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STATE DEPT. DECLASSIFICATION REVIEW C Retain class'n Change/classify to Declassify with concurrence of ____ EO 12958, 25% after -- Date: 5 30(0)

> DECLASSIFIED AND RELEASED BY CENTRAL INTELLIBENCE AGENCY SOURCES METHODS EXEMPTION 3B2B NAZI WAR CRIMESDISCLOSUREACT -DATE 2001 2007

PRESIDENT PATRICIO AYLWIN TO DISCUSS THE STATUS OF THE GUZMAN INVESTIGATION. AYLWIN STATED THAT, IMMEDIATELY AFTER THE ASSASSINATION, HE GAVE INTERIOR MINISTER ENRIQUE KRAUSS ORDERS TO FIND THE KILLERS. THEREAFTER, HE SAID KRAUSS KEPT HIM INFORMED ON THE INVESTIGATION ALMOST DAILY. AYLWIN AFFIRMED THAT DETECTIVE BARRAZA NEVER SUBMITTED CLEAR EVIDENCE OF "EL CHELE'S" COMPLICITY, AND DISCOUNTED THE THEORY TYING THE CASTRO GOVERNMENT TO THE ASSASSINATION. HE WAS VERY CRITICAL OF JUDGE PFEIFFER, WHOM HE DESCRIBED AS A "NAZI SYMPATHIZER." AYLWIN EXPRESSED STRONG SUSPICIONS THAT THE MILITARY AND THE UDI CONSPIRED TO HAVE THE CASE REOPENED. DESPITE HIS LACK OF CONFIDENCE IN PFEIFFER, HE EXPRESSED CONFIDENCE THAT OFFICIALS IN HIS GOVERNMENT WILL BE VINDICATED ON APPEAL. END SUMMARY.

> NAZI WAR CRIMES DISCLOSURE ACT 2000

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2. (C) THE AMBASSADOR OPENED THE MEETING BY TELLING AYLWIN THAT HE HAD HEARD FROM VARIOUS SOURCES THAT THERE WAS A CONNECTION BETWEEN THE GUZMAN CASE AND THE PRATS CASE, AND THAT WE WERE CONCERNED ABOUT THE IMPLICATIONS OF THIS CASE ON DEMOCRATIC STABILITY IN CHILE. THE AMBASSADOR SAID THAT ONE ALLEGATION MADE IS THAT THE RIGHT AND THE MILITARY (ARMY) WERE USING THE GUZMAN INVESTIGATION AS BLACKMAIL TO CAUSE THE GOC TO STOP THE PRATS INVESTIGATION.

AYLWIN SEES UDI/MILITARY CONSPIRACY

3. (C) AYLWIN EXPRESSED DEEP ANGER OVER ALL THE ALLEGATIONS THE RIGHT HAS MADE CONCERNING HIS GOVERNMENT'S COMPLICITY IN THE GUZMAN COVER UP. IN HIS VIEW, THE REOPENING OF THE INVESTIGATION IS TIED TO A CONSPIRACY BETWEEN THE MILITARY AND THE UDI PARTY. HE WAS PARTICULARLY FRUSTRATED OVER UDI'S ROLE SINCE UDI WAS KEPT INFORMED OF THE INVESTIGATION AND HAD PUBLICLY PRAISED HIM AND HIS ADMINISTRATION AT THE TIME OF THE EVENTS FOLLOWING THE ASSASSINATION. HE AFFIRMED THAT THE ARMY HEAD OF INTELLIGENCE, GENERAL EUGENIO COVARRUBIAS AND ARMY SECRETARY GENERAL COLONEL JAIME LEPE ORELLANA WERE INVOLVED IN THIS CONSPIRACY. COVARRUBIAS, HE SAID, HAD BEEN DIRECTLY INVOLVED IN THE PRATS AND BERRIOS ASSASSINATIONS, WHILE LEPE HAD BEEN INVOLVED IN THE SORIA ASSASSINATION. UDI'S MOTIVATION IN REOPENING THE CASE, HE OPINED, IS TO TAKE OVER THE LEADERSHIP OF THE RIGHT AWAY FROM THE NATIONAL RENEWAL PARTY (RN), AND WIN POINTS WITH THE ELECTORATE BEFORE THE 1996 MUNICIPAL ELECTIONS. IN HIS VIEW, THE ARMY WANTS TO USE THE GUZMAN CASE AS A PRESSURE TACTIC TO HAVE THE GOC CLOSE THE PRATS CASE. (NOTE: THE PRATS CASE IS IN THE ARGENTINE COURTS.)

DECIDES NOT TO GO PUBLIC, FOR NOW

4. (C) AYLWIN SAID HE IS NOW BEING KEPT APPRISED DAILY ON THE PFEIFFER INVESTIGATION BY INTERIOR MINISTER FIGUEROA. HE ADDED THAT HE HAD MET WITH FIGUEROA TWO DAYS EARLIER TO DISCUSS THE CASE, AND HAD TOLD FIGUEROA HE WANTED MAKE HIS VIEWS PUBLIC BECAUSE THE GOVERNMENT HAS NOT REFUTED THE UDI ALLEGATIONS STRONGLY ENOUGH. AYLWIN TOOK FIGUEROA'S ADVICE TO KEEP QUIET FOR THE MOMENT. AYLWIN ALSO SAID THAT HE WAS GOING TO CALL KRAUSS IN SPAIN ON JUNE 26, AND ASK HIM TO RETURN TO CHILE AS SOON AS POSSIBLE.

DEFENDS HIS RECORD ON GUZMAN CASE, TERRORISM

5. (C) AYLWIN EXPLAINED THAT, AT THE BEGINNING OF HIS PRESIDENCY, THERE WERE NUMEROUS ACTS OF TERRORISM, INCLUDING KIDNAPPINGS AND BANK ROBBERIES. FACED WITH THIS SITUATION, HE GAVE INTERIOR MINISTER KRAUSS ORDERS TO ERADICATE TERRORISM, WHICH HIS GOVERNMENT DID WITHIN TWO YEARS. AS A RESULT, SOME 70

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TERRORISTS WERE CAUGHT, CONVICTED AND JAILED IN A HIGH SECURITY FACILITY. IT WAS DURING THIS PERIOD OF RAMPANT TERRORISM THAT JAIME GUZMAN WAS MURDERED AND CHRISTIAN EDWARDS WAS KIDNAPPED.

6. (C) HE STATED THAT, IMMEDIATELY AFTER THE GUZMAN ASSASSINATION, HE GAVE KRAUSS CLEAR INSTRUCTIONS TO GET TO THE BOTTOM OF THE CASE. HE SAID THAT ALL HIS OFFICIALS INVOLVED IN THE INVESTIGATION -- FROM KRAUSS TO MERY AND BURGOS HAD DONE AN EXCELLENT JOB IN HIS ADMINISTRATION. IN SCHILLING'S CASE, HE SAID HE DID NOT KNOW HIM AS WELL AS THE OTHERS AND RECALLED THAT HE HAD ONCE BEEN A MEMBER OF THE FAR LEFT AND HAD BEEN IN ALLENDE'S INNER CIRCLE AS A MEMBER OF THE "GAP" ("GROUP OF PERSONAL FRIENDS," A PARA-MILITARY GROUP CHARGED WITH ALLENDE'S PERSONAL SECURITY). HOWEVER, BECAUSE OF HIS TIES TO THE LEFT SCHILLING HAD BEEN VERY EFFECTIVE IN IDENTIFYING TERRORISTS.

7. (C) AYLWIN RULED OUT ANY POSSIBILITY THAT THESE OFFICIALS HAD TAKEN PART IN A COVER UP OF THE INVESTIGATION, AND ASSERTED THAT BARRAZA HAD NEVER PRESENTED ANY EVIDENCE TYING "EL CHELE" TO THE ASSASSINATION. IF HE HAD ANY EVIDENCE, HE ARGUED, THERE WERE CHANNELS AVAILABLE TO BARRAZA TO PRESENT IT. AYLWIN SAID HE HAD ONLY HEARD OF BARRAZA'S SECRET DOCUMENT WHEN IT BECAME PUBLIC IN APRIL OF THIS YEAR. AYLWIN ALSO REFUTED THE THEORY THAT "EL CHELE'S" ROLE WAS COVERED UP BECAUSE HIS RELATIONSHIP TO RAUL CASTRO WOULD DERAIL THE GOC'S ATTEMPT TO REESTABLISH RELATIONS WITH CUBA, AND CATEGORICALLY REJECTED THE SUGGESTION THAT HE WOULD DO SOMETHING SO UNETHICAL. AS FAR AS HE WAS CONCERNED, HE CONCLUDED, THE PEOPLE WHO WERE RESPONSIBLE ARE NOW IN JAIL, AND THAT MORALLY AND INTELLECTUALLY, HE IS AT PEACE.

PFEIFFER A "NAZI LOVER"

8. (C) AYLWIN CALLED JUDGE ALFREDO PFEIFFER A "NAZI" AND "NAZI-LOVER," AND SAID HE WAS UNRELIABLE AND PRO-PINOCHET. HE STRONGLY HINTED THAT PFEIFFER WILL FIND SCHILLING, BURGOS AND MERY GUILTY OF OBSTRUCTION OF JUSTICE. AYLWIN SAID THAT IF THE JUDGE RULES AGAINST THEM, THEY WILL PRESENT AN APPEAL AND WILL ULTIMATELY WIN ON APPEAL. DEMOCRACY IS STRONG IN CHILE, HE CONCLUDED, AND THUS "THERE IS NOTHING TO WORRY ABOUT."

COMMENT:

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9. (C) PRESIDENT AYLWIN SEEMED RELIEVED TO BE ABLE TO DISCUSS THIS CASE. AYLWIN IS VERY UPSET AND BELIEVES THAT HE CONSIDERS THE PFEIFFER INVESTIGATION TO BE A PERSONAL ATTACK ON "ME AND MY ADMINISTRATION." HE WAS VERY ARTICULATE AND CHOSE HIS WORDS VERY CAREFULLY. AYLWIN DID NOT SAY THAT HE HAD ANY EVIDENCE THAT THE UDI ARMY WERE COMPARING -- ONLY THAT HE BELIEVES THERE IS A CONNECTION.

10. (C) AT THIS POINT, IT SEEMS TO US THAT THE ALLEGATIONS OF A COVER UP ARE NOT CONVINCING. BARRAZA'S ARGUMENT ESSENTIALLY

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COMES DOWN TO TWO POINTS: 1. THAT IN MARCH 1992, INVESTIGACIONES POLICE STUMBLED UPON AND FRIGHTENED OFF THE SUSPECTS, INCLUDING JUAN GUTIERREZ FISCHMAN ("EL CHELE"), THAT BARRAZA'S GROUP WAS WATCHING. BARRAZA BELIEVES THAT THIS WAS DONE ON PURPOSE; INVESTIGACIONES SAYS IT WAS A COINCIDENCE. 2. THAT BARRAZA'S SUPERIORS CHOSE NOT TO BELIEVE THAT "EL CHELE" WAS THE INTELLECTUAL AUTHOR OF THE GUZMAN ASSASSINATION BECAUSE OF EL CHELE'S TIES TO CUBA. AYLWIN, BURGOS, AND SCHILLING, MAY SAY THEY SIMPLY DID NOT FIND BARRAZA'S EVIDENCE CONVINCING.

11. (SBU) THE TRUTH PROBABLY IS DUE TO THE SORT OF MISTAKES THAT PEOPLE MAKE UNDER PRESSURE. BARRAZA WAS A GOOD DETECTIVE, HE MAY WELL HAVE BEEN RIGHT THAT "EL CHELE" WAS THE INTELLECTUAL AUTHOR OF THE ASSASSINATION, AND WHEN HIS SUPERIORS REJECTED HIS THEORY, HE BECAME A WHISTLEBLOWER AND WAS ULTIMATELY FORCED TO RETIRE. HE, HOWEVER, NEVER OFFICIALLY PRESENTED HIS CASE AND VERSION TO KRAUSS.

12. (C) AS FOR THE UDI, ITS MOTIVATIONS ARE ALSO MIXED. WE HAVE NO DOUBT ITS LEADERS WANT TO FIND OUT WHO ORDERED THE GUZMAN ASSASSINATION -- HE WAS A CLOSE FRIEND OF THEIRS, THE FOUNDER OF THEIR PARTY, AND THE MOST POPULAR FIGURE UDI HAS EVER HAD -- BUT UDI ALSO WANTS TO GAIN POLITICAL ADVANTAGE FROM THIS INVESTIGATION.

13. (C) THE ARMY'S ROLE IS ALSO UNDEFINED. CLEARLY, FIGUEROA AND AYLWIN BELIEVE THEY ARE FEEDING INFORMATION TO UDI, BUT THEY OFFER NO HARD EVIDENCE TO SUPPORT THIS CONTENTION. HOWEVER, THAT THERE IS A CLOSE RELATIONSHIP ON THIS CASE BETWEEN THE UDI AND THE ARMY IS VERY PLAUSIBLE. BOTH THE UDI AND THE ARMY HAVE DIFFERENT REASONS TO WANT TO EMBARRASS THE GOVERNMENT ON THIS DELICATE MATTER. GUERRA

ADMIN END OF MESSAGE

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