

Former U.S. Ambassador Reveals How Rockefeller-Kennedy Team Pulled Coups in Chile and Brazil

For the first time, sworn testimony by a former U.S. government official has provided a detailed account of the Rockefeller-Kennedy creation and institutionalization of covert operations and the individuals responsible. Edward Korry, the U.S. Ambassador to Chile from 1968-71, names the names of the key politicians, businessmen, and journalists who formulated, conducted and covered up the policies in Latin America which led to the overthrow of democratically elected governments in Brazil and Chile during the 1960s. The substance of Korry's testimony, given at Senate hearings on Cyrus Vance's nomination for Secretary of State, has been totally blacked out of the U.S. press. Reprinted here is the full text of Korry's own draft of his testimony.

I shall begin today, Mr. Chairman, with references to my years in Chile as U.S. Ambassador because Mr. Vance was directly and indirectly involved in my experiences of the past ten years — in many different ways, as I shall specifically demonstrate — and because they concern four areas of public interest which I hold to be pertinent to the nominee's qualifications and suitability for the highest Cabinet post:

First, morality in our foreign policy, a subject repeatedly stressed the past year by Mr. Vance and by President-elect Carter who invoked "Chile" more times — seven — in his debate on foreign affairs with President Ford, than any other issue.

Secondly, The potential for improper pressures on the new Secretary of State by private interests and by foreign powers in the matters I intend to put on the record today were to continue to be concealed from this Senate Committee and the public.

Thirdly, the accountability of all those paid by the public for their actions as government servants, including Mr. Vance.

Fourthly, the future policies of the United States towards the Soviet Union, the "Eurocommunist" regimes which may soon emerge, the Third World and related areas of domestic policy.

I come here as one who recalls with pride the

unanimous affirmative recommendations accorded me by the Foreign Relations Committee in 1963 (Ethiopia) and in 1967 (Chile). I come as one unattached to any political party and who is proud that he could serve the presidency of this country under both a Kennedy and a Nixon without ever giving a cent in political contributions to either.

I come here too as one who has unswervingly refused the repeated efforts, starting in 1973, of the Ambassadors in Washington and at the United Nations of the present military regime in Chile, to meet with me — as one who spurned all invitations from that government's consulates and embassies because, as I stated on national television and to university audiences in 1974, *it was a harsh dictatorship and fascist in character*. I come here too as one who has campaigned — successfully I might add — this past year to gain the attention of, and action by, the Attorney General and the Justice Department — and more recently a Grand Jury — and as one who shall be pursuing in the courts in the near future some of the outstanding matters to which I shall allude today.

If I may illustrate the second point of the four I listed as matters of public interest — "the potential for improper pressures" — let me give here a few pertinent examples of what I have in mind.

I wrote Attorney General Levi on March 25, 1976, to request that the Justice Department investigate the crimes which I *alleged were being concealed from the public on the pretext* that all six and a half hours of my sworn testimony of February 24, 1976, and supportive documents, given to an executive hearing of the Senate Select Committee on Intelligence were unpublishable for reasons of "national security". I had given that testimony and the documents only after being assured repeatedly by Committee's staff and Counsel a year ago that it all would be made public after my review for deletion of the few sentences concerning national security. In May, the Attorney General referred my complaint to the Criminal Division of the Justice

Department, and in June I made these three specific charges in a sworn deposition of 62 pages to two attorneys of the Criminal Division who came to my home:

— *One*, that high officials of the Kennedy, Johnson and Nixon Administrations, and of the ITT Company and possibly other firms, had committed perjury in their testimony concerning Chile before Senate Committees;

— *Two*, that ITT had defrauded the public of some \$90 million (the exact amount was \$94 million) by concealing evidence and by lying in order to win payment of the insurance against expropriation of its Chilean properties which it held with the government agency, OPIC.

— *Three*, that certain Senators, their staffs and Counsels had conspired to obstruct justice in the above cited matters and had conspired to deprive me of my inalienable civil rights as an American.

A Federal Grand Jury in Washington is actively pursuing the first two charges as a direct result of my appeal to the impeccable Mr. Levi, unless the incoming Administration maneuvers to quash prosecution by the Justice Department on some pretext or another, unless a political process supercedes a legal process, I have good reason to anticipate that indictments will be handed down.

I raise these matters today not merely because I believe it imperative that the public finally have the truth about Chile, but because it is far more important that they perceive what the "mess in Washington," to use President-elect Carter's words, is all about, how their government really works; I want the Senate and the public to hear the details of what in a different context Grover Cleveland referred to as "the cohesive ties of public plunder" or what some more charitable observers in today's context might term "the cohesive ties of public blunder — the brazen abuse of public power, of public trust, of public confidence." Since Mr. Vance, as I shall illustrate, has played a not unimportant role in the fashioning of some of these ties and since he has also contributed to the concealment of them, I shall now raise some of the questions which convinced me that my only recourse was the Attorney General and the Justice Department.

For example, how does it come about that a Senate Committee cloaks my testimony in the mantle of "national security" as soon as I submit documents to it on March 23, 1976, to prove my charges, yet Harold J. Geneen, ITT's Chairman of the Board, immediately discovers enough about my testimony to change his sworn testimony before a Senate Committee in 1973 — to wit, his denial that ITT delivered \$350,000 to the opponents of Salvador Allende in 1970 to prevent the accession to power of the Chilean president-elect? How does it happen that Mr. Geneen only discovers the falseness of his testimony of three years earlier, and announces a few weeks later, on May 12, 1976, this discovery to ITT's annual shareholders meeting in Phoenix, Arizona — that such a payment was in fact

"probably" made? How does it come about that ITT could engage as a lobbyist in 1972 Mr. Fred Dutton, one of President Kennedy's top White House assistants, and that Mr. Dutton, inter alia, whispered around these precincts information designed to discredit me and to exculpate ITT? How does it happen that Senators and their staffs can suppress for years the evidence that ITT had been integrated into White House covert political operations in various countries for many years — that in fact, Attorney General Robert F. Kennedy as the overseer of the so-called "special group" in the White House and his successors in the Johnson Administration coordinated their covert political planning with those of members of the Business Group for Latin America, a group established by David Rockefeller in 1963 at the specific request of President John F. Kennedy — that, in fact, Attorney General Robert F. Kennedy thereby legitimized the bribery of foreign officials, the funnelling of funds to foreign political parties and similar practices by some multinationals for which all multinationals are now held responsible as the practitioners of original sin? (1).

Another example, the Anaconda Copper Company won a judgment in 1975 against the taxpayer for \$154,000,000 in payment of its government policy with OPIC against expropriation in Chile. (I intend to prove, by the way, that ITT should be held liable for this payment, not the American public, and for another \$67,000,000 as well paid to Kennecott Copper Co.) But now I wish to ask only how does it come about that Anaconda was represented in the secret 1975 proceedings for this enormous claim by Louis Oberdorfer, deputy to Attorney General Robert Kennedy? And even more intriguing, how does it come about that Ralph Dungan, one of President Kennedy's top assistants in the White House and the man who oversaw for both Presidents Kennedy and Johnson the massive undertaking by CIA, AID and various private companies and organizations to prevent Allende from being elected in 1964, and the man who, upon Allende's defeat, was immediately sent to Chile in October 1964 to be the U.S. Ambassador to the government of Eduardo Frei, and the man who then arranged for a commitment of almost two billion dollars of taxpayer money to nine million Chileans in just three years including \$600,000,000 in very questionable guaranties to ITT, Kennecott, Anaconda and other companies — one fourth the worldwide total as of 1967 of such U.S. guaranties — how does it come about that he shows up as a character witness for Anaconda in those secret proceedings? For a company he repeatedly told me was run by "mean bastards" and for a company for which I refused to appear as a witness despite intense, unpleasant pressures by Mr. Oberdorfer,

(1) Frederick G. Dutton was a Special Assistant to the President in the Kennedy Administration. He became an Assistant U.S. Secretary of State for Congressional Relations from 1962-64. Since his retirement from government in 1965 he has worked as a lawyer in the Washington law firm of Dutton, Zumas and Wise, a firm specializing in State Department interests including legal affairs for the Agency for International Development.

the former deputy Attorney General, when I insisted on being a witness for the public. (2), (3).

How does it come about, Mr. Chairman, that the only portion of my secret testimony to the Select Committee on February 24, 1976, which I considered to fall into an area of "national security" and which I deleted from the version destined for the public — the name of a cabinet minister of Chile through whom CIA funds were funnelled — that this fact, along with other portions of my testimony were immediately made known to Gabriel Valdes, the former Foreign Minister of Chile and now a high UN official in charge of dispensing huge amounts of public funds — mostly U.S. taxpayer funds — to Latin America, and that he, in turn, immediately reported on these matters to the Christian Democratic party leadership in Santiago, Chile, as well as other groups? I am particularly incensed, Mr. Chairman, because *I had earned the undying enmity of Mr. Valdes in 1969 when a trusted emissary of his, one Armando Urribe, then the Minister Counselor of the Chilean Embassy in Washington and later Allende's Ambassador to Peking, spent five unsuccessful hours in my home seeking futilely to convince me to have the U.S. support Mr. Valdes' bid for the Presidency of Chile*; I should add here that Mr. Allende's campaign manager asked me in 1970 for \$1,000,000; that the man Valdes was seeking to supplant; Mr. Tomic, the candidate of the Christian Democrats, through his campaign manager asked me for \$1,000,000 in 1970; that the rightist candidate, through an unceasing campaign via multinationals, Chilean politicians and even the CIA, hammered on me for more than two years in futile search of U.S. support.)

The culmination of this conservative effort was a proposal made to the State Department on April 10, 1970, by the Board Chairman of Anaconda, Mr. J. Parkinson, and by Jose de Cubas, the President of the aforementioned multinational group chaired by David Rockefeller, then renamed the Council for Latin America and now known as the Council of the Americas; they asked the U.S. to join the multinationals, as in the Kennedy-Johnson era, to defeat Allende, and, in this case, they asked that we support the conservative candidate, Mr. Alessandri. These men offered \$500,000 to the proposed common kitty at that time. On April 28, 1970, immediately after being informed by a State Department pouched secret Memorandum of Conversation on this secret proposition, I sent a blistering cable of opposition. That cable, in turn, prompted the State Department, in an official letter, to "applaud the destruction you wrought on the Anaconda presentation."

(2) *Louis F. Oberdorfer* was an Assistant Attorney General under Robert Kennedy. Previous to that he was associated with Theodore Sorensen's present law firm, Paul, Weiss, Rifkind, Wharton, and Garrison. Since 1965 he has been a member of Wilmer, Cutler and Pickering, a Trilateral Commission law firm in Washington which among other things negotiated the exchange of drugs for prisoners who were veterans of the Bay of Pigs invasion.

(3) *Ralph Dungan* was a Special Assistant to Presidents Kennedy and Johnson and became Ambassador to Chile from 1964-67. He is now the Chancellor of Higher Education for the state of New Jersey. He is a member of the Council on Foreign Relations.

Mr Geneen of ITT was then a member of the Executive Committee of the Council for Latin America. ITT had on its board Mr. John McCone, the director of the CIA under Presidents Kennedy and Johnson; Mr. McCone also served as a consultant to his successor and good friend, Mr. Richard Helms, the director of our intelligence community under Presidents Johnson and Nixon. ITT immediately launched its own campaign in the spring of 1970 to win White House support for a major covert campaign on behalf of Mr. Alessandri and I was subjected to the most intense, incessant pressures *from the CIA* and its Chilean allies to have the U.S. commit its covert support to their candidate. I refused, even though I abhorred the Marxist-Leninist forces represented by Allende and even then I had excellent, indeed unchallengeable ground for knowing Allende intended to treat the USA as "public enemy No. 1" as he had stated in his campaign. I permitted a total expenditure in Chile in the 1970 presidential election program of \$425,000 — the only new program being \$390,000 for an anti-communist propaganda campaign which was embarrassingly stale and self-damaging. The remaining monies were spent on programs initiated as the direction of my predecessor, Mr. Dungan. The total sum — \$425,000 — was a derisory amount when compared to the tens of millions spent through the CIA, through AID — in contradiction of its legislative authority — through the Roman Catholic structure in Chile — in ways that transgressed the American constitutional separation of church and state — and through other entities to defeat Allende in 1963-64. So that there is no mistake about what I am stating, the documented fact is that *many millions in taxpayer funds were channelled to Jesuit-led organizations in Chile at the urging of the White House, and these transfers in AID, CIA and foreign funds were made knowingly in response to written appeals from Roman Catholic prelates in Chile who said they needed the money "to oppose laicism, Protestantism and Communism"* — laicism being a reference to the large Radical Party of Chile, an anti-clerical but centrist and democratic party then; Protestantism being a reference to the swarm of American missionaries arriving in Chile, a Catholic country and gaining tens of thousands of adherents; and communism being a reference to the forces represented by Allende. It was the reaction of the Radical Party to such White House-Catholic links that led to that party's leadership's secret deal with the communists in 1967, to its funding from the Soviet bloc and the election of Allende in 1970. You should also be aware that upon arrival in Chile I broke, *on my own authority and initiative*, the political relationship with the Church by refusing to call upon the Cardinal of Chile for three years and by cutting off contact in that period with the key Jesuits.

In the years 1963-67 Mr. Vance was the deputy Secretary of Defense, deputy to Mr. MacNamara, a man who, I can state from personal knowledge, knew a great deal about the matters I have just discussed and will raise here. I briefed both Mr. MacNamara and Mr. Vance in the years following my departure from Chile on critical aspects of U.S. policy, the most important of which — documented, I might add, in hundreds of State

Department cables and other official papers — was the *unprecedented, unceasing effort made by the United States, at my urging and initiative, starting two weeks after election to reach almost any kind of modus vivendi with Allende*. The culmination of this seven month effort was the offer made to Allende in mid-1971 to have the *Treasury guaranty bonds which Allende's government would issue — bonds which would otherwise have been worthless, bonds which Allende's government would issue for 25 year term at low interest in payment equal only to slightly more than that portion of Anaconda, Kennecott and ITT properties which the taxpayer had insured*. In other words, *I was proposing with the support of the Secretary of State, Mr. Rogers, of Assistant Secretary of State, Charles Meyer and of Henry Kissinger — and without the knowledge of Mr. Nixon — a way for Allende to nationalize these major American corporations at a very low cost, at a fraction of the book value, so that the American taxpayers would not be left holding the bag for the large payments they now are making to the corporations*. At the same time, I offered the Allende government, if it would negotiate in good faith, on behalf of the State Department, the further inducement of loans and credits from Export-Import Bank and U.S. support for loans from such international institutions as the World Bank and the Inter-American Development Bank. (Mayor Beame and Governor Carey — a very good friend of Mr. Vance's — of New York sought exactly the same deal from President Ford in 1976 and were turned down flatly yet we proposed it to a government controlled by Marxist-Leninists.) Only when Allende rejected this offer in September 1971 — spurned it on the grounds that any compromise with *"imperialism"* would weaken his revolution — only when he then turned in duplicitous ways to the USSR — only then did any appreciable money begin to flow into Chile through the CIA to keep alive the *Christian Democratic Party, the Nacional Party, segments of the Radical Party, and their press outlets*. Now my questions for Mr. Vance are the following:

Did he not know in 1975 of the fact of, not much earlier, our unprecedented offer to Allende?

Mr. MacNamara knew and I know Mr. Vance knew.

Did he not know a great deal of the historical basis for U.S. fears of Allende — that he represented, in the words of President Kennedy, "a second Soviet bridgehead in the hemisphere" — and did he not know of the covert actions launched by the White House to prevent Allende's accession to power in 1964?

Did he not know, as a former Deputy Defense Secretary, as a former Secretary of the Army and as one who had reached the very apex of the foreign policy Establishment, that the Joint Chiefs of Staff had immediately upon Allende's election in 1970 issued a report that, contrary to my view (they were correct and I wrong) Allende would offer modernized facilities to the Soviet Navy thus striking at a particularly vulnerable South Pacific underbelly — an area which the latest version of Soviet nuclear submarines wished to prowl, an area of not only vital concern to the United States and its Pacific allies but to the People's Republic of China? Indeed, it was Allende's close ties to the Soviet Union —

his efforts to persuade the Chilean military to accept incredible amounts of Soviet weaponry offered by Moscow — that contributed to the Chinese decision to have normal relations with the present military junta in Santiago, to offer it \$58,000,000 in credits, and to ask Allende's Ambassador, the aforementioned Mr. Armando Urribe, to leave the country immediately after Allende's downfall.

Now, why would Mr. Vance, with his insider's knowledge, prefer for the United States to be depicted throughout the world as a Nazi-like bullyboy acting through a runaway CIA against an "innocent" Social Democrat, Mr. Allende, rather than have the full truth on the record? Why would he prefer this blackening of his country, this damage to its interests, this echoing of a line of propaganda first emitted by Moscow Radio?

I shall suggest the answers as I proceed.

Let us first consider Brazil.

Did Mr. Vance, as the second highest defense official in the land, not know of President Johnson's order in early 1964 to *assemble a task force of naval and airborne units to intervene in Brazil's internal affairs*? Was he unaware that this task force headed south even as the leftist government of Brazil led by the late Joao Goulart was being overthrown by a military government? Even more interesting, would Mr. Vance claim ignorance of the efforts made, with the knowledge and collusion of the CIA, by American members of the Business Group for Latin America — the group headed by David Rockefeller which played such a key role in stopping Allende in Chile that same 1964 — to support the overthrow of Goulart and its replacement by the military? In the event that anyone in this room doubts the accuracy of these statements they can turn to the documents recently declassified at the Lyndon B. Johnson Library in Austin, Texas, and to two volumes I brought along.

First, I read from a book co-authored by your counsel sitting here Jerome B. Levinson, the chief Counsel of the Senate Committee on Multinationals chaired by Senator Frank Church of Idaho, and by Juan de Onis, a correspondent then and now of the New York Times in South America. Mr. Levinson was deputy Director of AID in Brazil in 1964, an official who boasts today as then of his hyper-active quest of truth: (4), (5).

I quote from pages 88, 89 of his book entitled *The Alliance That Failed*.

President Goulart's failure to implement an economic stabilization agreement concluded between Brazil's finance minister and David Bell in 1963 had led the United States to suspend virtually all economic assistance to the Brazilian federal

(4) Jerome B. Levinson is the chief counsel of the Church Senate Committee on Multinational Corporations which ran the overseas Lockheed watergating affair and is in charge of "monitoring" the affairs of CIA-connected corporations overseas. He was a State Department official in 1964, working with the Agency for International Development in Brazil.

(5) Juan De Onis has been a correspondent for the Latin American bureau of the New York Times since 1957. He is the direct South American link in the institutionalized relationship between the New York Times and the CIA, and has written cover stories in that role in the interests of the furtherance of Wall St. policies. He has alternatively been stationed in Argentina, Brazil, the UN, and Mexico.

government.... By early 1964 the U.S. government was deeply concerned about reports of growing communist influence in Goulart's government and the labor unions that were his base of support.

During the week before the military moved to oust Goulart, two huge civic marches for "God, nation, and family" took place in Sao Paulo and Belo Horizonte, the capitals of the states where the insurrection began. *U.S. businessmen resident in Brazil, who were in close contact with the CIA representatives there, helped to organize and finance these demonstrations.*

On March 25, the day of the *Sao Paulo* civic march, a complaint within the Brazilian Marine Corps over the alleged inadequacy of food escalated into a mutiny led by a young corporal. (The press luridly paralleled this event with the Potemkin mutiny in Russia in 1917.) Goulart refused demands of Navy officers that the mutineers be severely punished, and on the night of March 29, at a meeting of the Association of Brazilian Army Sergeants, he delivered a speech that seemed to be pitting the sergeants against their officers. On the morning of March 31 the liberal newspaper *Correio da Manhã* ran an editorial entitled "*Fora!*" ("Out!"), which signaled that the end was near. In the state of Minas Gerais, General Olymio Mourao Filho and Governor Jose Magalhaes Pinto went on the radio to announce that the revolution to save Brazil from communism had begun.

It turned out to be virtually bloodless. At the president's residence in Rio, Santiago Dantas, Goulart's former finance minister, told Goulart that the United States had promised the Brazilian conspirators to support a "free government" established in opposition to the Goulart regime.* This opposition government-in-arms was to have been set up in Sao Paulo if Goulart had managed to hang on in Rio.

Sao Paulo businessmen have confirmed that early in 1964 Ambassador Lincoln Gordon was told of the plan to establish this government and was asked whether the United States would assist the Sao Paulo rebels. Gordon replied that he would put the issue to Washington.

Footnote

*Whether this assistance was in fact promised or merely represented by the conspirators as promised is not clear. In any case, Goulart's government fell with surprisingly little resistance. It did not need an external push.

Why would Levinson be so ready to attest to the failure of Goulart and yet rewrite history totally to exculpate Mr. Allende?

It was at this time, of course, that the Defense Department was assembling the task force and moving it southward to be on hand in case the ouster of Goulart had not been bloodless and in the event leftists had opposed the ouster.

Now I quote from the second document, (not a public document and it took a lot of effort to get my hands on it), a history of the Council for Latin America prepared for but *not* distributed by the Council in 1967: It is entitled "*More Than Profits, The Story of Business Civic Action in Latin America,*" its author is (deletion), a former CIA agent who worked as a top official for the Council.

I quote from pages 72,73,74:

...A redoubtable hard core of Brazilian businessmen went into the opposition to Goulart and

communism. They organized themselves into the innocuous sounding Institute of Social Research and Studies (IPES), and played various roles in the resistance according to their respective situations and temperaments...

In Rio de Janeiro...the businessmen-members of IPES-Rio assumed the political generalship of the democratic forces. They ran the intelligence operations that spotted forthcoming Communist moves... they gave aid and comfort to military men whom Goulart drove into early retirement;... They bailed out opposition publishers and broadcasters whose enterprisers were deep in debt.... They prepared draft laws, speeches, strategy and tactics by which the democratic deputies in the Federal Congress blocked move after move of a Goulart administration bent on the seizure of total power. They encouraged the mounting protest movement of the Brazilian women, which was to play such a decisive part in convincing the cautious armed forces that public opinion did want them to throw the Red rascals out. The members of IPES in Rio did all this subtly, suavely, diplomatically, always leaving the door open for Goulart to re-enter the lists of legitimacy and constitutionality, never breaking off negotiations with the government until the government made it absolutely impossible to talk and had to be overthrown if Brazilian liberty was to be kept alive.

IPES in Sao Paulo followed a different but complementary line... IPES — Sao Paulo frankly raised a war chest to fight Goulart. With some \$50,000 a month, it supported a staff of 65 political action specialists who trained and supervised anti-Communist activists in the labor and student movements, guided the work of the democratic women, prepared propaganda leaflets and penetrated communist organizations...

Almost without exception, foreign businessmen in Rio de Janeiro remained stubbornly aloof from IPES, arguing that it was too "political for comfort... In soberer and more self-protective *Sao Paulo, the foreign attitude was quite different.* While some substantial foreign enterprises shared their Rio colleagues' concerns and, incredibly enough called IPES "subversive", a great many companies saw matters more clearly. They formed the Fund for Social Action, whose moral support to the Brazilians of IPES was fully as valuable as its sizeable financial contributions to IPES action programs. The Fund formula also showed sophistication: since Fund money simply went to IPES, foreigners could not be proved to have supported specific Brazilian activities nor could Brazilian activists be specifically tarred with the brush of foreign assistance.

Now I put it to you, Mr. Chairman, is there not a direct link between these actions of 1964 and those taken by the Nixon-Mitchell team in the White House in 1970 *to engage the CIA in the grotesque, mad plot with the Chilean military behind by back and behind the State Department's? Was there not an almost mirror image of what occurred in the overthrow of Goulart in Brazil in 1964 and what occurred in Chile in 1973 when Allende was ousted?* Even the naval mutiny incident described by Mr. Levinson is almost an exact replica. And for the record, *I think it was not the CIA — and I may be wrong since I left Chile two years earlier — but I have good reason to believe that Brazilians and other Latin Americans were advising the Chilean generals who were responsible for this repetition of history.*

Mr. Vance is a lawyer. He understands the meaning of precedent. Is there not a precedent — indeed many precedents — provided by the Administrations he served at a very high complicit level for *the crimes committed by the Nixon-Mitchell team*? Even in the despicable Watergate episode? How would he dispute Mr. Ken Kesey, the author of *One Flew Over The Cuckoo's Nest*, who said on public television recently that Mr. Nixon was a "ritualistic sacrifice"? Didn't Mr. Kesey have in mind the system of old boy networks — of say, a Mr. Geneen, Mr. McCone, Mr. Helms, the brothers Bundy, Mr. Rockefeller and even a Mr. Vance — (and I want to emphasize here that I am not here accusing the nominee or Mr. Rockefeller or the Bundys of any prosecutable crime); I am only referring to linkages designed to be self-serving, self-protective and self-perpetuating, linkages which gave us Vietnam in the 1960s, assassination plots and the dark legacies of all manner of covert operation.

The Soviet Union knows in detail almost the entire story of Chile as it really occurred. Not the tissues of bald lies and myths perpetuated in the so-called case study issued by the staff of the Select Committee, Dec. 4, 1975. *Indeed, the Soviet Union advised Allende in early 1973 — and promptly informed our government — to come to terms with Nixon rather than plunge recklessly towards certain economic and political disaster, rather than count upon the \$500,000,000 in hard currency which Allende had personally sought from Mr. Brezhnev.* The Soviets, as I, did not wish to envenom relations with the United States over Chile; it preferred, as I to seek ways to diminish tensions between our two countries.

Castro, like his Soviet friends, also is aware of what occurred in Chile in 1963-1973 and why Latin America had such a *fatal fascination for the Kennedys*; why it led into assassination plots and other weird doings. So do important members of the Italian Communist and Socialist parties as do a great many statesmen and diplomats in Western Europe. Why then should the U.S. public not know? Even more to the point today in this room, what conclusions will the Soviet Union draw about the U.S., about its Secretary of State, as a result of this strange, perverse betrayal of truth, this traducing of our press, of our public, of our Senate? Is it any wonder that the Kremlin and other governing groups take an increasingly cynical view of Washington and of this country? Is it any wonder that they heap praise on say, Mr. Don Kendall, the man who helped to persuade Mr. Nixon in 1970 to engage in the military plot in Chile, a member with Mr. Geneen of the Executive Committee of the Council for Latin America in 1970, and today the principal multinational spokesman in this country for "detente"? To take the connection one step further, is it proper for Mr. Kendall to engage as his firm's Vice President, Mr. Deke DeLoach, the former deputy to J. Edgar Hoover, a man whose mind is chockablock with the secrets gleaned about Congressmen, Senators, bureaucrats and other Americans as a result of the work of the FBI?

What, may I ask, can the Japanese and West German governments, for example, conclude about this government and this nominee when it learns that the

bribery of Allende and of his government by ITT and other multinationals was deliberately concealed from the Senate and the public, but, as soon as I testified to it in secret, the same men rushed into print the leaks about the Lockheed bribery so devastating potentially to the tranquility of these two allied democracies?

I appealed to Mr. Vance on December 26, 1975. He was one of seven distinguished Americans to whom I wrote for support. In my letter, which I attach as an appendix to this statement, I explained that the Senate Select Committee had issued two reports — on Assassination and on Chile — "in which my name is invoked often in ways that gravely, and I believe, dishonestly, unfairly and criminally impugn my integrity, morality and honor without giving me a single opportunity to testify."

I attached to these seven appeals my correspondence with the Committee's Counsel. I also gave the details of two chilling events of that week — just last week. One was the prediction from a very knowledgeable Washington Democrat, an attorney, whose advice I had sought on how to get in to testify. His reply, after scouting this place, was that I would know "anguish beyond anything" I had ever experienced if I persisted in my efforts to vindicate myself. He was correct. He said that the staffs of the Select Committee and of the Committee on Multinationals would be "very vindictive" if I did not abandon my efforts to get the truth before the Senate and the public. The second was a telephone call, a few minutes later, from Jack Anderson. He said that sources on the Select Committee staff had tipped him that same weekend to my supposed ties to ITT, a scurrilous invention which this one time Mr. Anderson had the prudence to ask me about before rushing into print.

In my covering note to Mr. Vance, I said I was not only addressing him as one who had known me fairly well in various capacities, but as the President of the Bar Association of the City of New York. Mr. Vance never acknowledged my letter. Mr. George Ball, on the other hand, informed me he had spoken to Senator Church, the Chairman of the Select and Multinational Committees. Mr. Eli Abel, the distinguished journalist who is the Dean of the Columbia University School of Journalism, telephoned A.M. Rosenthal, the then managing editor of the New York Times and James Greenfield, the then foreign editor of the Times. As a result of this latter intervention, Mr. Greenfield invited me to lunch on, appropriately enough, Friday, February 13th at the Century Club in New York. During that lunch, Mr. Greenfield told me and others possibly I had been the victim of an assault on my civil rights and that the Times intended to do a story about it.

Mr. Vance, also a member of the Century and a Director of the New York Times approached our table at the end of our lunch and greeted us both in very friendly fashion. When he discovered that it was my treatment by the Select Committee that was under discussion, he said — and this is verbatim — "the trouble with you, Ed, is that you do not know the difference between a political process and a legal process." I retorted immediately that the trouble with him was that he did not understand that such an interpretation by an eminent lawyer had led

to the crimes committed by so many lawyers in the Watergate and related matters. That was the end of that conversation.

The Times did, in fact, dispatch a reporter full time to my story in late February. John Burns, a recent Times recruit after five years of service in China for a Canadian newspaper, concluded after several days that the Times should do a major story not only about the lesser civil rights complaint but about the far more important objective facts of what had occurred in Chile. At that point, Mr. Burns was suddenly offered by Mr. Greenfield the assignment of Times correspondent in South Africa. He accepted. Before his departure for that post, however, Mr. Burns called me in May to say — as I can corroborate — that he had written a very lengthy story, that it would probably be published very shortly, that I had been badly mistreated and that he wished me to know of his sympathy. To this date, his eight column story has never seen the light of day nor any part of it. Indeed, it was only when by fortuitous circumstance, a young persistent, vigorous, courageous reporter from the Wilmington Delaware News Journal, Joe Trento, telephoned in November to inquire into certain CIA actions he was investigating that a chain of events began which led both the Times and the Washington Post to give their audiences, for the first time the slightest inkling of my efforts to get on the record the provable, documented facts about Chile.

On Nov. 28 and Dec. 19, the News Journal published a total of five full pages in two stories by Mr. Trento, including two front-page banner headlines. Even more remarkable considering that a major focus was on ITT and its alleged fraud and perjury is the fact that this newspaper is owned by the Dupont family. Apparently it has an independence which the Times cannot match. Following the hand delivery to Mr. Rosenthal at the Times of the second of these two News-Journal stories, Mr. Seymour Hersh, the Times' so-called expert on intelligence matters, telephoned to ask and to receive permission to interview me at my home that night, Dec. 21st. His interview of four hours — until almost two a.m. — led to the publication by Mr. Hersh of extraordinarily selective and minimal portions of the interview and of the documents I provided him. He suppressed totally most of the critical elements.

Now, the questions I have for Mr. Vance are these:

What did he mean by the distinction he made between a political and a legal process? Does he really feel that a Senate Committee can or should lie to the American public because of the intellectual dishonesty of its staff and Counsel? Or of some of its members? Does he mean that a Senate Committee had the right to issue reports impugning a key witness without even addressing to him a single question about the discrediting material concerning that witness which they inserted into their reports? Would Mr. Vance argue that partisanship excuses any action in the Congress — the doctrine so disgracefully carried out by Mr. Nixon and his friends? Would he argue that Senate staff and Counsel are totally unaccountable even if they violate every precept of the Bill of Rights, of justice, of simple decency? Why then not the FBI or the CIA?

Is Mr. Vance aware, by the way, that his friend, Mr.

F.A.O. Schwarz, Chief Counsel of the Select Committee, has bragged of his success in convincing newsmen not to publish any of my allegations on the grounds that I was mentally unbalanced? Is Mr. Vance aware that a staff member of the Senate Select Committee, still serving the Senate on the Oversight Committee, offered a newsman recently an improper means to learn the names of American newsmen who had worked for the CIA if that newsman would only desist from writing about the coverup by the Select Committee? Is not Mr. Vance aware, as I believe he is, that Mr. F.A.O. Schwarz admitted to a meeting of the Bar Association of the City of New York on November 16, 1976 that I should have been called as a witness prior to the issuance of the two reports by the Committee in November and December of 1975? (6).

Is Mr. Vance not aware that Senator Church claimed in a public hearing on December 4, 1975 that "the only reason" I had not been called as a witness was that the staff had concluded, as I had always maintained, that I had "no knowledge" of the so-called Track II" (the plot hatched by Nixon, the CIA and dissident Chilean generals in 1970)? As the recent President of the Bar Association which has the most active Civil Rights Committee, does Mr. Vance believe it normal, proper or even legal for a Senate Committee to issue extremely damaging information about someone without even allowing that person to be questioned first under oath? Does not such a process smack of the Moscow trials?

Even more pertinent to someone who spent 20 years in news work, was Mr. Vance not fully cognizant of the effects of his statement as a Times Director Feb. 13 on Mr. Greenfield? Did he not take into account that Mr. Greenfield had also served in the Kennedy and Johnson Administrations as a very well-informed individual positioned in a place to hear of covert as well as overt operations? Is it not a fact that Mr. Greenfield wrote Vietnam speeches for Mr. MacNamara early in the war? Did he not serve as deputy Assistant Secretary for Public Affairs and Assistant Secretary in the Kennedy and Johnson Administrations? Did he not, upon leaving government, work for a period with Continental Air which had major operations in Vietnam? What other conversations did Mr. Vance, a director of the Times, have with Mr. Greenfield or other editors, on this subject?

In the event that anyone in this room takes lightly what I am raising here, it is another of those "cohesive ties" to which I referred earlier. I have in mind why and how it came about that Congressman Harrington, a Kennedy Democrat from Massachusetts, arranged through Mr. Jerry Levinson of the Multinational Committee to leak to Levinson's good friend, Mr. Seymour Hersh of the Times, his account of the egregious testimony of early 1974 by Mr. William Colby on the so-called U.S. "destabilization" effort in Chile. I have in mind how Hersh and the Times did me great damage in his first stories by writing, without even attempting to contact

(6) *Frederick August Otto Schwartz* was the chief counsel to the Senate Select Committee on Intelligence under the auspices of Sen. Frank Church. Schwartz is from the law firm of Cravath, Swaine and Moore which wrote the tailored report of the Church Committee.

me, a series of falsehoods which the public record of Senate proceedings of 1973 showed to be outright lies. Moreover, in his first story, he indicated as the Washington Post said yesterday that I was Ambassador to Chile when Allende fell in 1973 even though I had departed Chile two years earlier.

A very few despicable newsmen have, thanks to the protective silence of men such as the nominee, been able to engage in a most sinister form of bribery by Senate employees — by people paid by the taxpayer. These Senate men have indulged in what the CIA is taught as the so-called control process by which an agent is recruited, molded and exploited. Newsmen such as Mr. Hersh of the Times and Mr. Larry Stern of the Washington Post could be fed a steady stream of official secrets - in effect, the information which would increase their standing, their salaries, their notoriety and their natural ideological convictions — and, in return, they would remain silent about evidence which might incriminate their informants or damage their political and other interests. In return they also put into print the most damaging possible information about me. The courts allow me to seek redress for such conduct and — and I shall — but as one who was an organizer for the American Newspaper Guild at the United Press in 1946, and as a reporter and editor for two decades, I want you, Gentlemen, and the nominee, to understand the depth of my revulsion at this betrayal of the First Amendment, this sullyng and despoiling of a profession which enjoys a freedom from which all other political freedoms flow.

One final relationship with Mr. Vance which I wish to place on the record, and which pertains to morality and responsibility in public life. I was President of the Association of American Publishers (AAP) in early 1973 when the then President of the United Nations Association (UNA) Mr. Porter McKeever, now an assistant to John D. Rockefeller, launched a campaign to persuade me to be his successor. I brought to Mr. McKeever's attention my impending appearance as a witness before the Subcommittee on Multinationals of this Committee; Mr. McKeever instructed the head of the UNA's Washington office to attend that March, 1973 hearing; he took other soundings. In April, he confirmed the offer and pressed for my acceptance.

Mr. Vance was a member of the UNA's Board of Governors — the Association's Executive Committee — and also the head of its Policy Studies; moreover, as attorney for United Artists, he was close to the former Chairman of UNA's Board, Mr. Robert Benjamin of New York who with Mr. Arthur Krim, heads United Artists and who had until recently been the highest donor to the UNA. Although the Association's new Chairman, Mr. Joseph Segel, then the head of the Franklin Mint, offered all manner of financial inducements to persuade me to leave the publishers for the UNA, I decided to consult Mr. Vance in New York. Mr. Vance encouraged me to accept the post and in answer to my specific question, agreed to remain as Governor in charge of Policy Studies for at least one more year.

He turned up as the luncheon given by the Governors and its overall Chairman, former Chief Justice Warren, which welcomed me to the UNA and which had just approved the terms of my generous three year contract

with the UNA, personally underwritten by Mr. Segel as well, and the text of the announcement which would be made to the press.

Soon after starting work at the UNA, I discovered the following:

— Contrary to the "80,000 individual members" the UNA declared it had in its press release announcing my appointment, there were barely 30,000 and the organization was financially dependent on the generosity of Mr. Segel for its survival.

— Mr. Segel with the knowledge of my predecessor, had arranged to give the United States Ambassador to the United Nations, Mr. Scali \$50,000 for his expenses, and although a loophole in the State Department's regulations had permitted such a transfer, the funds were being spent, I discovered, contrary to the intent of all regulations — that is, for regular entertainment of foreign diplomats at large dinners at the Waldorf Towers. Indeed, an officer of the UNA, Mrs. Jean Picker, had expressed her outrage over the entire transaction to my predecessor, and Mr. Picker, it should be noted, is very close to Mr. Benjamin.

— Not a single Black held a substantive permanent position on the staff of some 60 at the UNA; the one Black doing substantive work had a consultancy but prior to my arrival had been informed he was terminated.

— The women holding substantive jobs on the staff, as they pointed out in a petition shortly after my arrival, were paid, as a matter of UNA policy, considerably less for the same work by males.

— The UNA had misled, to say the least, in an unethical manner, the Ford Foundation in order to receive a matching fund grant of a substantial amount.

— The UNA's Vice President in charge of Financial and related matters raised the bulk of the Association's funds at two annual dinners — in New York and in Washington — by selling high-cost tables to businessmen around the country with the bait that they would "get close to a future Secretary of State" — a specific reference to Mr. Vance which, if nothing else, was as prescient a sales pitch as it was effective.

— The IRS was being deliberately defrauded by several members of the UNS staff.

— Both Mr. Segel and Mr. Benjamin hoped, according to the UNA's financial Vice President that their generous devotion to the UNA would lead to their being named to the U.S. delegation to the United Nations and thus earn, they believed, the permanent honorific of "Ambassador". Both in fact won their appointments after my departure in 1974 from the UN.

I shall not review here all I sought to do to correct this situation, reminiscent of what I encountered in Chile on arrival there in 1967.

I hired a Black very soon; I equalized female pay; I slashed staff and expenses; I sent our financial man to the Administrative Counselor of the U.S. Embassy at the UN to explain why I demanded expense chits for the \$50,000 which the UNA could at least defend.

My greatest problem, however, was what to do about the members of the UNA chapters around the country. To Chief Justice Warren in Washington and to Mr. Vance in New York, I explained the sparse membership, their advanced average age, their net cost to the Association

and other disadvantages, Mr. Warren urged that I not forget these "little men and women of faith," that I do everything possible to invigorate and rejuvenate this popular support. Mr. Vance echoed the view of my predecessor who described the membership as "little old men in tennis shoes" and urged me to divest the UNA of such nuisances so that it could concentrate on significant work.

I was ready to account to the Select Committee for all my actions in Chile. Indeed I had the mistaken conviction that I could only render such a complete accounting to a Senate committee operating in the equivalent of a post-Watergate morality. That conviction came in part from my sense of gratitude to a murdered President I had cherished, to a President who had plucked me from well-deserved obscurity and enabled me to repay some of the enormous debt I felt to this country for the opportunities it had afforded me, to a man with whose ends in Chile and in Latin America — the strengthening of progressive democratic forces such as those represented by Eduardo Frei — I agreed wholeheartedly. Equally important to me then was that I not eliminate from the political scene of Chile a man such as Frei by providing a full report of his actions, or of his party's or of this friends, in the years 1963-1973 or even more recently.

No one is without his flaws, certainly not I and certainly not presidents who must make very complex and delicate decisions in order to preserve democracy. *I still believe that the kind of democracy that Frei*

represented in Chile was the kind of system that the overwhelming majority of Americans believe in — a rational, moderate, progress in an atmosphere, above all of political freedom where every individual counts, where justice for all is guaranteed equally — for a Mr. Geneen as well as the urban impoverished who may have to steal to survive, for a Mr. McCone as well as, say, any industrial spy, for a Mr. Vance as well as the taxpayer whose interests he again wishes to represent.

I have covered the four areas of public interest I listed at the outset.

If nothing else, I hope that my statement today will serve to sharpen Mr. Vance's awareness of and responsiveness to the rights of every American, that it will also encourage every American to defend his inalienable rights, to use his wondrous capacity to think and to act to hold off the frightening, encroaching power of those in Washington who occasionally put partisanship above all else, that I may arouse the interest of Americans, particularly the media, in history, that they will comprehend what George Kennan means when he speaks of the fatal American disease, "historical amnesia," that they will understand, as I hope Mr. Vance will, that no nation can survive as a democracy, let alone prosper, if its actions derive from lies, myths, self-delusion, and self-demeaning hypocrisy if its highest representatives and bureaucrats have to perpetuate these to survive.

Opposition to Trilateralism Builds in Congress

Behind the scenes in Congress, a move is afoot by conservative Republicans and Democratic legislators to turn a scheme originally scheduled to consolidate Congress behind the Carter Administration program of deindustrialization and low-paying make-work government jobs into a battering ram against Carter's Congressional allies themselves.

The scheme is the Stevenson Plan for reorganizing the Senate committee structure, originally intended to break up political power blocs hostile to the Carter program. These networks of associations and alliances, cutting across party lines, reflect business and industrial interests extremely queasy about their future under Carter's zero-growth economics programs.

Anti-Carter Congressmen are now attempting to use the Stevenson Plan to broaden the authority and power of committees responsible for the formulation of coherent economic and energy policy. Simultaneously they have moved to strip key Carter supporters — including Senators Javits (R-NY), McGovern (D-SD), Church (D-ID), Humphrey (D-Minn) and Kennedy (D-Mass) — of their most important committee assignments, in a number of cases by abolishing their committees altogether. For example, they propose that the Church Multinationals subcommittee, which has orchestrated the Lockheed and other recent scandals against political

and industrial opposition to Trilateralism here and abroad, be shut down completely. Also slated for elimination in their reorganization plan is Humphrey's Joint Economic Committee, which spawned the model Humphrey-Hawkins jobs bill.

In the House of Representatives a similar group of conservative Congressmen is strenuously resisting Carter plans for setting up an Energy Super-Committee, stacked with Ralph Nader "energy conservation" types, with jurisdiction over all energy policy and legislation.

Bringing the anti-Carter sentiment in Congress out onto the floor, the U.S. Labor Party has testified in ten hearings on the Carter Cabinet appointments and Congressional reorganization during the past two weeks. The only organized political force in the United States to mount a widespread public challenge to the incoming administration, the Labor Party has also put forward the necessary policy for U.S. industrial recovery through a crash program to achieve a fusion-based economy.

USLP Research and Development Director Morris Levitt led off the series of Senate confirmation hearings last week by defining the relevant criteria for confirmation or rejection of all Carter nominees. "In all cases," Levitt warned the Senate Commerce Committee Jan. 7, "there is a basic Constitutional issue to be addressed: is the nominee prepared to uphold the