

Political Prisoners Murdered In Peru; Carter Behind Drive to Chileanize Continent

Exclusive to NSIPS

Dec 10 (NSIPS) — The Peruvian daily, *El Comercio* reported this morning that nine Peruvian political prisoners were shot in Lima after a bus returning to the Lurigancho prison “broke down” and the prisoners allegedly tried to escape. The Republican Guard, controlled directly by fascist Interior Minister Luis Cisneros, shot the prisoners. It is common under Latin American military dictatorships like Chile and Argentina for political prisoners to be shot in the back by police and prison guards who claim that they were trying to escape. Last week Cisneros’ State Security section tortured a 22 year old Peruvian student to death after arresting him on charges of “subversion.” Hundreds of labor leaders, students and leftists are presently detained on similar charges in Peru.

NSIPS Director To Come To Trial

Today’s atrocity follows the announcement two days ago that NSIPS Peruvian director Luis Vasquez, jailed illegally for 52 days, will be brought before the Judge of the Second Judicial Zone’s war tribunal early next week. Vasquez will be charged with “violation of national symbols” and violation of the press law, also with being the “intellectual author” of various NSIPS international press releases detailing International Monetary Fund austerity and coup plans for Peru. In addition to

charging Vasquez, the judge can order the arrest of all NSIPS staffers in Lima who have been cited as collaborators in the alleged crimes.

This escalation in the drive to Chileanize Peru has been directed from Wall Street by Rockefeller-controlled New York banks including First National City Bank and Morgan Guaranty Trust, whose directors are the financial backers and policy makers for Jimmy Carter. For six months, Morgan has led a consortium of banks demanding that the Peruvian junta drastically cut living standards, and impose harsh austerity — dismantle the progressive Peruvian Revolution — to meet requirements for loans. The right-wing faction of the Peruvian military, Wall Street’s “Occupation Army” has steadily stepped up repression against the population and any organized union resistance to enforce this austerity, with the ultimate aim of carrying out a Chile coup.

Jimmy Carter’s direct involvement in determining this policy for Peru, and for all of Latin America, occurs through Paul Austin, one of his leading financial backers. Austin, a member of the Trilateral Commission and Chairman of the Board of Trustees of the Rand Corporation, is Director of Morgan Guaranty and thus dictates his and Carter’s orders to the Peruvian fascists. The scenario for a Second War of the Pacific between Chile, Peru and Bolivia, an integral aspect of Carter’s Latin American policy, was devised by the Rand Corporation.

Peru-Ecuador Border Tensions Could Spark War of Pacific

Exclusive to NSIPS

Dec. 10 (NSIPS) — The military crisis wracking the entire western littoral of South America has taken a turn for the worse with the dramatic breakdown of relations between Peru and its northern neighbor Ecuador, occurring simultaneously with a new heightening of tensions between Peru and Chile.

The stepped-up conflict areas on both Peru’s northern and southern flanks are viewed as an ominous portent that a replay of the 1879 Peru-Chile “War of the Pacific” catastrophe is on the agenda; while such pro-Carter U.S. press as the New York Times have signaled that Carter’s

backers see the build-up as ample pretext for intervention to impose “Pax Americana” on this entire region.

The hardening of Peru-Ecuador relations was confirmed last night in terse communique from the Foreign Ministries of both countries, announcing that a brief visit by Peruvian President Francisco Morales Bermudez to Ecuador had been cancelled due to “failure to agree on an agenda of questions to be discussed.” The unresolved questions apparently involve Ecuador’s insistence on recovering oil-rich jungle areas which Peru took from Ecuador after a short war over three decades

ago. Over the past several months, the long-settled border question has been fanned into a flaming issue by U.S.-linked right-wing chauvinist elements on both sides, as a means to block reforming, progressive potentials in the two countries' military regimes.

The hardening of relations between Peru and Ecuador was revealed last night in terse comuniques from the Foreign Ministries of both countries which announced that Peruvian President Francisco Morales Bermudez' short visit to Ecuador had been cancelled because of "failure to agree on an agenda of questions to be discussed." The problem is evidently Ecuadorian insistence on recovering oil-rich jungle areas which Peru took from Ecuador after a short war in the 1940s. Right-wing chauvinist military elements in Ecuador and their counterparts in the Peruvian Navy and Peruvian Army Genral Gonzalo Briceno have fanned up the long-resolved border question over the last few months to facilitate their wiping out the progressive reformist potentials of the military regimes of the two countries.

At the other end of Peru, rapidly escalating tensions with Chile over the still unresolved Bolivian petition for access to the Pacific Ocean have accentuated the grave danger of an armed conflict between the two nations. The New York Times on Dec. 9 cited Bolivian "concern over what it regards as the possibility of a Peruvian-Chilean war," and reported that Bolivia has asked the U.S., Brazil, Argentina, and Venezuela to guarantee Bolivian neutrality in the event of a repetition of the 1879-83 War of the Pacific.

The trigger for this latest, and hottest, flare-up between the two countries was the late November mutual rejection by Peru and Chile of each other's proposals for a Bolivian corridor to the sea. Both are now set on a collision course, and—for the first time in generations--

mobilizing their populations behind their respective positions.

At least six major Peruvian unions and popular organizations have gotten sucked into publically supporting Peru's proposal, which the Chileans regard as a provocation. On the Chilean side, *El Mercurio*, the semi-official press organ of the Pinochet junta, published in its Dec. 5 edition three full pages of "man-in-the-street" interviews which unanimously condemned Peru's proposal for trinational authority over the Chilean port of Arica.

Pinochet himself put teeth into Chile's determination not to relinquish control over Arica by traveling there Dec. 3 and declaring the city a "free port." Pinochet stressed that the city was of great "strategic" and "geopolitical" importance as a seaport not only for Bolivia and Peru, but also for Paraguay and southwestern Brazil.

In addition to undercutting the Andean Pact by facilitating massive smuggling of duty-free goods into Peru and Bolivia, Pinochet's "free port" strategy sets the basis for defining the entire dispute as a "continental" problem requiring outside intervention.

The New York Times of Nov. 23 has already urged that escalated U.S. intervention in "negotiating a halt to the arms race in the Andes...ought to be a priority for the Carter Administration." Ironically, legal pretext for Carter to impose U.S. dictates on the region could be provided by the same 1929 Treaty settling the first War of the Pacific — upon which the Peruvians found their claims to rights in Arica. The 12th article of the 1929 Treaty states: "In case the Governments of Peru and Chile are not in agreement with the interpretation given to each of the points of this treaty and despite their good will cannot reach an agreement, the President of the United States will decide the controversy."

Mexico: "Big Mac" Under Discussion

Dec. 9 (NSIPS) — There were increasing indications this week that Mexican planners are considering a "Big MAC" scheme for Mexico. Exactly as in New York's Municipal Assistance Corporation model, there would be consolidation and some re-negotiation of debt in exchange for stringent austerity measures and increasing creditor oversight of finances.

This possibility has arisen from a "crisis" climate around Mexico's \$28 billion foreign debt that has developed in recent weeks. Liberal circles as well as conservative business groups have inveighed against the evils of "further indebtedness." starting Dec. 4, the national daily *Excelsior* began printing a series of articles on the foreign debt and revealed that a Wall Street bail-out offer in September was rejected by then-president Luis Echeverria Alvarez.

Manuel Gaudiano, head of the Mexican Chambers of Commerce, called Dec. 6 for "debt reorganization" in response to the *Excelsior* revelations. The next day the *Journal of Commerce* in New York reported the

government development bank, NAFINSA, already anticipated short-term restructuring of debt.

The content of the renegotiation proposal was most clearly presented in an *El Día* column Dec. 8 (see below). Mexico, by accepting austerity and promoting accelerated exporting, would pay what it could of immediate obligations; the rest would be restructured.

The alternative method of closing Mexico's payments gap, still the general preference of New York circles reached by NSIPS this week, would be through direct granting of roll-over loans that would further jack up Mexico's overall indebtedness.

With or without a "renegotiation," all signs point to more rapid export of Mexico's oil — primarily to the U.S., according to confidential Washington memos political maneuvering room to sell the "belt-tightening" a key ingredient of debt repayment plans.

The particular appeal of a Big MAC for newly installed president José López Portillo derives from his need to satisfy Wall Street and IMF austerity demands, while