RTna 12-Dec-93 09:47 NEW REPORT SAYS JAMES EARL RAY DID NOT KILL KING

LONDON (Reuter) - A British newspaper said Sunday a retired U.S. businessman has confessed to hiring the assassin of civil rights leader Martin Luther King and has applied for immunity from prosecution in return for naming the gunman.

The Observer said his testimony and that of four other witnesses, also seeking immunity, would apparently exonerate James Earl Ray, serving a 99-year sentence for the killing in 1968 over

which he has fought to prove his innocence.

The paper said that Wayne Chastain, an attorney acting on the instructions of Ray's lawyer, Bill Pepper, has applied for a hearing before a grand jury in Tennessee in which he will name the businessman and four other witnesses.

Chastain is asking for the five witnesses to be subpoenaed to give evidence in return for immunity. The paper said they came forward reluctantly to volunteer the truth, convinced that a 16-year investigation by Pepper was closing in on them.

King was killed on the balcony of a Memphis motel on April 4, 1968, and Ray, who was on the run from jail and was living opposite

the hotel, was jailed in 1969.

The prosecution said he acted alone. But the paper says the evidence of the five, two men and three women, will allegedly show the killer was not Ray and that the shot that killed King came from an area facing the hotel and not Ray's room.

The paper said the evidence will also show that the businessman who hired the killer retrieved the murder weapon after the shooting and was assured that a decoy, presumably Ray, had been arranged to take the blame.

According to the businessman, who is white, the gunman was a local man with a reputation for being a marksman and received \$10,000. It is not known if he is still alive.

The businessman went on to become a multimillionaire, building his empire on the \$100,000 he was paid for organizing King's assassination, according to the paper.

He said he was contracted by two men, a local entrepreneur with Mafia links and another man.

Of the other witnesses, two were black women who worked for him, one was a black woman who was his lover, and the fifth witness was a black man who was approached later by the businessman to take care of people who knew too much.

The black lover apparently saw the businessman breathlessly entering his premises holding the rifle after the shooting.

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