

8 SEP 1974

C.I.A. Chief Tells House Of \$8-Million Campaign Against Allende in '70-73

By SEYMOUR M. HERSH

Special to The New York Times

WASHINGTON, Sept. 7—The director of the Central Intelligence Agency has told Congress that the Nixon Administration authorized more than \$8-million for covert activities by the agency in Chile between 1970 and 1973 to make it impossible for President Salvador Allende Gossens to govern.

The goal of the clandestine C.I.A. activities, the director, William E. Colby, testified at a top-secret hearing last April, was to "destabilize" the Marxist-Government of President Allende, who was elected in 1970.

The Allende Government was overthrown in a violent coup d'état last Sept. 11 in which the President died. The military junta that seized power say he committed suicide but his supporters maintain that he was slain by the soldiers who attacked the presidential palace in Santiago.

Intervention in '64

In his House testimony, Mr. Colby also disclosed that the Central Intelligence Agency first intervened against Dr. Allende in 1964, when he was a presidential candidate running against Eduardo Frei-Montalva of the Christian Democratic party, which had the support of the United States.

The agency's operations, Mr. Colby testified, were considered a test of the technique of using heavy cash payments to bring down a government viewed as antagonistic toward the United States. However, there have been many allegations that the C.I.A. was involved in similar activities in other countries before the election of Dr. Allende.

Mr. Colby also maintained that all of the agency's operations against the Allende Government were approved in advance by the 40 Committee in Washington, a secret high-level intelligence panel headed by Secretary of State Kissinger. The 40 Committee was set up by President Kennedy in an attempt to provide Administration control over C.I.A. activities after Cuban ex-



Associated Press

William E. Colby

and equipped by the agency failed in their invasion of Cuba in 1961.

A Special Hearing

Details of the agency's involvement in Chile were first provided by Mr. Colby to the House Armed Services Subcommittee of Intelligence, headed by Representative Lucien N. Nedzi, Democrat of Michigan, at a special one-day hearing last April 22. The testimony was later made available to Representative Michael J. Harrington, a liberal Massachusetts Democrat who has long been a critic of the C.I.A. Harrington wrote other members of Congress six weeks ago to protest both the agency's clandestine activities and the failure of the Nixon Administration to acknowledge them despite repeated inquiries from Congress. A copy of a confidential seven-page letter sent by Mr. Harrington to Representative Thomas E. Morgan, chairman of the House Foreign Affairs Committee, was made available to The New York Times.

The testimony of Mr. Colby indicates that high officials in the State Department and White House repeatedly and deliberately misled the public and the Congress about the extent of United States involvement in the internal affairs of Chile during the three-year government of Dr. Allende.

Shortly after Dr. Allende won a plurality in the presidential elections in September, 1970, high Chilean officials

The New York Times reported then, that the "United States lacks political, economic or military leverage to change the course of events in Chile, even if the Administration wished to do so."

However, Mr. Colby testified that \$500,000 was secretly authorized by the 40 Committee in 1970 to help the anti-Allende forces. Another \$500,000 had been provided to the same forces in 1969, Mr. Colby said.

Bribe Attempt Reported

Mr. Allende's victory was ratified by the Chilean Congress in October, 1970, and the State Department later declared that the Administration had "firmly rejected" any attempt to block his inauguration.

But Mr. Colby testified that \$350,000 had been authorized by the 40 Committee in an unsuccessful effort to bribe members of the Chilean Congress. The bribe was part of a much more complicated scheme intended to overturn the results of the election, Mr. Colby testified, but the over-all plan, although initially approved by the 40 Committee, was later rejected as unworkable.

While the Central Intelligence Agency was conducting these clandestine operations, there were reductions in United States foreign-aid grants to Chile in development bank loans and in lines of credit from American commercial banks. Commodity credits for vitally needed grain purchases also were restricted.

United States officials have declared that there was no over-all Administration program designed to limit economic aid to the Allende Government, but critics have noted that large-scale loans and aid are now going to Chile.

President Allende repeatedly complained about what he told the United Nations in December—external pressure to cut us off our economy and paralyze trade and to deprive us of access to sources of international financing."

Colby Declines Comment

Mr. Colby acknowledged in a brief telephone conversation this week that he had testified before the Nedzi intelligence subcommittee about the C.I.A.'s involvement in Chile, but he refused to comment on the Harrington letter.

Mr. Nedzi, contacted in Munich, West Germany, where he is on an inspection trip with other members of the House Armed Services Committee, also declined to comment.

Mr. Harrington noted in his letter that he had been permitted to read the 48-page transcript of Mr. Colby's testimony two times, apparently without taking notes. "My memory must serve here as the only source for the substance of

the testimony," he wrote.

A number of high-ranking Government officials subsequently confirmed the details of the C.I.A.'s involvement as summarized by the Massachusetts Representative, a liberal who has long been a critic of the agency's policies.

Companies' Help Rejected

In 1964, Mr. Colby testified, some American corporations in Chile volunteered to serve as conduits for anti-Allende funds, but the proposal was rejected. A similar proposal in 1970 led to a widely publicized Senate hearing last year.

The C.I.A. director also said that after Dr. Allende's election, \$5-million was authorized by the 40 Committee for more "destabilization" efforts in 1971, 1972 and 1973. An additional \$1.5-million was provided to aid anti-Allende candidates in municipal elections last year.

Some of these funds, Mr. Colby testified, were provided to an unidentified influential anti-Allende newspaper in Santiago.

In his summary of the Colby testimony, Mr. Harrington noted that "funding was provided to individuals, political parties, and media outlets in Chile, through channels in other countries in both Latin America and Europe."

"Mr. Colby's description of these operations was direct, though not to the point of identifying actual contacts and conduits," Mr. Harrington added.

One fully informed official, told of The New York Times's intention to publish an account of the clandestine C.I.A. activities in Chile, declared, "This thing calls for balanced reporting to put the blame where it should be laid."

"The agency didn't do anything without the knowledge and consent of the 40 committee," he said, pointedly adding that the committee was headed by Mr. Kissinger, who was then serving as President Richard M. Nixon's National Security Adviser.

Secrecy Called Necessary

Another Government official similarly defended the C.I.A.'s role in funneling funds into Chile and the agency's subsequent denials of any such activities. "You have a straight out policy that the United States conducts covert action on an officially authorized basis," he said. "If you do such things, obviously you're not going to say anything about it."

"On this kind of covert action," the official added, "it's up to those asked to do it to do it secretly."

continued

00876

Mr. Kissinger, although informed of The Times's account through an aide, did not respond.

A number of officials whose information about such activities has been accurate in the past declared in interviews this week that there was a sharp split between some State Department officials and Mr. Kissinger over the 40 Committee's Chile policy.

Kissinger's Comment

In his only public comment on the Allende coup, Mr. Kissinger told the Senate Foreign Relations Committee last year: "The C.I.A. had nothing to do with the coup, to the best of my knowledge and belief, and I only put in that qualification in case some madman appears down there who without instructions talked to somebody. I have absolutely no reason to suppose it."

In his July 18, 1974, letter to Representative Morgan, Mr. Harrington quoted Mr. Colby as testifying that the 40 Committee authorized an expenditure of \$1-million for "further political destabilization" activities in August, 1973, one month before the military junta seized control in Santiago.

"The full plan authorized in August was called off when the military coup occurred less than one month later," Mr. Harrington wrote. He added, however that Mr. Colby had testified that \$34,000 of the funds had been spent—including a payment of \$25,000 to one person to buy a radio station.

A specific request earlier in the summer of 1973 for \$50,000 to support a nationwide truckers' strike that was crippling the Chilean Government was turned down by the 40 Committee, Mr. Harrington further quoted Mr. Colby as testifying.

A Difference of Opinion

"In the period before the coup," one official said, "there was a pretty firm view on the part of the 40 Committee—which is Kissinger and nobody else—that the Allende Government was bound to come to destruction and had to be thoroughly discredited."

"The State Department supported this, but in a different way," the official recalled. "It wanted to stretch out any clandestine activities to permit the regime to come to a political end."

"The argument was between those who wanted to use force and end it quickly rather than to play it out. Henry was on the side of the former—he was for considerable obstruction."

All of the officials interviewed emphasized that the Central Intelligence Agency was not authorized to play any direct role in the coup that overthrew Dr. Allende. It was also noted that most of the subsequent denials of agency involvement in the internal affairs of Chile were made in the

Context direct United States role the overthrow.

"On most of those you have to look at the language very carefully," one official said of the denials.

Shortly after President Allende's overthrow there were unconfirmed reports that the truckers' strike, which was a key element in the social chaos that preceded the coup, had been financed, at least in part, by the C.I.A.

At a closed hearing on Chile before a House Foreign Affairs subcommittee last October, Mr. Colby refused to rule out the possibility that some anti-Allende demonstrations in Chile may have been assisted through subsidiaries of United States corporations in Brazil or other Latin-American countries.

He was sharply questioned about that possibility by Mr. Harrington, who emerged during Congressional debate as a leading critic of the Administration's Chilean policies.

Representative Harrington, reached yesterday at his Massachusetts office, refused to discuss his letter to Mr. Morgan, which he termed confidential. Nor would he discuss other aspects of the possible American involvement in the fall of President Allende.

In his letter, Mr. Harrington complained about the "inherent limitations facing members of Congress in uncovering the facts of covert activities such as those in Chile."

He also expressed dismay that the Administration had authorized the covert expenditure of \$1-million in August, 1973, "without any apparent deterrent being posed by the recently completed hearings into I.T.T. [International Telephone & Telegraph] involvement in Chile and the Senate Watergate committee's disclosure of C.I.A. activities related to Watergate."

A Senate Foreign Relations subcommittee concluded hearings last April into what I.T.T. officials acknowledged was an attempt to contribute \$1-million to the United States Government for use by the Central Intelligence Agency to create economic chaos in Chile. Testimony showed that the offer was rejected after discussions that apparently involved Mr. Kissinger and Richard M. Helms, then director of the agency.

A number of high State Department officials testified under oath at those hearings that the United States was not making any attempts to interfere with Chile's internal politics.

Edward M. Korry, former Ambassador to Chile, declared: "The United States did not seek to pressure, subvert, influence a single member of the Chilean

Congress at any time in the tire four years of my stay. hard line toward Chile was carried out at any time."

Charles A. Meyer, former Assistant Secretary of State for Latin-American Affairs, similarly testified that the United States scrupulously adhered to a policy of nonintervention. "We bought no votes, we funded no candidates, we promoted no coups," he said.

Senator Frank Church, Democrat of Idaho, who is chairman of the Subcommittee on Multinational Corporations, could not be reached for comment. The subcommittee's chief counsel, Jerome I. Levinson, expressed anger today on hearing of Mr. Colby's testimony. "For me," he said, "the fundamental issue now is who makes foreign policy in a democracy and by what standards and by what criteria?"

Mr. Levinson said that the subcommittee had been "deliberately deceived" during its public hearings last year.

In his letter to Mr. Morgan, Mr. Harrington said that he had turned to the Foreign Affairs Committee chairman "as a last resort, having despaired of the likelihood of anything productive occurring as a result of the avenues I have already pursued."

Mr. Harrington noted that the subcommittee on Inter-American Affairs had held five hearings on human rights in Chile since the junta came to power, with testimony from only one State Department witness with full knowledge of the clandestine C.I.A. activity.

And that witness, Harry W. Shlaudeman, a Deputy Assistant Secretary of State for Inter-American Affairs, refused to testify about agency activities, Mr. Harrington wrote.

He urged Mr. Morgan to call for a full-scale public investigation of the Nixon Administration's involvement in Chile. Mr. Morgan could not be reached for comment, nor could it be learned whether he had responded to Mr. Harrington's letter.

The Foreign Affairs Committee will begin sessions next week on the Administration's foreign military-aid requests, committee aides said. Amendments have been offered calling for the halving and for the complete elimination of the Administration's request for more than \$20-million in military aid and training for Chile.

00877