

How Propaganda-2 operates within South America

by Mark Sonnenblick

For the past month, Italian Interpol officials have beseeched the cooperation of their Uruguayan and Paraguayan counterparts in capturing the grand master of the Propaganda 2 Masonic lodge, Licio Gelli. Gelli and his banker partner Umberto Ortolani are wanted in Italy for their leadership of a conspiracy to assassinate political leaders, spread terror, and organize a military coup to return Italy to the grip of the Savoy monarchy and its unreconstructed fascist allies.

For the very reason that Italian authorities were probably searching in the right place for these respectable managers of an underworld empire, their efforts have proved fruitless. The P-2 lodge and the ancient family fortunes that are the main beneficiaries of its activities have already seized power in the Southern Cone of Latin America.

"Umberto Ortolani owns Uruguay," boasts a P-2 spokesman, trying to show how respectable his rogue lodge really is. Ortolani runs a prominent Montevideo bank, Bafisud (Banco Financiero Sudamericano), which is jointly owned by the three Italian banks most implicated in the P-2 capital flight and dirty-money operations. Ortolani himself had the foresight to make himself the Order of the Knights of Malta ambassador to Uruguay, which gives him diplomatic immunity and control of the Uruguayan coastal estate which enjoys extraterritoriality as the Knights' "embassy."

Ortolani's family in Montevideo informs the press that he is in Paraguay, attending to his business affairs there; these include ownership of a sweep of the Chaco Borealis plains, where cases of Scotch on the smugglers' route to Brazil are more abundant than cows. The Paraguayan Chaco became notorious a decade ago when U.S. police uncovered the way the "French Connection" used it as a rendezvous and launching pad for sending Middle Eastern heroin into the United States. While the U.S. side of the "French Connection" was smashed, the Southern Cone apparatus was only dented. This is the safehouse of the P-2 "invisible government."

P-2 grand master Licio Gelli keeps his Italian wife and son in a \$5 million Montevideo mansion, amidst a neighborhood of aristocratic properties that he owns. According to the local daily *El Dia*, Gelli fills a downtown Montevideo office building with the assorted dummy corporations through which he helps manage P-2 dirty-money flows.

'Alive and well in Argentina'

Gelli is no novice in this business. At the end of World War II, he worked with the Italian-Swiss banks to move the ill-begotten family fortunes of escaped Fascists and Nazis to their havens, "alive and well," in Argentina.

The Italian Fascists, their hoards, and their companies were welcomed by Argentina President Juan Domingo Perón. From military attaché to Mussolini's Italy (1937-39), Perón was catapulted into the Argentine presidency in 1943 by a military Masonic lodge, which exploited his wife Evita's demagogic appeals to the "shirtless" masses. Perón modeled his corporatist state on Mussolini's.

Perón helped Aurelio Peccei, later a cofounder of the Club of Rome, to set up Fiat in Argentina with Italian flight capital in 1953.

After Perón was overthrown two years later, Licio Gelli reportedly took care of spiriting away the corpse of Evita Perón, the whore-goddess of the Argentine masses. During Perón's 1955-73 exile in Madrid, the Argentine came under increasing domination by his bodyguard and personal secretary, astrologer José López Rega. López Rega, in turn, was run by fellow cultist Gelli, and inducted into P-2 leadership. Together they trained young Col. Muammar Qaddafi of Libya.

In 1969, the P-2 grabbed for power with Qaddafi's easy coup in Libya, an unsuccessful attempt in Italy, and the "Cordobazo" uprising in Argentina. Riots in the city of Cordoba—controlled by Aurelio Peccei's Fiat and the Socialist International/Peronist metal-



José López Rega, Perón's controller and a P-2 member, with Col. Muammar Qaddafi in Libya in 1974.

workers union—led to new heights of right-left terror. Corrupted by the P-2, newspapers, politicians, and military officers convinced a naturally reluctant military that only Perón could “reunite” the country.

As soon as Perón's return was accomplished in late 1973, P-2 reworked Argentine politics to serve its drug and dirty-money schemes. In January 1974, Licio Gelli organized triumphal visits by López Rega to P-2's “communist” Romanian and Libyan rulers.

The smile on the face of white-haired magician López Rega as he presented Colonel Qaddafi with a dagger sent by Perón betrayed the P-2 mob's modus operandi: simultaneous deployment of “left” and “right” Argentine terror. López Rega was almost publicly funding the Argentine Anticommunist Alliance (AAA) through P-2 fellow member J. M. Villone. The AAA had brought Argentina to the brink of civil war in its violent combat with “leftist” Peronist guerrillas, who were trained and supported by Qaddafi.

The P-2 integrated Argentina's diplomatic corps into their narcotics network. Gelli induced Perón to appoint P-2 member Alberto Vignes as foreign minister. Vignes promptly named Gelli honorary Argentine consul in Rome, thereby giving the P-2 supervisor worldwide diplomatic immunity for his criminal missions, until very recently. Half a dozen other top Argentine diplomats, including the present ambassador to Uruguay, are on the P-2 lists found by Italian police in Gelli's villa in Arezzo. (Argentine diplomatic pouches often split open in Canada and elsewhere, spilling streams of white cocaine powder.)

After old Perón died in July 1974 and the presidency passed to his bubble-headed third wife Isabel, the visible

power of her Svengali, López Rega, (and the invisible power of Gelli and P-2) became total. Gelli even reportedly is the executor of Perón's will and personal fortune.

When the Argentine military finally sought to clean out the López Rega infestation, army intelligence leaked that he and fellow P-2 member Raúl Lastiri were partners in a coca plantation and cocaine labs found near Argentina's Bolivian border. López Rega had protected the P-2 traffic by appointing his cronies as interveners in the provinces straddling the Paraguayan smuggling routes and as ambassadors to Paraguay. His AAA gained infamy for “road service” assassinations of leftists as well as many moderates, but their primary task may have been protecting the drug network.

Hong Kong of South America

Since its 1973 military coup, Uruguay has seen its productive economy brutally sacrificed to Montevideo's role as a regional drug-money banking center. Real wages have been cut by 40 percent, a third of the population has emigrated, and industrial production has plummeted, while hot money earns 20 to 25 percent above inflation.

“You can't name any place in the world less regulated than Montevideo,” proclaimed one proud bank economist, soon to be employed by the World Bank. “Banks do not have to register capital entering or leaving; they pay no taxes; they face no inspections or audits; they have no reserve requirements,” he explained. Other U.S. bankers told *EIR* that Montevideo is a good place to look for the \$1 to \$2 billion in Bolivian cocaine revenues that disappear from sight each year. Such is Licio Gelli's haven.