

Chile Gets Loan Despite Protests

Washington

The World Bank yesterday approved a \$33 million loan to Chile despite protests from various groups against assisting that country's military government.

The loan, the third by the bank to Chile since the Marxist government of Salvador Allende was toppled in September, 1973, will help finance a \$77 million project to improve copper-mining facilities.

The Chilean military government headed by General Augusto Pinochet will provide the remainder of the money for the project.

A delegation of U.S. congressmen, religious, legal and labor representatives, and Amnesty International had urged World Bank President Robert McNamara to respect "international denunciations of atrocities committed by the Chilean dictatorship" by refusing to grant the loan.

The delegations also said Chile lacks credit worthiness.

Bank officials, however, said the bank confines itself to economic considerations and does not engage in political issues.

One official commented that copper is vitally important to Chile and added: "It is not a fair way to treat ordinary Chileans (to deny the country money to develop important industries)."

The loan will be made available during the next four years. It has a repayment period of 25 years—which means it will be redeemed by a series of governments and not only by the Pinochet regime—and carries an annual interest rate of 8½ per cent.

The World Bank halted loans to Chile in 1970 when Allende came to power, saying that his government had failed to negotiate with owners of nationalized companies.

In April, 1974, the bank granted a loan of \$5.25 million for technical assistance and investment studies. A year later, it provided Chile a \$20 million agricultural credit.

Reuters