

World Bank, Wells Fargo target Peru's state sector industries

by Julio Echeverría, Lima Bureau Chief

An *EIR* press release was circulated throughout Lima in the third week of September in which World Bank efforts to dismantle and sell off the state companies of developing nations were detailed. The release focused on how Peru has been especially targeted by the World Bank in this regard, and noted that Wells Fargo Bank is playing a central role in the operation. The *EIR* release has been submitted as official evidence to the Peruvian Congress by a senator and has become the center of a national political debate on the fate of Peru's national sovereignty.

The notorious triumvirate in the Peruvian government charged with carrying out the World Bank's strategy are Minister of Economics, Finance, and Trade Carlos Rodríguez Pastor—until last December the vice-president for Latin America of Wells Fargo Bank in California—and the heads of the central reserve bank and state-owned bank Brian Jansen and Augusto Blacker, both “ex”-officers of Wells Fargo as well.

According to the *EIR* press release, the “Wells Fargo triumvirate” is carrying out policies designed by the World Bank and its private-sector collaborators. Reports the release, bankers directly involved in the program “hope to maintain a flow of income to the international banks through the channel of Peru's ability to export a ‘diverse’ array of raw materials, without undergoing any economic development.” To accomplish this, the state sector of the economy must be dismantled.

Under pressure from the International Monetary Fund to cut the public budget by any and all means, the Peruvian Senate is currently debating a piece of World Bank-dictated legislation which would transfer control of state-sector companies to managers hand-picked by the triumvirate from an elite core of Peruvian oligarchic families. Cited to appear before the Senate was the minister of fishing to discuss the crisis facing the state fishing company, PescaPeru. PescaPeru is slated to be one of the first public companies to face the chopping block, with a debt of some \$238 million dollars due to alleged “mismanagement.”

In the context of the debate, Sen. Carlos Malpica formally presented the *EIR* documentation to the Senate as crucial

evidence around which to shape the discussion. Malpica's proposals were accepted by a majority of the Senate, following a heated debate which left the head of the commission charged with promoting the “re-privatization” bill decidedly uncomfortable. Along with his handful of backers, the commission head had counted on smooth sailing for the bill, but the *EIR* evidence and the debate it provoked introduced an unexpected obstacle.

The friends of the World Bank and of Wells Fargo in Peru responded to this sudden kink in their plans with characteristic ugliness. The Lima daily *La Prensa* published a scandalous series of slanders against *EIR* and its founder Lyndon H. LaRouche. The Sept. 18 article, determined to diminish the effectiveness of *EIR*'s charges by discrediting its founder, claimed that LaRouche is a Nazi, a racist, a Soviet agent, linked to the Colombian Communist Party and the U.S. Ku Klux Klan, a former Trotskyist, a paranoid and a megalomaniac, and wound up comparing his U.S. political organization with the terrorist Sendero Luminosa guerrillas in Peru.

The article reveals the source of its charges to be Dennis King, a stringer associated with the U.S. drug lobby's *High Times* magazine which promotes legalization of marijuana and cocaine in the United States and elsewhere.

There are also strong indications that the inspiration behind the article is the U.S. Embassy in Lima. The article fits the pattern of similar anti-LaRouche slanders that have been promoted by the State Department's U.S. International Communications Agency in other areas of Ibero-America. Second, in Peru itself in 1976, the U.S. Embassy—on orders of Henry Kissinger—deployed an operation against *EIR* press service NSIPS, which succeeded in temporarily ending its activities in Peru. Documents received under the Freedom of Information Act have since confirmed the details of the operation.

Mr. Kissinger's Peruvian friends acted against NSIPS at precisely the same moment that the Wells Fargo Bank succeeded in pressuring the Peruvian government to turn to the IMF for desperately needed funds under stringent conditionalities that set the precedent for the Brazilian, Argentinian and Venezuelan crises we see today.

Despite *La Prensa*'s efforts to intimidate Senator Malpica into retracting the evidence he had submitted to Congress, he responded to the newspaper's scurrilous charges with the following statement: “LaRouche is not a paranoid. I share his points of view; some of his theses are serious. I do not believe he is crazy; he must be an important individual if he occupies a high level position within the U.S. Democratic Party and has frequently made the front page of the *New York Times*.” Malpica further explained that his confidence in the *EIR* revelations is based on having closely followed the political evaluations of the journal for many months, and that he has read numerous documents written by LaRouche, including his well-known “Operation Juárez” which calls for the creation of an Ibero-American Common Market as Peruvian political leader Haya de la Torre had done.