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**CHILE TO RETURN
SEIZED COMPANIES
TO THEIR OWNERS**

**Junta Will Relinquish Most
U.S. Concerns—Copper
Holdings Not Affected**

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Special to The New York Times

SANTIAGO, Chile, Oct. 19—
The vast majority of United States companies brought under state control without compensation by the recently deposed Marxist coalition Government may be returned to their former management.

In a statement today, Gen. Augusto Pinochet Ugarte, the head of the ruling military junta, announced the Government's intention to return most of the more than 300 Chilean and foreign companies that were taken over without payment by the Government of the late President Salvador Allende Gossens.

Among these companies are about 40 with American investment.

The list does not include companies that were bought by the Chilean Government, such as the branches here of the Bank of America and the First National City Bank.

Copper Talks Offered

The military Government has also made it clear that it will not return the holdings of three large United States-based copper companies—Kennecott, Anaconda and the Cerro Corporation—that were nationalized by the Allende Government with the unanimous approval of the legislature.

But the junta has announced that it is prepared to resume negotiations on compensation for these concerns, whose assets here were variously estimated between \$500-million and \$100-million. President Allende refused compensation

Continued From Page 1, Col. 4

on the grounds that the copper companies owed Chile \$774-million in "excess profits."

Although the copper companies accounted for the bulk of United States private capital in Chile a number of other concerns with large American investment were taken over in Allende years.

For example, International Telephone and telegraph lost control of the Chilean tele-Company, in which it had a 70 per cent interest and an investment of about \$150-million.

At the time of the military coup, the Chilean Congress—now suspended by the junta—was considering a bill for the nationalization of the company.

Allende Opposed

According to testimony submitted to the United States Senate Foreign Relations Committee last March, I.T.T. sought to enlist the support of the Central Intelligence Agency and offered to help finance a plot aimed at preventing Dr. Allende from assuming office after his election in 1970.

Another concern with large American investment here is Petroquímica Dow, which was seized by workers in September, 1972, and placed under Government control without compensation the next month. The Dow Chemical Company has a 70 per cent interest in the company and an investment of about \$30-million.

The return of companies to their former private management will probably involve lengthy negotiations with the military Government.

Debts May Stand

In his statement, General Pinochet indicated that the companies must be prepared to give up claims against the Chilean Government for damages or losses to their installations while they were under state control.

The owners may also be asked to repay money owed to the Chilean Government while the companies were under

Marxist control. And the military Government has said the companies must be prepared to accept any future labor legislation approved by the junta.

At least one American concern—the Crown Cork and Seal Company—has already returned to its former management. A number of American companies are expected to send executives to Chile in the next few days to negotiate the return of their holdings here.

Most Chilean companies that fell under state control in the Allende years were quietly placed back in the hands of their former private managers within two weeks after the military took over the government.

The junta has never officially announced the return of these executives, preferring to call them "government delegates" empowered to manage the concerns until their final status is decided.

Chile Prepares List

The Chilean Embassy in

Washington said yesterday that a list of the companies considered for return to their former owners was still being compiled and might be available next week.

Spokesmen for I.T.T. and Dow Chemical said their companies had not been contacted by Chilean authorities.

When the Allende regime was toppled, I.T.T. said that it wanted to see what wishes the new Government might have.

Dow Chemical has expressed an interest in returning to Chile. The company's decision would depend, a spokesman said, on the condition of the Chilean plastic market, and, generally, the economic program of the new Government.

Dow Chemical engineers recently the company's plant in Chile to evaluate its condition. They are expected to make their report next week.

Continued on Page 9, Column 3