

How long before Peru's Fujimori dumps the IMF?

by Valerie Rush

The Alberto Fujimori government has continued its sworn offensive against the narco-terrorist movements ravaging Peru, but has yet to decree the emergency war economy measures that will enable that offensive to succeed. Possibly pushing the President in that direction is the April 21 resignation of Economics Minister Carlos Boloña, the Oxford-trained darling of the international financial centers whose rumored departure from Fujimori's cabinet is already prompting bankers' fears of a Peruvian break with the International Monetary Fund (IMF). Such a break is, in fact, the *sine qua non* of a successful war against narco-terrorism.

The rest of Ibero-America is closely following developments in Peru, well aware that what occurs in that country could prove the harbinger for the rest of the continent. Particularly anxious are the governments of Brazil and Bolivia, both of which are rotten with the same corruption that led to the shutdown of Peru's late unlamented "democratic institutions," and which are facing similar and growing civil and military resistance to the genocidal dictates of the IMF.

A terrorist offensive

In separate raids the weekend of April 18, security forces arrested the number-two man of the Tupac Amaru Revolutionary Movement (MRTA), Peter Cárdenas Schulte, and the propaganda chief of the Shining Path guerrillas, Jorge Durand Araujo. Durand Araujo's brother, Maximiliano, heads the Shining Path's propaganda networks in the United States and Europe.

Cárdenas, considered the MRTA's military genius and author of numerous terrorist actions, kidnappings, and assassinations—including that of former Peruvian Defense Minister

Gen. Enrique López Albújar—had been captured in February 1988, but released by the courts in 1989 for "lack of evidence." Several clandestine printing operations of the Shining Path were also raided, and 56 guerrillas captured.

And yet, instead of cheering Fujimori's determination to rid his nation of this terrorist plague, the Bush administration and its allies on the continent have chosen to throw their lot in with the narco-terrorists, as they have in El Salvador, Colombia, and elsewhere. There can be no other explanation for the ongoing scandalous international treatment of an elected head of state, whose actions are fully backed by his people, as a pariah and "dictator."

Desperately impoverished Peru has been cut off from access to international credits, under an ultimatum to "restore democracy"—i.e., stop the all-out war against Shining Path. As much as \$2 billion in loan expectations have been put on hold, according to *Caretas* magazine, and there is concern that a balance-of-payments crisis could be imminent. According to a *New York Times* editorial of April 21, Fujimori "has one month to come to his senses." After that, the Organization of American States (OAS) may impose economic sanctions as well, on the Haitian model.

At the same time, a rival presidency to that of Fujimori is being cultivated, whose hallmark is a negotiated dialogue with the murderous narco-terrorists. Some 200 members of the suspended Peruvian Congress have chosen Vice President Máximo San Román as the legitimate President of Peru, and he was duly "inaugurated" in Lima after passing through Washington in a, so far unsuccessful, bid to win OAS recognition as Peru's sole head of state.

San Román has attempted to set himself up as the "true

son" of Peru, versus Fujimori, who is of Japanese descent. San Román, who is part Indian, comes from the city of Cuzco, which was one of the two capitals of the bloodthirsty Inca Empire. He has announced plans to set up a temporary capital in that city and, since his return to Peru, has repeatedly given speeches in the Indian language of Quechua, in which he promises to return Peru "to the grandeur of our forefathers."

His racial appeals to Peru's large Indian population dovetail with that of the Shining Path, which is not surprising in view of his reiterated appeals to "all insurgents" to enter into a dialogue with his "government." San Román was just in El Salvador, where he couldn't find enough praise for the U.N.-sponsored peace treaty with that country's FMLN terrorists. During his "inaugural" ceremony, San Román warned the Peruvian Armed Forces to support democracy, since "history abounds with examples where dictatorships are overthrown by guerrilla insurrections or popular uprisings."

Although the Bush administration has thus far restrained itself from extending formal recognition to San Román's rump presidency, a campaign has already begun in the Anglo-American media to give credibility to San Román's bid for power. The April 22 *Financial Times* of London observed that with San Román's swearing-in, "This leaves Peru with three men claiming the presidency—Mr. Fujimori, Mr. San Román, and Mr. Abimael Guzmán, leader of the Sendero Luminoso [Shining Path] guerrillas, who is known as 'President Gonzalo.'" The *Washington Post* of the same day had virtually the identical formulation.

While San Román's campaign is clearly designed to chip away at the broad popular support for Fujimori, an OAS mission has been sent to Peru, to try to convince the President to come to a negotiated agreement with the same narco-terrorist sympathizers in the Congress and the courts who had nearly delivered the country into the arms of the Shining Path.

The 50-minute meeting between the OAS delegates and President Fujimori left both sides uncharacteristically mum, but one hour after that meeting, Fujimori went on national television April 21 to announce that his actions were "non-negotiable. The sovereignty of the people must be respected," he insisted, referring to the 80-90% approval rating his unilateral actions have received in the polls. His hard line, intended as an unmistakable message to the OAS mission, was coupled with an announcement of a time-table for returning to the constitutional order he suspended by executive decree on April 5.

On the night of April 22, some 20-30,000 Peruvians gathered in Lima to cheer their President's pledge to take "not one step back" in his brute-force overhaul of the government's corrupted institutions, nor in his war on narco-terrorism.

Not only has President Fujimori been denied international backing for his decision to wage a serious war against the

narco-terrorists and, most importantly, against their apologists and protectors inside the power structures of government, but the narco-terrorists themselves are getting unprecedented propaganda internationally.

In a front-page article in the April 21 *Washington Post*, Shining Path is described as "unlike any other guerrilla group that Latin America has ever seen. But Shining Path does have a past and a philosophy, and its methods are far from madness." The article cited unnamed observers saying Fujimori's promise to eliminate Shining Path by 1995 is "totally unrealistic," and quotes from Hernando de Soto, Fujimori's former drug adviser once described by George Bush as "my favorite economist," who said, "Two of the things that Shining Path does out there are to protect property rights and provide justice. The Peruvian state doesn't."

And the Human Rights Commission of the OAS has begun a new series of meetings in Peru, visiting the jail cells of the same terrorists and drug traffickers they visited months ago, to determine whether their human rights are being violated under Fujimori's "dictatorship."

Austerity plan 'at risk'

Despite all the rhetoric about Fujimori's violation of the democratic process, it is his dismissal of the elements of his government most associated with Peru's "re-insertion" into the international financial community which has caused the most hysteria. Not only has Finance Minister Carlos Boloña reportedly resigned, along with his underlings, but so too has Peruvian Ambassador to the U.S. Roberto Maclean. Both men are closely associated with the radical free trade philosophy of the Institute for Liberty and Democracy (ILD), the think-tank of Hernando de Soto.

Fujimori has also dismissed the director of Peru's central bank, Jorge Chávez, who incredibly met with San Román in direct defiance of President Fujimori and in so-called defense of the "autonomy" of the central bank. Chávez told the press that Fujimori informed him that "he wanted the entire directorate [of the central bank] to resign, because the cabinet had a completely different vision of what the country's monetary policy should be." Chávez, however, has thus far refused to tender his resignation.

Expreso magazine, which has deplored Boloña's departure, observed April 21 that Fujimori's dismissal of Chávez and the others "can have no other explanation than that the government wants to impose another monetary and fiscal policy."

The mouthpieces of international finance are also concerned that Fujimori's need to retain the support of the population and of the Armed Forces may prompt him to put an end to Peru's suicidal relationship with the International Monetary Fund. States the *Financial Times* bluntly, "Mr. Boloña's resignation may also signal that Mr. Fujimori is preparing to abandon an IMF-inspired austerity program that had placed the government's finances in order."