

Peru Braces for Second Round Election Assault

by Gretchen Small

During a visit to Lima, Peru on May 16-19, *EIR* Ibero-American editor Dennis Small released a dossier outlining explosive new documentation confirming *EIR*'s charge that it is the financial interests behind the drug trade which are running the international "democracy" campaign which seeks to drive President Alberto Fujimori out of office, whether the Peruvian electorate so wishes or not.

Under Fujimori's ten years as President, Peru mobilized to successfully crush narco-terrorists who are as bestial and as well-situated as the narco-terrorists which today threaten the existence of Sri Lanka and Sierra Leone, and did so, despite nasty international opposition led by President George Bush's administration. The same interests which opposed the Fujimori-led mobilization then, are determined to use the year 2000 Presidential elections, as the means to drive him out now.

As outlined in the article "Ten Uncomfortable Questions for Toledo" which follows, Alejandro Toledo, Fujimori's opponent in the second round of Presidential elections, is run by the same George Soros-Jeffrey Sachs team which bled nations to death, from Bolivia, to Russia and Eastern Europe, to the drug trade's benefit. By examining who shaped Toledo's outlook, the real face of the Peru which his international controllers wish to bring into existence, takes shape: a Peru shattered, divided into many squabbling narco-regimes, such as those emerging today in its neighbor, Colombia. What Toledo calls his "Third Way," proves to be the product of a most unholy combination of fanatic free market economics with the hate-driven politics of liberation theology's educational guru, Paulo Freire.

EIR released this new dossier, its second on what is behind the Project Democracy assault on Peru (see also, "Hands Off Fujimori's Peru! . . . Unless You Are for Legalized Dope," *EIR*, April 7), in the highly charged environment which grips Peru today, as the run-off election between Fujimori and Toledo, and thus the showdown over Peru's immediate future, nears.

Peru was slammed during the first round of the Presidential elections on April 9. The governments of the United States, Great Britain, and France, backed by the Organization of American States (over the angry opposition of many key OAS member-states) threatened to cut off credits, trade, food, and international relations, should the vote results conclude

that Fujimori had won the first round outright, with more than 50% of the vote.

With that international combination threatening to implement those steps should the conditions for the second-round elections be deemed "unsatisfactory," discussion of the existential crisis which the Toledo operation presents to Peru, has been driven out of the public media. Toledo and his backers charge that any hard questions raised by local media about Toledo's intentions for restructuring the country's institutions, are part of an unfair "dirty war" waged by Fujimori's secret services, and insinuate that any such discussion could be considered grounds for declaring the election process invalid, thus activating the international sanctions.

EIR's "Ten Questions" are now circulating among the national elite. People are buzzing over our revelations on Toledo—and also over the utter hypocrisy of the State Department's imperious imposition of seven conditions upon Peru's government to be judged democratic (equal media access for opposition candidates, ensuring no harassment of opposition candidates, etc.), while those same seven conditions are being grossly violated inside the United States itself, in the case of Lyndon LaRouche's Presidential candidacy.

Will There Be a Second Round?

As of now, the second round is scheduled for May 28, and most observers estimate that Fujimori will win. Toledo's pathetic demonstration that he still shines Wall Street's shoes, during his April 25-28 visit to New York and Washington, lost him several percentage points worth of votes, especially when the word hit Peru that he had promised Wall Street that he would allow the convictions of the jailed terrorists to be reviewed.

What comes next, is a great unknown. Toledo has not decided if he will participate in the elections, as he has threatened repeatedly that he may pull out, if "conditions" are not right. He first promised to announce a "final decision" on whether he will participate by May 1; that date then moved to May 11. His latest statement, made upon return from his 16-hour visit to Argentina on May 16, was that "if I kick over the chessboard" (i.e., quit the race), I will do so before May 28! The pro-Toledo newspaper *Liberacion*, and campaign adviser Diego García Sayan, are on record recommending that Toledo charge fraud and pull out, in order to activate the

OAS's Resolution 1080 (which permits "collective action" against "undemocratic" countries), and/or the "Sense of the U.S. Congress" Resolution 43, recommending sanctions against Peru, passed by the Senate and signed on April 25 by President Bill Clinton, even though such resolutions are not laws, and are not binding.

The OAS, the Carter Center, the National Democratic Institute, and the U.S. State Department combo which ran the international war in the first round, are playing similar games. While admitting that there is no proof that fraud was committed in the first round, the head of the OAS electoral mission, Eduardo Stein, suggested on May 12 that the run-off be postponed until June 11, to allow time to make changes which assure "credibility," a plan which the State Department immediately endorsed as a possibility. That would violate Peruvian law, which requires that the run-off be held within a certain date from the first vote, but the same crowd which labels President Fujimori as authoritarian for having changed laws to fight terrorism, now argues that "the law has to adapt itself to the concrete situation," when it comes to elections.

The determination of the financial crowd to drive Fujimori out, whether that can be done immediately in this election process or requires a protracted war over the course of the year, was most crudely expressed by that adamant proponent of drug legalization, London's *The Economist*, immediately after the April 9 vote. This election marks "the beginning of the end for Fujimori," it said. "Whatever the outcome of the second round, Mr. Fujimori's decline has begun, and looks irreversible."

Whether they succeed, is another story. Peru, and President Fujimori, have disappointed them before.

Documentation

Ten Uncomfortable Questions for Toledo

by Dennis Small

Given that your campaign has demanded access to the media, to better present your viewpoints to the Peruvian electorate, I hope that you will have no objection to the media—both national and international—having, at the same time, access to your views on matters which have awakened great concern both inside Peru, and beyond. Hopefully, your concept of "democracy" is not limited merely to permitting flattering questions from journalists who share your point of view, and

that you accept the responsibility of a candidate to respond also to questions which are perhaps uncomfortable and critical.

My questions are centered on your international political and intellectual connections—a matter little known to the Peruvian electorate—and on how these will affect Peru's stance on the war against narco-terrorism. Let us hear how candidate Toledo thinks, to enable us to form an idea of how he would act upon reaching the Presidency.

1. *Do you share the thesis of your adviser Diego García Sayán, and of international mega-speculator George Soros, that the war against drugs should be suspended, since "the global war on drugs is now causing more harm than drug abuse itself"?*

The above statement was made in an Open Letter to United Nations Secretary General Kofi Annan, dated June 1, 1998, and published as a full-page paid advertisement in the *New York Times* of June 8. More than 600 international "personalities" signed the narco-legalization letter, including Diego García Sayán, Javier Pérez de Cuéllar (whom you have indicated as a possible Foreign Minister in your government), Mario Vargas Llosa (another of your supporters), Soros, Laurance Rockefeller (of the famous banker family), Paul Volcker (former chairman of the U.S. Federal Reserve Board), Milton Friedman (ultra-liberal economist who advocates the legalization of all drugs, including heroin), and Lord Benjamin Mancroft (British lord, admitted former heroin addict, and one of the main promoters of drug legalization in that country). Ethan Nadelmann, president of the New York Lindesmith Center, which is part of Soros's Open Society Institute, led the organizing for the Open Letter.

Soros is no newcomer to drug legalization campaigns. In his article in the Feb. 2, 1997 *Washington Post*, Soros states: "I was delighted the past November when voters in California and Arizona approved" the ballot initiatives for which "I personally contributed approximately \$1 million." He explains: "The California initiative legalized the cultivation and use of marijuana for medicinal purposes. The Arizona initiative went further, allowing doctors to prescribe any drug for legitimate medical purposes." Later in the same article, the well-known international speculator confesses: "I tried marijuana and enjoyed it."

2. *Do you agree with the well-documented narco-legalization position of your adviser Diego García Sayán? If not, why do you tolerate him as your adviser? Further, why did you bring him to the United States recently, when you met with representatives of Wall Street and others, including Soros? Is there some special interest of certain Wall Street circles in the legalization of the drug trade, as can be inferred from the infamous Grasso Abrazo—New York Stock Exchange president Richard Grasso's embrace of Manuel Marulanda ("Sure-*

shot”) of the Colombian FARC?

It must be emphasized that García Sayán has been closely tied to the drug-legalizing activities of Soros, for years.

- The Andean Commission of Jurists (CAJ), which García Sayán heads, edits the Spanish-language editions of reports issued by Human Rights Watch/Americas (HRW), a non-governmental organization financed by Soros, who is also a member of its board of directors. HRW specializes in “documenting and challenging human rights violations caused or exacerbated by efforts to curtail drug trafficking internationally,” as its own publications proudly report.

- In July 1993, the CAJ organized an international forum in Lima on drug legalization, where one of its main speakers was Ethan Nadelmann, president of Soros’s Lindesmith Center, and promoter of the Open Letter to UN Secretary General Annan opposing the war on drugs.

- In February 1996, García Sayán travelled to New York to meet with Nadelmann and to discuss, according to Nadelmann’s report, how to launch an international campaign to remove the coca leaf from the United Nations Schedule I list of prohibited substances.

- The CAJ is inseparably intertwined with the Andean Council of Coca Leaf Producers (CAPHC), sharing personnel and projects. For example, the head of the CAJ’s drug project, Ricardo Soberón Garrido, is also an official adviser to the CAPHC. The CAPHC coordinates with the Colombian FARC in defense of the coca growers—as was seen, for example, in the August 1996 trip of Evo Morales, Bolivian head of the CAPHC, to Colombia.

3. *Does your affinity with the ideas of George Soros extend to what his brother and partner Paul Soros said, in a full-page paid advertisement in the New York Times of Sept. 28, 1993? There, Paul Soros states: “When you can be sure that military influence in the government is really firmly finished, the value of any investment goes up 30, 40, even 50%.” In this same line, do you take as your own, the statements attributed to your companion Eliane Karp, that Peru should reduce its Armed Forces to the minimum, as occurred in Costa Rica? Is this why you told the Argentine newspaper Página 12, that you “don’t reject the possibility” of establishing a “Truth Commission”—which would have as its clear intent the indictment of the Armed Forces for their successful war against Shining Path?*

The existence of a plot to annihilate the Armed Forces and nations of Ibero-America, is fully documented. The intent of this policy is to weaken, and eventually eliminate, the sovereign nation-state, so that there can be no obstacle to the economic and political globalization promoted by the major international financial centers. This globalization includes the policy of legalizing the drug trade, among other reasons, to be able to use the financial flows from that trade to shore up the insolvent international financial system.

4. *In view of your constant denunciations of corruption, doesn’t it bother you that one of the Peruvian institutions that gave you a scholarship to study at Harvard in the early 1990s, the Latin American Center for Business Consulting (CLAE), was taken over by the Peruvian government in May 1993 for financial fraud, and that it was discovered to be offering 250% interest rates based on “investments” in the so-called “informal sector”—that is, in the drug trade—according to numerous commentators?*

The CLAE went bankrupt after it had attracted some 160,000 depositors with its offers of super-high interest rates. CLAE director Carlos Manrique went on television to promise that the company’s activities were highly profitable, “although not exactly formal,” given that half of its “capital” had been invested in the “informal economy.” Some Lima journalists commented at the time that the CLAE’s high profits were the result of the fact that the dollar could be bought in the drug-trafficking center of Alto Huallaga at 1.30 soles, and sold in Lima at 1.90—in other words, drug money-laundering. It also turned out that among Manrique’s partners were individuals linked to Reynaldo Rodríguez López, the infamous drug trafficker of “Villacoca” fame.

5. *Doesn’t it bother you that your host at Harvard, the Harvard Institute for International Development (HIID), is also under investigation for corruption and fraud, in this case by the U.S. Department of Justice, such that the HIID will be officially closed down by the end of this year?*

The HIID, whose director in the mid-1990s was neo-liberal economist Jeffrey Sachs, carried out a Russia Project which involved advising the Russian government on privatizations. It turned out that these same advisers also happened to hold leading positions in various speculative funds, and that they personally benefitted from the dismantling of the Russian economy imposed by the International Monetary Fund and Sachs’s “Harvard Boys.” In 1997, the U.S. Agency for International Development cancelled its financing of HIID activities. And, in 1999, the U.S. Department of Justice opened up a formal investigation, which has not yet been concluded.

6. *Will you name Jeffrey Sachs as an economic adviser to your government, as your representative Luis Solari has stated? Do you share the anti-industrial and anti-national economic orientation of Sachs, including his explicit defense of the fact that his measures caused an increase in the drug trade in certain countries?*

Sachs became famous for the supposed success of his measures, when he advised the Bolivian government in the mid-1980s. But as he himself admitted: “To preserve fiscal balance, the government had to launch a brutal battle to reduce payrolls. . . . Many of these workers are still unem-

ployed . . . or have gone to the coca-growing region to find work.”

7. *Your professional training abroad was under one of the leading international advocates of the evil “deschooling” educational theories of Brazilian pedagogue Paulo Freire, who played a decisive role in the creation of Jacobin and narco-terrorist movements in Africa (e.g., Frelimo in Mozambique) and in Central America (e.g., the Sandinistas in Nicaragua). Will you apply these policies in Peru? Is not this orientation similar to the “indigenist anthropology” of Paris’s Sorbonne University, and its followers at Peru’s University of Huamanga, Peru, who laid the ideological and organizational basis for the creation and direction of the narco-terrorist Shining Path? Is this a subject into which you have delved with your companion, the indigenist anthropologist Eliane Karp? Is this what you have in mind when you and she suggest that you are the “New Inca,” thereby appealing to an Incan millenarianism which would rip Peru apart?*

You did your doctoral thesis at Stanford University in California, under the direction of Prof. Martin Carnoy, who in an interview with *EIR* said that he knows you “very, very well,” and that he could speak about the philosophy of a possible Toledo government. Carnoy views “Education as Cultural Imperialism” (the title of one of his books, cited by you in your thesis); believes that globalization requires the disappearance of the sovereign nation-state, and that a Toledo government would have to adapt itself to this reality: “You have to be attractive to foreign capital,” he explains.

In his preface to Paulo Freire’s book *Pedagogy of the Heart* (1997), Carnoy praises Freire as “the most important educator of the second half of this century.” The central tenet of Freire’s theory is “deschooling,” or how to impose a “minimal linguistic universe” on students. Freire himself explains how he put his mentiocidal theory into practice: “The literacy campaigns were under way at the same time as the war for liberation. An important highlight of this training was the emphasis on not dichotomizing the struggles for freedom and literacy.”

8. *Can you categorically state that you have never consumed marijuana, cocaine, heroin, or any other illegal drug?*

In a recent interview with the *Washington Post*, you reminisced about your days as a student at San Francisco State University in California in the late 1960s, and in the most infamous den of U.S. hippy drug addicts, Haight-Ashbury. The *Washington Post* reports: “‘Yea, man, I remember the Sixties in the Haight real well,’ he said in a fluent English, leaning back with a grin. ‘Those were great times, fun times.’”

9. *Since you have fully supported the seven conditions that the U.S. State Department has demanded of Peru as a condition for endorsing the coming Presidential elections, are you*

ready to ask of the United States that it provide the same electoral guarantees at home, in particular with respect to the constant violations committed against Democratic Presidential pre-candidate Lyndon H. LaRouche?

The LaRouche case has been widely documented, and formal complaints have been presented to the Organization for Security and Cooperation in Europe and to the Organization of American States. LaRouche has been illegally eliminated from the ballot in numerous states; he has been systematically denied access to the media; his supporters, as well as international observers who have travelled to the United States to document the violations, have been physically assaulted; etc. All of this documentation is at the disposal of your campaign, so that you may have the details you need to lodge your protest for this violation of democracy in the United States.

10. *Why do you think international organizations such as the Carter Center and the National Democratic Institute seek to overthrow President Fujimori and put you in the Peruvian Presidency, through such blatant intervention that it has triggered much opposition within the governments of the region?*

See the April 21, 2000 issue of *EIR* for documentation of this effort.

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