

## Andean Report by Valerie Rush

### Fujimori wins plebiscite

*The narrow margin of victory in Peru confirms that the vote went for Fujimori, but against free-market economics.*

Peruvians went to the polls Oct. 31 to vote on a new Constitution drafted following President Alberto Fujimori's April 5, 1992 purge of the terrorist-infiltrated Congress and judiciary. Although Fujimori was expecting a "yes" vote of at least 70%, he had to settle for an unexpectedly narrow margin of victory of 53% to 47%. While the approval of his Constitution ratifies Fujimori's decision to change the institutions in order to save the nation from disintegrating from Shining Path's terrorism, the slim six-point lead is an unmistakable warning to the Peruvian head of state to reverse the country's economic crisis while there is time.

The "no" propagandists were largely a combination of the old political parties that have lost influence since April 1992, and the agents of the U.S. "Project Democracy" who have run cover for narco-terrorism in Peru for years.

*Expreso* newspaper reports that when organizers of the "no" vote saw that their "anti-authoritarian" polemic against Fujimori was not getting them any support, they shifted to organizing on the basis of "economic desperation" to build anti-Fujimori sentiment. That proved more successful: According to press commentators, 14 of Peru's provinces, many of them in the impoverished Andean highlands, rejected the new Constitution. Five out of six employable Peruvians are either under- or unemployed, and the vast majority of the population lives below subsistence levels. At least a third of the "no" votes, according to media evaluations, were garnered by the op-

position's lie that the new Constitution eliminated free universal education.

Fujimori is not ignorant of the implications of his narrow victory, and has already announced at a press conference that he will dedicate the rest of his term to "improving the economy." Unfortunately, his new Constitution will do precisely the opposite, by codifying a free-market approach and opening the country up to foreign looting. According to the newspaper *Gestión* of Sept. 22, the new Constitution "puts to one side norms by which the state could intervene directly or indirectly in the economy," and makes no attempt to control or outlaw monopolies.

Moreover, any contract signed by the state with foreign companies, for example, will establish guarantees with "constitutional protection and cannot be modified by law or any other type of resolution." In these cases, the Constitution will end up protecting foreign rather than Peruvian interests. An escalated drive to privatize Peru's remaining state companies will now begin.

At his post-referendum press conference, Fujimori argued defensively that he does not consider himself a "neo-liberal" on economic policy, and pointed to his policy of restricting agricultural imports to protect that vulnerable sector as well as his support for the National Housing Fund as proof. He nonetheless insisted on a thoroughly open market economy, adding that with the new Constitution, Peru will become "the Pearl of the Pacific" for foreign investors. But so-

called investors like George Soros, who have been publicly drooling over Peru's abundant mineral and other natural resources, are less interested in what they can put into Peru, than what they can gouge out.

Already, the international financial interests are warning that should Fujimori pay too much heed to the 47% protest vote against his economic policy, the ardor of foreign investors for Peru may suddenly cool. One report from Reuters news agency says that would-be investors are "wary," "skittish," and "skeptical" over Fujimori's narrow referendum victory.

While the issue of economic policy will thus clearly dominate the remaining period of Fujimori's mandate through 1995, the Oct. 31 referendum unquestionably provided crucial backing to the President's highly successful prosecution of the war against the narco-terrorist Shining Path, and allowing that war to be pursued with undiminished vigor.

The "yes" vote also permits the reelection of a sitting President, paving the way for Fujimori—who still enjoys a high approval rating because of his successes against Shining Path—to run for reelection. He has not yet indicated whether he will pursue such an option, but he is widely expected to do so. The new Constitution also strengthens the power of the Executive branch with respect to the legislature, which is now limited to one chamber.

Efforts by the remnants of Shining Path to disrupt the referendum vote included a series of bombings that blacked out the capital city of Lima 36 hours before the polls opened, a number of car-bombings, and the dynamiting of several government offices, including the congressional building. The terrorism had some effect, but clearly not enough to invalidate the referendum.