

## Peru's Fujimori must break with IMF to save the nation

by Cynthia R. Rush

Peruvian President Alberto Fujimori shocked his countrymen and the world on the evening of April 5, when he announced that he was closing down his government's legislative and judicial branches and establishing a national emergency government backed by the Armed Forces. The reason, he explained, was the rampant corruption in the political parties, Congress, and the courts which were sabotaging the government's economic program, and hampering its ability to fight both the drug trade and subversion.

People are fed up with a justice system "won over by political sectarianism, with complicit venality and irresponsibility," he said. Justice in Peru "is like merchandise, bought and sold to the highest bidder." The government will no longer tolerate courts which routinely free drug traffickers and terrorists, Fujimori warned, or a Congress which sabotages the efforts of the Armed Forces to fight the murderous Shining Path narco-terrorists.

As Fujimori spoke, Army troops fanned out through the capital, shutting down media, and jailing leaders of Congress and known apologists for terrorism such as Shining Path "expert" Gustavo Gorriti. Troops failed to find former President and APRA party leader Alan García at his home, but arrested his former interior minister, Agustín Mantilla, whose home, like APRA headquarters, contained a good-sized weapons cache.

The population of Peru has overwhelmingly supported Fujimori's "self-coup," according to all accounts. Not so the Bush administration. The U.S. government immediately condemned Fujimori's actions, and Assistant Secretary of State for Inter-American Affairs Bernard Aronson, who flew into Lima late on April 5, turned around and left the next day in a display of disapproval. The United States has also suspended \$316 million in financial assistance to Peru, while the annual gathering of the Inter-American Development

Bank in Santo Domingo put off signing a \$222 million balance-of-payments loan to Peru.

### Move could have been predicted

But Fujimori's action shouldn't have been a shock to anyone who understands the policy implications for Peru of Citibank president John Reed's statements to Brazil's *Veja* magazine in July 1990. Reed said then that Peru and Bolivia "will disappear" from the face of the map. This was not idle speculation. Anglo-American policy is to achieve precisely that goal, through two routes: application of the International Monetary Fund's (IMF) austerity policies, and a campaign to dismantle the institution of the Armed Forces, handing power over to Shining Path. The raging cholera epidemic and recent advances by Shining Path into urban areas are the concrete results of these policies.

*EIR* has warned that if the Anglo-Americans pursued their policy of dismantling sovereign nation states in the name of "democracy," at a certain point, the targeted populations and institutions would rebel. This is exactly what has happened in Peru. The Peruvian President has overturned the apple cart. He's not playing entirely by Washington's rules anymore, and in a situation where much of Ibero-America is up in arms against the nation-wrecking policies which have been imposed on the continent for the past 10 years, this has the advocates of the IMF's brand of democracy very panicked.

In the days following April 5, numerous spokesmen for the notorious Project Democracy apparatus, which has shaped U.S. policy toward Ibero-America for years, howled that developments in Peru were "ominous" and "could set a precedent for other countries." Most urged the United States to act immediately to mobilize the Organization of American States (OAS) into some kind of collective action, if not against Peru, then against Haiti, to "send a message." But

given the volatile environment on the continent, U.S. plans to set up an inter-American intervention force to “defend democracy” are now a dead letter. Even Argentina’s President Carlos Menem, one of the most vociferous backers of such a plan, showed restraint in discussing the options for responding to the Peruvian situation. The Group of Eight issued a tepid statement, and OAS foreign ministers will be meeting on April 13.

### **Crippled by economic policy**

This doesn’t mean that Fujimori will be successful in his war against narco-terrorism, however. To succeed, he and his military allies have to understand two things that they are, as of now, unclear about.

One is that continued application of the IMF’s free market “shock” policy, which has been in place since August 1990, will quickly lose them the broad popular support they now enjoy.

There can be no “pacification” of Peru if the population is starving or dying of cholera. During his April 5 speech, Fujimori didn’t dwell on economics, but he did blame Congress for sabotaging his IMF-dictated economic program and stated that one of his goals was to create a “free market economy.” On April 6, he also confirmed all members of his cabinet, except one, thus leaving free market ideologue Carlos Bologna in place as finance minister. Thus far, there have been no indications of a major economic policy shift.

Secondly, Fujimori and the military leadership should have no illusions that if they continue with an IMF policy, the United States will back them up in their war against Shining Path, on the mistaken assumption that the United States opposes communist insurgencies. The United States wants a power-sharing deal with Shining Path, of the type it negotiated with El Salvador’s FMLN, and nothing else. If the Armed Forces back the IMF, they will be destroyed.

In a statement released April 6, U.S. Democratic presidential candidate Lyndon H. LaRouche warned “my friends in Peru, both on the military and the parliamentary side . . . that they should not believe any assurances from Washington currently, to the effect that Washington, in repayment for Peru’s submission to IMF conditionalities, will actually back Peru in its fight against domestic subversion, specifically Shining Path and similar elements.”

LaRouche emphasized that as long as Henry Kissinger and his protégé Luigi Einaudi, now U.S. ambassador to the OAS, are involved in shaping Washington’s policy, the only thing that nations like Peru can expect is “the liquidation of military and related institutions of the countries of Central and South America, by some trick or other of deception or brute force.”

The lamentations emanating from Washington and the major Anglo-American press since April 6 underscore LaRouche’s point. In an editorial, the April 8 *Washington Post* first lied that by taking such action, Fujimori was handing Shining Path—which it had the audacity to describe as a

“fringe assailant of the constitutional order”—the political advantage. It baldly asserted that a Shining Path takeover would be justified: “Before he [Fujimori] acted, it was a close question whether the Army’s utility in fighting terrorists and traffickers compensated for its lagging record in human rights and corruption. With the Army now on the illegal side, no justification remained for continuing American support.”

### **Defending narco-terrorists and the IMF**

The Anglo-American establishment’s view is that if countries are to be democracies, they must embrace the IMF and respect the “rights” of terrorists and drug traffickers, even if these are bent on destroying the nation state. The Washington policymakers were pleased when the Peruvian Congress voted in early March to prevent the Armed Forces from entering university campuses, even though these are notorious hotbeds of Shining Path subversion and organizing.

An article in the March 30 edition of *Caretas* magazine documented that Shining Path had so successfully manipulated and terrorized the justice system that punishment and imprisonment of known terrorists and drug traffickers was a joke. It was all but given that Shining Path’s number-two leader, Osmán Morote Barrionuevo, and Sybila Arredondo de Arguedas, both on trial for terrorist activity, were virtually assured of being freed because of loopholes in the system.

One of Fujimori’s first acts following his speech was to authorize raids on prisons such as Lima’s Canto Grande, where Shining Path inmates have set up “liberated zones” in which they openly organize and proselytize without fear of disruption by authorities. Police also arrested known lawyers for Shining Path, many of whom coordinate with the group’s extensive international support apparatus.

Those inside Peru who are shrieking most loudly for a restoration of “democracy” include an odd assortment of British-style liberals like pornography writer Mario Vargas Llosa, a variety of leftists, and leaders of most political parties. Some, like APRA’s García, claim to oppose the IMF. His opposition, however, is the same kind embraced by Nicaragua’s Daniel Ortega, or Colombia’s communist FARC guerrillas—only for show. He proved that when, following the Feb. 4 attempt to overthrow the IMF-backed regime of Venezuelan President Carlos Andrés Pérez, he leaped to Pérez’s defense, and then held a meeting with U.S. ambassador to Peru Anthony Quainton.

On April 8, the APRA executive committee called on the population to make use of its “right to insurgency” guaranteed by Article 89 of the Constitution. The fact that a group around García was known to be negotiating alliances and cooperation with terrorists, especially with the Tupac Amaru Revolutionary Movement, which originally split off from APRA, has led some observers to suggest that APRA may be preparing to launch an armed insurgency against the government. This would place them not only in league with Shining Path, but also with George Bush.