

NEW SOLIDARITY INTERNATIONAL PRESS SERVICE



Latin America Report

Wall Street Boasts Over Success Of Its Bloodless Coup In Peru

July 25 (NSIPS) — The Wall Street bankers, who with U.S. Secretary of State Henry Kissinger, are revelling in their success at orchestrating the July 16 right-wing military coup in Peru, have begun in the space of a week to dismantle the last eight years of economic achievements of the pro-development Peruvian Revolution. While proceeding full speed to turn Peru into a remake of their fascist Chile, Kissinger and his Wall Street co-conspirators have backed off — at least temporarily — from a bloodbath of repression which could today trigger the collapse of the entire Dollar Empire.

The New York Times yesterday flagrantly boasted that it was the New York Times which engineered the actual coup, working in collaboration with Peruvian Central Reserve Bank head Santisteban and the Peruvian rightwing military forces, as part of the process of renegotiating Peruvian debt payments of \$400 million due June 30. Now, the debt-collection consortium of commercial banks led by Peru's top creditors — Manufacturers Hanover, Morgan Guaranty, First National City, Chase Manhattan and San Francisco-based Wells Fargo — have tentatively agreed to give their Peruvian fascist puppets less than one-half the needed refinancing, and will enforce Chilean-style austerity directly through "continuous monitoring of Peru's economic policies."

Bankers and a crew of "experts" from the Organization of American States, International Monetary Fund (IMF), World Bank, Interamerican Development Bank and Agency for International Development — who met in Washington early last week to pass the genocidal austerity program the banks will "police" — readily admit that the measures will result in a 45-50 per cent increase in the rate of inflation over this year (on top of a 50 per cent rate of inflation since January), a collapse in real wages, and massive unemployment, due largely to nearly 30 per cent cuts in government spending.

On July 21, scarcely a week after the coup, the right-wing military running Peru announced the beginning of the dismemberment of Peru's state sector. The state-owned fishing industry Pesca Peru (nationalized in 1972) will sell its fishing fleet to private owners to eliminate maintenance costs, "expensive" unemployment pay for seasonally employed and over 7,000 "excess" fishermen, and to pay off half of the industry's 14 million soles debt. As well, Peru's oil reserves — exploited through the state's Petro Peru — will be re-opened to "risk contract" looting by the multinationals.

"Institutional" Genocide

Kissinger and Wall Street are trying to perpetrate economic genocide against the Peruvian population for as long as possible under the guise of the "institutional continuity of the Peruvian Revolution." With major pro-development forces in Europe threatening to dump the dollar, and numerous Third World countries on the verge of default or debt moratoria, the bloody example of another Chile in Peru could serve as the catalyst for an international debt moratorium backlash. Kissinger is playing a dangerous game of chicken around the international debt crisis — a game which is successful only so long as no one dares to call his bluff.

Another important factor in maintaining the tight "institutional cover" is the potential for open rebellion by committed pro-development ranks and middle-level officer corps of the army, the most powerful branch of the military. These layers would move if confronted too quickly or directly with the reality of the fascist takeover.

In direct response to a damning expose in the French daily *Le Monde* last week — demonstrating clearly that the pro-development Peruvian generals were crushed because they failed to fight at decisive moments — both the Peruvian Ambassador to France and the new right-wing Foreign Minister defensively declared that Peru is known "worldwide for its lack of violence and bloodshed." The scheduled July 22 national strike of maoist-controlled teachers union — intended to provide the pretext for a Chilean style mop-up of the Labor movement and left — was called off early in the week and July 22 passed without incident.

The fascist Peruvian junta is daily consolidating control over the military-government command and control structure, while exercising a low-profile repression and tight control against any possible resistance. Several leaders of the pro-moratoria Fishermen's Union were arrested yesterday, according to Mexican press reports, on their way to give a press conference to denounce the destatization of the Pesca Peru fishing industry. The fishermen have charged that the destatization "would wipe out the gains of 30 years of hard struggles" in one day.

The government Information Office will take complete, direct control of the six daily Lima press, while the junta last week decreed severe penalties for any students or faculty involved in "disturbances" on university campuses. Seventeen students in a northern town were killed last week when police repressed a demonstration.

NSIPS Exclusive Translations

Le Monde Editorial On Peru Coup

July 22 (NSIPS) — The following is excerpted from the editorial of *Le Monde*, July 21, entitled "The Peruvian Military Brought to Order." It appeared unsigned on the newspaper's front page.

The ouster of General Jorge Fernandez Maldonado (as Peru's Prime Minister) set aside last week from the leadership of the Lima government and from his key post as Chief of Staff of the land army, sounds the death knell for the revolutionary and nationalist experience begun by the Peruvian military in October 1968.

Leader of the left wing of the armed forces, a sincere progressive, an officer who resolved to fight for a real political sovereignty and economic independence of Peru, General Fernandez Maldonado fell under the coordinated blows of the conservative navy, right-wing military, and business circles, encouraged behind the scenes by Washington's representatives. . . .

Their objectives (Maldonado's military forces — ed.) were essentially progressive: modernize a society which had remained, in its great majority, archaic; favor the creation of a

dynamic industrial sector . . . and finally, ensure that the State controlled the riches of the country by nationalizing the basic sectors and setting the rules of the game for the "multinationals."

For this reason, the Communists and left parties, for the most part, have supported this experience . . . despite its restrictions on liberties They are today the designated victims of a civilian and military pro-American right wing which deems itself victorious. The purge has begun. All the officers close to former President Velasco Alvarado have been ousted; the ministers who are partisans of the non-alignment of Peru, like Foreign Minister (Miguel) de la Flor, have been kicked out; the counselors of the former Chief of State are being arrested.

Workers have been informed that strikes are prohibited. The agrarian reform plan, one of the most serious in Latin America, will undoubtedly be revised But the leaders of the former parties of the center and right and those of the APRA can only congratulate themselves for this military coup d'état which dares not call itself by that name.

The Peruvian leaders have been impressed over the last two years by the reinforcement of right-wing military regimes at their borders and the repeated warnings by Washington. Brazil, Bolivia, Uruguay, Paraguay, Chile and now Argentina form around Peru a threatening "circle of steel." Cuba neutralized, Peru aligned in turn, Panama veering towards the right: one can quickly count the countries which are still more or less disposed, like Mexico or Venezuela, to contest the total hegemonic hold of the United States over the sub-continent, prepared by (Secretary of State Henry) Kissinger since the over-throw of (Chilean President) Salvadore Allende (in 1973).

Le Monde On Peru Coup: Maldonado Waited Too Long To Move

July 22 (NSIPS) — The following is an extract from an article which appeared in the July 18-19 edition of *Le Monde*, the leading French daily.

Recently General Fernandez Maldonado had become more than ever a symbol. Wasn't he one of the last representatives of the first phase of the revolutionary process, in trouble within a government leaning more and more towards realpolitiking?...

After the August 1975 coup, the country's new leaders asserted that "in front of the growing economic crisis, one has to get back the confidence of the investors, slow down the process of transformation." The big reforms announced are continuously postponed. The 'Tupac Amaru' plan which elaborated this program of reforms is blocked, right before its publication, by conservative officers. In front of the latter's offensive, General Fernandez Maldonado and his proponents keep silent. One should not take premature decisions, they assert, one must wait for the conservative economic strategy being carried out to prove its incapacity to solve the crisis....In spite of his moderation, he is criticized by the conservative officers who estimate that his presence at the head of the government makes the application of the new economic strategy difficult. The June (1976 — ed) austerity measures make the climate heavier. The nationalist officers assert with dissatisfaction that "these bear the mark of the International Monetary Fund" ... General Fernandez Maldonado this time launches a counter-offensive.. But it was too late.

Pentagon On Peru Now They Can Tighten Up The Economy

Washington, D.C., July 2 (NSIPS) — A Pentagon official with first hand knowledge of Latin America made the following

comments to *New Solidarity International Press Service* yesterday regarding the July 16 purge of left-wing pro-development and debt moratorium ministers from the Peruvian cabinet and recent moves toward the consolidation of a right-wing government.

NSIPS: It looks like your people finally pulled it off.

A: Yes, I think these guys are going to be around for a long time.

NSIPS: You don't see possibilities of a countermove by the left? What about the following among junior officers for Enrique Gallegos (ousted Minister of Agriculture) and Miguel de la Flor (ousted Foreign Minister)? What if one of them gains control of the Tacna region (Chile border area in South)?

A: I don't see much of a chance for a move by the left. As for the junior officers, the people in power now have it. They've got it. I don't know the details, but these guys are going to be around for quite some time. They got those leftists out of there, so now they are going to get down to business, tighten up the economy, and pay off some of their debts.

NSIPS: The debt question was the major factor, wasn't it? Particularly the \$400 million loan?

A: Yes, those 400 big ones. That was the question.

NSIPS: What part did (Finance Minister) Barua play in all this?

A: Well, he has a tremendous influence on the old man (President Morales Bermudez).

NSIPS: Where is Bobbio? (Gen. Bobbio Centurion, leader of the July 9-10 right-wing military coup attempt — ed.) Isn't he the ringleader of the military move?

A: Like I said, I've been removed from the details. I don't know.

NSIPS: Is the Lima regional command open?

A: Gen. Portella will probably keep it along with his Inspector General post.

NSIPS: What do you know about Gen. Oscar Molina? (Chief of Peruvian Joint Chiefs of Staff and former top advisor to Morales, a centrist — ed.)?

A: He's a very smart guy. He plays very cautiously and keeps his ideas to himself. He is probably slightly to the left of the rest of the people in there now. These guys are going to be around for awhile. We won't be seeing any problems with Peru for a long time.

Mexico

NSIPS Exclusive Interviews

Rockefeller Genocide Merchant Paddock

July 22 (NSIPS) — *New Solidarity International Press Service* has obtained the following excerpts from an interview with William Paddock, the designer of a U.S. Immigration and Naturalization Service deportation policy for illegal Mexican aliens. Last year, Paddock, a Rockefeller expert in Third World genocide, told an interviewer that 30 million of the country's 58 million inhabitants must be eliminated. At that time he said, "Seal the border and watch them scream."

Paddock's "new approach" consists of returning Mexican immigrants to their villages of origin rather than depositing them on the Mexican side of the border to go where they wish and went into implementation two days ago. The new policy is being applied only to those illegal Mexicans who come from below an "imaginary line" that includes the entire southeast of Mexico. In this impoverished region, the Rockefeller-backed right-wing Monterrey group of industrialists and landowners are establishing massive slave labor camps.

The INS claims that 15,000 persons will be given the "opportunity" of being shipped back to overcrowded towns and villages throughout southern Mexico. High officials of the Mexican government who have indicated that the scheme was