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CHILE THREATENS TO SEIZE I.T.T. UNIT

Phone Company Investment
of \$153-Million at Stake

By Reuters

SANTIAGO, March 29 — A spokesman for the left-wing Government of President Salvador Allende Gossens said today that its lawyers were considering confiscating the interests of the International Telephone and Telegraph Corporation in Chile's telephone company.

The property, whose value is put at \$153-million, represents I.T.T.'s stake in the Chilean Telephone Company.

[A spokesman for I.T.T. said in New York that the company would have no comment on the report until there was time to study it fully. The report caused I.T.T. Stock to fall nearly half a point on Wall Street trading, but the stock closed unchanged at 56.]

Jaime Gazmuri, acting secretary of the United Popular Action Movement, a member party of the coalition, Popular Unity Government, said President Allende had told him that Government lawyers were studying the possibility of taking over I.T.T.'s 10 per cent share in the Chilean Telephone Company by enacting a law of constitutional reform.

Jack Anderson, the syndicated Washington columnist, has charged that the United States Central Intelligence Agency and I.T.T. were involved in a plan to prevent Dr. Allende from taking office after he was elected in November, 1970.

Mr. Gazmuri's party urged the Government to confiscate I.T.T.'s share of the telephone company several days ago on learning of the Anderson charges. Mr. Gazmuri said that Dr. Allende had agreed in principle with this demand, and that the other coalition parties would support it.

An I.T.T. spokesman in Washington said earlier this month that the company's total investments in Chile were worth about \$170 million.

Besides the telephone company, I.T.T. holdings in Chile include a telephone equipment manufacturing concern and two Sheraton hotels.

Inquiry Is Asked

Today the Chilean Senate, in an extraordinary session, called for a commission of inquiry to investigate the possibility that I.T.T. engaged in activities against Chile's interests. The commission would be formed by the Chamber of Deputies. Both houses are dominated by the opposition Christian Democrats and the right-wing national party.

In his column, Mr. Anderson named a retired general, Robert Viaux, as having been involved in the supposed C.I.A.-I.T.T. plot. General Viaux has been in jail since 1970 awaiting trial on a charge of complicity in the murder of Army Commander-in-Chief, Gen. René Schneider.

Meanwhile, the Chilean Government announced today it had bought the explosives manufacturing operations of the du Pont Company for \$1-million. Du Pont had three plants in Chile's north.