

U.S. Envoy to Chile, Recalled in Dispute, Returns

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SANTIAGO, Chile, July 2 — Ambassador George W. Landau, who was recalled to Washington for consultations because of a reported lack of cooperation by Chile's military regime in the investigation into the murder of Orlando Letelier, a Chilean exile leader, returned here today.

During the 10 days Mr. Landau was in Washington, the Chilean authorities had time to reflect on the possibility of a further deterioration in relations with the United States if measures are not taken to assist the investigation.

The premature report that Mr. Landau was returning yesterday was the subject of the main headline in newspapers here.

An indication of even greater concern was an editorial today in the influential El Mercurio.

"No efforts must be spared to overcome, or at least neutralize, the political resistances that exist in the United States toward Chile's military regime," the newspaper said. It deplored "extreme nationalist" attitudes here toward the United States investigation.

"The Chilean Government cannot be asked to sacrifice its dignity, nor the United States to renounce its convictions, but in politics an honorable arrangement is always possible," El Mercurio said. It said that diplomatic pressure was not the best way to achieve the "moral ends" sought by President Carter.

This view is believed to reflect the posi-

tion of Foreign Minister Hernan Cubillos, one of the civilians recently appointed to the Cabinet and a former El Mercurio executive.

But President Augusto Pinochet's more hard-line advisers, who reject American requests for cooperation in the Letelier investigation, believe that the Carter Administration is trying to undermine President Pinochet and force his replacement by military leaders more open to political and labor union liberties, now suppressed.

A bomb explosion in September 1976 killed Mr. Letelier, the former Chilean Ambassador to the United States and Foreign Minister in the leftist Government of the late President Salvador Allende Gossens, as he drove near the Chilean Embassy. An American business as-

sociate of Mr. Letelier, Ronnie Moffit, was also killed.

A Federal grand jury has been given evidence that United States Justice Department investigators believe will produce indictments this month of at least three members of Chile's secret police for planning the bombing.

President Pinochet authorized the expulsion to the United States in May of Michael V. Townley, an American electronics technician employed by the Chilean secret police, after United States investigators had linked him to the bombing, which was allegedly carried out by Cuban exiles.

Mr. Townley's testimony to a grand jury in Washington has implicated Chilean military officers who were working for the secret service, known in 1976 as the National Intelligence Directorate, or Dina. Two officers named by Mr. Townley as having directed his participation

as a technician, Col. Pedro Espinoza and Maj. Armando Fernández Larios, are on active military service.

The head of Dina in 1976, Gen. Manuel Contreras Sepúlveda, now retired, is also implicated, and the United States has asked Chile to allow a middle-level official of the secret service, familiar with its internal structure, to testify before the grand jury. Chile has refused.