

Peru's García teaches the economics of victory

by Gretchen Small

Peru's Nov. 9 municipal elections, the first since Alan García took up the presidency in July 1985, were watched at home and abroad as a national referendum on García's policies. García accepted that challenge, telling supporters of his APRA party gathered in front of the presidential palace Nov. 7, that voters should deliver a "vote of confidence" in his government by voting APRA. "We must make our country a model of leadership for other peoples," he stressed Nov. 1.

The election results were conclusive: García's party swept into office in 9 out of the country's 10 largest cities, including the nation's capital, Lima, and now dominates 15 departments in the country.

From Moscow to Wall Street, proponents of an imperial world order desperate to prove that no government which challenges the international monetary system can survive, had sought APRA's defeat at the polls. Once weakened, preparations to overthrow García, until now stymied by his extraordinary popularity, could finally advance.

García campaigned on the basis of his economic program, and won. His victory sends a message to capitals around the world, demonstrating that where vigorously pursued, nationalist development policies can defeat the Moscow-backed left, even while a nation is still battling to overcome the devastation wreaked by the International Monetary Fund.

Delighted with the outcome, U.S. presidential candidate Lyndon H. LaRouche sent García a telegram: "Once again it has been demonstrated in our hemisphere that patriotism, and a firm defense of national sovereignty and the right to economic development, are capable of defeating all extremisms."

Debtors meet

García's ability to rally his nation behind his policies will not be missed by representatives of 34 developing-sector nations who arrived in Lima three days after the elections, to attend the First Non-Aligned and Developing Sector Conference on Debt Nov. 12-14. Peru organized the Lima talks during the August Non-Aligned Summit in Zimbabwe, after García called upon the developing sector to put aside geopolitical squabbles, and unite their forces to overturn the

"economic apartheid" imposed against most of the world's peoples by the IMF.

Developing-sector leaders have been studying Peru's strategy of linking debt payments to a percentage of export earnings—dubbed the "10% solution." The viability of this strategy is now enhanced by the recognition that while García has been able to strengthen his government, despite the terrorist armies of the drug mob inside Peru, in other debtor countries, institutions are shattering, and anti-IMF riots and strikes escalate.

Delegates from Nigeria, Morocco, Egypt, Algeria, Zimbabwe, Cameroon, and the Central African Republic were among those present at the debt conference, as well as from the Asian nations of South Korea, North Korea, Indonesia, India, Sri Lanka, Oman, and the Philippines—the first time that policymakers from Ibero-America, Asia, and Africa have sat down together to discuss the debt problem in detail. The meeting was private, so that talks could be held without fear of press leaks. Peruvian foreign ministry officials reported in advance that agreement was expected on some form of permanent exchange of information among the debtor nations.

On the eve of the debtors' summit, the Mexican daily *Unomasuno* reminded its readers that the García option is still open for Mexico. "It is proper . . . to reflect seriously on the Peruvian experience when Mexico, despite rigorous debt payments and all the concessions given creditors, continues to find many obstacles in the path of access to foreign financing, while the internal economic situation continues to deteriorate," the Nov. 8 editorial states.

On Nov. 12, the *Manila Times* featured an opinion column entitled "Defying the IMF-World Bank," examining Peru as a debt-strapped country that is pulling its way into prosperity. After years of recession, a miracle is now taking place in Peru under the leadership of President García, the prestigious Philippine paper notes. The lessons of García are simple. If a person is sick, and the doctor gives him a prescription that makes him sicker, the best thing to do is get rid of the doctor and get a new prescription. García has restored national independence to Peru.

The same message is now being brought to thousands of

Filipinos through a pamphlet entitled, "The Third World War: The Debt Fall-Out," Philippine sources report. Its last chapter is dedicated to the "Peruvian Solution."

A campaign for great projects

Winning the Lima mayoralty was the critical victory needed for the García government. Some 6 million people live in the capital city, but for the past years, control of the city has been in the hands of the Moscow-run United Left party. The left had gained significant force in the country during the previous 10 years of IMF-run governments.

García's government faced an additional problem. The pro-Moscow, anti-García wing of APRA, led by current party Secretary General Armando Villanueva, sought to throw the elections to the United Left party, by sabotaging the APRA election campaign. That would weaken García, but strengthen their hands inside APRA for the next round of power struggles. Villanueva's sabotage included vetoing García's proposed candidates for the post, only agreeing in the end to allow a relatively unknown APRA member, Jorge Del Castillo, to be the party candidate. The party machinery which Villanueva controlled then limited its campaigning to a minimum.

Economic reality, however, outflanked the party hacks. Del Castillo won, by campaigning as García's candidate, the mayor who will see to it that García's program to build a rapid-transit system in Lima is completed. Against the objections of both the World Bank and the Marxists running the Lima government, the García government had initiated the construction. Every mayoral candidate except Del Castillo, whether of right or left, called it "too expensive," beyond "Peru's possibilities," or an "extravagance."

With one-third of the national population and more than half of country's industrial activity located in Lima, the lack of any rapid transit system has crippled productivity. The train system, which García called "the most major urban work which this government can undertake," is planned to run along the north-south axis of the city, connecting industrial sites with the homes of most of the labor force, now located on the periphery of the city. An estimated three to five hours of travel time *a day* can thus be saved for some. 25,000 jobs will be created just in building the train, and millions in materials and equipment purchases from local manufacturers will be generated.

Marxists and bankers joined to try to stop the project. The World Bank stopped disbursing funds for the train, one month before the elections, claiming that the central government had imposed the project over the objections of the city's (United Left-run) government. The objections of the U.S. Eastern Establishment to such audacious plans were reflected in a Nov. 8 *Washington Post* story, which praised Lima's "Marxist mayor" for his fiscal responsibility. Alfonso Barrantes, the *Post* wrote, "has fiscal responsibility. Alfonso Barrantes, the *Post* wrote, "has shattered the myth of the

left's incompetence in administrative power." García's economic policies it called "impetuous."

Voters chose to better their city, and voted in the man who promised to complete the rapid transit system.

The Lima train project exemplifies how García organized across the country. On Nov. 1, he inaugurated the Chavimochic irrigation project in the northern department of La Libertad, a huge project which will open up 100,000 new hectares for cultivation, and improve irrigation in others. "Could it possibly occur to an IMF-er that the basic minimum income of the population could be tripled? Could it possibly occur to an IMF-er that more than 150,000 jobs would be created for humble people, as we have done?" he asked at the opening ceremonies.

On Nov. 5, he joined the inauguration of the Paucarani dam near Tacna, Peru's southernmost city. The dam is said to be the highest in the world at 5,000 meters above sea level, and will store 8 million cubic meters of water for both irrigation and consumption.

In his brief speeches at each project, García stirred the population to greater efforts, demanding that they abandon the defeatism born of suffering and poverty, and instead mobilize their "capacity for victory." Great development projects bring more than simply their material benefits, he noted at the irrigation project. "They begin the work of spiritual regeneration to irrigate our spirit . . . in the certain hope that while many difficulties will come, we will not face the difficulty of defeating our spirit, but we will have, instead, always one last bullet to fire in the defense of our existence and of our children."

Cry 'dictator!'

The response of Moscow and Western bankers to their defeat, is to threaten to make the country ungovernable, using the charge that García's popularity has made him a "dictator." That line was signaled before the elections by former Prime Minister Manuel Ulloa, a former Wall Street banker hated in Peru for his policies favoring the drug-economy and the IMF. In a Nov. 2 column in *Expreso*, Ulloa called for either the Marxists or the right to win in Lima, in order to stop García. But if the APRA wins, he threatened, the government will be read as "a civil dictatorship," and "irrational anti-*APRismo*, fed by terrorist violence" could develop.

United Left activists are calling for a "mobilization in the streets." Can the tactic work? Militarily, Moscow and the bankers deploy significant power, through still-strong narco-terrorist armies. But García won the elections, not they, winning the support of many who had earlier turned to the left out of anger at the last government. As García stated on election day, "The terrorists know that we, out of doctrine and conviction, will be a government of national economic independence, with decentralization, distribution, and a gradual improvement in the people's welfare. This terrifies them."