Review of the MO9 Station in Santiago.

1. I saw the Prime Minister on [redacted] concerning the review of the MO9 Station in Santiago, which I had submitted to him as my letter [redacted].

2. The Prime Minister said that he had given very careful consideration to my proposals but that he felt unable to accept the recommendations that I had made. He said that he was uneasy about the MO9 operation in Chile, [redacted]. He felt, in Chile receive any publicity as a result of these matters, then he would find it extremely difficult to justify our presence there [redacted].

3. He agreed that his decision should be
The Prime Minister was particularly anxious that action taken in this respect should not be precipitate, and I suggested to him that:

The Prime Minister agreed with my proposal that, during the same period, all M09 equipment and records should either be destroyed or returned to Australia.

4. On the completion of this action, the M09 staff in Chile would perform no clandestine activity.

5.

The Prime Minister agreed with these views.

6. I suggested to him that, in principle and subject to discussion of the details of the withdrawal of the staff with the Department, withdrawal might be affected by :-
For Reference our telegram and your telegram

I saw the Prime Minister last night concerning my submission proposing the continuation of your activities. I very much regret to say that he felt he was not able to approve my proposal. In saying this, he was most concerned that CIA should not interpret this decision as being an unfriendly gesture towards the U.S. in general or towards CIA in particular. He said that personally he would have wished to approve the proposal but that he was most concerned that the

I can assure you that this has been a most "agonising decision", to use the Prime Minister's own words to me.
2. The Prime Minister said that now that he had made the decision he wanted us to cease our clandestine activity as soon as possible but not to do so

3. To implement this decision, the Prime Minister has agreed that:

4. I have noted the recommendations that you made in your telegram under reference covering the withdrawal of the station staff and have put forward to the Prime Minister a proposal that:

(a) 

These movements have been agreed in principle by the Prime Minister and the mechanics will have to be worked out with D.F.A., and you will be advised.

6. You will realise how very disappointed we in M.O. are about the way in which this decision has come out and I know you will be too.

Thank you.
NOTE FOR FILE

1. I saw the Prime Minister in his office in Parliament House on [redacted], concerning my submission on the review of the MO9 station in Santiago. The Prime Minister said that my submission had given him a considerable amount of worry as he was very aware of the importance of this to the Americans and he was most concerned that they should not interpret his decision as being anti-American, which it certainly was not. He said, however, he felt that he could not allow the continuation of this MO9 activity. His main concern was that

[redacted]

He said that he was most concerned that the Americans should not believe that he personally necessarily disapproved of what they were doing in Chile nor did he support Allende in

2. I said that I understood the Prime Minister's concern and appreciated his reasons for wishing to close Santiago Station. I said that one of the reasons that I had delayed submitting my review to him was to see what situation might have developed after the congressional elections which had just taken place and not to rush the matter with him.
4. We then discussed the ways in which our station in Santiago might be wound up. The Prime Minister said that the last thing he wanted to do was to take precipitate action in this matter that would embarrass CIA. I then showed the Prime Minister the attached submission, which he carefully read and agreed. (I think that he would have been disposed to have lengthened the period.

5. After seeing the Prime Minister, I saw

6. In my discussions with