
INTERVIEW

Questions translated by Patrick Vyvyan

AMBASSADOR EDWARD M. KORRY IN CEP*

Beneath is the transcription of a dialogue which took place between Ambassador Edward M. Korry and the historian Joaquín Fernandois and Arturo Fontaine Talavera, Director of CEP, on the 16th and 21st of October, 1996 in the Centro de Estudios Públicos. The interview was related to the events and themes covered by Ambassador Korry in the conference which he gave at CEP on the 16th October, entitled: "The United States in Chile and Chile in the United States (1963-1975)", and which is also included in this edition of Estudios Públicos.

Here Ambassador Korry expands on some of the events, adding more information and examples. His replies, through the vividness of their language, take us back directly to the environment of Chilean politics at the end of the 1960s.

EDWARD M. KORRY was Ambassador of the United States in Chile between 1967 and 1971.

* The questions were mainly asked by Joaquín Fernandois and Arturo Fontaine Talavera. Some others were made by participants who have been impossible to identify in the recording.

In the section of documents in this edition, "Chile in the Archives of the United States", the Contingency Report of August 1970, "Fidelismo without Fidel", has been included along with certain cables which Ambassador Korry exchanged with the State Department of the United States during August 1970.

Estudios Públicos, 72 (primavera 1998). "El Embajador Edward M. Korry en el CEP".

Ambassador Korry, Let's begin by covering some of the situations of the 1960s. You have affirmed that the Kennedy White House provided huge sums of money designed to ensure the victory of Eduardo Frei [Montalva] in the elections of 1964 and, later, the implementation of his socio-economic program, which included a deep agrarian reform.

—The first presidential intervention in Chile came with Eisenhower and Alessandri, when there was an earthquake here. And Eisenhower, under the influence of his brother who took a very active interest in social affairs, particularly education, but all social affairs in Latin America, said that they would not release the total amounts, or a large part of it, promised to Chile for earthquake relief, unless there was land reform. President Alessandri was very angry about this but he had to do it.

In fact, I had not heard of this entire thing until President Alessandri told me about it in 1967; he had not forgotten that. That was the first time I heard of it, then I asked when I was back in Washington, because nobody in the embassy had been around at that time, nobody knew anything, and I also asked people in the embassy to find out anything about this, to see if it was true. It was true, he was correct.

So it was a Republican administration. They were the ones that started it, the Eisenhower administration did it. Then when the Kennedys came in, they just sped it up, because the word throughout the world, I don't care whether it was Africa or Asia, because of the success in Japan: land reform. It was just part of the Kennedy catechism.

I remember reading an article in The New York Times, of 1981, in which you maintained that the levels of political support for the Christian Democrats [DC] up to 1964 were not three million dollars, as indicated in the report of the Church Commission¹, in any case an enormous sum for the time, but rather twenty million. You have said that the Church Commission tried to protect the Kennedys and the Catholic Church. About the money, is this correct?

—Yes, it's true.

¹ In this conversation there are repeated allusions to the "Church Commission" or to the "Church Report". This was the United States Senate Commission, presided over by Senator Frank Church, which investigated CIA operations in Chile as well as in other parts of the world, considered illegal or illegitimate. Chile, however, occupied a central position in its deliberations. These types of investigations are called "hearings". [Editor's note]

Did this money have the political intention of helping the Christian Democrats?

—Sí, sí. If you go back to the AID documents for aid to Chile, it says in the documents specifically to aid the election of the Christian Democrats and President Frei in 1964, so that the AID money had a specific political purpose at the direction of the White House. So when people say CIA, the CIA was an organization, an organizer of contacts and so on, but the moneys came from many different governmental sources. The CIA itself only handled some three million dollars. But, for example, a State Department officer in the embassy was handing out cash, the Church was handing out cash. These came from many different places; AID was granting state-to-state loans and grants, CARITAS was getting money from an AID grant, and so on. So you had so many different accounts that the actual sum was in the tens of millions.

You mentioned in today's conference² that Ralph Dungan and Robert F. Kennedy, among others, helped to establish a direct link between Chile's Christian Democrat Party [PDC] and the United States. When did this link begin? When did this money begin to come to the Chilean PDC?

—It started probably in early '63 after President Kennedy met directly with President Frei [Montalva] in the White House. It was a secret meeting. I believe it was in the [Northern] Spring of '63. And I think this was originally arranged after Schlessinger and Goodwin came to Chile [1962], at the same time that Goodwin had that famous invented meeting with Che Guevara in Argentina. In that period.

Very few people understand or understood how powerful Ralph Dungan was in the Kennedy White House before he came here. The most powerful office in the White House is called the Corner Office. It was just like the Soviet Union where we used to count who was standing next to whom atop the mausoleum of Lenin to understand who was up and down. It was where Sherman Adams sat under Eisenhower, it was where Ralph Dungan sat under President Kennedy. His responsibility included the recruiting of ambassadors and of AID directors, relations with the Roman Catholic Church, relations with the educational establishment, relations with the labor movement, all of which were under his aegis when he was with Senator John F. Kennedy before they came to the White House.

² This refers to the conference "The United States in Chile and Chile in the United States" which is published in this same edition and which was presented by Ambassador Korry in the Centro de Estudios Públicos on the 16th October 1996. [Editor's note]

So that if you understand his position in the White House, next to Bobby Kennedy he was the man that dealt with serious issues. He was a charter member of what was called the “Irish Mafia.” He was trained by Jesuits from the beginning to the end of his academic life; he graduated at St. Joseph in Philadelphia. He was responsible, as an assistant to the President, for the recruitment of ambassadors, he was responsible for the recruitment of AID directors in Latin America, and he was responsible for all Latin American affairs. Anybody at State had to answer to him. He was extremely intelligent, energetic, and discreet, in the sense that no American paper ever wrote about him. Chilean papers did, because he was very much in front in the Land Reform.

Now he recruited me [as ambassador to Ethiopia in 1962]. And since he recruited me, I have to say he was highly intelligent. He didn’t have anything to do with my coming to Chile, I can tell you that, nothing. I was supposed to go to Yugoslavia and because of career reasons, the career members of the diplomacy said no to President Johnson and so I was sent to Chile, but that was a last-moment switch. He had left Chile.

When I was here everybody was attacking Dungan, I would defend Dungan as a matter of loyalty to him, although I was changing his policies from there to there.

Returning to the figures in the Church Commission, between three and four million dollars was sent to Chile as political aid in the period between 1962 and 1964. The twenty million dollars which you refer to, are they therefore in addition?

—That’s right. This is a “suma global” because I cannot –nobody could, unless they had a great deal of money and a lot of staff – could trace all of this since it was all coming from so many different places. When money was given by AID to Catholic Relief or something, you have to track that, how it was arranged, for example.

I can tell you, one of the biggest problems I had were the guaranties to American companies, because in my objective opinion when I came here, they were illegal. That is, at least questionable. They should not have been granted in the way they were granted. On the Kennecott in particular, the Kennecott guaranty for its investment here was opposed by what became OPIC³. It wasn’t OPIC then, it was an office within AID.

³ OPIC (Overseas Private Investment Corporation) was an entity created by the United States Government which, from January 1971, took charge of the guaranties of North American companies abroad. [Editor’s note]

Well, many years later, the head of AID was then at the World Bank International Finance Corporation and came to Chile, and I spoke to him retrospectively about the Kennecott guaranty. It was given after great pressure was exercised, first by the White House, on AID to give the guaranty, which was hundreds of millions of dollars. We're not talking here of four million dollars. And then some of the most powerful senators in the United States Congress insisted that this be done. Names of the highest morality, I won't name them now. Let them be. But AID knew that this was not a proper guaranty.

So when you asked me how much altogether, you could construct a figure that was hundreds of millions of dollars, and the difficulty is that it is not within my power to tell you exactly. All I know is that the amounts were very large.

The same way, when the CIA and Veckemans contacted the Italians' Christian Democratic government and worked out an aid from Italy to Chile, you cannot say that it was a direct US operation, but you can say that whatever happened there was eventually filled in by the US taxpayer to pay back Italy for what happened. Not all of it, but some of it, so I just can't tell you, all I can tell you is it was a large operation.

Could you give us some measure, to have the proportions? Was it something unusual in Latin America?

—As I said the other day, this was an attempt to repeat the 1948 operation in Italy, when the whole of the US society was mobilized. When I say the whole, you call in corporations, whether it was ITT, and the President says to them, "This is what we want. Do something. What are you going to contribute?" So when you say, how much money, it is the mobilization of labor unions, American labor unions were mobilized and they gave the money, they sent organizers here.

About the AID loans and credits, now that these documents are public knowledge, is it possible to find out from them if the money had political ends?

—Nobody is going to say, "We are giving a loan for the election of so-and-so." That would be very stupid. But in the general outline of why they were giving money to Chile, they made it clear that it was for a political purpose as well as for a socio-economic purpose, a developmental purpose. And that was specific.

Are we talking about the twenty million destined to help the Christian Democrats?

—That’s right.

Three million dollars were spent directly by the CIA?

—Over three million, close to four.

Do you know what proportion of this money was spent, specifically, on the political campaign of the 1964 elections?

—I don’t know. No. I had nothing to do with that. The amounts that were decided upon were decided in order to produce an absolute majority, as opposed to a normal plurality. The clear goal on the part of the people of the United States was to have an exclusive government, as in Italy, so that the rest of the program could be implemented in an intelligent way. Because if you try to implement all the rest of it and at the same time manage a coalition, it gets to be terribly difficult. It’s much easier dealing with one party. And don’t forget, everybody in the White House was also Roman Catholic and somebody like Dungan and Bobby Kennedy, when they do things like this, they do it with great conviction and zeal.

The money that was distributed, did it really go where it was supposed to go?

—Ah, that, not being here [in Chile in 1964], I cannot answer that question. I just can’t. But, seems to me, for the overwhelming majority of the money, it went where it was supposed to go, that is for certain.

When you say twenty million, I want to be sure that you understand I am saying that that was at least the amount that was used as cash, that is, for fungible items such as food. You remember there were food packages with USA on top of it and so on, which the Church gave out. There was a lot of that.

And the only time, I say this parenthetically, the only time that the cardinal of Chile came to see me in the first three years, asked to see me, was to complain that in the ’69 election some of the CARITAS and Catholic relief money was not going to the right people. I said, “None of my business. I have nothing to do with that. If you have any complaints, go to the Church in the United States. It has nothing to do with me, unless you tell me it is being stolen. It is AID funding, it’s not in my sphere, it’s in your sphere.”

But that was the only time, so indirectly I am answering the question. Because there had to be an antecedent where he knew the money was

going to people that he liked. This time some of it was going to people he didn't like. That's the only conclusion I could reach. I knew nothing about what was going on and didn't want to know anything.

When you mention Church organizations within this aid program for the Christian Democrats, what type were they?

—Oh well, don't forget, Father Veckemans came here in '58. He was one of the greatest organizers of modern times, and he had marvelous contact with the court of the King of Belgium, with many of the European leaders. He had excellent contacts with the American Roman Catholic hierarchy. And Dungan...

What happened afterwards with Father Veckemans? I understand he left the country immediately after the elections of 1970.

—I saw him in 1967 once and in my contacts with the government I asked what was the status of their relationship with Father Veckemans and I concluded that the relationship had become rather tense because he had overreached for power. So I decided this was somebody I did not want to know. And I had never been to the Centro Belarmino, I knew none of those people except somebody would say at a party or a gathering, "Meet so-and-so", and I might have shaken their hands. The only time I went there was when Ambassador Linowitz came to Chile, in 1970 I think, and said he wanted to see two people and would I take him. One of them was Father Veckemans, the other was Gabriel Valdés. And so I drove with him to the Centro Belarmino. We walked in, the only time I've ever been there, he asked for Father Veckemans, they told him he wasn't there. Before we left they insisted that we sign the book. So we signed the book in the hall and left. So they have my name on the book but I never saw anybody except the man behind the desk.

Now the election took place and Father Veckemans called me directly and said he had to see me. He came to the residence and he said that his life was in danger, that he would like to leave the country with a housekeeper and a man, three of them, and I had to get them out. And I said, "But I'm sure you know people in the CIA", and he said they would do nothing for him. I was really quite upset because I think if my country uses somebody, they should be responsible for them. So I called the CIA station chief and said, "This is outrageous, if you used this fellow back in '63, '64 or whenever, and though you're not the same person and I'm not the same ambassador, we've got to get him out of here". So we got the Colombian government to issue visas and we got him on a plane the next day, all three. That was that.

Why was his life in danger?

—I don't know that his life was in danger. All I know is he said that. I didn't ask, I could imagine. You can waste a great deal of time and effort, if you are an ambassador, if you get involved in the details. At a time like that, when a lot of people were very upset, everybody was coming to me, the question you did was to decide and that was that, and let somebody else, historians [explain the rest].

Returning to the funds coming into Chile in the 1960s for political ends, how was the help coming from West Germany channeled?

—The Germans did the same thing, but there it's legal, it's open, and the money comes from the Church in Germany.

Do you have any specific information on the quantity of money which came from Communist countries?

—Large amounts. East Germany was a big source; particularly the Radical Party in Chile was bought in East Germany. They went there to collect it, to Bossay and Baltra. They were rented, like a Herz car, you know, for a long trip.

So, look, these things we knew and we knew that the amounts were substantial. Another way this was traditionally done was to give contracts to people connected either openly or covertly to the Communist or Socialist Party. You gave a contract here in Chile and they would do work of some kind. The Communist Party had several businesses, so you could give them a contract to do something, it's all very legal, and the money comes in.

Before you arrived in Chile, did all the money coming from the United States go to the Christian Democrats and nothing to the right?

—No, I would not say that, for one reason: for example, when I came here, I shut down [the magazine] PEC. The editor, [Marcos] Chamúdez never forgave me. Yes, but I shut it down because he became so anti-Frei and anti-government. The CIA had started that publication, so it was ridiculous for the United States to be trying to help Frei and to be paying some man who had gone crazy over the PDC. So I said, no, shut it down, I don't want this kind of nonsense going on. Knowing that that took place, yes, there must have been others.

And one of the things I did when I came here, I discovered we had kinds of pension plans for certain politicians in Chile who were not Christian Democrats, but also Christian Democrats, for what had happened in '63-64. They received monthly payments from the CIA. I tried to eliminate all of them and I eliminated all, I think, but one or two. I cannot remember

today whether it was one or two, so in answer to your question, yes, there were others.

How is it possible that the United States became identified with a program of intense transformation in Chile, including policies such as agrarian reform, something which had never been tried within its own territory? This, of course, was part of the search for a “model” in Latin America. Eisenhower for one moment believed he had found it in the administration of [Jorge] Alessandri; afterwards, the White House of the Kennedys and Johnson found it in Eduardo Frei Montalva...

—In this first round of taking stock of the United States’ position in Chile at the end of 1967, we were forced to reach the conclusion that agricultural policy, per se, not land reform, agricultural policy in its totality was being very badly carried out by the Frei government. It was our belief that the minister of agriculture had a much different idea than we did of what constituted an effective agricultural policy. We did not believe in a fixed price, say, for wheat, because we believed that by the government fixing the price for wheat, forgive me if I make this comparison, it was exactly the same problem that we had in Africa, which was that the city population was being subsidized at the cost of the rural population, and the productivity, in total, of the country. Because you officially kept the prices down so that the people in the cities would be happy, and therefore there was no incentive really for effective agricultural increases in production. So we started there.

I said to President Frei, the first time I really had a chance to talk to him, which was on the trip to Cerro Tololo to inaugurate the astronomical center, “What do you think of this man, [Jacques] Chonchol?” I’m sure he answered me very honestly, he said he thought he was a pure innocent Christian to his soul and that this man didn’t have any convoluted ideas. I said that it appeared to me as a newcomer; that the end design of Jacques Chonchol and the members of the “directiva” of the Christian Democratic Party at that time: Julio Silva Solar, Senator Gumucio, etc., all of whom I had spoken to privately, had an idea that struck me as almost the same end point as what I had encountered in Socialist countries.

Now, the record, if you look at it, will show that Frei then made a speech somewhere in the south of Chile, saying that Socialism was not the point of Christian Democracy, that Communitarianism was. I think it was directed as an answer to me and to others in the embassy that felt that they were on the wrong course agriculturally. On the other hand, I should say that we thought they were having a spectacular success in education, and indeed the country today is benefiting from the investment in education, but in agriculture we knew they were on the wrong track, we knew there was

nothing that we could do about it because of the political establishment of Christian Democratic government, and that was that.

That was the end of the argument. There was nothing you could do about it, you could raise it with the President, you could tell him your concerns, you could yell at him that we were paying for all these things, but you don't - as I said, we never pressured him in any way to change anything. Definitely. Because if you decide that a country should have more freedom to make its own choices and since they elect a government to do this, why insist on your way? That's what they were elected to do, that's the way they did it. If they didn't, they would pay the price in being unelected, that's what democracy is.

I had a most interesting discussion with Senator Gumucio and Congressman Julio Solar that first month I was here. The question they were interested in was copper. They said, "Suppose we nationalize copper." I said, "Suppose you do. As long as you pay for it in real terms and in timely way, you can nationalize anything in Chile, that's your sovereign right." They said, "Well, there shouldn't be any problem." I said, "Yes, there would be one problem, in my mind, and that is that you will try to impose your will on the United States." "Oh no", they said, "never. We're not that stupid or that arrogant." And they did. They were perfectly happy that I took this view, these were people who moved over to the Unidad Popular, and they were the directors of the party.

As for [Radomiro] Tomic, Tomic had struck me, and though he's dead I will say this, as "desorientado." He told me in Washington, not once but several times before I came here, that he was the only man in the world who could effect the startling compromise between the U.S., the Soviet Union, and the Third World: the Communitarian world. And since he believed this nonsense, I thought, well, how could there be a Christian Democrat dynasty with the nut running around? And it struck me, there is nothing to do about it, there is absolutely nothing to do about it.

I asked President Frei about a year before the election, what he thought about this situation. It was one of the few times I asked a political question inside the Christian Democratic Party, because it was not my business. And he said that he was terribly concerned by the instability of his successor.

What you have said, Ambassador, reinforces the impression that the Embassy of the United States was more impotent than one would have thought, even though it was at the same time a key to get to the whole of society. You have commented that your predecessor, Ralph Dungan, gave

you the names of “15 influential Chileans” which you could use to channel funds.

—[In terms of the first part of the question] that I cannot say. But I can tell you this: if the CIA were so powerful, do you think we would have allowed a “desorientado” to be the candidate of a party in which the Kennedys had invested so much money?

How then do you explain the denouncing of CIA intervention which is contained in the Church Commission report?

—I mean, it’s just the silliness of the whole way my country treated this for very sophisticated and complex reasons which had nothing to do with you, the CIA, Chile, or me. It had to do with what they had as a true problem in the United States, national disgraces for which they should have been accountable and responsible, that is, Vietnam and Watergate. And Chile was simply a means by which they settle important problems in the United States through a good show.

And that was my reaction at the beginning. It was not that I was being pushed and wounded, I sprang -one looks at the record- I sprang initially to the defense of Chile. Because it struck me that this was living proof that when the elephants trample the grass, it’s the little man that gets hurt, it’s the little animal that gets hurt, and these elephants up there trampling each other, Republican and Democrat, whatever it might have been, had no regard for anybody else. They suffered and suffer from believing, still today, that the center of the universe, as the Chinese used to think, is Washington, D.C. We have a couple of little outlets called New York and Cambridge. Suddenly they wake up each year and say fewer and fewer people are voting, we have lower and lower opinion polls of the politicians, lower and lower of the journalists, and there’s great disparity between what a lot of Americans are thinking about government, per se, and national government. This is one of those small contributions to that separation between the people and the state.

As a result of the meeting of Latin American Foreign Ministers in Viña de Mar in 1969, whose object was to show a united front before the new Nixon administration, Chancellor Gabriel Valdés was charged with making a presentation in the White House. It is said that Nixon was furious with the proposals and ordered Kissinger to tell the Ambassador of Chile that everything that happened south of the border was of no importance to the world. Is there anything to this?

—It is more or less the truth.

I should like to press you on the reaction of Nixon and Kissinger to the presentation of Valdés, which supposed there was a common position of Latin America towards the new administration in Washington.

—It is no secret that I disliked Gabriel Valdés intensely. Why? Number one, because what Valdés would do, while I was waiting to come to Chile, was to give an interview to “Le Monde” praising neutralism and saying Chile should move in that direction. Dungan had tried to pressure Frei to do something about Gabriel Valdés again and again. Two, whatever he told Dungan that Chile would or would not do about China, Communist China, the opposite happened. And there were several examples like this.

Just as Nixon crossed off Frei, in his first week in the White House, as an official visitor, I, in my first week, in making the rounds of obligatory calls, crossed off two names. One was Gabriel Valdés. I never paid a formal call, I had spoken to him twice in Washington and New York before coming. And two, I crossed off the name of the Archbishop of Santiago, the cardinal. Why? Because I believed that on a state-to-state basis my relationship was with the Nuncio Apostólico and that a formal call on the cardinal indicated that a party-to-party relationship took priority.

I did these kinds of things to quietly signal, without anything in the press, that there had been a change of style and of direction. Whether people got the message or not, I never inquired, but that was the intent. It wasn't so much to be personal as it was to be tactical. And we had very few government-to-government contacts. I did not see ministers unless they had a problem with me, that is, with the United States government. And I enjoyed my relationships enormously with the ministers, both on a personal and a professional level, but I did not see them very often unless it was a contained situation like the Anaconda-government negotiations in '69.

And this was also the case with President Frei?

Igualmente. And he was a great friend. He came to my house once, I went to somebody's house once when he was a guest, those were the only two times we ate together. I traveled with him to Cerro Tololo. I might have seen him twice a year, three times a year, to talk to. I mean, I was at receptions and so forth, whatever official event all ambassadors went to.

I know, it was a good relationship, a warm personal relationship and the way I usually dealt with him was to send him a book on history. I would send him a book with a note, every two or three months, a book on history that I had read and I thought he might enjoy. He enjoyed them all. So that was the relationship, and don't forget, people all over the world make very good friends by just that kind of interchange. You don't have to see them, you don't have to talk to them, but a book transmits a great message.

You have said that the “nationalization pact” of copper in 1969 was a success. The impression that I have, studying the matter, is that the companies felt obliged to go along with the agreement, because in its turn, the Chilean government was politically obliged to carry out a nationalization.

—No, no. I will explain from the beginning. In early 1968 I went to the head of Anaconda in Chile, a man named Richard Sims and I said to him, this was shortly after the signing of the agreements that had been negotiated years before, and finally were going to invest in the expansion of Chuquicamata and the other mines - and I said to him, “I’ve only been here four months, but I believe that the agreement you have just signed is not worth anything. It will never be lived up to, it will never be paid for, and my advice is that you should offer the Chilean government 51 per cent in what I call a slow turn of the key. He thought that I was “desorientado totalmente” and I got a promise from him to discuss this with Anaconda in New York.

Now I recognized, as Raúl Sáez criticized bitterly in 1969, that by doing that I had sacrificed essential principles: belief in contract law and belief in the superiority of private enterprise over state enterprise. And that is correct. The criticism was absolutely justified. But if you started by saying how could you deal with the additional problem, a terrible political situation and armed forces that could not get anything for rocket practice, the only possibility was to have a new deal on copper, which I thought would be inevitable in any case. And then when the Vietnam war drove up the price of copper and the Congress began to say, “Nationalize now, etcetera”, the Chilean government did what a government could only do, which was to try to satisfy what seemed to be fairness with your own natural resources.

Sims eventually came back from various visits there. I kept talking to him and in one conversation with President Frei I took the opportunity to say, “Well, I think nationalization may be very difficult to avoid and I prefer to anticipate problems, why don’t we try, you try, to anticipate them.” And negotiation began between the government and President Frei, and the copper companies, with Anaconda in the first place. We did not put any pressure on them. The Chilean government put the pressure on Anaconda with the full support of every political party here in Chile at that time. Every one. What we did was to assist in the negotiation between the government and Anaconda. Anaconda had gotten to the point where they were insulting the government of Chile not only privately but publicly. Not only to the face of the negotiators, they insulted everyone. And so I said somebody had to step in and try to save the situation before they were thrown out of here.

Incidentally, they were being advised by Chileans, who told them that this tough line was the line to follow. So they were never forced by anyone, they reached their own conclusion that the deal that was negotiated with the government would allow them, under exchange, and they did a regressive analysis, that they would end up with just as good a position as one in which they would go on and face inevitable nationalization.

So from their standpoint it was a bitter pill to sacrifice some of the windfall money that they got from the Vietnam war, but it was acceptable. They were quite pleased with the '69⁴ and when they and when they were taken over by Allende and the Unidad Popular, they collected the insurance from the U.S. government and I was the only witness for the U.S. government, and the lawyers for Anaconda were all the leaders of the Democratic Party: Mr. Strauss, who became President Carter's "chef de cabinet", in one sense, and Gerald Smith, and I forget who the other one was, three of the biggest Democrats in Washington were the lawyers for Anaconda and I was the witness for the government. And we lost. And the government was defended by a young lawyer trying his first case.

What was the principal change that you instigated in transforming relations from State-Party to State-State?

—[I put an end to Party-Party relations, because these had been the type of relation before I came.] That is why I teased Senator Church by saying if he had voted for almost two billion dollars of American public money to Chile, how could he then turn around and say he knew nothing about what was going on? It was ridiculous. Which is why he did not want me to testify, one reason, but there were many reasons why he did not want me to testify.

Incidentally, I wanted to make one note that is interesting about the manner of the Church committee. The first entry in the Church committee that mentions my name says that in September of 1967, the so-called 303 committee, which was later called the 40 committee⁵, the 303 committee took a decision for Chile to give money to do something here. In September, I had not even come to Chile, I had never heard of the 303 committee.

⁴ This refers to the "Nationalization Pact" through which the Chilean Government bought 51% of the two subsidiaries of Anaconda, among them the famous Chuquicamata, in long-term payments, with an agreement for the rest. This pact was criticized by the Left, which, once in power, proceeded to the nationalization of 1971. [Editor's note]

⁵ An body of the Executive Power of the North American Government, dependent on the Cabinet, charged with revising the proposals of the principal covert operations. Later it was called the 303 Committee. [Editor's Note]

Literally, I didn't even know that it existed. In September, I was in Ethiopia. I got here on the 12th of October, 1967. But if you go back to the Church committee you will see they say, the first entry, that I was responsible for some action taken by the intelligence community in Chile. As I say, I had never heard of the 303 committee, just like I had never heard of "destabilization", it was a noun I had never heard of, never.

During the last years of the 1960s, the North American financing of the Chilean political actors was less than between 1962 and 1964. Even so it existed in any case for the parliamentary elections of 1969. you know this.

—One of the great lies contained for anybody to see in the Church Committee report is that it equates appropriations with expenditure. Now, anybody who has dealt with a democratic parliament any place in the world knows that an appropriation is the beginning of the process, the approval for expenditures by another committee is the end of the process. Every American understands that little about the Congress if they have any political interest at all. Now, if you read the Church Committee report, it says that 350,000 dollars was authorized for the elections of '69. So how did a hundred and thirty-five, less than 200,000 get spent? I sent a young officer of the Political Section of the Embassy, a service officer to negotiate a new list with the CIA in Washington. The CIA was drawing up the list, and a new set of expenditures, and it was one-third of the 500,000 and one-third of the list. And why did they do this? Because Americans tend to overkill.

Why did we do it at all? Because if we hadn't done it, the Democratic Congress would have been on my back in two seconds, as having reversed the Kennedy policy, taken it out, so we did the minimal that would hurt and was targeted very specifically not at any one party, but to where possible a little amount of money would defeat a Unidad Popular candidate.

So it went to all sorts of candidates of all persuasions, not many of them, it had a so-so effect, we never will know whether it had any effect. But some of the people we supported did get elected, some of the people we opposed did not get elected, and the total of that was minimal, because with a hundred, say a hundred and fifty thousand dollars to spread among twenty or thirty people, it can't be very much, not even in this country, and moreover not one candidate knew he got it. It was delivered by priests, I don't know who, by all sorts of people.

This day 27 years ago occurred the “Tacnazo”, the military display of General Viaux⁶. For days before, something could be seen to be going to happen. Did you follow these events?

—No, as I say, we paid very little attention to it, it struck us as very small. We had a strong suspicion that the Socialist Party was involved in some of this military unrest, that there had been, we were convinced with good evidence, Socialists involved in provoking some of this, that is, on the military side. But you would have to have asked Henry Hecksher who was more, or Colonel Wimert, who knew more about this than I do. We could not pay too much attention to it as a serious thing.

Are Hecksher and Wimert still alive?

—Hecksher is dead, I don’t know what happened to Wimert. You know, Wimert came down here and saw Pinochet. Wimert came down here, I think during the Allende years too, I’m not sure. He was very close, though he was not a very intellectually or politically sensitive fellow, he was very close, personally, to General Vernon Walters, who was the general who also became Technical Director of the CIA at one point, and ambassador to Germany and spoke, and was the translator because he spoke eleven languages, I think, the translator for Eisenhower, for Nixon, for everyone. I think General Walters came here to visit.

Through the Church Commission Report we know, at least, that the Cubans spent 350 thousand dollars on the 1970 elections. And another sum was provided by the Soviets...

—I don’t know, I don’t know. Again, they are talking about KGB money. The Soviets had many ways of doing it, just as we did. They were not stupid.

In terms of the 1970 Presidential election, it is known that the State Department did not want to intervene because it had no sympathy for Alessandri. On the other hand, according to the Church Commission report, the CIA, through a decision of the 40 Committee which advised the White House and which belonged to Kissinger, decided to send funds to Chile, 425 thousand dollars. But these resources were destined merely to carry out an anti-Marxist campaign, and not to favor Alessandri. Amba-

⁶ The interview took place in 1996, twenty-seven years after the event. [Editor’s note]

sador, you thought that this candidate could loose. In addition, you viewed the anti-Communist campaign as somewhat clumsy. What of this?

—In 1970, the total CIA expenditure was 125,000 dollars, of which 90,000 was for propaganda, terrible propaganda, and 35,000 dollars was for divisive action within the Unidad Popular. All of it within the Unidad Popular, meaning that they had people who were by title Unidad Popular but who were not, and I should explain that this is not uncommon in the world.

Could you tell us more about this?

—No. I will tell you, so that you can understand the problem, when I left Ethiopia, I had suggested to the CIA that certain Ethiopians could be useful “a largo plazo.” We had no interest in anything happening within the Ethiopian government for the five years I was there. But, I said, you never know what may happen in this part of the world because the Russians want it. That was in ’66 and ’67. Many years later, the best information that the United States government had on North Korea came from Ethiopia. Many years later, when the Soviets took over Ethiopia, one of the very highest Airforce generals, he’s dead, they killed him, he got his family out, was one of our best sources on what Castro was doing in Ethiopia and what the Soviets were doing.

These things sometimes take a long time. The Russians do this, we did it, this is part of the game that was going on. People like that can remain hidden for ten, twelve, fifteen, twenty years, you don’t know. The Soviets had them in the United States, lots of them.

[Returning to your question on the candidacy of Alessandri] Now, 1970. I talked twice, three times to Jorge Alessandri. He came to my residence unannounced, was stopped at the door by this carabinero, the single carabinero in front of the gate announcing that there was someone named Jorge Alessandri down below who wanted to get in. He came up and he announced to me that he was going to run for the presidency. And I thanked him for telling me this before he told the public here. And he didn’t ask me for anything, we talked for a little while and he left.

Now, I had decided, after hearing him twice, after meeting with his election campaign team once, after reading the economic program that he had approved, that the United States would be out of its mind back that campaign, that is number one, because it did not represent anything in the future, it was all looking back. And there was no question in my mind that he did not understand the nature of the Unidad Popular or what its intent was. He took the view that it was something like the old days, that he could handle it as he had, and I did not think that was the case.

Now this is all very arrogant on my part, but I am telling you what I was paid to do. I was not paid to worry about Chile, I was paid to worry about the U.S. interest.

The second thing is that I knew, and I said this in a cable to Kissinger and Nixon after the biggest number of important industrialists demanded that we help Alessandri, and don't forget, that's a Republican administration up there, and so they came directly to see me and they represented it. And I sent a message to Washington, which could be framed as a defense of democracy, saying, no, we are not going to help people who have plenty of money and do not need money from America. The candidacy of Alessandri was backed by people who had ample funds to put as much as they wanted. I said the real purpose was to commit the United States to a government and to keep that government alive for six years.

And nobody could make that kind of commitment because we would have no intention, in Washington, of carrying it out. So all you were doing was making in effect a false promise for a false end, that nobody could intelligently support. And I caught a lot of hell from American corporations for that cable, because they get copies of these things as soon as you send them. It doesn't make any difference how secret it is, they're told right away, just as, I might add, Ambassador Santa María was told instantly by Dungan of my cables. Imagine!

So that the idea that we had some kind of potential to change anything is just nonsense. My interest as the American ambassador was to protect the United States citizens and their property as best as I could under U.S. law, that was my priority, that is what the taxpayer in the United States paid my salary to do. Not to advance the political interest of anyone in the United States.

One of the things that surprises us in the Presidential campaign of 1970 was the clumsiness of the anti-Communist propaganda, and you have confirmed this. On the other hand, it was obviously a very important operation for the CIA.

—Well, in general, the relationship on an operation is that the ambassador must be told, in general, what the agency is going to do, that it's going to do propaganda. In this particular case, I called the man in charge [Henry Hecksher] in and said, "You know, I saw these when I was a reporter in 1948 in Italy. Do you think that times stay still? This cannot be!" And then he said he had been advised by the best minds in Chile, the Chileans, and this is what they said would work. I said, "It is impossible. I tell you, it is impossible." I sent a message to Washington saying it was

dreadful, but then he came back and said it wasn't his idea, he was listening to Chileans. I said I had a feeling that it might have been some of the Chileans I had said "no more money" to - but you don't get into those details because there's always the possibility than an ambassador can be kidnapped, as happened while I was here, in Brazil or Argentina, for a long time, and you don't want to know the details. So I never asked, and you're not supposed to.

Did you say these things to the people in the Alessandri campaign? What did they think? Up to the 4th September, 1970, how did they see the strengths and weaknesses of the Alessandri campaign? What did you hope for?

—I said, two weeks before the election, I had never seen such dreadful propaganda in a campaign anywhere in the world. I said that the idiots in the CIA who had helped create the "campaign of terror", and I said this to the CIA, should have been sacked immediately for not understanding Chile and Chileans. This was the kind of thing I had seen in 1948 in Italy. I mean, you know, the world does go round, people are not in eternal slumber, you cannot use campaigns that were successful in 1948 in Chile. It's just stupid, and I said so and it did not make me popular. In any case, it was a surprise he got as many votes as he got. I was very surprised.

I realize the enormous pull he had as a father figure in this country, but nonetheless the dislike of the Christian Democrats, even though we predicted 27% for Tomic, and which was more or less what he got. I was amazed that the prediction was as right as it was. The odium between "nacional-liberal" on one side, and some of the "radicales" also, and the Christian Democrats was something that I understood the first month I was here. That's what disturbed me greatly and why I reached the conclusion that there could not be a Christian Democratic dynasty and that we had a real problem, given the commitment by the Kennedys to the party, to the party. We had a terrible terrible problem: it was not going to work.

And American ambassadors, by the way, are paid -I can't say are, were- were paid to make sure that a president who had the focus on the major domestic issues in the United States and the principal foreign policy arenas of contact with the Russians, that is Europe, Asia, Middle East, that all of the rest should not bother the president or his chief advisers, unless it was terribly important. There's no way, as President Frei said to me, "How do they run all these things? There's too many things that a U.S. President has to do, how does he do it all?" I said, "He doesn't."

Then, neither Alessandri nor Tomic received United States money in the 1970 campaign?

—Not a penny.

All the money was for anti-Communism?

—It was [for] that terror campaign.

Alessandri didn't receive money from the North American Government, but he did receive it from the North American private sector...

—They received money from the companies, that's right. ITT. And you see the ITT thing was very complicated too. Some of these things are more appropriate to John Le Carré than to the US Ambassador. There was an American businessman [Peter Jones] who had been here, a very ambitious young American businessman, who liked to give the impression to Chilean businessmen that he was CIA, and from my standpoint it is perfectly good to have an idiot running around, you know, saying this, because that is protection for anything you really want to do. And he was transferred - he had been here for the Grace Company to sell off all of their assets in Chile, and he went to Argentina - he went home and then to Argentina for ITT.

And if a Chilean businessman who I dealt particularly well with would ask me about him, I would always answer that it was probably a good idea to let him talk but not to listen, because he was very often wrong and very ambitious, and dangerous therefore. So he wrote me a letter suggesting that a man who had been involved in the '64 election here with Chilean businessmen should come back and to help me, those were the words, "to help you in the 1970 situation." And I said no, I did not want him, and the next thing I knew, this Latin American businessman with CIA and other connections arrived. Didn't ask to see me.

Then the two ITT representatives came [Barellez and Hendrix], and they were recommended by our information department, one of them being a ex AP fellow, and the other fellow I didn't know at all, well, I may have met him. And I said to them, "This man of yours in Buenos Aires is trying to get involved in this election. I do not like it." I did not know that these two were trying to get Mr. Jones fired. They sent a message to their company saying I had been told about this man. This man then wrote me a letter saying, "please burn the letter" but I kept it, saying that they had done this. I then called the ITT men to my office and said, "I'm throwing you out of this Embassy because I cannot trust you as normal human beings. When I told you about this, I said not to tell your company. I don't want to ruin anyone's business career, I just didn't want him to be here and I expected you to tell him." And that was the end of it.

So when you read the cables of the ITT, they were extremely favorable and then suddenly they became very nasty about me. That was the reason. I threw them out of the Embassy. I gave everybody instructions to have nothing more to do with them. But it had nothing to do with high government policy, it had to do with this man, whose name was Peter Jones and he was well known to all the Chilean business circles.

*You have said that the whole problem before and after the 4th September, 1970, was due to Washington not listening to you. This was the Track II campaign, the idea of motivating Armed Forces officers to impe-
de, by semi- or un-constitutional ways, Allende assuming power. It was carried out by Henry Hecksher, the CIA head in Santiago, who had also distributed the campaign money. Did you speak about this to President Nixon? You have maintained that after Track II he turned his back on you — you repeated this very recently —, suggesting that it was an instruction from Richard Nixon.*

—Nixon thought, he was sure, that I would go to President Frei, twist his arm and say, “You’ve got to tell the military or you’ve got to do something with Jorge Alessandri and have this complicated process.” And I did not mind that he thought that I would, in fact I encouraged him through the cables to think I would. When he discovered that I had not, then he was very angry, and it was very late in the game. But I had been saying over and over again, that only President Frei should be responsible. Nobody else.

And when the military, the generals, asked what would I do after Allende’s triumph, and wanted me to tell them, they sent this oral message to me through the military attaché, Colonel Wimert. I wrote a one-paragraph answer to them and sent it back with Wimert, with orders to read it textually and not leave it. And what it said was: “We, like you, are believers in democracy and therefore we believe you should follow your constitutional leader.”

So, in Washington they found out that this had happened, because Wimert worked very closely, Colonel Wimert, as military attaché, with the CIA, and he told the CIA. It was natural. The CIA then knew that I was not doing what I had said, and then there was an explosion. When Henry Hecksher started shouting at me I stopped him and said, “You have twenty-four hours to either understand that I run you or you leave the country.” And since I had fired the CIA station chief in Ethiopia, he knew that I meant it.

So what happened then is they hid things from me, but by hiding things they awakened every possible suspicion, because I knew they

weren't telling me what I should know. So then is when I informed the Frei government that Arturo Marshall and others in the "Patria y Libertad" were running around trying to kill Allende. Then I got hold of Chileans whose children, whose sons were in the Patria y Libertad, and those Chileans were connected with American corporations, and I said to the parties, "I will tell your American corporations that you are engaged in this, you're letting your children do this, and that therefore you have to be sacked right away".

So I really was concerned, not that Allende would be killed, I would have thanked God if he had died of a heart attack, but the point was to protect the United States from the repercussions. This was my concern. Who was going to be blamed? Do you think that large Communist party under Corvalán was going to blame some Chilean for that?

Did you not talk with President Frei in September or October, 1970, about Track I, about the idea of electing Alessandri in the Full Congress so that he would later resign and there would be a new election of two bands?

—No, no.

Why then do all the reports of the Church Commission coincide in saying there were conversations between the Ambassador of the United States and President Frei...

—Not a word.

This is false then?

—The only time that President Frei raised the election of Allende was in his summer vacation in Valparaíso, and I suddenly got a phone call saying he was having, he intended to have a meeting there with a Mr. John Richardson, the Assistant Secretary of State for educational and cultural matters, who was attending an O.A.S. or whatever, conference in Valparaíso. I had not heard about this meeting and so I said I would dash down and I went by car to Valparaíso. I arrived after the two of them had been together about fifteen minutes, I took all the notes on the conversation, and that was when President Frei asked Mr. Richardson, who was going back to Washington, "Can you deliver this message directly to President Nixon?" And he said, yes, he could, and he said, this was the message, "The odds are fifty to one that an Allende presidency would mean a government in Chile as in Cuba." And I intervened at that moment and said (I was translating, believe it or not, for Mr. Richardson) and I intervened to say, "Are you asking the United States for some action by this message?" because it was like waving a red flag. And as I said in my cable to Washington, the

President, by sending that message, wants us to take his decision, and I am a hundred per cent against it. So I asked President Frei, and this is all in the cable, "Do you want the United States to do something specific?" And he answered, "No, nothing, except propaganda." That was that.

I wrote the cable summarizing the entire conversation and sent it to Washington for the President, Kissinger, and all, and that was the way it was. So then the White House and Kissinger decided to go and use the CIA and pursue what I call a "Caribbean-type" [operation].

Once Allende had won the election, then, you thought that the person responsible for taking decisions should be President Frei, and that the United States should make itself responsible to him...

—That's right.

You also mentioned recently that you had contact with the Military.

—No contacts. It's not a contact. The military attaché, Colonel Wilmert, came to me with a question from the Chilean military saying that, as defenders of democracy, they wanted to know what the message of the United States to them would be. Schlaudeman and I worked on a very careful paragraph that said — and I have it, I didn't bring it but I have a copy, I don't mind faxing it to you if I can make it out — said that yes, we were strong defenders of democracy, also believers in democracy, and as such we would urge or we would say that the professionals in the military should look to the constitutional leader, who was then Frei, and follow what he said.

You see, there is another interesting point, you as the expert on the Church Committee will be interested. The so-called famous "nuts and bolts", not a nut or a bolt. A Chilean minister, operating with the full authority specific of President Frei, came to me discussing the situation and said that he wished to be able to say to the Chilean military that if Allende were elected, there would not be another nut or bolt, and would I state that so that he could say it. I said, "Yes, because I don't think there will be a nut or a bolt." So that was how that happened.

Did you say that in this period [September 1970] the Chilean Military were incapable of launching a coup?

I think I gave you the text of what I wrote. That in my view they were...

toy soldiers.

—That’s right. I was trying to persuade the Nixon White House not to get involved. And so you get more and more desperate with what kind of rhetoric to use to dissuade these people from a nutty self-inflicted wound.

Did you hear the rumor, no more than that, but which was insistently repeated, that President Frei wanted to be overthrown so that, this way, he could be reelected later on?

—I had heard that. I heard the rumor, I cannot tell you that it has any basis in fact. He certainly didn’t suggest it to me or to us. No one. No one.

In those days [September, 1970] you were in agreement with the CIA Station Head in Santiago [Hecksher] because he informed Washington that it was impossible to organize a coup.

—That’s right. Well, this is something I didn’t say the other day, because now you remind me.

At the time of the Church hearings, I believe, no, it was after I left Chile, yes, it was after, it was just after Allende’s -I cannot remember the date, it was after I left. In any case, I went into the CIA in search of information to understand what had gone on in Chile, because as I explained I would have taken an oath or staked my life that I had stopped it, so it must have been afterwards, and I was trying to find out. And I was in the office with Colby, whom I had never met before, who had written me a letter at the time of the ITT hearings [1972-1973], saying that I was under executive privilege and did not have to testify. But I had never met him. I went there and in the room was the man that replaced Hecksher, Ray Warren, and Colby said to me what Kissinger had said to me, “If we had only spent the money on Alessandri, this wouldn’t have happened.” And I said, “Nonsense, this had nothing to do with money, he had plenty of available money. That was not the problem.” And then Warren said, “The Ambassador is correct, it had nothing to do with money.”

So that this myth, which was started by Kissinger and Colby, that the real reason was that the State Department had blocked money had a great deal of impetus at the highest levels of the U.S. government, but the truth was that money was not the reason that nothing happened. The reason was, and Hecksher and I were in full agreement, there was not a chance that the Chilean military would move unless there was a breakdown in civil order in the country, a real national crisis, or Frei, for whatever reasons, gave instructions to Schneider, “Do it.” Which I said over and over again was very unlikely, that he wished us to take that responsibility, and I would say, “No, thank you. I am not taking responsibility for another country.”

Do you still have the impression that Frei wanted the Embassy to take the initiative?

—Well, if you are the President of the country and you call in a visitor who is an Assistant Secretary of State, in Viña del Mar, and say, “I want you to deliver a message personally to the President of the United States”, and the President is Nixon and the message is, “The odds are fifty to one that Chile will become another Cuba”, what do you think is the purpose of the message, which is why I said right away, “Are you asking the United States to take any specific action?” And there was a long pause and then he said, “No, except for propaganda.”

Because I wanted to be able to write in the cable that he said no, and that this cable would go to the Pentagon, the CIA, the White House, the State Department, and everybody else. Because I wanted that on the record to be sure that— and I said so in another cable —that he wishes us to do his dirty work. That was the quote.

What did you want to say with this? Because, in those days the idea was to elect Alessandri in the Congress and for him to later resign so that they would have to hold other elections in which, one imagines, Frei would have been elected.

—Right. And I said, “That’s fine with me. If the Chileans want to do that, fine, wonderful.” But we would not - as long as it was Chilean, I was all for it. I just did not want Americans to pay either with their lives or damage to their property as a result of something that happened here, because if anything happened, whether it was Schneider or anything else, I knew we would be blamed.

What type of dirty work do you think would have had some purpose?

—Exactly the type of things, although not specifically the same actions, as the Nixon White House was accustomed to.

Do you think these were the type of thing that Frei wanted to be done?

—I don’t know. But he did not want to take responsibility for what was going to happen. He wanted others to take charge of the problem.

When Kissinger had the impression that more money should have been spent on the Alessandri campaign, does this also mean Tomic should also have received money?

—No, oh no, oh no, no. As I said, President Nixon, in the first week he was president, crossed off President Frei's name as an official visitor for that year to Washington. He was scheduled to have gone in 1969. The name was crossed off the first week. The State Department was told specifically, the Secretary of State and the Assistant Secretary of State, that the Nixon administration did not like the PDC, did not like President Frei, etc. And I found out right away in a private letter from the State Department official responsible for Chile and other places, saying, "This happened and you should be aware of it", and they asked me to burn the letter.

During September and October, 1970, did the Chancellor Gabriel Valdés say anything to you, make any allusion?

—Exactly as I reported in an official cable in 1970, he had commented in a disgusted manner that the United States, which he referred to formally as "usted", were not giving financial support to the Christian Democrats for the Presidential election,

I should like to refer now to a point which is always mentioned when the relations between Chile and the United States in the Allende period are discussed. This is the financing of the opposition in the time of the Unidad Popular. All the sources agree that the 40 Committee approved around 6.5 million dollars. The first resources were received at the end of 1970. You had been some eight or nine months in the embassy when the program began to fund opposition newspapers and radios, opposition parties and certain unions through the parties. And aid to the Armed Forces was maintained, a signal that the United States did not want to break with the Military.

—El último, the last, was not in my proposal. For the military. But all the rest, yes. I proposed, I urged, that we support all of the possibilities that would keep a good opposition alive during the Unidad Popular. I recommended that we gave money so that a democratic opposition could survive the Allende period, that the press, the media, the television, radio - radio, television were all in Allende's hands- that there should be radio and press, and political support, so that people could survive the Allende years, and so the 40 Committee did.

How did you decide to divide the money? did you talk with Chileans about how much they needed, or was something carried out independently by the CIA?

—Once that decision is made, it is entirely in Washington, entirely. It's between station and Washington. I have to make a point. As of Novem-

ber 1970, my successor was chosen, he was supposed to come in January, Ambassador Davies, so I would not have been consulted in any case.

When I was kept here until October 1971, almost a year later, it was because of what the Department of State thought was a miraculous negotiation⁷. The acting Undersecretary of State even called on the telephone in the middle of 1971, on an open phone line, listened to by half of the Chilean Communist Party, and Socialists, and said, "Ed, you've had another miracle, I congratulate you." I said, "For God's sakes, you know, this is an open phone line and nothing is signed." That was the copper agreement between President Allende and the companies. Allende had invited me to the signing of this, and I said, "No, this is between you and the copper companies", though he credited me with the entire negotiation. I said, "No, this is between the two of you, I don't want to be there." And then he said, fifteen minutes before the ceremony, that unfortunately he had to cancel it because of a "little trouble in my chicken-coop", and I told Washington that the rooster's name was Altamirano, that he'd never sign it.

As I reminded you, I was supposed to leave here in November or December of 1970. I stayed a year, to the surprise of my successor, who was waiting to come, and Secretary Rogers, who had decided I was a Kissinger man, sent an ambassador here, John Hover, to go around the city in the early winter of 1970 saying, "The ambassador is about to be fired, don't listen to anything he says". People would call me and say, "Do you know this is happening?" He was staying in my house! I didn't say anything to him, my wife though got mad, she's very Irish, confronted him and just told him off. I was very annoyed with her for having been so undiplomatic with him, even so he sent a hundred roses the next day.

In any case, therefore, nobody would have consulted me on funding. Nobody. But I knew whom I had recommended, not for specific amounts, but you did not have to be a genius to understand what this was all about. And so, the largest amounts would go to the largest newspaper, obviously, I mean, it was just a matter of life, and I am satisfied that it was a good program.

Did you have meetings from time to time with the people of the principal Chilean newspaper?

—No. My meetings with anyone from *El Mercurio* were very, very rare, at any level.

⁷ This refers to the Cerro Corporation, the only nationalized copper producing company which, in agreement with the Constitutional Reform, did not have "excessive profits" and which in 1971 received an indemnization of 18 million dollars. [Editor's note]

In relation to the document you have given us, “Fidelismo without Fidel”, of August, 1970, it is very clear that you reported how weak an opposition to an Allende government would be, as well as strategies which should be followed.

—Yes, that paper was delivered to Davis over and over again. I did not want, for the reasons I explained, in the political atmosphere in Washington. I had confirmed during this visit that the most secret cables I wrote were immediately shared with the Chilean Embassy and with the most violent opposition to the Chilean Embassy. It didn't make any difference what classification you used, they were running around Washington saying, “You know what he's saying, you know what he's saying”, so I delayed sending that as long as I could because I knew it would create problems, more problems.

Of the approximately 6 million dollars destined by the United States to finance the opposition to Allende, 1.5 million went to El Mercurio. The rest was divided between political parties and unions, among them the truck drivers who were on strike. Can you tell us something more? When did this aid begin?

—The money started and it wasn't going to the truck drivers when I was here, that is for certain. And again, I go back to what I said originally, an ambassador does not want to know the details. Because at the same time I was number one on the assassination list, I knew that, and Edmundo was number two, and there was always that possibility, Edmundo Pérez Zujovic. It was happening all around Latin America, where American ambassadors or somebody was getting kidnapped. The last thing you wanted to know was details of something like that. All I did was say that we had to keep El Mercurio going, I didn't know what that would take. People who are more expert than I had to decide that. There had to be radio stations, there had to be support for all political parties, and that was the end of my involvement, and I never have pursued that because it's not particularly of interest to me. I never asked about it afterwards. It just never came up.

The Left has interpreted this as an act of destabilization to provoke a coup d'etat.

In some ways this was a political analogy to what the North American Government pursued in the 1980s in financing the democratic opposition to the Military Government.

—No, I don't think that was the point. As originally stated, and as I said, we had never heard of destabilization, it was meant to keep alive a

democratic core so that Chileans would have a choice of opinion because, as I wrote in my paper “Fidelismo sin Fidel”⁸, with the neighborhood committees, you know, all of that we wrote in detail before the election, we didn’t do anything that we had not anticipated. Slight changes of this and that, no, so the name of the game was how to keep alive –if you want to say– I’ll say it this way: if somebody wants to say that by keeping alive a democratic opposition in a democratic country is destabilizing, they are welcome to say that; I’m not going to say that that is not true, but it is a curious way of describing a democracy. If they insist that Allende was a democrat, then why should a democratic opposition not be allowed to exist?

The real question is, what was Allende doing to eliminate a democratic opposition?

The word “destabilization” was used by Representative Harrington in the Church Commission hearings...

—¿Harrington? But Harrington was very close to the Kennedy family in Massachusetts

There are certain indications in the Church Commission report that you saw the possibility of reaching an agreement with Allende...

—Just as I believed that copper would be the way of solving our problem in 1968-69, to give Chile more independence, to change the relationship, and to give the armed forces money that they could not have gotten from the United States, so too I believed that the possibility of arranging a modus vivendi with Allende was copper. So the thing that I finally offered to him after he could not sign an agreement, in effect I, as we say, upped, I raised the bid and the proposal I made to him, and when I told all of the western European ambassadors in a meeting that I had made that proposal, all but one said, “He cannot refuse it, he will accept it.” The one was the Frenchman, who was one of the finest diplomats that France had and also very close to De Gaulle.

Why did the United States maintain conversations with the Allende Government in spite of the general animosity which existed?

—When you’re in a position like that, the only thing you can do is keep talking. This is what happens in negotiations; when you reach this kind of an impasse you try to stop the clock. Instead of the contract ending at

⁸ This document is published here as part of “Chile in the Archives of the United States”. [Editor’s note]

midnight on such and such a day, the clock is stopped, so there is not a period when there is no contract. You keep talking as if time had stopped. I have been in that situation when I was a young man. When you are in a very weak position, you don't want to do what you know is suicide and you don't want to surrender, and you keep talking, that's what I did then.

Ambassador, I should like you to frankly tell us your opinions about our political system. We have always said, perhaps with a certain arrogance, that our politicians are not as corrupt as elsewhere. How did you view this during the period you were here? Did the money given by the North American Government go into corrupt hands?

—In answer to that question, I would have to say the American political system seems to have been no less affected than any other country, so one has to start by saying, compared to whom or to what? It is like the old joke: How is your wife? Compared to whom? So from an absolute, you know, a Utopian standpoint, that is one thing. In terms of practical realities, you have to understand, these were deep ideological feelings involved here and funds to support strong ideological feelings, whether it was anti-Communism or “comunitarianismo”, or whatever. In the minds of a politician it is not a bribe, it is not corruption, it is a contribution to their strong views.

I mean, whether the money went into their own pockets.

—Went into their pockets, right, so I'm making a distinction. The worst cases of sheer corruption occurred in the Allende period, where huge amounts were paid to middlemen of all sorts, mostly non-Socialists, non-Communists, but from the Right and the Center, who took huge sums of money in order to bribe, in order to arrange the “salida” of certain companies that were nationalized, who left Chile with their money.

Now, I was aware of that, as were others here, and it certainly was not something that I ever suggested to any American company, or any foreign company, but these things happened. How they did it? They did it through Chilean lawyers, generally, Chilean something, but they did it. And I was not aware of it in the case of any American company. On the contrary, when I negotiated all these nationalizations, before the “Gran Minería”, the American companies were very puritanical about these things; Bethlehem did not want to accept a deal with Allende on, I would say, on ideological grounds. They preferred to get the money from the U.S. government, taxpayer, as insurance, rather than even accept it with an accord, and I had to call repeatedly to convince them, and finally convinced them to take the money from the Allende government. I explained to them it was to their advantage to get it from the [Chilean] government and not the [US] taxpayer.

In places like Liberia or wherever they were, in Asia, all over the world, if they made a deal with Allende it would look as if they were acceptable, whereas if they took the money from the U.S. government, OPIC, that the Congress would say, you know, people would say it was wrong for the taxpayer to pay for them. So I said, from their standpoint, it was much better to take Allende's money than our money.

These were the years of the Military Government in Argentina. Did you see any friction between the governments of Chile and Argentina? Were you alarmed? Did you think they were important?

—The Argentine government in '70 and '71, and other Latin American governments were extremely alarmed by an Allende presidency. They understood that this could become a focal point for people from all over Latin America trying to do what Che Guevara had started, to finish it, and that Argentina would be one place, Brazil would be another place maybe. I think that the Foreign Minister of Allende tried to arrange things with those governments as his first act on taking office. He tried to convince them that there was no threat from Chile as far as fomenting revolutionary activity or interference in their country.

Returning to the negotiations with Allende, can you tell us any more?

—Then he tried to get this thing back on track. I thought of this proposal whereby the United States, if he would pay for the nationalization, would underwrite Chilean bonds, underwrite it totally. The company would get them as notes, they would take them to the U.S. Treasury, which would accept them and underwrite them, so that the U.S. government assumed the debt. The Anaconda company or the Kennecott company could then run out with this paper and sell it to a bank, at a discount, and have the cash. And they'd be out of it, and we would not have to pay the insurance. And then the debt of Allende would be to the U.S. government, not to Anaconda or a private company, and they'd get service.

But the manner in which it was done was they paid in Chilean bonds, notes, which are worthless, 5-year, 10-year, 15-year notes at the lowest possible interest. That is the lowest you could find in the US, which was Export-Import Bank interest. I said I would get the US Treasury to put the full faith and credit of the US government on this worthless paper, then the paper could be taken by the companies and given to Chase Manhattan or whoever for the guaranty and for a discount of 3 or 4 per cent would get the entire amount in cash. They would have a good deal, and then Allende

would have to pay us every six months at the lowest possible interest, and the US government would carry the debt. Well, this is Brady Bonds.

I did this without the authority of the United States. Then, having proposed it, I got the approval of the United States. I told Almeyda and I told Allende that I was doing this without the authority of the United States government, so that I was not lying to them. I wanted them to know that this was entirely my responsibility and if the government of the United States didn't support me, I would be out.

Within the Unidad Popular, did anyone support this idea?

—[I don't want to name names], but I would say it this way. A Socialist minister in the government called me on the telephone from a public phone and identified himself in a way that I understood, and said that if I did not impose this agreement that everything between the United States and Chile would be over, and that this would be bad for both sides. Now, my question to him was, on the public phone, "What are you suggesting I do?" I said, "I can only explain, I can only try to convince, what do you want me to do?" He had no idea. He said, "You must do." I mean what? Because I understood what he was saying and he was correct, but what could one do?

What was the reason, in your opinion, why Allende rejected the copper agreement?

—Why did Allende turn it down? There are three reasons. One was Altamirano, MAPU, etc. Two is the title of that paper, which was "Fidelismo sin Fidel"; he was not powerful enough a dictator to say, "Do" and they would do. But there was a third reason and the most important, and that was he did not understand the problem. Economically he was almost an illiterate, in modern economic terms. I mean that seriously, I'm not being funny about this. I discovered he did not understand the modern use of the word "capital", he did not understand what I was trying to say, "access to capital." I mean it was two, three, five generations' difference between my language and his language. So in explaining access to technology, access to capital, access to markets, he didn't have a clue. But more than that, he was certain that they had discovered the magic stone, that Chile in 1971 was enjoying a huge prosperity, in his view. What was this I was talking about, you know, what would happen if he said no? He could not imagine that that situation in 1971 was due to the printing of money.

If you read my testimony, which was released many years later to the Subcommittee on Latin America in the House of Representatives, I said in

the testimony, “There is no violation of human rights, no violation of civil rights in Chile, in the middle of 1971, but” I said, “there is a big problem: money supply has increased by one hundred per cent.”

Well, you have to understand the economic literacy of the US Congress: nobody in the room, there were about 25 Congressmen, asked a question about that. They did not know what money supply was in 1971. The study of economics, well, the Nobel Prize for Economics started in the late '60s. It wasn't recognized. So Congressmen, you're talking about money supply, they don't know what you're talking about. In any case, Congress likes to create money, so it's not a congenial subject. They wanted to know about the USS “Enterprise”, they wanted to know about ITT or whatever, but not about things like that.

Incidentally, I had outlined to Ambassador Basov of the Soviet Union the proposal that I had made to Allende. I had explained it very carefully. I mean, Basov was an apparatchik, but a very high one and competent, and so I explained the advantages to Chile, the advantages to the Soviet Union: they wouldn't have to spend all the money.

Now, he [Allende] was stupid, very stupid, in one sense, in saying no to what was an extraordinary way for him to avoid any confrontation with the U.S., which is what the Russians told him they wanted him to do because the Russians did not want a second Cuba to pay for. They wanted it to be Cuba, but slowly, so that they would not have the cost of keeping Chile alive. They told him, “Get along with the United States.” And the Russians decided in January of '73, for many reasons, that Allende was a failure, he was finished.

What would have happened if Allende had accepted the proposition?

—It would be an interesting speculation as to what would have happened if he had said yes. Well, from my point of view, I thought that it would end “Unidad”; it might still be “Popular”, but it would end “Unidad.” I have confirmed during my stay here that the Russians and the Communists wanted him to sign that, because the Russians did not need another huge expenditure as in Cuba.

Now, this was a very complicated game because the Soviets were trying to persuade the Chilean military to take money, and so there was a very interesting period in which General Prats would run to the American Embassy and say, “They're trying to force me to take the money, so you give me the money.” Then he would go to the military in Chile and say, “I'm getting the money from the United States.” That is the way the game

was played. Wait a minute, I'm going to just review the chronology on this that I have. OK. August '71, General Pickering goes to Moscow and is offered 50 million dollars in military credits with Allende's support. He urges acceptance but General Prats is opposed.

Now, the most interesting thing, I think I said to you and you didn't believe it, but I have confirmed it, is that by the end of 1972 the Communist Party of the Soviet Union reached the conclusion that this case was on the wrong path. And they had told Corvalán before Allende came, that they were not going to give any money. Wait a minute, I'm going to review the chronology on this. Here we are. Corvalán visits Moscow on the heels of a June visit by the head of the Chilean Socialist Party, Carlos Altamirano, who is accompanied by a Communist member of the "directiva" of the Communist Party in Chile. They each met with Brezhnev, they each conferred with Kosygin. Corvalán met with Kirilenko, who was rated number two in the Soviet Union at that time and with whom Corvalán had dealt often for many years. Then in December Allende visited Moscow, as you said, he conferred with Brezhnev and with all of them, and he asked for five hundred million dollars. Five hundred million! And they told him straight, they told him to make his peace with the capitalist world.

I then had a visit as a private citizen from somebody sent by Allende to see if they could revive the 1971 [agreement proposal]. But he listened and I don't know what he did. In any case, this was around May or June '73 or '72, '73, this person came from Allende to see me in New York, and I called Harry Schlaudeman, who was then Assistant Secretary of State, and said, "This has happened, and unless you have some specific ideas, this is for you to deal with." Right? And at that point secret negotiations between the UP and the United States government began. Also between Allende and the Christian Democrats. OK? That is the history, and that I can swear to.

Would you say that the North American policy consisted of reaching an agreement?

—This is what I would assume to have been the case, but we - just as I would have, Harry Schlaudeman certainly would have - seen that if we could arrange a deal between imperialism and Unidad Popular, that is the end of Unidad Popular. Then you would have a realignment of parties, the Christian Democratic Party would have factions, fractions; the Socialist Party would have factions. The only one that would remain disciplined would be the Communists.

And people in Chile would have probably welcomed this, because you were approaching a collision, and the Armed Forces would have liked

it, the United States would have, except the arms bit cost, and there probably would have been some help from the United States to allow Chile to recover. Allende would have had to pay a price, a very large price, because he would have had to reverse himself on so many things including imperialism, Cuba, and so forth.

It couldn't have happened but certainly the United States Government and I would have, I tell you, exactly the same thing, perceived this straightforwardly, honestly, step by step and made him be the one that said no.

Somebody like Schlaudeman, who understood the whole thing extremely well and who was a superb diplomat, would understand what the game was about, I mean, what each side represented, and would understand that there was no way for Allende to do this. None. Davis⁹, I think, would believe there was a way, but not Schlaudeman, and certainly not Kissinger. Because both Schlaudeman and Kissinger go back to basics. A man's life has been like that, you can't get him to be like that and expect him to be the same man, he would kill himself first, which is what happened.

I am bothered by one doubt. To reach this agreement, Allende would have needed a constitutional amendment, for the problem of the "excessive profits" which had been fixed in the nationalization of 1971. This would not have been liked by his supporters, and the opposition would not have wanted to make things easy.

—That's right.

Jorge Edwards has said that Neruda was a supporter of reaching an agreement.

—Yes, I'm sure. I don't know whether Neruda was or wasn't, but Neruda was a very enchanting personality, as I can say it myself. My wife dealt with him; he would write lovely dedications in his books and give them to her. I know he was a lovely man as a human being; politically is another matter.

Reading the press of the period, I see that Frei was considered by the Left newspapers, especially by the Communist Party press, as Washington's man in Chile. They repeated this time and time again as part of a systematic campaign, over the ITT money etc. Frei had to make a

⁹ Nathaniel Davis, Ambassador of the United States in Chile between 1971 and 1973. He has published his memoirs, *The Last Two Years of Salvador Allende* (Ithaca, 1985). [Editor's note]

speech to defend himself. Nevertheless, you maintain that he was looked on kindly by Kissinger and Nixon.

—That’s Nixon. That is Nixon. It had nothing to do with Kissinger. Kissinger acted with Nixon in front of me like a Prussian bureaucrat in front of Kaiser Wilhelm. He practically clicked his heels and said, “Yes, sir!” So that this was Nixon entirely.

What I am trying to find out is whether Frei continued to be considered as an important person in Washington, and if it is true that he was directly linked to the policy of the United States in the Allende years.

—The Democrats, and don’t forget we had a Democrat Congress, the Democratic Party had an extraordinarily high opinion of Eduardo Frei. If you take Hubert Humphrey, Hubert Humphrey liked him and he told me how much he liked Frei. The Kennedys knew him, all of the people around Lyndon Johnson, many Senators, so that he would have been asked automatically for his opinion, at every stage.

Do you suppose there was contact between the Chilean Military and the North American Government before the coup, whether with the CIA or with other agencies? Was the White House waiting for a coup? Was it informed about the coup? Why were the UNITAS maneuvers¹⁰ happening at the time of the coup?

—I don’t know, I don’t know more than you do, I’ll put it that way, and you probably know more than I do. The only thing I can say is that I don’t think that Ambassador Davis would have acted the way he did in the day it happened if he had known, because he was driving around alone in the middle of town. If he had expected a coup, then he certainly wouldn’t have done that.

But I am certain that everybody was waiting for something to happen, everybody was holding their breath waiting, and I’m sure that Washington was quite certain that something was going to happen in some kind of a time frame, I’m sure of that.

¹⁰ The UNITAS operations take place every year between the Chilean Navy and a Naval Squadron from the United States. They were on the point of starting on the 11th September, 1973, and North American warships were close to the Chilean coast. Some interpretations critical of United States policy have presented these as proof of collusion between Washington and the Chilean Military. [Editor’s note]

The fact that the UNITAS operations happened at the same time, what does that mean?

—That would mean nothing.

In the middle of 1973, the White House knew what the situation in Chile was and that the Military were organizing an uprising.

—But they knew that the Soviets and the Chinese in early '73 said no. That was the end, it was only a matter of waiting. He [Allende] had cut himself off from the United States, he had cut himself off from most of the Christian Democrats, he had cut himself off from a part, a small part, of the Radical Party and all of the Conservative opposition. He had all the cash flow that was totally dependent on the Soviet Union. The Soviet Union was following very carefully where the money to Cuba was going, so it couldn't all come down here. What was he going to do? The choices were either he makes his peace with the capitalist world as Moscow tells him, or he makes his peace with the Christian Democrats and forms a "Concertación."

So, these were theoretical possibilities. How could Salvador Allende, if you look at his life, suddenly decide to have peace with imperialism now, and with the capitalist world, at that stage. And already by then he had told other members of his government at a formal meeting, months and months before the coup, that he would rather die fighting than give in to anyone.

Do you have any idea about what the Communist Party was thinking of doing in the last period of the Allende Government?

—We knew that the Soviet technicians on the matter of copper had written privately to Moscow saying that this was a superb operation by the United States and that they should bring technicians from Chuquicamata to Russia to help them. At the same time, they issued a public report here saying that this was a dreadful operation and so forth. We had, I must say, we had excellent information, as long as I was here, on the Communist Party in Chile. We had superb information.

[In respect to the final period of the UP] I have a theory, yes, but a theory. To anyone who knows the history of Marxism-Leninism and the Soviet Party, it would have been logical that once they decided the government had "fracasado" and that Allende had no hope, realistically they would reach a conclusion. It would not have surprised me that they would do something to provoke a military coup, on the theory that if you push things to the right it makes it easier for them to come back. That is standard basic tactics. So, that is one.

Two, either before provoking that or after having a military coup which they had not provoked, they would then use the opportunity to get rid of the “izquierdistas” in the Unidad Popular who, in their view, were responsible for the failure. I would be willing to bet money that one or both of these things had happened, but I can’t say that it did, I don’t know. I would think that through a study of what happened in the period immediately before and, say, six months after the “golpe de Estado”, you would have a basis for reaching some tentative conclusions. Certainly the fact that Corvalán stayed in the country would be absolutely essential to this theory, because for the Party to survive as a political force, the leader must stay with the troops. So if somebody says Corvalán went to prison, that means nothing. What I’d like to know is where did all the others go and when and so forth. I don’t know, it’s just a theory. Then I would say, who paid the price in the six months after the coup, who paid the price right away? And I’m sure it was the MIR or the MAPU or whoever on the Extreme Left, the people that annoyed them the most. Because they had done this elsewhere, I knew they had done this elsewhere, I had watched it.

You have shown yourself as critical of the Church Commission...

—It was dishonest. And as I said to you the other day, Chile is simply something to throw down into a kind of “basura”, to get rid of all the things that the politicians did not want to answer for: Vietnam, Watergate, Nixon.

Why? Because this is a conclusion that I have reached and if you said, “Prove it”, I couldn’t get you the details because it’s all done by telephone and by private conversation, but there was an agreement reached between the CIA Director, Colby, who had started all this by accident. He wanted this tame Congressman from Mississippi or wherever to know that the CIA was great and they should give them money, so he took credit for the government coup in Chile. He implied that this was their triumph, not thinking that it would ever go beyond this one fellow who was responsible for the CIA getting money. That’s how it started. After that, it became a scramble for who could save whose skin.

Well, as I think I may have said, when I last saw President Frei, in the Waldorf-Astoria Hotel in New York, in ’74-’75, he called and asked me to come. I said to him, “Have you seen Dungan?” And he said, “Ralph, all he’s interested in is saving his skin, like all the others.” That was Frei.

Did he say anything about the Military Government?

—He asked me and I was wrong. He asked me if I thought the

military were going to want to stay in power. I said I did not think so because, these were my words: they did not have a vocation for political power. That was exactly the way I used it, in the French use of “vocation.”

What was Frei’s reaction? Did he agree?

—Yes, and he said, well, he didn’t know if that was correct. Those were the two things I remember about our meeting. Anyhow I had nothing to tell him. I told him I was ashamed of what was going on in Washington, I said it was outrageous what they were doing to Chile. Originally, I was outraged by what they were saying about Chile and the US government, that this was simply a CIA business and so forth, and that bothered me.

The other part about the Church committee is that all of the top people who were responsible for the Chile report, the CIA in Chile, all had had some connection with the CIA.

Why haven’t you commented on or published something of this?

—Because they were all sub rosa arrangements, contractual. A man named F.A.O. Schwartz, a superb lawyer who was in one of the two top law firms of the United States, the same law firm as Cyrus Vance¹¹, Thatcher Simpson, and he was borrowed to be a legal counsel of the Church Committee investigating the CIA in Chile. Within one year of the end of the Church Committee, he gave a speech to the New York City Bar Association in 1976, and the head of the New York City Bar Association was Cyrus Vance. Somebody told me he was going to talk about the triumph of the Church Committee, so I went. They were all New York City lawyers, about 80 or 90 of them. This was one scoop for The New York Times, in New York. I called the Times and said I was going and would they send a reporter. The old Times ...

He [Schwartz] gave a speech on how the Church Committee had contributed to rising the level of morality in United States, assassination, civil rights. It was a very good speech, reasonable, no details about Chile, mostly about the other aspects: FBI, CIA, etc., mixing in society and so on. Then there were a number of questions and when all the questions ended I stood up, I was in the back, and I said if I might use the right to ask a question, I had one. I didn’t disagree with anything he said that evening but I wanted to know, would he defend, in front of a group of his peers, my

¹¹ Cyrus Vance was Secretary of State during the Presidency of Jimmy Carter, between 1977 and 1980, who resigned as a result of the failed attempt to rescue the North American diplomats taken hostage in Tehran. [Editor’s Note]

exclusion from the hearings. The person running the meeting wanted to call me out of order, Schwartz got up and said, “Ambassador Korry, we were wrong. You should have been called as a witness.”

Then on the way out he said to me, “You must understand, it was not *ad hominem*.” It was not directed at me and there was no reason for me to be annoyed. And I, because I went down the stairs with him, because I knew F.A.O. Schwartz, (he had been in Africa), I said, “But do you realize the harm you have done to a country, Chile, to history as well as to yourself by being a part of this?” And he said, “Oh, the whole thing, you have to realize, had nothing to do with Chile in their minds. Nothing, you know. You happened to be trampled when the elephants in Washington started to run at each other.”

It’s sad ... and it is hard to explain, very hard to explain.

—Sadly we have run out of time. Many questions remain in our minds, however. Our thanks to Ambassador Korry for his contribution which has helped us to understand something more of this decisive period in our history. Thank you.