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Letter From John McCone to the President's Assistant for National Security Affairs (Kissinger)

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Nota de Archivo: *Los Angeles, California. Source: Library of Congress, Manuscript Division, Kissinger Papers, Box CL108, Geopolitical File, Chile, 3–30 Oct 1970. Personal and Confidential. McCone was Director of the Central Intelligence Agency from 1961 to 1965 and was a member of the ITT board of directors at the time this letter was written. Kissinger signed an October 7 reply prepared by Vaky that reads, "Thank you for your letter of September 14 on Chile. You may be sure that we are all concerned about the situation. It is a difficult one, and I assure you that the President is similarly concerned. I appreciate you sending me your thoughts and I shall certainly keep them in mind. Perhaps when I return from Europe we can have a chat." (Ibid.)*

As I told you on the telephone on Friday, I am deeply concerned over developments in Chile. My concern stems from my experiences as Director of the Central Intelligence Agency in 1964 as well as my recent contact as a Director and member of the Executive Committee of International Telephone and Telegraph Corporation. As you know, this company owns and operates the Chilean telephone system and other enterprises in that country. The book value of their investments is about $150,000,000 against which they hold United States guarantees (I believe through AID) totalling $95,000,000 to $100,000,000.

There is no question in my mind that Allende is a Marxist and his announced policies of nationalizing most industry, communications, etc. are dictated from outside of the country.

In June of 1964, three months before the election, Allende fielded some 300 sound trucks and employed from 3,000 to 3,500 political workers. This substantial effort was financed by $1,000,000 of United States currency which reportedly came from Communist sources outside of the country—presumably, Moscow.

American business interests became alarmed over the prospect of Allende winning the election and offered to support Frei's campaign, volunteering a fund of $2,000,000. This, naturally, was refused but the Agency, with the approval of the President, the Secretary of State and the Secretary of Defense, gave assistance to the Frei campaign both by guidance and financial support, the latter figure totally about [dollar amount not declassified] if my memory serves me correctly.

The campaign was successful. Frei was the first man in recent years to carry a clear majority, his vote exceeding 54% and his success carried over to the subsequent congressional election when his party won some 55% or 56% of the seats of their parliament.

I give you this background because I feel that we acted very wisely in 1964 and while Frei as President took many actions inamicable to our interests, nevertheless, his administration was always free of outside influences.

The ITT officers and directors are deeply concerned over the future of Chile if Allende is seated as President and they are also fearful that his policies will extend to neighboring countries in Latin America, most particularly, the Argentine, Brazil and Peru. Therefore, they feel that anything that can be done between now and October 24th to prevent Allende taking office as President should be done and ITT alone are prepared to put up a minimum of $1,000,000 for this purpose.

Understandably, however, and consistent with their policy, they will not engage in political action in Chile or in any other country unless they are acting in concert with United States Government policies. Incidentally, representatives of the three neighboring states mentioned above have all contacted ITT urging some immediate action on their part.

It is a disappointment to me that we did not take more aggressive action prior to the election. However, it may not be too late and it is for that reason I am writing expressing my concern and indicating the extent to which at least one company in the private sector is willing to go.

I know this is a sensitive subject and should you wish to discuss it further, I am willing to come to Washington to meet with you and others at your convenience and request. Please hold this letter in your complete confidence.

Sincerely,