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Denying I.T.T.'s Claim

Congress established the Overseas Private Investment Corporation primarily to provide risk insurance to American companies with investments in the developing countries. Earlier this month, the O.P.I.C. president, Bradford Mills, made plain to a House subcommittee that the corporation would feel justified in rejecting an insurance claim where an investor was guilty of "actions that would create political problems and provoke expropriation" in a host country.

Yesterday, Mr. Mills disclosed that O.P.I.C. had denied a claim by the International Telephone and Telegraph Corporation for \$92.5 million in compensation for the takeover of its subsidiary in Chile by the Chilean Government. Because I.T.T. can submit this decision to arbitration, Mr. Mills confined himself to saying that I.T.T. had "failed to comply with its obligations" to furnish "material information to O.P.I.C."

Even without official clarification, however, the case against compensating I.T.T. from public funds seems clear-cut. Officers of the giant conglomerate have admitted to a Senate committee that they offered to contribute a million dollars or more "in support of any Government plan" for blocking the election of Salvador Allende as President of Chile in 1970. And an I.T.T. vice president submitted an "action" plan to a White House adviser in 1971 aimed at insuring "that Allende does not get through the next six months."

Dr. Allende's Marxist-dominated Government might never have reimbursed I.T.T.; but it was at least discussing compensation until the firm's schemes for interfering in Chile's internal affairs came to light last year. Mr. Mills notes that two other claims have been resolved satisfactorily between American firms and the Allende Government with the assistance of O.P.I.C. guaranties. Whatever its official reasons, O.P.I.C. has acted in the best interests of the United States—and also of American corporations behaving properly abroad—in denying the I.T.T. claim.