

U.S. Documents Show a Secret Offer by Anaconda To Give Money to a 1970 Foe of Allende in Chile

By SEYMOUR M. HERSH

The Anaconda Company and other concerns active in Latin America secretly offered to funnel at least \$500,000 through the State Department to a conservative candidate in the 1970 Chilean elections, State Department documents showed yesterday.

The documents, provided to The New York Times by Edward M. Korry, former Ambassador to Chile, and independently verified by The Times, show that C. Jay Parkinson, former chairman of the board of Anaconda, who is also the president of the prestigious Council for Latin America, met on April 10, 1970, with high State Department officials to urge that the United States Government actively intervene to prevent the election of Salvador Allende Gossens.

Mr. Parkinson, reached at his home in Glen Cove, L. I., said he had "no recollection" of any offers of financial aid.

"Simply Went Along"

He did not recall, he said, attending the State Department meeting in question but said that the thrust of the presentation had been made by Jose L. DeCubas, who was then president of the Council for Latin America. "I simply went along," Mr. Parkinson said.

Mr. DeCubas, reached at his office here, said the council never offered any cash. "I don't know whether (council) members did or not," he added. "We have 200 members who do what they want."

The Korry documents show, however, that some members of the council offered to help provide the political funds as part of a joint operation it was urging on the United States Government.

The Council for Latin America, now known as the Council of the Americas, was organized in 1963 at the request of President John F. Kennedy, who was then seeking more support for his Latin American policies; the member companies control 33 percent of United States private investments in Latin America and have wide influence in Washington.

The \$500,000 offer of financial aid in Chile, made by Charles A. Meyer, a former assistant secretary of State for Latin America, was rejected at the time, the documents show. There is no evidence that the offer involved anything illegal.

The documents provide the first published evidence that the council has ever been secretly active on behalf of politicians in Latin America. Such political activity has repeatedly been denied by council members.

Questions on I. T. T. Testimony

The documents also raise additional questions about the testimony by officials of the International Telephone and Tele-

graph Company during the 1973 hearings into I. T. T.'s involvement in Chile. The hearings were by the multinational corporations subcommittee of the Senate Foreign Relations Committee.

The New York Times reported yesterday that a Federal grand jury in Washington was hearing allegations that high officials of the Central Intelligence Agency and I. T. T. had been involved in a conspiracy to fabricate and coordinate testimony before the Multinational Subcommittee.

One key area of dispute that arose during those hearings centered in September, 1970—about five months after the council's offer—around I. T. T.'s offer to provide \$1 million to the United States Government. Officials of the company, including Harold S. Geneen, its president, testified then that to the best of their recollection the funds were to be utilized for a constructive purpose such as housing to show good will toward the Allende Government.

Other witnesses testified, however, that I. T. T. officials, including Mr. Geneen, had discussed the \$1 million in terms of a covert contribution to the presidential campaign of Jorge Alessandri Rodriguez, the 1970 candidate of Chile's right-wing political parties.

It could not be learned yesterday whether the current grand jury investigation was also investigating the contradictory testimony about the I. T. T. offer of \$1 million.

In a telephone interview from his office in Boise, Senator Frank Church, the Idaho Democrat who is chairman of the multinational corporations subcommittee, said "it was evident that someone had lied" during the 1973 hearings. The transcripts of the testimony, he added, were turned over then to the Justice Department "because there was a prima facie case of perjury."

"It was only a question of determining who was telling the truth and who was not," he added.

In an interview and in a sworn statement provided to the Justice Department earlier this year, Mr. Korry said that Mr. Geneen had been among a small group of men who comprised the executive board of the council and, in effect, either made or approved of the council's decisions.

Mr. Korry added that he had subsequently been told by other officials of the council that Mr. Geneen was aware of the April 1970 proposal by Anaconda, which had large copper investments in Chile, and the other council members to intervene politically in an effort to prevent Mr. Allende's election.

"Hence it is inconceivable," Mr. Korry said in his Justice Department statement, "that Mr. Geneen did not know the true purpose of the approach by I. T. T. representatives in 1970," which—he said—was for the same purpose as the earlier Anaconda proposal.

"Mr. Geneen and other I. T. T. executives obviously lied in their testimony," Mr. Korry said in his statement.

Mr. Korry, who served as Ambassador to Chile from 1967 to 1971, further charged that all copies of the State Department correspondence dealing with the April 1970 Anaconda proposal had been removed—at the orders of the White House—from Government files.

Among the missing documents, he said, is a cablegram he forwarded to Mr. Meyer at the State Department on April 28, 1970, urging that the Anaconda offer of financial assistance be rejected.

C.I.A. Had a Role in Chile

It became known through newspaper reports in late 1974 that the Central Intelligence Agency had been authorized by President Richard M. Nixon to mount a major clandestine operation against Mr. Allende, aimed at preventing his election late in 1970 and, failing that, making it impossible for him to govern. Mr. Allende was slain during a coup in September 1973.

During the multinational corporations subcommittee hearings in 1973, witnesses repeatedly expressed the view that United States multinational corporations operating abroad should not become involved in domestic politics.

John A. McCone, a former director of the C.I.A. and a member of the board of I. T. T., told the subcommittee at one point that multinational companies "have to be very careful not to involve themselves in domestic politics of any of the countries and, indeed, they are very careful."

See also Frederick (Ind.) Post 29 Nov 76, filed CIA.