

ITT Head Affirms Fund Offer

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By Laurence Stern
Washington Post Staff Writer

Harold S. Geneen, chairman of the International Telephone and Telegraph Corp., acknowledged yesterday that he twice offered large sums of money to the U.S. government in 1970 to block the election of Chilean President Salvador Allende.

The ITT executive, reputed to be the nation's highest paid corporate officer, gingerly stepped around contradictions in previous testimony by ITT officials and other witnesses which Sen. Frank Church (D-Idaho) declared might be the basis for perjury action.

Geneen said he could not recall making an offer of a "substantial fund" to a top Central Intelligence Agency official, William V. Broe, in July, 1970, to finance an agency effort to stop Allende.

But he stipulated that he would accept Broe's sworn version of their conversation during a late evening meeting in Geneen's room at the Sheraton Carlton Hotel here.

He said the offer to Broe might have been ill-advised, prompted by his "shock" at political developments in Chile where he feared confiscation by the Allende government of ITT holdings. The CIA declined his offer, he said, and the matter "died right there."

But the offer surfaced again in different form in September after Allende's popular election, Geneen conceded under questioning. It came in the form of a proposal conveyed by ITT to national security adviser Henry A. Kissinger and Richard M. Helms, then head of the CIA, to do

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nate "up to a million dollars" toward a plan to block Allende's confirmation by the Chilean Congress.

Geneen's emissary this time was John A. McCone, Helms' former boss in the CIA, an ITT board member and also a CIA consultant. McCone first disclosed the mission in earlier testimony to the Senate investigators.

For three hours under hot television lights Geneen spared his Senate questioners. At one point Church, chairman of the inquiry, exclaimed that testimony on ITT's role was getting "curiouser and curiouser."

Geneen was flanked by two lawyers and a bodyguard. Behind him sat a row of ITT's

top corporate officers. His testimony marked the closing session of the inquiry by the Senate Foreign Relations Subcommittee on Multinational Corporations into the giant communication conglomerate's activities in the 1970 Chilean election.

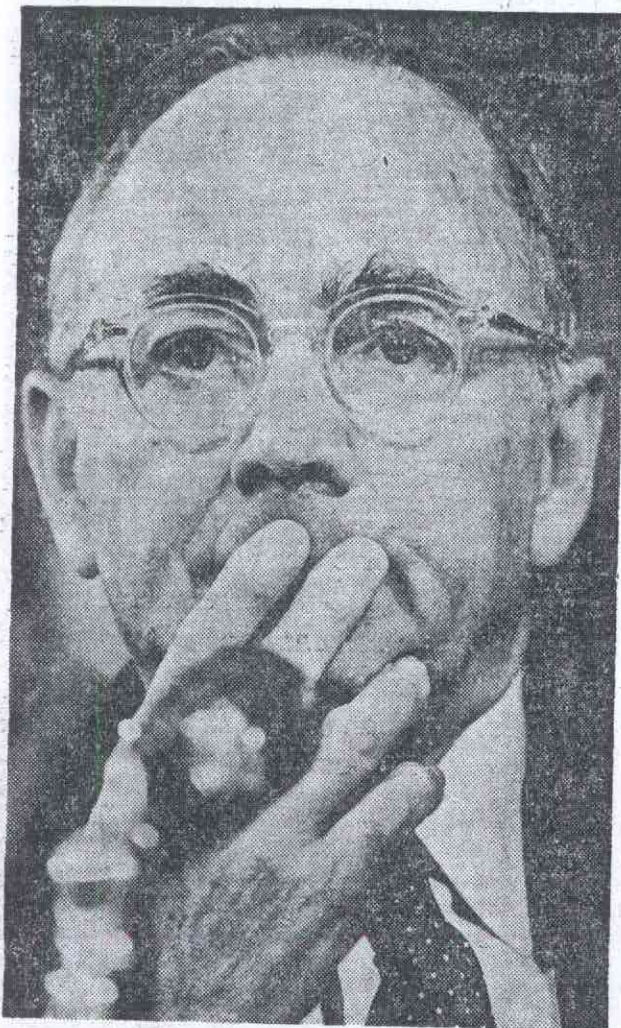
In earlier sessions ITT vice president Edward Gerrity said Geneen's second offer of a fund "up to seven figures" was for some form of development aid in housing or agriculture. He was never aware, said Gerrity, of the purpose disclosed by McCone: to finance U.S. government efforts to block Allende's confirmation by Chile's Congress.

But the ITT official who was supposed to convey the offer of development aid to the White House and State Department said yesterday he had never been instructed to make such an offer. "I passed on the message I received," said Jack Neal of ITT's Washington office.

Gerrity conceded he might have failed to pass along that ITT was ready to underwrite a \$1 million contribution for development aid to Chile.

Geneen himself took the position that the million-dollar offer was a "dual" offer: It might have been allocated by the government toward financing an anti-Allende coalition in the Chilean Congress, or it might have been used for development aid. "It was intended to be a very open offer," he said.

"If I were Dr. Allende," interjected Sen. Clifford P. Case (R-N.J.), "and a non-friend offered a plan to a group of my



By Gerald Martineau—The Washington Post

ITT's Geneen ponders question from Sen. Church.

enemies to defeat Case—or, if Case should win, to make him vote straight—then I would regard that as provocative.”

Geneen responded: “That depends on what the second plan was.”

“I don’t think I’d ever get over the first plan,” Case snapped back.

“As the record now stands,” said Church, “the beneficent

plan, the constructive proposal, was never communicated to the government and died somewhere as it was being passed down to subordinates of the company . . . Why was something so serious never communicated to the government?”

Geneen could not explain the communication lapse within ITT.