

Andean Report by Mark Sonnenblick

Presidential election impasse

Fujimori and Vargas Llosa offered free-market swindles; only LaRouche's co-thinkers gave Peru some hope.

On the eve of the June 10 runoff elections for President of Peru, both candidates, Mario Vargas Llosa and Alberto Fujimori, ignored an open letter sent them on May 24 by the Catholic priests of Lima pleading with them to "seek the common good and the well-being of the Peruvian family" by ending "the generalized chaos which affects our national life and its profound economic crisis."

Production and real wages have both fallen 30% over the past three years. City streets are jammed with beggars and hawkers. In the jungle region of San Martín, over half the people have been stricken by dengue fever, doctors report. The money for eradication of the terrible disease's carriers (mosquitoes) never arrived. Tax collections have fallen to a quarter of what they were as the "informal economy" of cocaine and corruption overwhelms the nation-state. When the government tried to enforce a new 2% tax on checks, a run to illegal dollars drove the national currency's value down 43% in the first week of June.

Hopes were lifted after the April 8 elimination round. Shining Path narco-terrorists, who have killed 17,000 and done \$15 billion in damage in a decade of violence failed in their efforts to scare voters away from the polls. Pornographic novelist Mario Vargas Llosa, who had once been expected to sweep to a majority victory, saw his neo-liberal "free market" program repudiated by almost three-quarters of the voters. And independent Alberto Fujimori won the second spot in the runoffs.

Early polls predicted a resounding victory for Fujimori June 10. But he steadily lost his edge because he lacked the courage to define a coherent economic solution to Peru's increasing chaos. That solution has been made known to all Peruvian leaders by Peruvian co-thinkers of Lyndon LaRouche, who fielded 100 candidates April 8 on the Independent Solidarity Movement (ISM) slate.

ISM leader Luis Vásquez has given many seminars to business, labor, civic, and military leaders on the "Great Projects" which would pull Peru out of the economic abyss. He spent June 6-8 with business leaders in the north coastal city of Chiclayo working out strategies for how to win an ambitious \$3 billion program for nuclear-powered development of that region. The Nucleomar project would make the sleepy city into a world-class industrial center. Nuclear plants would fuel the pumps to bring water from the nearby Amazon basin to the surrounding fertile deserts. A railroad reaching the Pacific near Chiclayo would carry bulk Brazilian cargoes from a river port on the upper navigable reaches of the Amazon system. A branch would give peasants in the almost inaccessible Huallaga River valley a chance to grow and get to market the food Peru so desperately needs instead of the cocaine paste now flown out of there.

Vásquez presented such projects and the "mercantilist" alternative to the failed systems of communism and "free market" capitalism in a May 19 debate before 400 Lima businessmen. He roasted his opponent, liberal mon-

etarist Hernando de Soto, who called for the immediate end of all government action in the economy. De Soto, who never turns down dollars from the U.S. government, is the ideological mentor of perverse candidate Mario Vargas Llosa's "economic shock" program. Vargas advocates ending all food subsidies for the poor and firing most government employees.

During the weeks before the elections, Vargas Llosa sought votes from Peru's poor majority by toning down his genocidal economy policies and by dirty tricks against Fujimori. His campaign invented all sorts of scandals to throw at Fujimori, who replied in kind. For example, in their only debate June 3, the agnostic Vargas Llosa accused the Catholic Fujimori of being anti-Catholic and of cheating on his taxes. Fujimori confounded his opponent by reminding Vargas Llosa of his confession he had smoked marijuana at age 14. "This is extremely grave for someone who wants to be President, because if we want to fight narcotics trafficking, the man who is President must have clean morals," Fujimori blasted. The perverse nature of his opponent's morals are evident to any reader of his novels and essays.

Vargas Llosa charged Fujimori's economics was mere "demagogic populism." On that he is correct: The only concrete idea Fujimori offered during the "great debate" was to issue a new currency at a par with the dollar. The "Fujiplan," in fact, reflects the same liberal monetarist policies which the Peruvian people rejected in the first round of the elections. Fujimori condemned the moribund Alan García government for once having tried to break the International Monetary Fund debt-usury system. Instead, he said Peru would try to "restore the confidence" of the foreign banks which hold its unpayable \$18 billion foreign debt.