

A Key Chilean Move on Mines

Santiago

Chile's new military government will open up the big five copper mines, nationalized under the late President Salvador Allende, to private foreign and Chilean investment, officials said here yesterday.

They said the new government will pursue liberal economic policies, based on private enterprise.

This apparently heralds the demolition of the Socialist economy that Allende, a Marxist, was trying to build during his three years rule before his death in last week's coup.

The officials said the new government will attempt to restore the economy by raising copper production to one million tons a year. And it will accept private foreign and Chilean investment in the big five copper mines, they added.

EMPHASIS

The main production effort will be in the mining, agricultural and industrial sectors, with special emphasis on copper to exploit current price rises on the world copper market, the officials said.

According to a television broadcast by Admiral Jose Toribio Merino, a member of the four-man military junta, copper production is already back to normal after the coup.

"Without doubt, and without miracles, we will very soon reach a million tons of copper," he said.

Copper exports traditionally bring in 85 per cent of Chile's foreign currency earnings.

INDICATION

The junta's decision to accept foreign investment in the big five copper mines — Chuquibambilla, El Teniente, El Salvador, Exotica and Andina (Rio Blanco) — indicated that the copper industry is about to be denationalized.

The U.S. Kennecott, Ana-



ADM. JOSE TORIBIO
The junta's spokesman

conda and Cerro Corporation owned the mines before the Christian Democrat government of President Eduardo Frei — which preceded Allende's government — took a part share in them.

They were nationalized in July, 1971, under Allende, by unanimous vote of both houses of Chile's opposition-dominated congress.

REFUSAL

The Marxist president later refused to pay compensation to the companies, charging that they had for years been taking excessive profits out of the country.

Yesterday, officials did not indicate whether the military government is planning to pay the compensation.

But the new government has already indicated it is ready to start repaying Chile's national debt, on which Allende had ceased payments, pending long and complex talks with creditor nations to re-negotiate it.

Reuters