

To Washington Rebuke

By JUAN de ONIS

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SANTIAGO, Chile, Oct. 3 — While Chile's Supreme Court was refusing to extradite to the United States this week three army officers accused of planning a political assassination in Washington, Anaconda was signing a contract to invest up to \$1.5 billion in a new copper mine here.

News

Analysis

While the Carter Administration was calling the former head of the Chilean secret police, Gen. Manuel

Contreras Sepulveda, a "terrorist" and was summoning Ambassador George W. Landau home for a critical review of relations with the military regime, Chase Manhattan Bank was preparing to move into the new offices of its first branch in Chile.

The contrast between the public policy of the United States and the private actions in Chile of large American corporations responding to market incentives has been sharpened by the tensions caused by the investigation into the assassination of Orlando Letelier, a Chilean exile leader.

Cuban Exiles Convicted

Mr. Letelier, who served as Foreign Minister under the late President Salvador Allende Gossens, was killed when a bomb destroyed the car in which he was riding in downtown Washington in September 1976. His American assistant, Ronni Moffitt, was also killed.

After a long investigation, the United States Justice Department obtained the conviction in Federal court of two Cuban exiles accused of helping to plant the bomb as partners in a plot ordered by the Chilean secret police. But the Chilean Supreme Court ruled out any trial here of three Chilean Army officers implicated in the murders.

Human rights violations, to which American liberals attach so much significance, are not a factor in corporate decisions, businessmen here say.

"I don't think we spent five minutes talking about human rights when the board made the decision to invest in Chile," said Jack Carter, manager of Goodyear's \$34 million tire, battery, and rubber products plant.

"We don't mix business and politics," said John Chamberlain, the manager of the Citibank branch here. The bank sold out under Government pressure in 1972. After President Allende's Marxist-oriented regime was overthrown by the military in 1973, Citicorp, the parent company came back, first opening a finance company in 1974 and then reopening the bank branch.

Anaconda Comes Back

Anaconda, whose big Chuquicamata copper mine was nationalized by the Government of President Allende in 1971, is also returning.

Anaconda, which is now owned by Atlantic Richfield, bought a number of small mine holdings near Salamanca, high in the Andes above La Serena, for \$20 million this year, and is drilling now to determine the extent of the ore body called Los Pelambres. Development could cost \$1.5 billion.

Exxon, another oil giant, is also mining in Chile. It bought a mine called La Disputada for \$110 million and has invested in a large exploration program.

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to determine the extent of the project called Los Peñambres. Development could cost \$1.5 billion.

Exxon, another oil giant, is also mining in Chile. It bought a mine called La Disputada for \$110 million and has invested in a large exploration program. A final decision on whether to invest an estimated \$500 million more will be made next year.

The St. Joe Minerals Corporation has begun developing a combination gold and copper mine called El Indio, which could add up to \$300 million in final investment. Superior Oil and Falconbridge are trying to raise the financing for a \$500 million project at Quebrada Blanca.

These and other mining investments have been attracted by the the great mineral reserves of Chile, which has 25 percent of the world's proven copper, and by the race to develop advantageously situated nonferrous mines in expectations of rising demand and higher prices in the coming decade.

Investment would be taking place under any government that offered reasonable prospects of stability. But foreign investment in Chile today is stimulated also by the Government's policies.

"We have come back to Chile not only because of the mining prospects, but because this Government has created a climate of confidence for investment," said Ralph Cox, Anaconda's president, as he signed the investment option contract.

For Goodyear, which bought its tire plant here from the Government Development Corporation, the attraction was the likelihood of a good market opening up.

'A Unique Opportunity'

"When you compare Chile with other developing countries, there is stability, a large and growing middle class and pent up demand after a long period of recession," said Goodyear's manager, Mr. Carter. "It looked like a unique opportunity."

Since 1977, Chile's has sharply reduced import duties on automobiles and trucks and this promises a steadily growing tire market.

Dow Chemical is another important United States company that has returned to Chile. The company's polyethylene and polyvinyl chloride plant at Talcahuano, which was taken over by workers during the Allende regime, was returned to Dow management in January 1974.

Reflecting the general enthusiasm of American businessmen here for the Government of President Augusto Pinochet, Robert Smith, who runs Dow's operations in Chile, said that business conditions were "excellent."

"They have to get a lot of credit for perseverance in controlling inflation, consistency in policy, and reliability," Mr. Smith said. "Everyone with whom we do business in the bureaucracy is honest."

Although foreign investments are important for the present Chilean economic "model," still more important is the flow of credits from foreign banks.

United States banks have provided an estimated \$2 billion in credits to Chilean borrowers, including the Central Bank, state agencies, private banks and many small private borrowers.

Chile's foreign debt of \$6 billion has been refinanced recently on more comfortable terms, with longer amortization periods and relatively more favorable interest rates.

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