

WXPost The U.S. and Chile: An Ex-

By Don Oberdorfer

BRIARCLIFF MANOR, N.Y. — Former U.S. Ambassador Edward M. Korry, charging that a Senate committee suppressed important facts and grossly distorted his role in opposing Salvador Allende in Chile, is preparing to sell his house, pack up and move abroad. Because of his loss of faith in this country's political system, he finds it "intolerable" to continue living in the United States.

"I was the only man in all of the U.S. government who was ready to swear under oath, with lie detector attached, about the U.S. role in Chile, to provide the documentation, who was ready to account in full, ready to undergo public or executive session interrogation, ready to tell everything. I had no government pension, no ties to any group. I was never a member of any political party. I served three Presidents with equal devotion and dedication," the former official said in the rapid-fire cadences of outrage which have become his accustomed manner.

Why was this knowledgeable and eager witness not permitted to testify to the Senate Intelligence Committee until after its reports on Chile had been written and distributed, and then only briefly? Why was his later day-long executive session testimony — given at his insistence — kept secret by committee vote? Why was he not permitted to go before a federal grand jury as he requested following a lengthy deposition given to Justice Department attorneys?

Sen. Frank Church (D-Idaho), who was chairman of the Senate Intelligence Committee at the time, said the committee had not heard Korry before distributing two Chile reports because the former ambassador had been interviewed by a staff member and submitted a long letter for the record. Korry was heard briefly in public session the day a committee report on covert action in Chile was handed out. According to the committee staff, Korry's subsequent executive hearing was kept secret by senatorial vote, taken by telephone last May 11, after "security objections" to its release were received by the Central Intelligence Agency and the State Department.

The Justice Department told Korry by letter Sept. 30 that he was not being called to testify before a grand jury investigating matters related to his charges because his knowledge "does not reflect on the possible criminal conduct" being investigated. In what appears to be a related case, former International Telephone and Telegraph Co. official Harold V. Hendrix recently

was given a one-month suspended sentence and fined \$100 for withholding information about ITT's activities and CIA relationships in Chile from a Senate subcommittee investigating multinational companies.

Jobless and Bitter

KORRY IS CONVINCED that the stated reasons are subterfuge. "The only reason this has been covered up is that it would tell the honest truth about the political system in the 1960s and 1970s," he charged in an interview.

His statements cannot be dismissed lightly, for he is a man of long experience with politics, government and diplomacy. A United Press and Look magazine correspondent at home and in Europe for two decades, he served with distinction as U.S. ambassador to Ethiopia under Presidents Kennedy and Johnson in 1963-67. Transferred to the Chilean hot spot by Johnson, he was U.S. ambassador in Santiago from October, 1967, to October, 1971, one of the few Democratic non-career ambassadors kept at his post by President Nixon.

THE WASHINGTON

Ambassador

TON POST

Sunday, December 19, 1976

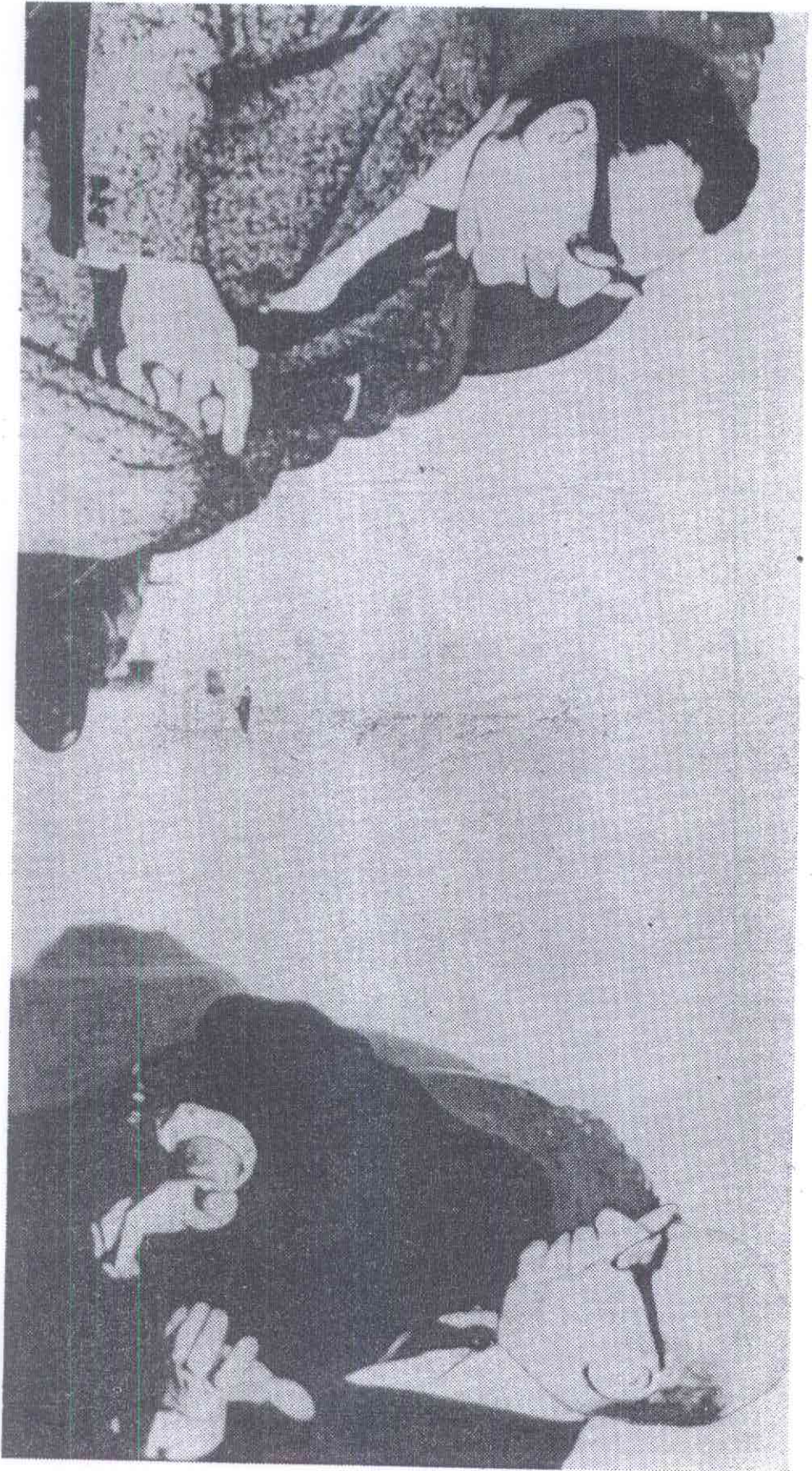
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Speaks Out

After leaving Chile and the U.S. government, Korry was president of the Association of American Publishers and later of the prestigious United Nations Association of the United States. Since the spring of 1974, when controversy over the U.S. role in Chile began to widen, Korry has been unemployed and, he maintains, unemployable in his chosen fields of journalism and public service.

Today he lives a spartan and largely isolated life in a restored 1740s house in this fashionable Westchester County suburb, reviewing and rethinking what he saw, heard and wrote in Chile and its aftermath. Sitting on the edge of an overstuffed chair or pacing the large bedroom-study, this tall, balding man backs up his charges with citations from a clutter of files, books, memoranda, draft book chapters and notes which he has laboriously taken on once-secret cables to and from his embassy in Santiago.

Until recently, Korry has had no success in convincing American scholars and news organizations — to say nothing of the U.S. government — to give major consideration to his version of



Chile's President Salvador Allende, left, with Ambassador Edward M. Korry in Santiago in 1971.

United Press International

the disputed U.S.-Chilean historical record, in which he is depicted as the sponsor of a covert campaign against Allende. Late in November the Wilmington, Del., News Journal published a lengthy article based on Korrry's charges, and another is planned.

Reports of the Senate Intelligence Committee, extensively covered in the press, attributed to Korrry political planning and economic pressures against Allende. The committee cited a Korrry recommendation to the State Department and CIA prior to the 1970 Chilean election, including a contingency plan for "a \$500,000 effort" to convince members of the Chilean congress not to vote Allende into office. (The money was never spent, and the congress did elect Allende after he won a plurality in a three-way race in the general election.) Korrry was also quoted as warning Chileans that, if Allende came to power, U.S. economic reprisals would condemn the country to deprivation and poverty.

Korrry does not deny the authenticity of the documents which were cited, nor does he deny that he and his embassy played a role in seeking to prevent the election of Allende by the Chilean public. He charges, however, that these and other documents were taken out of context and mixed with half-truths, selective reporting and some outright lies by the Senate committee and press commentators, adding up to "a false view of history."

The popular conception that Allende was a democratic socialist brought down by U.S. covert pressures and operations is "a myth," Korrry declared. In his view, Allende was an erratic and untrustworthy figure of the radical left, brought down in the end by his own rigidity and by the failure of the Soviet Union to give him necessary support. Korrry said that U.S. activities against Allende declined substantially during the period of his ambassadorship, rather than increasing as is often believed.

The Roots of Involvement

THE STARTING POINT for a true understanding of the Chilean drama, according to Korrry, is the deep, only reported and sometimes "illegitimate" involvement of the United States in the domestic affairs of Chile during the Kennedy and Johnson administrations.

President Kennedy and his White House staff decided in 1962 that it was in the U.S. national interest to elect the Christian Democratic candidate, Eduardo Frei, as president of Chile in 1964 rather than the Marxist Allende, a rightist candidate, Korrry said. This decision, he maintained, was arrived at not only through regular foreign policy channels "but also because it responded to the direct appeals of many Catholic prelates in both Rome and Santiago."

Following Kennedy's decision, "tens of millions of dollars" in U.S. foreign aid funds, as well as smaller amounts of CIA covert money, were funneled to suit-led organizations in Chile "for the expressed purpose of electing the Christian Democrats." Among other evidence of this, Korrry cited Agency

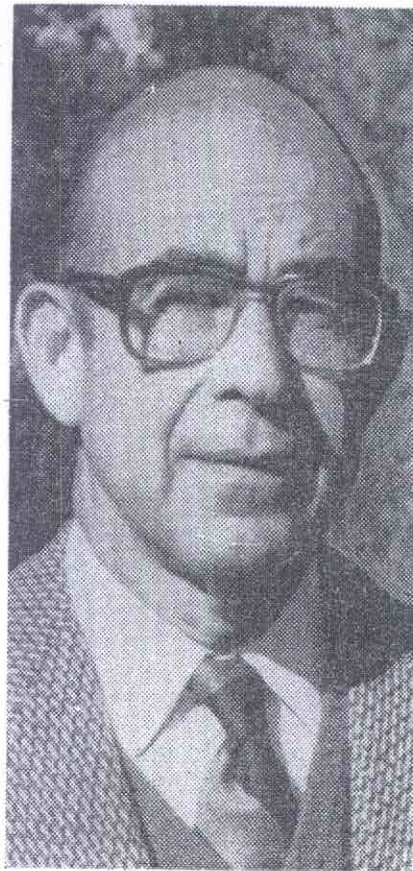
for International Development funds provided to the Jesuit Center for Research and Social Action and the 1965 AID "policy and action paper" for Latin America. Korrry quoted that document as saying, "U.S. assistance to Chile during 1963 and 1964, the presidential election years, was designed as a holding operation and to develop a political climate conducive to Frei's victory."

Dwarfing the official aid, according to Korrry, was more than \$400 million in investments by U.S. multinational companies promised to Chile prior to the 1964 election on condition that Frei be elected and that U.S. financial guarantees be provided against expropriation. The most important firms proposing — and later carrying

through — the investments were ITT and the Kennecott and Anaconda copper companies, Korrry said.

Previous government policy had not favored U.S. investment guarantees for multinational firms, according to Korrry, but this was reversed following a mid-1963 appeal by Kennedy to David Rockefeller, chairman (then president) of the Chase Manhattan Bank, to organize greater business involvement in Latin America. Korrry said he learned from sources directly involved that the multinational firms were informally promised the investment guarantees before the 1964 Chilean election. By 1967, some \$600 million in risk guarantees had been issued by the United States for Chile — one-fourth of the worldwide total at that time, Korrry said.

The former official said important U.S. senators intervened with the State Department on behalf of investment guarantees for the multinational firms "which put the taxpayers on the hook." He named Sens. J. William Fulbright (D-Ark.), Bourke Hickenlooper (R-Iowa), Wayne Morse (D-Ore.), Joseph Clark (D-Pa.), John Sparkman (D-Ala.), Stuart Symington (D-Mo.) and Eugene McCarthy (D-Minn.)



Edward M. Korrry

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Organized as the Business Group for Latin America (now the Council for Latin America), the multinational firms "were for the first time systematically integrated into U.S. government covert operations and planning throughout the Americas," Korry charged. He said this relationship "legitimized the passing of money for political purposes by multinational corporations at the suggestion and with the cooperation of the CIA and under the direct leadership of the White House."

The total impact of U.S. foreign aid, covert CIA payments, and investments and other activities of multinational firms was far more important to Frei's victory in 1964 than anything attempted in the 1970 election when Allende won, according to Korry. But he charged that less has been said about the 1960s in order to protect the names

of Kennedy and Johnson, the reputation of the Democratic Party and others involved.

The Case Against Allende

KORRY DOES NOT feel that U.S. opposition to Allende's election in 1970 was unjustified. Charging that "his [Allende's] closest cronies were paid agents of the Castro government for many years," Korry portrayed Allende as highly unreliable, devious and extremist in his views. As U.S. ambassador to Chile, Korry said, he was getting "extremely accurate information" from the CIA, including "an absolutely accurate summary of the politburo meetings of the Communist Party of Chile." Through these sources, Korry said, he knew that Allende planned to repudiate more than \$1 billion in U.S. loans and take other drastic actions.

According to Korry, Soviet copper technicians were visiting Chilean mines at which U.S. interests were being nationalized at the very time — the spring of 1971 — when Allende as president was telling Korry that he would "never" permit Russians near those mines. Despite some close ties and plans for others, Korry maintains, the Soviet Union sealed Allende's downfall by rejecting his request for \$500 million in aid in November, 1972, advising him to make his peace with the United States and passing word of this decision to U.S. officials.

Korry portrays his role in the political maneuverings surrounding Allende's election in 1970 as a complicated one aimed at protecting U.S. taxpayer and strategic interests in Chile through "minimum" campaigns of pressure and covert action, while staving off demands from President Nixon, multinational corporations and others for much stronger and more dangerous measures.

As U.S. ambassador, Korry said, he planned much of the 1970 CIA covert action in Chile. He maintained that the total U.S. expenditure to influence the campaign was "a terribly minor matter" of \$400,000 in "standard anti-Communist propaganda for the most part." There were also about \$35,000 in continuing payoffs to a Chilean politician who had helped in 1964 and "a few thousand dollars" spent on "a spoiling operation" to create dissension within Allende's Socialist Party.

The former ambassador said he recommended the authority for payoffs in case Allende's election was contested within the Chilean congress and votes "go on the auction block." The secret U.S. "40 Committee" ultimately approved \$250,000 for the effort to thwart the Allende victory by congressional maneuver. Korry said he ref-

used the money and did not take the action suggested because it became clear the maneuver could not succeed.

Korry produced extensive quotations from embassy cables to show that he strongly opposed U.S. participation in the plotting of military coups aimed at preventing Allende from taking office after he had been elected. Though he suspected U.S. involvement at the time, he said he learned only last year from Senate committee aides that Nixon had authorized coup plotting, with instructions to the CIA that this be kept secret from Korry.

Some of Korry's cables also show that, immediately after Allende's election, he suggested an economic campaign to weaken Allende by withholding private bank credits and having a large U.S. concern in Chile go out of business. A cable also suggested that the government consider blocking Chilean assets in the United States to weaken Allende.

Such measures, Korry said, were "within the tolerable limits of the time" and less dangerous than plotting military coups. After Allende took office, Korry added, he took the lead in seeking to negotiate with the Chilean leader "genuinely, generously and compassionately."

Along with his wife, Pat, the granddaughter of a former New York governor and a direct descendant of Benjamin Franklin, Korry is putting his spacious old house in order and preparing his voluminous files for a permanent move. "I'm like a man with terminal cancer, whose only recourse is to donate his body for the cure," he said in a reflective moment, referring to his crusade to tell the story as he sees it despite the impact this has had on his friendships and his fortunes.

Unless there is a change of plans, he intends to take his case abroad early next year in search of European scholars who will listen. The 54-year-old former official said he will never come back to America, except for funerals and family requirements, if he can find satisfaction overseas.

Oberdorfer is a diplomatic correspondent with The Post's national news staff.