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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 compen-  
sation 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 Govern-  
ment's intention to return most  
of the more than 300 Chilean  
and foreign companies that  
were taken over without pay-  
ment by the Government of  
the late President Salvador  
Allende Gossens.

Among these companies are  
about 40 with American in-  
vestment.

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 cop-  
per companies—Kennecott, An-  
aconda and the Cerro Corpora-  
tion—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 as-  
sets here were variously esti-  
mated between \$500-million  
and \$100-million. President  
Allende refused compensation

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on the grounds that the cop-  
per companies owed Chile  
\$774-million in "excess prof-  
its."

Although the copper compa-  
nies accounted for the bulk of  
United States private capital in  
Chile a number of other con-  
cerns with large American in-  
vestment 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-mil-  
lion.

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 sub-  
mitted to the United States  
Senate Foreign Relations Com-  
mittee 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 Septem-  
ber, 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 invest-  
ment of about \$30-million.

The return of companies to  
their former private manage-  
ment 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 dam-  
ages or losses to their installa-  
tions 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 mili-  
tary Government has said the  
companies must be prepared to  
accept any future labor legisla-  
tion approved by the junta.

At least one American con-  
cern — the Crown Cork and  
Seal Company—has already re-  
turned to its former manage-  
ment. A number of American  
companies are expected to send  
executives to Chile in the next  
few days to negotiate the re-  
turn 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 govern-  
ment.

The junta has never offici-  
ally announced the return of  
these executives, preferring to  
call them "government dele-  
gates" 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 con-  
sidered for return to their for-  
mer owners was still being  
compiled and might be avail-  
able next week.

Spokesmen for I.T.T. and  
Dow Chemical said their com-  
panies 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 re-  
cently the company's plant  
in Chile to evaluate its condi-  
tion. They are expected to make  
their report next week.