscured by a heavy cloud of mythology. In the interests of subsequent clear discussion of the issues involved here, I hope this morning to sketch briefly the facts of U. S. involvement in the political affairs of Chile in the past ten years and to indicate what the record reveals regarding the motives and intentions of U. S. policymakers.

First, the setting: Chile is a long narrow country strung out along the southwest coast of South America. It has a population of some 11 million people with a high rate of literacy, a substantial middle class and a considerable industrial base. It has a democratic tradition and is one of the few countries in Latin America where the military forces have historically been largely non-involved in the political affairs of the country.

The 1964 Presidential election campaign. Large-scale U. S. covert political action in Chile began with the 1964 Presidential elections. This involvement had its origins in the results of the 1958 elections in which

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Salvador Allende as the leader of a communist and socialist coalition polled a surprisingly strong 28.9% of the total vote and came close to winning the election. Allende was a self-professed Marxist, whose stated intent was to bring about an "irreversible" Marxist revolution in Chile.

By 1962, Fidel Castro had consolidated his position in Cuba and, as it became apparent that Allende's Popular Action Front was prepared to make an all-out bid to win the 1964 elections, concern grew in Washington that the U. S. would be faced with another Marxist government in Latin America. Throughout 1959 and 1960, Allende was a frequent visitor to Cuba. He strongly endorsed Castro and even indulged in some revolutionary rhetoric regarding the rest of Latin America. He professed to adhere to the electoral route as his own means to power.

In 1962, funds were authorized to assist the Christian Democratic Party in order to build it up as a democratic alternative to Allende's Popular Action Front. Funds in 1963 were also authorized to support the leader and candidate of the then moderate Radical Party.

In March 1964, it became clear as a result of the victory of the Popular Action Front candidate in a major by-election that the Allende forces were a serious threat to win the September election.

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In April 1964, the Special Group, (a predecessor of the 40 Committee), approved the first installment of what was to develop into a \$3 million dollar program to support the Christian Democratic Party candidate, Eduardo Frei. Most of the funds provided were through a covert subsidy to the Party with some lateral support by other groups and parties and support to the Radical Party candidate to help him maintain his candidacy.

Frei won the election with 56% of the vote as against 39% for Allende with 86% of the electorate voting.

Covert action during the Frei regime -- 1965 to 1970. In this period money was authorized as follows:

1964 - \$160,000 support to   
 grass roots organizations among slum  
 dwellers and peasants.

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1965 - \$175,000 was spent in assistance to democratic candidates in the March 1965 Congressional elections. This program was designed to assist 35 moderate candidates representing all anti-Allende parties who were considered to be involved in tight races against leftist candidates. Moderate,

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particularly [redacted] (b)(1)  
candidates, scored impressive victories in (b)(3)  
many close races.

1967 - \$30,000 was spent to strengthen the moderate factions  
in the [redacted] (b)(1)  
(b)(3)

1968 - A program of \$350,000 was authorized to assist  
moderate candidates in the March 1969  
Congressional elections. The results show that  
this limited program was relatively effective  
in that 10 of the 12 candidates elected w(b)(1)eir  
(b)(3)  
races. This program was run against a back-  
ground of internal dissension within the [redacted]

[redacted] Party and a major push by the [redacted]

[redacted] to unite as many leftists and left of (b)(1)re  
(b)(3)  
groups as possible in preparation for the 1970  
Presidential elections.

The 1970 Presidential election race. In the political maneuvering  
prior to the September 1970 Presidential election, Allende again emerged as the  
candidate for what was now called the Popular Unity Forces. He was opposed by

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Jorge Alessandri, as the candidate of the center right, and Radomiro Tomic for the Christian Democrats. In March 1970, the 40 Committee decided that the U. S. should not support either of the candidates opposing Allende but (b)(1) (b)(3) should attempt spoiling operations against the [redacted]. The Committee approved \$125,000 to support a propaganda mechanism and some funds for selected individuals in the [redacted] Party to reduce the number of votes the [redacted] Party could deliver in support of the [redacted]. As the (b)(1) (b)(3) summer campaign wore on Alessandri lost popularity, Tomic's campaign stalled and Allende's group continued to gain strength. Based on Ambassador (b)(1) (b)(3) Korry's recommendation the 40 Committee approved an authorization for an additional \$300,000 for anti-Allende propaganda.

Allende was a narrow winner in the three-way Presidential election (b)(1) (b)(3) of 4 September 1970, gaining 36.6% of the vote as compared to 35.3% for Alessandri and 28.1% for Tomic. [redacted]

[redacted] The election law provided that, when no President receives a popular majority, the Chilean Congress must choose between the two top candidates. This produced a period of intense activity in which efforts were made by the U. S. Government to prevent Allende's confirmation by the Congress.

Covert action during the period between the Presidential election of 4 September 1970 and the 24 October 1970 vote by the Congress. On 14 September

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1970, the 40 Committee approved \$250,000 for use at Ambassador Korry's discretion in an attempt to swing Congressional votes to Alessandri. These funds were not spent. At the same time, on 15 September 1970, President Nixon called in the DCI and instructed him to attempt an effort to prevent Allende from taking power when and if it appeared the Constitutional route would not succeed. The Agency was instructed to carry out this activity without reference to any other department of government. By early October it became clear that action to swing Christian Democratic votes to Alessandri would not be decisive and therefore contacts were established by CIA with the Chilean military to determine the possibility of their intervention to prevent Allende from taking power.

There were a number of different groups in the Chilean military involved in coup plotting. The Agency developed contact with one group headed by retired General Viaux and with another headed by an active duty military General Valenzuela. The object of both of these groups was to attempt to remove from office General Rene Schneider, the Army Commander-in-Chief who was a major stumbling block to their plans for a military coup. Both hoped to remove Schneider from the scene by kidnapping him.

Discussions with the Viaux group progressed rapidly but by 15 October the decision in Washington was that Viaux had virtually no chance of launching

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a successful coup. Accordingly, a message was conveyed to the Viaux group warning it against precipitous action. Contact with that group was terminated on 18 October with no support given them.

Discussions with the Valenzuela group took longer to develop. This group requested tear gas grenades and three sub-machine guns and planned to stage an abduction of General Schneider on 19 October. This operation did not come off however, although weapons were passed to the group on 22 October. On 22 October the Viaux group, acting independently, carried out an abduction attempt against General Schneider, who resisted and was shot. Schneider's death terminated any further attempts by the military to take action, and Allende was confirmed by the Congress on 24 October 1970.

Covert action activities from 1970 to September 11, 1973. Allende's first two years in power, 1971 and 1972, were marked by his use of all Constitutional and legal means at his disposal to move Chile in the direction of a socialist state. He began to nationalize Chilean major industrial and commercial enterprises and brought others under severe government harassment. The economic control was designed to weaken the political opposition by eliminating the private sector which provided the financial support for the opposition's electoral political and media activities. The government also tried to silence the opposition

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by action against the independent press. It first tried unsuccessfully to obtain control over the distribution of newsprint, Then an extension on loans were not granted by government banks, taxes on news media were raised and government advertising and the revenue it produced was no longer available to nongovernment aligned outlets. Revolutionary organizations of special communal commands were established to control the distribution of essential articles, mainly food. The Soviet and Cuban presence grew and by March 1972 Soviet Bloc credits of some \$200 million had been extended to Chile and the Soviets were dangling an offer of \$300 million to the Chilean military so that they might purchase Soviet military equipment.

During this early period, with 40 Committee approval, the Agency was tasked with a broad spectrum of activities which were designed in the main to keep alive the political opposition to Allende and the sustenance of private sector organizations and news media which were under heavy financial pressure. A total of \$6 million was expended in this effort.

Of the \$6 million expended over half was in support of political parties, particularly the Christian Democrats. Another \$1.5 million was expended to keep in publication, El Mercurio, a major independent daily in the country. The remaining money was spent to support elements in the private sector and for other media and propaganda support operations.

Popular disillusionment with Allende continued to grow during the

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latter half of 1971 and in 1972 and by 1973 the Popular Unity Front was able to muster only 43% of the vote in the national Congressional elections. The economy was rapidly deteriorating. Strikes by shopkeepers and truckers (which were not supported by CIA) and boycotts by students were serving to bring together widely divergent segments of Chilean society in common opposition to Allende. By 1973, the government was declared to have placed itself outside the law and the Constitution in separate declarations by the Congress, the Supreme Court and the Comptroller General of the Republic.

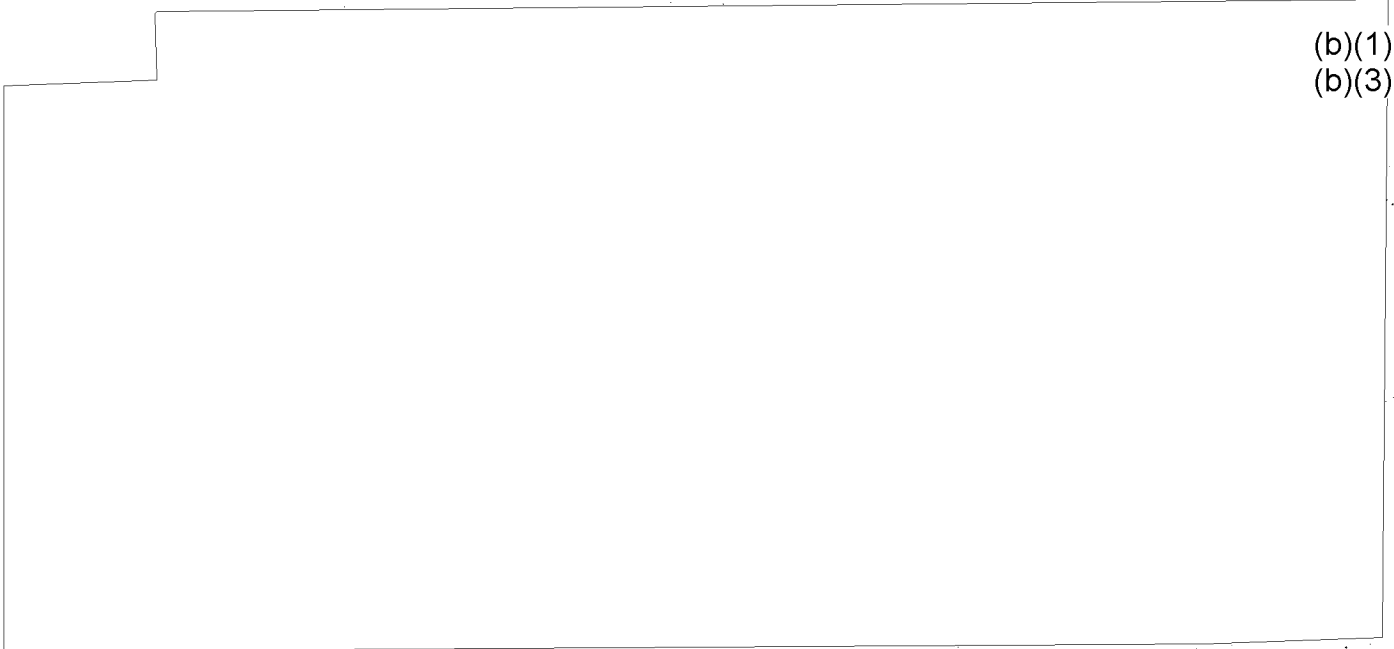
These confrontations between the Allende administration and the other branches of the government caused growing concern within the Armed Forces which until the fall of 1973, had scrupulously adhered to their historical tradition of non-intervention into politics.

By September 1973, the country was faced with social and economic chaos. Civil war was a growing possibility. Allende had depleted a national economy with reserves amounting to nearly \$400 million despite considerable delivered and promised aid from the Soviet Union and East Europeans. The accumulation of concerns finally moved the military to seriously consider a coup. This resolve was strengthened by the discovery that the Popular Unity Front was attempting to penetrate, subvert and foment divisions within their commands.

During this period CIA had been in touch with members of the Armed Forces for purposes of intelligence collection. The Station Santiago was specificall

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prohibited from involving itself in any coup plotting on the part of the Chilean military. It can be categorically stated that the Agency did not encourage or support the 1973 military coup which brought down the Allende Government and resulted in his death.



This is a brief record of the Agency's activity in Chile during the period 1964 to the present. Some of the basic facts are worth repeating:

....All Agency activity as regards Chile was conducted with specific approval by the 40 Committee and Presidents involved. The desperation move in September of 1970 to prevent Allende's coming to power by a military coup was the exception to broad interdepartmental coordination on the subject of Chile.

....U. S. Government policy prior to 1970 was to prevent a devout Marxist from taking power and U. S. policy after 1970 was to

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attempt to support and sustain until the 1976 elections a democratic opposition to a government which grew increasingly intolerant of that opposition and by 1973 was clearly operating outside the Constitution.

....During this period there were 31 separate briefings of Congressional Committees of CIA's covert action program in Chile.

The following statements or myths about the Chile program are not true:

....There was never an effort to "destabilize" the Chilean Government during the period 1970 to 1973. As indicated above the effort was to keep a free press and a democratic opposition alive. Democracy in Chile was done in not by CIA but by the ruinous economic policies of a Marxist ideologue who finally brought about a situation in which the non-political military felt they had no alternative but to act.

....The Agency did not bring on or encourage the military coup of September 11th 1973 and did not play any role in Allende's death.

....As you know from your exhaustive investigations the Agency had broken off and provided no support to the group

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that shot General Schneider.

Mr. Chairman, U. S. policy from 1962 to 1970 was consistent in attempting to prevent the takeover of the Government of Chile by Allende and his communist and socialist compatriots. The course of events in Chile since Allende's takeover prove the wisdom of that policy. The present Government of Chile has a considerable way to go but military governments in Latin America have been followed by more democratic alternatives.

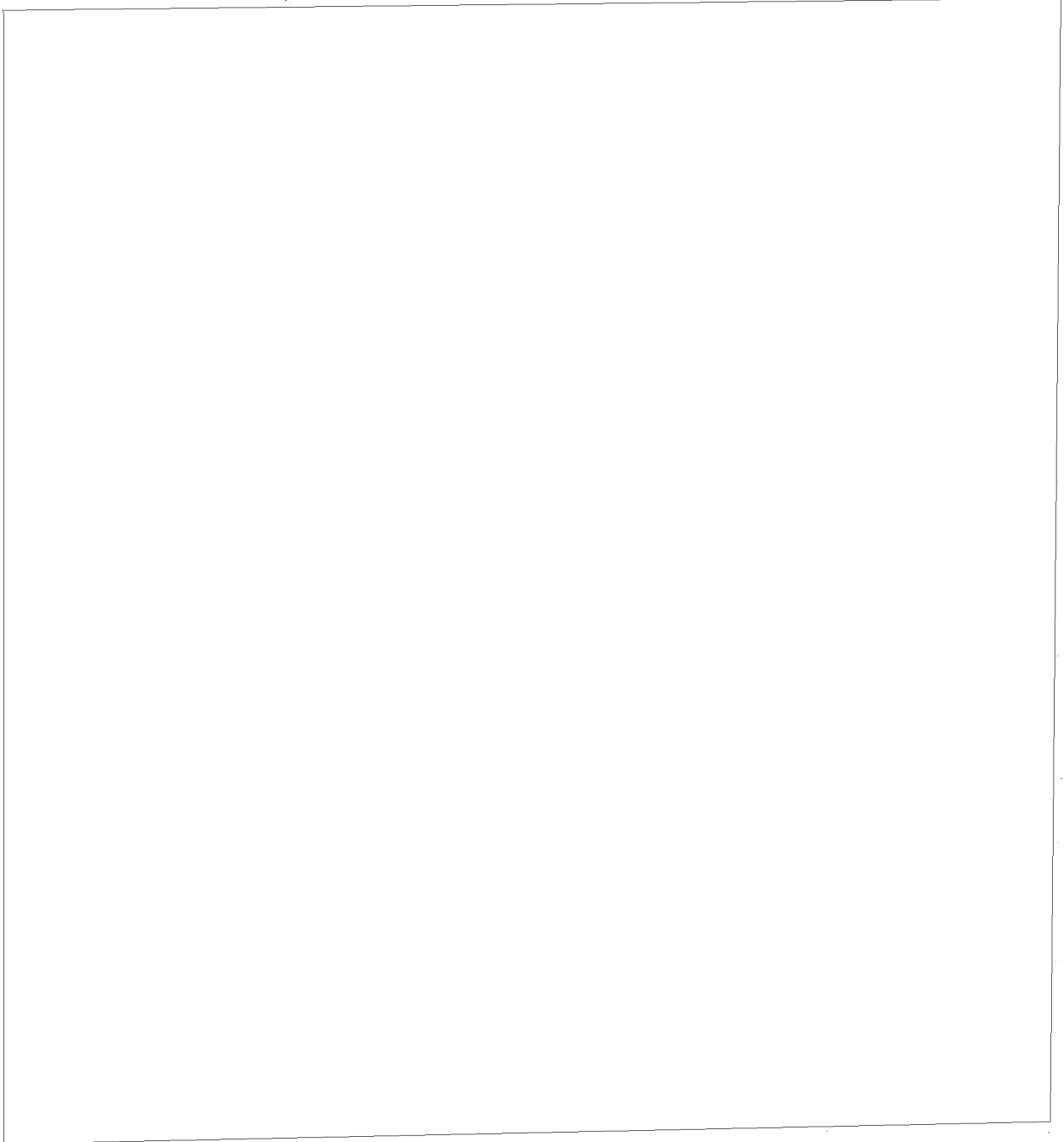
There are honest differences of opinion about the wisdom and efficacy of all of the policy decisions on Chile over the past decade. It is worth noting that the Cubans and the Soviets considered the course of events in Chile as a disaster to their interests. The Soviets in their comments on Chile emphasize that Chile proves the thesis that "socialist revolution" should never be attempted without political control of the military forces -- a lesson they have been working hard in Portugal to put into practice.

Was our role in Chile bad and anti-democratic? I think not. The U. S. was acting within the broad mainstream of traditional U. S. policy in Latin America. That policy has been to resist the establishment governments in Latin America with close ties to European powers -- in this case the Soviet Union. That policy, around the world, has also been to oppose the attempt by minority communist and radical Marxist parties to takeover governments in the knowledge that once in power these forces ultimately destroy the elements of democracy and diversity that enabled them to gain power. What has been preserved in Chile is the chance to begin again.

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Agency-ITT Relationships



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5. On 16 July 1970 Mr. William Broe, former Chief, Western Hemisphere Division, (now retired), met with Mr. Harold Geneen, President and Board Chairman of ITT, as a result of a telephone call from Mr. John McCone, ITT Director and former DCI, to former DCI Helms. At the meeting Geneen said that ITT had decided to provide financial aid to Chilean conservative National Party presidential candidate Alessandri in his race against Marxist candidate Salvador Allende. Geneen asked if CIA would absorb ITT and other U.S. business funds and channel them to Alessandri; if not, would CIA advise as to the best means of getting funds to Alessandri. Geneen was told that CIA could not and would not absorb such funds nor serve as a funding channel; however, CIA would explore possibilities for infusion of funds into Chile. Geneen felt that the USG should be involved in the Chilean election in view of the USG guaranty of the  investment in Chile. Geneen was advised that the USG was not supporting any candidate but was most anxious Allende not be elected and were taking steps in this regard.

(b)(1)

(b)(3)

(b)(1)

(b)(3)

6. In the pre-election period CIA actively pursued an advisory role with ITT on where and how to use their funds in support of Alessandri against Marxist candidate Allende. In the interlude between election and inauguration of Allende, CIA, along with other USG agencies, implemented a 29 September 1970 decision by the 40 Committee to undertake economic pressure against Chile utilizing U.S. business firms with Chilean interests.

7. In the post inaugural period CIA maintained contact with various ITT officials on an irregular basis, but did not pursue any action program with ITT, although there was, on these occasions, an exchange of information.

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~~SECRET~~Myths and Facts

1. Myth: CIA unilaterally, without authority, undertook covert action in the 1970 presidential election in Chile.  
  
FACT: All actions undertaken by the CIA in the 1970 presidential election were directed by the 40 Committee (Track I) or by President Nixon (Track II).
  
2. Myth: CIA was responsible for the attempted kidnapping and death of General Schneider.  
  
FACT: The CIA did not participate in the bungled kidnapping and death of Chilean Army Commander-in-Chief General Rene Schneider. CIA had been in touch with the group that was responsible for Schneider's death but CIA had broken off contact with the group several days prior to that event and had warned the group against taking any precipitous action since it was clear that they did not have a chance of pulling off a successful coup.
  
3. Myth: The CIA continued to try to effect a coup but did not keep the White House informed of such efforts after 15 October 1970.  
  
FACT: There was conflicting testimony before the Church Committee that the White House (Henry Kissinger/General Haig) stood down on efforts to promote a military coup after 15 October 1970. CIA officials testified that CIA activities in Chile were known to and thus authorized by the White House. There is no documentary proof that CIA was instructed to stand down after 15 October 1970. CIA activities in Chile after that date were made known to the White House which did not object to such activities, thus, in effect, authorizing the continuance of these activities.

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4. Myth: CIA sought the assistance of ITT to provide funds for Chilean Presidential candidate Alessandri and the major Chilean newspaper El Mercurio.

FACT: ITT, not CIA, initiated the dialogue on ITT assistance to candidate Alessandri and the newspaper El Mercurio as the result of a telephone call from ITT Director John McCone to former DCI Helms. CIA did not accept any ITT funds nor serve as a funding channel to Alessandri and his National Party. Mr. Geneen, ITT Chairman, was specifically told that CIA could not absorb any ITT funds nor could CIA serve as a conduit to infuse ITT funds into Chile.

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SUBJECT: Chile

CONCUR:

John H. Stein

1 MAR 1978

Deputy Director for Operations

Date

DDO/C/LA/STB/WSturbitts:esm (X9127) (28 Feb 78)

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The Director

Central Intelligence Agency



Washington, D.C. 20505

*Latin America*

18 March 1978

MEMORANDUM FOR THE PRESIDENT

FROM: Stansfield Turner  
Director

SUBJECT: Recommendation That Two ITT Officials Be Prosecuted  
for Violation of Federal Law in Connection With Their  
Testimony Concerning ITT Activities Related to the  
1970 Presidential Election in Chile

REFERENCE: The Attorney General's Memo, Same Subject, Dated 17 March

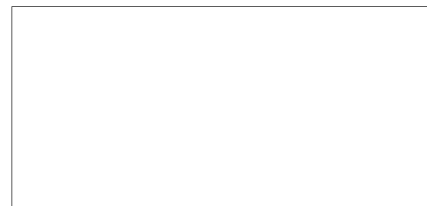
1. The Attorney General's memorandum of 17 March declares his intention to proceed with the prosecution of Robert Berrellez and Edward J. Gerrity for various criminal offenses. I cannot say to you that these offenses were not committed. Nor obviously can I say that there is not an important governmental interest in prosecution. What I can do, and I think must do, is to give you my general estimate of the potential impacts of prosecution in these cases. I have outlined these considerations in great detail to the Attorney General, both orally and in writing.

2. Even assuming the necessary proof can be kept within the narrowest possible bounds, the potential consequences are as follows: (b)(1)  
(b)(3)

-- First, we will suffer losses, ranging anywhere from anger and yet another loss of confidence in CIA to a total breakdown in intelligence relationships, in [redacted] A cut-off or reduction of [redacted] would be especially damaging given the growing importance of [redacted] (b)(1)  
(b)(3)

I also cannot ignore the possibility that CIA personnel in both [redacted] will be placed in some personal jeopardy as a result of the disclosures that a trial will require and the flare-up of anti-CIA feelings that it will stimulate. (b)(1)  
(b)(3)

-- Second, [redacted] are very likely to be exposed. The trial would thus produce the spectacle of the U. S. Government compromising its intelligence agents by its own deliberate act. (b)(1)  
(b)(3)



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3. These cases have been under investigation for more than two years. The Agency has declassified hundreds of documents to assist the investigation. We have leaned over backwards to avoid any charge that a national security blanket has been thrown over the case to prevent a prosecution. But I cannot in good conscience, or faithfully to my oath of office, declassify information that in my judgment will lead to serious impairment of our capacity to conduct the intelligence functions of the United States.

4. The Attorney General said in his memorandum that there can be no guarantee against further demands for information if the case goes forward. My own sense is that further demands will be inevitable, and in great quantity. It is nearly certain that any trial will be protracted and highly publicized, both here and abroad. It is clear that many former and current Agency officers will be called as witnesses. We also know that in 1970 ITT and CIA were following parallel programs to influence the political succession in Chile. That circumstance threatens to draw into question and to open up at any trial a wide range of properly authorized Agency activities and relationships, and counsel for Messrs. Gerrity and Berrellez will have every inducement to exact the disclosure of national secrets to bolster their defenses and to make the going as painful as possible for the prosecution. If as I suspect the cases spread out and begin to reach their broader dimensions, there would then be put at risk, among other matters, information having to do with the identity of former and current agents; communications intelligence capabilities; the Agency's worldwide propaganda network; the Agency's [redacted] various cover arrangements of great sensitivity and other intelligence techniques; and the cooperative and highly confidential efforts of [redacted]

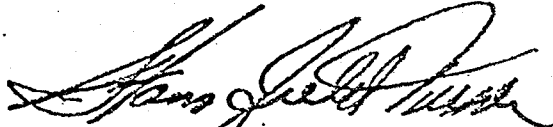
(b)(1)  
(b)(3)

[redacted] in support of U. S. opposition to the formation of an Allende regime in Chile.

(b)(1)  
(b)(3)

5. At no time have I taken the position that the Justice Department could not use whatever documents or witnesses it regards as necessary to maintain a prosecution. However, I have taken the position that it is not for me to declassify information that I believe would injure vital national intelligence interests if disclosed. If the potential consequences of a trial in this case are acceptable, so be it, but in fairness both to you and the Attorney General it has seemed to me that I have no choice except to spell out those consequences as I see them. I cannot guarantee that these consequences will actually occur any more than the Attorney General can guarantee the opposite. I can tell you that the events over the last few years have endangered the Agency's capacity to function effectively, and that agents, foreign intelligence services, and U. S. corporations are all

more and more reluctant to cooperate with us. The trial of the Gerrity and Berrellez cases will do still further damage, which is bound to be substantial and could be worse depending on the scope of the information that is disclosed.

  
STANSFIELD TURNER

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BRIEFING NOTE - CIA/ITT/Chile Investigation

I. Background

A. Since the end of 1974, the Criminal Division of the Department of Justice has investigated sworn testimony of former DCI Richard Helms and others, Agency operations in Chile in the late 1960's and early 1970's and related matters, including Agency relations with ITT. Over 51 thousand items from CIA files have been reviewed. More than 2,000 documents were declassified to the greatest possible extent.

Upwards of 40 current and former CIA employees, a number of whom are now or have been under cover, have been identified as possible witnesses. Taken as a whole, the 2,000 documents furnished to Justice give a full account of how CIA plans and carries out a covert action program.

B. The following damage assessment sets forth the potential consequences of a trial where these 2,000 items plus at least part of the remaining 51,000 items may be required.

II. Damage Assessment

A. Definite Consequences

1. An Agency covert action operation which was ordered by the President and designed to influence the political succession in a foreign country would be fully revealed.

2. Relations with [redacted] [redacted] would be adversely affected upon exposure of their involvement.

(b)(1)  
(b)(3)

a. [redacted] - Offered to provide equipment to prevent an Allende government from taking power and offered [redacted] Agent assets [redacted]

(b)(1)  
(b)(3)  
(b)(1)  
(b)(3)

b. [redacted] - Contact with CIA on the Chilean succession problem.

(b)(1)  
(b)(3)

(b)(1)  
(b)(3)

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c. [redacted] intelligence service not only provided intelligence information, but actually handled CIA assets. They had [redacted] responsibilities should the U.S. be forced out [redacted] Similar involvement by the [redacted]

(b)(1)  
(b)(3)

3. Agency documents reveal specific Western European, as well as similar [redacted] other Latin American media assets/organizations many of which are still cooperating [redacted] and would damage individuals.

(b)(1)  
(b)(3)  
(b)(1)  
(b)(3)  
(b)(1)  
(b)(3)

4. Agency penetrations of the [redacted] names of collaborating politicians are revealed in Agency documents. Careers, and in some cases lives, would be endangered.

(b)(1)  
(b)(3)

5. Collection capability in Chile would be adversely affected and key sources endangered.

6. Ability to recruit new sources would be impaired. One very specific impact has already been felt. [redacted]

(b)(1)  
(b)(3)

7. [redacted] collaborated with the CIA during the period in question and is a continuing source. This reporting would be lost and serious personal consequences to the individual could result.

(b)(1)  
(b)(3)

[redacted] This individual would be in personal jeopardy.

(b)(1)  
(b)(3)

9. Agency documents contain true names, cryptonyms and descriptions of [redacted] of our most sensitive "agents of influence" in Latin America and Europe.

(b)(1)  
(b)(3)

10. CIA relationships with prominent U.S. persons would be revealed, for example:

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a. [redacted] businessman, [redacted]  
[redacted] to encourage the latter to move against Allende.

(b)(1)  
(b)(3)

b. [redacted]  
Co., was used as an intermediary with the [redacted]  
[redacted] to strongly oppose an  
Allende government..

(b)(1)  
(b)(3)

c. [redacted] helped line up  
[redacted] opposition to Allende government.

(b)(1)

11. CIA contacts/relationships with [redacted] officials  
would be revealed.

(b)(3)  
(b)(3)

12. Intelligence methods would be revealed:

a. Special CIA [redacted]  
[redacted]

(b)(1)

b. CIA [redacted]

(b)(1)  
(b)(3)  
(b)(3)

c. "Stay-behind" contingency planning involving the  
[redacted]

(b)(1)  
(b)(3)

d. Use of false flag officers and a covert base.

B. Possible Consequences

1. Political repercussions could result from the revelation that:

a. [redacted] - At our urging,  
[redacted] made a special trip [redacted]  
with Frei, each time urging Frei to act.

(b)(1)  
(b)(3)

b. [redacted] At our urging, [redacted]  
[redacted] sent a special emissary to Frei, with a  
message of support and encouragement.

(b)(1)  
(b)(3)  
(b)(3)

c. [redacted] - At our behest, U.S. Ambassador  
[redacted]  
seek support of the [redacted] and their  
opposition to Allende. Similar approaches were made to the [redacted]  
[redacted]

(b)(1)  
(b)(3)  
(b)(1)  
(b)(3)

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2. CIA helped to organize/ [redacted]

(b)(1)  
(b)(3)

3. Contacts with President Frei, Chilean military Commanders and with many lower ranking officers would be revealed and careers adversely affected.

4. [redacted] would be revealed.

(b)(1)  
(b)(3)

5. A large number of Agency employees (conservatively: [redacted]) and their cover situations would be identified publicly. Apart from the obvious damage (and danger) to the individuals and to the continued viability of cover arrangements, the signal to other employees, to recruitment prospects for the clandestine service and to potential sources of [redacted] would be strongly negative.

(b)(1)  
(b)(3)

6. More than [redacted] Agency stations/bases abroad would be surfaced.

(b)(1)  
(b)(3)  
(D)(1)  
(b)(3)

C. General Consequences

1. There would emerge from the record of a public trial a complete picture of a complex/sensitive CIA covert action operation.

2. Hostile intelligence services could accurately assess U.S. intelligence capabilities, identify modus operandi and locate weaknesses. The covert hand of the U.S. Government could more easily detect at an early stage and action taken to neutralize/frustrate these efforts. Deceptions using this information could make it appear that the U.S. Government was interfering when it was not.

3. Foreign agents and liaison services may lose confidence that such collaboration can be kept secure.

4. Prospective agents are difficult to recruit under ideal circumstances. Recruitment would be impossible if there was not an absolute faith that their identity and the fact of their collaboration would be tightly controlled.

5. Declassified ITT/Chile documents detail the complex relationships of the Agency [redacted]

[redacted] and the nature of classified research/development contacts.

(b)(1)  
(b)(3)

6. Exposure of these relationships would be traumatic to those in the United States who provide [redacted] expertise or make it possible for CIA to harness the special capabilities of U.S. persons. The willingness of U.S. citizens [redacted] to provide CIA with confidential information and services depends on a guarantee of confidentiality from CIA. These citizens [redacted] have much at stake and even the most patriotic of them could not be expected to risk their careers and businesses without the firmest CIA commitment to protect the fact of their collaboration.

(b)(1)  
(b)(3)  
(b)(1)  
(b)(3)  
(b)(1)  
(b)(3)

~~SECRET~~