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Allende to Seek ITT Takeover

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President Salvador Allende announced yesterday he will ask the Chilean Congress to nationalize the properties in Chile of the International Telephone and Telegraph Corp., which he accused of "imperialist penetration."

The announcement came before a huge pro-government rally here which matched in numbers an anti-government rally last week in the same location near the national stadium. In each case about 200,000 people were present.

Allende's decision to seek nationalization of the ITT properties, which the American company values at \$200 million, is a challenge to the anti-Marxist majority that controls congress.

The major property of ITT in Chile is the Chilean tele-

phone company, with a declared book value, recognized in a concession contract ratified by the Chilean congress, of \$153 million. ITT owns 70 per cent of the company and the contract provides for progressive acquisition of majority ownership by the Chilean government.

Negotiations for purchase of ITT's interest in the telephone company were broken off by the Chilean government in September and a state administrator was named to run the system, which has 360,000 lines.

Since then, ITT has become a major political issue in domestic affairs here because of documents, disclosed by columnist Jack Anderson, alleging that ITT officials and the U.S. Central Intelligence Agency sought to prevent Allende from taking office through a military coup or economic crisis after he won the presidential election of September 1970.

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