

2 in Chile Said to Deny Slaying Link

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Special to The New York Times

SANTIAGO, Chile, April 4—Two men wanted for questioning about the assassination in 1976 of a Chilean political exile in Washington have reportedly testified here that they were in the United States before the killing but that they had no connection with it. Both were described by the judge who questioned them as members of Chile's secret police.

The witnesses—Armando Fernández Larios, a captain in the Chilean Army, and Michael Vernon Townley, a United States citizen who has lived in Chile for 20 years—appeared before Judge Juana González and were asked 55 questions prepared by Eugene Propper, the United States attorney in charge of the investigation of the killing in September 1976 of former Foreign Minister Orlando Letelier in Washington.

Mr. Townley, an electronics technician, was said to have been unresponsive to questions about contacts with anti-Castro Cuban exiles who are under investigation in the bombing of Mr. Letelier's automobile.

The record of the questioning, conducted over the weekend, was turned over to the Foreign Ministry by the Chilean Supreme Court for delivery to the United States Embassy. The material was to be forwarded to the court in the District of Columbia where the Letelier case is before a grand jury.

President Augusto Pinochet repeated last night to a group of local correspondents that his military Government had

no responsibility for Mr. Letelier's death. He announced at the same time that he was going to release about 400 people who had been convicted by military courts. Two air force officers serving 30-year sentences for giving "military secrets" to the outlawed Socialist Party were exiled for the remainder of their prison term.

In another gesture toward what the official press calls "normalization," the Government authorized the return to Chile this afternoon of Jaime Castillo Velasco, a prominent lawyer and vice president of the Christian Democratic Party, who was exiled 18 months ago along with another lawyer, Eugenio Velasco.

The two had prepared a detailed report on what they described as the illegal proceedings of the Chilean secret police. The report was delivered to the foreign ministers of the Organization of American States during a meeting here in June 1976.

The report drew the attention of the delegates to the disappearance of about 500 people who had been arrested by the secret police after the overthrow by the military of President Salvador Allende Gossens in September, 1973.

President Pinochet said that the resignation from the army last week of Gen. Manuel Contreras Sepúlveda, the head of the secret police in September 1976, when Mr. Letelier was killed, had "nothing to do" with the current United States investigation.