

Justice Dept. Says Group Illegally Lobbies for Chile

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The Justice Department charged yesterday that the Chilean government for the last 3½ years has engaged in a secret and illegal propaganda campaign aimed at making congressmen, journalists, academics and the American public more sympathetic to Chile's military dictatorship.

The lobbying effort, according to a civil fraud suit filed by Justice in U.S. District Court here, has been conducted by the American-Chilean Council, a New York-based group that ostensibly was established in 1975 "to promote friendship and cooperation" between Americans and Chileans.

But Justice alleged that the council and its one-man public relations expert, Marvin Liebman, have been secretly financed by the Chilean government.

The Foreign Agents Registration Act of 1938 requires that people representing a foreign government in the United States register with the Justice Department so Americans know exactly who is hired by foreign governments to lobby here.

Justice alleged in the suit that the American-Chilean Council registered as an agent of the Consejo Chileno Norteamericano, a sister organization in the Chilean capital of Santiago. The American-Chilean Council has said that its initial funding of \$26,850 in February 1975 came from the Santiago group.

But Justice charged that the money actually came from the Chilean government through a check written by Mario Anrnello, a member of the Chilean mission to the United Nations and a high official with Lan Chile, the South American nation's government-owned airline.

Liebman denied last night that any of the council's financial support has come from the Chilean government. "If it was," he said, "I would have registered as an agent of the (Chilean) government. It's nothing to be ashamed of."

Liebman, who over the years has worked in a variety of conservative causes, said that the money was collected from business people and other Chilean citizens. He said the council currently has an annual budget of \$120,000, some of which is donated by

U. S. citizens, and that the council's chief function is to produce a four-page monthly newsletter and periodic pamphlets on Chilean-U.S. issues and relations.

The Justice Department suit alleged that the "sole purpose (for the existence of the American-Chilean Council and its counterpart in Santiago) is to disguise the business relationship that exists between the Chilean government of Gen. Augusto Pinochet and its American public relations representatives," Liebman and his public relations firm, Liebman Inc.

The suit alleged that Liebman sent a "confidential memorandum" on Dec. 9, 1974, outlining the public relations campaign to the Chilean ambassador in Washington. Justice also included Liebman letters and other documents with the suit in which the public relations man refers to the council as a "front group" and says that the group's members "are in effect letter-head names."

Liebman said in one memo that the public relations effort on behalf of the Pinochet government was necessary to counteract feelings in the United States that Salvador Allende, the Marxist Chilean leader overthrown in 1973 by Pinochet, is a "martyr and the victim of fascist tyranny."

In addition, Justice included documents with the suit allegedly showing that the council, through Liebman and a Washington public affairs consultant, L. Francis Bouchey, helped plant material favorable to Chile with conservative columnists Lee Edwards and Ralph de Toledano.

Justice charged that Bouchey also drafted fund-raising letters for the council that were sent on congressional letterheads and signed by Rep. Robert E. Bauman (R-Md.) and Sen. James A. McClure (R-Idaho).

"I am very upset over the hostile treatment that a firm ally and staunch anticommunist nation is currently receiving from our government," Bauman said in his letter.

Justice asked Judge John H. Pratt to require the council to fully disclose its "true" activities and source of funds. Among other things, the department asked that all council publications clearly state that the Chilean government "has a strong voice in setting [the council's] policies."