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## Peru

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# Inca Monetary Fund's Toledo Takes Office

by Luis Vásquez Medina

Alejandro Toledo turned his July 28 inauguration as President of Peru into a crude parody of the coronation of a new Inca Emperor. Together with his wife, the Belgian indigenist anthropologist Eliane Karp, the new President led an Incan ritual enacted at the foot of the ruins of Machu Picchu, in which Karp, dressed as a *nusta* (the favorite concubine of the Inca), proclaimed Toledo to be the "Tenth Pachacutec," after a famous Incan emperor. In a speech loaded with the tones of millenarian revenge, delivered in Quechua with a marked French accent, Karp repeated the stale attack on 500 years of Christian civilization, and proclaimed the opening of a "new age." Far from being an affirmation of national sovereignty, this constituted an act of public submission to the post-modernist ideology of globalism.

The Toledo regime, installed in power by Wall Street and the U.S. State Department, with the help of \$1 million from the kingpin of narco-legalization, George Soros, has proven to be a Wall Street-run government of narco-terrorism. In little over a month in office, the Toledo regime has already begun to pick apart Peru, reviving, from within the government itself, the genocidal narco-terrorism of Shining Path and Tupac Amará Revolutionary Movement (MRTA) which had been decisively crushed by President Alberto Fujimori and his government.

Lyndon LaRouche has warned repeatedly that the British-centered Anglo-American financial interests are conducting a new Opium War against Central and South America, seeking thus to destroy the nations of the hemisphere. In June 1999, the world witnessed the obscene public embrace by New York Stock Exchange President Richard Grasso and Raúl Reyes, the financial chief of Colombia's biggest drug cartel, the Revolutionary Armed Forces of Colombia (FARC). Today, that embrace (the "Grasso abrazo") is embodied in the cabinet itself of the Toledo government, where top Wall Street financiers and well-known narco-terrorist controllers join forces.

## Cabinet Run By Wall Street Bankers

Toledo is no new Pachacutec, but rather a *yanacona*, the Quechua word for vassal. And it is a decidedly white man before whom he bows. Toledo imported his Economics Minister straight from Wall Street, calling in Pedro Pablo Kuczynski (or PPK as he is known), Soros' right-hand man

in Peru, and giving him super-minister powers. The international banks were very clear about PPK's mandate. On May 11, before the second round of voting for the Presidency had even been held, the *New York Times* declared that "PPK is the key operative in the elections of the Andean country." After Toledo's election, Reuters wrote, citing a financier, for Wall Street, "the longevity of the rally [in the value of Peruvian Brady bonds after Toledo's triumph] rests not on Toledo, but his economic adviser, Pedro Pablo Kuczynski. 'He is almost the only tangible source of comfort that investors have, that nothing crazy in economic policy will happen.' "

Kuczynski, a British-educated banker and naturalized United States citizen, has an unenviable and long career at the service of foreign interests operating against the interests of Peru: In February 1969, when he was manager of the Central Reserve Bank of Peru, he countermanded an express order from President Gen. Juan Velazco Alvarado, and handed \$17 million to the International Petroleum Company (IPC), for which action he had to flee the country. He took refuge in the United States, where he began work for the international banks (PPK has held executive positions in First Boston since 1982, at least). He married Jane Casey, daughter of William Casey, the late former CIA director, a marriage which permitted him to enter into contact with the U.S. intelligence community.

In 1992, PPK accompanied Paul Soros, brother of the megaspeculator, on his visit to Lima, the capital of Peru, to pick what assets the Soros interests wished to buy. In 1994, PPK set up a Latin American Enterprise Fund, which "invests" the money of various of Soros' fellow speculators.

Until his appointment, PPK also served as a director of EDELNOR, a privatized distributor of electricity in Lima; of COSAPI, a construction and real estate company; and of the Peruvian affiliate of the British-controlled Australian BHP mining cartel company, BHP Tintaya, formed out of "privatized" state assets bought up at bargain-basement prices.

Until "their man" offered a cabinet post in his government to PPK, the Toledo-supporting daily, Lima's *La República*, decried PPK as "the Viceroy."

Upon being named Toledo's economics czar, Kuczynski overrode the objections raised within Toledo's political party, Perú Posible, and got one of his former employees, Roberto Dañino, also a naturalized U.S. citizen, appointed as Toledo's Prime Minister. Dañino worked in a leading Washington, D.C. law firm, Wilmer, Cutler and Pickering, which specializes in making financial arrangements for private investors.

"The Viceroy" has already announced that he will privatize, possibly under the euphemism of "a concession," the Mantaro hydroelectric plant (the country's largest), Lima's water utility, SEDAPAL, and Petroperu's Talara refinery. When Dañino laid out the government program before Congress, he carefully sidestepped the issues of privatization and the drug trade. The government failed, however, to get Con-



*Alejandro Toledo, speaking at a Heritage Foundation-sponsored lecture on "Restoring Democracy in Peru," in November 2000. Now, as President of Peru, Toledo is turning the country over to the narco-terrorists.*

gress to approve the emergency economic measures which it had sought. It managed to win approval of only certain specific laws, such as a meager wage increase of \$13 a month for public sector workers, including teachers and police—the candy-coating for the privatization shock to come.

### **The Robespierres and Marats of the Regime**

With the financiers positioned on top, a half-dozen cabinet posts were handed over to the bankers' Jacobins, whose assignment is to deploy the mobs and terrorists to destroy any opposition, including potential opposition. The ministries of Interior, Education, Labor, Foreign Relations, and Women were handed to old militants from the radical left, and, in particular, to Revolutionary Vanguard (VR), a group which in the 1970s and '80s advocated Régis Debray's theories of armed struggle, and which militarily trained its cadre. Of the old VR militants turned government ministers, Fernando Rospigliosi stands out: He had been information chief of the daily *Marka*, mouthpiece of Shining Path. Today, Rospigliosi is Toledo's Interior Minister, in charge of the country's internal security and responsible for designing counterinsurgent strategy. What he has done in the month he has headed the ministry, has been to deny, in any and all languages and despite all the evidence that has accumulated, that narco-terrorism has resurfaced in the coca-growing zones, following the withdrawal of a military presence in those areas. Rospigliosi has already declared that while he is minister, he will not permit the "militarization" of the anti-subversion fight.

Another VR militant and sociologist from the '68 genera-

tion, now in the Toledo cabinet as Education Minister, is Nicolás Lynch, zealous defender of multiculturalism. Lynch has announced his intention to impose the obligatory teaching of Quechua, the ancient—and conceptually limited—language of the Inca Empire, throughout Peru.

Heading the Labor Ministry is Fernando Villarán, brother of former minister Susana Villarán, an open advocate of drug legalization. Fernando Villarán comes out of the quarries of Liberation Theology, and, along with his sister, was educated by the priest, Gustavo Gutiérrez, founder of Liberation Theology.

The Peruvian Foreign Ministry has been given to Diego García Sayán, an avid defender of drug legalization and the man who introduced Toledo to the circles of George Soros. García Sayán, as head of the Andean Commission of Jurists, had coordinated a joint project with Soros' Lindesmith Center to turn the coca growers of Peru, Bolivia, and Colombia into a unified, Andes-wide narco-terrorist army.

The government's effort to patch together a parliamentary alliance behind its policies failed, when the APRA party, holding Congressional seats whose votes Toledo needs to get laws passed, refused to back PPK's request for special powers. The government has already begun to lose credibility, including within its own ranks, and a leftist alternative is being formed, supposedly critical of neo-liberalism—i.e., free trade—which has begun to view Toledo as a Peruvian Kerensky. This radical left wing of the government is planning to build a political machine on a national scale, managing and restructuring the national budget toward that end. To this can be added the political power that stems from a

multitude of new prefects and sub-prefects (regional political authorities) whom Rospigliosi will name.

## **Demilitarization Is First on the Agenda**

So far, it has not been easy for the Toledo government to alter the economy to PPK's liking, given the immense social pressure on the government to fulfill its demagogic electoral promises. If it has moved slowly on the economy, the government has advanced rapidly in the destruction of the Armed Forces, another of globalization's demands. The accelerated dismantling of the Peruvian military forces, begun under transitional "President" Paniagua, installed in power by the U.S. State Department after it overthrew President Alberto Fujimori in November 2000, has meant an increase in drug trafficking and a resurgence of Shining Path. The so-called "re-engineering" of the Armed Forces implemented by current Defense Minister David Waisman, has already led to a nearly 65% cutback in the military budget, and everything suggests that the budget "adjustment" is not going to stop there. Waisman has announced that a new mass retirement of military officers from all three forces is being prepared. Rumor has it that the new dismissals will affect more than 400 generals and colonels, a move which would behead the Peruvian Armed Forces.

Another development that has advanced rapidly is the "Truth Commission," which has been created in the image of what was foisted on El Salvador. In Peru, it is made up, among others, of the current head of the Andean Commission of Jurists, former member of the Salvadoran Truth Commission Enrique Bernal. According to President Toledo, the decisions of this commission will carry the weight of a government decision. Immediately after it was formed, the Truth Commission proceeded to "uncover" the Aucayacu massacre, supposedly carried out by the Peruvian Army in 1987, during the Alan García government.

## **The Empire Demands Fujimori's Head**

Unable to comply with its own electoral demagoguery vis-à-vis the economy, the Toledo government is focussing its energies on orchestrating an "anti-corruption" circus, according to the libretto written by Transparency International. The vast majority of the cases of alleged corruption already brought before the courts—which, more and more people are convinced, are subordinate to the government and to a Congress dominated by the ruling party, the APRA, and Justice Minister Fernando Olivera's Independent Moralizing Front party (FIM, which is in the ruling coalition alliance with Toledo's Perú Posible party)—are pure and simple cases of political persecution.

The most scandalous case has been the one opened against former President Fujimori. Living in exile in Japan, Fujimori has been subject to an intense investigation, which has failed to turn up secret bank accounts or other such signs of corruption. Given this failure, the ruling parties (Perú Posible and

FIM), with the collusion of former President Alan García's APRA party, have undertaken to register a constitutional accusation against Fujimori, over the La Cantuta and Barrios Altos massacres (mass assassinations of terrorists carried out by a right-wing paramilitary band during the early 1990s). Congressman Daniel Estrada, the old leftist militant who argued the accusation against Fujimori, compared him with Himmler and Goebbels. Estrada urged the docile Peruvian Congress to accept the accusation against Fujimori, on the "presumption" that he was aware of the attacks carried out by a paramilitary band in the 1990s.

Given this logic, the Congress should also have accused former Presidents Fernando Belaunde and Alan García, since acts of this sort were also carried out during their terms. However, shamelessly, Congressmen from the Belaunde and García political blocs supported the accusation against Fujimori.

## **Narco-Legalization Is On the March**

Today, the skies over the Peruvian Amazon are once again filled with narco-planes. Interception of these small planes by the Peruvian Air Force has practically disappeared, because of deep budget cuts imposed on the Armed Forces, and withdrawal of U.S. aid for such interceptions. At the same time, all actions against illegal coca crops have halted, on the request of the country's Federation of Coca Growers. One of the main advisers to that organization, well-known legalization lobbyist Roger Rumrill, is rumored to be the Toledo government's choice for Peru's next drug czar. It requires no great leap of the imagination to conclude, therefore, that the Toledo government is preparing a series of actions that will lead to the legalization of drugs in Peru.

In fact, certain circles around Toledo have already said it outright. For example, Congressmen from the FIM party, headed by Justice Minister Fernando Olivera, called for the legalization of drugs at a meeting of the Andean Parliament, held in late August in Bogotá, Colombia. The FIM's Carlos Infantas, who headed the Parliament's third committee on narcotics affairs, insisted on opening up a debate on drug legalization throughout the Andean region. Speaking to the meeting, Infantas said: "It is time to stop whispering, and to openly face the question of drug legalization."

The 25 members of the Andean Parliament also approved the suspension of all aerial fumigation of coca crops in the region, a measure reaffirmed days later in Peru by Prime Minister Dañino, who announced that the burning of coca crops and use of pesticides against coca were now suspended as well.

## **Narco-Terrorists Reborn As Heroes**

The ongoing dismantling of the Armed Forces, the lack of government, and the abandonment of any state presence in vast areas of the country, is being fully exploited by Shining Path. In the seven months since the fall of the

Fujimori government, no one, with the exception of Interior Minister Rospigliosi, is denying that Shining Path has returned, and with a vengeance. On Aug. 20, Rospigliosi, under pressure from the media, admitted that “for budgetary reasons,” the Paniagua transition government had closed down counterinsurgency bases in the country. The fall of the Fujimori government was also used to dismantle the entire national intelligence service.

On Aug. 7, the Lima press reported that the town of Pangoas, on the left bank of the Ene River, was once more in the public eye. This is the same region in which the Fujimori government had surrounded and captured “Comrade Feliciano,” the second-in-command of Shining Path after its “president,” Abimael Guzmán, was captured in 1992. In Pangoas, a column of more than 100 terrorists, armed with modern Israeli-made weapons and with anti-aircraft protection, decimated a national police patrol, killing four agents, and then disappeared into the jungle. Today, although the government denies it, there exist four main centers of subversion in the country: along the Apurimac River, along the Ene River, in the departments of Ayacucho, Junín, and Cuzco, and in the Upper Huallaga Valley in the departments of Huanuco, and Ucayali. Shining Path activities have been detected in Yurimaguas, Apurimac, San Martín, Amazonas, Cajamarca, Huncavelica, and Puno.

Shining Path has begun to make its presence felt in the slums of Lima as well, thanks to the fact that it has succeeded in rebuilding its nation-wide communications network, including with Shining Path members in prison, many of whom now have cellular phones and free contact with the outside. In mid-August, after eight years, Shining Path downed two high-tension electricity towers in Ayacucho department. There were also dynamite attacks in the same department, in the town of Puquio. According to a report by the Peace Council, an institute that studies the terrorist phenomenon in Peru, Shining Path has not only succeeded in reestablishing a central command on a national scale, but the theft and transport of explosives from various parts of the country has increased in recent months.

Peasants in the Peruvian interior, represented by legally constituted self-defense militias known as *ronderos*, which, together with the army, succeeded in defeating narco-terrorism during the 1990s, have travelled to Lima, demanding that President Toledo restore the budget for weapons and gasoline, which had previously supplied the civil defense patrols. Despite these appeals, however, the government not only continues to deny the resurgence of narco-terrorism, but has taken certain actions which will undoubtedly encourage the narco-terrorists. For example, on the pretext of indemnifying the relatives of those killed in the Barrios Altos and La Cantuta massacres, President Toledo called together the relatives of the disappeared terrorists and pledged to them that his government would raise monuments to honor Lima’s “fallen.”

## Army War College in China-Bashing Orgy

by Michael O. Billington

*Parameters*, the monthly publication of the U.S. Army War College, published three separate articles in its August edition calling for the United States to adopt an imperial military policy, supposedly necessary to meet the threat of an aggressive war launched by China, either against Taiwan or over the Spratly Islands in the South China Sea.

*Parameters* generally serves as a sounding board for widely divergent views within the military establishment, leading even the *Washington Post* to describe the series as “unusually bellicose,” while noting the absence of any “balancing article.” These articles appear simultaneously with the Bush Administration’s open support for both the Israeli drive for religious war in the Middle East, and NATO’s training and direction of the Kosovo Liberation Army invasion of Macedonia. Such China-bashing must therefore be treated as deadly serious, despite the strategic incompetence of the arguments presented.

In the lead article, “What If . . . China Attacks Taiwan,” Richard Russell of the National Defense University, a biographer of Cold Warrior George F. Kennan, argues that the current accepted dogma, that China would be unable to militarily conquer Taiwan before the United States could come to its defense, must be rejected. China is capable, Russell argues, of a successful blitzkrieg assault on Taiwan. Russell says China is willing and able to use nuclear and chemical weapons as a means of surprise attack, and that they “might want to resort to force in the near to medium term, before Taiwan has time to strengthen its defenses under U.S. tutelage. In short, storm clouds are gathering in Asia.”

The United States, therefore, according to Russell, must abandon its long-standing policy of “strategic ambiguity,” which is based neither on pledging to defend Taiwan, which would supposedly encourage Taiwan to declare independence, nor pledging *not* to come to Taiwan’s defense, which would supposedly encourage Beijing to seize Taiwan militarily. As to President George W. Bush’s pledge to do “whatever it takes” to defend Taiwan, which was a de facto dumping of the “strategic ambiguity” policy in any case, Russell argues that the pledge is meaningless, because the Chinese can take over before the United States has the time to mobilize.

His proof lies in a tiresome repetition of the phrase “China could.” “China could” increase aircraft production and hide the planes from surveillance; train more troops clandestinely;