

# Nazi Alito's Friends Lose in Chile Elections

by Cynthia R. Rush

When Michelle Bachelet, the Socialist candidate of Chile's governing Concertación coalition, won an overwhelming victory in the second round of Chile's Presidential elections Jan. 15, she didn't just defeat the single candidate of the right-wing Alliance for Chile coalition, billionaire business magnate Sebastián Piñera. With 54% of the vote, more than the 51% that current Socialist President Ricardo Lagos won in 2000, the former Health and Defense Minister delivered a stinging blow to the fascist apparatus that installed Hitlerian dictator Gen. Augusto Pinochet Ugarte in power in the savage Sept. 11, 1973 military coup that overthrew and murdered democratically elected President Salvador Allende Gossens.

This is *not* just a Chilean issue. The synarchist financier interests in the United States trying to ram through the confirmation of Nazi Judge Samuel Alito as an Associate Justice of the Supreme Court are also smarting from the defeat. Why? Pinochet was their creation. The Anglo-Dutch financial networks represented by former Secretary of State George Shultz, Lazard Frères agent Felix Rohatyn, and former Secretary of State Henry Kissinger, orchestrated Chile's 1973 coup, and then oversaw Pinochet's Operation Cóndor torture and assassination apparatus to enforce the fascist free-market economic policy imposed by Shultz's University of Chicago-trained economists.

The philosophy that guided them in Chile was that of Adolf Hitler's "Crown Jurist" Carl Schmitt, whose legal doctrine Sam Alito and his Federalist Society allies hope to make hegemonic on the U.S. Supreme Court, should Alito be confirmed. Schmitt was the man who wrote the decrees that allowed Hitler to take power in 1933 under the "emergency conditions" following the Reichstag fire.

Jaime Guzmán Errázuriz, a Carl Schmitt follower who played a pivotal role in the Pinochet junta as the dictator's legal advisor, used Schmitt's doctrine to justify the coup and impose a 17-year reign of barbarism and terror on the Chilean population. This "Catholic" ideologue tore up Chile's 1925 Constitution, just as the Francisco Franco he so admired tore up Spain's 1931 Constitution, and argued that the "communist threat" represented by Allende justified everything—extreme violence, torture, and murder.

The 1980 Constitution he authored was a prime example of Schmittian sophistry. All Constitutional rights were abolished. It imposed a "protected democracy" whose guardians were the military, and it incorporated the anti-nation-state precepts of such fascist economists as Friedrich von Hayek.



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*Michelle Bachelet's election as President delivered a stinging defeat to the synarchist global apparatus behind former dictator Pinochet.*

Sebastián Piñera was this crowd's preferred candidate, and his defeat reflects a changing environment in Chile, and in Washington. His attempts to pass himself off as a "Christian humanist" concerned about the plight of the poor, didn't sell with the Chilean people. The billionaire was supported by the Independent Democratic Union (UDI), the party founded in 1983 by Jaime Guzmán as the civilian support apparatus for the Pinochet dictatorship.

Although many Chileans aren't convinced that Michelle Bachelet will break with the free-market economic model that has immiserated the country since 1973, including under President Ricardo Lagos, they weren't about to elect someone so explicitly identified with the horror and economic plundering of the dictatorship, no matter how much Piñera tried to distance himself from Pinochet.

Philosophically a follower of the free-market "Chicago Boys," despite his Harvard degrees, Piñera made his fortune under Pinochet's reign, as did his brother José. As Pinochet's Labor Minister from 1978-81, José privatized Chile's pension system and "reformed" labor and union rights out of existence. It was even rumored that had Sebastián been elected, he would have brought José in as his Finance Minister.

Many Ibero-American leaders have figured out that the Cheney apparatus in Washington has been considerably weakened in the recent period, thanks to the aggressive mobilization led by statesman Lyndon LaRouche and his Youth Movement (LYM) to expose the Hitlerian drive against the U.S. Constitution. In the days leading up to the Jan. 15 elections, *EIR* bombarded Chile with a press release and article reporting on the U.S. release of the "Children of Satan IV" pamphlet, documenting the Schmitt-Rohatyn role in Chile's 1973 coup, and Piñera's ties to this same apparatus. From Washington, and from the LYM's Argentine chapter, the material reached tens of thousands of Chilean trade unionists, media, government officials, students, and universities.

The fact that Chilean authorities are accelerating their legal offensive against the 90-year old General Pinochet, his family, and coterie of fascist hangers-on, reflects this shifting

environment. On Jan. 23, Judge Carlos Cerda indicted the entirety of the Pinochet clan, as well as a daughter-in-law, and General Pinochet's former financial adviser and former personal secretary, on charges of tax fraud and falsification of documents related to the nearly \$30 million they stashed away in Washington D.C.'s Riggs Bank and many other foreign bank accounts and offshore financial havens during General Pinochet's rule.

Perhaps more significant was the earlier Jan. 19 ruling by the Santiago Appeals Court, which voted to strip Augusto Pinochet of his immunity from prosecution for the torture and disappearances of detainees at the Villa Grimaldi detention center, a concentration camp run by former Nazi SS officer and pedophile Paul Schaefer, in conjunction with Pinochet's secret police, the DINA. Only in the last few years has evidence been uncovered documenting the full scope of inhuman practices carried out by Schaefer and the DINA at Villa Grimaldi, paralleling "Nazi doctor" experimentation on detainees with toxic drugs. Often victims injected with these poisons were then thrown out of airplanes into the ocean, where they became officially "disappeared."

To date, General Pinochet has been stripped of his immunity in four separate cases involving both financial crimes and human rights violations. But the Jan. 19 ruling is the first time that the former dictator has been directly charged with torture and disappearances. The ruling carries special meaning for Michelle Bachelet. In 1975, a year after her father, Air Force General Alberto Bachelet Martínez, was arrested and tortured to death on Pinochet's orders, the 24-year-old medical student and her mother, Angela Jeria, were detained and tortured at Villa Grimaldi before being forced into exile in Australia and East Germany.

Bachelet rarely speaks, publicly or privately, of her own physical and psychological torture at Villa Grimaldi, or of her father's jailing and months-long torture which led to his death from cardiac arrest. But on the night of her Jan. 15 electoral victory, she paused during the celebration to emotionally state: "There is someone who at this moment would be very proud tonight. That man is my father, Alberto Bachelet Martínez, a General of the Chilean Air Force." An opponent of Pinochet, General Bachelet was in charge of food distribution and rationing in the Allende government.

## A Replica of Hitler

The Villa Grimaldi operation epitomizes the Nazi character of the Pinochet regime, put in place by an international synarchist cabal whose reign of terror extended beyond Chile to Argentina, Uruguay, Paraguay, Bolivia, and Brazil—all ruled by dictatorships during the 1970s and 1980s. The DINA and Operation Cóndor, officially founded in 1975, included as their advisors first-generation Nazi war criminals who had been smuggled out of Europe after World War II by the Anglophile faction of the U.S. intelligence community, led by

James Jesus Angleton and Allen Dulles.

It was with good reason that Chilean military authorities told a U.S. defense attaché that they thought Pinochet's DINA was becoming a "modern day Gestapo." The Nazi "rat lines" that Dulles and Angleton organized into South America brought former SS officers and war criminals into several Southern Cone nations to help oversee the extermination of tens of thousands of "subversives" under the aegis of Operation Cóndor.

Operation Cóndor was part of a global neofascist apparatus whose European spawn included Operation Gladio and its attendant "strategy of tension." Thus, Italian fascist Stefano Delle Chiaie, who was a key cog in the Gladio machinery, also worked for Gen. Manuel Contreras, head of Pinochet's DINA. Delle Chiaie later hooked up with Nazi war criminal Klaus Barbie, the "butcher of Lyon," who made his way to Bolivia through the "rat lines," to orchestrate the 1980 coup that put the notorious "cocaine colonels" into power.

The same Anglo-Dutch banking forces that financed Hitler's rise to power, operated in Chile through such entities as the International Telephone and Telegraph Co. (ITT), the global telecommunications cartel with a long history of collaboration with the Nazis. ITT, on whose board sat Lazard Frères agent Felix Rohatyn, threw around millions of dollars in the late 1960s to prevent Allende's election; and when that failed, they financed a military coup against him, always in close coordination with the CIA and National Security Adviser Henry Kissinger. The fascist Fatherland and Freedom paramilitary group, to which Jaime Guzmán belonged in the early 1970s, received sizable contributions from the CIA to assist in destabilizing the Allende government.

In an October 2000 interview with the Public Broadcasting System, George Shultz lied that the military overthrew Allende because he was "governmentalizing the Chilean system" instead of giving free rein to "the market." When those poor military guys didn't know what to do about the economy, Shultz insisted, "some people who came to be called Chicago Boys" because they had studied economics at the University of Chicago, "raised their hands and said 'we know what to do.'" Those fine young men had nothing to do with the "unnecessarily brutal things" that the military "no doubt" had to do, Shultz asserted.

Not exactly. The DINA's Subdirector of the Interior also supervised an Economics Section, charged with monitoring "the activities of public and private business/economic interests to ensure compliance with government economic policy." That is, the military fascists *enforced* the same brutal austerity in Chile that Hitler's Finance Minister Hjalmar Schacht had imposed on Germany. The same was true in neighboring dictatorships.

Shultz gushed in his autobiography that the Chicago Boys' free-market policies restored "prosperity to the economy," and since the mid-1980s, he and his allied banking

factions and international media outlets have held up Chile as a magnificent economic “miracle” worthy of emulation everywhere, including in the United States.

A miracle for whom? Jaime Guzmán’s “protective democracy” trampled on the General Welfare of the population, but allowed Chile’s most powerful economic groups and Pinochet’s friends and family to steal a conservatively estimated \$1 billion from the state in the privatization orgy of the 1970s and 1980s, which saw hundreds of profitable companies sold off for a song to friends of the Chicago Boys who were running the economy. At the same time, unbridled deregulation savagely destroyed any previously existing protections for the labor force, while unemployment soared in the context of ever more brutal austerity.

By 1989, the average worker was worse off than in 1970, and the poverty rate stood at 41.2%. In 1970, the poorest 40% of the population consumed a daily diet of 2,019 calories. By 1980, this had fallen to 1,751 calories, and by 1990, to 1,629 calories. Between 1972 and 1988, the percentage of Chileans without adequate housing increased from 27% to 40%. There was an inordinate growth of slums in the area around Santiago, as well as in other major cities, where the poor largely ate at soup kitchens. In 1975, the unemployment rate stood at 18.7%, and registered an *average* of 15.7% over the following ten years.

Outgoing President Ricardo Lagos claims that he has made great strides in reducing poverty in Chile, a fact that is refuted by many thoughtful Chilean patriots who point to the millions of citizens still living in misery.

Employment today is precarious, at best. A growing number of workers rely on outsourcing, short-term contracts, or “self-employment” that offer no benefits or social protections whatsoever. Thirty-two years after the Chicago Boys began to impose their Schachtian austerity, only 1.5% of the Chilean population consumes a nutritious diet, for example. According to a 2005 study released by the University of Chile’s Nutrition School, a majority of the population doesn’t have access to fruits, vegetables, or dairy products.

## What Now?

Despite the existence of political tendencies that admired and tried to emulate the American System of political economy in Chile at various points in its history, for a good part of the period since its independence, it has served as an outpost for British and European financier interests. In the 1879-81 War of the Pacific, the British used it to smash American System factions in Peru, and to act on its behalf in subsequent decades to provoke border conflicts and wars to advance their financial and geopolitical interests. Chile’s seizure of Bolivian territory during the War of the Pacific, left a legacy of enmity between those two that has been repeatedly exploited by synarchists internationally, and inside both countries.

The question now is whether President Bachelet will break with the synarchist model that has gripped Chile for decades. She has vowed to lead a government that will “aid all those that have fallen behind,” and ensure greater social justice and inclusiveness. She has placed particular emphasis on reforming the privatized pension system imposed by Jaime Guzmán’s friend José Piñera that robbed millions of any chance of a decent pension. Senator-elect Guido Girardi of the Party for Democracy (PPD), a member of Bachelet’s Concertación coalition, has already fired the first salvos in this fight with an attack on the “white collar criminals” behind the private pension funds, the AFPs.

The conditions for Bachelet to make the break exist (see accompanying article). Argentina’s leadership in opposing the International Monetary Fund’s neoliberal austerity dictates, and its teaming up with Brazil in accelerating the drive for regional integration and cooperation on industrialization and economic independence, provide the framework in which Chile can act positively.

The first signs of that came when President Ricardo Lagos took the unprecedented step of attending the Jan. 22 inauguration of Bolivian President Evo Morales in neighboring Bolivia, and met with Morales at his home. This is the first time any Chilean President has attended a Bolivian Presidential inauguration since 1955. Lagos insisted that dialogue, not conflict, must define the two governments’ relationship, and raised the possibility of restoring diplomatic relations that have been suspended since 1978.

Bachelet echoed these sentiments in an interview with Spain’s *El País* published Jan. 23, but took them further. “I’m a woman who understands that a policy of integration and cooperation is best, because we have common challenges and can work together to deal with each country’s challenges. . . .” She emphasized that she doesn’t buy the “caricatures” of many Ibero-American leaders, a reference to Morales and Venezuela’s Hugo Chávez, underscoring that the region is witnessing a “process of change in which new leaders have significant support, something very important in Bolivia’s case. . . . We have all learned that we don’t want to look at the world with the eyes of the Cold War.” Stereotypes don’t interest me, she said.

Such talk worries synarchist bankers, like those of Lazard Frères, who dictate policy to *The Washington Post*. A very nervous *Post* editorialized Jan. 17 that Bachelet will have nothing to do with the “populist statism” associated with Evo Morales, and by implication Argentina’s Néstor Kirchner. Chile’s new President “doesn’t question the foundations of her country’s growing prosperity,” the *Post* hopefully argued, “which are the very free trade, foreign investment and free markets that elsewhere in the region are demonized as ‘neoliberalism.’” Why are the region’s elites so slow “to absorb the lessons of Chile’s success?” the *Post* complained.

Maybe they’ve had enough of such “success.”