

# Camdessus inspects Peru for the IMF

by Sara Madueño

As minister plenipotentiary of the intended reincarnation of the one-worldist British Empire, International Monetary Fund Managing Director Michel Camdessus visited Peru on Aug. 25, as part of an audit which he carries out from time to time to check on the advance of IMF programs in the region. Assuming the posture of an erstwhile “visitor general” from the metropolis of the empire, during his 24-hour stay he not only evaluated, ordered changes, and set goals for Peru’s economy for the short and medium term, but he outlined the terms in which the programmatic debate has to be conducted in the campaign for the presidential elections to be held in April 1995.

Camdessus must have left Peru feeling that all was under control. He got promises of fidelity to the IMF from President Alberto Fujimori, as well as from the favored candidate of the one-world crowd to topple Fujimori in the elections, former United Nations Secretary General Javier Pérez de Cuellar, who promised Camdessus “continuity in the IMF policies.”

With the two major presidential candidates publicly embracing IMF policy, the main “opposition” to these policies was left in the hands of the discredited APRA party, a situation which Camdessus clearly relished. The APRA pronounced that Fujimori is a “traitor to the nation” because he stands with the IMF. The APRA has won the well-deserved hatred of almost the entire population of Peru because of the presidential term of Alan García (1985-89), who started out by repudiating the policies of the IMF, but ended up not only making a pact with the Fund but also with the financiers of the drug trade and their armed hosts such as Shining Path and the Tupac Amaru Revolutionary Movement (MRTA), all in the midst of a generalized corruption of the Peruvian political class.

To say that Camdessus came with the air of a visitor general is not hyperbole. After his quick inspection, Camdessus attested to the fact that, thanks to the IMF structural adjustment programs from 1972 to the present, Peru’s economy has shrunk to 1950s levels. From 1990 to 1994 alone, the number of Peruvians in extreme poverty has increased from 7 million to 13 million out of 23 million inhabitants of the country. This is revealed by the recent “poverty map” which the World Bank and the Inter-American Development Bank put out under IMF auspices.

But the irony is that despite the stoicism of Peruvians in putting up with the IMF adjustments in the name of “improving the balance of payments,” this latter category actually worsened. By 1990, Peru’s foreign debt amounted to around \$19 billion. From 1990 to the present, about \$5.4 billion has been paid out, and yet, the debt increased by \$22 billion. During this same period, Peru received new credit—the majority in the form of “bridge loans” which only recirculate within the banking system to facilitate debt repayment—to the tune of some \$3 billion. As the magazine *Oiga* put it, “a perverse economic logic.”

## Camdessus chastises ‘Don Javier’ in public

Barely arrived in the country, Camdessus went to visit “his oldest friend” in Peru, presidential candidate Pérez de Cuellar. Pérez de Cuellar, the architect of Fujimori’s economic policy, was the one who introduced Fujimori to the highest circles of the IMF and World Bank in 1990; he has turned his “friendship” with the world financial elites and his international renown through the U.N. post into the calling card of his presidential candidacy.

Bragging of this and overestimating Camdessus’s “friendship,” Pérez de Cuellar tried to put a little distance between himself and Fujimori by supposedly questioning the inadequate social content of Fujimori’s current economic policy, as well as the privatization of “some public companies, as in the case of PetroPeru.” Although Pérez de Cuellar was careful to specify that “I will support the macroeconomic policy of the IMF” as President, he also added a populist tinge: “I will seek a new and serious negotiation of the debt with the international financial organizations and with the private commercial banks” toward achieving “moderate increases” in social aid.

When Camdessus heard Pérez de Cuellar’s statement, he lost no time in chastising him in public, revealing the former U.N. secretary general to be no more than an “office boy” for the one-worldists. His comments? To propose a renegotiation of Peru’s foreign debt at this time “would be a suicide that no rational ruler would want for his country.” He added that “in these lands, institutions have no friends, but rather principles, partners, and rules to carry out. Credit organizations are going to treat Peru the same way, no matter who its leaders.”

Immediately following the reprimand, Pérez de Cuellar rushed to fall back in line, declaring that he hadn’t really said what he said, and that he would always be in full agreement with IMF conditionalities, including with privatization of public sector companies. However, the international press had already witnessed the affair.

## Flirting with Fujimori

“If Fujimori says he is an IMFer, then I am a *Fujimorista*,” declared a euphoric Camdessus, during the short visit he made together with the Peruvian President to the city of

Huamanga, Ayacucho. Camdessus, decked out in a typical Ayacuchan poncho, accompanied Fujimori to Huamanga to launch a "Social Program Against Poverty" which was designed by the IMF "at the behest of the Peruvian government." Thus far, the program appears to be modeled on Mexico's "Solidarity" program, that is, it is not a development program, but merely an aid package which amounts to little more than the construction of a series of small projects at the district level. It does not contemplate any investment at all in those great physical infrastructure projects so indispensable for any serious and lasting industrial development program.

Just two days after Camdessus's visit to Peru, national television broadcast a kind of "taped message," in the form of an interview with the IMF director. After feeding his viewers a line about how he had witnessed "populist IMF policy" in Peru, Camdessus claimed that the Peruvian economy "is still weak," and urged "greater tax collection." Tax pressures in Peru are already the highest in the continent, approximately 20% of gross domestic product. However, the IMF calculates it at just 12%, inflating the Gross Domestic Product by as much as \$50 billion.

### **Camdessus attacks the military**

As might be imagined, the matter of military expenditures also came up in the taped message of the IMF "visitor general." After urging the country to preserve its "macroeconomic discipline," he explained, in impeccably perverse logic, that poverty is not the fault of the IMF's "stabilization policies," but rather of misuse of resources, "as could be the case with military costs." A comment of this nature about a country which continues to wage an heroic war against terrorist subversion paints a clear enough picture as to just which side the IMF is really on.

While the flirtations between the IMF and Fujimori were reciprocal, Fujimori is nonetheless not the preferred candidate of the one-worlders. They will never forgive him for his sovereign decision of April 5, 1992 to consolidate a civil-military alliance for purging Peru's corrupt democracy, and to wage a successful and ongoing war against terrorist subversion. With his actions, Fujimori upset the synchronized agenda for Ibero-America's destabilization through simultaneous "indigenist" uprisings, such as the fabricated "Mayan" insurgency in Chiapas, Mexico, an insurgency which Lyndon LaRouche has accurately described as "Shining Path North."

Unlike Fujimori, Pérez de Cuellar has a long-standing record of unconditional fidelity to the imperial one-worldist project, as proven by his 10 years of service (1982-92) as U.N. secretary general, during which he left a bloody legacy of imposing "limited sovereignty"—together with new world order enforcers George Bush and Margaret Thatcher—against Iraq, the Malvinas Islands, Panama, El Salvador, and others.

## **Is nuclear power dying in India?**

by Ramtanu Maitra

India's much-heralded nuclear power program has unraveled over the last few years, as policymakers, chanting the mantra of economic liberalization and privatization, steadily choked it of funds. At least one report, in the *India Economic Times* of Aug. 19, indicates that the government now proposes to put the atomic energy expansion projects to sleep. The reasons cited include cost and time over-runs associated with setting up nuclear power plants.

Although the Aug. 19 report was a shocker to those who realize that India's long-term power policy must center around making nuclear power plants commercially successful, there is no question that the handwriting virtually announcing the death of India's nuclear power program was there for all to see. Less than two weeks after the news item appeared in the *Economic Times*, Prime Minister P.V. Narasimha Rao, laying the foundation stone for a 1,000-megawatt (MW) thermal power plant on the southeastern coast of India, made it clear that the government wants at least 50% of the resources needed for power generation during the Eighth Five Year Plan (April 1991-March 1996) to come from private investors. "If they [private investors] had not come forward, the government would have had to find the money for this purpose. From where could it get the resources, except by taxing you?" asked the prime minister.

That statement, and umpteen others issued by lesser authorities in the Finance Ministry, encapsulates present-day policymakers' total lack of commitment to make nuclear power the cornerstone of India's future power policy. Because of its strategic and controversial character, nuclear power will remain in the public sector and out of bounds for private investors. Since the prime minister said that the government's chief concern is to get private investors (preferably foreign investors) to fund half of India's power requirements expected in the Eighth Five Year Plan, it is by definition evident that nuclear power is not on the policymakers' radar screen.

### **Sophistry and more sophistry**

The problem, however, is that any statements addressing the power issue tend to have more to do with sloganeering and less with truth. It is now well established that the government will be lucky if it manages to entice private investors to put up the funds for more than 7,000 MW of electrical power production during the plan. Never mind that the Eighth Plan,