

## Press joins bankers to attack García

After Peruvian President Alan García announced the nationalization of the banks on July 28, the banking oligarchy leaped to defend their drug-money laudromats. Joining them was a chorus of defenders of “free enterprise” and “economic pluralism,” who hastened to demand not only reversal of the measures, but even a coup d’état to overthrow the President. The following chronology of news and headlines during the week that followed the nationalization gives a clear idea of who the defenders of *Dope, Inc.*’s “free enterprise” pursuits are.

The daily *Expreso*, owned and directed by former prime minister **Manuel Ulloa** (“the Man from the Bahamas”), responded to the nationalization proposal with a barrage of angry editorials insisting that the country “must defend itself from this desperate mixture of demagoguery and nationalism.” *Expreso*, which editorially called for legalizing the drug trade on July 23—just before García’s move against the narco-bankers—raged against the President’s initiative as “an assault against the economic pluralism” consecrated in the Peruvian Constitution. Ulloa personally penned a denunciation of the bank nationalization as “an assault on private property.”

Ulloa collaborator and leading *Expreso* columnist **Manuel D’Ornellas** described the executive initiative as “of communist orientation,” and charged that the ruling APRA party “wants to stay in power 50 years or more.” Wrote D’Ornellas: “The totalitarian face of APRA [García’s party—ed.] has dropped its mask.”

The mouthpiece of the Shining Path (Sendero Luminoso) narco-terrorists, *El Diario*, commented editorially, “No one in their right minds, except the APRistas, could envision the nationalization of the banks as a historic measure.” A later editorial protested that the state “took the banks by storm.” Still later, *El Diario* demanded, “No to the totalitarian intervention of the banks!” and reported that “Thousands of inhabitants of the ‘young towns’ [slums] marched through the

main streets of the Miraflores residential district, shouting slogans like ‘No to nationalization!’ ”


Author **Mario Vargas Llosa**, a champion of the “informal economy” of the drug-linked black market, called the nationalization proposal “demagoguery and lies,” and said that García’s proposal “is the most important step taken in Peru to keep this country in underdevelopment and poverty.” Meanwhile, his son Alvaro Vargas Llosa called it “an assault on the private banks . . . [which] gives the State a total monopoly.” Vargas Llosa and son headed up a list of “prominent personalities” who took out ads in the press to spread panic that the bank nationalization “could mean the end of freedom of expression and, in the end, of democracy.”

*Expreso* on Aug. 7 carried on its front page the statements of **Luis Bedoya Reyes**, president of the Christian Popular Party, calling for “popular insurgency” against the nationalization and against President Alan García. Bedoya declared that “the people have the right to revolt in defense of constitutional order, against those who assume public positions or charges in violation of constitutional precepts,” a reference to the government’s replacement of the bank directors with state intervenors.

*Expreso* also published the statements of former dictator **Francisco Morales Bermúdez**, who threatens a coup d’état if the García government proceeds with the nationalization. Morales says, “I hope that the government corrects itself in time to prevent coups from being repeated.” Morales Bermúdez also denounces the loyalty of War Minister Jorge Flores in backing the nationalization measure: “General Flores may or may not have an APRA party card, but he acts as though he had, and with great enthusiasm. . . . It should be very clear that neither the Army, nor the Armed Forces, may express opinions on political matters.”

The daily *El Comercio* carried an ad Aug. 10 by the Peruvian **Institute for Liberty and Democracy (ILD)**—a creation of the Project Democracy crowd of “Irangate” fame in the United States, whose spokesman in Peru is Mario Vargas Llosa—which argues that nationalization is “the totalitarian menace of concentrating the powerful instrument of credit in the state.”

*El Comercio* has editorially employed ILD terminology to argue that the nationalization initiative was not an economic measure, but an “ideological-political” stunt by the President. “We believe the measure is unnecessary and dangerous for the country. . . . We believe that all monopolies are dangerous, with this effort to leave in the hands of the state the total management of banking activity.” *El Comercio* editorially urged the Congress to defend the principle of “economic plurality,” by rejecting the nationalization bill.



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