

Chile Moves to 'Repair the Chaos'

Santiago

The military junta yesterday announced an emergency plan to untangle the Chilean economy and open the door to foreign investment.

In the streets, troops burned books and continued their search for arms and supporters of deposed President Salvador Allende.

General Gustavo Leigh, a member of the four-man junta that seized power from Allende, said Saturday that emergency economic measures are necessary "to repair the chaos" inherited

from Allende's leftist government.

But Leigh said the military government will not scuttle social reforms carried out by Allende during his nearly three years in power.

Soldiers and police cordoned off ten blocks of apartment and office buildings in the fashionable Parque Forestal section of Santiago yesterday, searching for illegal arms and leftist fugitives.

The soldiers confiscated any literature they considered "subversive" and burned it on the spot in bonfires.

INVESTMENTS

Under the junta's new economic plan, Leigh said guarantees will be offered on foreign investment, which declined sharply under the Allende government. —end of take "B"

"We want to give confidence to the entire world," he said. "The doors will open for any foreign capital seeking a place in Chile."

Leigh said Chile's industries have returned to near normal since the coup September 11, and those that were nationalized legally un-

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CHILE'S MOVE

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der Allende will continue under the control of the state.

These that were "expropriated illegally" will be returned to their former owners, he said.

DEFINITIONS

Leigh did not define either what constituted an illegal takeover or who will determine which seizures were legal.

Allende's government expropriated by regular procedures about 200 of Chile's biggest industries, including millions of dollars worth of U.S. investments in the copper mines that are Chile's biggest foreign exchange earners.

Other industries were seized by workers and turned over to government administrators without regular government procedures.

These were presumed to fall in the illegal category referred to by Leigh.

RELATIONS

Leigh said the junta hopes its relations with the U.S. will be "the best possible." Washington has not yet officially recognized the new government but no major problems are foreseen.

Relations between the U.S. and Allende's leftist government were cool, particularly because of his refusal to pay the nationalized U.S. companies what they regarded as acceptable compensation.

Leigh said the first stage of the economic reconstruction plan will include:

- An immediate freeze on the amount of money in circulation.

- Strict austerity in government spending.

- Normalization of industries, many of which have been taken over by workers.

BELTS

"To rebuild this country, we will all tighten our belts," Leigh said. "We will try to reduce inflation..."

Inflation in Chile reached 323 per cent in the last 12 months.

Leigh also said the junta plans to lift price controls on

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some products. In the past, the government has controlled the prices of most basic consumer goods. The controls contributed to scarcities of products whose prices left little chance of profit for producers and merchants.

Associated Press

Filipino Accord With Poland

United Nations

The Philippines signed an agreement with Poland Saturday establishing diplomatic relations, one day after a similar accord was reached with East Germany, it was announced yesterday.

Philippine Foreign Minister Carlos Romulo said similar agreements would be signed next week with Czechoslovakia and Hungary as part of the Philippines' effort to normalize relations with East European nations.

United Press