

WASHINGTON POST

Approved For Release 2004/09/03 : CIA-RDP88-01314R000300240023-2

27 SEP 1971

UPI Can Stay, Allende Says

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SANTIAGO, Sept. 26.—President Salvador Allende today cancelled his decision to close the U.S. news agency United Press International (UPI) in Santiago, but said the conduct of the agency's bureau chief, Martin Housemann, was "unacceptable."

An interior ministry statement did not say Housemann would be asked to leave Chile, but observers said it was likely he would now be replaced.

The president's change of mind followed a series of talks with UPI's Latin American manager, William McCall.

McCall had agreed that UPI "transmitted false news stories which affected Chile internationally," the statement said.

The president first announced his decision to close the agency during a rally on Sept. 15. But he did not announce a date for the closure, and the agency has continued to function normally during talks between its executives and the government.

Allende's main criticism of UPI centered on news stories the agency put out during his recent trip to Colombia, Ecuador and Peru.

He objected particularly to a story the agency picked up from a Bogota newspaper, alleging that three of his aides who disappeared aboard a light aircraft in jungle on the border of Colombia and Ecuador had been engaged in secret service activities.