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U.S. Is Near Decision in Justice Probing Whether CIA Ex-Chief, ITT Aides

By Susanna McBee *8/15/77*
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The Justice Department is close to making a decision on whether to seek indictments against former Director of Central Intelligence Richard M. Helms and two officials of the International Telephone & Telegraph Corp.

The issue is whether Helms, ITT Chairman Harold S. Geneen or ITT Vice President Edward J. Gerrity lied when they testified on the CIA and ITT role in trying to block the election in 1970 of Chilean President Salvador Allende.

Justice lawyers have been investigating Helms since early 1975 and the ITT officials since the end of that year.

"We don't want it to drag on," said Benjamin R. Civiletti, head of the department's Criminal Division. He indicated the decision could come in the next month or two. Other sources close to the investigation said they expect a decision soon after Labor Day.

Attorney General Griffin B. Bell said here July 28 and again in Chicago last week that he will decide whether to prosecute. He added that he would advise President Carter on "what I think ought to be done."

The case is fraught with political and national security land mines. Helms has been quoted as saying that if he were indicted, he would "bring down" with him former Secretary of State Henry A. Kissinger. As national security adviser to President Nixon, Kissinger was an architect of U.S. policy that culminated in a coup in September, 1973, toppling the Allende regime.

One source said the case has taken so long because "it could gravely affect our national security." Several times when Justice lawyers wanted

documents from the CIA, the agency balked, this source said.

"A couple of times we had to go to the White House" to enlist the aid of then presidential counsel Philip W. Buchen in extracting material from the CIA, the source added. "We ultimately got everything we asked for, but it took time."

Part of the case involves testimony given on Feb. 7, 1973, by Helms at a Senate Foreign Relations Committee hearing on his confirmation as ambassador to Iran.

Sen. Stuart Symington (D-Mo.) asked if the CIA, which Helms had headed since 1966, had tried "to overthrow the government" of the left-wing Allende, who died in the coup later in 1973.

"No, sir," Helms replied.

"Did you have any money passed to the opponents of Allende?" Symington asked.

"No, sir," Helms replied.

"So the stories you were involved in that are wrong entirely?"

"Yes, sir," Helms said.

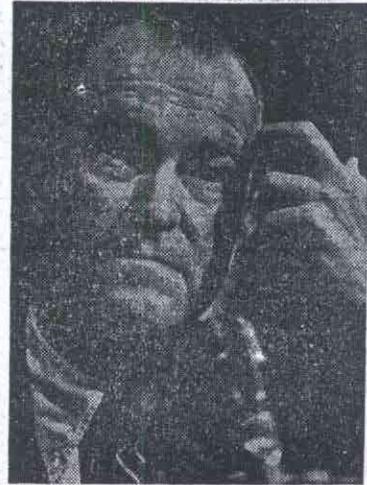
Symington was referring to articles a year earlier by columnist Jack Anderson that revealed ITT had approached high government officials with offers up to \$1 million in 1970 to block Allende's election. The firm feared that a Marxist government under Allende would seize its Chilean investments, including an 80 per cent interest in the Chilean Telephone Co. In fact, the seizure did occur in 1971 after Allende took office.

Helms earlier told the committee that contacts between the CIA and ITT were only "for the purposes of the acquisition of information and things of this kind."

In March, 1973, John A. McCone, Helms' predecessor as CIA director and an ITT board member in 1970, told the Foreign Relations Subcommittee on Multinational Corporations that he had transmitted to the White House and the CIA Geneen's 1970 offer to finance a U.S. government stop-Allende effort.

Gerrity, however, told incredulous senators on the subcommittee that Geneen's proposal was intended to promote housing and give technical aid to agriculture in Chile. Sen. Clifford P. Case (R-N.J.) called Gerrity's testimony "the cover story for the day."

On April 2, 1973, Geneen admitted



RICHARD M. HELMS

... denied agency tried to oust Allende

to the subcommittee that he had, twice—in July and September of 1970—offered the U.S. government huge sums of money to keep Allende from assuming office. But he said the CIA turned down the offer.

He said ITT did not "contribute money to any person or any agency of any government to block the election of Dr. Allende."

Asked if he ever made a "political contribution as a company to a candidate or a party" in Chile or other countries, Geneen answered, "Absolutely not." Commenting on press reports that two ITT representatives had offered money to the campaign manager of Arturo Alessandri, the conservative candidate in the 1970 Chilean election, Geneen said he had not authorized such a contribution.

Helms Case

Lied in Testimony

Later it was revealed that the CIA spent more than \$8 million on covert activities in Chile between 1970 and 1973.

Also, the Senate Intelligence Committee reported in 1975 that the CIA had advised ITT on how "it might safely channel funds" to Alessandri and that ITT contributed \$350,000 to the 1970 Alessandri campaign using the proposed channel.

In January, 1975, Helms acknowledged to the Senate Foreign Relations Committee that he had made "maybe a serious mistake" in his 1973 testimony. He said he should have asked to go off the record because Allende's government was still in power "and we did not need any more diplomatic incidents or any more difficulties than the United States and Chile already were having by 1973, when I testified."

It has subsequently been revealed that the CIA's activities in Chile in 1970 were sanctioned by Kissinger and that President Nixon reconfirmed Kissinger's orders on Sept. 15 of that year.

Through his lawyer, Edward Bennett Williams, Helms declined last week to comment on the case, as did Gerrity and Geneen, through ITT lawyers and a company spokesman.

Jack A. Blum, a Washington anti-trust lawyer who in 1973 was associate counsel to the Senate subcommittee, said that reliance on national security as a defense to charges of lying to Congress "is a limited legal theory—limited at the moment to the grounds of San Clemente."

But other sources said the Carter administration may be reluctant to prosecute because testimony and documents at a trial might reveal more than the government wants to tell about CIA activities in Latin America.