

Behind the War on Peru: Wall Street's Drive for Limited Sovereignty

by Gretchen Small

The fiercest battle over the character and structure of relations between the nations of the Americas since the 1982 Malvinas War, is now, as we go to press, set to occur during the annual three-day General Assembly of the Organization of American States (OAS) which opens June 4 in Windsor, Ontario. The orders have gone out from Wall Street, that this year, in this Assembly, the OAS member-states must approve a resolution empowering the OAS to carry out so-called "preventive diplomacy." In other words, it is demanded that the nations of the Americas formally codify limited sovereignty as law in the region, now.

"Preventive diplomacy" would authorize the OAS to intervene into any American nation, without the permission of that nation, should the powers-that-be declare that a threat to the "rule of law" and global world order *might* develop, in the future, in that nation. Should that be adopted, the OAS, a body created after World War II as the principal forum for relations between these sovereign nations, would thereby be transformed into a de facto supranational government, answering not to the desires of its member-states, but to the global financial powers which are behind the drive for its adoption.

When the "preventive diplomacy" mechanism was first proposed by the United States at last year's OAS General Assembly, it was shot down, and fiercely, by an overwhelming majority of the member-states. Only the British Crown Colony of Canada and poor Argentina, run by the Anglo-American occupation powers since its defeat in 1982, supported the U.S. initiative.

Wall Street has ordered that this year, the measure must pass. Peter Romero, head of Inter-American Affairs at the U.S. State Department, told reporters during a May 18-19 New York Council on Foreign Relations (CFR) conference on Ibero-America, that it is "imperative" that "preventive diplomacy" be adopted at this year's General Assembly meeting. OAS Resolution 1080, the so-called Democracy Clause which the United States and Canada today seek to activate against Peru, permits a "collective defense" of democracy only after a crisis has erupted, Romero told the *Miami Herald's* Andres Oppenheimer. "We can't wait that long."

The pretext given for the urgency, is Peru's refusal to accept OAS dictate over its Presidential elections.

That this is but a pretext for the much bloodier objective of destroying the Ibero-American nations in endless, expanding narco-terrorist wars, was exposed in a most stunning declaration made by the U.S. National Security director for Inter-American Affairs, Arturo Valenzuela, shortly after his nomination to that post nearly a year ago. The *Washington Times* reported on July 20, 1999, that in his first briefing to reporters as a National Security Council official, Valenzuela adamantly defended the proposed "preventive diplomacy" statute. Had "such a mechanism been in place at the time, it might have prevented President Alberto Fujimori's 'autogolpe' [self-coup] that extended his own powers while curbing those of the Peruvian Congress," he argued.

What Valenzuela attacks as a "self-coup," are the emergency measures which President Fujimori took in 1992, to put Peru on a war footing, such that it could defeat the Shining Path narco-terrorists, which at that time threatened to overwhelm even the nation's capital. Fujimori's measures—as Valenzuela is fully aware—saved Peru's democracy, and Peruvian lives, by mobilizing the Armed Forces to crush the insurgency, and restore peace, within a remarkably short period of time.

Valenzuela is arguing nothing less than that, had the preventive diplomacy mechanism been operative in 1992, Shining Path could have been saved by an intervention by the "international community"! The implications of Valenzuela's declaration for Colombia and the other Andean nations under assault by narco-terrorists today, are clear.

The 'Grasso Abrazo' Team

That it is Wall Street and its London masters that are behind this drive, was driven home at the CFR's May 18-19 "Latin America: Sustaining Economic and Political Reform" conference. Some 200 Wall Street sharks, non-governmental organization operatives, multinational corporation executives, and their political water boys in the United States and Ibero-America (Valenzuela among them), there discussed how to head off the rebellion brewing in Ibero-America against globalization's destruction of national sovereignty.

Wall Street fears that somebody in the region, at any moment, may kick over the chessboard, triggering a chain reaction which could disintegrate the political and psychological controls which have transformed the once proud Ibero-American nations into some of the most servile proponents of globalization over the past decade.

At the top of the CFR's list of "threats" to the system, was Peru's recalcitrant Fujimori government. The CFR conference was co-chaired by César Gaviria, Secretary General of the OAS, which is being used to run the war against Peru, and Thomas "Mack" McLarty, Clinton's former Special Envoy to the Americas who has joined Henry Kissinger's team as Vice Chairman of Kissinger McLarty Associates. According to the CFR, McLarty "summariz[ed] the conference find-

ings," when he told conference participants "that anything less than a transparent free and fair election in Peru would be a 'serious, serious mistake, and a setback for democracy in the region.' "

The press release issued by the CFR at the conference's conclusion, threatened every country in the region: Either they join the campaign against Peru, and make concessions demanded by the financiers, or capital will flee. "The time is ripe for continuing serious reforms, but the hemisphere is now being plagued by a stultifying complacency," the CFR's release intones. "Democracy itself is once again under threat. . . . Without vigorous political support for the next phase of reforms, participants warned, Latin America's economies would be susceptible to renewed global financial instability."

Another Third-Term President: FDR

Franklin D. Roosevelt's campaign for an unprecedented third term as the President of the United States was opposed by some in his day. In a speech to the Democratic National Convention on July 19, 1940, Roosevelt explained his reasons. Editorial comments are in brackets:

. . . Because there are self-appointed commentators and interpreters who will seek to misinterpret or question motives, I . . . must trust to the good faith and common sense of the American people to accept my own good faith—and do their own interpreting.

When, in 1936, I was chosen by the voters for a second time as President, it was my firm intention to turn over the responsibilities of government to other hands at the end of my term. . . .

[In view of world war breaking out,] it was my clear duty, with the aid of the Congress . . . to shape our program of defense, to meet rapid changes . . . and to sustain the policy of the Good Neighbor [the policy stressing U.S. support for the perfect sovereignty of Latin American countries, as opposed to the imperial policy of interference].

It was also my obvious duty to . . . sustain by all legal means those governments threatened by those other governments which had rejected the principles of democracy [like the narco-terrorists today]. . . .

National unity in the United States became a crying essential in the face of the development of unbelievable types of espionage and international treachery. . . .

Nearly every American is willing to do his share or her share to defend the United States. It is neither just nor efficient to permit that task to fall upon any one section or any one group. For every section and every group depend for their existence upon the survival of the nation as a whole. . . .

In times like these—in times of great tension, of great crisis—the compass of the world narrows to a single fact. . . . It is not an ordinary war. It is a revolution imposed by force of arms, which threatens all men everywhere. It is a revolution which proposes not to set men free but to reduce them to slavery. . . .

The omnipotent rulers of the greater part of modern Europe have guaranteed efficiency, and work, and a type of security.

But the slaves who built the pyramids for the glory of the dictator pharaohs of Egypt had that kind of security. . . .

So did the inhabitants of that world which extended from Britain to Persia under the undisputed rule of the proconsuls sent out from Rome.

So did the henchmen, the tradesmen, the mercenaries, and the slaves of the feudal system which dominated Europe a thousand years ago. . . .

Democracy can thrive only when it enlists the devotion of those whom Lincoln called the common people. Democracy can hold that devotion only when it adequately respects their dignity by so ordering society as to assure to the masses of men and women reasonable security and hope for themselves and for their children. . . .

The American people must decide whether these things are worth making sacrifices of money, of energy, and of self. They will not decide by listening to mere words or by reading mere pledges, interpretations, and claims. They will decide on the record—the record as it has been made, the record of things as they are. . . .

According to media reports, the priority measure discussed to secure the “next phase of reforms,” was the aforementioned “preventive diplomacy.”

The CFR was set up in the 1920s as a sister institution to London’s Royal Institute for International Affairs (also known as Chatham House), and it functions as the premier policy center for Wall Street. Footing the bill for the conference were Deutsche Bank, J.P. Morgan, Merrill Lynch & Co., the Schlumberger Foundation, Inc., Continental Airlines, Banco Santander Central Hispano, Venezuela’s Banco Mercantil, and Violy, Byorum & Partners, LLC.

The role of the latter investment firm, while less known, takes us straight back to the drug legalization mafia. Violy, Byorum & Partners arranged what has gone down in history as the “Grasso *abrazo*”: New York Stock Exchange president Richard Grasso’s infamous embrace of the head of finances for Colombia’s bestial FARC narco-terrorist cartel, during his June 1999 visit to the FARC “Coca Republic” in the south of Colombia. The founder and lead partner of Violy, Byorum & Partners, Violy McCausland, put together the 13-member “Millennium Group,” which promised to finance Colombian President Andrés Pastrana’s peace deal with the FARC cartel. Grasso is a leading member of the Millennium Group, as is America Online honcho Jim Kimsey, who, during his March 2000 visit to the Coca Republic, proudly exchanged caps with FARC chief Manuel Marulanda. So, too, is Joseph Robert, the U.S. real estate mogul who accompanied Kimsey on his visit to the FARC command center.

Einaudi’s Baby

The architect of the “preventive diplomacy” gambit is Luigi Einaudi, the arrogant thug who, as George Bush’s Ambassador to the OAS during 1989-93, orchestrated the adoption of Resolution 1080, the first “democracy clause,” by the 1991 OAS General Assembly in Santiago, Chile. Brought into the State Department on Kissinger’s watch, Einaudi ran Policy Planning for the Americas at State for 25 years. Today, he operates out of the Inter-American Dialogue. Throughout his career, his obsession has been to replace “the protective veils of non-intervention, of the sovereign equality of states and of representatives,” with regional government.

The premises of his “preventive diplomacy” project were laid out in two speeches delivered in Washington, D.C. on May 12, 1999. The first, was given by then-U.S. Ambassador to the OAS Victor Marrero to the OAS Permanent Council. The second, was testimony on “The Common Defense of Democracy in the Americas,” delivered by Einaudi to a hearing on “Democracy and the Rule of Law” by the Senate Foreign Relations Committee’s Subcommittee on the Western Hemisphere, Peace Corps, Narcotics, and Terrorism. The overlap between the speeches was not accidental; Einaudi had reviewed Marrero’s speech before it was delivered.

Ambassador Marrero unveiled the proposed text of the so-called “Strengthening Representative Democracy” Resolution that was later presented to the General Assembly in June, arguing that Resolution 1080, which mandates an automatic supranational intervention mechanism should the OAS Foreign Ministers decide there has been an “interruption of constitutional order” in any country, was inadequate. The OAS must be empowered to address “a potential threat to representative democracy,” he argued, by providing the OAS Secretary General with three new “tools”: a fact-finding or information-gathering capacity (i.e., an OAS intelligence service); an expert, or “special envoy” service; and mechanisms for OAS “good offices.” Unlike 1080, the proposed new resolution would require no general agreement from OAS member-states to be activated, but rather could be set in motion by the OAS Secretary General, or any state which considered itself “affected” by the “potential threat.”

Marrero attacked sovereignty directly, declaring: “While the [OAS] Charter enshrines the principle of non-intervention in internal affairs, and guarantees each member-state the right to choose the form of political and economic governance it deems most suitable, these principles should not be invoked to override or contravene the duty of any member-states’ government to adhere to representative democracy.”

On May 28, reviewing the revival of the “preventive diplomacy” drive, Brazil’s *O Estado de São Paulo* reminded its readers why most of the countries had rejected it the year before. While Mexicans worried that under the vague but all-encompassing language of the proposed resolution, the guerrilla operation in Chiapas, Mexico could be designated a potential threat to democracy, “requiring” multilateral intervention, Brazilians feared equal arguments could be made about the Amazon. When political negotiation fails, governments “feared that the U.S. would use the body to justify a military intervention into the region . . . in the same way as the United Nations was used to send troops to Iraq and the former Yugoslavia,” *O Estado* wrote.

Einaudi’s May 12 testimony made clear that these concerns are not unwarranted. New “uncertainties” pose new, non-traditional threats to democracy, which require that “a new regional security architecture” be agreed upon, he asserted, which must create a regional capability to enforce “democracy and the rule of law.” He proposed that the Inter-American Defense Board (IADB)—currently a consultative body, staffed by military officers posted to the IADB strictly as representatives of their nations—be transformed into the military arm of the OAS, which could “facilitate military support for conflict avoidance, and activities ranging from disaster relief to de-mining.”

Of the several examples he cited of the new threats to the “rule of law” in the Americas requiring “preventive” action, one repeatedly emphasized was the alleged “authoritarian” tendencies of President Fujimori’s Peru.

Once Again, the Inter-American Dialogue

Turning the OAS into a supranational government has been the hobby-horse of Einaudi's current employer, the Inter-American Dialogue, for almost as long as that body has pushed for the legalization of drugs. The Dialogue was set up by the leading lights of the Anglo-American establishment in 1982 to secure their control over the Americas, which had been shattered by the combination of Great Britain's Malvinas War against Argentina and the outbreak of the great debt crisis. In 1986, it launched its big drive for the legalization of drugs, arguing that the "substantial foreign exchange" from the drug trade was needed to pay the foreign debts. That same year, it set up a task force to prepare the take-down of the national militaries of the region.

In May 1995, the IAD pulled together a Study Group on multilateral "governance," made up of 14 "scholars and practitioners." They met formally six times, with a final meeting in February 1997. Their conclusions were published in April, under the title *The Inter-American Agenda and Multilateral Governance: The Organization of American States*. It proposes basic reforms and changes needed for "effective regional governance," restructuring the OAS such that it has increased governmental powers in all areas—economic, social, military, and political—as soon as possible.

In essence, the project is the continuation of the "Redefining Sovereignty" project begun by the Dialogue under Richard Feinberg. The Dialogue had announced in 1992 that it was preparing to publish a book under that title, but the project was quickly buried for all public discussion when it became too hot, politically. As the then-co-vice chair of the Dialogue, Rodrigo Botero, admitted in a December 1992 press conference, it is "difficult for any government to endorse a statement that national sovereignty has disappeared." But governments were induced to accept the principle that there are "limits to sovereignty," when they adopted Resolution 1080, he said. "That's what is behind the term, collective defense of democracy."

The Dialogue adopted the terminology of "multilateralism," and used "regional governance" instead of regional *government*, for the same reason that Dame Margaret Meade argued in the 1970s, that the drug legalization lobby should speak of "decriminalization," because people who could not accept drug legalization, could be made to accept the less emotionally charged term "decriminalization." Despite the unintelligible globaloney gobbledygook style employed (for example, "a region-wide governance pattern pyramiding up to the 'central hub' concept"), the task force's final report derides sovereignty as a "symbol" to be abandoned: "Multilateralism . . . clashes directly with the notion of sovereignty and the desire of nations to control their own destiny and to have a free hand to do so. . . . Rising nationalism and appeals to sovereignty are in some sense a reaction to the driving forces of interdependence, globalization, and technological

change. Nationalism and sovereignty have become comforting established symbols—something to cling to against the disturbing forces of change."

And so we arrive back where we started: the project to overthrow Peru's President Fujimori. The Dialogue report revealed that the project to turn the OAS into a regional government is well-advanced from the standpoint of plans, if not political acceptance, and that that planning has been centered at the OAS, under Colombia's Gaviria, who was elected Secretary General in 1994, with the public sponsorship of Einaudi. The Dialogue task force picked up and elaborated on several of the studies prepared by Gaviria's OAS.

Serving on the Inter-American Dialogue's "regional governance" task force, was Diego García Sayan, the Peruvian drug-legalization activist from George Soros's stable who today serves as a top adviser to opposition leader Alejandro Toledo.

The Beam in the U.S. State Department's Eye

by Edward Spannaus

While the U.S. State Department is never hesitant to criticize other countries for any speck of a shortcoming in their election processes—including demanding that other countries must provide fair media coverage to opposition candidates—it seems to have a beam in its own eye when it comes to elections inside the United States.

When the question of the theft of Lyndon LaRouche's votes in Arkansas was raised at the May 31 State Department press briefing, spokesman Philip Reeker didn't want to touch the issue with a ten-foot pole. During a back-and-forth around the emergency Organization of American States (OAS) meeting on Peru held in Washington that day, *EIR* correspondent William Jones pointed out to Reeker: "Today at the OAS there was also a complaint issued about the situation in Arkansas, where a legitimate political candidate, Lyndon LaRouche, won 22% of the vote, and that the delegates which he would be entitled to were given to Al Gore, an obvious violation of free and fair elections."

"I'm going to stop you right there," Reeker said, "because I don't comment on domestic U.S. political things."

Pointing out that the complaint is going to the OAS, Jones asked, "Isn't this something of an embarrassment, where the U.S. would get on its high horse talking about free and fair elections, while there's an obvious case where they haven't cleaned up in their own stables?"

Reeker retorted, "We're talking about Peru here." He