

Nazis, Operation Condor, and Bush's Privatization Plan

by William F. Wertz, Jr.

President George W. Bush has made it clear that the model for his current drive to privatize social security in the U.S. is the privatization of social security which was implemented in Chile under the fascist dictatorship of Gen. Augusto Pinochet in 1981 by his Labor Minister José Piñera.¹ As Lyndon LaRouche has warned, if Bush succeeds, it will be a foot in the door for fascism. This is no exaggeration, as we shall prove.

The murderous policies which the George Shultz-Henry Kissinger faction in the United States supported in Chile under Pinochet, including torture, assassination, and mass murder, directly involved the first-generation Nazi war criminals who were smuggled out of Europe after World War II, via the so-called "rat-lines" to South America, organized by the Allen Dulles-James Jesus Angleton Anglophile faction of the U.S. intelligence community. Next came the creation of a second generation of the Fascist International during the 1970s, in which Spanish fascist Blas Piñar played a central role. Today, the same Blas Piñar is now involved in the creation of a third generation of the Nazi International, in service to George "Hjalmar Schacht" Shultz and his Bush Administration.²

While in Chile in April 2001, Bush said: "I think some

members of Congress could take some lessons from Chile, particularly when it comes to how to run our pension plans. Our Social Security system needs to be modernized." More recently, when in Santiago, Chile for the APEC summit from Nov. 19-21, 2004, Bush reiterated: "Chile provides a great example for Social Security reform."

Bush's timing was very poor. On Dec. 13, 2004, the Supreme Court of Chile ruled that Pinochet is mentally competent to stand trial on charges of kidnapping and murder (something which could not be said of George W. Bush). In January 2005, Juan Manuel Contreras Sepulveda, who headed up Pinochet's Directorate of National Intelligence (DINA) and the Operation Condor death squad campaign, was arrested to begin serving a 12-year sentence for murder.

The economic policies implemented in Chile under Pinochet after his coup d'état against Chilean President Salvador Allende in 1973, including the privatization of social security, were the radical free-trade policies of George Shultz, who was dean of the University of Chicago Graduate Business School from 1962-68. In fact, the Subdirector of the Interior of DINA was responsible for supervising an Economics Section and an Economic Brigade, designed to enforce the policies of Shultz's Chicago Boys.

Chile was in effect a laboratory experiment for the Schachtian policies Shultz has been attempting to implement on a global scale since 1971.

The two key figures in the Nixon Administration responsible for the Pinochet coup in 1973 were Shultz and Henry Kissinger. In 1971, Shultz advised Nixon to dismantle President Franklin D. Roosevelt's post-World War II Bretton Woods economic system. In 1974, shortly after the Pinochet coup, Kissinger authored a national security study memorandum (NSSM-200) which defined U.S. policy as global raw

1. When José Piñera was Chilean Labor Minister (1978-80) under Pinochet, he set out to destroy the organized labor movement, as an institutional pole of resistance to Pinochet's fascist economic policies. He eliminated the minimum wage and collective bargaining, and restricted the right to strike. When he was finished, less than 10% of the Chilean work force was unionized. The same policies are now being implemented in Mexico by Labor Minister Carlos Abascal Carranza, the son of Salvador Abascal, the 1940-41 chief of the Nazi-instigated Mexican National Synarchist Union. In 1997, the same year Piñera helped impose privatized Social Security in Mexico, he visited then-Texas Gov. George W. Bush to promote Social Security privatization.

2. See William F. Wertz, Jr. "The Ibero-American Solidarity Movement; Anatomy of a Fascist Intelligence Operation," *EIR*, Feb. 25, 2005.

materials control and genocidal population reduction in the Third World. This memorandum essentially codified as U.S. policy the original intent of the Chilean experiment in fascism.

Today Shultz is the architect behind the current Bush Administration. It was he who selected Dick Cheney and Condoleezza Rice and the so-called “Vulcans,” who molded the first Bush Administration. Shultz is also the mentor of that second would-be Austrian dictator, Arnold Schwarzenegger, whose father was a Nazi and who himself has expressed his admiration for Adolf Hitler. And it is Shultz who is ultimately behind the attempt on the part of the second Bush Administration to implement the Chile model in the United States, in a desperate attempt to bail out a bankrupt financial system by looting the Social Security Trust Fund. (See box.)

Kissinger, like Shultz, favors Anglo-Dutch free-trade policies in opposition to the American System of political econ-

omy. Kissinger made his hostility to the American System evident in his speech at the London-based Royal Institute for International Affairs on May 10, 1982, in which he rejected Roosevelt and expressed his admiration for Churchill, who launched the anti-communist Cold War. It was this Cold War which became the basis for the Pinochet coup and the rationalization for the murderous Nazi policies which Pinochet carried out, in order to eliminate opposition to the free-trade policies Shultz’s Chicago Boys advised him to implement.

Just as the fascist economic policies of Nazi Economics Minister Hjalmar Schacht could not have been implemented in Germany in the 1930s without Hitler, so the fascist economic policies of George Shultz’s Chicago Boys required the murderous policies of Pinochet in Chile. Pinochet, like Hitler, was the creation and instrument of an Anglo-Dutch synarchist banking faction to impose genocidal austerity. Nor can the attempt today to impose the Chilean model of privatization of

George ‘Schacht’ Shultz

By family history and profession, George Pratt Shultz is well-suited for his role as today’s foremost promoter of Schachtian fascism.

Shultz’s father, Birl Earl Shultz, served as personnel director of the American International Corporation, of 120 Broadway, New York City, an investment conglomerate and intelligence operations center for major Wall Street financial houses, known as the Anglo-Soviet “Trust.”

Shultz’s mother was Margaret Lennox Pratt, the granddaughter of Charles Pratt (1830-91), who was a partner of John D. Rockefeller after merging his oil company, Charles Pratt and Company, with Rockefeller’s Standard Oil in 1874. His son, Shultz’s grandfather Charles Millard Pratt (1858-1933), was treasurer of Standard Oil, which during the 1920s entered into a cartel agreement with I.G. Farben, the company that promoted Hitler and ran the Nazis’ war mobilization. During World War II, Standard Oil of New Jersey continued to supply oil to the Nazis through shipments to fascist Spain. In 1947, Judge Charles Clark ruled that “Standard Oil can be considered an enemy national in view of its relationship with I.G. Farben after the U.S. and Germany had become active enemies.”

Charles M. Pratt bequeathed his New York mansion, the Harold Pratt House, to the New York Council on Foreign Relations. George Shultz was a director of the CFR for many years.

Bechtel Corp., the company of which Shultz was president and director for eight years and of which he is cur-



George Shultz’s family tree is full of pro-Nazis, so it’s not surprising that he’s carrying on in that tradition.

rently senior counsel and board member, was financed by Schroeder, Rockefeller, and Company. The latter company, founded in 1936, included among its partners Avery Rockefeller; Baron Bruno von Schroeder in London; and Kurt von Schröder of the Nazi-controlled Bank for International Settlements (BIS) and of the Gestapo in Cologne. Its lawyers were Allen and John Foster Dulles.

Henry Pratt Judson was the president of the Rockefeller-established University of Chicago. George Shultz later became the dean of its Graduate Business School. His “Chicago Boys” advised Chilean dictator Augusto Pinochet, whom Shultz had helped install in power.

—William F. Wertz, Jr.

Social Security in the United States be accomplished without resort to fascist methods.

Since Sept. 11, 2001, the Bush Administration has adopted in its “War on Terrorism” precisely the same fascist police-state methods employed by Pinochet in Operation Condor. Alleged terrorists have been apprehended and kept incommunicado without legal recourse; while detained they have been subjected to torture either by U.S. agents, or by our “allies” through a policy called “rendition”; the number who have been “disappeared” by Donald Rumsfeld’s “hunter-killer” death squads is unknown. And now Bush has nominated John Negroponte to be National Intelligence Director. Negroponte, who was U.S. Ambassador to Honduras (1981-84), was complicit in the activities of death squads in that country during the period in which Operation Condor was operative in Central America.

ITT and the Nazi Cartel behind Pinochet

President Franklin Roosevelt had intended to end colonialism and utilize American System methods of economic development after the war, but this was reversed after his death by the British and the Truman Administration. In the case of Ibero-America, the United States, acting under the influence of Allen and John Foster Dulles, who had been the attorneys for the Anglo-American-Nazi cartels in the 1920s and 1930s,³ supported fascist dictatorships and carried out covert operations to prevent the election of anyone who threatened the interests of the financial oligarchy.

In the case of Chile, the initiative to prevent the election of Salvador Allende as President was taken by International Telephone and Telegraph (ITT), one of the key international cartels that had worked with the Nazis before and during World War II.

In 1970, weeks before Allende’s election, ITT board member and former CIA director John McCone called CIA director Richard Helms and proposed ITT-CIA collaboration to block Allende. On Sept. 11, 1970, McCone, Helms, and Kissinger held a meeting in which ITT offered \$1 million “for the purpose of assisting any [U.S.] government plan . . . to stop Allende.”

Like Standard Oil, ITT has a history of collaboration with the Nazis. Prior to World War II, Sosthenes Behn, the American chief of ITT, and Gerhardt Westrick, the head of ITT in Germany and an associate of John Foster Dulles, appointed both Walter Schellenberg, head of the Gestapo’s counterintelligence service (SD) and Baron Kurt von Schröder, Hitler’s private banker and a member of the Gestapo, to the board of directors of ITT in Germany, to ensure the company’s continuing existence there during the upcoming war.

Throughout World War II, the American ITT corporation remained in a partnership with the Nazi government. The

3. See William F. Wertz, Jr., “The Plot Against FDR: A Model for Bush’s Pinochet Plan Today,” *EIR*, Jan. 21, 2005.

German branch of ITT provided the German Army, Navy, and Air Force with telephones, air raid warning devices, radar equipment, fuses for artillery shells, etc.

Chilean Nazi Precedents

The social base of the Pinochet dictatorship— and its allied dictatorships in Ibero-America, which became the Operation Condor alliance—was the Nazi apparatus which existed in Chile and the rest of Ibero-America before and during World War II.

During World War II, Chile, like Argentina, was originally neutral. Despite considerable Allied pressure, Chile maintained diplomatic relations with Germany, Japan, and Italy. Only in 1943 did Chile break relations with the Axis powers, and not until a few months before their surrender in 1945 did Chile actually declare war.

The Chilean Nazi Party was established in 1932. Its members included both Chileans of German background as well as non-German right-wing Chileans. The party adopted the swastika, stormtrooper uniforms for its activists, and the greeting “Heil Chile!”

The official Nazi presence in Chile was extensive. There were eight consulates for a country of barely 5 million people. Secret radio transmitters up and down the Pacific coastline reported on Allied shipping movement.

Although this Nazi movement was not strong enough to prevent Chile from breaking relations with the Axis powers, after the war it provided a safe haven for German Nazis and other European fascists who escaped on the Nazi rat-lines via Argentina.

Nazi War Criminals Rauff and Barbie Advised Operation Condor

The two key Nazi war criminals who played a direct role in Operation Condor were Walter Rauff and Klaus Barbie. After the Pinochet coup in 1973, Rauff became one of the key advisors to Pinochet’s DINA. During World War II Rauff was the SS officer responsible for overseeing the development of mobile gas vans, which were used to execute as many as 250,000 Jews. Rauff was the head of the Milan Sicherheitsdienst (SD), the elite intelligence service, which made him the chief SS security officer for all of northwest Italy. In that position he assisted SS Gen. Karl Wolff in the Operation Sunrise separate peace negotiations with Allen Dulles, who was the station chief of the U.S. Office of Strategic Services (OSS) in Bern, Switzerland.

When the German Army in Italy surrendered on April 29, 1945, Rauff was released, despite his involvement in war crimes, to the custody of “S Force Verona,” an OSS unit working with the British-American “Special Counter Intelligence” team in Italy (SCI-Z), headed by James Angleton, who was a protégé of Allen Dulles. This was done over the objections of the U.S. Army’s Counter Intelligence Corps (CIC), who called him “an unrepentant Nazi” and recom-



Walter Rauff, the former Nazi SS officer whose mobile gas vans were used to kill 250,000 Jews, became an advisor to Pinochet's DINA secret police.

mended lifetime imprisonment, if not execution.

In 1943, Rauff had become a close friend of Bishop Alois Hudal, an Austrian, who was the key person within corrupt circles in the Catholic Church involved in organizing the Dulles-Angleton Nazi rat-lines after the war. After his release to "S Force Verona," Rauff was sheltered in the convents of the Holy See by Msgr. Don Giuseppe Biccierai, secretary to the Archbishop of Milan, Cardinal Ildebrando Schuster, who had actively supported the Mussolini regime.

In 1948, Rauff was moved to Damascus, Syria where he had the position as a technical advisor to the secret police and chief bodyguard of the President. In 1949, the rat-lines arranged his transfer to Ecuador, after which he settled in Chile. In 1962, the West German government requested his extradition, but the Supreme Court of Chile ruled that since his crimes were "essentially political in nature," he could not be extradited. The ruling was upheld in 1973, just before the coup against Allende.

The other major Nazi war criminal who participated in Operation Condor was Klaus Barbie, the "Butcher of Lyon." Barbie was protected by and worked for the Dulles faction of U.S. intelligence in Germany until 1951, when he was smuggled via the Nazi rat-lines to South America, where he played a critical role in Operation Condor.

Barbie joined the Hitler youth movement on April 2, 1933. In 1935, he joined Himmler's SS and shortly thereafter became a member of the elite SD security service, where he was trained as an investigator and interrogator—i.e., torturer. In 1937, he joined the National Socialist German Workers Party (NSDAP, the Nazi Party). In 1940, he went to Amsterdam where he served in the Central Bureau for Jewish Emigration, rounding up the city's Jewish population for deportation. In 1943, he was deployed to Lyon, France to eradicate the French Resistance. There he was chief of Section VI, Intelligence and Section IV, the Gestapo. He was responsible for the tor-

ture and death of more than 26,000 people. For the arrest, torture, and death of French Resistance leader Jean Moulin, he was awarded the "First Class Iron Cross With Swords" by Hitler himself.

After the war, Barbie fled from France back to Germany, where he worked for the British until April 1947, when he was recruited by the Dulles-controlled faction of the U.S. Counter Intelligence Corps (CIC). He was described by Robert S. Taylor, the CIC officer who recruited him, as "an honest man, both intellectually and personally, absolutely without nerves or fear. He is strongly anti-Communist and a Nazi idealist, who believes that he and his beliefs were betrayed by the Nazis in power."

On March 22, 1951, Barbie was smuggled from Germany through Austria to Genoa by the CIC, from which point he was shipped to Argentina and finally to Bolivia.

In 1952, and again in 1954, the Military Tribunal of Lyon, France sentenced him to death *in absentia*. But the Dulles faction of the U.S. intelligence community, which had smuggled him out of Germany, continued to protect him from the French. In 1957 Barbie obtained citizenship in Bolivia, under the alias Klaus Altmann.

In 1964, when Bolivian dictator Víctor Paz Estensoro was replaced in a coup organized by Gen. René Barrientos Ortuno, Barrientos placed Barbie in charge of the Bolivian internal security forces, which planned and carried out counterinsurgency operations.

Barbie started the Estrella Company, which sold bark, coca paste, and assault weapons to former SS officer Friedrich Schwendt⁴ in Lima, Peru, who in turn worked closely with Walter Rauff in Chile. Schwendt and Barbie formed Transmaritania, a shipping company that also generated millions of dollars in profits from the cocaine business. They purchased their weapons via Hitler's commando, Col. Otto Skorzeny, whose former subordinate Maj. Gerhard G. Mertins had started the Merex weapons business in Bonn, West Germany in 1963.

In 1970, Hugo Banzer Suárez organized another coup in Bolivia to replace Gen. Juan José Torres. Barbie stayed on with the new dictatorship and was paid \$2,000 a month for consulting services. In 1971, he was positively identified, but the Bolivian government under Banzer refused to extradite him on the grounds that he was a Bolivian citizen.

Then in 1980 yet another coup took place in Bolivia, this time organized by Gen. Luis Arce Gómez. He hired the services of Italian fascist and Operation Condor operative Stefano Delle Chiaie, who along with Barbie, sent their hooded troops through Bolivian cities. The next day General García-Meza was picked as the new Bolivian dictator. He selected Barbie as head of the country's internal security division, and

4. Friedrich Schwendt was a Nazi counterfeiter, who worked closely with both Walter Rauff and Klaus Barbie. Schwendt was based in Lima and worked for the CIA in planning the abortive Bay of Pigs invasion of Cuba.



Klaus Barbie, the Gestapo's "Butcher of Lyon" during World War II, fled to Bolivia via the Nazi "rat-lines," where he became chief of security, overseeing counterinsurgency during Operation Condor. He was finally brought to justice in 1987.

Delle Chiaie was picked to secure support for the regime from Argentina, Chile, South Africa, and El Salvador.

Delle Chiaie was the protégé of Italian fascist Prince Valerio Borghese⁵, and is known to have been an operative of Manuel Contreras, who headed up Operation Condor under Pinochet. As a youth, Delle Chiaie was a member of the Italian fascist organization MSI. In 1957, he left the MSI to join the New Order. Then in 1960 he formed the National Vanguard. In 1969, Delle Chiaie was convicted for the Piazza Fontana Italian terrorist bombing which was part of an attempted coup d'état by the Propaganda Two freemasonic lodge. Following the 1980 Bologna train station bombing in which over 80 people were killed, Delle Chiaie fled to Bolivia, one of the original six Ibero-American nations which participated in Operation Condor from 1975-83. There, his immediate superior was Klaus Barbie.

In 1983, Barbie was finally deported to France where he was tried in 1987 and sentenced to life imprisonment for his crimes against humanity. He died of cancer in prison in 1991.

Preparation for the Coup against Allende

Having thus situated Operation Condor in the historical context of the Nazi rat-lines run for the Anglo-American-

5. Borghese had been sentenced to death for war crimes by the Italian Resistance at the end of World War II. On April 29, 1945, he was rescued by James Jesus Angleton. In May 1974, Borghese made a pilgrimage to Chile to pledge his assistance to Pinochet.

Nazi cartels by the Dulles brothers, we now turn to the 1973 Pinochet coup in Chile, and the subsequent creation of Operation Condor.

As reported above, under pressure from ITT, the Nixon Administration decided to prevent Salvador Allende from becoming President in 1970, even though Allende had won a plurality in the elections on Sept. 4. Under the direction of Kissinger, who was at first Nixon's National Security Advisor and later his Secretary of State, the White House instructed the CIA to launch a two-track policy. Track I entailed a scenario to induce the Chilean Congress to "constitutionally" block Allende from being ratified on Oct. 24. Track II was a military coup.

The means used to try to stop Allende at this point, included "economic warfare," "political warfare," and "psychological warfare." The CIA station was also ordered to consider instigating "terrorist" activities that might provoke Allende's followers to respond in such a way as to favor a coup.⁶ In fact, an Oct. 6 CIA status report noted that the station had contacted "a representative of an anticommunist group intent on organizing terrorist activities." This was the neo-fascist group Patria y Libertad, which after the coup would provide recruits for DINA and Operation Condor. Between 1970 and 1973, the CIA funneled \$38,500 to Patria y Libertad.

The main impediment to a coup was the fact that Gen. René Schneider, the Chilean commander-in-chief, was a strong constitutionalist who opposed military intervention in domestic politics. The CIA decided upon a plot to kidnap him and fill his post with a military figure favorable to a coup. The kidnapping was to be blamed on leftist extremists.

However, when the kidnapping was attempted, Schneider was assassinated instead. Rather than fostering a coup environment, the action produced an overwhelming vote for Allende in the Congress, and political repudiation of violence in the country.

But Track II did not stop there. Under NSDM 93, signed by Kissinger, the United States committed itself to a massive campaign of economic and financial warfare against the incoming Allende regime. Although it is often argued by supporters of Pinochet that Allende's economic policies ruined the economy of Chile, this was not the case. The Chilean economy was destroyed from the outside, by the economic hit-men working for George Shultz. In 1970, the Inter-American Development Bank (IDB) loans approved before Allende's election totaled \$46 million; following the election only two loans, totaling \$2 million, were approved until after the military coup. The World Bank, which had provided \$31 mil-

6. This is the same ploy used by Hitler to consolidate his power in 1933. The Nazis burned down the German Parliament (Reichstag) and blamed it on communists. Hitler then forced through a decree which established his Emergency Rule. Lyndon LaRouche has also compared the terrorist attack on the United States on Sept. 11, 2001 to the Reichstag Fire, which has been used by the controllers of President George W. Bush, such as Vice President Dick Cheney, to attempt to consolidate a fascist regime.

lion in loans to the Frei government in 1969-70, approved zero loans between 1971 and 1973. Bilateral U.S. assistance, administered through AID, reached \$110 million between 1968 and 1970; from 1971 to 1973 the figure dropped to \$3 million. The U.S. Export-Import Bank, which had provided some \$280 million in loans and credits between 1967 and 1970, granted zero in 1971.

The covert action program against Allende focussed on five elements: 1) divide and weaken the Allende coalition; 2) enlarge contacts in the Chilean military; 3) provide support to non-Marxist opposition political groups and parties; 4) assist anti-Allende periodicals and media outlets; and 5) play up Allende's alleged subversion of the democratic process and the involvement of Cuba and the Soviet Union in Chile.

By Sept. 11, 1973 the plans for the coup were in place. In late August, Commander-in-Chief Carlos Prats, who, like General Schneider, opposed military intervention as unconstitutional, was forced to resign. He was replaced by Gen. Augusto Pinochet. Pinochet was chosen to be head of the junta that was to carry out the coup.

The Creation of DINA

The Nazi methods which Pinochet intended to use in crushing the opposition were immediately evident. On Sept. 20, the CIA station reported, "thus far, 4000 deaths have resulted from the 11 September 1973 coup action and subsequent clean-up operations." In early October, Pinochet set in motion "the Caravan of Death," to murder political prisoners in the northern provinces. The actions of this death squad portended the creation of a Chilean secret police agency, DINA. In fact, four members of the Caravan death squad were transferred to the new intelligence agency after it was secretly authorized.

Although DINA was officially created on June 14, 1974, its origins dated back to a "DINA commission," created after the coup in November 1973 and led by Lt. Col. Juan Manuel Contreras Sepulveda. DINA began operations as a unit hidden within the National Executive Secretariat for Detainees (SENDET), which was created in December 1973. By February 1974, DINA had an estimated 700 agents and officials drawn from the ranks of the police, army, and the paramilitary legions of Patria y Libertad. U.S. intelligence dates the appointment of Contreras to head the DINA to Feb. 24, 1974, and the CIA began collaborating with DINA soon after it was created.

Under Contreras's command, DINA maintained a web of secret detention and torture facilities in Santiago and throughout the country, which "disappeared" hundreds of Chileans.

One Chilean military officer told the U.S. defense attaché that DINA used a system of interrogation "straight out of the Spanish Inquisition." Other Chilean military authorities told the U.S. defense attaché that they thought DINA was becoming "a modern-day Gestapo." This is no wonder, given the fact that DINA was advised by former SS officer and Nazi

war criminal Walter Rauff.

Nonetheless, Contreras had a reputation for being a devout Catholic, and a good family man, a *beato*, who was fervent to the point of sanctimoniousness, a character trait he undoubtedly shared with the Spanish Grand Inquisitor Tomás de Torquemada (1420-98).

Even before the creation of Operation Condor, DINA included an Exterior Brigade, whose purpose was to forge alliances with other secret police forces, as well as violent anti-communist and neo-fascist groups, for the tracking of Pinochet's opponents abroad and for organizing acts of terrorism against prominent exiles. In the Spring of 1974, DINA established its first station in Buenos Aires. Subsequently, an undercover agent was based at the Chilean Embassy in Madrid, Spain. The Brigade drew its staff from Chilean military personnel and from Patria y Libertad. Its most famous member was American-born Michael Vernon Townley, who in December 1970 had attempted to become an agent of the CIA, apparently without success.

The connection between the fascist police-state methods of DINA and the economic policies of the Shultz's Chicago Boys is underscored by the fact that DINA's Subdirector of the Interior was responsible for supervising an Economics Section, the task of which was to monitor "the activities of public and private business/economic interests to insure compliance with government economic policy." For this purpose, the Subdirector of the Interior was responsible for the Economic Brigade, which was "responsible for field operations related to the monitoring of public and private sector business/economic activities." (See **Figure 1**.)

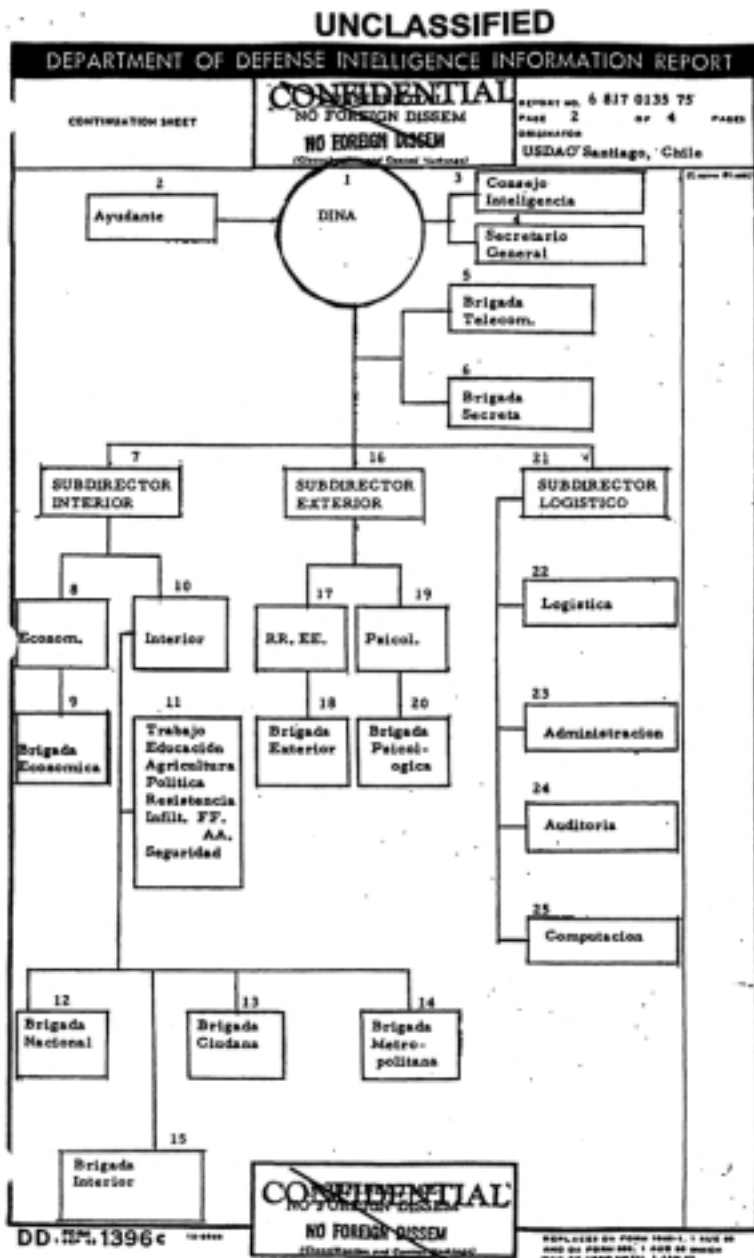
Pinochet's Consolidation of Power

After the coup, the U.S. immediately moved to support the Pinochet dictatorship. The "invisible blockade" was lifted by reopening the spigot of economic assistance to Santiago. In Fiscal Years 1975 and 1976, Chile received 80% of all Title I Food for Peace assistance to Ibero-America. The Inter-American Development Bank granted \$237.8 million in loans during the first three years of Pinochet's rule, while the World Bank authorized \$66.5 million from 1974 to 1976.

By the Summer of 1974, the CIA's operations focussed on "liaison relationships" with Chile's security services. Shortly after the DINA was created, CIA deputy director Gen. Vernon Walters arrived in Santiago to confer with Pinochet about CIA assistance. Contreras and the CIA station chief, Stuart Burton, who arrived in the Spring of 1974, were in a very close relationship, and Contreras received an invitation to come to Washington on March 4, 1974 to meet with Walters and officers of the CIA's Western Hemisphere division. In August 1974 a team of eight CIA specialists arrived in Santiago to train DINA officers.

In the late Spring of 1975, CIA station chief Burton lobbied for Contreras to become a paid agent. After another meeting with Walters on July 5, 1975, Contreras received what

FIGURE 1
Organizational Chart of Chile's DINA Secret Service



Of special note are departments 8 and 9, dealing with economic operations: The Economic Section was “responsible for monitoring the activities of public and private business/economic interests to insure compliance with government economic policy,” which was dictated by George Shultz’s Chicago Boys.

the CIA later claimed was a “one time only” payment. (CIA security files on Contreras were destroyed in 1991.) Records from Riggs Bank show that on July 21, 1975, a \$6,000 deposit was made to Contreras’s personal account in Washington—“from an unknown source.” On Aug. 25, Contreras again met

with General Walters.

Walters, who was deputy director of the CIA from 1972-76, was ideologically close to the Pinochet government, as evidenced by the fact that he later served both on the Board of Directors and the Advisory Board of the pro-Franco, pro-Spanish Inquisition Christendom College, in Front Royal, Virginia, which was established in 1977. It is also coherent that when the Pinochet regime came under increasing attack for its Nazi methods, DINA organized a fictitious “public committee” called the American-Chilean Council, between March 1975 and December 1978, to influence the media and U.S. Congress. The ACC was the brainchild of William F. Buckley, Jr., whose brother-in-law L. Brent Bozel was a founder of Christendom College. Buckley himself had been instrumental in the founding of the World Anti-Communist League in 1966.⁷ In 1992, Vernon Walters received the Christendom College Medal for Distinguished Service in International Relations.

The Creation of Operation Condor

In October 1975, Contreras invited his counterparts in the Southern Cone to an all-expenses-paid First Inter-American Meeting on National Intelligence. The six nations which attended were Argentina, Bolivia, Brazil, Chile, Paraguay, and Uruguay. The meeting took place on Pinochet’s 60th birthday in Santiago, Chile on Nov. 25.

Just days prior to the conference, Pinochet, Contreras, and at least 50 DINA members had attended the funeral of Gen. Francisco Franco in Madrid, during which they had met with Stefano Delle Chiaie of the fascist Avanguardia Nazionale (National Vanguard) in Italy, Croatian terrorists, and fascists from other parts of Europe. Delle Chiaie, two other Italians from his group, and Virgilio Paz of the Cuban Nationalist Movement then travelled to Santiago, where they functioned as a DINA operational cell.

During the funeral in Madrid, Pinochet and Contreras met with Blas Piñar, who in 1966 had founded the fascist New Force in Spain, with the idea of “keeping alive the ideals of July 18, 1936”—Franco’s fascism—and in 1976 would

7. On Feb. 2, 2005, Buckley wrote an editorial in *National Review* on the subject of Pope John Paul II’s recent illness: “I hope that he will not recover. . . . So, what is wrong with praying for his death?” This editorial is totally reflective of the Nazi mentality of those who put Pinochet in power and defended Operation Condor as necessary to save their anti-Christian version of Torquemada-Christianity against Godless Communism.



Gen. Vernon Walters, as CIA deputy director and later as U.S. ambassador-at-large in George Shultz's State Department, coordinated U.S. relations with Operation Condor. He met on numerous occasions with Chilean DINA chief Juan Manuel Contreras, who ran the death squads.

participate in the founding of the Fascist International in Rome.

The meeting in Santiago concluded with the formation of Operation Condor.⁸ At this point, Brazil only attended as an observer and did not formally join until 1976. Nonetheless, there were numerous reports that DINA received U.S. support conduited through Brazil, a country with which Vernon Walters was closely connected.

Contreras outlined his proposal for three phases of coordination. The first called for the creation of a Coordinating Center in Chile to gather and exchange information on individuals and organizations engaged in "subversion." Phase two included operations against targets inside the six member nations, including the dissemination of "disinformation," psychological warfare, torture, and assassination. Phase three was to include surveillance and assassinations outside Ibero-America.

The second Condor convention convened in Santiago at the end of May 1976. This meeting produced several deci-

sions: DINA would house a computerized databank on known suspected subversives; and Chile, Argentina, and Uruguay would undertake covert operations against members of a leftist umbrella organization, the Revolutionary Coordinating Junta (JCR), living in Western Europe.⁹

In March 1976, Argentine Army commander Gen. Jorge Videla carried out a coup against Isabel Perón, who had succeeded her husband, President Juan Perón, when he died in July 1975. The new military junta immediately expanded its role in Operation Condor as it launched a "Dirty War" against "subversives" in its own country, which resulted in the disappearance between 1976 and 1983 of as many as 30,000 human beings. The Argentine military had been well trained for this purpose by the French Secret Army Organization (OAS), using the Nazi methods the French employed in Algeria after their defeat in Indochina in 1954.

In September 1976, a two-month-long "Condor training course" opened at the Argentine State Secretariat for Intelligence (SIDE) in Buenos Aires. Those enrolled were agents from Chile, Uruguay, and Argentina. Between Dec. 13 and 16, member nations reconvened again, this time in Buenos Aires. Yet another Condor meeting was planned in Paraguay to discuss "Psychological Warfare Techniques Against Terrorists and Leftist Extremists" in 1977. In early 1978, Condor added two new members, Ecuador and Peru. Thus, by 1978, virtually the entirety of the South American continent, with the exception of Colombia, Venezuela, Guyana, Surinam, and French Guiana, was under the fascist control of Operation Condor. (See **Figure 2**.)

In October 1978, a Paraguayan official informed U.S. Ambassador Robert White that the hub of the inter-state communications system known as "Sistema Condor" was located at the U.S. military base in the Panama Canal Zone. White wrote in a cable that the Condor nations "keep in touch with one another through a U.S. communications installation in the Panama Canal Zone. . . . This U.S. communications facility . . . is also employed to co-ordinate intelligence information among the Southern Cone countries. They maintain the confidentiality of their communications through the U.S. facility in Panama by using bilateral codes."

Second Generation of the Fascist International

Even before Operation Condor had been created, Pinochet's regime had already begun to carry out "third phase" operations. On Sept. 30, 1974, Michael Townley of the Exterior Brigade carried out its first foreign assassination, that of Gen. Carlos Prats and his wife, who were in exile in Buenos Aires. Prats had the potential to become part of a "government

8. The condor is a large Andean vulture; but the name Operation Condor may also have been inspired by Hitler's murderous Condor Legion, which invaded Spain in support of Gen. Francisco Franco in 1936.

9. The JCR united the Argentine People's Revolutionary Army (ERP), the Chilean Movement of the Revolutionary Left (MIR), the Uruguayan Tupamaros-MLN, and the Bolivian National Liberation Army (ELN).

FIGURE 2

Operation Condor (1978)



The shaded areas show the members of Operation Condor: Almost the entirety of South America was taken over by this fascist enterprise, sponsored by U.S. intelligence circles and former card-carrying Nazis.

in exile,” and therefore, from Pinochet’s standpoint, had to be eliminated.

To carry out such international terrorist operations, DINA began to create covert alliances with a number of fascist organizations in the United States and Europe. These alliances eventually resulted in the creation in 1976 of a second-generation Fascist International.

In December 1974, three leaders of anti-Castro Cuban exile groups in the United States—Orlando Bosch, Guillermo Novo, and Dionisio Suárez—travelled to Santiago to offer their services to and seek support from Pinochet. Novo headed the New Jersey wing of the Cuban Nationalist Movement (CNM), members of which would participate in the Sept. 21, 1976 assassination of former Allende Defense and Foreign Minister Orlando Letelier in Washington, D.C. The CNM was formed in 1963 and was associated with the Cuban terrorist organization FLNC, headquartered in Miami, Florida. Four

of the five members who participated in the Letelier assassination were veterans of the Bay of Pigs.¹⁰

Townley was also dispatched to Europe, where he contacted the Corsican Brotherhood, the former French Secret Army Organization (OAS) terrorist Albert Spaggiari (who once tried to assassinate Charles de Gaulle), and the neo-fascist Italian National Vanguard, led by Stefano Delle Chiaie.

DINA operative Major Cristoph Willeke also established liaison with the BND (Bundesnachrichtendienst), the West German intelligence agency created by Reinhard Gehlen. According to Townley, the liaison had been arranged by leaders of the Nazi colony in Chile, known as Dignity Colony (Colonia Dignidad), which was used by DINA as a torture center. Townley also established contact with two unidentified neo-fascist groups in Germany, to incorporate them into Contreras’s network.

These efforts to consolidate an international Phase Three network of assassins under Operation Condor intersected a process begun during the 1960s, which then accelerated in the 1976-78 period, to form a Fascist International. In 1966, the World Anti-Communist League (WACL) was formed in South Korea. William F. Buckley, Jr. was instrumental in its creation. That same year, Aginter Press, sponsored by the WACL, was created as a cover for OAS terrorists and other European fascists. It was headquartered in Lisbon, and headed by Guerin-Serac, a former OAS agent. During the 1965-71 period, Cuban exile groups led by Guillermo and Ignacio Novo, and Orlando Bosch, were involved in significant acts of sabotage and assassination.

On June 12-13, 1976, several Cuban exile groups, including the Cuban Nationalist Movement, merged into Orlando Bosch’s Coordination of United Revolutionary Organizations (CORU), in a meeting in the Dominican Republic.

In August 1976, CIA death-squad operative and anti-Castro Cuban exile controller Nestor Sanchez, who was previously the CIA’s Latin American Chief of Operations, became CIA station chief in Madrid. Sanchez was thus in a position to coordinate the Madrid-based European fascist networks and the Ibero-American Operation Condor operatives.

In October 1976, the Fascist International was formed in Rome. This was an outgrowth of planning by Hitler’s commando, Otto Skorzeny. The attendees included representatives of the CORU, former SS agents, OAS terrorists, Blas

10. LaRouche has pointed out in respect to Sept. 11, 2001, that even though the terrorists who took part in the operation were ostensibly Arab, their controllers were rogue elements of U.S. military intelligence. Moreover, Osama bin Laden and his Afghansi terrorist networks were assets of Zbigniew Brzezinski and George Bush, Sr. in their proxy war against the Soviet Union in Afghanistan. Similarly, most of the key operatives in Operation Condor were U.S. assets. This includes Nazi war criminals such as Walter Rauff and Klaus Barbie; the Cuban exiles who participated in the assassination of Letelier, most of whom were veterans of the Bay of Pigs; and Contreras himself, who received at least one payment from the CIA.



Hitler's commando Otto Skorzeny in 1944. He played a key role in the post-war Nazi operations including the plan to create a Fascist International, which was realized in Rome in 1976, a year after his death.

Piñar's New Force (Fuerza Nueva), the Argentine AAA, and Italian fascists including the Italian Ordine Nuovo led by Salvatore Francia and Pierluigi Concutelli, Spain's Guerillas of Christ the King (founded by Blas Piñar), the Asociación Anticomunista Ibérica, Alianza Anticomunista Apostólica, and the Paladin group, which had been headed by Skorzeny until his death in 1975. Dr. Gerhard Hartmut von Schubert, formerly of Joseph Göbbels' propaganda ministry, was its operating manager.

In April 1978, the political parties behind the Fascist International formed an electoral alliance called the Euro-Droit (Euro-Right). Charter members included Giorgio Almirante's Italian fascist MSI, Blas Piñar's Fuerza Nueva, France's Forces Nouvelles, Belgium's Front National, and Greece's Rassemblement General.

Indicative of the collaboration among these various fascist groups is the following chain of events. On Jan. 24, 1977, two assassins connected with Blas Piñar's Fuerza Nueva fired on 12 attorneys in a Madrid legal office. The attorneys, several of whom were killed, had committed the "crime" of defending leftists. On Feb. 22, Spanish police found a factory where members of the Italian fascist group Ordine Nuovo had manufactured handguns. The building had been rented by Skorzeny's friend Mariano Sánchez Covisa. The police then investigated a bank safe deposit box which was in the name of the Italian fascist Elio Massagranda. They found money traceable to a bank robbery masterminded by OAS alumnus Albert Spaggiari. This led to the roundup of most of Italian fascist elite residing in Spain, including Stefano Delle Chiaie, all of whom were later released.

In April 1979, the Euro-Right sent Blas Piñar as its repre-

sentative to the WACL assembly in Paraguay. The others in attendance included Giorgio Almirante of Italy's MSI and Mario Sandoval Alarcón, the head of Guatemala's MLN, the party responsible for death squads in that country, with which the CIA's Nestor Sanchez had worked. Providing security for the conference chairman, President Alfredo Stroessner, was Jozo Damjanovic, a Croatian neo-Nazi assassin.

The first assignment taken on by Delle Chiaie for DINA was the attempted assassination on Oct. 6, 1975 of the Chilean Christian Democrat Bernardo Leighton and his wife, who were living in exile in Rome. The assassination attempt, which left the Leightons severely injured, involved two other members of Delle Chiaie's organization, Pier Luigi Concutelli and Giulio Crescenzi. A month later, both Contreras and Pinochet met with Delle Chiaie to seal their collaboration during the funeral of Franco in Madrid.

The Assassination of Orlando Letelier

The most notorious Phase Three assassination was that of Orlando Letelier and his American colleague Ronni Karpen Moffitt, in Washington, D.C. on Sept. 21, 1976. The assassination occurred shortly after Kissinger visited Pinochet on June 8, 1976, the CORU was founded on June 12-13, and Nestor Sanchez became Madrid CIA station chief in August.

All of the evidence in this case points minimally to the fact that the supporters of Pinochet in the United States, who brought him to power, knew about and condoned Operation Condor and failed to take actions which would have prevented this assassination.

On June 8, 1976, Kissinger met with Pinochet in Santiago. Kissinger had travelled to Chile to attend a meeting of the Organization of American States, and under pressure, was planning to make a speech on human rights, nominally criticizing the Pinochet regime. After the meeting, the State Department prepared a memorandum of the conversation (see **Figure 3**).

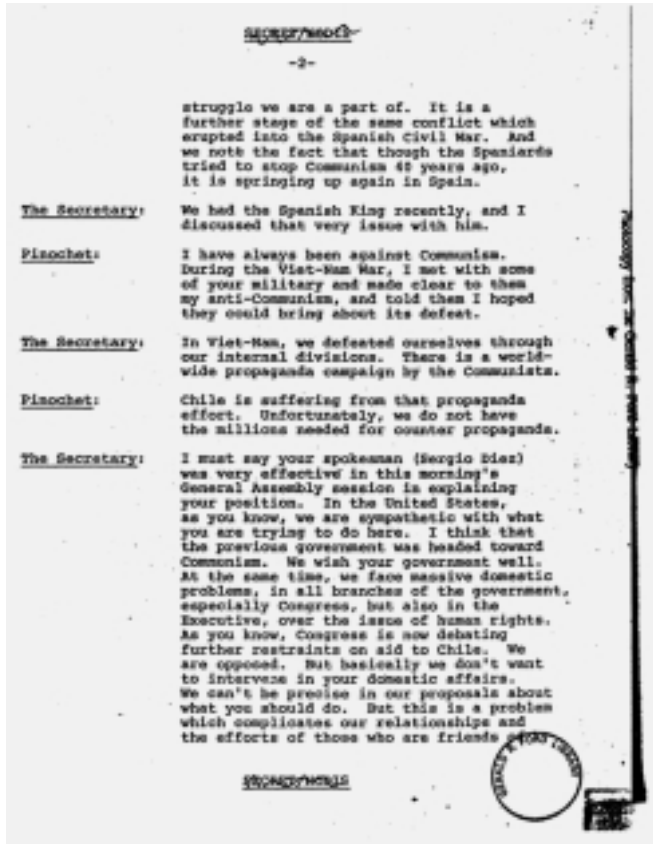
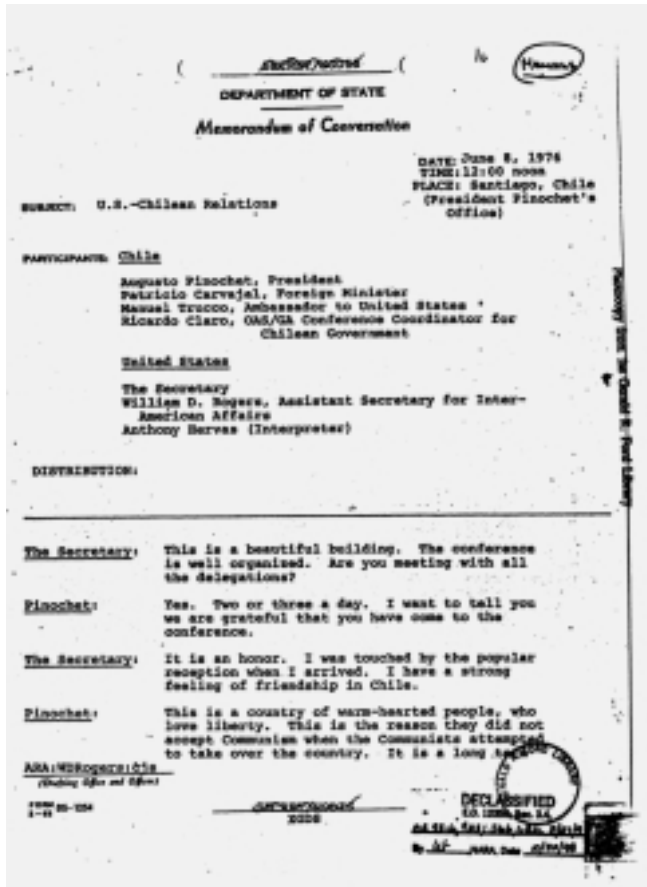
The memorandum quotes Pinochet: "This is a country of warm-hearted people, who love liberty. This is the reason they did not accept Communism when the Communists attempted to take over the country. It is a long term struggle we are a part of. It is a further stage of the same conflict which erupted into the Spanish Civil War. And we note the fact that though the Spaniards tried to stop Communism 40 years ago, it is springing up again in Spain."

Kissinger responded: "We had the Spanish King recently, and I discussed that very issue with him."

This exchange occurred just prior to the launching of the Fascist International in Rome and its subsequent terrorist campaign in Spain, culminating in 1981 with an attempted

FIGURE 3

The Kissinger-Pinochet Conversation, 1976



This excerpt from the U.S. Department of State now-declassified memorandum on Kissinger's visit to Santiago features the Secretary of State's gushing endorsement: "I think that the previous government was headed toward Communism. We wish your government well."

coup d'état, in which Blas Piñar's son, then-Spanish Army Captain Blas Piñar Gutierrez, participated.

Kissinger continued: "In the United States, as you know, we are sympathetic with what you are trying to do here. I think that the previous government was headed toward Communism. We wish your government well. . . . The speech is not aimed at Chile. I wanted to tell you about this. My evaluation is that you are a victim of all left-wing groups around the world, and that your greatest sin was that you overthrew a government which was going communist."

At one point in the discussion, Pinochet mentioned Letelier by name. "We are returning to institutionalization step by step. But we are constantly being attacked by the Christian Democrats. They have a strong voice in Washington. Not the people in the Pentagon, but they do get through to Congress. Gabriel Valez has access. Also Letelier."

Kissinger responded: "I have not seen a Christian Democrat for years."

Pinochet: "Also Tomic, and others I don't recall. Letelier has access to the Congress. We know they are giving false information. . . ."

Two weeks later, Contreras ordered his chief deputy to organize the assassination of Letelier, whom Pinochet believed was plotting to create a government in exile. Townley and another DINA agent, Lt. Col. Armando Fernandez Larios, would travel to Asuncion, Paraguay on July 18 or 19 to obtain false passports and U.S. visas, and then on to Washington "to execute the assassination." Paraguayan President Alfredo Stroessner received a call from Pinochet requesting that the falsified passports be provided. Once this was done, U.S. Ambassador George Landau was told that the two DINA officials needed the visas to meet with CIA deputy director Vernon Walters.

In early July, Contreras travelled to Washington for another secret meeting with Walters (which Walters later confirmed). Contreras also met with former CIA operatives who



Henry Kissinger (left) with Chilean President Augusto Pinochet. As Nixon's National Security Advisor and then Secretary of State, he launched the campaign to overthrow Chilean President Salvador Allende (above), bringing Pinochet and his Nazi supporters to power, under the banner of "fighting communism."

helped him buy weapons and high-tech surveillance equipment, in violation of the Congressional ban.

Ambassador Landau heard back from CIA director George Bush that Walters said he was unaware of the planned visit by the DINA operatives. Landau urged that the Chileans be barred from entering the country. But by then, DINA had aborted the effort to enter the United States from Paraguay, and instead sent an advance team to Washington directly from Chile, to conduct surveillance of Letelier. Townley came two weeks later, received the surveillance intelligence, and then drove to Union City, New Jersey to meet with CNM leader Guillermo Novo. The assassination team included Townley, Virgilio Paz, and Dionisio Suárez. Townley affixed a bomb to Letelier's car on Sept. 18. On Sept. 21, Paz and Suárez detonated the device.

Before the assassinations took place, there had still been time for the United States to intervene. On Aug. 18, Kissinger initialed a final draft of a cable entitled "Operation Condor," which was sent to the U.S. ambassadors in the Condor nations. The cable instructed the envoys in Argentina, Uruguay, and Chile to seek an appointment with the chiefs of state of their respective nations, to tell them of rumors that the cooperation among them to combat subversive activity "may extend beyond information exchange to include plans for the assassination of subversives, politicians and prominent figures both within the national borders of certain Southern Cone countries and abroad" and that if true, this "would create a most serious moral and political problem."

These instructions were never carried out. Moreover, on Sept. 20, the day before Letelier was assassinated, Kissinger's aide Harry Shlaudeman sent a secret cable to be conveyed to the U.S. ambassadors to Argentina, Chile, and Uruguay which read: "You can simply instruct the Ambassadors to take no further action, noting that there have been no reports in some weeks indicating an intention to activate the Condor scheme."

After the assassination, Kissinger and CIA Director George Bush officially ruled out the idea that Letelier was killed by agents of the Chilean military Junta. The *Washington Post* reported on Nov. 1, that "operatives of the present Chilean military Junta did not take part in Letelier's killing. . . . CIA director Bush expressed this view in a conversation late last week with Secretary of State Kissinger."

In late September, a two-month-long "Condor Training Course" began in Argentina, and in October, the Fascist International was founded in Rome, Italy.

Despite Bush's and Kissinger's attempted coverup, the Letelier assassination would eventually result in the dissolution of DINA, although Operation Condor continued until at least 1983. On Aug. 13, 1977, the Chilean junta issued a decree abolishing DINA. A second decree established the National Center for Information, CNI, with Contreras initially its director. However, in early November, high-ranking military commanders met with Pinochet and demanded that Contreras be relieved of his duties as CNI director. On Nov. 4, Pinochet promoted him from colonel to brigadier general, removed him as head of the CNI, and appointed one of DI-

NA's critics, Gen. Odlanier Mena, in his place.

In March 1978, Townley was identified as a participant in the assassination, and after significant stalling, the Pinochet regime finally agreed to expel him. On March 21, Pinochet arranged the resignation of Contreras from the Chilean Armed Forces. Townley's confession led to a U.S. indictment of Contreras and two other DINA officers, as well as five CNM members, on Aug. 1, 1978.

Support for Operation Condor Continues

Despite these developments, Shultz and Walters continued to support Pinochet and Operation Condor. When Ronald Reagan was elected President in 1980, there was initially an attempt to rehabilitate the Pinochet regime. George Shultz was an advisor to the incoming administration, and Vernon Walters became his ambassador-at-large.¹¹

Shultz, who would eventually become Reagan's Secretary of State, gave his full support to Pinochet. In his autobiography, Shultz wrote: "General Augusto Pinochet came to power, bringing dictatorship and repression to the political scene. But he did restore prosperity to the economy. Chileans trained in free market economics at the University of Chicago applied the ideas of classical economics, opening the Chilean economy to international competition, eliminating subsidies, relying on market signals to direct investment, seeking fiscal balance and a stable monetary policy. These policies worked."

The reality, however, was that as a result of the policies of Shultz's Chicago Boys, the Chilean economy had collapsed. Gross national product plummeted by 14%; unemployment rose to 30%; and the foreign debt reached \$19 billion, the highest per-capita debt in the world.

In 1981, Shultz visited the former Labor Minister of Chile, José Piñera, who had sponsored the privatization of social security in that country, and asked him to write a one-page memo on pension privatization for Shultz to submit to Reagan. Reagan, despite his commitment to free-trade policies in general, rejected the proposal.

For his part, Walters rationalized the Letelier-Moffitt assassinations as "a mistake," and said, respecting the Pinochet junta, "you can't rub their noses in it forever." In February

11. In *Sánchez-Espinoza vs. President Ronald Reagan, et al.*, a legal case brought before the District Court of Washington, D.C. in 1983, 12 citizens of Nicaragua and 12 members of the U.S. Congress sued President Reagan, CIA Director William Casey, former Secretary of State Alexander Haig, Secretary of State George Shultz, Assistant Secretary of State for Inter-American Affairs Thomas Enders, U.S. Ambassador at Large Vernon Walters, Defense Secretary Caspar Weinberger, Deputy Assistant Secretary of Defense for Inter-American Affairs Nestor Sanchez, and U.S. Ambassador to Honduras John Negroponte for violations of the law respecting U.S. support of the Contras. After being dismissed, the case was appealed to the Court of Appeals. The judge who filed the opinion on Aug. 13, 1985 affirming the dismissal was then Circuit Court judge and now U.S. Supreme Court Justice Antonin Scalia.

1981, Reagan sent Walters to brief Pinochet on U.S. counterinsurgency operations in El Salvador. Walters reported back that Pinochet "offered full support and said he would do anything we wanted to help us in the Salvadoran situation."

Beginning in 1979, the Argentine military, which had carried out a coup in March 1976 and launched its "Dirty War," had helped organize death squads in El Salvador. In 1980 and 1981, Chile provided training and tactical advice to El Salvador's military forces. In recognition of Pinochet's support, the Salvadoran high command bestowed the José Matias Delgado Award on Pinochet in May 1981.

When the U.S. Congress cut funding for CIA support of the Contras in Nicaragua in October 1984, the secret government plotters under the leadership of Vice President George Bush, who had been director of the CIA at the time of Letelier's assassination in 1976, turned once again to Pinochet. In late 1984, Lt. Col. Oliver North approached the Pinochet regime in an attempt to obtain a key weapons system needed by the Contras: the British-made Blowpipe missile.

Chile and Argentina had long been involved in Nicaragua as part of Operation Condor. After 1976, the Chilean and Argentine military helped Nicaraguan dictator Anastasio Somoza, until his 1979 overthrow. Contra leader Adolfo Calero and a delegation were in Chile between Dec. 7-17, 1984. The Chileans offered 48 missiles, launchers, and training "for up to ten three-man teams on a no-cost basis."

North also arranged for Merex International Arms to deliver 3 million rounds of ammunition to the Contras. Merex had a branch office in Savannah, Georgia. During the Contra support operation, its Georgia address was occupied by Combat Military Ordinances Ltd., controlled by CIA agent James P. Atwood, who operated in the Middle East, Germany, and Ibero-America. Among Atwood's collaborators in Skorzeny's Nazi network were Walter Rauff, Klaus Barbie, and Friedrich Schwendt.

The Role of Nestor Sanchez

One of the key Dulles operatives who played a role in both Operation Condor and the Contra support operation was Leesburg, Virginia resident, Nestor Sanchez, who later became a leading operative against Lyndon LaRouche. Sanchez was a CIA agent in the late 1950s, when Allen Dulles ran the agency.

During the 1960s, Sanchez worked with Gen. Edward Lansdale, who was involved in counterinsurgency in Southeast Asia in the 1950s and in Ibero-America by the 1960s. In general, Sanchez's role was as a contractor for both economic warfare and assassination. Specifically, he was the controller of the Cuban exile networks from which he recruited assassins. This is of particular interest since Phase Three of Operation Condor employed the Cuban Nationalist Movement in its assassination operations.

The first case of Sanchez' deployment of anti-Castro Cu-



Nestor Sanchez was the CIA's principal liaison to the death squads in Ibero-America.

ban exile assassins, which has come to the public light, occurred in 1963. Sanchez was assigned by the CIA as the Spanish-speaking case officer of Cuba's Maj. Rolando Cubela, who was to carry out an assassination of Fidel Castro. Sanchez and Desmond Fitzgerald met Cubela in a hotel room in Paris on Nov. 22, 1963, the day President John F. Kennedy was assassinated. They gave him a poison pen to be used in the planned assassination of Castro.

During the period 1960-67, a number of CIA personnel requested transfer, in protest of the fact that Sanchez was working so closely with death squads in Ibero-America. In February 1965, Sanchez was reassigned to Caracas. From August 1967 to at least September 1968, he was station chief of the CIA in Guatemala, where he worked with the death-squad operations. In 1972, he was transferred to Bogota. From November 1974 until July 1976, he was Latin American Division Chief, CIA Directorate of Operations, which put him in a key position respecting Operation Condor.

From 1976-79, Sanchez was the CIA station chief in Madrid, where he was in a position to coordinate the Fascist International with Blas Piñar.

In the 1980s, when the Reagan Administration supported the Contras in Nicaragua, Sanchez was the Deputy Assistant Secretary of Defense for Inter-American Affairs. He was also assigned to the staff of the National Security Council.

In 1984-85, with Vice President Bush's approval, Felix Rodriguez, a Cuban-born CIA contract agent, was introduced to Sanchez, among others, to plan death-squad operations in El Salvador against the guerrillas, and to resupply the Nicaraguan Contras. As we have already reported, under Operation Condor both Argentina and Chile were already directly involved in training death squads in El Salvador. CIA officers were told that NSC staff members Sanchez and Constantine Menges were sending Rodriguez to solve the insurgency problems in El Salvador.

In February 1985, the CIA said Rodriguez had said he had discussed his offer to help fight guerrillas with Bush, North, Sanchez, and Donald Gregg.

Sanchez and Vernon Walters were very close. Walters was honorary chairman of the George C. Marshall International Center in Leesburg, and Sanchez was the president.

Operation Condor vs. LaRouche

Lyndon LaRouche, who is the leading opponent today of Bush's attempt to impose the Pinochet model of Social Security privatization in the United States, has been the leading opponent of the economic policies of Shultz and company for decades. While Shultz and the cartels that control him have fought to destroy the legacy of Franklin Roosevelt's American System, LaRouche has led the fight to create a New Bretton Woods system and to defend the General Welfare principle of the U.S. Constitution.

Beginning as early as 1973, rogue elements in the U.S. intelligence community made several attempts to "eliminate" LaRouche. In the 1980s, LaRouche earned the wrath of Shultz, Kissinger, and Bush, Sr. as a result of his success in influencing President Reagan to adopt the Strategic Defense Initiative. LaRouche also ran afoul of these circles because of his opposition to the Contras, his campaign for a real war on drugs, and his collaboration with Mexican President José López Portillo and other Ibero-American leaders to re-establish Roosevelt's commitment to eliminate colonialism and to develop the Third World, using American System methods as opposed to the British free-trade policies of Shultz, as implemented in Chile.

As a result of this policy divide and the fact that LaRouche was regarded as a uniquely potent political opponent to their subversive efforts, the targetting of LaRouche was intensified in the mid-1980s.

In the Spring of 1985, a delegation of military officers from Guatemala came to the United States in connection with their collaboration with LaRouche in the production of a documentary film entitled *Soviet Irregular Warfare in Latin America*. The Guatemalan military had carried out a successful anti-drug operation in the jungles of Guatemala, as proposed by LaRouche, called Operation Guatusa.

The military delegation, accompanied by LaRouche associates, visited the Pentagon for meetings with U.S. military representatives to discuss the success of this operation. When Nestor Sanchez ran into this delegation, he went berserk and did everything possible to subvert the LaRouche-Guatemalan collaboration.

This occurred in the context of an ongoing covert action campaign, similar to what was done in Chile to overthrow Allende, designed to defame LaRouche and either set him up for assassination or for imprisonment on baseless charges. Kissinger himself had been involved in launching the investigation of LaRouche, through a Aug. 19, 1982 private commu-

nication with then-FBI director William Webster. A private salon was organized by Wall Street investment banker John Train, a friend of José Piñera, to carry out a campaign of disinformation and black propaganda against LaRouche in the news media.

In 1986, a police raid was launched against LaRouche's headquarters in Leesburg, Virginia, during which there were operational plans to storm LaRouche's residence and assassinate him. The raid involved the FBI's Special Operations Groups, which were known to have been deployed against critics of the supply operation to the Contras. Also involved in the raid was the secret office in the Pentagon through which the CIA sought Defense Department assistance for covert operations in Central America.

During this period, Sanchez, whose position in the Pentagon and involvement in death squads would have placed him at the center of the planned assassination of LaRouche, recruited Fernando Quijano, an associate of LaRouche, to betray him. During this period, Quijano openly defended Sanchez, telling another associate of LaRouche: "You don't know who he is. He is not our enemy. He is one of our only friends. He knows people we know in Latin America and in the intelligence community. Lay off. You are being used."

After LaRouche was convicted in a railroad trial and imprisoned in January 1989, Quijano operated as an agent of Sanchez to attempt to destroy the LaRouche political movement.

By 1990, Quijano had already begun to adopt the anti-communist, pro-Franco, pro-Nazi political belief structure which drove the Pinochet regime. In 1992, he would take the next step of creating an organization in Ibero-America, the Ibero-American Solidarity Movement (MSIA), at a conference in Tlaxcala, Mexico. Shortly thereafter, Quijano and those whom he had recruited to his anti-LaRouche operation, made direct contact with former DINA head Manuel Contreras and other representatives of the Pinochet regime, as mediated through the personal representative of Spanish fascist Blas Piñar.

Alejandro Peña, also a former LaRouche associate, who is now head of Venezuela's Democratic Bloc, travelled at Quijano's bequest to Chile in 1993. Peña was introduced to Contreras and other high level military officers in the Pinochet regime by Eduardo Casarramona Obiols, the personal representative of Blas Piñar in Ibero-America, with whom representatives of the MSIA in Mexico came in contact after the Tlaxcala conference. Casarramona's relationship to the Pinochet regime was mediated not only through Blas Piñar, but also through Casarramona's wife, who was Pinochet's personal secretary. (At this point, Pinochet had resigned as President, but still controlled the military. A new Constitution had been adopted in the transition to civilian rule.)

Contreras knew that he might be indicted for his involvement in the assassination of Letelier. On instructions from Quijano, Peña told Contreras that there was an operation in

Chile to create a leftist subversive movement to take over the country. He warned Contreras that the United States would not help them. Peña said that Contreras was confident that no one would touch them, but Peña disagreed, warning that the new Constitution would be used against them.

Quijano wanted to get Contreras and Pinochet to overthrow the new Constitution and take power once again. Through Peña, he told Contreras that if they did not do so, they would end up in jail. When Contreras was finally indicted in 1995, Peña said: "I told him. I warned him."

Quijano's thesis, which Peña embraced, was that all of Ibero-America was in a pre-Spanish Civil War-type situation, requiring the military to take power against the leftists as Franco had done in Spain. This was precisely the thesis which Pinochet had put forward in his discussion with Henry Kissinger in 1976.

The Third Generation Fascists

In 1998, first Peña, and then in 2000, Quijano were exposed and forced to resign from their association with LaRouche. Other MSIA leaders, including Marivilia and Lorenzo Carrasco, stayed behind until they were also forced to resign in August 2003.¹² It was during this period that the networks of Blas Piñar, with which these anti-LaRouche fascist traitors worked, began to consolidate into a third generation Nazi International by taking steps identical to those which resulted in the creation of the Fascist International and the Euro-Right in the 1976-78 period.

On Nov. 16-17, 2002, the Spanish Falange and Blas Piñar's Fuerza Nueva held a meeting in Madrid, attended by Roberto Fiore of Forza Nuova in Italy, former Argentine Army Capt. Gustavo Breide Obeid of the Popular Party for Reconstruction (PPR), the National Front of France and others. On Jan. 26, 2003, Blas Piñar's Fuerza Nueva and the Spanish Falange held a follow-up meeting in Madrid. Forza Nuova and the National Front were again there. The PPR sent a message of support, as did Alejandro Peña of Venezuela's Democratic Bloc. In April 2003, Blas Piñar founded the Alternativa Nacional party in Spain. Piñar's Alternativa Nacional and Roberto Fiore's Forza Nuova work closely with the Liberta d' Azione of Alessandra Mussolini, the granddaughter of Il Duce.

Conclusion

We have now proven that Lyndon LaRouche was absolutely correct when he warned that if Bush succeeds in privatizing Social Security in the United States, it will be a foot in the door for fascism. If we don't defeat Bush, we are all headed for the concentration camps.

The same synarchist international banking faction that created Hitler, Mussolini, and Franco from 1922-45, and which put Pinochet in power in Chile in 1973, is behind the

12. See footnote 2.



Spanish fascist Blas Piñar worked with the first generation of Nazi war criminals to create the second generation in the 1970s, and is working today to create a third generation.

drive for privatization of Social Security in the United States. This banking faction led by George “Hjalmar Schacht” Shultz both designed the fascist economic policies of the Pinochet regime and backed the fascist police state apparatus which was required to implement those policies. This is underscored by the fact that DINA and its “Economic Brigade” were responsible for supervising the economic policies designed by Shultz’s Chicago Boys.

The fascist police-state measures implemented under Operation Condor were actively promoted by the Dulles/Angleton faction of the U.S. intelligence community. Nazi war criminals Rauff and Barbie, who were protected by this apparatus, were key advisors to Operation Condor.

Under the direction of Shultz, Kissinger, Bush, Sr., Vernon Walters, and Nestor Sanchez, DINA and Operation Condor received training, equipment, and financial and political support. Manuel Contreras was a paid agent, who met with Walters on at least four occasions in the United States. CIA training officers were sent to Santiago to train DINA officers. The communication system employed by Operation Condor was reportedly based in the U.S. military facility in the Panama Canal Zone.

The second generation of fascists who functioned as the hired assassins of Operation Condor were in large part assets of this synarchist faction of U.S. military intelligence. This includes the anti-Castro Cuban exiles, most of whom were veterans of the Dulles-orchestrated Bay of Pigs invasion of

Cuba. The CNM merged with Orlando Bosch’s umbrella organization CORU in June 1976, just three months before their participation in the Letelier assassination. CORU then participated in the creation of Blas Piñar’s Fascist International in Rome in October 1976, just one month after that assassination. Sanchez had been named CIA station chief in Madrid in August 1976, where he was in a position to coordinate with Blas Piñar.

Although it is argued by some that the United States did not direct Operation Condor, it is clear from what we have presented that elements of the U.S. military and intelligence community associated historically with the Dulles faction, did promote Operation Condor, and even if they did not specifically order such assassinations as that of Letelier, they permitted such assassinations to occur.

Sanchez was the official CIA liaison with death squads in Ibero-America. He recruited Cuban exiles to carry out assassinations as early as 1963. He is also known to have worked closely with the death squads in Guatemala. He and others like him, in the tradition of the Spanish Grand Inquisitor Torquemada, have no compunction about cold-blooded murder and torture.

Today, as we have said, the methods employed by the Nazis and by the second generation of fascists associated with Pinochet’s Operation Condor—torture and mass murder—are already being employed in Bush’s war on terrorism. If Bush’s drive for privatizing Social Security is not defeated, it will not be long before the third generation of the Fascist International will be given the support it needs to become the Brown Shirts of the early 21st Century. Stop them now, before it is too late!

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