

U.S. Letelier Inquiry Troublesome to Chilean Leader

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SANTIAGO, Chile, March 25—The suspicions, raised by United States investigations, that the Chilean secret police were involved in the assassination of Orlando Letelier, an exile leader, have created an awkward internal political situation for President Augusto Pinochet.

After the visit here of Eugene M. Propper, an assistant United States Attorney investigating the case, the Government denied again this week that "any evidence has been found until now that connects any Chilean citizen to the death of Orlando Letelier." Nonetheless, the opinion of many Chileans, including some who have been strong supporters of the military regime since it took power in 1973 after the ouster of the Marxist Government of President Salvador Allende Gossens, is that "something is rotten." Opponents of the junta harbor the hope that new disclosures by American investigators will undermine confidence in General Pinochet.

The unforeseen and unexplained resignation from the army this week of Gen. Juan Manuel Contreras Sepúlveda was seen as a crack in the ruling group formed by General Pinochet. General Contreras was head of the National Intelligence Directorate, the secret police force known as Dina, when Mr. Letelier, a former Ambassador to Washington who was a cabinet minister under Dr. Allende, was killed by a bomb in Washington in September 1976.

'Every Officer Is Asking Why'

"Contreras used to have breakfast with President Pinochet every day when he was head of Dina, and now he was thrown out of the army by his sponsor," a recently retired general commented. "Every officer is asking why."

The Government has agreed to allow a civil judge to interrogate two suspects named by Mr. Propper—Armando Fernandez Larios, an army captain who served with Dina, and Michael Vernon Townley, an American electronics engineer who has lived in Chile since 1957 and who has been missing from his home here for three weeks.

Unless Captain Fernandez and Mr. Townley come forward with convincing rebuttals of reports that they went to the United States in August 1976 and met with Cuban exiles accused of planting the bomb that killed Mr. Letelier and Ronni Moffit, an American who was assisting him in his campaign against the Chilean junta, there are many people here who will doubt the assertion that the Government had nothing to do with the killing.

The airing given the investigation in the press has coincided with public declarations by Gen. Gustavo Leigh, commander of the air force and a member of the junta, calling for a rapid return to institutional, civil rule after more than four years of military authoritarianism under President Pinochet. Within the junta's confines, it is known, General Leigh, solidly backed by his air force generals, has been strongly critical of President Pinochet's tendencies toward concentrating all power in his hands.

Popular Participation Suggested

In an Air Force Day speech this week in the President's presence, General Leigh said it was time to restore political institutions based on an "objective and impersonal juridical order" in which the people "will participate in the decisions determining the political future." All political parties are now prohibited. The next day, speaking to Rotarians, General Leigh said the armed forces should not remain in power indefinitely.

In private comments General Leigh has been suggesting that all four members of the junta, including General Pinochet, resign and put the Government in the hands of four new commanders and a designated civilian president to prepare for elections by 1980.

After the President held a plebiscite in January asking the voters to support him against a United Nations resolution condemning violations of human rights alleged here, he said he had received a

mandate to "lead the process of institutionalization." He added, however, that there would not be any election for 10 years and indicated that he felt that the 75 percent vote against the United Nations action was personal backing for him to remain in the presidency at will.

This is what General Leigh is challenging, amid reports that the navy is also

moving toward the position that the military junta's tenure should be shortened.

Right-wing business groups are reluctant to see any change in leadership, fearing a change in economic policy. At the same time a foreign banker emphasized that unity in the military leadership was needed to maintain sound economic policy.