

ITT Official Says CIA Man Backed Anti-Allende Plans

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By Laurence Stern
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A top Central Intelligence Agency operative "approved" plans by the International Telephone and Telegraph Corp. intended to block the election of President Salvador Allende in Chile in 1970, an ITT official told senators yesterday.

William R. Merriam, a vice president and former chief Washington representative for ITT, acknowledged that he and other executives of the corporation met repeatedly with the CIA executive—William V. Broe, Western Hemisphere Chief of Clandestine

Services—to discuss anti-Allende strategy.

He said Broe specifically gave his assent to an ITT plan to subsidize an anti-Allende newspaper in an effort to promote political opposition to the Marxist candidate in the 1970 election.

In a morning of halting testimony punctuated by frequent lapses of memory, Merriam gave the Senate Foreign Relations Subcommittee on Multinational Corporations a general picture of close liaison between ITT and the CIA throughout 1970 and 1971.

The subcommittee, headed by Sen. Frank Church (D-

Idaho), is negotiating with the CIA for Broe's testimony in order to determine to what extent he was carrying out the agency's policy in his dealings with ITT and other American companies.

At one point Merriam referred to Broe as "our man" in the agency. The CIA official, who held the equivalent of a GS-18 Civil Service rank, was in charge of all covert intelligence programs in Latin America and reportedly sat in on top-level National Security Council meetings dealing with his region.

He has since been transferred

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red to another job in the agency. The CIA is understood to have refused to permit him to testify publicly in the proceeding.

Merriam said he was introduced to Broe by ITT's board chairman and chief operating officer, Harold S. Geneen, at the Sheraton Carlton Hotel on the night of July 16, 1970. Geneen "told me to stay in touch with Mr. Broe," Merriam said.

Merriam testified he was unaware of Broe's role in the CIA's covert wing, which operates under the Deputy Director for Plans.

"I had no notion he was clandestine," the ITT official testified. "We had lunches in places where 300 or 400 people were present," he added to a roar of laughter from the committee room.

On one occasion, Merriam testified, Broe told him the CIA had contacted a group of American businesses in hopes of applying anti-Allende political pressure through concerted economic action.

In an Oct. 7, 1970 memo to Edward Gerrity Jr., ITT's senior vice president for corporate relations, Merriam related that Broe had told him "repeated calls to firms such as GM, Ford and banks in California and New York have drawn no offers of help. All have some sort of excuse." The memo was one in a series made public last year by columnist Jack Anderson.

Asked by subcommittee members who made the "repeated calls," Merriam said

Broe told him it was the agency.

Merriam further confirmed that he had advised ITT board member and former CIA Director John McCone on Oct. 9, 1970 that the Nixon administration "will take a very

hard line when and if Allende is elected." In the memo Merriam reported Broe's assertion that all sources of U.S. monetary aid to Chile would be cut off "as soon as expropriations take place."

Pressed by members of the Senate panel on the sources of Broe's intelligence, Merriam replied that "I believe as a member of the CIA, he (Broe) had periodic meetings with the White House staff."

At one point Sen. Clifford P. Case (R-N.J.) incredulously asked Merriam why the CIA should ask ITT to pressure the White House on Chilean policy matters.

Sen. Stuart Symington (D-Mo.) observed that "the CIA reports only to the President."

"... And apparently to Mr. Merriam," Case snapped.

Merriam was transferred to Rome after the surfacing of the ITT papers and now spe-

cializes in international trade matters. He said that Broe used to send a special messenger to pick up ITT's own field intelligence reports, and that Broe regarded the ITT data from Chile as highly as any intelligence reports from other sources.

In February, 1971, ITT took a leading part in an effort by American business interests in Chile to put pressure on the Allende government against

expropriation of their holdings.

The subcommittee made public an internal memo by Bank of America's Washington representative, Ronald R. Raddatz. It described a meeting in Merriam's office on Feb. 9, 1971, attended by representatives of five other U.S. companies doing business in Chile: Anaconda, Kennecott, W. R. Grace, Pfizer Chemical and Ralston Purina.

"The thrust of the meeting," the memo related, "was toward the application of pressure on the government wherever possible to make it clear that a Chilean takeover would not be tolerated without serious repercussions following."

"ITT believes that the place to apply pressure is through the office of Henry Kissinger. They feel that this office and the CIA are handling the Chile problem," Raddatz reported to his superiors.



By Margaret Thomas—The Washington Post

ITT's Merriam: "I had no notion he (a CIA operative) was clandestine."