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31 January 1973

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NLF MR Case No 09-03

Document No 3

MEMORANDUM FOR THE RECORD

SUBJECT: CIA Contacts with ITT

1970

United States

Latin America

July

COS Santiago introduced to [redacted] by [redacted]

July

E.O. 13526, section 3.3(b)(1)

EMPLOYEE [redacted] reports that [redacted] says ITT planning give \$300,000 [redacted] (outside of Chile for ALESSANDRI. [redacted] said ITT negotiating [redacted] at New York level for similar contribution.)

July

COS Santiago says [redacted] met that day with MATTE and worked out funding for \$100,000. (Ambassador Korry advised that firm commitment for \$200,000 made by ITT to [redacted])

July

Broc meets with Geneen after telephone call from McCone to DCI.

July

Broc meets with Geneen and says funding mechanism used by ITT in Chile seems being handled professionally.

Aug

E.O. 13526, section 3.3(b)(1)

EMPLOYEE [redacted] told by [redacted] that ITT contribution to ALESSANDRI will be increased substantially - probably closer to \$1 million. [redacted] did not know details but it

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5 Aug

was his understanding that "the ITT campaign had high level Washington clearance."

COS Santiago with [redacted] who met previous day with [redacted] to recon- firm offer of \$250,000 to be deposited in [redacted] said [redacted] also had contributed but on disappointing scale. [redacted] [redacted] made small contribution. [redacted] [redacted] offered good will and thus far no more. (COS asked [redacted] to prevail on New York off: to make \$100,000 available to PN via another non-specified channel. COS reiterated to [redacted] about U.S. hands off posture.)

E.O. 13526, section 3.3(b)(1)

Aug

employee met with [redacted] who said \$250,000 was deposited 3 August for ALESSANDRI. [redacted] provided info about Chilean political military developments.

Aug

40 Committee Meeting: Attorney General Mitchell asked if U.S. industry was participating in the elections. Mr. Broe replied that he understood they were but their efforts were covert and independent of USG involvement.

Aug

E.O. 13526, section 3.3(b)(1)

COS Santiago told by [redacted] that [redacted] source that day and was going to propose to his ITT superiors that ITT fund \$100,000 to the PN [redacted].

Aug

COS Santiago met with [redacted] who said he had told source that ITT willing subsidize PN through

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E.O. 13526, section 3.3(b)(1)

Source in amount of \$50,000 and that source had said he would pay that amount promptly to the President of the PN. [redacted] said that ITT had authorized an additional \$150,000 to [redacted] for ALESSANDRI.

Aug

COS Santiago reported that [redacted] had received authorization to provide the PN with additional \$50,000 (Ambassador not briefed on ITT funding of PN).

Sept

E.O. 13526, section 3.3(b)(1)

Sept

E.O. 13526, section 3.3(b)(1)

COS Santiago told by [redacted] that [redacted] met with [redacted] 31 August to say additional \$50,000 deposited by ITT

[redacted] that fund sources had dried up and [redacted] therefore had to turn down request for additional \$150,000 made on behalf ALESSANDRI. (COS comments that he believes [redacted] [redacted] convinced Station debarred from election activities and ITT filling void caused by USG hands off posture. However, Station may be underrating their perspicacity. Also, Ambassador aware of ITT funding of ALESSANDRI and is assuming that Agency consulted by ITT prior going ahead.)

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Sept

COS Santiago commented that source has no proof that Station role has extended beyond provision of assets, ammo and facilitating contact as regard ITT funding of ALESSANDRE through [redacted]. However, source has every reason to assume that Station in fact recommended ITT funding of PN through himself.

E.O. 13526, section 3.3(b)(1)

Sept

Headquarters asked employee to disabuse [redacted] of Embassy and Washington involvement in any kind of plan to deny Allende the Presidency.

E.O. 13526, section 3.3(b)(1)

Sept

Employee reports highlights of report sent [redacted] to his superiors in New York about Chile situation.

Sept

Employee got message from [redacted] for COS Santiago [redacted]

E.O. 13526, section 3.3(b)(1)

Sept

Employee reports [redacted] said that after meeting in New York attended by top people in ITT, Kennecott, Anaconda, and First National City Bank, Messrs McCone and Geenen scheduled meet 10 Sept with Vice President Agnew, Defense Secretary Laird and Mendel Rivers, and possibly with others. Purpose of meeting bring pressure on State to

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E.O. 13526, section 3.3(b)(1)

reverse position re developments in Chile, [redacted] one million dollars could be made available for any realistic plan to prevent ALLENDE coming to power.

Sept

E.O. 13526, section 3.3(b)(1)

COS Santiago [redacted]

in erasing impressions left by 'unusually frank' [redacted] briefing given him on 7 Sept by Ambassador. ALESSANDRI election election cum resignation gambit bandied about by Ambassador with deplorable lack of discretion"

Sept

COS Santiago [redacted]

[redacted] E.O. 13526, section 3.3(b)(1)

("Expect more detailed account from source [redacted] soonest").

Sept

E.O. 13526, section 3.3(b)(1)

COS Santiago gave [redacted] [redacted] detailed background before they were to meet Ambassador that afternoon. COS told them no additional funding currently required. However, would advise them promptly if situation changes. Received their assurances they can spend up to one million dollars and that any Station recommendation to commit ITT funds would be promptly acted upon. (FYI: Station maintaining fiction it has no action mandate and therefore no confidential funds at its disposal).

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Sept Merriam invited Broe to lunch. Broe gave him a general assessment of the situation with no reference to economic situation.

Sept

E.O. 13526, section 3.3(b)(1)

COS Santiago reports that through [redacted], the Ambassador and DCM generally aware of Kissinger's (reflecting President's reactions in aftermath of 4 September elections and, of course, are fully conversant with Department of State position.

Sept

E.O. 13526, section 3.3(b)(1)

employee told [redacted] that latter had received call from DCOM Santiago ("urgently needed new gold balls") and leaving immediately for Santiago.

Sept

E.O. 13526, section 3.3(b)(1)

DCOS Santiago told [redacted] that he returning to Buenos Aires from where will report to New York about talk with Ambassador who asked III help in persuading certain U.S. firms to help worsen economic situation in Chile.

Sept Broe met with Gerrity in New York and discussed necessity for U.S. firms with Chilean interests to do everything possible to disrupt Chilean economy and put pressure on economic situation there.

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Oct Merriam called Broe on Chilean situation. Broe reviewed situation and urged economic pressure be put on Allende.

Oct Merriam invited Broe to lunch. Broe reviewed the situation with him.

Oct [redacted] E.O. 13526, section 3.3(b)(1) COS Santiago briefed [redacted] and specifically denied Station in touch with General VIAUX (in answer to somewhat leading question) or interested in his plans except in context of collecting intelligence. Both expressed concern over Latin American ramifications of Allende victory and convinced Allende will move fast against ITT interests.

Oct [redacted] E.O. 13526, section 3.3(b)(1) [redacted] General SCHNEIDER gravely injured when attacked while leaving residence.

Oct [redacted] E.O. 13526, section 3.3(b)(1) [redacted] reported that Army has taken over Investigaciones and General Cheyre in charge.

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ust [redacted] told employee that he, source and empl. would meet together in New York o/a 16 August.

[redacted] E.O. 13526, section 3.3(b)(1)

Aug [redacted] to say problems brewing for ITT in Chile and that ITT people in New York beginning suspect roof about to cave in on them in Chile.

[redacted] E.O. 13526, section 3.3(b)(1)

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Sept

[redacted] to ask if El Mercurio going to get any financial help from USG. Gencen wanted to help but not be alone. Gencen got impression in trip to Washington previous day that USG might already be doing something to help El Mercurio.

E.O. 13526, section 3.3(b)(1)

E.O. 13526, section 3.3(b)(1)

Oct

[redacted] Secretary Rogers was to have meeting next day to talk with various business representatives about Chile

E.O. 13526, section 3.3(b)(1)

a 9 Dec

[redacted] source [redacted]

E.O. 13526, section 3.3(b)(1)

a 12 Dec

E.O. 13526, section 3.3(b)(1)

[redacted] employee about his meetings with source and [redacted] and provided copy of his message [redacted] about substance of talks with [redacted] who wanted money for his programs to resist ALLENDE government encroachments on private business sector. [redacted] would travel to New York and contact [redacted] about 21 December and source arriving New York on 16 December.

E.O. 13526, section 3.3(b)(1)

E.O. 13526, section 3.3(b)(1)

Dec

[redacted] to indicate our interest in ITT contributing to El Mercurio as they had planned earlier.

E.O. 13526, section 3.3(b)(1)

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