

INFORMATION ~~SECRET~~ REPORT

File 1069

COUNTRY Chile

DATE DISTR. 15 September 1943

SUBJECT Disposition of Property of El Siglo, Communist Newspaper
25X1A

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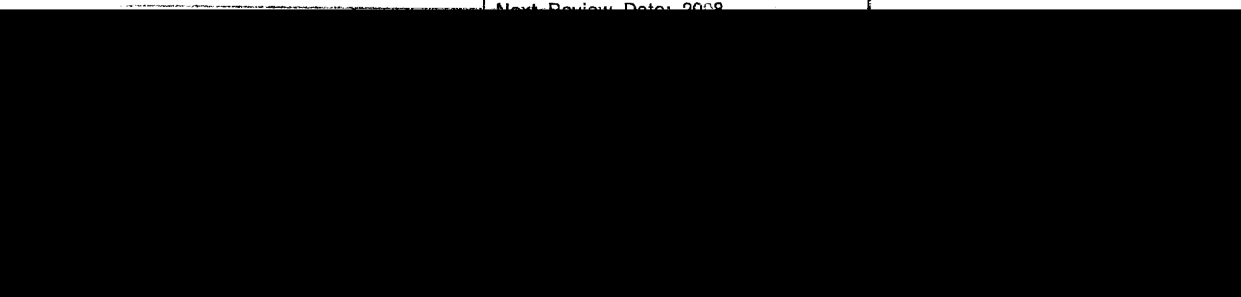


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- Members of the parliamentary group of the Chilean Communist Party recently met at the home of the Communist Congressman Oscar Basza Herrera to study the economic situation of El Siglo, the official news organ of the Party. It is believed that Basza will act as financial liquidator of the defunct Communist newspaper.
- The President of Chile could legally confiscate the entire property of El Siglo under the terms of the Ley de Defensa. However, according to Humberto Abarca Cabrera, also a Communist Congressman, the government will not take such harsh measures against the Party. Ex-Minister of Interior, Alfonso Quintana Burgos, recommended conciliatory action on the part of the government. He feared harsh measures would arouse serious electoral opposition and might invite charges of dictatorial procedures. Quintana also suggested to the President that the building and press be offered for public sale. The building owned by El Siglo is valued commercially by source at approximately 10,000,000 pesos, although it was purchased twelve years ago at 1,000,000 pesos. The press, valued at 800,000 pesos, was purchased from La Nacion for 200,000 pesos.
- The Chilean Government's interest in the sale of this property is evidenced in view of heavy debts incurred by El Siglo. These debts include:
 - 600,000 pesos - Caja Nacional de Ahorros. Note overdue and placed in court for collection.
 - 300,567 pesos - Judgments granted to personnel. Not taken to court for collection as yet.
 - 167,000 pesos - Judgments granted for work of personnel.
 - 300,000 pesos - Judgment granted Hector Escribar Mandiola for injury and calumny.
- It is reported that Jaime Larrain Garcia Moreno has made a bid for the purchase of the building and printing press at 6,000,000 pesos, but no action on this bid is known to have been taken by the Communists. It is also reported that the father-in-law of President Gonzalez Videla's daughter is forming a corporation for the purchase of El Siglo's building in order to convert it into an apartment house. However, by virtue of the Ley de Defensa, the President of the Republic is authorized to control the sale of this property, and therefore all transactions must receive his approval. Source indicated that the President is disposed to approve the purchase of El Siglo by the

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Liberal Party, which has been exerting pressure during the last year to purchase La Nacion.

5. The offices of El Sirlo are now being used to publish the weekly periodical El Pueblo, the organ of the Frente Nacional Democratico, edited by Armando Rodriguez Quesada under the authority of the Minister of Interior and subject to censorship. This periodical is believed to be an organ of the Communists, since 85 per cent of the Frente Nacional Democratico is made up of Communist Party members.

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