

Prosecutors try to protect CIA secrets

# Some allegations withdrawn in ITT trial

WASHINGTON (UPI) — With federal prosecutors trying to protect national security secrets, an ITT officer went on trial yesterday for lying under oath to conceal the company's efforts to influence Chile's 1970 election.

Even before a jury of four men and eight women was selected in the trial of Robert Berrellez, prosecutors withdrew some of their allegations to protect CIA secrets.

Chief Prosecutor John Kotelly also asked U.S. District Court Judge Aubrey Robinson to prevent witnesses from revealing sensitive information without court approval.

Robinson did not immediately disclose his ruling.

Berrellez, who was a Latin American public relations officer for the International Telephone and Telegraph Corp. in 1970, is accused of six felony counts, centering around his alleged lies in Senate testimony in an effort to

conceal the company's aid to foes of socialist presidential candidate Salvadore Allende.

Allende had pledged to seize the conglomerate's \$150 million in Chilean properties if elected.

Prosecutors say that despite denials by ITT officials, including chairman Harold Geneen, there is clear evidence the company passed \$250,000 to the campaign of Allende's chief opponent, Jorge Alessandri, in August 1970.

It was revealed in 1975 that the CIA itself spent some \$13 million in an attempt to block Allende's election. Allende won, and took over ITT's properties before he was killed in a palace coup.

Other CIA employees including former director John McCone, who later became an ITT director, and former official William Broe, are expected to testify at the trial, and later at the

December perjury trial of ITT senior vice president Edward J. Gerrity Jr.

As the prosecutors build their case against Berrellez and Gerrity, they also are attempting to guard classified CIA secrets, which one Justice Department official said could seriously harm U.S.-Chilean relations.

Berrellez, 59, who now lives in Chatsworth, Calif., is charged with three counts of perjury for allegedly lying to a Senate Foreign Affairs subcommittee, and at hearings in 1974 before the Overseas Private Investment Corp., which paid insurance claims on ITT's Chilean properties.

He also is charged with one count of conspiracy, one count of making false statements, and one count of obstructing justice.

Another ITT officer, Harold Hendrix, pleaded guilty in 1976 to a misdemeanor charge in the same case and has cooperated with investigators.

## Mideast leaders air differences over peace agreement's wording

By United Press International

Egyptian Prime Minister Mustafa Khalil expressed reservations yesterday about the draft of a peace treaty with Israel but said, "No, this is not a rejection."

The Israeli cabinet began formal study of the draft treaty in Jerusalem. Any mention of Palestinians in the wording of the document is a possible major cause for dissent by hardliners in Prime Minister Menachem Begin's cabinet who do not want an Egyptian peace treaty linked with the Palestinian problem.

"There are no major problems that cannot be solved," Khalil told reporters at Cairo airport, as he waited for the arrival of Uganda President Idi Amin. "With good faith between the two parties, changes and modifications can be accommodated in the text."

Khalil refused to specify the government's objections, but said some of them centered on the text itself, and others were technical.

Khalil's statement appeared to be a slight watering down of an official government statement earlier yesterday by Presidential Press Secretary Saad Zaghloul Nassar who said Egypt took a qualified favorable view. Nassar also said "some points in the draft might require further study to make it ready for signing."

However, in apparent belief that an eventual treaty is a foregone conclusion, Egypt announced plans yesterday to use part of its armed forces for civilian reconstruction and development.

Finance Minister Ali Lutfi said public utilities and services such as telephones, waterworks and electricity nationwide had

deteriorated over the years because of heavy military spending throughout the three-decade conflict with Israel — \$50 billion since Israel's creation in 1948.

Asked if the Egyptian reservations focused on the link between the treaty and the larger question of an overall Middle East peace settlement, Khalil said: "There is a formula (in the text) about the linkage. I mean it can be worked out..."

"I cannot say that we are in a deadlock or anything like that," he said.

Asked if he expected the treaty to be initiated in mid-week, following the return of Israeli negotiators to Washington, Khalil said: "I cannot fix a time, it all depends on how they are going to react to our remarks."

The remarks, he said, were relayed to the Egyptian delegation in Washington at midnight Sunday. "They are receiving our remarks and they will act upon these remarks," he said.

Nassar, in his statement, lavished praise on President Carter for his role in eliminating differences between Egyptian and Israeli negotiators.

Noting the absence of any element of rejection from the Nassar statement, the mild demand for a restudy and the tribute to Carter, diplomatic sources in Cairo said the points Egypt has in mind obviously do not constitute major hurdles.

In Jerusalem, Begin called a special cabinet session last night to hear reports from Foreign Minister Moshe Dayan and Defense Minister Ezer Weizman on the draft peace treaty achieved in Washington.



Robert Berrellez, who in 1970 was a Latin American public relations man for the International Telephone and Telegraph Corp., leaves U.S. District Court in his car yesterday during luncheon recess of his perjury trial. Berrellez is accused of lying in Senate testimony in an alleged effort to conceal the company's aid to the foes of Socialist presidential candidate Salvadore Allende.

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