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FOR PUBLIC AFFAIRS STAFF

PROGRAM NBC Nightly News

STATION WRC TV  
NBC Network

DATE October 23, 1974 6:30 PM

CITY Washington, D.C.

FIRST OF THREE REPORTS ON THE CIA CHILEAN INTERVENTION

JOHN CHANCELLOR: Tonight we're beginning a series of three reports on the involvement of the American Central Intelligence Agency in the internal affairs of Chile. The story has been coming out bit by bit from various sources. What has emerged is the fact that the CIA did play a role in Chilean politics, but the extent of that role and what it did or did not accomplish is still, to some degree, unknown.

In the first part of our series, we learn how the CIA has been working secretly in Chile for at least ten years. Tom Streithorst has that story from Santiago.

TOM STREITHORST: Central Intelligence Agency's financial involvement in Chilean politics dates back at least ten years -- the electoral campaign of 1964, in which Christian Democrat Eduardo Frei defeated Marxist Salvador Allende. It emerged again in the campaign of 1970, but this time failed to prevent Allende's election. In a three way race, he won a narrow plurality. Since the Chilean Constitution required victory by an absolute majority, the choice of the President was thrown to the Congress. And to prevent Allende's inauguration, the CIA was authorized to spend three hundred fifty thousand dollars to bribe congressmen. At the last minute, however, the scheme was deemed unworkable, and Allende became President. The CIA shifted gears. Its objective ceased being preventing the inauguration and shifted to become, quote, "destablizing" the regime.

From 1970 to '73, it spent eight million dollars sustaining the opposition to Allende; provided support to news media, such as the influential right-wing daily El Mercurio. Published reports had revealed that the CIA was involved in some of the anti-Allende demonstrations in 1972 and '73. Since the American dollars were exchanged on the black market, they were worth much more than eight million. In actual buying power in Chilean currency, the dollars had a value of somewhere between thirty and fifty million. It should be noted that the American money did not transform supporters of Allende into enemies. In the last elections held in Chile, Allende's coalition won forty-three percent of the popular vote, its highest percentage ever; this despite an expenditure by the CIA of a million five hundred thousand dollars.

Both the American and Chilean governments have laid great stress

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on the fact that the actual toppling of Allende was the work of the Chilean armed forces unaided from the outside. Clearly what the CIA was doing was creating conditions in which the military would conclude that the overthrow of Allende was both necessary and possible.

Toward the end, in fact, the CIA apparently turned off its anti-Allende financial spigot. No more money was needed; a coup attempt appeared inevitable.

These revelations have not produced an enormous reaction here. The Chilean left always assumed CIA intervention in Chile's political life. The right believes that, if anything, the CIA wasn't doing enough.

Tom Streithorst, NBC News, Santiago, Chile.

CHANCELLOR: If the reaction in Chile has been muted, the reaction in the United States to all this was not. In our next report, we'll get into what was happening in 1970 in Washington, into the role played by Henry Kissinger and the secret Forty Committee. And we'll hear from someone who doesn't appear much in public, the Director of Central Intelligence himself, the head of the CIA.

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PROGRAM NBC Nightly News

STATION WRC TV  
NBC Network

DATE October 24, 1974 6:30 PM

CITY Washington, D.C.

AMERICAN POLICY IN CHILE: PART II

JOHN CHANCELLOR: Last night we began a three part series on Chile and the CIA with a report from Chile on the CIA. Tonight we'll see how and why American policy towards Chile changed in 1970. Tonight's report is from Washington, the reporter is Robert Goralski.

ROBERT GORALSKI: In early 1970 the United States wasn't paying much attention to Chile, there were more pressing foreign policy problems such as Vietnam and the Cambodian invasion. Chile and its presidential election were far removed from the minds of Washington's policy makers.

If there was concern, it centered on the vast American holdings in Chile, the copper mines and the manufacturing plants. The U.S. Government was interested in protecting those investments. As for the election, CIA was indicating that Allende might win, and the United States didn't like that prospect. NBC News has been told that CIA didn't have the assets or the forces to affect the election outcome one way or the other.

A former director of CIA, John McCone, felt something should be done. He approached the CIA, speaking now as a member of ITT's Board of Directors, to take action against Allende's possible election. Henry Kissinger then started turning his attention to Chile and he began reflecting the activist thinking of ITT.

On June 27th, Kissinger, as Chairman of the Forty Committee the ultra secret top level policy making group, authorized \$400,000 for an anti-Allende campaign through the Chilean mass media. That didn't satisfy ITT. On July 17 aboard the Presidential yacht Sequoia President Nixon met with the head of ITT, Harold Geneen. Unlike many other conversations of Mr. Nixon, this one was not taped.

But as subsequent Watergate related documents revealed, Chile and ITT's interests there were discussed. Three weeks after the Sequoia meeting Geneen met with John Erlichman at the White House. Chile was the key item of conversation, as established later in Congressional testimony.

So in a short time, and primarily because of ITT intercessions at the highest levels of the U.S. Government, Washington's policy changed

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from near indifference to direct involvement.

Allende was the frontrunner in the September election, but a runoff vote in the Chilean Congress was necessary. Kissinger, to block an Allende victory, proposed to the Forty Committee that CIA bribe Chilean congressmen to vote against Allende. Millions more followed, and Gary McCowen, a Latin American expert and author, told me what happened.

GARY McCOHEN: One of the interesting little details there is that each time a crisis was building up in Chile, the value of the black market dollar fell, indicating a massive input of dollars. When the CIA money was released there were more dollars available than the black market could carry. And you could measure the level of CIA influence by the rise and fall of the black market.

GORALSKI: Altogether \$350,000 was authorized to bribe Chilean Congressmen against Allende. But NBC News has learned that CIA didn't have the means to dispense the money effectively. Later that same year \$500,000 was spent to fund political groups opposed to Allende.

Beginning in 1971, once Allende was in power, \$5 million was used to destabilize his government through such tactics as financing a strike by Chilean truckers.

At the time of the 1973 local elections the CIA spent a million and a half dollars on direct political action and on the mass media. Later in 1973 another million dollars was used to destabilize Chile further. By then the Chilean economy was in a mess. There were food shortages and dissatisfaction with Allende was widespread. But even critics of CIA have told me it's unlikely it was all the result of CIA's involvement. Allende, according to many sources, was not an effective president. Chile was coping with an open U.S. policy of not granting Chile financial credit or aid.

CIA, along with other government departments, carried out overall U.S. policy. We discussed the aspect of the agency's role with the Director of CIA William Colby.

CIA DIRECTOR WILLIAM COLBY: With respect to the particular thing that's in the news these days, the covert actions, these are the subjects of individual approvals by the administration at the Forty Committee that you've heard about.

So the fact is that the intelligence service of the United States is conducted in a manner responsive to the views of the people and to the policies of our government at the top.

GORALSKI: It's now generally recognized that the CIA was in fact only carrying out policies ordered by the White House. But those policies were not unpopular. Knowledgeable officials say that if a vote had been taken in Congress or referendum taken throughout the United States then,

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there would have been overwhelming support for the actions taken by the United States against Chile.

Now four years later, with the full extent of U.S. involvement known, many people feel a mistake was made. And they say the main problem is to make sure it doesn't happen again.

Robert Goralski, NBC News, Washington.

CHANCELLOR: Tomorrow night we'll have a final special report on the CIA and Chile. In that report we'll check into the stories told by government officials about the CIA in Chile, and compare them with the facts as they are now known. We'll also hear more from William Colby, the Director of the CIA.

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**FOR** PUBLIC AFFAIRS STAFF

**PROGRAM** NBC Nightly News

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NBC Network

**DATE** October 25, 1974 6:30 PM

**CITY** Washington, D.C.

REPORT ON THE CIA: PART III

**JOHN CHANCELLOR:** And now the third and final special report on the CIA in Chile. This one deals with the general idea of clandestine activities in other countries, and, more specifically, with what some of our government officials have said in public about the CIA and Chile. Our correspondent is Robert Goralski.

**ROBERT GORALSKI:** U.S. involvement in Chile has raised basic questions about what is the national interest and how it should be defended. For more than a quarter of a century, successive administrations felt it was necessary to engage in secret activities abroad. That view has been seriously challenged now because of Chile. It has generated serious debate.

The policy of clandestine activities was defended only last month by President Ford.

**PRESIDENT GERALD R. FORD** (September News Conference): Our government, like other governments, does take certain actions in the intelligence field to help implement foreign policy and protect national security.

I am informed reliably that communist nations spend vastly more money than we do for the same kind of purposes.

**SENATOR FRANK CHURCH:** We -- we lower ourselves to the Russian level when we begin to intervene in other people's affairs.

**GORALSKI:** Senator Frank Church is one congressman deeply disturbed by CIA's role in Chile. He feels we pay a high price for such secret operations.

**SENATOR CHURCH:** Look what happened. You know, you get -- you get into movements (?) with the CIA undermining other people's governments, operating, you know, as a kind of international secret police, even conducting secret warfare unknown to the Congress and the American people. And then it's just a question of time until these same methods come home.

We've already seen it. We've seen it in the Watergate episode in the past two years. That whole tragic affair involved the same sort of techniques coming home that we had habitually come to apply abroad.

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GORALSKI: Senator Church's reference to activities unknown to Congress is a point many legislators point to as the most disturbing element of our Chilean involvement.

From CIA's headquarters outside of Washington, more than eight million dollars was delivered to undermine the Allende government. The money contributed to Chilean instability and violence. But only recently has this come to light. The Congress feels it was lied to.

On March 22nd, 1972, then Secretary of State William Rogers said the U.S. did not act in a wrongful manner toward Chile. Senator Stuart Symington, on February 7, 1973, asked then CIA Director Richard Helms, "Did you try in the Central Intelligence Agency to overthrow the government of Chile?" Helms replied, "No, sir."

Symington: "Did you have any money passed to the opponents of Allende?" Again Helms answered, "No, sir."

Henry Kissinger, at his confirmation hearings as Secretary of State last year, said? "Our efforts in Chile were to strengthen the democratic political process."

Congressman Michael Harrington of Massachusetts, at hearings only four months ago, asked a high State Department official: "Do you have any specific knowledge of the authorization of funding for continued efforts toward political destabilization of the Allende regime?" Harry Soloman (?), formerly deputy ambassador in Chile, now in charge of Inter-American Affairs at the Department of State, replied: "There was no such funding. Of that I am quite sure."

Congressman Harrington: "Was there a plan approved that would have authorized the funding?" Soloman answered "Not to my knowledge. I never heard of any such plan."

If Congress had not been misled, Chile might not be the concern it is today. The Congress controls the CIA, as William Colby, its Director, explained to me.

Some members of Congress feel that congressional controls over the agency aren't sufficient. How do you feel?

DIRECTOR WILLIAM COLBY: I think the present system works well. The Congress, to date, has indicated satisfaction with its present system of controls, which has been in existence for twenty odd years, where they have small subcommittees of the Armed Services and Appropriations who get all the facts, anything they want to know, and I have the obligation to bring things to their attention if they don't know enough to ask about it.

But, generally, I think the system has worked fairly well. And

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it's really up to Congress to decide how it's going to do it. That's the reflection of the Constitution that it's their authority to determine how they're going to exercise their oversight.

GORALSKI: The basic question, perhaps, Mr. Colby, is is there room in a democracy for an organization such as the CIA?

COLBY: I think it's essential to the preservation of our democracy, because we live in a world in which there are threats to our country, potential dangers to our country, and it's only if our leaders can know about those that we can either take the preparations -- undertake the preparations necessary to defend ourselves or, even better, we can negotiate with the other people so that threat is eliminated and removed.

GORALSKI: Most congressmen would probably agree with Colby; only a handful have proposed that the CIA be abolished. There have been proposals to make sure more congressmen know what the CIA is doing and why. But despite the debate over Chile, no sweeping changes are foreseen.

Robert Goralski, NBC News, Washington.

CHANCELLOR: The fact that no sweeping changes in congressional oversight of the CIA are on the horizon is perhaps the most important thing we've learned in this series of special reports. Some changes in the oversight function have been proposed. But critics think these changes would only be cosmetic.

Congressman Harrington says the real problem is that the congressmen who have responsibility for the CIA are, by age and attitude, inclined to go along with the executive branch, especially in foreign policy. And Harrington sees no real prospect of change.

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