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(CIA)

WASHINGTON (UPI) -- THE SENATE FOREIGN RELATIONS COMMITTEE DECIDED UNANIMOUSLY TODAY TO INVESTIGATE SECRET DISRUPTIVE ACTIVITIES BY THE CENTRAL INTELLIGENCE AGENCY IN CHILE.

SEN. FRANK CHURCH, D-IDAHO, ANNOUNCED THE COMMITTEE DECISION, SAYING THE STUDY WOULD HELP DETERMINE WHAT COURSE OF ACTION TO TAKE TOWARD OFFICIALS WHO MAY HAVE PERJURED THEMSELVES IN 1973 WHEN THEY TESTIFIED THAT THE UNITED STATES HAD NOT INTERVENED IN CHILE AGAINST MARXIST PRESIDENT SALVADOR ALLENDE.

CHURCH, CHAIRMAN OF THE SUBCOMMITTEE ON MULTINATIONAL CORPORATIONS, SAID THE FOREIGN RELATIONS COMMITTEE DECIDED TO PUT ASIDE A REPORT PREPARED BY HIS STAFF COUNSEL, JEROME LEVINSON, RECOMMENDING PERJURY ACTION AGAINST FORMER CIA DIRECTOR RICHARD HELMS AND OTHER HIGH OFFICIALS.

HE SAID THE COMMITTEE WILL DECIDE WHETHER TO REOPEN THE QUESTION OF WHETHER SECRETARY OF STATE HENRY KISSINGER DECEIVED THE FOREIGN RELATIONS COMMITTEE WHEN HE MINIMIZED THE U.S. ROLE IN CHILE DURING TESTIMONY AT HIS CONFIRMATION HEARINGS.

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ADD 1 CIA, WASHINGTON (UP-063)

PRESIDENT FORD LAST NIGHT ACKNOWLEDGED DURING A NEWS CONFERENCE THE U.S. INTERVENED IN CHILEAN POLITICS BETWEEN 1970 AND 1973, BUT HE DENIED ANY U.S. ROLE IN THE OVERTHROW OF ALLENDE.

CHURCH SAID THE OBJECT OF THE INQUIRY BY THE FOREIGN RELATIONS COMMITTEE WOULD BE:

1. -- TO EXAMINE THE WISDOM OF CIA INTERVENTION IN CHILE.
2. -- TO JUDGE WHETHER PERJURY WAS COMMITTED BY HIGH OFFICIALS IN TESTIMONY IN 1973 BEFORE THE SUBCOMMITTEE ON MULTINATIONAL CORPORATIONS.
3. -- TO EXAMINE THE NEWS LEAKS WHICH LED TO THE DISCLOSURE OF CIA INTERVENTION BETWEEN 1970-1973.

"I PERSONALLY BELIEVE THAT THE POLICY WE FOLLOWED IN CHILE WAS WRONG AND WAS AN UNPRINCIPLED ONE," CHURCH TOLD NEWSMEN AS HE LEFT A TWO-HOUR COMMITTEE SESSION.

HE SAID THAT THE POLICY "CANNOT BE SQUARED WITH THE HISTORIC ROLE OF THE UNITED STATES. I REGRET VERY MUCH THAT IT HAPPENED."

CHURCH SAID HE HOPED THAT THE SENATE INQUIRY MIGHT RESULT IN GUIDELINES FOR FUTURE CIA OPERATIONS. BUT HE WARNED THAT IT WOULD BE "EXTREMELY DIFFICULT TO EXERCISE EFFECTIVE RESTRAINT" ON THE COVERT OPERATIONS OF THE CIA.

THE ISSUE ALSO WAS RAISED AT A HEARING OF THE HOUSE INTER-AMERICAN AFFAIRS SUBCOMMITTEE, WHERE PROFESSOR PAUL SIGMUND OF PRINCETON UNIVERSITY DESCRIBED THE CHILEAN INTERVENTION AS A REFLECTION OF AN OUTDATED POLICY.

"I BELIEVE," HE SAID, "THAT MANY AMERICANS SHARE WITH ME THE FEELING THAT THE CHILEAN CASE DEMONSTRATES THAT SECRET INTERVENTION IN THE POLITICS OF OTHER COUNTRIES WHICH MAY HAVE BEEN JUSTIFIED IN PERIODS OF HOT OR COLD WAR IS NOW OUTDATED, COUNTERPRODUCTIVE AND IN CONFLICT WITH OUR IDEALS AS A FREE AND OPEN SOCIETY."

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BALTIMORE SUN

Helms accused of lying to Senate

Washington (NYT)—The staff of a Senate Foreign Relations subcommittee has recommended that contempt of Congress charges be placed against Richard M. Helms, former director of the Central Intelligence Agency, and three retired Nixon administration officials because of their allegedly misleading Senate testimony on Chile last year, highly reliable congressional sources said yesterday.

They said that, besides Mr. Helms, a report by the subcommittee staff cited Charles A. Meyer, former assistant secretary of state for inter-American affairs; Edwin M. Korry, ambassador to Chile from 197 to 1971, and William C. Broe, former director of clandestine activities for the CIA in Latin America.

Mr. Helms, Mr. Meyer and John M. Hennessy, former assistant secretary of the treasury for international affairs, the report said, might have committed perjury in their testimony before the subcommittee on multinational corporations in the spring of 1973.

None of the men named in the subcommittee report could

be immediately reached for comment.

The staff report, written by Jerome I. Levinson, chief counsel of the subcommittee, was prepared last week at the request of Senator Frank Church (D., Idaho), chairman of the subcommittee.

Details of Mr. Levinson's report, which was distributed to subcommittee members over the weekend, were provided by a senator's office.

At issue is the discrepancy between the testimony presented to the subcommittee last year about the clandestine role of the CIA in Chile and recent news reports indicating that the agency had been authorized to spend more than \$3 million from 1970 to 1973 in a covert

attempt to make it impossible for the Chilean president, Salvador Allende Gossens, to govern.

In addition, sources said, the subcommittee staff report cited Mr. Hennessy's sworn testimony that the Nixon administration's economic sanctions against Chile were based exclusively on its lower credit rating after Dr. Allende's election.

It was reported Sunday that Henry A. Kissinger, as President Nixon's adviser for national security affairs, had personally headed an interagency panel that decided shortly after Dr. Allende's election in 1970 to attempt to cut off all economic aid and international credits.

00772

Perjury Inquiry Urged on Chile Data

Panel Gets Report

By Laurence Stern
Washington Post Staff Writer

A Senate staff report recommends that a perjury investigation be initiated against former Central Intelligence Agency Director Richard M. Helms and accuses Secretary of State Henry A. Kissinger of having "deceived" the Senate Foreign Relations Committee in sworn testimony.

The report, which centers on testimony given by high-ranking officials on U.S. covert intervention in Chile's internal political affairs, also recommends perjury and contempt investigations of three other government witnesses in the Chile inquiry.

Prepared by Jerome Levinson, chief counsel to the Senate Foreign Relations Subcommittee on Multinational Corporations, the confidential report will be taken up for possible action today at an executive session of the Foreign Relations Committee.

The committee has the option of endorsing or rejecting the report in whole or in part.

The targets of the proposed investigations are former Assistant Secretary of State for Inter-American Affairs Charles E. Meyer, former U.S. Ambassador to Chile Edward Korry, and William Broe, former chief of the CIA's Latin American Division.

The report, submitted to subcommittee chairman Sen. Frank Church (D-Idaho) and Sen. Clifford P. Case (R-N.J.), also asks that the record of Kissinger's confirmation hearing be reopened in public session to question the secretary on the "rationale" for U.S. covert political actions in Chile after 1963.

It further recommended that Kissinger be asked to testify generally on U.S. policy toward "duly elected governments which may be anticipated not to follow policies to the liking of the United States."

The staff recommendations reflected rising concern in Congress over major discrepancies in the sworn testimony of high State Department witnesses and the disclosure of secret testimony last April 22 by CIA Director William E. Colby that the agency spent \$3 million in Chile to foil the late Salvador Allende's candidacy in 1964 and \$5 million attempting to block his election and undermine his government after 1970.

The report cites previously secret testimony by Kissinger, delivered at an executive session of his confirmation hearing on Sept. 17, 1973, minimizing the role of the CIA in the 1973 Allende election.

It quotes Kissinger as saying:

"The CIA was heavily involved in 1964 in the election, was in a very minor way involved in the 1970 election and since then we have absolutely stayed away from any coups. Our efforts in Chile were to strengthen the democratic political parties and give them a basis for winning the election in 1970, which we expressed our hope was that Allende could be defeated in a free democratic election."

At the time Kissinger gave his testimony, the report noted, "the Forty Committee [the National Security Council's senior covert action panel] had already authorized the expenditure of . . . \$8 million for the purpose of destabilizing the Allende government so as to precipitate its downfall."

Only a month before Kissinger testified, the report further noted, the Forty Committee—which he chaired—authorized the expenditure of \$1 million of this amount for "further political destabilization."

The basis for these assertions was the Colby testimony as recounted by Rep. Michael Harrington (D-Mass.), a member of the House Foreign Affairs Committee. The CIA's only comment on the Harrington disclosure was to question whether Colby has used the word "destabilization" in his April 22 testimony to a House CIA oversight committee chaired by Rep. Lucien Nedzi (D-Mich.).

Colby's only personal comment on the Harrington report was that he would neither confirm nor deny its authenticity since it was given in executive session. Last Friday Colby commented that the disclosure of his testimony through a confidential letter by Harrington to his chairman, Rep. Thomas Morgan (D-Pa.) raised questions about the ability of government witnesses to testify on "delicate" matters.

The report described as "disingenuous" Kissinger's testimony that since 1970 "we have absolutely stayed away from any coups" in Chile. Kissinger urged Levinson, "must have known that extensive funds for the express purpose of creating political destabilization had to enhance the possibility, indeed the probability of the coup which, in fact, took place."

In the case of Helms, the report cited an exchange between the former CIA director and one of his leading senatorial defenders, Stuart Symington (D-Mo.) during an executive hearing on the Helms nomination as ambassador to Iran on Feb. 7, 1973.

Symington: Did you have any money passed to the opponents of Allende?

Helms: No, sir.

Symington: So that the stories that you were involved in that are wrong entirely?

Helms: Yes sir . . .

But Colby's testimony, as reported in the Harrington letter, was that the CIA expended \$500,000 in 1963 to fund anti-Allende forces and during the 1970 election \$200,000 was given to opposition party personnel. After the Sept. 4 popular election in which Allende won a plurality, the account continued, \$350,000 was authorized "to bribe the Chilean Congress" in an effort to "overturn" the results of the popular election in an ensuing congressional runoff.

The staff report alluded, for the first time, to the existence of a National Security Council Decision Memorandum prior to Allende's election which served as the "umbrella" under which the Forty Committee authorized clandestine activities designed to destabilize the Allende government.

Such a policy document would have been drafted under the direction of Kissinger who also chaired the Forty Committee meetings at which the anti-Allende action programs were authorized.

The report was also critical of Assistant Secretary of the Treasury for International Affairs John M. Hennessy, who assisted in coordinating U.S. economic policy toward the Allende government—that leaned heavily toward withdrawal of lines of credit by such international lending bodies as the World Bank, Inter-American Development Bank and Export-Import Bank.

Hennessy said the Levinson report "either pictured himself or scribbled me" and the subcommittee in stating that the primary reason for the U.S. economic policy toward the Allende government was Chile's onetime adherence to

Broe, the CIA's highest-ranking operative for Latin

America, was quoted in the report as having testified that there was no U.S. policy to intervene in the 1970 Chilean election. Broe's answers, however, are "technically, shy of perjury," the report, concluded, though they were "intended to convey the impression of a policy of non-intervention."

The testimony of Nathaniel Davis, U.S. ambassador to Chile during last year's anti-Allende coup, conformed to the "overall pattern of State Department witnesses dissembling and deceiving the committee and subcommittee with respect to the true scope of U.S. government activities designed to undermine the Allende regime," the Levinson report added. No action, however, was recommended against Davis.

Kissinger and Meyer were not available for comment. Korry, reached in New York, said he was "gratified that Mr. Levinson, after deliberately spreading the word that I have committed perjury, now reached the conclusion that I have not."

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NEW YORK TIMES

COVERT C.I.A. ROLE AGAINST ALLENDE DEFENDED BY FORD

Asserts Activities in Chile Were 'in Best Interests' of Chileans and U.S.

By SEYMOUR M. HERSH Special to The New York Times

WASHINGTON, Sept. 16—President Ford strongly defended tonight the clandestine use of the Central Intelligence Agency to assist anti-Allende forces in Chile, but he denied that the United States Government had any involvement in the bloody coup there last year.

The President, in his news conference, contended that the C.I.A. activities were authorized because "there was an effort being made by the Government of Salvador Allende to destroy opposition news media and to destroy opposition political parties." He said this was something all governments did and he defended it in principle.

Earlier, The New York Times learned that the staff of a Senate Foreign Relations subcommittee had recommended that charges of contempt of Congress be placed against Richard Helms, former Director of Central Intelligence, and three retired Nixon Administration officials on the ground of misleading testimony on the clandestine activities in Chile.

'Certain Actions' Cited

Mr. Ford's statements on Chile were the first by a high Administration official since newspaper reports a week ago that the C.I.A. was authorized to spend more than \$8-million from 1970 to 1971 to make it impossible for President Salvador Allende Gossens of Chile to govern.

All of that, these reports said, was done under the name of the C.I.A. to keep the operations of the Government, like other

governments, does take certain actions in the intelligence field to help implement foreign policy and protect national security," Mr. Ford said. [Question 7, Page 22.]

He added that he had been "reliably" informed that "Communist nations spend vastly more money than we do for the same kind of purpose."

The C.I.A. effort in Chile, the President said, "was made in this case to help and assist the preservation of opposition newspapers and electronic media and to preserve opposition political parties."

"I think this is in the best interests of the people in Chile and certainly in our best interest," he added.

Mr. Ford's account of the type and purpose of the intervention in Chile differed in part, at least, with that provided to Congress last April by William E. Colby, the present head of the C.I.A.

Mr. Colby testified that \$250,000 was authorized by the 49 Committee, the secret high-level intelligence review panel headed by Secretary of State Kissinger, to bribe members of the Chilean Parliament in late 1970, shortly before the Parliament ratified Mr. Allende's election.

The report by the staff of a Senate subcommittee report involved a different aspect of the dispute over Chile—allegations that high-ranking officials of the Nixon Administration deliberately misled the Senate.

The sources said that, besides Mr. Helms, the report cited Charles A. Meyer, former Assistant Secretary of State for Inter-American Affairs, Edward M. Korry, Ambassador to Chile from 1957 to 1971, and William V. Brock, former director of clandestine activities for the Central Intelligence Agency in Latin America.

Mr. Helms, Mr. Meyer and John M. Hennessey, former Assistant Secretary of the Treasury for International Affairs, the report said, might have committed perjury in testimony before the subcommittee on

Multinational Corporations in the spring of 1973.

None of the men named in the subcommittee report could be reached immediately for comment.

In his news conference tonight, President Ford defended the Nixon Administration's decision to intervene clandestinely in 1970 in Chile, declaring that the newly elected Marxist Government there made an "effort to destroy the opposition media and to destroy opposition political parties."

Such intervention was needed, Mr. Ford said, because the Communist nations spend vast amounts of money in similar activities.

The staff report, written by Jerome I. Levinson, chief counsel of the subcommittee, was prepared last week at the request of Senator Frank Church, Democrat of Idaho, who is chairman of the subcommittee. Details of Mr. Levinson's report, which was distributed to subcommittee members over the weekend, were provided to The New York Times by a Senator's office.

At issue is the discrepancy between the testimony presented to the subcommittee last year about the clandestine role of the C.I.A. in Chile and recent news reports indicating that the intelligence agency had been authorized to spend more than \$8-million from 1970 to 1973 in a covert attempt to make it impossible for the Chilean President, Salvador Allende Gossens, to govern.

In addition, sources said, the subcommittee staff report cited Mr. Hennessey's sworn testimony that the Nixon Administration's economic sanctions against Chile were based exclusively on lower credit rating after Dr. Allende's election. It was reported yesterday that Secretary of State Kissinger, then President Nixon's advisor for national security affairs, had personally headed an interagency panel that decided shortly after Dr. Allende's election in 1970 to attempt to cut off all economic

aid and international credits.

The allegations against the five Nixon Administration officials stem from their testimony at highly publicized hearings into a reported attempt by officials of the International Telephone & Telegraph Company to seek to interfere in Chile's domestic politics.

Mr. Korry and Mr. Meyer both testified that the United States had continued its policy of nonintervention toward Chile after Dr. Allende's elections. It was that testimony, sources said, that led to the staff recommendation that contempt and—in the case of Mr. Meyer—possible perjury charges be considered.

The testimony that led to the recommendation that Mr. Helms be charged with contempt and possibly perjury and Mr. Brock with contempt was apparently provided to the subcommittee at classified briefings, sources said.

Mr. Church, in an interview last week, said he had authorized a staff review to determine if the testimony should be turned over to the Justice Department for possible prosecution.

The Senate Foreign Relations Committee has scheduled a closed executive session tomorrow to discuss, among other matters, what to do about apparently misleading testimony provided to the Church subcommittee.

In an interview, Senator Clifford P. Case, Republican of New Jersey and a ranking minority member of the committee, declared, "There'll be a serious question as to what the committee ought to do."

Mr. Case refused to discuss specifically his personal reaction to the staff report.

"I certainly will press for appropriate action," he said. "No matter what, if a guy is caught lying to a Congressional hearing, there has to be some kind of action."

Other Foreign Relations Committee sources said, however, that it was unlikely that the full committee would immediately agree to press for contempt of Congress or perjury citations against the witnesses. Far more important, the sources said, will be an attempt to determine who in the Nixon Administration influenced the various officials, including Mr. Helms, to be less than candid before the Church subcommittee.

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