

ALLENDE SCOFFS AT FUNDS FOR I.T.T.

Says Chile Won't Pay Even
Half a Cent Compensation

SANTIAGO, Chile, April 10 (AP)—President Salvador Allende Gossens said today that Chile would not compensate the International Telephone and Telegraph Corporation for its expropriated Chilean assets. Dr. Allende also contended that the Central Intelligence Agency had worked with I.T.T. to try to block his election in 1970.

The I.T.T.-operated Chilean Telephone Company was taken over by Dr. Allende's leftist Government in 1971. Official nationalization of the company's majority interest is pending in Chile's Congress.

"No one can dream that we are going to pay even half a cent to this multinational company which was on the verge of plunging Chile into civil war," Dr. Allende said.

He referred to testimony in United States Senate hearings that I.T.T. had sought to keep him from becoming president in 1970.

As a result of the Senate hearings, Dr. Allende said he could "now say North American officials and agencies of the United States tried to thwart the will of the Chilean people."

Accuses 'Imperialist' Concerns

The President also accused "imperialist" corporations of fomenting wars, worldwide inflation and of dominating the economies of underdeveloped countries. He mentioned the Anaconda Company and the Kennecott Copper Corporation, whose multimillion-dollar assets in Chile have been nationalized.

Dr. Allende said that Chile's dispute was not with "the people or the workers of the United States" but with the United States Government and international corporations.

"Here in Chile, we do not use the term 'Yankee go home,'" he said. "We say, 'Imperialists go home.'"

Dr. Allende spoke in Santiago to a World Labor Unions Assembly, attended by 1,500 delegates from 70 countries.

He predicted that Chile's Congress would approve nationalization of I.T.T.'s 73 per cent of the telephone company. The corporation has said that its share was worth \$153-million. It also has other assets in Chile, including two luxury hotels, a car rental agency and a communications company.

A bill unanimously approved by the Chilean Congress in July, 1971, nationalized United States interests in five copper mines without compensation to Anaconda, Kennecott of the Cerro Corporation.

The bill estimated the assets of the three companies at \$663.9-million but ordered a total of \$1-billion deducted for excess profits, damage to mine installations and depreciation.

U.S. Stands by Denial

Special to The New York Times

WASHINGTON, April 10 — The State Department said today that it would adhere to an earlier statement by a former State Department official denying the accusation that the United States and I.T.T. conspired to prevent Dr. Allende's election in 1970.

The Senate Foreign Relations subcommittee on multinational corporations recently held seven days of hearings on I.T.T.'s involvement in Chilean affairs. During the hearings Charles A. Meyer, former Assistant Secretary of State for Inter-American Affairs, testified that, so far as he knew, the C.I.A. was never specifically authorized to explore the possibility of using private American corporations to damage the economy of Chile in any attempt to influence the 1970 election there.

On the first day of hearings an I.T.T. official, William R. Merriam, said that William V. Broe, director of the C.I.A.'s clandestine activities in Latin America, had "agreed with the recommendations" that the corporation made in 1970 to try to prevent the election of Dr. Allende.

It was also revealed that I.T.T. had offered \$1-million to the United States Government to block the election of Dr. Allende. But various officials of I.T.T. and the C.I.A. gave conflicting testimony on whether the money was to be used "constructively" against Dr. Allende.

DEVICE BECOMES