

# Shaken But Still Standing

*The Letelier Case Has Rocked Chile's Regime but Foreign Capital Provides a Steadying Hand*

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Washington, D.C. Michael Vernon Townley stood before the judge and calmly explained that he had assembled a bomb and then planted it under the car of a former Chilean ambassador. "I was an agent for DINA (the Chilean secret police)," said the thin, bearded American who lived in Chile since 1957 and has also worked for the C.I.A. "I was issued orders to complete a mission... the assassination of Orlando Letelier."

The bomb was detonated in Washington in September 1976, blowing apart the respected leader of the Chilean exile movement. The explosion also killed Ronnie Karpen Moffitt who worked with Letelier.

Townley was in the Washington courtroom on August 11 to ask that his sentence for murder be reduced to just three and a third to 10 years with the possibility of parole after 40 months. Judge Barrington Parker reluctantly agreed to the plea bargaining because Townley's evidence was crucial for bringing indictments against three Chilean officials, including the former head of DINA.

Two high-ranking officials allegedly gave the orders to have Letelier murdered and the third worked with Townley and four right-wing Cuban exiles in Washington to set up the bombing. At least two of the Cubans actually detonated the bomb.

A grand jury indicted all seven men on August 1 and now a judge in Chile will decide whether or not to extradite that country's accused murderers for trial in the U.S.

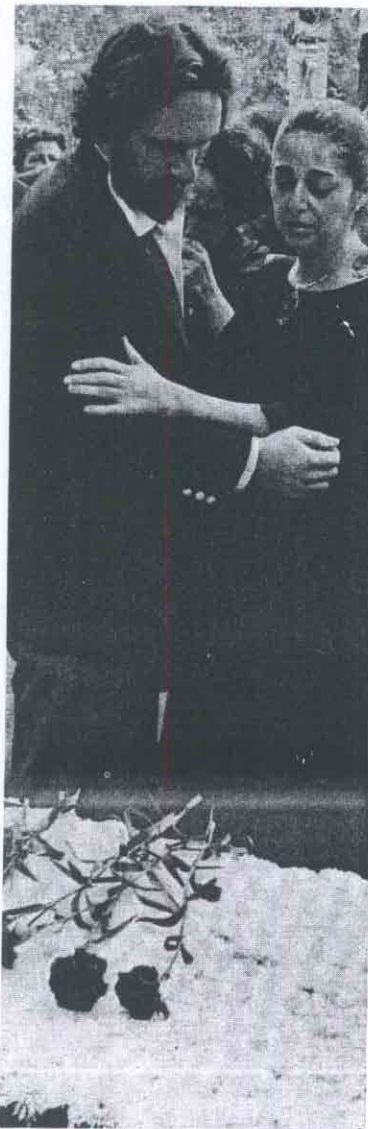
The Letelier case has come to a head but its consequences for General Augusto Pinochet's regime and for U.S.-Chile relations are not yet clear.

Members of both houses of Congress sponsored a meeting in late July to discuss those relations and representatives from the Longshoremen's, Auto Workers' and Meatcutters' unions spoke of a worldwide boycott of all Chilean products and of a pressure campaign on U.S. and international lending institutions to cease

dealing with the dictatorship. They also called for the U.S. government to withdraw military personnel from Chile.

Just about the time that the Congressional members and labor leaders were

**Michael Moffitt and Isabel Letelier at the grave of their murdered spouses.**



PETER BARRY CHOWKA

meeting in Washington, longshore workers in San Francisco walked off the job when they discovered that the cargo they were to load onto a Chilean freighter consisted of bombs.

Their action has international precedents. Yugoslavian and Italian longshore workers already refuse to load any ships bound for Chile.

Although pressure against the Pinochet regime may be mounting in some quarters, so far it hasn't limited generous funding for the dictatorship.

Congress granted Chile \$38 million in commodity credits in the past year and more than \$79 million in military aid, promised before the 1976 ban, has been delivered to the junta over the last two years. Private organizations have been equally generous. Exxon recently bought a Chilean copper mine, thought to be one of the world's ten largest, for \$107 million.

But the junta's staunchest allies have been private banks. U.S. banks alone have lent over \$1 billion in the last year. A secret list of contributors to a recent \$210 million loan to Chile is a roster of the largest private banking institutions in the world. Some of them are Morgan Guaranty, Chase Manhattan and Citibank (\$10 million each), Bank of America, European-American and Marine Midland (\$5 million each).

American banks were not the only participants. The Bank of Tokyo, Dresdner Bank, Union Bank of Switzerland and the Banque Nationale de Paris were represented by multi-million dollar loans. For all these institutions, it is still "business as usual" in Santiago.

But for Pinochet, it may not be business as usual for much longer. According to a rumor making its way around the U.S. State Department, Pinochet may resign on September 11, the anniversary of the fascist coup. The result, however, could be to save rather than destroy the military junta. "There's pressure from the U.S. to get Pinochet out," says a spokesperson for the anti-junta organization, Chile Democratico, "but once he's gone, the military regime can continue."

Some of Letelier's murderers may be brought to justice soon, but it could well take more than this to bring democracy back to Chile. □

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