

Devaluation: Friedman's Program

Oct. 28 — The following article is reprinted in part from today's Mexican daily *El Dia*.

The director of the School of Economics of the IPN (National Polytechnic Institute), Cuauthemoc Anda, asked for control of the exchange rate and for taxes on capital, stating that the floating of the peso was due to "an economic measure provoked by a powerful group of the same current as the winner of the Nobel prize in economics, Milton Friedman, and that they are the ones who asked for the currency devaluations."

New York Broker:

"Mexico Is Not Yet Safe For The Dollar"

Excelsior correspondent Fausto Fernandez Ponte interviews "the famous advisor in investment and finance" from New York, Elliot Janeway, who declares that "Mexico is not yet secure for the dollar," referring to the recent flotation of the peso decreed by Mexico. Janeway writes a column published in 900 dailies and, according to Fernandez, exercises enormous influence among small and medium sized investors. "He af-

firmed that the cause of the peso flotation was the government incapacity to cover the service payments on the foreign debt," writes Fernandez. Fernandez also notes:

"The expert declared that if the first peso flotation has caused considerable panic and lack of confidence among the investors, the second will inspire hysteria. He added that a third peso devaluation could occur if measures are not adopted which will tend to encourage the confidence of those who have to invest."

"I advise my readers," Janeway says, "not to invest until some time has passed, until one can see what type of favorable conditions there are for investment."

"He also said that the Mexican government finds itself obliged to take these measures when the debt service payments exceed the government's capacity to pay them."

"He added that the solution is not solicit credits, because this feeds an already vicious circle, but rather to encourage private investment of all sorts. He mentioned that as has occurred with England, one flotation is not sufficient to supercede the problem of the foreign debt. Others are likely to follow, as experience has shown; a third devaluation of the peso could be decreed within a relatively short period."

Deported NSIPS Correspondent Denounces Peru Coup Plot

NEW YORK, Oct. 29 (NSIPS) — NSIPS correspondent Gretchen Guthrie Small arrived in New York City this morning after being deported from Peru with the full cooperation of the U.S. Embassy in Lima. Mrs. Small had been imprisoned in Lima without charges for 11 days and for six of them held incommunicado.

Upon arriving at John F. Kennedy International airport, Mrs. Small emphasized that the repressive actions against NSIPS and left organizations in Peru are part of a plan by Henry Kissinger and the U.S. State Department to overthrow the government of President Morales Bermudez. "Luis Vasquez, NSIPS Director in Peru," Mrs. Small reported, "is still being held in prison with no charges brought against him. The NSIPS office has been closed by the right-wing-controlled Interior Ministry, and contacts and associates of our news service are being harassed daily." She reported that a third staff member who had been arrested on Wednesday, Oct. 27, and then released, is still being called in for questioning by the Peruvian Political Police (PIP).

"At the same time," Mrs. Small continued, "heavy repression of the highly-effective strike of Peru's fishermen has been stepped up, with new police attacks on the fishermen of the key port of Callao, near the capital city Lima. As well, in the last two days, arrests have begun against the youth organization of the Peruvian Communist Party and the Communist-affiliated CGTP trade union federation." The correspondent pointed out that such measures against the CP and CGTP indicate a significant escalation of the ongoing attacks against the trade union movement as a whole and are "unprecedented since the 1968 Peruvian Revolution."

Asked about the connection of U.S. Secretary of State Kissinger to the repression, Mrs. Small replied: "Kissinger is determined to carry out a fascist coup in Peru. The cabinet shakeup in August pushed the government to the right but not far enough to guarantee the subservience in economic and foreign policy demanded by the New York banks. Kissinger directed my arrest and deportation and those of my colleagues as part of this coup plan, because we were disseminating information to business

layers and trade unions on international organizing for debt moratoria and a new international economic order. Even the PIP investigators noted how little the U.S. Embassy did to obtain my release or reopen our press agency."

The NSIPS correspondent also noted that the increased repression inside Peru was being accompanied by a press-orchestrated, sudden resurgence of tensions between Peru and her neighbors. "Kissinger is using the threat of war with Chile and Bolivia to attempt to bludgeon the centrist elements in the Peruvian military, like Morales, into submission." She referred to statements by Chilean Air Force chief Gustavo Leigh charging that the Soviet Union was trying to provoke a Chile-Peru war as evidence of the push for hostilities and of Kissinger's attempts to "cover his tracks." She also noted reports in the London newsletter, *Latin America*, that Bolivia had received U.S. and Brazilian assurances of support in the event of war in the region.

expose Kissinger Network

Mrs. Small dismissed claims by Peruvian officials and U.S. State Department officials that she was forced to leave Peru because NSIPS did not fulfill "legal requirements." "Salcedo Peña, Director of State Security, told me while I was in Jail that 'legal issues' were not the reason NSIPS was being forced out of Peru," Mrs. Small stated. "Peña said, 'NSIPS is being expropriated and its people incarcerated because of their frontal assault on the government.' When I pointed out to him that NSIPS has consistently posed debt moratorium and the new world economic order as critical, in total agreement with President Morales Bermudez, who has openly stated his support of such policies, Peña said, 'Debt moratorium? New world economic order? Those are demagogic terms!' clearly implicating himself as a leader of Kissinger's occupation army in Peru and as a leader of anti-Bermudez forces."

Added evidence of Peña's direct link to Kissinger's fascist forces, Mrs. Small said, is the fact that he held consultations at the Interior Ministry before visiting her in prison. (Luis Cisneros, Minister of the Interior, is a known Kissinger agent in Peru and the State Security Police is an official arm of the Interior Ministry.)

"There is a raging factional battle in Peru over what to do with NSIPS," Mrs. Small said. "While I was in jail, a high diplomatic source told our representatives that 'pro-development forces in Peru understand they need your information as key to their battle for a new world economic order, but they don't want you leading a working-class movement.' "

Mrs. Small said that members of the Peruvian Investigative Police (PIP) were assigned to interrogate her. "During one such episode," she related, "an astonished PIP member said to me, 'My God, the U.S. Embassy is doing nothing for you...When a U.S. corporate official — who had stolen money — was arrested for cheating the Peruvian government, the U.S. State Department sent in a special pland and emissary to get him out and he was released, free.' "

On Oct. 19, soon after Mrs. Small's arrest, a high-level official in the PIP, Dr. Garcia, directly implicated the State Department in the affair by telling a New York NSIPS spokesman that he could not answer questions about Mrs. Samll because he had been instructed by the U.S. Consul that all inquires must be addressed to the U.S. Embassy in Lima and to U.S. Ambassador to Peru Robert Dean.

"This led to one of Kissinger's most farcical attempts to cover up his fat tracks exposing his complicity in this," Mrs. Small revealed. Shortly, thereafter, she related, "an official of the U.S. Consulate accompanied a PIP official to see me in prison. They sat down, and without a word of explanation, they told me, 'Dr. Garcia doesn't exist.' "

"A few days later," Mrs. Small continued, "I overheard two PIP officials in the State Security Office talking about Garcia. One asked, 'Who is Dr. Garcia?' The other answered, 'Garcia Nuñez, Personal Secretary to Señor Peña.' When I confronted one of these PIP officials on the clear existence of Dr. Garcia, he

said, 'Garcia? Garcia? Oh, ah, he's on vacation. He can't answer the phone.' "

"Kissinger obviously had to get me out of the country." Mrs. Small said, "in order to calm down the international pressure that we'd created by exposing his role in overthrowing the government in Peru and in shutting down a press corps in a foreign country — he could't take the scandal anymore. His won occupation army officials, involved in my arrest, were exposing his network in Peru, unwittingly. One PIP official said to me, in a very confused state, 'We're under orders to tie NSIPS to terrorism.' I told him if they did that they'd be the laughing stock of the international community.' "

CLLA Members In Peru Under Police Interrogation

Meanwhile, the PIP has opened up an intense campaign of harassment and maximum psychological pressure against the Latin American Labor Committee (CLLA) local here in the last three days. New Solidarity International Press Service (NSIPS) Bureau head for Peru, Luis Vasquez, continues to be detained without charges. PIP officials have begun pulling in the entire CLLA membership for interrogation on CLLA activities, and then releasing them with instructions to "voluntarily" return the next day to police headquarters for continued questioning.

The CLLA members are being questioned as to who attends CLLA's international briefings and classed and who their contacts are within the trade union movement. Police officials have been particularly insistent on CLLA's ties to the striking Fishermen's Federation of Peru, showing members pictures of various Fishermen leaders and asking them to identify which are their contacts. At the same time, systematic harassing callups of contacts has begun, by calling who openly identify themselves as Peruvian police officials.

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