

Peruvian Junta Nullifies Deal with U.S. Oil Firm

Police Use Tear Gas to Disperse Students

By JOE MCGOWAN

LIMA, Peru (AP) — The military junta that overthrew President Fernando Belaunde Terry nullified Friday night a disputed contract with a U.S. oil firm that the junta generals used as a pretext for the president's ouster Thursday.

As the military acted, police fired tear gas to break up groups of students roaming through the capital's streets.

A communique said the officials that the "revolutionary government" considered responsible for the signing of the contract last August between the International Petroleum Corp., a subsidiary of Standard Oil of New Jersey, and a government oil agency would be "brought to justice." The officials were not named.

BELAUNDE PARTICIPATED

Belaunde had participated personally in the drawing up of the agreement which gave back to the government oil fields in northern Peru that had been operated by IPC since 1924. IPC was to have continued to process crude oil at its refinery.

Opposition members of parliament had claimed that the American firm, based in Coral Gables, Fla., owed the government hundreds of millions of dollars for the resources it had taken out of Peru. That money, they said, was not provided for in the contract.

A complete takeover of the firm's assets by the junta of Gen. Juan Velasco, the army chief of staff, was not ruled out by some observers.

OPPOSITION TO JUNTA

Opposition to the junta's takeover appeared in fits and starts. Roving bands of students tipped over cars and set a fire on the Avenida Arequipa, a major thoroughfare, before police dispersed them with a tear gas barrage.

The opposition seemed to

have little chance of moving effectively against the armed forces. The army acted swiftly earlier Friday to head off any such attempt.

Eleven members of a Cabinet sworn in only 14 hours before the coup were placed under house arrest as they attempted to draft a communique calling for rebellion.

SIMILAR APPEAL

A similar call came from Armando Villaneuva, chief of the powerful Aprista party, hated by the military. The Aprista paper La Tribuna came out with a special edition Thursday calling for the ouster of the "coup makers."

Backing the Apristas was the powerful CTP labor union and a large segment of the student movement.

Rumors spread that a general strike might be called.

Belaunde, who was flown to exile in Buenos Aires at the outset of the coup, was reported offered political asylum by the governments of both Argentina and Bolivia. A dispatch from La Paz quoted Foreign Ministry sources there as saying the 55-year-old former president had asked for asylum in Bolivia.

After a night of violence in which at least one student was killed in skirmishes with police, Lima returned to near normal Friday. Municipal employes were cleaning up the debris; shoppers crowded the streets.

The U.S. Embassy said all of the 6,000 U.S. citizens in the country were believed safe. Flight operations at Lima's airport were normal.

Almost all shops were open, but storekeepers had their heavy protective metal screens lowered half-way, so the shop could be closed at a moment's notice in case of violence.

The courtyard of the presidential palace still swarmed with tanks that rumbled in early Thursday. The city's main squares were heavily manned

by police and soldiers.

Generals in the new government complained because teachers and school superintendents failed to reopen classes. They felt that school officials are leftist and want students on the street to incite violence.

Peru's political future was uncertain, but there were indications the military leaders intend to rule for some time. In previous coups—Peru has had six this century—the military emerged under the title of junta. But this time the leaders are calling themselves a "revolutionary government."