

Peruvians Reject Toledo, George Soros' Inca Slave

by Sara Madueño

Never before in the 180 years of Peru's republican history, has any President faced such repudiation by his own people as Alejandro Toledo. With a minuscule 7% approval rate for his administration—among the poorest population strata, it is between 2% and 5%!—an unprecedented 93% of the population is demanding that he either abandon the Presidency, advance the elections, or provide some other solution; given this and his own moral and executive incapacities, this Inca slave of the International Monetary Fund (IMF) and of mega-speculator George Soros is now facing the long-anticipated end of his mandate, and a future in the dustbin of history.

Although Toledo and his supporters and mentors attribute the calamity afflicting his regime to a “mere” institutional crisis and to the recent corruption scandals which have tainted Toledo's closest collaborators and political partners, including himself, the reality is that what is feeding the population's rage is his unconditional submission to the unadorned free-market neo-liberalism of the IMF, which has insisted on brutal austerity, to the point that poverty indices have soared. According to *official* statistics, 54.3% of the Peruvian population were living in poverty in 2002, twelve percent higher than five years before. At present, that figure tops 61%.

Although this eclipse of Toledo's Presidency cannot be viewed outside the context of what is happening to other Presidents of the region—such as Jamil Mahuad of Ecuador, Fernando de la Rúa of Argentina, and Gonzalo Sánchez de Lozada of Bolivia, all of whom were forced to resign by their own people's rejection of their servility to the free-market vultures—Toledo's problems represent a true stumbling block for the one-worldist financier oligarchs, who cannot comprehend that there exist nations which will not submit to

their colonial designs. Indeed, Toledo, the President whom the world's leading drug legalizer George Soros bought for a mere \$1 million—according to both their admissions—symbolizes the last card in the hand of those international bankers who have attempted to demonstrate the “benefits” of IMF genocide by presenting Peru as an example of the new economic miracle of “growth without jobs.”

While Toledo was boasting to his banker sponsors that the Peruvian economy showed “macro-figures of a 4% increase in the GNP” in 2003, poverty increased, unemployment increased, factories failed, and wages dropped.

Toledo's demise is, in effect, the result of a kind of national rejection of the IMF. The coincidence between that, and the patriotic determination of Argentine President Néstor Kirchner to call a halt to bankers' usury and IMF genocide against his people, could have unforeseen consequences across the continent.

Reactions by the banks and emissaries of one-worldism have not been long in coming. In mid-February, Organization of the American States (OAS) Secretary General César Gaviria beat his chest in public, declaring a “defense of democracy” in Peru, and giving “his full support” to this morally illegitimate President. U.S. Ambassador James Curtis declared that “the Democratic Charter of the OAS” and the “rules of the game” needed to be respected.

Two other pathetic servants of imperialism, scribbler Mario Vargas Llosa and former UN Secretary General Javier Péerez de Cuellar, raised themselves from their political tombs in mid-February to appeal for “a defense of democracy” in Peru. That appeal provided the choral support for Soros to present his partner and intimate, the already once-

rejected Wall Street banker Pedro Pablo Kuczynski (or “PPK” as he is known) for his second round in the Finance Ministry. Immediately, the well-trained former President Alan García came forward to offer his support, offering his services as a future President at the disposal of the IMF and of globalism.

But Kuczynski is not just the hidden card up the sleeve of synarchist one-worldism to bring Peru to its knees. He is also the hidden card of narco-terrorism, in various of its forms. Indeed, the Shining Path narco-terrorists have already announced their return, through a report released by the British Broadcasting Corp. (BBC).

Kuczynski at the Helm

The return of Kuczynski, one of Soros’ creatures and totally identified with international financial interests, is the clear message of global banking and the IMF that, with or without Toledo, they will not allow any change in economic policy in Peru. By imposing Kuczynski, Toledo has not only ignored the attacks on his economic policy; he has handed the whole store over to Soros’ man. Kuczynski would not have accepted the post of Finance Minister without Toledo’s pledge to give him total autonomy—autonomy that he did not have when he was last Finance Minister, when he had to abandon his efforts to privatize the electrical companies Egasa and Egesur in Arequipa province. He then resigned, pressured by a general strike of the population of Arequipa.

Given this precedent, the nomination of Kuczynski, far

from offering a truce, promises still greater friction and could precipitate Toledo’s final demise. For example, one headline in the Lima press blared “PPK: Agent of Chile and the IMF,” and “Toledo puts his foot in it once again. [PPK’s] nomination, as a U.S. citizen who can’t even speak Spanish well, is a provocation.”

Barely after he had taken office, Kuczynski revealed the true purpose for which he has been called into action. Pretending that he is there to administer a local crisis rather than the collapse of the world economy, he read from his script, urging people to “be calm,” and predicting a recovery of the Peruvian economy along the lines of the mythical “recovery the U.S. economy is experiencing.” To give content to this farce, Alan García and Toledo faithfully repeated the same lie.

The levels of poverty and unemployment, of desperation and frustration by the majority of Peruvians, foreshadow a social explosion of unpredictable consequences. In the past few months, strikes and demonstrations have become a daily part of urban life. In early February, Lima faced a strike of public transportation, which paralyzed the city. Strikes and work stoppages in the agrarian sector are constant. Also in February, national strikes by cargo transport and port workers were announced, along with a national strike and mobilizations by the entire health sector, as well as the General Federation of Peruvian Workers (CGTP). Thirteen regional branches of the CGTP are planning mobilizations for March, demanding an emergency government, and others are announced for

The Decline of Soros’ Presidents

Alejandro Toledo came to the Peruvian Presidency in 2000 by virtue of \$1 million that had been donated to his campaign by drug legalizer and international speculator George Soros. As *EIR* has documented in this publication, and in our Special Report *The Ugly Truth About George Soros* (1997), it was with aid of this money that the blatantly interventionist maneuvers of the U.S. State Department and Organization of American States succeeded in bringing about the coup d’état against then-President Alberto Fujimori.

Toledo headed up the “Four Corners March” which Soros financed, waving the hypocritical banners of one-worldism: the “fight against corruption”; the “defense of democracy”; and “the defense of human rights.” It is no small irony that those same masses who acclaimed Toledo then—the base groups of his political party Peru Possible

(PP)—are today organizing a re-run of those marches, but this time to oust Toledo from the Presidency.

Toledo’s fate is the mirror in which all those Presidents who sell and destroy their nations on the dictates of the free market, must see themselves. Indeed, Toledo’s copy in Mexico, former Foreign Minister Jorge Castañeda, with whom Soros planned to inaugurate a “Mexico Possible” political party that would take Castañeda to the Presidency of that country, had better beware. The same applies to the new government of the Republic of Georgia, if it does not want to follow in Toledo’s footsteps. Georgia must reject the “fund” that Soros promoted at the recent gathering of the World Economic Forum at Davos, Switzerland, a fund supposedly to “pay the wages of public employees” and to “avoid corruption” in the country, and so on.

The same warning is equally valid for those U.S. Presidential candidates of the Democratic Party whom Soros would buy with multimillion-dollar “contributions” to their campaigns. Soros gives his donations to the Democratic Party, for the favorites of the synarchist bankers on the “left,” in hopes of thereby raising a containment wall against Lyndon LaRouche’s Presidential campaign.

the agricultural sector. In every case, the strikes and demonstrations are in explicit rejection of IMF economic policy, and against corruption.

This social upheaval, combined with the resurgence of narco-terrorism in its different aspects, including that of Shining Path, the mobilizations announced by the Coca-Growers Front, and the increase in urban violence, paints a truly Dantesque social panorama of the Inferno for the period immediately ahead.

Narco-Terrorists Ready Their Comeback

But while the population—untouched by the government's "macro growth"—struggles for its daily survival, Toledo is executing, with apparent success, a plot to destroy the Armed Forces by subjecting them to financial "re-engineering" demanded by IMF budget adjustment. The military has been put into the dock of the accused, to answer for supposed violations of the human rights of the narco-terrorists committed while they were in the midst of a war declared against the Peruvian nation by those same terrorists.

In compliance with the campaigns orchestrated by the Soros-funded NGOs such as Human Rights Watch and the Andean Commission of Jurists (whose ex-president, Diego García Sayán, was in Toledo's Cabinet), Toledo promoted the so-called "Truth Commission," which first overturned the findings of the military courts made during the war on narco-terrorism, and then began releasing from prison nearly 2,000 individuals convicted of terrorism. Thus, Toledo has prepared the ground for the return of Shining Path's terrorist hordes, among others.

On Jan. 18, the political program "Fourth Power" of América TV broadcast a report transmitted by London's BBC, in which a rejuvenated Shining Path was displayed, with the interview of Shining Path leader "Comrade Artemio," who, with a bandana covering his face and in the company of a group of armed terrorists, described Shining Path's appeal to the Toledo government for "dialogue," under the condition that the terrorists be granted the status of a political party. Shining Path, said Artemio, has given the government "a deadline of 60 days to respond," according to the report. Otherwise, he warned, Shining Path would opt for "total war," for which, he said, they are well-prepared and well-armed. The bloodthirsty Artemio, who gave BBC the interview "from some place in the Peruvian jungle," also spoke of Shining Path's closeness to the coca-growers' movement, "whose fight we support and consider just."

The well-financed Peruvian coca-growers, who had threatened to march on Lima to demand a suspension of the crop-substitution program and legalization of their drug crops, have taken a step back . . . for the movement. According to the local press, their "national congress," scheduled to be held Feb. 18 "some place in Lima," has been repeatedly cancelled.

Peru: The IMF Miracle Of 'Growth Without Jobs'

by Sara Madueño

Anyone who still doubts that the rejection of President Alejandro Toledo by 93% of the Peruvian population is a rejection of the International Monetary Fund, should consider the following evidence.

Take the following two statements: "The IMF believes that the Peruvian economy is doing so well that it doesn't need a doctor by its side"; and: "Our economy, today, is where it was 33 years ago." Both statements, the one apparently contradicting the other, were made by the same speaker, at the same presentation, entitled "The Current Economic Crossroads: Challenges and Possibilities," given Oct. 3, 2002 by Toledo's then-Finance Minister and current head of the Central Reserve Bank, Javier Silva Ruete. The first statement was made when he was describing, euphorically, how well the "macro-statistics" of the Peruvian economy were progressing; the second, when he reported that the per-capita GNP for 2002 was at the same level as that of 1966.

The obvious question is: How can Peru appear to be doing so well, if its economy is at the same level as 33 years ago? One doesn't need to be a doctor to identify a severe state of schizophrenia, all too characteristic of the mental state of free-marketeers who separate economics from morality.

A high-level official of the Finance Ministry explained to the press why Silva Ruete insisted that the IMF believes the Peruvian economy is doing so well. "Every year, under previous governments, there has been a fiscal deficit of between 4-5% of the GNP, and today it is at the same level. The difference is that now, we are rigorously complying with IMF goals with regard to payment of our foreign debts. There is no fiscal waste: Public investment related to investment expenses, expenses which involve studies and investment projects, have fallen to 2.8% of the GNP in 2003."

What they like best is the payments on the foreign debt, and the benefits to the banks. In 2003, Peru had to pay \$3 billion in annual debt-service costs on a foreign debt of \$27 billion. And while the Peruvian GNP grew by 4% in 2003, the profits to banks in Peru that year grew 30%.

'Growth Without Jobs'

Toledo made it to the Presidency under the slogan, "Toledo, More Work." However, not only has he *not* created more jobs, but he has eliminated sources of employment by

throwing open the Peruvian market to the mass importing of Asian products, at prices with which national producers are unable to compete. This has predictably led to the forced bankruptcy of more than 6,000 companies—in both the formal and informal sectors of the economy—over the past two years, with the consequent loss of jobs.

Take just one example: According to the president of the National Union of Textile Companies, in 2003 alone, 40,000 jobs were lost in this sector, due to the influx of cheaply-produced clothing from China.

Take another example: In the past five years, 300 shoe factories have shut down, with loss of 15,000 jobs. Of the 11,000 shoe factories that existed in Peru nationwide in the 1970s, only 2,700 still operate today, and these are working at 40% of installed capacity. In December of 2003, employment in this sector fell 4.1% with respect to December 2002.

It is estimated that to absorb new workers entering the labor force at a rate of 3% a year, an economic growth rate of 6-8% a year would be required. Productivity indices in 2002 fell to 1996 levels. Regarding the quality of employment, 32% of the economically-active population (EAP) with a university education is paid less than one dollar per hour. And purchasing power in 2002 was one-third of what it was in the 1970s.

Only 19.2% of the EAP are protected by labor legislation in Peru. From 1995-2002, wage-earners paying into the Federal health system decreased from 6 million to 2.5 million; the rest of Peru's 27 million inhabitants have no medical insurance.

Toledo has not only managed to raise the country's poverty indices, but has managed to turn Peru's poor into the the desperately poor. According to guidelines established by the World Bank to measure levels of poverty in Ibero-America, those who live on less than a dollar a day fall into the category of the "extreme poor." Those classified as merely "poor" are those who live on less than two dollars a day. According to these guidelines, 65% of Peru's rural population is living in poverty, while 25% fall below the line of the "extreme poor." Over one-third of Peru's population lives in rural areas, and of these, 70% have no electricity and 65% have no potable water.

But according to the statistics compiled by Peru's own National Institute of Statistics (INEI) for 2002, 54.3% of the Peruvian population lived in poverty, and this percent rose to 77.1% in the rural sector. Some 23.9% of the population are in the category of "extreme poverty"—nearly one-fourth of Peru's total population. This percentage increases to 50.3% in the rural sector.

Unofficial estimates for 2003 indicate that the percentage of the Peruvian population living in poverty has risen to 61%. That is, during the two-and-a-half years of his administration, Toledo has managed to increase the level of poverty by the end of 2003 by 17 percentage points over 1997 figures.

Imitating the Chinese 'Dagongmai'

In this country of hungry people, one of the most successful export sectors, after mining, is agricultural production, which contributes 9% to the GNP. But consider what the president of the Congress' Economics Commission, Luis Solari, recently revealed: "In Peru, 58.2% of the country's productive lands still use the *taclla*, a pre-Hispanic plow which digs furrows by the power of the farmers' feet." In other words, what is exported along with agricultural products is the life essence of Peru's peasant farmers.

Other still-surviving productive companies in Peru are faring no better than the agricultural sector; the majority of them are either bankrupt, or on the edge of bankruptcy. They have been forced, in order to survive, to imitate the slave labor camps of the Chinese "*dogonmai*," where 14-18 hour work days, wages of \$30 a month, and no social benefits have "increased the competitiveness" of their export products, by sucking the very lifeblood out of the workers who produce them.

This is the model of the "opening" and of "increased competitiveness" which lies behind the alleged success story of Peru's increased exports. It is also the model behind the Free Trade Area of the Americas (FTAA) which Bush is trying to sell to the countries of the Hemisphere.

The only sector using modern technology—to improve the efficiency of its looting—is the mining sector. But the exports of this sector represent 51.1% of all Peruvian exports, while only providing 1% of the jobs. And this sector operates as a plundering enclave for export.

The case of the Yanacocha gold company, the leading gold company in Ibero-America, is illustrative. Located in the province of Cajamarca in northern Peru, Yanacocha is a looting operation, which yields no wealth for the country. Its output proves useful only for inflating Toledo's beloved "macro figures." As the population in the area has repeatedly charged, the multinational company to which the Peruvian state has "granted a concession" (looting rights), not only invests nothing in any kind of infrastructure in the area, but actually ravages the province.

It should come as no surprise that the leading shareholder of Yanacocha, through Newmont, is Toledo's personal patron, the world-class megaspeculator George Soros himself.

★ LAROCHE IN 2004 ★

www.larouchein2004.com

Paid for by LaRouche in 2004.