

## EIR book has narcotics financiers on the run

by Robyn Quijano

After one month in office, Peruvian President Alan García has turned a collapsing, demoralized nation, plagued by terrorism and the takeover of the shards of its economy by the international cocaine mafia, into a battleground of hope. García's war on drugs has already accomplished the capture of 11 airports and cocaine-refining facilities in the Amazon jungle, worth billions of dollars, destroying the refining capability of over one-third of South America's cocaine exports. And while the street-level mafia is on the run, García is investigating over 200 officials of the previous government for corruption, lion-dollar dope trade.

Manuel Ulloa, former prime minister and the "brains" behind the government of President Fernando Belaúnde Terry, is one of the "citizen's above suspicion" who is feeling the heat. While Ulloa has not recently repeated his long-standing position that the cocaine industry should be legalized in Peru, he has come to bat for the International Monetary Fund (IMF), which designed the drug-dominated "free enterprise" economy that has lowered the standard of living in Peru to starvation levels in the past five years.

"Ulloa Is With the IMF Again," is the Lima daily *La República*'s headline characterizing Senator Ulloa's rejection of Prime Minister Luis Alva Castro's presentation of Peru's new economic policies to the national congress. García's plan to pay only 10% of the nation's export earnings for debt service during the next year, known in Ibero-America as the "10% solution," "seems to us imprudent, something like a provocation," the paper commented. "Something could happen to us, Mr. Minister. . . . No matter how much we disagree with the IMF, we can't do without it." *La República* observed that the senate broke out in laughter when Ulloa claimed that his government had "cut the path for the decision taken and announced by the President of the Republic on July 28."

Since his inauguration on July 28, García has not only promised a total war on drugs, and a battle to regain the economic sovereignty of the country, but he has broken with the IMF, handed the population tangible results on the drug fight, and dramatically increased the value of the national currency, the sol, in the newly reconquered cocaine-growing area, as speculators have fled.

García's popularity has gone from 53% to 80%, according to Reuters, which reported on Aug. 28 that García ended his first month in office "with his popularity rising and local support consolidated for his tough stand against the country's foreign creditor banks." He has "already slowed inflation, raised the living standards of the poor, and dismissed corrupt senior police officials in Peru's biggest effort to stamp out the cocaine trade. . . . Public opinion polls put his popularity at 80%." Reuters concluded by alerting banks which have not yet made a definitive move against the new government, "Thanks to its ample international reserves, Peru can initially weather any potential retaliation by foreign creditors."

### Narco-terrorism exposed

Peru won another major battle in its war against drugs with its discovery and destruction of a 1,200-meter clandestine airport and cocaine-refining facility worth half a billion dollars, in Yahuma in the Amazon jungle. At the same site, evidence was discovered proving that the drug mafia and the Shining Path (*Sendero Luminoso*) terrorists form one subversive operation. This barbaric communist gang, that claims to be an "indigenous peoples' movement," has held Peru hostage for more than three years, massacring people in the countryside and carrying out spectacular acts of sabotage, such as blowing up power stations and depriving Lima of electricity for days.

The Peruvian counterterror agency DIRCOTE announced on Aug. 28 that the airports and facilities of the

Cabalococha cocaine region were used as major stations of arms contraband, and that sophisticated arms as well as video cassettes, propaganda, emblems and flags of Shining Path and the Colombian M-19 terrorists have been found within the narcotics complexes. The Peruvian daily *Ojo* reported that the video cassettes contained "subversive slogans and methods for preparing seditious acts. . . . This fact confirms the links between narcotics traffickers and Colombian and Peruvian terrorist groups, provided with huge amounts of money to finance the acquisition of arms and modern equipment. Preliminary investigations indicate that the subversive groups act as protectors of the narcotics mafia, which set up its fiefdom in Cabalococha."

On the same day that the narco-terrorist connections were exposed in Peru, the former head of the M-19 terrorists was killed in a shoot-out with Colombian police in the city of Cali, when police raided their hideout. Iván Marino Ospina, one of the founders of the M-19, and a Peruvian member of Shining Path, were among those killed. Radio Cadena Nacional and *El Tiempo* newspaper from Colombia quoted military sources saying that Iván Marino had just come back from Libya, where he had gone to negotiate a shipment of arms from Colonel Qaddafi.

The mass-circulation daily *El Popular* ran banner headlines the same day, "Drug Traffic and Terror on the Same Black Path," reviewing *tráfico, SA*, the Spanish-language edition of the best seller *Dope Inc.*, written by investigators from *EIR*. The article, the third in a five-part series, detailed the truth about the drug and terrorist operations of Shining Path. The series began on Aug. 26 with front-page banner headlines, "*Narcotráfico* Runs Peru's Foreign Debt; Explosive Book on Drugs and Politics; IMF Pressured Morales Bermudez for Investments and the Mafia Came to Plant Coca; Manuel Ulloa Helped Create Narcoeconomy in the Country, According to Investigator Lyndon H. LaRouche."

The paper described *EIR* as "a U.S. entity which works all over the world fighting" Dope, Inc., adding that LaRouche's life has been threatened many times.

"Book Reveals the Tentacles of the Drug Traffic," was the headline in the Peruvian government-owned tabloid *Tercera de la Cronica*. It began, "Events, incredible to the edge of fantasy, but which in reality occur, to the disgrace of the human race, are detailed in simple and clear language in the book *Narcotráfico, SA—The New Opium War*. . . . Lyndon LaRouche is the inspiration of the investigation which produced this book, and also of the movement of international struggle against narcotics traffic."

### **Ulloa under fire**

As the news hit the streets of the sordid connection among the drug mafias, their financiers, their terrorist protectors, and the bankers' cartel that launders \$200 billion a year of drug money, the board of directors and the middle-level

management of Dope, Inc. panicked. The Lima daily *Expreso*, owned by Manuel Ulloa, ran an article headlined "Suit for \$100 million Will Be Lodged by Ulloa Elias Against Yankee Magazine," reporting that Ulloa intends to sue *EIR* for defamation, citing *Narcotráfico* and an Aug. 16 article in *EIR* ("To Aid Peru's War on Drugs: Open the Ulloa File!"). The paper reported, "Ulloa Elias will personally initiate the suit and, for that purpose, he will soon travel to the United States."

A spokesman for *EIR* responded: "The book *Narcotráfico, SA* has been available to the Peruvian public for over seven months, yet only now does former finance minister and prime minister Ulloa decide to howl in protest. Furthermore, we and others, including various Peruvian magazines, have said the same thing—and worse—about Ulloa numerous times in the past. Why is Ulloa acting only now?"

"The reason is that Manuel Ulloa is terrified that Peru finally has a government, that of Alan García, which has declared a serious war on drugs—something which the previous Belaúnde/Ulloa government never did. In fact, it was under the very noses of the last government that the cocaine trade flourished in Peru virtually unopposed, and took over that country's economy. This is a fact which has been stated by President García. It is a fact known to U.S. authorities. And it is a fact which Ulloa is desperately trying to sweep under the rug, by raising the diversionary issue of a supposed suit against *EIR*."

"In point of fact, it is more than likely that the real reason Ulloa has announced that he plans to file suit against *EIR* in the United States, is that he is trying to fabricate an excuse to flee Peru before further evidence arises linking him to the cocaine trade. . . ."

"But more than likely, no suit will come to pass: By then, Manuel Ulloa will probably either be in jail in Peru, or fending off extradition requests from some foreign hideout."

A spokesman for *EIR* later responded to reports from reliable sources that Shining Path terrorists might target *EIR* staff members and members of the Peruvian National Anti-Drug Coalition, who have been distributing *Narcotráfico, SA* in Lima, stating that, should any violence occur against them, Ulloa "will be held personally accountable."

Within hours of Ulloa's announced suit against *EIR*, National Anti-Drug Coalition board member Liliana Pazos received a series of threatening phone calls, including one in which a female caller said: "Mrs. Liliana, when you arrive home, you will not find your [one-year-old] son." before, another member of the Coalition received a death threat while selling copies of *Narcotráfico, SA* in the streets of Lima. An individual came up to her and said: "Don't you know that you could be shot in the back for doing this?"

Ulloa's panic was obviously increased when Lima dailies on Aug. 29 reported that Ulloa will be tried for complicity in aiding tax evasion by Occidental Petroleum and other oil multinationals doing business in Peru.