

C.I.A. Aide Says He Gave Anti-Allende Plan to I.T.T.

C.I.A. (SMILE)

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WASHINGTON, March 28—An official of the Central Intelligence Agency has testified that in 1970 he proposed to the International Telephone and Telegraph Corporation a series of steps that it and other American companies might take to create enough economic instability in Chile to prevent the election of Dr. Salvador Allende Gossens as President.

The testimony came from William V. Broe, who was in charge of the Central Intelligence Agency's clandestine operations in Latin America in 1970. Mr. Broe, still a C.I.A. official, said that he had acted with the full knowledge of the man who at the time headed the agency, Richard Helms.

'Substantial Fund' Offered

Mr. Broe testified yesterday before a closed session of the subcommittee on multinational corporations of the Senate Foreign Relations Committee. Twenty-six pages of transcript were made public today. The subcommittee and the Central Intelligence Agency are still discussing the release of 18 more pages, but the subcommittee chairman, Senator Frank Church, Democrat of Idaho, said that he thought that the remaining pages were of relatively little importance.

Mr. Broe also said that Harold S. Geneen, chairman of the board of I.T.T., had initiated the first contacts between his company and the Central Intelligence Agency in the summer of 1970.

At that time, according to Mr. Broe, Mr. Geneen offered the C.I.A. "a substantial fund" to support the election of Jorge Alessandri Rodríguez, one of two relatively conservative candidates running against Dr. Allende, a Marxist who was the

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candidate of a Socialist-Communist coalition.

Mr. Broe said that he had turned down Mr. Geneen's offer, as I.T.T. officials testified earlier had been the case.

Mr. Broe also said that he told Mr. Geneen that the C.I.A. could not "serve as a funding channel" for I.T.T. and that "the United States Government was not supporting any candidate in the Chilean election."

A Different Position Later

About three and a half months later, however, Mr. Broe took a different position with his proposal to the company that steps be taken to create such adverse economic conditions in Chile that Dr. Allende might be defeated.

What took place between the Geneen-Broe conversation in July and Mr. Broe's conversation with Edward J. Gerrity, senior vice president of I.T.T., was not made completely clear by the transcript.

A major charge was that the first phase of the Chilean election had occurred by the time of the meeting with Mr. Gerrity. Dr. Allende in the popular vote on Sept. 4, 1973, had won a plurality but not a majority of the popular vote and the final decision lay with the Chilean Congress—which elected Dr. Allende President on Oct. 24.

The transcript of the testimony line does not show whether it was the increasing likelihood that Dr. Allende would be elected that had changed the apparent position of the C.I.A. or whether other forces had been at work. International Telephone and Telegraph Corporation officials had, in the meantime, been talking to the State Department and President Nixon's adviser on national security, Henry A. Kissinger. Properties belonging to I.T.T. were seized after Dr. Allende took office in November, 1970.

'Thesis' About Economy

Mr. Broe said that when he saw Mr. Geneen, about a month before the Chilean Congress date, "There was a thesis that additional deterioration in the economic situation could influence a number of Christian-Democratic Congressmen who were planning to vote for Allende" not to do so.

The following exchange then took place in the hearing here:

Senator Church: Did you discuss with Mr. Gerrity the feasibility of banks not renewing credits or delaying in doing so?

Mr. Broe: Yes, sir.

Senator Church: Did you discuss with Mr. Gerrity the feasibility of companies dragging their feet in spending money [in Chile] and in making deliveries and in shipping spare parts?

Mr. Broe: Yes, I did.

Senator Church: Did you discuss with Mr. Gerrity the feasibility of creating pressure on savings and loan institutions in Chile so that they would have to shut their doors, thereby creating stronger pressure?

Mr. Broe: Yes.

Senator Church: Did you discuss with Mr. Gerrity the feasibility of withdrawing all technical help and not promising any technical assistance in the future?

Mr. Broe: Yes, sir.

Suggestions Were Rejected

According to internal I.T.T. memorandums that were read into the subcommittee's record last week, Mr. Geneen rejected Mr. Broe's suggestions because he felt they would not work.

Mr. Broe also testified, in contradiction to the contents of other I.T.T. documents, that the purpose of attempting to create instability was not to encourage a take-over by the Chilean military.

Nor, he said, had the C.I.A. made any approaches to the Chilean military, contrary to what appeared to have been reported in a memorandum from William R. Merriam, the head of I.T.T.'s Washington office.

The questions and answers on this point were as follows:

Senator Church: Did you advise Mr. Merriam that approaches continue to be made to select members of the armed forces in an attempt to have them lead some sort of uprising?

Mr. Broe: No. On a number of occasions Mr. Merriam questioned me regarding possible action by the military, as this was a subject everyone was interested in. I advised him that our coverage of the military gave no indication they would take action.

Other Matters Contradicted

Other matters, either contained in I.T.T. documents or testified to earlier by I.T.T. officials, were also contradicted by Mr. Broe and other witnesses today.

Chief among these was the assertion that Central Intelligence Agency officials had di-

rectly approached officials of United States banks, suggesting that they cut off credit to Chilean businesses and citizens.

Mr. Broe said that "the only company that I had anything to do with in regard to Chile was I.T.T."

Officials of the First National City Bank, the Chase Manhattan Bank and Manufacturers Hanover Trust, all in New York City, all denied discussing any cutoff of credit with either C.I.A. or I.T.T. personnel.

All said, however, that they had been approached by Chilean politicians for financial help in the presidential campaign.

Mr. Broe's testimony left unanswered the question of whether anyone in a higher position than Mr. Helms, the Director of Central Intelligence at the time, had known of Mr. Broe's proposals to Mr. Gerrity that the International Telephone and Telegraph Corporation and other American companies in Chile attempt to create economic instability there.

He was not asked the question and subcommittee sources said that the reason was that

the subcommittee had agreed in advance to limit its questions to the subject of Mr. Broe's contacts with I.T.T. officials.

Since regulations covering the operations of the Central Intelligence Agency are not made public, it is not clear whether even Mr. Broe's approach to Mr. Gerrity should have been cleared by the so-called 40 Committee, an inter-agency body with members from the State and Defense Departments, the C.I.A. and the National Security Council. The committee is supposed to approve, in advance, certain C.I.A. operations.

In releasing the transcript, Senator Church said that he thought it improper for either private companies or the United States Government to intervene in a free election—which the election of Dr. Allende was, by all accounts. He commented that at the same time the ideas for intervention in Chile were being discussed, the United States was fighting a war in Vietnam, the stated purpose of which was to assure free elections there.