

per capita, while the economy has lost more than \$1 billion.

The Israeli economy, too, is facing dramatic losses. According to the Israeli Chamber of Commerce and Industry, it has lost more than \$2 billion as a direct result of eight months of conflict. The most dramatically affected sector is tourism, which has collapsed by more than 90%. This alone has led to unprecedented losses for Israel's El Al Airlines, which has suffered a 50-80% collapse in passenger traffic and losses of more than \$100 million for the first quarter. The collapse of tourism, including the closing down of 25 hotels, has hit Israeli Discount Bank, the country's largest, putting it near collapse. The real estate and related construction industry has also suffered. Exports to the Palestinian Authority, which had been about \$250 million, have ceased.

These losses come on top of the severe effects of the collapsing U.S. and European capital markets. This has not only hit hard Israel's high-technology sector, but Israeli banks, almost across the board, have suffered a collapse in profits. Israeli's overall economy in the last quarter of 2000 contracted by 12%, and the International Monetary Fund has revised its forecasts for annual growth down from 4.5% to 2%, while others are predicting no growth. Unemployment is at 10%, and continues to rise.

A recent poll showed that Sharon has only a 22% approval rating on the economy. It is feared that if the conflict continues, the economy will go into a tailspin.

Drug Legalizer Soros Seizes Another Nation: This Time, It's Peru

by Sara Madueño and Manuel Hidalgo

Three years after it began, the operation launched by narcofinancier George Soros and the U.S. State Department to overthrow the patriotic government of Alberto Fujimori in Peru, and replace it with one of their own choosing, has concluded: On June 3, the mentally unstable Alejandro Toledo obtained 54% of the valid vote, against 47% for former President Alan García. Toledo will assume the Presidency on July 28.

A deciding influence on this outcome was the fact that Soros, the infamous mega-speculator who is one of the Queen of England's private bankers, had given \$1 million directly to Toledo—as exposed by his then-adviser Alvaro Vargas Llosa, and as admitted by Toledo himself—to organize the bloody “Four Corners March” of July 28, 2000, which was orchestrated to sabotage Fujimori's reelection and to present him to the world as illegitimate. But, why did Soros do this?

Nearly eight years ago, in September 1983, Soros's brother and partner, Paul Soros, published an advertisement in the *New York Times*, in which he defined the strategy of the Wall Street and City of London financiers: to annihilate the Armed Forces of Peru, thereby giving free rein to the Shining Path and MRTA narco-terrorists whom Fujimori had defeated. “When one can be certain that it [military influence on the government] is truly ended, investment values will rise 30, 40, even 50%. In Latin America, whenever the army as an institution is part of the power structure, all investments are discounted, because it introduces an element of instability. As an investor, one likes stability,” Soros wrote cynically.

Today, Wall Street is celebrating Toledo's victory with undisguised delight. The day after the elections, Peruvian bonds rose 8% in value, the greatest single-day increase since 1998, and the Lima Stock Exchange showed its greatest increase of the year, 3.7%. “The market will recover with this news” of Toledo's victory, an official with Banco Santander told Reuters news agency.

What these commentaries reveal, is the strategic reality behind the Peruvian elections: The world is facing a new “Grasso Abrazo”—the frightening term coined in 1999 to describe the mutual admiration pact between New York Stock Exchange President Richard Grasso and the financial chief-

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tain of the narco-terrorist FARC cartel in Colombia, “Raúl Reyes.” As the Ibero-American Solidarity Movement (MSIA), Lyndon LaRouche’s movement in Ibero-America, forewarned in May 2000: “If Toledo takes the Presidency, narco-terrorism will take power.” With Toledo’s victory, nearly the entirety of the Andean region of South America — from Peru, to Colombia, to Venezuela (ruled by Hugo Chávez, an overt ally of the FARC) — is passing into the hands of the Wall Street/London drug legalizers. Given that this region produces all of the world’s cocaine, and a large portion of the heroin and marijuana that enters the United States, this poses a security threat for the entire hemisphere.

Invest, and Ye Shall Be Rewarded

Toledo’s first announcement as President-elect was to pay his debt to his boss, by naming Pedro Pablo Kuczynski to his cabinet, probably as an economics super-minister. “PPK,” as Kuczynski is known, is an international banker. Trained at Oxford and Princeton, PPK is chairman of the investment bank First Boston International. Since the early 1990s, he has been George Soros’s representative in Peru: “The representative in Peru of this important financial group [Soros’s Quantum Fund],” said the Spanish daily *El Mundo* in May 1994, “is Pedro Pablo Kuczynski, former Mines and Energy Minister and renowned expert in Peruvian high finance.”

On May 1, the *New York Times*, in a favorable article, wrote that PPK’s his mission is “to revive free-market reforms in Peru, in an era in which corruption and bad administration has caused them to lose force.”

Toledo has also called on Javier Pérez de Cuéllar, former UN Secretary General and current Peruvian Prime Minister in the transition government, to preside over his cabinet. Another individual who could figure in Toledo’s government, is Diego García Sayán, a member of his party and current Justice Minister. García Sayán and Pérez de Cuéllar share a great deal in common: In 1998, they signed, together with Soros and hundreds of international figures, an open letter to UN Secretary General Kofi Annan, calling for an end to the war on drugs. Within the UN apparatus, they also participated in the dismantling of the Salvadoran Armed Forces and the elevation of that country’s narco-terrorist FMLN, through the so-called “Peace Accords” and the hypocritical “Truth Commission.”

Another key influence in the incoming government will be Eliane Karp, Toledo’s wife and Belgian anthropologist, who has an undisguised sympathy for Shining Path-type “indigenism.” In fact, just days before the election, the Lima daily *Liberación* revealed that Karp had participated in the funeral services for Augusta LaTorre, who co-founded the Shining Path with her husband, Abimael Guzmán. *Liberación* confirmed that a video existed documenting the fact. Karp responded to all campaign challenges against Toledo with a racial diatribe against “the little whites of Miraflores” (a wealthy neighborhood in Lima), and by calling Toledo “my

little sacred *cholo*,” a reference to Toledo’s supposedly Indian features. More telling than his physical features, is the fact that Toledo’s *mind* was shaped by the universities of Stanford and Harvard in the United States, and by the World Bank, where he worked as an economist for many years.

Transition to Drug Legalization

Pérez de Cuéllar and García Sayán have headed up the transition government of Valentín Paniagua, who replaced the ousted Fujimori as President, in November 2000. This government has served to give us a glimpse of what the Toledo government will be like, and its primary achievement has been to assure Toledo’s election, and to pave the way for the rearming and reemergence of narco-terrorism in the country.

The Pérez de Cuéllar-García Sayán cabinet created a blackmail, witch-hunt environment against the military, politicians, journalists, and media opposed to drug legalization, by means of the so-called “Vladi-videos,” tapes supposedly made by former intelligence chief Vladimiro Montesinos, and selectively released by the Waisman Committee of the Congress, headed by Toledo’s choice for second vice president, Congressman Waisman.

Among its other acts, the transition government has:

- freed hundreds of drug traffickers and narco-terrorists from jail;
- agreed to “review” the trials of narco-terrorists and drug traffickers;
- withdrawn anti-drug and counterinsurgency military bases from the interior of the country;
- surrendered the jails to the terrorists still incarcerated;
- dismantled the national intelligence service;
- and, most important, begun the dismantling of the Armed Forces, indicting and trying anti-drug and counterinsurgent military officers — based on the testimony of the drug traffickers and terrorists themselves! Key to this scenario is the “anti-corruption” ad hoc prosecutor José Ugaz, who, together with Soros, García Sayán, and Pérez de Cuéllar, signed the open letter calling for drug legalization.

At the same time, a movement of coca growers is being encouraged, to be used as a shock force to demand the legalization of drugs. In early May, the coca growers blocked the highway between San Martín and Ucayali departments, near the coca-growing region in the Upper Huallaga Valley, for nine days, to protest the eradication of coca crops, a project begun years earlier by President Fujimori, which had achieved a two-thirds reduction in the Peruvian coca crop overall. The demonstrations were music to the ears of the Pérez de Cuéllar and García Sayán cabinet. Immediately, the drug-legalizing cabinet agreed to suspend eradication, and struck a deal, known as “The Plan for Arranged Gradual Reduction,” with the coca growers. The “reduction” is so gradual that coca growing will be allowed into eternity, and will be “arranged” with the very coca growers who are deployed by the drug traffickers.