DECLASSIFIED // SECRET

Memorandum From the Director of Operations Policy, Bureau of Intelligence and Research (Gardner) to the Deputy Director for Coordination, Bureau of Intelligence and Research (McAfee)

Identificador Archival:	frus:frus1969-76ve16/d131
Agencia Emisora:	CIA
Fecha del Documento:	1973-03-19
Colección / Serie:	FRUS 1969–1976, vol. E-16: Documentos sobre Chile, 1969–1973

Nota de Archivo: *Summary: This account of a discussion between Department of State and Central Intelligence Agency officials focused on recent discussions between CIA officials and Senator Church and staffers of the Senate Subcommittee on Multinational Corporations. Church and the Senate Subcommittee were investigating ITT activities in Chile. Source: National Archives, RG 59, INR Files, Lot 94D565, James Gardner Chronological File. Secret.*

ARA/CIA Meeting, 16 March 1973 (Chile, ITT)

ARA: Messrs. Crimmins, Feldman and Fisher; CIA: Messrs. Houston, Shackley; INR/DDC—Mr. Gardner

Houston and Shackley came over to describe their interview on 15 March with Senator Church and Messrs. Levinson and Blum of Senator Church's Sub-committee Staff. According to the CIA representatives, the Senator had agreed that the questions to be put to CIA would, at least for the present, focus on the question of ITT /CIA relationships in 1970. The CIA representatives at the meeting with Church were Messrs. Houston, Shackley, Broe [name not declassified].

The account of the CIA session with Church and his staff came largely from Shackley, supplemented from time to time by Houston. Both spoke from notes that each had made.

Senator Church started matters off by asking Broe to relate the circumstances of his meeting with Geneen. Broe replied that he had given Geneen an overview of the situation in Chile, and that Geneen had commented on these same subjects. There was a discussion of the three Presidential candidates. Geneen referred to the availability of an election fund that might be available from the US business community, but no figure was set. Geneen asked if CIA could channel such funds to Alessandri. Broe said no, that it was not US policy to support any particular candidate. Geneen asked Broe to keep in touch with Gerrity. The entire Broe–Geneen conversation lasted something less than an hour. Broe said that he had had a later conversation with Geneen over the telephone but that it too was concerned with generalities, with bringing up to date the matters the two earlier had discussed.

The rest of the interrogation of Broe seems to have been carried on chiefly by Levinson, Church having left after 5 or 10 minutes.

Levinson asked about the circumstances of Broe's getting in touch with Merriam. Broe said that Merriam had taken the initiative, had called him; he also told the Committee Staff that he had had a series of lunch sessions, some five in all, with Merriam during the period under discussion.

Levinson asked if Broe and Merriam had discussed the question of the effect on ITT if Allende were elected. Broe said that this question had been discussed only in general terms.

Going back to the Broe–Geneen talk, Levinson asked if Geneen had raised the question of expropriation. Broe said no. Did Geneen mention a figure in connection with the election fund that he had mentioned? No.

Did Geneen ask what plans CIA had if Allende won? No.

Levinson wanted to know what happened next. Broe said that Merriam had asked him to lunch and that in all their sessions they discussed principally the trends and developments in Chile, the question of economic forces at work there. Broe commented that in these discussions Merriam frequently had recourse to documents from ITT representatives in Chile.

Levinson wanted to know if McCone had ever discussed the Chilean electoral situation with Helms or with Kissinger. Broe replied that he had no knowledge one way or the other about whether there had been any such conversations.

When had the first contact been made with Gerrity? Broe replied that it had taken place on 30 September, when the two had talked about the Chilean situation and about whether there were any pressures that could be exerted that would help the situation. The discussion was an exchange of ideas, a brain-storming session. No agreement of any sort had been reached between the two.

Levinson referred to a Gerrity/Geneen cable of 29 September which had a reference to the effect that CIA had given ITT a list of companies. Broe commented that he might well have given ITT such a list, but he had no recollection about what the purpose of such a list might have been.

Did Broe say, as is stated in one of the ITT memoranda, that ITT was the only company being responsive to the situation in Chile? Broe said that he had noted that ITT was the only company that had come to the US Government and was the only one that had mentioned funds.

In response to a question from Levinson, Broe said that he discussed ITT actions with Merriam, commenting that some moves were sound; but that none of his comments could be construed as “approval”.

The staff seemed to be particularly interested to learn if Broe had sent somebody to Merriam’s office to pick up an assessment on Chile. Broe replied that he had done so, that such assessments from a non-USG source could be quite useful as a cross-check. The document had been discussed at lunch; Merriam had forgotten to bring it with him.

The Staff hammered on Broe’s claim that the telephone calls between Broe and Merriam all came at Merriam’s initiative. Broe was emphatic in insisting that this was so; each contact had been initiated by Merriam. Levinson noted that he felt this to be a major inconsistency with the claims made by ITT, which appears to have maintained that the initiative consistently lay with Broe.

The Staff had an October 6 internal ITT memorandum prepared by one Ryan, described as a Merriam deputy. According to this memorandum, Ryan had received a phone call from Broe. Broe said that he did not recall talking to Ryan; since he had no memory of doing so the only explanation he could think of was that he had thought he was talking with Merriam when in fact he might have been talking to Ryan. According to Ryan’s memorandum, Broe had said that “we” should be keeping pressure on the Chileans, with the implication that the pressure referred to was economic. This alleged statement seemed to bother the Committee considerably. In this same memo, Ryan also stated that Broe had said that the military “might do something”. Broe commented that he couldn’t have spoken so about the military if for no other reason than that he had always felt that the military would do nothing.

Broe was next asked if he had discussed inspiring a run on Chilean banks with ITT representatives. Broe said that he had not. He did say, however, that he had taken the initiative in bringing up the question of economic pressure as a means of attempting to accelerate the deterioration of the economic situation in Chile.

The Committee wanted to know where the suggestion for economic pressure had come from? Had it come from Korry? To this Broe said that he had no idea who had originated the concept, but it had been widely discussed within Chile and it had been discussed as well within the US Government. The matter had arisen particularly after the Alessandri/Frei ploy had died.

The Committee wanted to know if Broe had developed a plan for action that he had discussed with ITT. No.

The Committee referred to an October 7 memo from Merriam to Gerrity referring to “our man”. Merriam apparently had said that this reference was to Broe; this could be a point of controversy because whoever “our man” was had, according to the memo, spoken about conversations with General Motors, Ford, and a California bank, assumed to be the Bank of America. Broe said that he had made no contact in this period with these concerns, nor had any one else in CIA. This apparently contrasted with Merriam’s statement to the Committee that Broe had told him that he, Broe, had made these calls (Shackley commented at this point in the meeting with ARA that CIA had no institutional memory of any such contacts having been made by it.) The Committee pressed hard on this point, presumably under the impression that there could well have been a Government-business conspiracy.

Did Broe ask ITT to lobby other US Government agencies in regard to Chile? Emphatically no.

(Shackley commented that all the contradictions that allegedly marked the statements of CIA as contrasted to those of ITT lay within the framework of the Merriam–Broe talks).

Levinson said that ITT had talked to Vaky and to people in State, and had had some statement made on the floor of the House. He also understood that Merriam had tried to see Kissinger. (The implication was that the try was unsuccessful).

To a question about an October 9 exchange between Merriam and McCone and the possibility of a military uprising, Broe said that this matter had not come up in his talks with ITT. He reminded the Committee that the Agency consistently had held that a military uprising would not occur.

The Committee Staff said that McCone had told the Committee of a comment by Geneen in December 1970 about a “generals’ revolt” and economic activity. According to Houston, the Staff said that Geneen told McCone that he had heard of an Agency plan for a military revolt and economic chaos. Broe said there was no talk of this with ITT, and that anyway matter lay without the scope of the inquiry.

In connection with the 9 October Merriam to McCone memorandum, the Committee again came back to the question of whether CIA had talked to ITT about General Motors and Ford. One of the ITT memos noted that according to “our man”, GM and Ford had not responded. Broe again said that CIA had not contacted General Motors or Ford and he said that he did not recall talking about these two concerns to ITT representatives. On the other hand, he might well have discussed the question of applying economic pressure. The Committee Staff apparently noted that it had been told by General Motors and Ford that they had no record of any such talks with the ITT. It was therefore curious about this entry in the ITT memorandum.

Did CIA apply any pressures or threats to US companies attempting to influence their activities in or regarding Chile? No.

On the question of what he might have said about President Nixon’s attitude, Broe said that he knew the President was very concerned in the problem but that he had no information on Nixon’s attitude whatever.

Did Broe know anything to confirm the statement that the President was taking a “hard line” on the Chilean matter? No, Broe had no information on President Nixon’s attitude.

The Committee next turned to the ITT memorandum recording a telephoned statement by Hendrix from San Juan. The Committee asked about the statement in this memorandum to the effect that Viaux had received an order from Washington, D.C. to “stand down”. Was this matter discussed between CIA and ITT ? No. Broe went on to say that the Agency could not comment, within the terms of the inquiry, on whether or not there had in fact been such a message.

Did CIA know what sources Hendrix and Berellex used? This, responded Broe, was a question that more properly should be put to Berellex and Hendrix.

Did Berellex have Hendrix talk to CIA representatives in Santiago? Broe said that Berellex and Hendrix had a wide range of acquaintances and that the Chief of Station in Santiago was one of among many in the Embassy with which these two had had contact. If there was, however, he had no reason to assume that they knew, when they talked to CIA representatives in Santiago, that they were in fact doing so.

Was the “green light” allegedly received by Korry discussed by Broe with ITT ? No it was not discussed and, again within the terms of the inquiry, Broe could not comment about the existence of any such message.

The Committee indicated its impression that Berellex and Hendrix had a special relationship with CIA and therefore perhaps could have got word of this “green light” from the CAS element at Santiago. The response to this was that there was no record that any CAS member had spoken to this effect to either Berellex or Hendrix.

The Committee appeared to be taken with the possibility that, even if there were no cable setting forth the “green light”, it had been communicated by secure phone to Korry. To this Broe said that a secure phone link had never come into play on this matter.

Blum, Committee Staff, said that, although they lay without the scope of the current interrogation, there were a couple of things that might be embarrassing to the Agency. One had to do with the travel of three Chileans to the United States of whose arrival INS had no record. One of these travellers, Blum said, used Eno Hobbing’s office to make a number of telephone calls to solicit funds for Alessandri. Was this not perhaps done on the behalf of CIA? The Committee was asked to send questions on these matters to the Agency.

The other potential embarrassment centered on the report that Chase Manhattan Bank had cancelled a line of credit to Chile, an act which presumptively was at CIA insistence. Chase Manhattan had indicated to the Committee that it did not want to discuss the reasons for the cancellation, so it was natural to conclude that CIA had been behind it. To this CIA responded that this matter too lay without the scope of the inquiry. The CIA representatives commented, in the ARA meeting, that the Agency had no record of such request.

The Committee also asked about events of 1964. Broe replied only that these possibly could have been mentioned to ITT but only in the most general terms if at all.

Broe informed the Committee staff that the Agency had no information on ITT contacts with Kissinger. Merriam indicated ITT had tried to see him, without success.

Levinson said that there had been no contradiction between Helms’ and McCone’s statements to the Committee.

The Committee agreed to prepare a list of questions to put to CIA based on those that had been asked during this informal, off-the-record inquiry.