

CHILE

SFChronicle  
**Easy-Terms  
Wheat Sale  
To Chile**

Washington

The Agriculture Department announced plans yesterday to finance sales of 100,000 metric tons of wheat to Chile under the easy-credit terms of the U.S. Food for Peace program.

The deal was believed to be the first of its kind with Chile since the former leftist government of President Salvadore Allende came to power in 1970.

Officials said the wheat, or substitute amounts of wheat flour, would cost about \$17.1 million.

The grain will be sold and shipped by private U.S. traders. Chile will repay the U.S. government on customary Food for Peace terms — a 20-year dollar credit with a one-year grace period before repayment begins.

Officials said that before the agreement was signed in Santiago, the new Chilean government agreed it will use proceeds from sales of the wheat or flour for agricultural self-help programs. These will include planning for irrigation development, aid to farmer cooperatives and "continuing programs to provide realistic agricultural producer prices."

*United Press*