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Memorandum of Conversation

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Nota de Archivo: *Washington. Source: National Archives, RG 59, Chile–ITT–CIA 1963–1977, Lot 81D121, Documents Requested by the Department of Justice, 1970–1977. Secret; Limited Distribution. Drafted by Stedman. Copies were sent to the Secretary, Richardson, Johnson, Samuels, Meyer, and Ambassador Korry. No meeting time appears on the memorandum.*

Anaconda Requests U.S. Government Financial Assistance for the Alessandri Election Campaign

Mr. Charles A. Meyer, Assistant Secretary, ARA

Mr. Jay Parkinson, Anaconda

Mr. Jose de Cubas, Westinghouse

Mr. Enno Hobbing, Council for Latin America

Mr. William P. Stedman, Jr., Director, ARA/APA

Mr. de Cubas, President of the Council for Latin America (CLA), indicated that he and Parkinson had requested the appointment with Mr. Meyer to discuss their concern about the presidential election campaign in Chile. Mr. de Cubas indicated that since his company had no detailed information about Chilean developments, the presentation would be made by Mr. Parkinson. Mr. de Cubas said that Mr. Parkinson's views on U.S. participation in the Chilean election had not been discussed with any other company executives in the CLA and that CLA did not have a policy on member companies' participation in elections.

Mr. Parkinson stated that although present information shows that Alessandri is ahead in the Chilean presidential election, Tomich and Alleñde are waging very active campaigns. He indicated that Alessandri has very little financial backing and that his opponents are both very well supported; Tomich receiving funds indirectly from Government of Chile operations and Alleñde receiving funds from Communist sources outside of Chile.

He indicated that Alessandri has designated one specific individual as his intermediary to receive funds from private foreign companies for his campaign, and he has made a request to Anaconda for help.

Parkinson said that Anaconda will contribute, as it has before, and that he believes other U.S. companies will also participate. He said that unfortunately there is extremely little money in Chile for Alessandri's campaign, even from those sectors most interested in his election. He observed that political campaigning now requires large amounts of money for the use of television, radio, and newspapers. According to Mr. Parkinson, the Alessandri group expects to receive about $200,000, whereas it estimates it needs about $3 million for the campaign. Credit from media outlets is not available to Alessandri and there is no single source of large funds open to him such as to each of his opponents.

Mr. Parkinson, in a very direct and hard fashion, put it to Mr. Meyer that the Government of the United States must make a large financial contribution to the Alessandri presidential campaign. He indicated that if either Tomich or Alleñde win, private enterprise in Chile is finished. Alessandri must have funds for his campaign and if contributions are not made by the Government of the United States, it (and Mr. Meyer) will have ensured a Castroite situation in Chile with adverse effects in other neighboring countries and throughout the hemisphere. Mr. Parkinson said that the U.S. Government has made donations before in Chilean elections and it is widely known that we gave major support to President Frei in 1964. He said that he fully approved of "low profile" as a policy for the U.S. Government, which he interpreted to mean fewer U.S. Government personnel abroad and less AID loan projects. When it comes to key political issues such as the survival of private investment, low profile should not mean leaving a vacuum in the Chilean election campaign, according to Parkinson.

He said that the Alessandri group now suspects that the U.S. Government is helping Tomich, inasmuch as Alessandri is not receiving anything from us. Furthermore, he said that many people believe that the U.S. is retaining Ambassador Korry in Santiago because President Frei requested it and we have agreed.

Mr. Parkinson said that he knows full well that the U.S. Government has mechanisms for putting funds into Alessandri's hands in a secure fashion, so that he cannot accept an argument that there is danger or risk in U.S. involvement becoming an issue in Chile.

He said that he did not expect Mr. Meyer to respond to his approach, either positively or negatively. He said he knows that such operations as he is pressing for are not ones which we will own up to, either to him or to the Chileans. He is anxious, however, that the highest levels of the U.S. Government be aware of the need and the urgency for direct U.S. Government financial help so that Alessandri can become President of Chile. Parkinson noted that he expects to make an equally hard presentation at higher levels in the U.S. Government and hoped that Mr. Meyer would pave the way for such presentation, but that it will be made in any case. He expressed the point that the survival of his corporation was at stake; that political contributions are made everywhere in the world, including in the U.S.; and that it was in U.S. national interest to help save major U.S. investors in Chile. Parkinson said he intends to report back to the Alessandri group that Anaconda has done everything it can to get help for him from the USG, and he cannot therefore just confine his approach to Mr. Meyer.

Mr. Meyer said that he understood the presentation made to him. He stated that he would not respond to it, but commented that he was saddened that situations materialize which bring a U.S. company to suggest that the U.S. Government consider gross intervention in the political affairs of another country. He said that it was a pity that wealthy and concerned Chileans did not make adequate financial contributions to enable Mr. Alessandri to have all of the media coverage he needs in the campaign. Mr. Meyer denied that the U.S. Government was helping Tomich or that there was any reason or need for President Frei to intercede with us to retain Ambassador Korry in Chile.

Mr. Parkinson said he hoped to discuss the matter again with Mr. Meyer in a couple of weeks.