



THE WASHINGTON POST

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# The View From Langley

By **Tad Szulc**

*Szulc is a Washington writer and a former foreign correspondent. His latest book is "Compulsive Spy: The Strange Career of E. Howard Hunt."*

SUNDAY, OCTOBER 21, 1973

**W**AS THE United States, through the Central Intelligence Agency or otherwise, directly involved in the events that led to the bloody coup d'état in Chile last Sept. 11?

Actual involvement in the military revolution that ousted the late President Salvador Allende Gossens, a Socialist, has been roundly denied by the Nixon administration and the CIA in particular. But given the CIA's track record in overthrowing or attempting to overthrow foreign governments—Iran, Guatemala, the Bay of Pigs, Laos and so on—deep suspicions have persisted that the agency, operating under White House directives, has been much more than an innocent observer of the Chilean scene since Allende's election in 1970.

Ten days ago, the CIA rather surprisingly if most reluctantly, went quite a way to confirm many of these suspicions. It did so in secret testimony on Oct. 11 before the House Subcommittee on Inter-American Affairs by its director, William E. Colby, and Frederick Dixon Davis, a senior official in the agency's Office of Current Intelligence. The transcript of the testimony was made available to this writer by sources in the intelligence community.

This extensive testimony touches principally on the CIA's own and very extensive covert

ties, but it also helps in understanding and reconstructing the administration's basic policy of bringing about Allende's fall one way or another.

We are apprised not only that the CIA's estimate of the number of victims of the military government's repression is four times the official Santiago figures but that the United States, in effect, condones mass executions and imprisonments in Chile because a civil war there remains "a real possibility." Yet, even Colby warned that the junta may "overdo" repression.

Colby's and Davis' testimony, in parts unclear and contradictory, offered a picture of the CIA's activities in Chile between Allende's election in 1970 and the Sept. 11 coup ranging from the "penetration" of all the major Chilean political parties, support for anti-regime demonstrations and financing of the opposition press and other groups to heretofore unsuspected Agency involvement in financial negotiations between Washington and Santiago in last 1972 and early 1973 when the Chileans were desperately seeking an accommodation.

There are indications that the CIA, acting on the basis of its own reports on the "deterioration" of the Chilean economic situation, was among the agencies that encouraged Allende's attempts to work out a

settlement on the compensations to be paid for nationalized American property and a renegotiation of Chile's \$1.7 billion debt to the United States.

## A No-Help Policy

**A**CTUALLY, the basic U.S. posture toward Allende was set forth by Henry A. Kissinger, then the White House special assistant for national security affairs, at a background briefing for the press in Chicago on Sept. 16, 1970, 12 days after Allende won a plurality in the elections and awaited a run-off vote in Congress. Kissinger said then that if Allende were confirmed, a Communist regime would emerge in Chile and that Argentina, Bolivia and Peru might follow this example.

For the next three years, the U.S. policy developed along two principal lines. One was the denial of all credits to the Allende government—Washington even blocked loans by international institutions—to aggravate Chile's economic situation when Allende himself was bogging down in vast mismanagement of his own. The other line was the supportive CIA activity to accelerate the economic crisis and thereby encourage domestic opposition to Allende's Marxist Popular Unity government

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The only exception to the ban on credits was the sale of military equipment to the Chilean armed forces—including the decision last June 5 to sell Chile F-5E jet fighter planes—presumably to signal United States support for the military. Colby's testimony as well as other information showed that the United States had maintained close contacts with the Chilean military after Allende's election.

The Nixon administration's firm refusal to help Chile, even on humanitarian grounds, was emphasized about a week before the military coup when it turned down Santiago's request for credits to buy 300,000 tons of wheat here at a time when the Chileans had run out of foreign currency and bread shortages were developing.

On Oct. 5, however, the new military junta was granted \$24.5 million in wheat credits after the White House overruled State Department objections. The department's Bureau of Inter-American Affairs reportedly believed that such a gesture was premature and could be politically embarrassing.

## An "Unfortunate" Coup

PARADOXICALLY, Washington had not hoped for the kind of bloody

military takeover that occurred on Sept. 11. For political reasons, it preferred a gradual destruction from within of the Chilean economy so that the Allende regime would collapse of its own weight. The CIA's role, it appeared, was to help quicken this process.

Under questioning by Rep. Michael J. Harrington (D-Mass.), Colby thus testified that the CIA's "appreciation" of the Chilean economy was that "it was on a declining plane on the economic ground in terms of internal economic problems—inflation, with 320 per cent inflation in one year, the closure of the copper mines, and so forth, your total foreign deficit was more than the need for it. They couldn't import the food because their deficit was such that over the long term they had no base for it." Elsewhere in his testimony, Colby said that the CIA reported "accurately an overall assessment of deterioration" and that with the Chilean navy pushing for a coup, it was only a question of time before it came.

But Colby also told the subcommittee that "our assessment was it might be unfortunate if a coup took place. The National Security Council policy was that it is consistent with the feeling it is not in the United States interest to promote it." He made this comment after Rep. Charles W. Whalen (R-Ohio) asked Colby whether he agreed with earlier testimony by Jack Kubisch, the assistant secretary of state for Inter-American affairs, that the administration believed that "it would be adverse to our own United States interest if the government of Chile were overthrown."

This theme was further developed in a letter on Oct. 8 from Richard A. Fagen, professor of political science at Stanford University, to Sen. J. William Fulbright, chairman of the Senate Foreign Relations Committee, reporting on a meeting between Kubisch and a group of scholars representing the Latin American Studies Association.

Fagen said that Kubisch took the view that "it was not in our interest to have the military take over in Chile. It would have been better had Allende served his entire term taking the nation and the Chilean people into complete and total ruin. Only then would the full discrediting of socialism have taken place. Only then would people have gotten the message that socialism doesn't work. What has happened has confused this lesson."

## "No Indication" of Support

COLBY'S TESTIMONY on the CIA's activities in Chile supplied a considerable amount of new information, some of it contradictory, under vigorous questioning by the subcommittee.

Thus at one point Colby said that "I can make a clear statement that certainly CIA had no connection with the coup itself, with the military coup. We didn't support it, we didn't stimulate it, we didn't bring it about in any way. We obviously had some intelligence coverage over the various moves being made but we were quite meticulous in making sure there was no indication of encouragement from our side."


Colby also insisted that the CIA was not involved with the prolonged strike by Chilean truckers that preceded the coup.

But pressed by Rep. Harrington, Colby acknowledged that the CIA may have assisted certain anti-Allende demonstrations. The following discussion ensued:

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 HARRINGTON: Did the CIA, directly or indirectly, assist these demonstrations through the use of subsidiaries of United States corporations in Brazil or other Latin American countries?


COLBY: I think I have said that the CIA did not assist the trucking strike.

HARRINGTON: I think it's a broader, and more intentionally broader, question—any of the demonstrations that are referred to in the course of this questioning.

COLBY: I am not quite sure of the scope of that question.

HARRINGTON: I make specific reference to two, one in the October period of 1972 and one in March of 1973.

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COLBY: I would rather not answer the question than give you an assurance and be wrong, frankly. I would rather not. If we did, I don't want to be in a position of saying we didn't. But if we didn't, I really don't mind saying I

won't reply because it doesn't hurt. But I don't want to be in a position of giving you a false answer. Therefore, I think I better just not answer that, although I frankly don't know the answer to that question right here as I sit here."

**"A Covert Operation"**

THOUGH COLBY consistently refused to tell the subcommittee whether the CIA's operations in Chile had been authorized by the "40 Committee," the top secret group headed by Kissinger in the National Security Council that approves clandestine intelligence operations, he admitted that "we have had . . .

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various relationships over the years in Chile with various groups. In some cases this was approved by the National Security Council and it has meant some assistance to them. That has not fallen into the category we are talking about here — the turbulence or the military coup."

In previous testimony before a Senate subcommittee, former CIA Director Richard Helms disclosed that the CIA had earmarked \$400,000 to support anti-Allende news media shortly before his election. This was authorized by the "40 Committee" at a meeting in June, 1970. Colby, however, refused to say whether this effort was subsequently maintained, claiming that the secrecy


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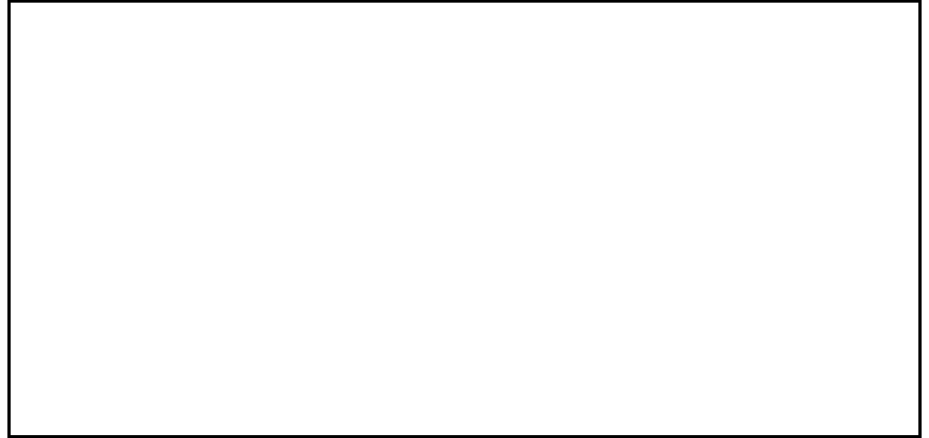
of CIA operations had to be protected. He then became engaged in this exchange with Harrington:

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 COLBY: That does go precisely on to what we were operating and what our operations were. I would prefer to leave that out of this particular report . . .

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HARRINGTON: I think we have run exactly into what makes this a purposeless kind of exercise . . .

COLBY: If I might comment, the presumption under which we conduct this type of operation is that it is a covert operation and that the United States hand is not to show. For that reason we in the executive branch restrict any knowledge of this type of operation very severely and conduct procedures so that very few people learn of any type of operation of this nature.

HARRINGTON: And we end up with a situation such as at Sept. 11 because you have a cozy arrangement.

### Corporate Cooperation

ON THE QUESTION of support to anti-Allende forces by United States or Brazilian corporations, Colby and Davis gave equivocal answers to the subcommittee. Colby said, "I am not sure." Davis said, "I have no evidence as to that," but Colby interrupted him to remark that "I wouldn't exclude it. Frankly, I don't know of any. However, I could not say it didn't happen."

Subcommittee members pursued at some length the possible involvement by American corporations in the Chilean coup because of previous disclosures that the International Telephone and Telegraph Corp. had offered the CIA \$1 million in 1970 to prevent Allende's election and subsequently proposed a detailed plan to plunge Chile into economic chaos.

Rep. Dante B. Fascell (D-Ia), the subcommittee chairman, raised the question of involvement by Brazilian or other Latin American corporations, many of them subsidiaries of United States firms, because of reports that the anti-Allende moves were widely coordinated. Speaking for the CIA, Davis replied:



"There is some evidence of cooperation between business groups in Brazil and Chile. However, this is a small share of the financial support. Most of the support was internal. There is some

funding and cooperation among groups with similar outlooks in other Latin American countries. This is true with regard to most of those governments

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DAVIS: I was not thinking so much of companies or firms so much as groups, organizations of businessmen, chambers of commerce, and that kind of thing in a country such as Brazil."

Discussing the CIA's intelligence operations in Chile, Colby said he "would assume" that the Agency had contacts with Chileans opposed to Allende. Asked by Harrington whether the CIA maintained such contacts in social contexts, Colby said:

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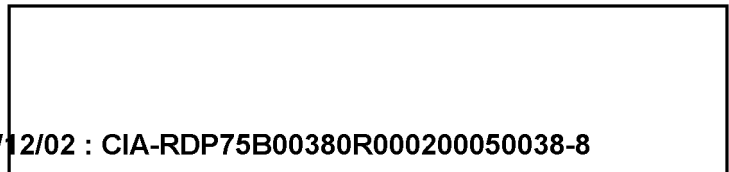


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"If a gentleman talks to us under the assurance he will not be revealed, which can be dangerous in some countries, it could have been very dangerous for those in Chile . . .

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the protection of that relationship, fiduciary relationship with the individual, requires that I be very restrictive of that kind of information."

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Then the following dialogue developed:

FASCELL: Is it reasonable to assume that the Agency has penetrated all of the political parties in Chile?

COLBY: I wish I could say yes. I cannot assure you all, because we get into some splinters.

FASCELL: Major?

COLBY: I think we have an intelligence coverage of most of them. Let's put it that way.

FASCELL: Is that standard operating procedure?

COLBY: It depends on the country. For a country of the importance of Chile to the United States' decision-making, we would try to get an inside picture of what is going on there. I can think of a lot of countries where we really don't spend much time worrying about their political parties. I spend much of my time worrying about penetrating the Communist Party of the Soviet Union.

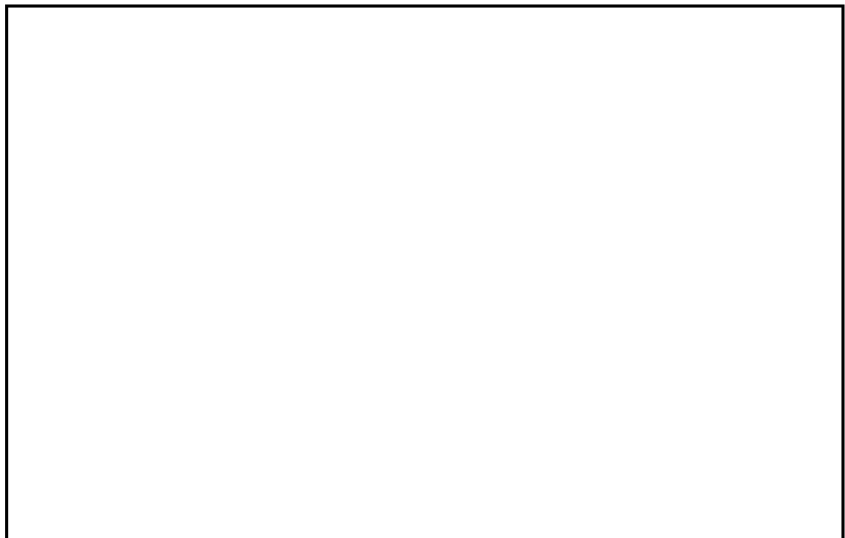
### The Economic Role

ONE OF THE MOST intriguing disclosures made by Colby in his testimony was that the CIA is actively engaged in economic negotiations between the United States and foreign countries. This has not been generally known here, but Colby told the subcommittee that "we would normally contribute to (a) negotiating team."

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He said that "we would try to provide them intelligence as backdrop for their negotiations and sometimes help them with appreciation of the problem . . .

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We follow the day-to-day progress in negotiations. If it's an important economic negotiation, like (Treasury) Secretary Shultz over in Nairobi and places like that, we would be informed of what they are doing and try to help them."

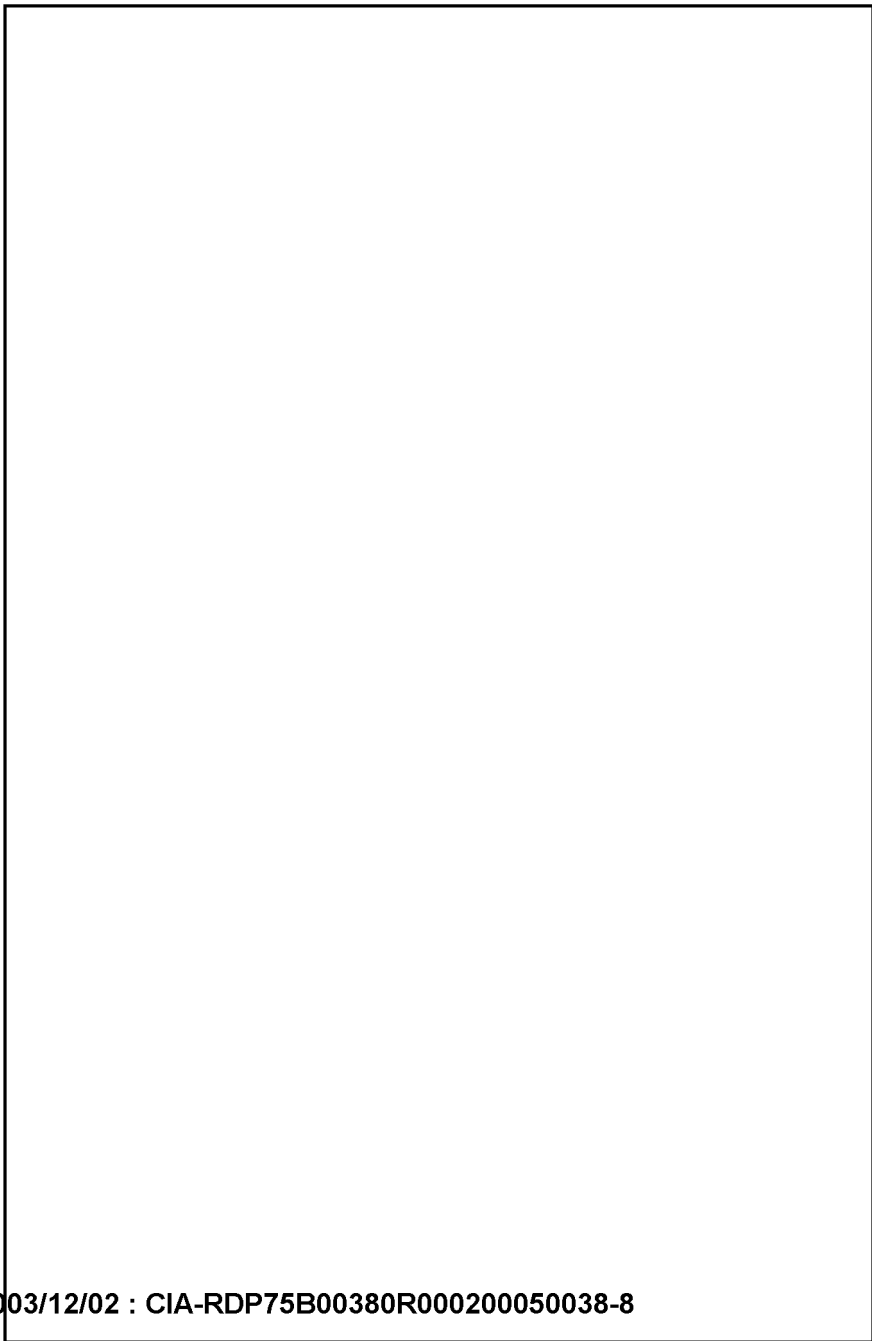
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In the context of the Chilean-American negotiations before the coup, the CIA's Davis said that



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"we did have some quite reliable reporting at the time indicating that the Russians were advising Allende to put his relations with the United States in order, if not to settle compensation, at least to reach some sort of accommodation which would ease the strain between the two countries. There were reports indicating that, unlike the Cubans, they were in effect trying to move Allende toward a compromise agreement . . .







It was our judgment that the [Chileans] were interested in working out some kind of *modus vivendi* without, however, retreating substantially from their position."

Davis added that "our intelligence requirement in the negotiations between the United States and Chile would be to try to find out, through our sources, what their reactions to a

negotiating session were, what their reading of our position was, what their assessment of the state of negotiations

is."

In his narration of the events leading to the coup, Colby said that "under the general deterioration, it was only a matter of getting the Army, the Navy and the Air Force to cover it. Eventually they did get them all in." Colby then compared the Chilean coup to the 1967 Indonesian revolution, reputedly assisted by the CIA, when the army ousted President Sukarno. He said the CIA shared the suspicions of the Chilean military that Allende was planning a coup of his own on Sept. 19 to neutralize the armed forces, but said the CIA had no firm information confirming these suspicions.

#### "Concern Over Security"

THROUGHOUT his testimony, Colby drew a grim picture of the junta's repression and, in effect, predicted that it would worsen even more because of the continued strength of the Chilean

left. His estimates of the death toll were roughly four times the figures announced by the junta and he told the subcommittee that the Chilean military had a list of the "most wanted" Allende followers whom they hoped to find and possibly execute.

"Communist Party chief Luis Corvalan is being or will be tried for treason. He may well be sentenced to death regardless of the effect on international opinion,"

formation led to this exchange:

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WHALEN: You mentioned those being accused of treason. Did these allegedly treasonable activities occur after the takeover by the military?

COLBY: I think what I referred to was the head of the Communist Party who would probably be tried for treason.

He would probably be tried for treason. He would probably be tried for activities prior to the takeover. You can have some question as to how valid that is in a constitutional legal sense. There have been some who have been accused of it since the takeover.

WHALEN: That confuses me. If he is tried for treason against a government [he] supported, I cannot understand that.

COLBY: You are right.

This was Colby's assessment of the present situation:

"Armed opposition now appears to be confined to sporadic, isolated attacks on security forces, but the regime believes that the left is regrouping for coordinated sabotage and guerrilla activity. The government probably is right in believing that its opponents have not been fully neutralized. Our reports indicate that the extremist movement of the Revolutionary Left believes its assets have not been damaged beyond repair. It wants to launch anti-government activity as soon as practical and is working to form a united front of leftist opposition parties. Other leftist groups, including the Communist and Socialist parties, are in disarray, but they have not been destroyed. Exiled supporters of the ousted government are organizing abroad, namely in Rome."

Colby told the subcommittee that "concern over security undoubtedly is what accounts for the junta's continued use of harsh measures to deal with the dissidents. The military leaders apparently are willing to alienate some support at home and endure a bad press abroad, in order to consolidate their hold on the country and finish the job of rooting out Marxist influence."

**Chance of "Civil War"**

DESCRIBING the present situation, Colby said:

"Armed resisters continue to be executed where they are found, and a number of prisoners have been shot, supposedly while 'trying to escape.' Such deaths probably number 200 or more..."

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\*. Several thousand people remain under arrest, including high-ranking officials of the Allende government."

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Answering questions, Colby agreed that the CIA's figure of more than 200 executions was higher than the junta's official estimate. He added that "there were a couple thousand, at least, killed during the fighting which surrounded the coup. It is quite possible that if you went to a city morgue you would find that number. The official figure of total killed is 476 civilians and 57 troops to a total of 513. We would guess, we would estimate, it is between 2,000 and 3,000 killed during the struggles. That would not be in my classification as execution

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Some of those were shot down. There is no question about that. They are not just bystanders . . ."

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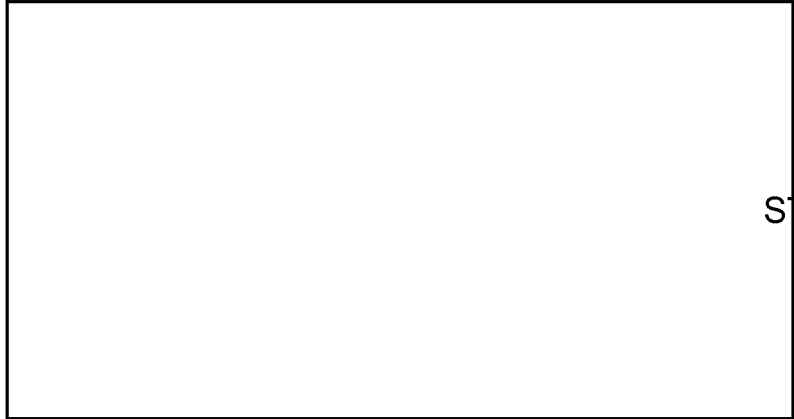
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"I think our appreciation is that it does them some good . . .



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Colby: The junta, their concern is whether they could take this action of taking over the government and not generate a real civil war, which was the real chance because the Allende supporters were fairly activist. There were armies in the country. There was at least a good chance of a real civil war occurring as a result of this coup," Colby said.

Asked whether civil war remained a possibility, Colby replied that "It was. It's obviously declining, but it was a real possibility. Yes, I think it is a real possibility. Whether it's a certainty or not is not at all sure."



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