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Socking It to the ITT

The Overseas Private Investment Corporation has refused to pay I.T.T. the \$92 million it lost in Chile as a result of Allende's confiscation of I.T.T.'s telephone company down there. The OPIC was unspecific about why it was denying indemnity to I.T.T. and the dispute will go to arbitration. But meanwhile, OPIC has delighted those who wish to find fault with I.T.T., in small part because of its offer to help the United States Government finance an anti-Allende campaign in the weeks before his selection as President, in greater part because they feast on any opportunity to disparage American business, which they do with Upton Sinclairish delight. "Whatever its official reasons," says The New York Times, "OPIC has acted in the best interests of the United States in denying the I.T.T. claim."

Allende meanwhile is as happy as if he had struck oil. He has brazenly opportunisted on the revelation of I.T.T.'s offer to Henry Kissinger, as exposed by Jack Anderson as if that were the only reason for denying full compensation to I.T.T. for the value of its properties.

It is forgotten, in the general confusion, that Jack Anderson's exposures were in March of 1972, that ten months earlier in May of 1971 the Allende Government in conversations with I.T.T. offered to pay approximately 15 percent of accepted value of the properties: that is to say, had embarked on a course of 85 percent confiscation; and that in September of 1971, five months before the Anderson columns, the Allende government had proceeded to take over the management of the company.

Forgotten also is that in the summer of 1971, the Allende government confiscated the properties of five American copper companies which had never revealed with Kissinger, without paying them a penny. The excuse for not doing so was that the companies in question had "damaged" the mine installations, "overestimated" their depreciation, and taken out "excess" profits. The bill: one billion dollars. Needless to say, it is very easy to confiscate property or justify anything else if one has exclusive control of the official apparatus of incrimination. When Stalin's "government" announced that an official had been executed for "treason," that was the end of it. What is remarkable is the enthusiasm with which so many Americans accept the humiliation of a

company whose investors are American citizens who have acted in good faith.

Now here is an interesting contrast. The dispute between OPIC and I.T.T. comes down to \$92 million. By coincidence, the dispute between England and Ghana involves a figure almost identical — \$94 million. The late Nkrumah, the dictator of Ghana who in due course was overthrown, was a profligate spender who borrowed a billion dollars around the world during the time he was flying high. The most recent coup in Ghana was conducted by Colonel Ignatius Kutu Acheampong, whose mind works rather like Allende's: when you find that you owe money to foreigners — as Chile owed it to ITT — why simply find an excuse for not paying it! Accordingly, Acheampong pronounced the obligation to England as null and void on the grounds that it had been incurred through corruption. Whee. No doubt the complement to The New York Times in England congratulated Nkrumah, finding England's Exchequer managers as corrupt as the managers of ITT. Acheampong went further and nationalized over a half of his country's foreign-owned gold, diamond, and timber operations.

But suddenly things began to happen to Ghana. Credit dried up — completely. Forced to pay cash for its imports, Ghana's prices skyrocketed. In no time at all, Acheampong was crawling back to the creditors, suggesting a modification of his previous, boisterous, carefree solution to his country's economic problems, which was to steal from foreigners.

That of course is what Allende's Chile is doing, with this difference, that the United States, and its principal intellectuals, are really cheering it along by buying the fiction that Allende's move against I.T.T. was the result of hurt pride over I.T.T.'s initiative in anticipating the direction Allende would take.

In Europe they've been around a long time, and when they lend out money, they get back or else the defaulting country is put into economic Coventry, as they might put it in England; and over this there are very few gasps of outrage from other than the kind of people who howl out their discontents in Hyde Park. In the United States we are too unsure of ourselves to demand that American citizens' rights be respected. That, by the way, is why increasingly they are disrespected.