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MEMORANDUM FOR: Deputy Director for Operations

SUBJECT: ITT/Chile Press Coverage of 31 March - 1 April 1973

1. Hearings of the Senate Foreign Relations Subcommittee on Multinational Corporations stopped on 29 March and are not to be resumed until 2 April when Harold S. Geneen of ITT is to testify. The New York Times and Washington Post carried summaries of the hearings in their 1 April (Sunday) editions which raised as many questions about CIA as they did about ITT.

2. The Washington Post had two lengthy articles on 1 April. One article summarized the results of two weeks of testimony by referring to "...the giant American Corporation conniving with the CIA to subvert (Chile) by clandestine economic warfare..." and "...the spectacle of ITT executives lobbying officials of the National Security Council..." The thrust of this article is that although the "professed position of the Nixon administration toward Allende's election was one of professed neutrality," the "operational" contact of Mr. William V. Bree with Mr. E. J. Gerrity of ITT on 29 September 1970 was actually a "softly stated mandate of the NSC to see what it could do to stave off an Allende government."

3. The second Washington Post article reported from Chile that the hearings had convinced President Allende that there had, indeed, been a plot by the U.S. Government with ITT to prevent his election in 1970 while another by product was the abrupt ending of Chilean/U.S. negotiations about debt renegotiations and Chile's refusal to compensate nationalized American copper companies. Allende was said to have been particularly influenced by a report, mentioned by the Subcommittee Counsel during the hearings but not confirmed by any witness, that the NSC had authorized \$400,000 for covert propaganda action against Allende during the 1970 presidential campaign. (Levinson asked former Ambassador Kerry this question

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and was told that Korry could not answer any questions about activities of the CIA.) It was also reported from Chile that Allende has established a special task force to study the Subcommittee testimony for possible follow up in Chile, particularly among opposition politicians.

4. The New York Times of 1 April had an article in the Week in Review section which stressed the two "separate though interrelated threats" of attempts by ITT to influence U.S. foreign policy and whether CIA sometimes pursues its own foreign policy. On the latter point the article described "hints... left unchallenged" that Mr. Broe's actions were not approved by anyone higher than Mr. Helms. This was immediately followed by a statement that nevertheless, there were indications that a change in policy toward Chile was being considered at highest U.S. Government levels.

Theodore G. Shackley

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Chief

Western Hemisphere Division

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