

# Linowitz Report On Latin America: Blueprint For Confrontation

The Linowitz Report — more properly known as the “Second Report by the Commission on United States-Latin American Relations” (CUSLAR) — was published Dec. 20, 1976 as an unofficially contracted proposal for Latin American policy under the Carter Administration. Sponsored by the Rockefeller-controlled Center for Inter-American Relations and financed by the Ford Foundation, CUSLAR sports a “breadth and diversity of membership” (according to the Report’s preface) which spans Rockefeller-linked agencies. CUSLAR’s roster contains such figures as Rita E. Hauser, member of the Committee on the Present Danger; George Harrar of the Rockefeller Foundation; Nicholas deB. Katzenbach, Ford Foundation fellow and Corporate Vice President of International Business Machines (IBM); Peter G. Petersen, chairman of Lehman Brothers; Andrew Heiskell, Chairman of Time, Inc. and a member of Rockefeller’s Common Cause; Alexander Heard, on the Board of Trustees of the Ford Foundation; W. Michael Blumenthal, Trilateral Commission member and Carter-designee to the Treasury Department.

While the *New York Times* hailed the Linowitz report as a “new orientation for Latin America” which will base itself on the fight for “human rights,” a look at the report reveals otherwise:

### *Panama: The Most Urgent Issue*

*“Panama’s broader significance is...not only is it immediately important for the United States and Panama to defuse a potentially disastrous confrontation; but this is also an issue on which the U.S. finds itself isolated even from our closest allies and from the most frequent users of the Canal...”*

*“The new administration should promptly negotiate a new Canal Treaty...and should make clear to the American public why a new and equitable treaty with Panama is not only desirable but urgently required.”*

The issue of Panamanian sovereignty over the Canal has done almost as much to polarize the continent against the U.S. as the exposure of U.S. involvement in the overthrow of Allende in 1973 Chile. Panama has become a thorn in the side — to be resolved as expeditiously as possible.

### *Human Rights: Deeply Disturbing Developments*

*“We believe that the U.S. government can help to reduce the incidence of repression if it applies quiet but firm pressure and speaks clearly and with one voice... The Commission reaffirms its belief that the U.S. should*

*consider human rights violations to be a major factor in deciding on the substance and tone of its bilateral and multi-national relations with all countries.”*

The human rights issue, the leading edge of Carter’s foreign policy towards the Third World, is the vehicle through which a massive “destabilization” campaign against Cuba and the other remaining progressive nations in Latin America, particularly the Caribbean countries of Guyana and Jamaica, will be launched.

Beginning with the highly suspect offer of prisoner exchange by Chilean dictator Augusto Pinochet to Cuban president Fidel Castro, the pressure has already begun to be applied internationally against the Cuban regime. The recommendations of the Linowitz Report for a new “soft approach” to Cuba on the part of the Carter Administration are designed to draw Cuba into a psychological wargame. The Cuban refusal to play by the new “rules” — a likely course given Castro’s already announced rejection of the Pinochet offer — provides a thinly-veiled “justification” for a U.S. provocation against “recalcitrant” “Soviet mercenary” Cuba.

Numerous tactics are simultaneously at hand to attempt to destabilize and pick off Cuba’s allies, Guyana and Jamaica. The infiltration of terrorist agents, such as in Jamaica, and the activation of black nationalist terrorists such as the Working Peoples Alliance (WPA) — controlled by the Institute for Policy Studies — in Guyana, is meant to provide the pretext for isolating and or intervening into these countries. In Guyana, the pro-socialist government of Forbes Burnham has come under the orchestrated attack of the WPA which charges Burnham with “corruption,” “dictatorship,” and “imperialism.” Their charges have been picked up and echoed in IPS-linked press in the U.S.

### *Cuba*

*“(a) The President should make clear the determination of the U.S. government to use its powers to the full extent permitted by law to prevent terrorist actions against Cuba or any other foreign country or against U.S. citizens, and to apprehend and prosecute perpetrators of such actions...”*

*“(b) Thereafter, representatives of the Administration should indicate to Cuban representatives that the U.S. is prepared to lift its embargo on food and medicines and enter into subsequent negotiations with Cuba on the whole range of disputed issues, provided Cuba gives satisfactory assurances that; (1) it would make a prompt and appropriate public response (such as the release of*

*U.S. prisoners); (2) its troops are being withdrawn from Angola and will not engage in military interventions anywhere; and (3) it will respect the principles of self-determination and non-intervention everywhere, and explicitly with regard to Puerto Rico."*

In view of Cuba's long-standing and quite explicit policy of intervention, military or otherwise, anywhere in the world where legally-constituted governments call for Cuba's aid, the Commission's "recommendation" to the Presidency is a recommendation of step-by-step provocation towards a replay of the 1962 Cuban "Missile Crisis." With human rights as its banner and Cuban-Soviet capitulation as its goal, the Carter Administration's plan is to back Cuba into a corner and, as the CUSLAR document puts it, "reduce Cuba's incentives to provide military facilities to the Soviet Union." What is clear, however, is that the Cubans will not accede to these suicidal "recommendations," nor will the Soviets back down. CUSLAR's recommendations are nothing short of a schematic leading to thermonuclear confrontation between the U.S. and the U.S.S.R.

#### *Arms Transfers...*

*"In its initial report, the Commission recommended... that regional restrictions on commercial arms sales, which were both ineffective and paternalistic, should be eliminated... While Peru has announced its intentions to purchase Soviet jets, the Commission does not believe that such a development would justify variation from the policy it recommended previously: that the U.S. should make available conventional military equipment to Latin American countries only on a competitive, commercial and non-discriminatory basis."*

The recommendations of the Linowitz Report on the question of arms transfers are virtually identical to those issued in the Rand Corporation report in 1974 by David Ronfeldt. Ronfeldt's document, which concerns itself with "Future U.S. Security Relations in the Latin American Contexts," is a detailed blueprint for nationalist military conflicts in the Southern Hemisphere and was specifically directed against the then pro-development Peruvian regime under President Juan Velasco Alvarado. Within that design, the "unrestricted" and "non-discriminatory" supply of arms to all sides was the recommended policy in anticipation of an outbreak of a second "War of the Pacific" between Chile and Peru. Ronfeldt's recommendations were that the U.S. should ready itself as a mediating force to intervene should any such belicose outbreaks occur on the continent.

#### *Economic Policy: The Central Issues*

*"The effectiveness of the recycling of petrodollars averted a global crisis, and was done with impressive efficiency by the private financial institutions; however,*

*it now looms as a significant constraint upon future Latin American growth. More than two-thirds of the total external financing to Latin America in 1975 was provided by the private sector in the form of short and medium-term commercial loans... In its stead, the countries of the region must be given the opportunity to adapt to their accumulated debt by obtaining new public credits to facilitate essential imports and to permit lengthening of the debt profile. In turn, the countries of the region must exercise appropriate financial discipline and restrain internal consumption."*

The threat of default from debt-burdened Third World countries is the motivating force behind Carter's economic policy concerns towards Latin America. As the CUSLAR document itself insists, Carter's Latin American policy must be a model for the rest of the Third World. The use of OPEC funds to prop up New York bank debt holdings, through the complete subjugation of OPEC as a political entity, is central to the schema. The urgent "recommendation" that the massive burden of illiquidity that threatens to collapse the New York banks be transferred to such "public" institutions as "the recently-established Development Committee of the IMF-World Bank" is a call for the establishment of a global "Big MAC" where middle and upper-income developing countries would be able to have "greater access to world capital markets through long-term bond issues suitable for development financing." The price for that "access" would come from "rapidly expanding exports that pay off capital flows."

Leaving no doubts that *deindustrialization* is the explicit intention of the CUSLAR recommendations, the Report adds: "The degree of technological sophistication varies significantly (in Latin America), and the development experience and technologies developed by middle-income countries like Brazil may be more relevant and useful for the least developed countries than much of the high *capital-intensive* technologies of the industrialized countries." (emphasis added)

In response to the Third World's demands for a coherent approach to commodity marketing within a New International Economic Order, the Linowitz Report offers a barely-disguised version of Kissinger's universally rejected International Resources Bank proposal. As the solution to commodity price fluctuations, CUSLAR suggests a commodity-by-commodity buffer stock arrangement with common funding by producers. The effects of such an arrangement are two-fold. With the stockpiling of buffer stocks, prices can be driven sky-high which would provide for a temporary flow of revenue into the debt-strapped producer countries, enabling them to continue to pay their debts. More significantly, the contraction of demand in a severely depressed world economy would lead to devastating cutbacks in production.