

ARTICLE APPEARED ON PAGE 1

JFK began Chile bribes

envoy says

STAT

By JOE TRENTO

Copyright 1973 by The News-Journal Co.

Under direct orders from Presidents Kennedy, Johnson and Nixon, the United States government, in partnership with multinational corporations and at times a Catholic Church, spent millions of dollars bribing Chilean officials and political parties. These allegations and others by Edward M. Korry, U.S. ambassador to Chile from 1967 to 1971, are being examined by the Justice Department for possible perjury and fraud by high U.S. and corporate officials who appeared before the Senate Select Committee on Intelligence.

Korry's charges were confirmed in part by former top-ranking diplomatic officials and in State Department cables, Central Intelligence Agency documents and other government files examined by the Sunday News Journal.

In a series of interviews at his Briarcliff Manor, N.Y., home, Korry said he had told the Justice Department and had testified in secret before the intelligence committee that:

Under direct orders of the late Robert F. Kennedy, "tens of millions of dollars in CIA and Agency for International Development funds were funneled into Jesuit-led Catholic groups in order to fight 'layicism (sic), Protestantism and Communism; and to assist in the election of President Kennedy-supported candidates in Chile."

Under orders from President John F. Kennedy, "tens of millions of dollars of 1960 Chilean earthquake relief funds were diverted into the Jesuit-led Catholic groups for domestic political activity in Chile."

The CIA had high Chilean ministers on its payroll during the administration of Eduardo Frei, a Christian Democratic president of Chile from 1964 to 1970.

Ralph Dungan, Korry's predecessor as ambassador to Chile, offered Frei technical assistance and CIA funds in building his political party along Kennedy-like grassroots lines and to restructure the Chilean executive government.

U.S. interference in Chilean politics went so far that Dungan suggested Frei name a Christian Democrat with close CIA ties as his successor.

President Kennedy recruited David Rockefeller, chairman of Chase Manhattan Bank, to start the Business Group for Latin America and this group of key multinational companies worked

hand in hand with covert action programs in Chile during the Kennedy, Johnson and Nixon presidencies.

The government of Salvadore Allende accepted bribes from such companies as International Telephone and Telegraph, General Tire, Cerro Copper and Anglo-Lautaro Nitrate Mines to prevent expropriation by the Chilean government. The Marxist Allende, elected in 1970, died an apparent suicide after his overthrow in 1973.

ITT "defrauded the U.S. government out of \$89 million by collecting insurance after paying bribes to Allende officials, in direct violation of the Overseas Private Investment Organization insurance policy ITT collected from the U.S. government."

Even today the military junta running Chile has upper-echelon civilians accepting bribes from multinationals on a continuing basis.

The Senate Select Committee on Intelligence "covered up these crimes and lied to the American people in order to protect the memories of Presidents Kennedy and Johnson."

The Sunday News Journal attempted to reach all institutions, corporations and individuals involved in Korry's allegations. In some cases comment was refused, outright denials of the allegations were issued or Korry's charges were in part or wholly confirmed.

"It was only after the committee refused me the opportunity to tell what I knew that I began cooperating with the Department of Justice," Korry explained.

He said he had unsuccessfully tried to make the public aware that American intervention in Chilean Administration.

He has given a long deposition to the Justice Department, whose

charges are "of an apparent criminal nature," according to Alfred L. Hantman, chief of general crimes in the Justice Department's criminal division.

Korry contends that "a deal" was made within the Senate committee between Chairman Frank Church, D-Idaho, and Vice Chairman John Tower, R-Texas. Under the alleged deal, Korry says, Church and the liberals on the committee agreed to give only a superficial look at the CIA, multinational corporations and the Kennedy assassination if Tower and the conservatives did not push for a full probe into the illegal actions of Presidents Kennedy and Johnson.

Church flatly denies this. "There was no deal or understanding between myself and Sen. Tower or anyone else to withhold information involving Presidents Kennedy, Johnson or Nixon," Church told the Sunday News Journal. "In fact, the covert action report treats extensively the intervention during the administrations of all three presidents."

Korry disagrees that an effort was made to get all the facts.

He points out the Church committee issued its report on the Kennedy assassination on Nov. 14, 1975, and on Chile on Dec. 4, 1975. Korry says that although both reports named him repeatedly, he was "barred" from testifying despite six months of "repeated pleas."

He finally was one of three public witnesses called the day the Chile report was issued and then allowed to testify for 10 to 12 minutes at the end of the session and only on his knowledge about what happened during the Nixon years.

After he wrote the committee that he intended to go to the Justice Department, Korry was called to testify in secret. On Feb. 24, 1976, Korry testified for 6½ hours. He says his own and other former ambassadors' requests the testimony be made public have been