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## Documentation

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# 'An infernal spiral of fascist monetarism'

*On Sept. 7, the executive committee of the Peruvian Labor Party issued a leaflet analyzing the current crisis inside Peru. What follows are excerpts.*

The criminal economic package of measures that the Villanueva cabinet has just launched will lead to a useless massacre of great sectors of the Peruvian people. The government will solve nothing by applying the genocidal measures that the local frontmen of the narco-banks and the International Monetary Fund have been demanding for so long: the Ulloas, the Silva Ruetes, the Vargas Llosas. These fascist measures that seek to lower inflation by cutting the consumption of the masses will only "succeed" as long as it takes to kill several thousand of our children. Within a few weeks, it will be necessary to dictate an even more draconian package. We have thus entered into an infernal monetarist spiral, of package after package, as in the times of Belaúnde and Morales Bermúdez.

. . . [The enemy] will not pardon Alan García for all he did and said. The international narco-banking system is determined to make our Fatherland into a monstrous laughing-stock, a bloody example for all the continent and the Third World of what happens to any people that confronts the IMF, like we did during the first two years of government. To destroy our nation, the international financial oligarchy, with the help of Moscow, also has their narco-terrorist hosts, who—aided by the brutal misery to be brought by the monetarist packages—sweep away what is left of our nation and its institutions.

### Drugs don't pay

The international economic blockade, sabotage, and corruption from inside its own party, undermined the government and led it to make a pact of principles with the drug trade. Advised by the Social Democratic masonry, the government thought that by pretending it did not see narco-dollar laundering, Peru would have available to it the \$3 billion which the drug trade uses in the country. But it made a mistake, not only because the drug trade cannot be used against the IMF, since they are one and the same thing, but

because, as ex-minister Robles said, all the narcotics money leaves the country. It leaves behind it inflation, corruption, and the destruction of our youth.

The government lost the battle against the drug trade when it aborted the nationalization of the banks. Alan García's error was that instead of presenting the nationalization of the banks as part of a program to direct credit to a process of capitalist industrialization and as a substantial part of the war against the drug trade, he presented it as a socializing measure, repeating [former Chilean President] Salvador Allende's impotent program. The same "advisers" who destroyed [former Peruvian President] Velasco's nationalist process and the populist agents in the palace, also presented bank nationalization as a step toward socialism. The rejection by our eminently Catholic people of this "road to socialism" was taken advantage of by the agents of the narco-banks, like the Institute of Liberty and Democracy, the Liberty movement, which, with money from the coffers of the Rockefellers and the drug banks, mounted a multimillion-dollar campaign to stop the nationalization. . . .

At this hour of national crisis, when the international power of money prepares to collect its infamous and unjust debt from the sweat and blood of our children, we raise the flag of nationalism. We will not let the President of Peru, out of cowardice, betray the Peruvian people and the continent and hand us over to IMF slaughter.

The Peruvian Labor Party demands the immediate implementation of a program of national resistance against the genocide that already hovers over our land:

1) Restructure the productive apparatus for self-sufficiency in basic products without dependency on foreign inputs. If necessary, militarize production and distribution of key sectors linked to food, such as fish, agro-industry, and agricultural activity.

2) Defeat narco-inflation, dollarization, speculation and capital flight: a) Close Ocoña and other "informal" dollar markets; b) Absolute exchange controls, with dollars only for priority imports; c) Confiscate fortunes of narco-dollar launderers; d) Credit and tax policy to direct investment to production.

3) Definitive war on narco-terrorism. Expel the social democratic agents inside APRA, who, allied with the human rights lobby, play Shining Path's game. Give the military the means to defeat narco-terrorism. Create special tribunals by decree. End the semi-legal terrorist support network, cleaning out terrorist ideologues from the press and universities. . . . To accomplish this, a state of national emergency must be declared, which the President is constitutionally enabled to establish. . . .

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Lima, Sept. 7, 1988