

U.S. Granting \$38 Million Credit to Chilean Farmers

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WASHINGTON, May 4—The Agriculture Department has approved \$38 million in credits to Chilean farmers and ranchers despite the Administration's avowed policy of denying aid to Chile because of its human rights record.

The credits, approved April 24 by the Commodity Credit Corporation, will enable Chilean wheat growers to buy \$35 million of surplus wheat from American farmers and enable ranchers to import \$3 million worth of breeding cattle over the next three years.

State Department officials confirmed today that approval of the credits had been delayed for some time, but denied

that the decision to go ahead with them reflected a departure from the Administration's emphasis on human rights.

They emphasized that the credits were for farmers and ranchers rather than for the Chilean Government and were intended primarily to aid American farmers. They also said that the credits reflected approval of what was described as "encouraging political developments" within Chile's military Government.

Amnesty Decision Is Cited

One State Department official cited the recent amnesty for many political prisoners in Chile and the military Government's decision to turn over to United States authorities Michael Vernon Townley, the 35-year old American who has

been charged with conspiracy in the murder of Orlando Letelier, the former Chilean Ambassador, in Washington in 1976.

However, Senator Edward M. Kennedy, Democrat of Massachusetts, assailed the credits today as one of several examples of "back door" economic and military support for the Government of President Augusto Pinochet. "While encouraged by some recent events in Chile, we cannot afford to close our eyes to the serious human rights problems which remain in that country," he said in a speech on the Senate floor.

The credits are the first advanced to Chile since 1974. At present, the Commodity Credit Corporation has commit-

ments of \$1.7 billion to 35 countries.

While the credits do not involve any direct aid to the Chilean Government, they were approved only after a long debate by the Administration's Interagency Group on Human Rights and Foreign Assistance.

Since the Carter Administration took office last year, the United States has cut off almost all direct financial aid to Chile. It has also used its influence to impede Chile's ability to obtain loans from international lending institutions, such as the Inter-American Development Bank and the World Bank.

In 1976, Congress placed a \$27.5 million ceiling on aid to Chile, but private studies indicate that loans from private banks have risen sharply.