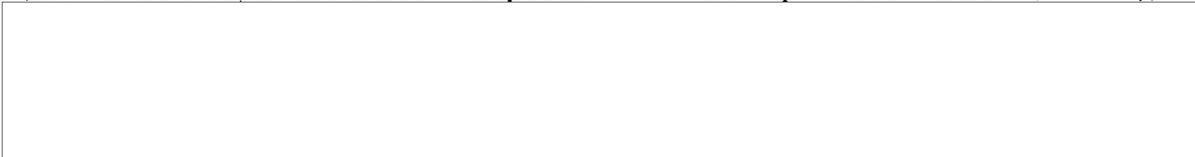


MEMORANDUM FOR: Chief, Western Hemisphere Division

SUBJECT: Text of Senate ITT Hearings 20, 21 and 22 March 1973

1. The text of the hearings of the Senate Foreign Relations Subcommittee on Multinational Corporations held 20, 21 and 22 March 1973 have been received and have been (hastily) reviewed. Preliminary comments are in the following paragraphs.

2. The two most evasive and stumbling witnesses were William R. Merriam, who was in charge of the Washington offices of ITT, and E. J. Gerrity, Senior Vice President, Corporate Relations and Advertising. They were followed with slightly less ineptitude and evasiveness by Jack Neal of the Washington office and Harold V. Hendrix, Director of Public Relations, Latin America. Ryan and Goodrich of the Washington office had little to say and were quickly disposed of while Robert Berrellez, the Public Relations man based in Buenos Aires, came out as crisper and more solid in his answers. John Guilfoyle a Vice President who is Group Executive for Latin American Operations, was very businesslike and came over well. Mr. John McCone received the most deferential treatment by the Subcommittee and came out as the most "respectable" and responsive witness.



3. The Subcommittee's attention to some of the expected areas of the "Anderson Papers" was rather more extensive than perhaps could be reported in the press. The particular points on which they dwelled and which also involved the name of CIA, were as follows:

- a. The "approval" given by Mr. Broe to Merriam concerning recommendations made by Hendrix and Berrellez in their memos to the ITT offices in New York. (Percy raised a pertinent point that perhaps CIA was "raising no objection" but got partial clarification at one juncture that CIA did not "encourage (ITT ) to take action."



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*Incomplete*

- b. Broe's suggestions ("the Broe plan") to Gerrity for actions in Chile to create economic problems and the confusion that arose on whether Broe said the CIA was also trying to influence other companies along the same lines.
- c. Broe's discussion with Geneen was not known to any other ITT officials except Merriam who was not privy to what had transpired in any case.
- d.
- e. McCone said the "CIA, Mr. Broe, had a shopping list and the staff of CIA had a shopping list...I understand that various ideas were generated at the staff levels of the CIA. There were never approved by Mr. Helms..." McCone was obviously trying to differentiate between approved plans and staffs thinking up alternatives and to put Mr. Broe's discussion with Mr. Gerrity in the latter context. When asked by the Subcommittee whether Broe was acting inconsistently with his orders, McCone replied that Broe would have to answer for himself, but added "I think he was exploring."

4. It was again made clear that the Subcommittee staff was using Mr. Broe's written responses of 20 March to formulate questions to some of the witnesses. This was most evident in the case of McCone who was asked if he knew whether Geneen had discussed with Broe either an offer of election funds to be channeled through the CIA or raising a substantial sum of money to be used by the U.S. Government.

6. The "green light" message which Hendrix said he received from a Chilean source close to Frei was hammered at constantly by all the Subcommittee, and few believed what Hendrix said. Percy said this information was so detailed and specific about a supposed "dramatic change of American policy" that it is important to "determine how you got that

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