

NYTimes APR 3 1973
Misadventures on Chile

"Somebody has lied," Senator Frank Church said in reference to contradictory testimony before his Foreign Relations subcommittee on political schemes proposed for Chile by the International Telephone and Telegraph Corporation and the Central Intelligence Agency. Somebody certainly has, and it becomes even more imperative for the committee to establish who it was—now that I.T.T. chairman Harold S. Geneen has added to the evident contradictions in sworn testimony.

Mr. Geneen insists that the giant firm he heads "did not take any steps to block the election of Salvador Allende as President of Chile" and that an I.T.T. director "did not offer to contribute anything to the C.I.A.," in talks with Richard Helms, then director of the intelligence agency, and with Henry A. Kissinger in the White House.

But that I.T.T. director, John A. McCone, told the subcommittee on March 21 that Mr. Geneen had instructed him to inform Mr. Helms and Mr. Kissinger that the corporation was ready to contribute a million dollars or more "in support of any Government plan for bringing about a coalition of opposition to Allende."

Mr. Geneen insists that all I.T.T. did after the Allende Government took over its Chilean subsidiary in 1971 was "to present its views, concerns and ideas" to various Government departments in Washington. This, he said, was "not only I.T.T.'s constitutional right but also its obligation."

But William R. Merriam, an I.T.T. vice president, sent a letter and an "action" memorandum to a White House economic adviser in October 1971 with an eighteen-point plan for economic action to insure "that Allende does not get through the next six months."

Mr. McCone's testimony and Mr. Merriam's letter and memorandum could seriously jeopardize I.T.T.'s claim for \$92.5 million in compensation from the United States Government's Overseas Private Investment Corporation for the seizure of its Chilean properties. But the C.I.A. has also been severely tarnished in testimony before Senator Church's committee.

By making its own proposal to I.T.T. for waging economic war against Chile and thus, it hoped, persuading the Chilean Congress to reject Dr. Allende in 1970, the C.I.A. went wildly beyond any legitimate intelligence function and also disclosed incredible ignorance and naiveté about Chile's political situation.

If a State Department witness is correct in insisting that the official United States policy toward Chile, before and after Dr. Allende's election, was one of "nonintervention," it is evident that the C.I.A. once again was conducting its own foreign policy, "going off on a frolic of its own," as Senator Fulbright suggested, and raising anew the question whether there are effective controls over its agents and activities.

The close, confidential links between the corporate giant and the intelligence agency were unquestionably facilitated in this case by the kind of unhealthy relationship that ought to be barred by policy if not by law. Mr. McCone, who says he took the million-dollar offer to the C.I.A. and White House, was Mr. Helms' predecessor as head of the intelligence agency and still serves as consultant to it.

In their schemes to block the election of a Marxist President in Chile, both the C.I.A. and I.T.T. badly damaged the best interests of the United States.