

Andean Report by Blanca Gastelum

Terrorism: Path to IMF austerity

The Sendero Luminoso, allied with drug interests, is terrorizing the population of Peru with continuing attacks.

While the presidents of the Andean Pact nations, including Peruvian President Fernando Belaunde, were meeting in Caracas in late July to take joint actions for effective regional integration, Peru became the victim of a destabilization operation which distracted the population's attention from the summit.

On July 21, Sendero Luminoso terrorists blew up six of the electric towers in the grid which supplies Lima. Successful police action thwarted plans to blow up several bridges on the highway connecting Lima with the center of the country. Causing Lima blackouts is old hat for Sendero (whose name means "Shining Path."). But a few days later, the terrorists killed two policemen during a daring and bloody assault on the office of Peru's national detective force (PIP) in the Lima suburb of Miraflores. This was one of their first attacks on a well-guarded military installation outside of the Andean highlands, where they have run low-intensity warfare for two years. The extraordinary logistical and intelligence capabilities revealed in Sendero's attacks suggests that they benefit from cooperation from inside Peru's official intelligence services.

These emulators of Cambodia's Pol Pot brought their characteristic brutality to Lima July 12 with an assault on the headquarters of the governing Acción Popular party while a hundred people were meeting. The results: 2 dead, 32 wounded.

Such actions have induced great fear among the 7 million people who

live in Peru's capital.

The effectiveness of such fear was demonstrated in the "general strike" Sendero ran July 25-26 in the entire Andean highland region surrounding their original nesting ground in Ayacucho. The Senderistas needed neither program nor pickets to shut down every urban activity for 48 hours. All they had to do was seize a school and inform the students that anybody who broke the "strike" would be dead. Dozens of corpses of school teachers and mayors have taught Ayacucho residents not to talk back to Sendero.

Sendero is linked with the cocaine traffickers who operate throughout the Peruvian Amazon and provide them with weapons, according to the interior minister. Two former Colombian air force officers caught with over a ton of cocaine-base paste in northern Peru are under interrogation by the narcotics division of the Civil Guard, which is seeking ties between the drug mafia and Sendero.

This is the same drug-terror apparatus which Nazi butcher Klaus Barbie set up during his decades of clandestine residence in Peru and Bolivia.

Sendero poses little threat of seizing power in Peru—outside the incredibly impoverished mountain areas where, to 2 million terrorized inhabitants, it has a supernatural-seeming power. However, its newly exhibited ability to focus paranoia in the nation's capital is extremely dangerous. *EIR* thinks the terrorization of the population is being performed on behalf of installing the kind of repressive sys-

tem needed for the International Monetary Fund to impose genocidal austerity on Peru.

As part of the program of regional integration of the five Andean countries, Peruvian President Belaunde proposed a common currency for regional trade, a single passport, and linking the Amazon regions through a highway around its upper edge and by connecting the Amazon, Orinoco, and Plata rivers to facilitate economic integration of all South America.

Before the summit, Peruvian political, business, and labor leaders urged Belaunde to fight for a debtor's cartel for joint renegotiation of the region's \$70 billion foreign debt.

Alan Garcia, general secretary of the APRA party, exhorted the president in his mission to Caracas to seek, "joint renegotiation of the foreign debt," the physical and industrial integration of the Latin American countries as well as a "kind of barter."

For their part, leaders of the private sector—now facing severe difficulties—spoke out for turning economic policy from the direction imposed by Belaunde through the finance minister and central bank president loaned to Peru by Wells Fargo bank, to serve the self-interests of creditors. Carlos Verme Katz, president of the conservative National Society of Industries (SNI), called upon all Ibero-American private entrepreneurs to join in a "united front against the creditors." Gonzalo Garland Itugalde, president of the Peruvian Exporters Association, declared the only solution to the economic crisis to be:

- "a unified Latin American market which goes beyond today's system of compensatory credit agreements and operates on the level of central banks;

- "an Ibero-American regional bank which can great credit for development projects."