

Chile Hint

U.S. Firms May Be Given Back

Santiago

The vast majority of American concerns brought under state control without compensation by the deposed government of Salvador Allende may be returned to their former management in the coming weeks.

In a lengthy statement published yesterday, General Augusto Pinochet, the president of the ruling military junta, announced the government's intention to return a majority of the more than 300 private domestic and foreign companies that were taken over without payment by the Marxist government of Allende.

Among these companies are about 40 concerns in which American money is involved.

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

The military government has also made it clear that it

will not return the holdings of three U.S.-based copper companies — Kennecott, Anaconda and the Cerro Corp. — which were nationalized under the Allende government by the unanimous approval of the legislature.

But the junta has announced that it is prepared to resume negotiations on compensation for these concerns, which had assets here estimated at between \$500 million and \$700 million. Allende refused compensation on the grounds that the copper companies allegedly owe Chile \$774 million for excess profits.

Although the copper concerns accounted for the bulk of U.S. private capital in Chile, there are a number of concerns with large American investment that were taken over in the Allende years.

The International Telephone and Telegraph Corp. lost control of the Chilean telephone company in which it had a 70 per cent interest and an investment of about \$150 million.

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