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15 May 1972

MEMORANDUM OF CONVERSATION

SUBJECT : Meeting with Hal Hendrix, 11 May 1972

1. Hal Hendrix called my home on 10 May, saying that he was in Washington and wished to see me. Arrangements were later made to meet him in downtown Washington at a street corner at 8:00 am on 11 May. I picked him up as scheduled, and after driving around awhile we had breakfast at the Marriot Hotel in Rosslyn, after which I drove him to the airport so he could catch the 10:30 a. m. plane to New York.

2. Hendrix had a number of points to convey, but none of them were of such importance for him to have made a trip to Washington just to see me. Therefore, his explanation seems plausible that he was in Washington basically to see Jerry Hannifin of the Time/Life bureau to discuss a lead on who might have leaked ITT documents to Jack Anderson. Hendrix explained that he was recently told by a "Caribbean ruffian" named Fnu Goodfriend that the person who furnished the ITT documents to Jack Anderson was Irving Davidson, an old friend of Anderson who some years ago had once set aside a desk in his office for Anderson to use on occasion. Goodfriend said that the picture of Dita Beard with a number of her Washington contacts published early in the ITT scandal days had included Davidson somewhere in the group. Davidson is described as a lobbyist for one or more Latin American Governments as well as for Israel. Hannifin is considered a very knowledgeable and trusted friend by Hendrix who wanted Hannifin's opinion whether Davidson might in fact be a source of Anderson's. Hannifin's initial impression was that this was a remote possibility, but he said he would check around and try and talk to Davidson himself to see whether he could get a rise on the question of ITT. Hendrix said he came away from the meeting with Hannifin pretty well convinced that the lead to Davidson as the source on ITT documents was probably not a good one.

3. Hendrix commented to me that the general feeling in N. Y. is that there may be two penetrations in the Washington office, two in the N. Y. office, and one in their Cleveland office. He did not elaborate.

4. Hendrix made the following comments about the ITT/Chile documents:

A. He was aware that Raymond Brittenham, whom he described as a senior Vice President and a bit of a fuddy-duddy who enjoys Harold Geneen's confidence, had first seen John McCone and then come to Washington recently to talk with Agency representa about the ITT/Chile documents. One proposal that Brittenham had thought of discussing with the Agency was that several sensitive documents be turned over to the Agency for safekeeping. He did not seem to know whether this had actually been discussed by Brittenham with the Agency. Hendrix said that Brittenham had discussed with the Agency what ITT might say in the Senate hearings, what the Agency might say, etc. (I did not acknowledge having known that Brittenham met with Agency representatives, saying that this was presumably a 7th floor matter. He might not have believed me, but I thought it better not to confirm the fact to him that a contact had in fact taken place since he apparently did not talk to Brittenham himself about this.)

B. Fnu Schafer, the lawyer of the firm in Washington retained by ITT as counsel for the expected Senate hearings on Chilean activities of ITT, has told ITT officials that he thinks the timing and intensity of the Senate sub-committee interest in the Chilean activities of ITT will depend on the general political situation in the U.S., particularly in Viet Nam. Schafer has been in touch with Pat Holt, the sub-committee aide.

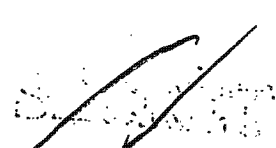
C. None of the ITT documents on Chile have been turned over yet to the Senate sub-committee. The documents are still being worked on by ITT. When pressed as to the quantity involved, Hendrix said the total is about 500 documents.

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D. The three documents Hendrix mentioned to me at our last meeting as being incriminating from the point of view of documenting ITT funds of political activities in Chile have not been destroyed. ITT's chief lawyer in N. Y. has told Hendrix that while away on a trip recently, at least four young lawyers in his office read these documents. He tried to transfer one of the lawyers out of his office, and the man threatened to blow the whistle on ITT over these documents if transferred. One of the other four lawyers feels equally strongly about these documents. As a result, the documents cannot be destroyed. It is not clear, however, whether ITT plans to turn these three documents over to the Senate. Evidentially ITT had first hoped to turn these documents over to the Agency for safekeeping in preference to turning them over to the Senate.

E. It has been determined by ITT lawyers that blocking out proper names in documents before they turn the documents over to the Senate sub-committee is permissible. The ITT lawyers are now going over all 500 documents to do this, concentrating on the names of Chileans. If they finally turn over the three sensitive documents to the committee, names of persons, banks, and funding mechanisms will be deleted, but the basic purpose of ITT funding Alessandri cannot be hidden.

F. In discussing these three documents, Hendrix said that the man in N. Y. to whom ITT was to have paid the money for Alessandri was (fnu) Orchard, a Chilean employed by UN Secretariat (rather than a member of the Chilean Mission to the UN). The company through which the payments were to be made was the Lone Star Shipping Company. (This agrees with information in the files). I asked whether the Swiss Bank account number for other transactions was also listed there, and Hendrix looked puzzled and said that no Swiss Bank account was involved. When I pressed and said my understanding was that earlier he had told me money for the Edwards group went through a Swiss account, he merely said there were no references to that in these three documents. He then said one of the three documents was unfortunately a message from Gerrity authorizing that the Alessandri movement be given "half the sum recommended by Hendrix."



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-4-

5. Hendrix spoke by telephone to Berrellez on 9 or 10 May at which time Berrellez reported on a meeting that day with FUBRIG-2 in Buenos Aires. This was the first time that they had met since their early April meeting in N. Y. Berrellez told FUBRIG-2 that he had not been able to make the deposit on the second \$100,000 for reasons Hendrix had explained earlier to me. FUBRIG-2 was concerned by this and asked that ITT do everything possible to resume these payments since he had money troubles. (Berrellez remarked, however, that FUBRIG-2 seemed in very good spirits personally, and quite optimistic about the chances of the opposition in Chile). Hendrix plans to reopen the question of resuming payments to the Edwards people in Chile when he gets back to N. Y. and sees Gerrity.

6. The U.S. manager of the ITT telephone manufacturing plant in Chile slipped up to the States a few days ago and reported that he thought the government would be moving in on the ITT property very soon. He had already been authorized by the company to send his furniture up. ITT is also asking Benjamin Holmes to come up to the U.S. for a visit. I remarked that my recollection was that Holmes was on rather good personal contact with President Salvador Allende, and Jose Toja, but Hendrix commented that even Holmes was now under suspicion by the Government of Chile.

7. Hendrix heard yesterday from Bob Deach (phonetic) of the Scripps Howard office in Washington that Ambassador Edward Korry had left his position at OPIC and is now the president of a book seller's association according to a press item which appeared within the last two weeks. Hendrix was unaware of this and asked whether I knew anything about it which I said I did not.

8. He had a rather interesting explanation of the by-play in Chile on turning the ITT nationalization question over to the Congress to decide. Berrellez reports that there has been a delay in Allende's proposal that Congress handle the ITT nationalization because of disagreement on how to proceed. The fear of some hard-liners was that the government was not being tough enough on ITT. Allende's intent apparently is to make a proposal that the Congress would be forced to reject thereby giving the President a chance to call a plebiscite on the issue which, being about ITT, he could not possibly lose. An interesting thought.

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-5-

9. The daughter of Hendrix is engaged to Lewis ("Lon") Constantine, who is applying for a job with the Agency. He has passed certain exams and was to have an interview in Washington on 11 May followed by a physical exam shortly afterwards. A hitch has developed in that he was originally considered for some sort of a job in the photographic field, but he has been told the job has now been filled by someone who returned to the job so that instead he is being offered a 2-3 year contract, probably to go to Laos. He is not sure of the career opportunity a contract status would give him, and is torn between this situation and some offer now being made by IRS. He has long wanted a job with the Agency. (Hendrix claimed that Constantine is not aware that his fiancée once worked for the [] and that she has stuck to her [] story as far as employment goes. Hendrix made a big point of this.) I said it would be possible to check what the situation was and to find out what the Agency's intentions were toward this person, but that I could not affect in any way the decision of hiring, or under what conditions. Hendrix was careful at all times not to ask for special treatment, but rather he expressed a slight degree of concern as to the apparent change in job offers. I replied that as far as I was aware, any person who was hired on a contract basis who proved himself to be of exceptionally high capability could end up as a career employee with us, but it would depend on employment ceilings, etc. at the time such a switch was actively considered. He seemed satisfied with this answer. I said I would check and let him know if there were any unusual circumstances in this case. My impression is that Hendrix is not overly fond of this fellow, but respects him and would not try to interfere on his behalf either way.

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