

Andean Report by Mark Sonnenblick and Blanca Gastelum

Peruvian mandate

The elections expose the lie that brutal austerity and representative government can coexist.

Voters in Peru's municipal elections handed a decisive repudiation to the starvation policies which have been imposed on their country by the International Monetary Fund and the popularly elected president, Fernando Belaunde, when they cast their ballots on Nov. 13. Peru is frequently cited by defenders of IMF policies as proof that democratic governments can implement IMF austerity and still survive. Results in this election have put that argument into question.

Belaunde was elected in 1980 with a plurality of 42 percent of the total vote. In this election, Belaunde's candidate for mayor of the capital city of Lima came in an embarrassing fourth place, with a mere 12 percent of the vote. The winning candidate came from the United Left party, with 34 percent of the vote, up from a mere 9 percent in the 1980 presidential race. Belaunde's governing party was swept out of office in almost every town and city throughout the country. The moderate social-democratic APRA party won big in 15 of Peru's 25 states (called departments); the United Left took the 6 poorest states; and a conservative party allied to Belaunde, 1.

Belaunde called it a fair election, but appears not to recognize that his rout was caused by his signing over control of his country's economic and social policy to the IMF, foreign banks, and the international cocaine mafia, which grows almost half its raw material in Peru (see *Special Report*).

As part of renegotiating Peru's foreign debt in 1981, Belaunde agreed to hand over more than half of the

country's exports to pay the banks, and even appointed one officer of Wells Fargo Bank, Carlos Rodríguez Pastor, his finance minister, and another, Augusto Blacker, his central bank head.

To meet IMF targets this year the government has reduced food price subsidies, raised public sector tariffs, cut state sector investments by 30 percent and cut imports by one-third. These austerity measures, combined with bad weather, brought a 16.8 percent decline in manufacturing during the first half of this year.

The elections throw Peru into a political crisis. When the returns were in, Lima's mayor-elect pronounced, "The people have voted against the starvation policies of this government." He and all the opposition parties called for sweeping changes in Belaunde's cabinet and policies to reflect the popular will. Having lost his popular mandate, Belaunde will find it difficult to govern for the next year and a half with the same pro-IMF stance. The ultra-conservative Popular Christian Party, the coalition partner which helped him win in 1980 and rule since, has also seen its support shrink to 13 percent.

Foreign Minister Fernando Schwalb admitted the elections were a "plebiscite" in which the regime's policies were defeated. He is rumored to have offered his resignation. Yet, Rodríguez Pastor insists, "The municipal elections will not influence the economic management of the country since the policy of this sector was defined in the 1980 general elections."

While Belaunde has been insensitive to the dismantling of Peruvian industry during his administration, industrial leaders who helped elect him are still trying to convince him to change course. Ricardo Duarte of the metal-working industry federation is warning the president that if he does not switch policies, the far left will take power in Peru in the presidential elections of 1985—in a free, democratic election.

The big winner in the elections outside of Lima was the moderate APRA party, which ran on a program of throwing out the IMF along with the Wells Fargo boys and Schwalb.

The APRA (American Popular Revolutionary Alliance) has a checkered past, but now seems committed to serious programs for saving the Peruvian population and its industry from the disaster of the IMF on one side and the threat of social chaos on the other. APRA could unite the national industrialists with the nation-building faction of the military nurtured during the 1968-74 Peruvian Revolution of General Juan Velasco Alvarado, and even a part of the United Left to offer positive solutions for Peru.

The United Left is a mixed bag. A few genuine nationalists are mixed in with a lot of communists, Maoists, and even Jesuit-run groups supporting the violent insurrectionary tactics of the Sendero Luminoso guerrillas, who are committed to exterminating Western civilization from Peru.

To try to stop the elections, Sendero assassinated several candidates and electoral officials in Peru's highlands and killed three policemen with bombs at Belaunde's Lima headquarters. If the Wells Fargo groups holds on and Belaunde does not turn from the IMF policies, the violence-prone faction of the United Left will try to stir up the mass of hungry and unemployed into urban riots.