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Chile Gets U.S. Loan For Wheat

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By a Washington Post Staff Writer

The U.S. government has approved a \$24 million credit to the new military government of Chile for the purchase of desperately needed wheat, the Department of Agriculture announced.

The decision brought an immediate, angry response from Sen. Edward M. Kennedy (D-Mass.) who sponsored an amendment to the foreign aid bill approved by the Senate Tuesday urging the administration to withhold aid to the new Chilean government until it receives assurances that human rights will be respected in Chile.

Sen. Kennedy said the line of credit, for the purchase of 120,000 tons of wheat, "is eight times the total commodity credit offered to Chile in the past three years when a democratically elected government was in power." The four-man military junta deposed the leftist government of Salvador Allende in a coup Sept. 11.

During the three years of the Allende government, the United States approved very little economic assistance for Chile, and Santiago even had difficulty obtaining commercial credits.

Laurel C. Meade, general sales manager of the Agricultural Bank, said the loan is not "concessional aid," since the loan must be paid back in three years with 10.5 percent interest.

A few days before the coup, an envoy of the Allende government returned to Chile from a buying trip to the United States and reported that Chile would be in "grave difficulties" if the United States did not approve the credits necessary for Chile to purchase 300,000 tons of wheat.

The purchasing agent, Pedro Bosch, said the extension of credits depended on a "political decision of the White House."

News agencies reported the following developments concerning Chile:

Panama criticized the United States for the seizure Wednesday of a Cuban freighter in the Panama Canal at the request of the Chilean junta.

The action, confirmed by the State Department Thursday, was taken because Chile alleged that another Cuban freighter had fled the Chilean port of Valparaiso carrying a load of sugar that Chile had already paid for. Cuba has said that the freighter was bombed and strafed during the coup.

U.S. sources said the attachment of the vessel does not imply U.S. approval of Chile's claim. The case was referred to a U.S. court in the Canal Zone.

In Chile troops were reported to be conducting a house-to-house search of Santiago for Socialist Party leader Carlos Altamirano, one of the 13 fugitives on the junta's "most wanted" list who are still at large.

The military authorities announced another execution of a suspected leftist, accused of hiding weapons in his home in the far northern city of Arica. A statement said he tried to grab a rifle from one of the soldiers searching his house.

Associated Press said that 22 executions have been reported by the junta since the coup. Critics of the new government have charged that large numbers of its opponents have been killed while unarmed or in custody.

About 5,000 persons remain in a detention camp set up in Santiago's National Stadium. Gen. Oscar Bonilla, the interior minister, said that 1,525 persons have been released from detention since the coup, 600 are being questioned for a second time and 120 others have been sent to jails, apparently to await trial.

Raul Saez, who was finance minister in the government of Allende's predecessor, President Eduardo Frei, was returning from Venezuela to become the junta's economic adviser, news agencies reported from Santiago.

A spokesman for a delegation from the London-based Socialist International said that policemen brandishing automatic weapons Thursday prevented members of the delegation from laying a wreath at the grave of Allende, who died during the coup.