

TABLE 3

**The Top 3 Controllers of Ibero-America's Pensions and Banks**

Bank	% of Pension Assets	% of Bank Assets
BBVA (Spain)	25%	8%
Citibank (US)	12%	7%
Santander (Spain)	8%	9%

Sources: Salomon Smith Barney; EIR

belonging to Chilean workers, to his synarchist international banker pals—not a bad heist.

Take the case of Spain's BBVA, which controls almost a third of the Chilean pension system. Banco Bilbao Vizcaya Argentaria has historic links into dirty-money-laundering circles, and—along with Banco Santander—has been the driving force of Spain's imperial re-colonization of Ibero-America's entire financial system, on behalf of British interests. Banco Santander, which controls one of Chile's major AFPs, is also the single largest foreign bank in Ibero-America, controlling 9% of the continent's banking assets.

Banco Santander is a real piece of work. It is an old, oligarchic Spanish banking house, dating back to 1857, whose current owner, Emilio Botin, is considered the richest man in Spain. Under Botin, Santander established a "strategic alliance" in 1987 with none other than the Royal Bank of Scotland (RBS), which is at the center of the British royal family financial apparatus. One of the leading members of the board of RBS, the Earl of Airlie, was until 1984 president of Schroeders plc, the British merchant banking house which, with its German corresponding bank, helped finance Hitler's rise to power in the 1930s.

In 1999, Santander signed a second strategic alliance with another hard-core synarchist financial institution: Assicurazioni Generali, the infamous and ultra-powerful Venetian insurance house, which helped put Mussolini in power in Italy.

Where Chile led on privatizing social security, the rest of Ibero-America followed (see **Table 2**). The only major countries that have not yet followed suit, are Brazil and Venezuela. Of the five main privatized systems, Chile's is by far the largest. As Table 2 also indicates, the level of foreign control in those five countries is a dramatic 89%—which surpasses even the level of foreign banking control in those countries, averaging some 62%.

But it is the same foreign synarchist banks which control both the AFPs and the commercial banks: BBVA, Santander, and Citibank (see **Table 3**).

Is this what Bush means when he says the U.S. should follow the Chilean model of Social Security reform? Do you really want your pension in the hands of the same synarchist bankers who put Hitler and Mussolini in power? . . .

# Truth Behind the Myth

by Dennis Small

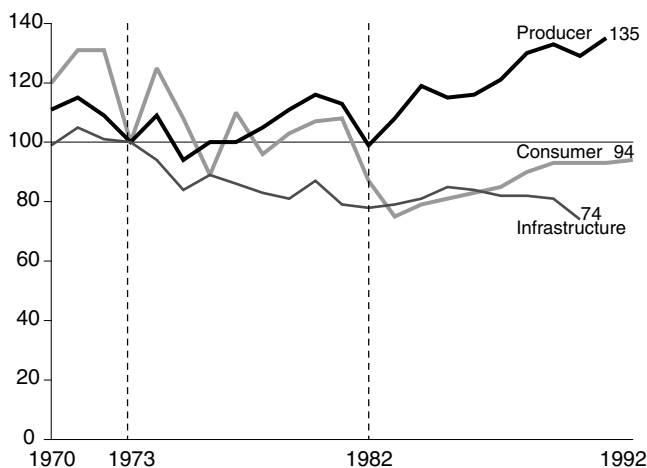
The myth that the Chilean economic model put in place by the bloody Pinochet coup of 1973, was a great success—a myth much-vaunted by the Bush Administration—is dispelled by the three graphics shown here. (Earlier versions of two of them were printed in *EIR*, Dec. 24, 2004, but contained production errors which are here corrected.)

In the three decades since British free-market policies were imposed on Chile, most aspects of the country's *physical economy*—which should not be confused with misleading monetary parameters such as GNP—fell in per-capita and per-household terms. Yet during this period, the speculative bubble of foreign debt grew many times over, while interest on that debt was religiously paid to the creditor banks and the International Monetary Fund.

These policies plunged the country into bankruptcy in late 1982, at which time a new package of drastic, forced "savings"—including the privatization of the national pension fund—was implemented in order to allow the bankers to keep looting the economy to pay the debt.

**Figure 1**, taken from a 1995 *EIR* study, looks at the production of market baskets of basic consumer, producer, and infrastructure goods, from 1970 to 1992. **Figure 2** compares these decaying physical economic parameters with the geo-

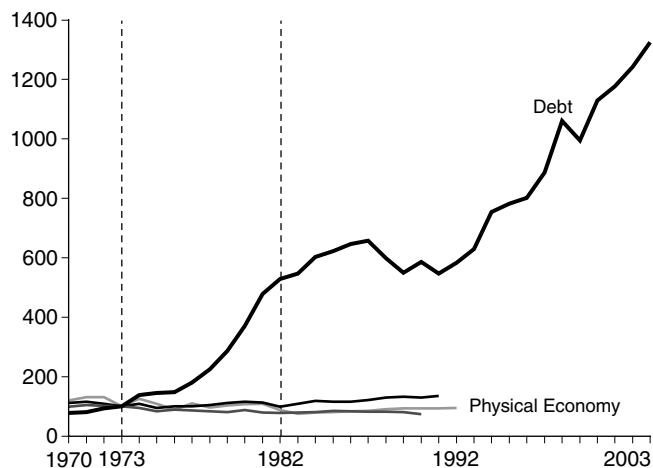
FIGURE 1  
**Chile: Physical Economic Production**  
(Index 1973 = 100)



Source: ECLA; Central Bank of Chile; *EIR*.

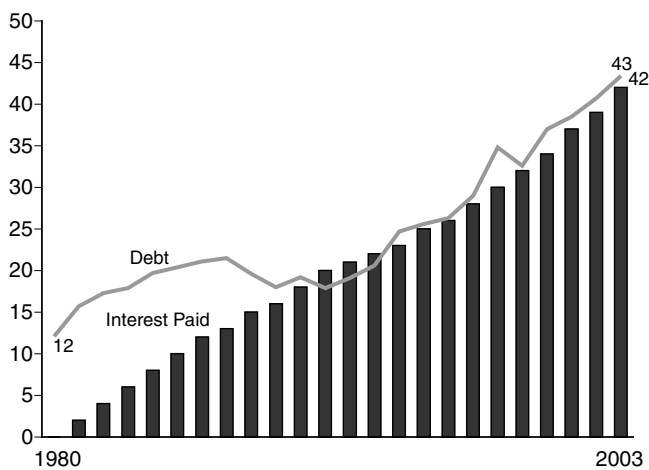
metric growth of Chile's cancerous foreign debt, from 1973 to the present. And **Figure 3** presents the "Bankers' Arithmetic" of Chile's foreign debt: In 1980 the total foreign debt was \$12 billion; over the next 23 years a total of \$42 billion was paid as cumulative interest payments on that debt; yet despite the fact that three and one-half times the amount initially owed was paid, by 2003 the foreign debt had risen from \$12 billion to \$43 billion.

**FIGURE 2**  
**Chile: Debt vs. Physical Economy**  
(Index 1973 = 100)



Source: ECLA; Central Bank of Chile; World Bank; *EIR*.

**FIGURE 3**  
**Chile: Bankers' Arithmetic**  
(Billions \$)



Source: World Bank.

## Profile: John Train

# Portrait of an 'Economic Hit Man'

by Jeffrey Steinberg

José Piñera, the former Minister of Labor and Mining in the fascist regime of Chilean dictator Gen. Augusto Pinochet, and the architect of that country's wholesale theft of workers' pensions, has friends in high places in the Anglo-American Establishment, despite his role in a regime vilified worldwide for war crimes.

On the website of his International Center of Pension Reform ([www.josepinera.com](http://www.josepinera.com)), Piñera described a Sept. 11, 2002 visit to New York City, hosted by his dear friend, Wall Street banker and high-level Anglo-American spook John Train.

"At the Pulitzer House: Today I joined New Yorkers at a moving commemoration of the terrible attack of 9/11, at Central Park, with Meryl Streep reciting Copland's 'Lincoln' and a great orchestra. Thanks to the generous hospitality of my friend John Train, writer, investor and renaissance man, I stayed for three weeks at the guest apartment of his house in 73rd Street and Fifth Avenue. Not only a beautiful house, not only near the wonderful Central Park, but also sound-proof, a blessing especially in New York. . . . Many interesting meetings and conferences, the main one being one to the Fellows of the Foreign Policy Association. The Manhattan Institute graciously gave me an office and full support."

Fascist Piñera is not only a close friend of John Train. Piñera and Train are partners in a network of vulture funds, which have profited handsomely from the looting of Chile's privatized social security system. Train is listed as a director of Genesis Emerging Markets Fund Ltd., Genesis Emerging Markets Investment Company, and Genesis Chile Fund Ltd. Piñera is listed as a consultant to the board of Genesis Chile Fund Ltd., and was a director of Genesis Condor Fund Ltd., until Dec. 2, 2004.

As of 2002, Genesis Chile Fund was the largest foreign investment fund in Chile, holding a stake in one of the largest of the privatized Chilean pension funds, AFP Provida. In a Dec. 10, 2004 news release, circulated by the Chilean stock exchange, Genesis Chile announced that it was exploring ways to draw in investment capital from the very private pension funds it holds a stake in.

Genesis Chile has done spectacularly well at looting the Chilean people. For the fiscal year ending Sept. 30, 2004, the fund posted a whopping 35.8% increase in net asset value;