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LEGISLATIVE COMMISSION INVESTIGATES VESCO AFFAIR

Former President of Costa Rica Testifies

Article; San Jose, La Nacion, Spanish, 15 March 1973, pp 18, 357

In the course of his statement before the legislative commission investigating the activities of the mutual funds and Robert Vesco in this country, Otilio Ulate Blanco, former president of the Republic, declared among other things that "Robert Vesco's money had been used by the government to pay the annual bonus. If the government had not been able to count on that money," he added, "it would have been in a very shaky position. The fact that there was a connection between that money and the bonus payment could not be more obvious."

Elsewhere in his statement, ex-president Ulate declared that: "the Banco Central had its share of responsibility in the situation we are dealing with here. Through an action taken in 1971 by the manager of the Banco Central, the money of German investors left the Bahamas and came to Costa Rica. In addition," he added, "the Banco Central made an endorsement in the amount of 3 million colones for a tortilla bakery belonging to Dr Luis Burstin. The secret of the interview between the president of the Republic and the president of the United Fruit Company in the United States has not been cleared up yet. Danil Arias, the reporter brought the matter to light and so we saw how a president of Costa Rica had to go to pay a visit to the president of a business concern."

Reconsiders Charging Facio

When a representative asked him why he had given up the idea of charging the lawyer Gonzalo Facio with slander and defamation of character by linking him with Inocente Alvarez, ex-president Ulate stated: "After what has been revealed to me here, that is, that the work of this commission is perfectly compatible with the charge I had planned to file, I am reconsidering the possibility of going ahead with it."

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"Inocente Alvarez came to this country," he added, "and reached an understanding with the directors of the Liberation and the Republican Parties of that time with regard to the Recope [expansion unknown] contract operation.

"The Liberation Party voted for the plan," he went on, "and the Republicans supplied just the number of votes necessary for the plan to pass with two-thirds of the legislators. And so Allied Chemical will be ousted from Costa Rica no matter how many subterfuges are resorted to."

A Prediction

Otilio Ulate declared that "the day will come when Robert Vesco and Clovis McAlpin will be expelled from the country and Mr Inocente Alvarez will find that his naturalization papers have been canceled. The New York Times has reported that Inocente Alvarez is Vesco's coordinator."

"I have some very important documents that were sent to me by Gordon McAlpin. I did not bring them with me because I have the impression that you are acquainted with them, at least, that Dr Longino Soto Pacheco is."

When representative Edgar Arroyo Cordero insisted that it was essential that he know what was in the documents, Otilio Ulate declared: "In the file to which I refer, it is evident that the Liberation Party received financial aid from Clovis McAlpin in 1970."

State-Family

When Otilio Ulate was asked to say more about his opinions with regard to the alleged participation of the Banco Central in the endorsement matter, he said: "What I don't like is the endorsement made by the Banco Central in favor of the members of State-Family with connections with..." On the subject of foreign monopolies, he said: "The bad thing here is that they are evolving in Costa Rica with a power that implies the existence of a state within another state." And he said later: "I regret that so distinguished a physician as Dr Antonio Pena Chavarria is involved in negotiations with Inocente Alvarez, as president of Sion Plaza, through whose mediation the transfer of the funds from the Bahamas to Costa Rica was accomplished. He also holds shares of stock in Lacsá, as do Inocente Alvarez and the heirs of the Bolivian multimillionaire, Simon Patino. It has been said," he added, "that the majority of the shares in Lacsá belong to Costa Ricans, but I have no doubt that within a short time the enterprise will pass into foreign hands."

Finally, after Otilio Ulate had linked the names of Prince Gonzalo de Borbon with those of Diaz Balart, Inocente Alvarez, Robert Vesco etc., in activities in favor of mutual funds in Spain and Switzerland, representative Guillermo Jimenez Ramirez, attorney, declared that the interest

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of the Unification Party was in fixing the responsibility with regard to the contract with Recope referred to earlier and in the obvious fact that some parts of it were left unfulfilled. "I do not know for what reasons some representatives of the Republican Party of those days voted for it. I was out of the country at that time," he noted.

McAlpin Appears Before Investigating Commission

[Article; San Jose, La Prensa Libre, Spanish, 21 March 1973, p 2]

Yesterday afternoon at 1800 hours, Clovis McAlpin, whose name has been frequently bandied about in the course of the Mutual Funds affair, appeared before the Legislative Commission specifically investigating Mutual Funds. He was accompanied by Carlos Vargas Gene, a reporter, who acted as his interpreter.

McAlpin referred to the negotiations which they were carrying on over a period of some time with the Banco Anglo-Costarricense [Anglo-Costa Rican Bank] to arrange for the latter to assume charge as fideicommissary of the funds belonging to the Arawick Company, located in the Bahamas and [he said] that, despite the fact that there was a feeling to the effect that Anglo was going to accept the arrangement, in the end this did not prove to be the case and it was necessary to enter into an agreement with the firm of Sion Plaza, S.A., which President Figueres recommended before the Judge of the Bahamas because of the moral and economic solvency of the firm.

McAlpin also explained that he had at no time contributed money for the purchase of National Liberation Party bonds.

Finally, he undertook to comment on his activities to show that all of his actions had been within the law and that he had consulted in their regard with the bank advisers in the Bahamas, the United States and Costa Rica.

He said that he is leaving for David today to attend the Cattle Show and that he will return on Monday to continue the explanation of his affairs and to answer questions asked by the representatives.

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MCALPIN IS INTERVIEWED IN MEXICO

[Article; San Jose, La Nacion, Spanish, 13 March 1973, p 18]

Although as members of the investigative commission, congressmen Dr Longino Soto Pacheco and Angel E. Solano Calderon have not revealed details of their interview with Gordon McAlpin in Mexico, it is known that it took place for almost 3 hours in a cordial atmosphere.

The two congressmen will make a report within 48 hours to the commission which is inquiring into mutual fund activities. Mr McAlpin was advised during the interview in Mexico by attorney Oscar Bejarano who arrived in Mexico City the same day as congressmen Soto Pacheco and Solano Calderon. McAlpin's statements which are considered as vital information, were taped and will become part of the commission's records.

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