

# C.I.A.-I.T.T. PLANS ON CHILE REPORTED

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## Company Aide Says Agency Also Urged Measures to Bar Allende in 1970

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WASHINGTON, March 20 —

A vice president of the International Telephone and Telegraph Corporation said today that a top official of the Central Intelligence Agency had "agreed with the recommendations" the corporation made to try to prevent the election of Salvador Allende Gossens, a Marxist, as President of Chile.

The recommendations in 1970 reportedly included steps to maneuver the departing Chilean President back into power, to foment violence that might bring about a military takeover of the country, to use American governmental agencies to supply anti-Allende propaganda to other Latin American countries, or some combination of these things.

The C.I.A. official who was said to have "agreed with" these proposals was William V. Broe, director of the agency's clandestine activities in Latin America.

### Tells Senate Panel

The I.T.T. official who testified about this conversation and many others with Mr. Broe and other high officials of the United States Government was William R. Merriam, formerly head of the corporation's Washington office.

Mr. Merriam was the first witness to be heard in public session by a special subcommittee of the Senate Foreign Relations Committee that is headed by Senator Frank Church, Democrat of Idaho.

The subcommittee will conduct what is expected to be a two-year inquiry into the behavior of United States cor-

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United Press International

William R. Merriam, center, a vice president of I.T.T., waiting to testify at a Senate hearing as Phil Gilbert, left, and Jack Schafer, lawyers, adjusted the microphone.

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porations that operate around the globe.

Among the main things the subcommittee wants to find out is the extent to which these multinational corporations influence United States foreign policy.

The first two weeks of the hearings will deal exclusively with the reported attempts of International Telephone and Telegraph to enlist the help of various branches of the United States Government to keep Dr. Allende out of office.

It is not yet known whether any official of the Central Intelligence Agency will testify, in person or in writing, in public session or behind closed doors, about the agency's activities regarding Chile. The subcommittee was said to be negotiating with the C.I.A. about this.

What came of the reported agreement on a course of action between the corporation and the agency was not made clear in the opening day's hearings.

Dr. Allende was elected president of Chile and took office on Nov. 3, 1970. He subsequently took over business properties belonging to I.T.T. and some other United States companies, as he had promised in his campaign and as corporation officials had feared he would.

The picture that emerged from the day's testimony was of the Central Intelligence and International Telegraph as hard-line anti-Communist groups that greatly feared Dr. Allende's accession to power and that worked together to try to persuade the State Department and Henry A. Kissinger, the White House adviser on National security, to adopt an equally hard anti-Allende view.

### Disclosed a Year Ago

The outlines of the corporation's attempt to enlist the help of the Government to preserve its interests in Chile were disclosed a year ago when portions of a number of internal I.T.T. documents were published by the columnist, Jack Anderson.

Today's testimony, together with additional documents made public by the subcommittee — documents that were voluntarily submitted by the corporation — depicted a much more prolonged and extensive pattern of consultation between the company and various government officials than had previously been disclosed.

Mr. Merriam spoke, for example, of "25 visits" to the State Department and of having talked with Mr. Kissinger and members of his staff for a "year."

His testimony also indicated that most of the visits by company officers to six high Nixon Administration officials in 1970 and 1971—these were disclosed yesterday by another Congressional committee—had the dual purpose of talking about the company's antitrust problems with the Justice Department and about I.T.T.'s attempts to keep Dr. Allende from being elected and, later on, attempts to oust him.

The ouster plans centered on ideas to bring about "economic collapse" in Chile, according to company documents and testimony.

#### Other Companies Approached

As part of this plan, according to Mr. Merriam, C.I.A. officials made "repeated calls to firms such as General Motors, Ford Motor Company and banks in California and New York," asking them to stop or reduce their activities in Chile to hurt her economy. These companies, refused, according to other I.T.T. documents that were put into the record.

Among other items of economic warfare against the Allende Government that were proposed by the company were a cessation of all United States aid, under the guise of a review, and intercession with the World Bank and the Inter-American Development Bank to get them to stop making loans to Chile. It was not clear whether any of these proposals were accepted.

Mr. Merriam also acknowledged, when asked, that a group of Washington representatives of companies with economic interests in Chile had met several times in his office to discuss how to cope with the Allende Government.

It was not he who initiated the meetings of this ad hoc group, Mr. Merriam said, but rather the Washington representative of the Anaconda Copper Company. Other companies represented included, he said, Kennecott Copper, W. R. an dthe Bank of America. Such meetings among corporate representatives in Washington occur "all the time," he said.

Mr. Merriam said that the group had never arrived at any conclusions on what to do.

Senator Edmund S. Muskie, Democrat of Maine, asked why I.T.T. wanted to bring about the collapse of the Chilean economy if its aim was, as Mr. Merriam said, to make sure that Chile gave the corporation "better terms" in payment for Chitelco, the telephone company owned largely by the corporation after the Allende Government took it over.

Mr. Merriam replied that he thought "the threat of economic collapse" might prove effective with Mr. Allende "if he knew that the banks might stop lending."

Senator Muskie suggested that thre threat was an attempt to "blackmail Allende."