

# ITT not only bribes but plans army coups

Los Angeles Free Press

24 Mar 72

JACK ANDERSON

WASHINGTON — International Telephone and Telegraph's (ITT) drive to block the 1970 election of leftist Chilean President Salvador Allende included an offer to the White House to "assist financially in sums up to seven figures."

The huge international conglomerate was trying to keep a Marxist government under Allende from seizing its Chilean investments, which included 60 per cent control of the Chilean telephone company.

Secret documents which escaped shredding by International Telephone and Telegraph (ITT) show that the company maneuvered at the highest levels

The papers reveal that ITT dealt regularly with the Central Intelligence Agency (CIA) and, at one point, considered triggering a military coup to head off Allende's election.

The papers show that officials at the White House, State Department and Central Intelligence Agency (CIA), were approached by ITT. The American ambassador in Chile was visited. Attorney General John Mitchell was even buttonholed at a wedding reception by a zealous ITT man.

These documents portray ITT as a virtual corporate nation in itself with vast international holdings, access to Washington's highest officials, its own intelligence apparatus and even its own classification system.

The papers bear a variety of security labels, including "Confidential," "System Confidential," and "Personal and Confidential." The originals, presumably, were shredded along with the "many sacks" of documents that ITT has now admitted destroying to keep them out of our hands. Nevertheless, we have obtained copies.

The documents indicate the company got a generally polite but cool reception from the White House and State Department, although Edward Korry, ambassador to Chile, is reported to have been militantly anti-Allende and friendly to ITT's cause.

They show that ITT officials were in close touch with William V. Broe, who was then director of the Latin American division of the CIA's Clandestine Services. They were plotting together to create economic chaos in Chile, hoping this would cause the Chilean army to pull a coup that would block Allende from coming to power.

## CIA-ITT Meeting

Broe is reported to have personally visited ITT Vice President E.J. Gerrity, Jr., in his New York office to urge ITT to join in a scheme to plunge the Chilean economy into chaos and thus bring about a military uprising that would keep Allende out of power.

One of the men doing the talking for ITT in the Chile affair was J.D.

(please turn to page 5)

# ITT proposes Allende overthrow to protect Chile investment

(continued from page 2)

(Jack) Neal of the Washington office. He reported in a September 14, 1970, memorandum on his conversation with Kissinger's office.

"I told (them) Mr. Geheen (ITT President Harold Geneen) is willing to come to Washington to discuss ITT's interest and that we are prepared to assist financially in sums up to seven figures," the memo says.

"Early Saturday morning, I telephoned Assistant Secretary of State for Latin American Affairs, Charles (Chuck) A. Meyer, at his office. I repeated the same run-down

....  
"Chuck said he could understand Mr. Geneen's concern (and) appreciated his offer to assist ... He said 'this is a Chile problem' and they have done a good job in 'screwing up their own dessert.'

"I went to a wedding reception at the Korean Embassy late Saturday. I ran into Attorney General Mitchell; so decided to mention Chile just in case the subject reached him in a cabinet meeting or otherwise.

"Mr. Mitchell mentioned Mr. Geneen's recent visit with him. He said he could understand Mr. Geneen's concern over ITT's Chile investment."

## ITT-CIA TIES

ITT Director John McCone, himself a former CIA head, played a role in the bizarre plot. He received a confidential report on October 9, 1970, from William Merriam, the vice president in charge of ITT's Washington office.

"Today I had lunch with our contact at the McLean agency (CIA), and I summarize for you the results of our conversation," wrote Merriam. "He is still very, very pessimistic about defeating Allende when the congressional vote takes place on October 24.

"Approaches continue to be made to select members of the Armed Forces in an attempt to have them lead some sort of uprising — no success to date ....

"Practically no progress has been made in trying to get American business to cooperate in some way so as to bring on economic chaos. GM and Ford, for example, say that

they have too much inventory on hand in Chile to take any chances and that they keep hoping that everything will work out all right.

"Also, the Bank of America had agreed to close its doors in Santiago but each day keeps postponing the inevitable. According to my source, we must continue to keep the pressure on business."

The plot to bring about a military coup by applying economic pressure is spelled out in a confidential telex, dated September 29, 1970, to ITT's

President Harold S. Geneen from one of his vice president's, E.J. Gerrity. Here is Gerrity's description of the plot:

### Details of Plot

1. Banks should not renew credit or should delay in doing so.
2. Companies should drag their feet in sending money, making deliveries, in shipping spare parts, etc.
3. Savings and loan companies there are in trouble. If pressure were applied, they would have to shut their doors, thereby creating pressure.
4. We would withdraw all technical help and should not promise any technical assistance in the future. Companies in a position to do so should close their doors.
5. A list of companies was provided, and it was suggested that we approach them as indicated. I was told that of all the companies involved, ours alone had been responsive and understood the problem.

The visitor (evidently the CIA's William Broe) added that money was not a problem. He indicated that certain steps were being taken but that he was looking for additional help aimed at inducing economic collapse."

Next day, Gerrity sent a memo to ITT's Washington office telling of advice from an anti-Allende source in Chile to "keep cool, don't rock the boat, we are making progress."

"This is in direct contrast to what Broe recommended," the memo says. "I will call you later to discuss HSG's (ITT President Harold S. Geneen) reaction to my telex in some detail. He agrees with me that Broe's suggestions are not workable. However, he suggests that we be very discreet in handling Broe."

Footnote: A CIA spokesman would make no comment, refused even to acknowledge Broe's identity. We had to verify this from other inside sources. At this writing, ITT hasn't responded to our questions.

(Copyright, 1972, by United Feature Syndicate, Inc.)