

Why Chile Ended Talks With U.S.

Santiago

Chile's President Salvador Allende is now convinced that the U.S. government conspired, along with ITT, to prevent his election in 1970, advisers close to the president say.

As a result of testimony at recent hearings in Washington, Allende reached this conclusion and broke off important talks between Chile and the U.S., sources here said. No date was set for the resumption of the talks, which concerned the major outstanding problems between the two countries. The talks broke off on March 23.

The hearings on activities of International Telephone and Telegraph in Chile were held by (special Senate subcommittee investigating the activities of multinational corporations.

Until now, the sources here say, Allende had interpreted the ITT documents that columnist Jack Anderson revealed last year as implicating only the company, even though they referred to meetings between ITT executives and the Central Intelligence Agency's top agent in Latin America.

The documents and last week's hearings indicated that ITT worked actively to prevent the Chilean Congress from confirming the

election of Allende, a Marxist. During his campaign Allende had pledged to nationalize major foreign holdings in Chile.

One item from the hearings that is said to have helped to convince Allende of U.S. involvement was a report, not confirmed in the hearings, that the National Security Council had allocated \$400,000 for covert propaganda action against Allende during the 1970 presidential campaign.

The report, in a Washington-dated dispatch from the correspondent of the Communist party newspaper *El Siglo*, was apparently based on a question asked by subcommittee counsel Jerome Levinson during the testimony of Edward Korry, who was U.S. Ambassador to Chile in 1970.

(Levinson asked Korry if the Security Council had approved the \$400,000 fund, but Korry said he could not answer any questions concerning "the activities of the CIA.")

The U.S.-Chile talks in Washington that were broken off were mainly concerned with debt renegotiation and Chile's refusal to compensate American copper companies and ITT for nationalized properties.

Washington Post Service