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1 or the other which would enable you to form a judgment as
2 to his attitude toward either the subject of assassination or
3 the question as to what kind of an explicit order would be
4 necessary in order to justify Agency actions to actually
5 assassinate some one.

6 Mr. Phillips. No, because I never heard Mr. Helms even
7 get that close to the edge of such talk about such and such an
8 option or possibility, I never heard him talk that way.

9 Mr. Schwarz. Did you ever hear anybody in the Agency
10 talk that way?

11 Mr. Phillips. Under traumatic conditions I have heard
12 human beings maybe with a few drinks or something like that
13 saying, my God, we would be better off if so and so were
14 bumped off or something.

15 But I have never heard two officers sit down and
16 seriously talk about such an option. And if anyone has ever
17 said that, it is the same way some people might get out of line
18 and say almost anything.

19 Mr. Schwarz. Did you ever hear, in connection with
20 the Chile operation, that certain Chilean officers, specifi-
21 cally a Major Marshall, reported to the CIA that they intended
22 to assassinate Allende?

23 Mr. Phillips. It was five years ago. But as I recall,
24 Major Marshall said a number of things. He was what I think
25 of as a wild man. I seem to recall something about, yes, a

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1 Consequently, I personally made this proposal, that we
2 establish what I called a false flag base of people that would
3 go from outside, and should there be any sort of flap, the
4 chances of linking it to the U.S. Government would be much
5 less, because they would appear to be from another nationality.

6 Mr. Schwarz. I would like to read to you a cable -- is
7 this cable of 27 September in the Senator's book? I know that
8 he asked for it after I came over.

9 Mr. Treverton. It is not.

10 Mr. Schwarz. I am going to read from a cable which
11 unfortunately is not in your book, but the key part is
12 relatively simple.

13 This is a cable, Mr. Phillips, dated September 27, 1970,
14 and it is signed by yourself and Mr. Broe. And it is sent to
15 the Station in Chile, and it contains the following about the
16 purposes of setting up the false flag office --

17 Mr. Phillips. We call it a base.

18 Mr. Schwarz. False flag bases: "Each member of base
19 will enter and leave Chile with false documents and operate as
20 a representative of his country rather than as an American".

21 That is right, isn't it?

22 Mr. Phillips. That is true.

23 Mr. Schwarz. Continue:

24 "Having at least one key Brazilian and one key Argentinian
25 would be vital, and we have candidates."

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1 And you did that.

2 Mr. Phillips. Yes.

3 Mr. Schwarz. And then it goes on as follows: "These

4 officers will perform the delicate shows with great flap

5 potential which cannot be done by Station personnel or any

6 Chilean."

7 That is right, isn't it?

8 Mr. Phillips. That is true.

9 Mr. Schwarz. And by flap potential you meant exposure?

10 Mr. Phillips. Contacting screwballs such as Marshall,

11 that sort of thing.

12 Mr. Schwarz. But generally pursuing the Track II

13 activities?

14 Mr. Phillips. That is right.

15 Mr. Schwarz. Continuing: "An example. We have can-

16 didates who can successfully pose as **Brazilian** intelligence

17 officers." You did that, didn't you?

18 Mr. Phillips. Yes.

19 Mr. Schwarz. And this goes on: "If he approached, funded

20 and ran a Chilean General, any flap would be a **Brazilian one**."

21 Mr. Phillips. Yes.

22 Mr. Schwarz. So the scheme was that not only would

23 the U.S. not be blamed, but other countries like **Brazil** would

24 be blamed if something went wrong.

25 Mr. Phillips. Yes, this is particularly sensitive to me,

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1 ~~because my daughter happens to be married to a Brazilian~~
2 ~~foreign service officer!~~

3 However, that was it. It was a
4 devious move. It was the final result -- the idea being that
5 if such a flap did occur, someone would think it was someone
6 other than the U.S. The idea of false flag operations is
7 not a new one. The idea I had of going to someone and saying,
8 why don't you be a spy for us, I don't work for the Soviets,
9 is not true.

10 But this is sort of new, the fact that action agents
11 should pose as others. And yes, it is devious, but that
12 was the idea.

13 Senator Hart of Colorado. Mr. Phillips, what were
14 their instructions if they were to be caught? Were they to go
15 to their death swearing they were ~~Brazilians~~ or whatever?

16 Mr. Phillips. I don't think it was quite that dramatic,
17 Senator. They came to Washington before they went down. And
18 I briefed them, and I think what I said to them was, this
19 is going to be a tough and sensitive one, and you don't have
20 to go if you don't want to, because you could get in real trouble.

21 And if you get in trouble, I am not sure we can help
22 you.

23 So, they shrugged their shoulders and went.

24 Mr. Schwarz. Did you tell the ~~Brazilians~~ that you were
25 sending someone down to pose as a ~~Brazilian~~, and his instruc-
tions were that if he were caught he was to continue to pose

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1 as ~~a Brazilian and the Brazilians~~ were approached?

2 Mr. Phillips. It never occurred to us in our wildest
3 dreams to do that.

4 Mr. Schwarz. I suppose the relationships between con-
5 tinuing intelligence services were things that were
6 very important to preserve, and that we had very close and
7 delicate relationships with the other intelligence services.

8 Mr. Phillips. We do. And if there had been such a
9 man ~~the Brazilians~~ would be quite unhappy with us. But I
10 thought that was better than letting the world know that was
11 a U.S. Citizen down there.

12 Mr. Schwarz. You go on in the cable of September 27
13 to say this:

14 "Headquarters believes this false flag was manned by
15 officers who have repeatedly proved their ability to operate
16 and recruit under false colors, will give Station great flexi-
17 bility in handling delicate and fast-moving situations secure-
18 ly."

19 So, the use of false flag persons, at least judging
20 from this cable, is something ~~repeatedly done by the CIA?~~

21 Mr. Phillips. Yes, and by all intelligence services --
22 not all, but all major intelligence services. If you are living
23 overseas and a man comes up to you and says, hey, I see you
24 are a Marxist, and a man comes up and says, I am from Havana
25 and we would like you to work with the Cuban intelligence

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1 Mr. Phillips. There is no question that I could under-
2 stand why anyone concerned with world affairs, looking at
3 Chile and what was happening there, would be concerned.

4 Salvadore Allende made his first statement saying that
5 he was a Socialist and wanted to change the order some 32
6 years before he was elected.

7 Over the years he made it quite clear that he was an ar-
8 dent socialist. Before this decision was made I believe that
9 we had a visit from a man who had the code name of Artely he
10 was a Cuban intelligence officer. The Cubans were moving in
11 rapidly. The influence was great. I think that they saw a lot
12 at stake, another Cuba in Latin America type of thing, the
13 same thing perhaps that motivated President Johnson to send
14 22,000 rather than 400.

15 So, I can understand why they thought this was going,
16 in the long strategic sense, in the long range against our
17 interests. But that is an assumption.

18 It is true that Allende very definitely made it clear
19 that he wanted to turn Chile into a Marxist state. The differ-
20 ence was that Allende refused to take Fidel Castro's advice
21 and use violence. As I understand it, Fidel Castro went to
22 Chile and said, if you want your revolution to last you are
23 going to have to use violence.

24 I found it interesting to read in this morning's paper
25 where someone from Portugal came back from Cuba and said,

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1 carried out on October 19. ~~The North, who was head of the~~
2 ~~Carabineros~~, witting of the above plan, has promised to keep
3 the Carabineros away from the Schneier house to assure that the
4 abduction will not be interfered with. General Viaux is
5 knowledgeable of the above operation, but is not directly
6 involved."

7 What do you think "not directly involved" refers to?
8 Why not just not involved?

9 Mr. Phillips. I think that probably referred to what
10 I was saying before, that in these situations it is not very
11 unusual that there is not some talk that everybody has a cousin
12 that works with some group type of thing.

13 And I believe that it must refer to that.

14 Mr. Schwarz. Taking the actual cable, is the actual
15 cable in the Senator's books?

16 Mr. Inderfurther. No.

17 Mr. Schwarz. Let me read the full text of that para-
18 graph from the cable. It is a cable apparently dated 19
19 October on the subject of General Viaux:

20 "General Viaux, knowledgeable of above operation, but not
21 directly involved. He has been sent to Vina to stay with
22 prominent physician. Will be seen in public places during 19
23 and 20 October to demonstrate fact that above operation is
24 not his doing. Will be allowed to return to Santiago at end of
25 week."

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1 when he looked up and he saw a bunch of people standing
2 around his car he drew his gun.

3 Miss Culbreth. Thank you.

4 I would like to direct your attention to this cable
5 that you were questioned about. It is the one that is dated
6 September 27, 1970. And Mr. Schwarz read from that cable in
7 talking with you earlier. This was the cable which said "A
8 false flag base of staff would be established in Santiago by
9 10 October".

10 And you were questioned about this part: "These
11 officers will perform the delicate chores with great flap
12 potential which cannot be done by station personnel or any
13 Chilean. An example: We have a **Canadian** who can pose as
14 **Brazilian** intelligence officer. If he approached, funded and
15 ran a Chilean general, any flap would be a **Brazilian one**".

16 In the second paragraph which was not read earlier,
17 I would like to read this and then put a question to you:

18 "Headquarters believes this false flag base, manned by
19 officers who have repeatedly proved their ability to operate
20 and recruit under false colors, will give station great
21 flexibility in handling delicate and fast-moving situations
22 securely".

23 To me this second paragraph indicates that these false
24 flag officers were people that had experience in this very
25 kind of intelligence operations, is that correct?

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