

## ITT and CIA: Uneasy Riders

Post 4/5/73

ITT President Harold Geneen had a tough choice. He could support ITT director John McCone's testimony that the \$1 million the giant conglomerate offered the United States government in September 1970 was meant to aid Chile's development. Or he could support his senior vice president Edward Gerrity's testimony that the offer was meant to block the election of Chilean President Salvador Allende. Mr. Geneen showed that at ITT the truth too is a conglomerate. He said he could not recall offering a CIA operative the \$1 million to undermine the Chilean elections but he would accept the operative's sworn word to that effect. And he said the offer had a "dual" purpose, development and political intervention.

On this ambivalent note, Senator Church's Foreign Relations subcommittee on multinational corporations concluded the ITT hearings, its first in a continuing series on the relationship between corporate activity and American foreign policy. That relationship, the hearings suggest, is deep and dark indeed: ITT, it turns out, had offered the CIA money to influence Chile's election in 1964; that offer was refused, although the CIA evidently was active in that election. In 1970, when it appeared that a Marxist, Mr. Allende, might be elected, ITT promptly went again to CIA. The corporation feared Mr. Allende might hurt its Chilean interests and it believed, or at least hoped, that the U.S. government remained interested in helping sustain "democratic" government in Chile. To its dismay, ITT found CIA in July in a hands-off posture. CIA refused its money, both then and later in September before the runoff election. But meanwhile, turning the tables, CIA suggested that ITT take steps to sabotage Mr. Allende in the runoff. Finding the suggested steps unworkable, ITT declined.

Anyone halfway familiar with the pattern of American involvement in Chile in the 1960s can scarcely avoid feeling that both the United States government and one or more American corporations doing business in Santiago entered the '70s with a certain mutual or arallel disposition to do *something* to help their friends in Chile again. Contacts were easily made on the highest level, information routinely exchanged: former CIA director McCone was by now, for instance, an ITT director. It seems to have been taken for granted that either the government or the corporation could and would influence the 1970 election. The only question was whether ITT would use CIA (which, the hearings showed, was acting not on its own but under appropriate supervision), or whether CIA would use ITT. In

the end, though both found an Allende victory unpalatable, neither would take direct responsibility for trying to stop him and neither would let the other use it for that aim.

Or is it the end? Understandably, the Senate hearings told much more of plans discussed in Washington than of acts committed in Chile. Yet the public record of events in and affecting Chile cannot be ignored. There was and is in that Latin nation severe economic dislocation and political ferment. Can any of it be laid to sabotage undertaken by ITT or CIA or—one is tempted to say—a combination of the two? The administration ostensibly took a hands-off stance in 1970. Yet then and since, the United States has used its influence in the international banks to block *all* new credits to Chile on the publicly stated grounds that Chile's financial condition and creditworthiness were shaky. By its own hints or deeds, has the United States contributed to the shakiness which it has cited to justify its policy on loans?

Given the secrecy available to governments and corporations, and given the charged political atmosphere between Santiago and Washington, it is illusory to expect that questions like these can be definitively answered. Precisely because they cannot, however, they must be asked: The issues they touch go to the heart of how American policy is conceived and conducted and how American interests are defined and served in the field.

It should go without saying that American taxpayers should not pay ITT its claim for expropriation insurance for its nationalized telephone interests in Chile, the more so that Chile's contention stands unrefuted that it was considering compensation at the time last year when the first disclosures of an ITT role in 1970 were made. Paying the insurance claim would be like paying hospital costs to a would-be burglar who, after bringing his jimmy to your window, tripped and fell on your garden hose while trying to flee. As to the dispute over the nationalized copper firms, and the issue of debt rescheduling, we would put these in the "too hard" basket, at least for today.

The new conventional wisdom holds that, with the worst of cold war over, economic activity is to move ever more closely to the center of American international affairs. The disclosures made at the ITT hearings, and the gaps left by the hearings, indicate how vital it is to scrutinize the interaction of corporate and official policy and to determine where best the national interest lies.