

The truth about Carlos Andrés Pérez

by the Venezuelan Labor Party and
the Ibero-American Solidarity Movement

On May 19, one day before the Venezuelan Supreme Court was to announce its verdict on whether there were sufficient grounds for trying President Carlos Andrés Pérez (CAP) for corruption, the Venezuelan Labor Party and the Ibero-American Solidarity Movement (MSIA) jointly published a pamphlet entitled "The Truth About CAP." What follows is the sixth and concluding installment of EIR's translation of this document.

"The Truth About CAP" is not only important for Venezuela and Ibero-America, but also for the United States. President Bill Clinton has continued to apply the major elements of George Bush's policy toward the continent, for which Pérez—currently suspended from the presidency—considered himself the spokesman.

Chapter 6: The 'Caribbean Legion': CAP's hidden roots

How does one characterize a politician who boasts of his friendship both with the communist Fidel Castro and with banker David Rockefeller? How does one define a politician whose leading international adviser is Henry Kissinger, and who at the same time rubs shoulders with Sandinista Tomás Borge, or with the leaders of the Colombian M-19, and who is dying to mediate in the Salvadoran dialogue to bring the Farabundo Martí Liberation Front (FMLN) to power? Who one day will dine with the leftist pro-drug writer Gabriel García Márquez, and the next day will lunch with magnate Gustavo Cisneros Rendiles?

In order to fully understand Carlos Andrés Pérez's personality, one must go back to the postwar history of our continent, and especially in the Caribbean region. CAP, who views himself as the "Bolívar of the century," wants to go

down in history as the "integrator" of Ibero-America into the Anglo-American financial empire.

CAP is the typical Latin American social democrat of the Caribbean Legion. During the 1940s and 1950s, Ibero-America's communist parties divided themselves between those which maintained ties with the Communist International and with Moscow, and those which became a social democratic version of the same thing, accommodating their beliefs and operations to the ideological profile of the region. Prominent among this latter group of "ex-communists" are the Cuban, Costa Rican, Guatemalan, and Venezuelan organizations, whose leaders trained in Costa Rica around the ideas of the Peruvian Víctor Raúl Haya de la Torre, founder of the Peruvian APRA party.

These groups were linked to such U.S. "former communists" as Jay Lovestone, onetime secretary of the Communist Party U.S.A. who did not break with Moscow, but rather was dumped by Stalin after the latter purged Bukharin and took away Bukharin's control over the Communist International (Comintern). Another of these "former communists" was Serafino Romualdi who, together with Lovestone, took over the reins of the international section of the AFL-CIO trade union. These ex-communists were recruited by the CIA to carry out aspects of U.S. foreign policy.

In the beginning, APRA hoped to be a continent-wide organization, promoting "Indo-American" socialism as a Marxist vehicle for the "Black Legend" [the slander that the Catholic Church and Spain committed genocide against indigenous cultures in the New World] against anything representing the Hispanic heritage. Haya de la Torre's entire ideological belief structure reflected gnostic beliefs, and in many cases, the members of the Caribbean Legion are indistinguishable from the secret lodges of Caribbean Masonry. Some of the best-known leaders, such as José Francisco Peña Gómez, practice the voodoo rites of Santería. One of the



CAP's backers, banker David Rockefeller and "consultant" Henry Kissinger, at a Forum of the Americas meeting in Washington on April 22, 1992, where they promoted Venezuelan-style "democracy" as the vehicle for imposing "free trade" financial dictatorship on Ibero-America.

characteristics of APRA's ideology has been—and remains—its opposition to the existence of the armed forces as a national institution.

Perhaps because the only leader who succeeded in doing away with that institution was José "Pepe" Figueres, the group of Apristas [APRA adherents] who came to be known as the Caribbean Legion grew and developed in Costa Rica. In fact, it is no accident that Costa Rica not only became the first Ibero-American country to eliminate its Armed Forces, but also was chosen as the center of operations of fugitive drug-trafficker Robert Vesco, who after the death of U.S. mafia chieftain Meyer Lansky, inherited his Caribbean empire. Vesco is friends with all the members of the legion, and currently lives in Cuba under Fidel Castro's protection.

The coup against Medina Angarita: AD is born

On Oct. 19, 1945, a group of young military men allied with a group of leftists of diverse tendencies who had recently gathered around the Democratic Action Party (AD), rose up against the constitutional President Isaiás Medina Angarita. The overthrow of General Medina Angarita interrupted a long but well-defined process that had been run by the Venezuelan ruling classes since the government of Juan Vicente Gómez, and that began in 1908 after the fall of Cipriano Castro. The successive civilian-military governments of Generals Gómez (1908-35), Eleazar López Contreras (1936-40), and Isaiás Medina Angarita (1940-45) had achieved national unity and created political institutions which, while



Fidel Castro, the communist dictator of Cuba, was in Caracas to attend the inauguration in January 1989 of his friend CAP, before the Caracas revolt broke out.

flawed, were more or less adequate for national needs.

Writer Arturo Uslar Pietri, one of the brains behind the Medina Angarita government, says in his most recent book, *Coup and State in Venezuela*, that with the overthrow of Medina Angarita, "The violent act of a subversive minority had shattered a long and difficult process that had embraced an entire century, in order to launch itself randomly into a future both unknown and full of risks and possibilities of every sort, some favorable but most frankly negative and full of threats for the future."

Among the most outstanding acts of the Medina Angarita regime was the 1943 reform of the oil law which, besides precisely establishing the payments that the companies had to make to the Venezuelan state in order to exploit the crude oil, determined that all oil concessions would end in 1983, and that all oil installations on Venezuelan territory would pass to the state, at no cost. CAP nationalized the oil industry only nine years before this was to occur, thereby forcing the country to pay the oil producers for all capital investment. The results of the past 19 years have yet to be seen. It is worthwhile comparing the investments in capital and infrastructure from the period of Gen. Marcos Pérez Jiménez, when there was less revenue, with those carried out by CAP.

The military forces that overthrew Medina Angarita designated a Ruling Junta headed by Rómulo Betancourt, a former communist leader who had broken with the Comintern to found Democratic Action. From that position, Betancourt dedicated himself to building a national political apparatus, with base organizations more or less on the model of the Leninist party. The military quickly discovered that their plans were very different from those of Betancourt and his people.

The following year, elections were held whose results

surprised no one, keeping in mind the political apparatus Betancourt had previously created. Writer Rómulo Gallegos, the nominal chairman of AD, won. The procedures as well as the results clashed with the perspective of the military, and in 1948 they refused to recognize Gallego's authority. Nevertheless, those three years were sufficient for Betancourt, who succeeded in creating the organizational structure of his party. As Uslar Pietri states:

"That is, a closed vertical structure, managed by a small group of professional revolutionaries, very well organized for action and propaganda, with very little or no consultation with the base, prepared, above all, for clandestinity based on the principles of what in the Soviet Union was later called democratic centralism."

The differences between the AD members and the military were not minor, making political coexistence between the two impossible. The main AD leaders left the country. Betancourt, accompanied by his private secretary Carlos Andrés Pérez, and others, left for Cuba, where Prío Socarrás began his corrupt government in 1948.

Leaving Cuba for Costa Rica

It is in Prío Socarrás's Cuba that the ambitious plan Carlos Andrés Pérez was to weave throughout his life began to take shape, launching itself first in the shelter of Betancourt's shadow. While in Cuba, CAP established direct relations with the individuals and groups which during that period formed the Caribbean Legion, and which later would violently take over the governments of the region.

The legion began in Costa Rica, around the figure of José "Pepe" Figueres. Among the most prominent members of the legion were Rómulo Betancourt, from Venezuela; Juan Bosch, from the Dominican Republic; Luis Muñoz Marín, from Puerto Rico; Arévalo y Arana, from Guatemala; Víctor Raúl Haya de la Torre, from Peru; and various Cubans, such as Prío Socarrás, who helped to finance Castro's revolution.

Speaking of those years, Figueres told the *New Republic* magazine of April 23, 1977: "I did everything possible to involve the United States and the CIA in Central American politics, in an era when the social democrats of the region were threatened by the communists on the one hand, and the military on the other." With the CIA, the legionnaires allied with the communists to overthrow the military.

In Havana during that period, CAP made contact with those who would later become his "intimate circle." There CAP met Orlando García Vásquez, then a lieutenant of the Havana police, from whom he would never again be separated, according to the editor of the daily *El Nuevo País*, Rafael Poleo. During their sojourn in Havana, Betancourt and CAP were guests at the house of Josefina Ache, mother of Armando Durán, who would later become prominent in the AD, and serve as CAP's foreign minister and his confidant.

After Prío Socarrás's election in Cuba, the first armed triumph of the legion came that same year, 1948, when Figueres overthrew Costa Rica's constitutional government.



CAP's good friend, Venezuelan tycoon Gustavo Cisneros.

On that occasion, Figueres headed the government for 18 months as head of the coup-makers; he was elected President for the first time in 1952, and elected again in 1970.

In the same interview cited above, Figueres characterized his first government in the following way: "During my first presidency the principal representative of the CIA in Costa Rica enjoyed the total confidence of my government, so much so that sometimes he was present during cabinet meetings."

Although participating in Figueres's cabinet meetings was not the primary activity of the CIA then run by Allen Dulles, "one of Allen Dulles's most sophisticated secret operations" was to infiltrate and control from within the Latin American trade union movement, using what would come to be called the American Institute for Free Labor Development (AIFLD), in which the Caribbean Legion played a top-level role. According to John Ranelagh, author of the quasi-official history of the CIA, *The Agency: The Rise and Decline of the CIA from Wild Bill Donovan to William Casey*, AIFLD was "one of the most successful investments of the CIA," since it "carried out a very clear policy, conceived according to United States' interests abroad. . . . It had the additional advantage of supplying the CIA with informants and agents in the labor unions of Central and South America."

Tom Braden, chief of the CIA's Division of International Organizations, began the job of setting up that network. In 1954, Cord Meyer replaced him and continued the work, even after he officially left the CIA.

The common characteristic of the CIA officials involved with the legion, according to Ranelagh, is that they were "political liberals, like Tom Braden and Cord Meyer, or ex-communists, like Jay Lovestone. But only the CIA, of all the government agencies, could have protected these people from public scrutiny, at a time when McCarthy's anti-communist fever was rising." Lovestone was general secretary of the Communist Party U.S.A. in the 1920s, and was a member of the Communist International until Stalin purged Bukharin.

In 1950, Serafino Romualdi, one of the CIA's ex-communist trade unionists and a founder and first executive director of AIFLD, organized the Inter-American Democratic Conference in Havana, sponsored by Prío Socarrás. Romualdi recalls that at that meeting, "three former Latin American Presidents—each a champion of labor rights and of progressive legislation—committed themselves to the venture: Eduardo Santos from Colombia, Rómulo Betancourt, and José Figueres."

Betancourt had been in exile for two years after having been "President" of the junta that overthrew Medina Angarita. Similarly, Figueres had recently concluded his stint as President of the revolutionary junta.

On March 10, 1952, Prío Socarrás was overthrown by Fulgencio Batista. Betancourt, CAP, and other Venezuelan exiles went straight to Costa Rica, escorted by Orlando García Vásquez and other Cubans. Still other Cubans chose Miami. This was not the first time that Betancourt had urgently to travel to Costa Rica; he had already been exiled there before, during which time he helped to set up the Costa



Richard Nixon was one of the key contacts in Washington for Pepe Figueres, godfather of the State Department-backed communist movement in Ibero-America.

Rican Communist Party, from which emerged a cluster of converts to the "Indo-Americanism" that Haya de la Torre had proclaimed in order to set up the legion.

The Mexican José Vasconcelos wrote at the time of Prío Socarrás: "He has fallen like a rotten fruit, almost from his own weight, victim of his own intrigues, of his shady ambitions, and his disdain for public opinion. . . . He used his public office only as a means of getting rich quick; his closest collaborators were his partners."

According to journalist Rafael Poleo, ex-member of the AD National Committee, Costa Rica "was a volcanic exile" for CAP and García. There they dedicated themselves to developing a paramilitary, counterintelligence, and counter-insurgency capability, under the supervision and training of CIA officials.

Costa Rica became the base for deploying these groups. The financing of Fidel Castro's revolution was coordinated from there, along with the deployments against Venezuela, the Dominican Republic, Guatemala, etc.

On Jan. 23, 1958, the AD legion overthrew the government of Marcos Pérez Jiménez. On Jan. 1, 1959, Batista left Cuba, and Castro named a provisional government in Santiago de Cuba. Successively, other governments of the area began to fall.

Shortly after Figueres ended his first government, Cord Meyer was assigned as CIA station chief in Costa Rica between 1960 and 1962. From there he helped finance and set up the "trade union" institutions through which the legion operated for some time, such as the Inter-American Institute for Political Education. Figueres himself headed it up, and among its teachers were the Dominican Juan Bosch, the Venezuelan Rómulo Betancourt, the Peruvian Víctor Raúl

Haya de la Torre, and the Colombian Eduardo Santos.

According to Figueres, Meyer was "a populist. . . . What we called 'the International Department of the CIA' was made up of a group of 'populists' and liberals, who supported the efforts of Latin America's social democrats. . . . If men like the CIA's Cord Meyer were to have a greater field of action, it would help the United States to have the image of a country with a philosophy." Figueres gave Meyer and his friends that capacity in Costa Rica, just as Betancourt and CAP did in Venezuela.

Figueres ended his first stint in elected government in 1957, but he continued exercising power with Meyer's help. Prío Socarrás's circle of Cuban exiles continued to form part of his intimate coterie, and Figueres collaborated in the effort to overthrow the dictator Rafael Leónidas Trujillo in the Dominican Republic. Later, those Cubans were joined by a second wave of exiles after Castro took power, and both groups were used in the CIA's Bay of Pigs operation to invade Cuba. So integrated were those elements around Figueres, that he commented one day: "I learned about the Bay of Pigs while I was preparing an invasion of the Dominican Republic to overthrow the dictator Trujillo. Suddenly, my pilots and radio operators began to disappear, and in speaking with their families in Miami, we learned that they had gone to Guatemala to organize an invasion of Cuba."

Figueres spoke of the matter with former Vice President Richard Nixon, who had not been counting on losing the election to John F. Kennedy. According to the same story, nevertheless, Dulles convinced Kennedy to proceed with the plan. "I was convinced that Castro had to be overthrown, but we disagreed on the method. Instead of setting up a social democratic government, as had been promised, [Castro] sold out to the communists," commented Figueres in the above-cited interview.

This group of Cubans and Central Americans trained by the CIA in terrorist tactics, insurgency, and counterinsurgency, carried out unofficial operations for the U.S. government, and the bulk of the funds needed for those operations came from drug trafficking. Some remained in Miami, others went to work for the CIA, others went on to form part of various Caribbean governments' security forces.

One of these governments was Venezuela's. The nucleus of what would become the Office of Intelligence and Prevention Services (DISIP), came from that group. Besides Orlando García, who was always at CAP's side, there arrived Rafael Rivas Vásquez, Luis Posada Carriles, and Ricardo Morales Navarrete, among the best known and most notorious. Others connected to this network kept one foot in the official agencies, and the other in the "private sector," such as special agent Lázaro Rogelio Ugarte Bresslau (aka Luis Méndez or Luis Contreras), born in Cuba, son of a Spanish diplomat and finally a naturalized Venezuelan. According to *Zeta* magazine of Jan. 8, 1991, "Initially, García is a gunman who is a bodyguard and close confidant of Pérez, always at odds with the police professionals who were also Perezistas,

such as the corrupt Erasto Fernández."

Among those who remained in Miami was Guillermo Hernández Cartaya, president of the World Finance Corp. (WFC), who financed the operations of the Cuban terrorist group CORU of Orlando Bosch, friend of Luis Posada Carriles. The WFC, according to the investigations of a special U.S. congressional commission, turned out to be the center of a drug money-laundering network that was tied to the Venezuelan company Credival, of Juan Pérez Sandoval and Osvaldo Cisneros. For that reason, when Cisneros and Pérez Sandoval wanted to buy Flagship Bank in Miami, Florida bank authorities denied them permission. Hernández Cartaya ended up in jail for tax evasion; Pérez Sandoval is now a fugitive from Venezuelan justice, and Cisneros doesn't want to know anything about the matter.

Ted Shackley: the CIA cartel that trained the Caribbean Legion

The network of Cubans trained by the CIA for the Bay of Pigs invasion was under the supervision of Theodore G. Shackley, who became famous during the Iran-Contra scandal for being the head of the "secret team" charged with ferrying weapons to the Nicaraguan Contras in CIA airplanes, and returning the airplanes with cargos of cocaine from the Medellín Cartel. Apart from Shackley, the "team" was put together by his longstanding aide Thomas Cline and by Gen. Richard Secord. Among the leading Cuban operatives in the project were Rafael Quintero, Félix Rodríguez, and Luis Posada Carriles, former official of Venezuela's DISIP.

In 1960, CIA director Allen Dulles put Shackley in charge of Operation 40, as the plan to invade Cuba was called, and to carry out sabotage and assassination operations with the collaboration of elements of the mafia of Meyer Lansky, Santos Trafficante, and others, who controlled smuggling and drug-trafficking in the Caribbean. Under Shackley's supervision, the plan's name was changed to Operation Mongoose, for which two bases were established, one in Miami and the other in Guatemala, the latter being referred to by Figueres above.

In 1965, Operation Mongoose was closed down, and Shackley and Cline were transferred to Laos. Ted Shackley was named assistant CIA station chief in Laos, and Cline his assistant. Accompanying them were various Cuban operatives they had trained. The same operation was repeated in Laos: training locals for terrorist operations and to link up with the drug-traffickers to finance their operations. Upon arrival in Laos, they established contact with Vang Pao, an opium trafficker, to whom they provided aerial support. Pao's competitors mysteriously disappeared.

In 1971, Shackley was transferred to America as chief of western hemisphere operations. In 1973 he returned to Southeast Asia as CIA station chief in Vietnam, where he carried out Operation Phoenix between 1974 and 1975, whose mission was to eliminate the entire administrative

elite of Vietnam to prevent its functioning after the U.S. evacuation. During that period, he joined with Richard Armitage who was in charge of the financial operations of the Secret Team.

Between 1976 and 1979, various corporations and subsidiaries were established to hide the operations of the Secret Team. In Switzerland three were created: Lake Resources, Inc.; The Stanford Technology Trading Group, Inc.; and the most notorious of all, Compagnie de Service Fiduciaire (CSF), founded by Willard Zucker, also director of the legal department of Investors Overseas Services (IOS) of Bernie Cornfeld and Robert Vesco. CSF had a Central American subsidiary: CSF Investments, Ltd.

In 1978, they went to Central America, beginning their operations, and in 1981, Lt. Col. Oliver North put the Secret Team in charge of support operations for the Nicaraguan Contras. In that effort, the Cubans Rafael Quintero, Félix Rodríguez, and ex-DISIP commissioner Luis Posada Cariles actively participated.

Robert Vesco: the Medellín Cartel, the CIA cartel, and the Caribbean Legion

Robert Vesco is the financier about whom drug trafficker Carlos Lehder Rivas said: "He taught me everything I know about finances for my businesses."

Vesco is the putative creator of the Medellín Cartel, and wove the financial web that sustains it. That network was centered around the company, Investors Overseas Services, which, according to reliable authorities, was the agency that laundered the money of mafioso Meyer Lansky. According to Arthur Herzog, Vesco's biographer, "Vesco's idea was not to get involved in drug trafficking, but rather to administer the traffickers' money, since narcos are generally bad investors" (*Vesco*, New York: Doubleday, 1987).

In the early 1970s, Vesco cornered IOS's stock, taking control away from its founder, Bernie Cornfeld. Between the two they bankrupted the business, and the investors sued Vesco. The director of IOS's legal affairs, named by Vesco, was Willard Zucker, of the law firm Willkie Farr, which was run by Kenneth Bialkin, ex-chairman of the Anti-Defamation League of B'nai B'rith. Zucker dissolved IOS and turned it into Compagnie de Service Fiduciaire, property of the CIA's Secret Team which Ted Shackley ran.

After resolving his legal affairs in Switzerland, Vesco went to Costa Rica to hide from U.S. law enforcement authorities who were after him because of the lawsuits by IOS's defrauded stockholders. Figueres, then President-elect of Costa Rica for the second time, received Vesco with open arms, and interceded for him with President Richard Nixon. In 1972, Figueres — who died in 1990 at age 84 — sent a letter to Nixon, telling him: "Mr. Robert L. Vesco has been visiting Costa Rica with the idea of helping us to establish new instruments of financing and economic development. I am impressed with his ideas, his group of business leaders, and the magnitude of anticipated investments. He could supply the



Colombian drug lord Pablo Escobar, linked by a veritable octopus of business and political ties to some of CAP's close associates.

ingredient that has been missing in our plans to create a symbol of democratic development in the center of the western hemisphere."

Vesco moved temporarily to the Bahamas, to an island shared with Carlos Lehder, with whom he developed a close relationship. When Vesco lost the protection of the police in the Bahamas, he wanted to move again to Costa Rica, but this time he could not be accepted.

According to Arthur Herzog, who wrote Vesco's authorized biography, when Figueres could not win approval for Vesco's stay in Costa Rica, he called on his friend in Nicaragua, the Sandinista Tomás Borge, to resolve the problem. Vesco moved temporarily to Managua, and Borge helped him obtain asylum in Havana. From *Cuba*, according to *Fortune* magazine, Vesco "helped Colombian drug-trafficker Carlos Lehder Rivas, who was his neighbor in the Bahamas, to obtain permission to use Cuban air space for flights transporting drugs to the U.S."

Vesco remains in Cuba today, as the guest of Fidel Castro.

Vesco's contact for Colombia and Venezuela was the Spaniard Enrique Sarasola Lerchundi, "the snake charmer," who managed IOS's mutual funds from Barranquilla, Colombia. In 1971, when Vesco became a fugitive, Sarasola returned to Spain, where he became the right-hand businessman of Felipe González. In 1982, as we indicated previously, Sarasola hosted Pablo Escobar, Jairo Ortega, and Alberto Santofimio when they were in Madrid to celebrate the victory of the Spanish Socialist Party. According to the Bogotá daily *El Espectador*, "in December of 1987, Sarasola was in Barranquilla visiting his friend Jaime Gontovnik. He arrived in Carlos Andrés Pérez's personal airplane."