

C.I.A.'s Action on Chile Not U.S. Policy, Ex-Aide Says

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Charles A. Meyer, former Assistant Secretary of State for Inter-American affairs, said today that, so far as he knew, the Central Intelligence Agency was never specifically authorized to explore the possibility of using private American corporations to damage the economy of Chile to influence the 1970 election there.

But Mr. Meyer refused to criticize the C.I.A. for discussing this line of action with International Telephone and Telegraph Corporation officials, saying that such "exploration" did not necessarily violate the basic United States policy of noninterference in the Chilean election.

Strong doubts about the propriety of the C.I.A.'s action were expressed by Senator J. W. Fulbright, chairman of the Senate Foreign Relations Committee, and Senator Frank Church. Mr. Church, Democrat of Idaho, heads the subcommittee on multinational corporations that is investigating the activities of I.T.T. in Chile.

Senator Fulbright, Democrat of Arkansas, said that it looked to him as though the C.I.A. was "responding to a request by a former director of the C.I.A." rather than to governmental policy and was "going off in another direction."

Nationalization an Issue

Earlier testimony had disclosed that John A. McCone, former C.I.A. chief who became a director of I.T.T., went to Richard Helms, his successor at the intelligence agency, to suggest that the Government take steps to prevent the election of Dr. Salvador Allende Gossens as President of Chile.

Dr. Allende, a Marxist, had campaigned on a platform of nationalization of basic industries in Chile, including the telephone company of which I.T.T. was the principal owner.

Senator Church asked Mr. Meyer whether the top-level governmental agency that is supposed to approve the intelligence agency's operations in advance—it is known as The 40 Committee—had ever "decided as a matter of policy that the C.I.A. should explore the feasibility of stirring up economic trouble" in Chile.

"To my certain recollection, no," Mr. Meyer replied.

But he and subcommittee members engaged in a long

and inconclusive wrangle over whether the discussions between an I.T.T. officer and a C.I.A. official constituted "policy" or "action" that required such advance approval.

The discussions were held by William V. Broe, former director of clandestine activities in Latin America for the agency, and Edward J. Gerrity, the company's senior vice president for corporate relations and advertising. They saw each other in New York in late September, 1970, after Dr. Allende had won a plurality but not a majority of the popular vote. The Chilean Congress had yet to make the final choice of a President; it chose Dr. Allende on Oct. 24.

What Mr. Broe discussed

with Mr. Gerrity was the possibility that American banks might cut off credit to Chilean lenders and other American businesses slow deliveries as a means of creating enough economic problems in Chile that members of the Congress would have second thoughts about electing Dr. Allende. A cutoff of technical help was also discussed.

Mr. Broe testified that he had given Mr. Gerrity a list of American companies doing business in Chile that might be helpful in creating economic problems, but said he had given no instructions that I.T.T. get in touch with them.

Mr. Gerrity and, later on, the company's board chair-

man, Harold S. Geneen, rejected the whole idea because they thought it would not work.

Mr. Meyer conceded under questioning that if the plan had been adopted it would have constituted a change in the policy of noninterference that would have required approval at a higher level than that of directors of the C.I.A. The director, Mr. Helms, had instructed Mr. Broe to explore the plan with Mr. Gerrity.

Senator Church said, however, that he was "afraid that I.T.T. did successfully lobby the C.I.A. on behalf of a covert operation, without policy approval."

"That's how this committee's record stands," he added.