

ITT 'Offer' To Help Beat Allende

Associated Press

Washington

Former CIA director John J. McCone testified yesterday that international Telephone and Telegraph Corp. offered \$1 million to back any U.S. plan to prevent the election of Marxist Salvador Allende as president of Chile.

McCone, an ITT director and still a CIA consultant, said he relayed the offer in September, 1970, to Henry A. Kissinger, national security adviser to President Nixon, and to Richard Helms, then director of the Central Intelligence Agency.

But McCone said in testimony before a special Senate foreign relations subcommittee that although ITT offered financial support, the corporation devised no plan to stop Allende. "It was not a plan generated by ITT," he said.

He did not say where the idea of such a plan was originated. But he testified that nothing came of the offer.

GENEEN

McCone said he relayed the offer on instructions from Harold Geneen, ITT board chairman, at a time when Allende faced a runoff presidential election in Chile.

Then, as now, McCone was a director of ITT and also a consultant to the CIA, although he told the subcommittee that officials of the company were unaware of

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his continued connection with the spy agency.

"Mr. Kissinger thanked me very much and said I would hear from him, he said. "I did not. So I assumed there was no such plan."

McCone did not go into details about the plan except to testify at one point that it involved a coalition of political opponents of Allende and at another point that the idea was to supply housing, technical assistance and agricultural assistance to Chile.

ROLE

"This is not an unfamiliar role for the United States," he said.

McCone referred to aid to Greece and Turkey under the Truman Doctrine, economic assistance for Europe under the Marshall Plan and intervention in Guatemala and Lebanon under President Eisenhower.

At no time was the suggestion made to use the money surreptitiously, and there was nothing covert about it, McCone said. The objective, he said, was to forestall expropriation by Allende of ITT's 70 per cent interest, worth about \$150 million, in the Chile Telephone Co.

Allende won the run-off and about a year later took over the property. ITT, however, still owns two hotels and other interests in Chile.

Senator Frank Church (Dem-Idaho), subcommittee chairman and Senator Stuart Symington (Dem-Mo.) told the 71-year-old witness that ITT documents did not indicate the company intended to improve housing or to do "anything constructive."

And Senator Clifford P. Case (Rep-N.J.) said he did not understand how \$1 million in aid could accomplish much in the light of the \$1.4 billion in aid the U.S. was supplying to Chile.

INTENTION

McCone said ITT had no intention of financing a CIA operation in Chile and that ITT officers were interested only in trying to influence Allende "to be more moderate in his intentions to take over our properties."

Finally, McCone said, the U.S. government "did not develop a plan and ITT had nothing to support."

Prior to the Chilean election, McCone said, he had discussed with Helms, a close personal friend, whether some minimal effort could be undertaken by Washington to stop Allende.

McCone said he very probably suggested to Helms that a CIA staffer get in touch with Geneen. The probable result, the witness went on, was a meeting in July 1970 between William V. Broe, director of the agency's clandestine activities in Latin America and the ITT board chairman.

But McCone said he knew nothing of any offer by ITT to supply money to the CIA and added: "Under no circumstances would the CIA consider such an offer."

*Lawrence Stern, Wx Post
22 Mar 73: McCone ...
told the ... Subcommittee
... that Helms agreed, at
his request, to put Geneen
in contact with the CIA's
chief of covert Western
Hemisphere operations,
William V. Broe. "It
would be a natural thing
for me to do," McCone
testified.