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Chile gobbles up ITT

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and

MARC COOPER

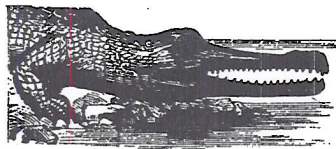
(SANTIAGO, CHILE; April 18) — President Salvador Allende, the only speaker at the largest demonstration in this country's history, announced that he had signed a decree asking congress to authorize the immediate expropriation of all the holdings of International Telegraph and Telephone Company in Chile.

ITT, which employs 400,000 people and whose 1971 sales were over \$6 billion (more than the national income of a medium sized Latin American country), has amongst its subsidiaries in Latin America alone the Continental Baking Company, Abbey Overseas Insurance, Sheraton Corporation of America, All America Cables and Radios, Cimentos Sul Paulistas, Compania Francesa, Stenberg Flight Company, German Occidental, and Standard Electric Lorenz.

The international conglomerate felt its first losses in South America in 1960 when the Cuban American Telephone and Telegraph Company, Radio Corporation of Cuba, and the Cuban Telephone Company were expropriated by the government of Fidel Castro. It will now lose in Chile the Compania de Telefonos de Chile, the Sheraton Corporation, All American Cable, Standard Electric Company, and the Telegraph Company.

The Compania de Telefonos was seized in September, 1971, and negotiations have been going on since then in regard to indemnization, IT&T asking \$150 million and Chile offering \$28 million. It's now probable that Allende will see to it that IT&T receives no indemnification on its seized property by applying the same law to it that he did to the American copper firms last October. (This law made it possible to subtract excess profits taken by the company over the years from the amount to be paid by the Chilean government.)

Allende's decree, sent to the opposition-controlled Congress, puts the Christian Democratic Party (the largest opposition party) in an extremely bad position. Since the emergence of the IT&T secret documents, the Christian Democrats have denied their role in any plotting. They have hypocritically proclaimed their firm opposition to foreign intervention, saying that the left has distorted their position by accusing them of being puppets of the U.S. and U.S. corporations.



For the Christian Democrats to vote against this measure would be publicly self-contradictory, and would show them to be sympathetic to the U.S. At this time, in view of the public uproar against the plot and U.S. intervention, they are not expected to risk that.

The rally at which Allende spoke was a direct reply to last week's opposition march of 100,000 right-wingers and was attended by from 500,000 (police estimate) to 1 million people (government newspaper).

The rally was not only larger than the opposition's, but was composed of markedly different kinds of people. The overwhelming majority attending the leftist rally were dressed in work clothes, having just left their factories and offices. There

were few well-dressed middle-class participants, who were the majority in April 12's rally. Though the right claims to have a monopoly on women's support, there was a large percentage of women at the rally backing the government.

An important indication of the trend within the left was brought out during the march to the rallying point. The official government truck leading the column used a loudspeaker to lead chants which had been put forth previously only by the revolutionary leftist group, MIR, such as, "An armed left will never be defeated," "Against sedition: revolution!" and others calling for

the destruction of the bourgeois parliament. This might be a result of the fact that the government and MIR recently began the first official talks to discuss the possibility of a formal political understanding.

Other important points in the president's speech included the fact that he sent a request asking the Ministry of Justice to prosecute those Chileans involved in the IT&T plotting to prevent Allende's taking power. He also announced that the Edwards Bank, one of the few remaining private banks, will now be expropriated because of its complicity in destroying Chile's line of credit with the U.S.