

Peru too frisky for Anglo-American banks

by Cynthia R. Rush

The Anglo-American establishment is experiencing a bad case of nerves over recent developments in Peru. Although his nation is impoverished and besieged by the satanic Shining Path narco-terrorists, Peruvian President Alberto Fujimori has made clear to foreign creditors that there are some things, such as national sovereignty, that are more important than paying the foreign debt.

On Jan. 5, Fujimori announced the resignation of Finance Minister Carlos Bologna, the chief enforcer of the International Monetary Fund's draconian austerity program applied in Peru over the past two years. Fujimori explained that the accord which Bologna had negotiated with the IMF for the next three years was incompatible with the goal of pacifying the country and ensuring an economic recovery and adequate employment levels.

In subsequent statements, Prime Minister Oscar de la Puente elaborated on these points. He announced that the government would seek to renegotiate the letter of intent with the IMF to allow for "a productive, business, and industrial recovery, and avoid the massive closings of factories . . . unemployment and loss of jobs." There can be no pacification, he added, "if there is no social peace, if misery continues to devastate the poorest sectors of the population, and if unemployment continues to increase at a rapid rate."

De la Puente said that the government intended to review tax policies, which many businessmen find onerous, and would also renegotiate foreign debt payments with multilateral agencies, private banks, and the Club of Paris. It is necessary, he said, to moderate debt payments "both in terms of their timetable as well as the amounts, so as to be able to count on greater liquidity."

Blackmail and threats

All of this has caused teeth-gnashing among Wall Street bankers and Washington policymakers. In the two days before Fujimori named his new finance minister, Jorge Camet Dickmann, on Jan. 7, the Anglo-Americans turned heavy pressure on the President not to attempt a major deviation from their phony "democracy" agenda.

On Jan. 6, U.S. Assistant Secretary for Inter-American Affairs Bernard Aronson told Peruvian reporters via satellite that Peru "is at a crossroads. It can turn in a direction that will be hopeful and positive . . . or it could go down a differ-

ent road . . . one that will lead to further isolation and loss of support." He stated that whether the United States participates in a new international support group to provide financial assistance to Peru "will also depend on Peru's policies. . . . Our aid to Peru is very closely tied to progress on human rights and progress against narcotics. . . . And if there is no progress on these fronts, and particularly human rights today, the United States will find it very difficult to resume significant aid to Peru." Aronson underscored that Peru must "continue down the path of reform," that is, maintain the IMF's economic program, and pay its foreign debt.

To reiterate the point, one day later, Gen. George Joulwan, head of the U.S. Southern Command, flew into Lima for an unscheduled visit. Although Joulwan made conciliatory noises in public, there's little doubt that the purpose of his trip was to bludgeon Fujimori. As the conservative daily *El Comercio* commented on Jan. 8, "Joulwan gives the impression that he's sounding us out on certain policies elaborated by new President Bill Clinton regarding Latin America." The daily noted that as was the case for former President Jimmy Carter, Clinton considers human rights to be more important than defeating subversion or drug trafficking.

Bologna's replacement, Industries Minister Jorge Camet, had worked with Bologna and had even urged him to stay on in office. Close to the private sector because of his past chairmanship of the businessmen's association (Confiep), Camet is said to be more "moderate" in his embrace of free-market policies. He is also politically close to the President, which suggests that Fujimori himself will play a direct role in formulating economic policy. On Jan. 11, the London *Financial Times* lamented that Camet "has no background in economics and only limited knowledge and experience of the complex workings of the international financial institutions with which he will be obliged to negotiate in the coming months."

Bending to foreign pressures, Fujimori kept Bologna's team in charge of negotiating foreign debt payments with the IMF, and has insisted that he will not resort to "populist" policies.

Even so, his willingness to attack the institutions dear to Anglo-American hearts has many people rattled. After he purged the diplomatic corps, noting that the overt homosexuality displayed by some diplomats made them unqualified to represent the nation, foreign diplomats and military attachés shrieked that he had shattered one of the country's most vital "democratic" institutions. Among those upset by Fujimori's purge were former U.N. Secretary General Javier Pérez de Cuellar, who called it a "disagreeable incident." Lima's Homosexual Movement issued a public letter of protest, attacking the President for "sexual discrimination" and "authoritarian" tendencies. Interestingly, several of the journalists and politicians who signed the letter were the same ones identified by Bernard Aronson as government victims of alleged "human rights violations."