

IMF more subversive than Soviets, say Ibero-American lawmakers

by Robyn Quijano

The International Monetary Fund could soon be declared a subversive institution throughout Ibero-America. "If the IMF does not change its attitude, it could become a subversive organism much more dangerous than the Soviet Union," declared the executive committee of the Latin American Parliament, representing all of the continent's democracies on May 5.

On May 9, a delegation of eight of these lawmakers arrived in Washington to meet with senators, congressmen, and IMF officials to present a plan for overhauling the IMF and lightening the debt burden. They brought a message from Venezuelan President Jaime Lusinchi: "Debts are not paid by killing the debtor."

What is at stake is the very security of the United States, declared the Ibero-American officials in an 11th-hour appeal for some rationality from Washington. "Any worsening of this situation will lead to the collective impossibility of Latin American countries to pay their debt," they warned.

"Our position is not to repudiate the debt or to default on it, but no debt has ever been collected by strangling the debtor. . . . The Fund's policies mean stopping our countries' development, sowing idleness, and spreading frustration, which is the preamble to chaos. . . . A group of countries disjointed by crises of such magnitude would place the continent before a panorama fraught with danger," read the declaration released to the press in Washington.

But the delegation left Washington emptyhanded, with only another ½ point increase of the prime rate which will cost the continent nearly \$1 billion more on interest payments this year. Interest increases since the beginning of April will cost Ibero-America nearly \$3 billion, wiping out any gains from the IMF-imposed austerity that has brought deaths from malnutrition to the continent.

The Kissinger menace

While the parliamentary delegation was in town, President Reagan announced to the U.S. population the terms of the strategic suicide of the United States. In fully backing the Kissinger Commission report on Central America, Reagan

told Ibero-America that Hong Kong drug havens and IMF strangulation would be backed by U.S. gunboat diplomacy.

Carlos Andrés Pérez, former president of Venezuela and current president of the Socialist International for Latin America, told *EIR* (see interview, page 9): "We repudiate the Kissinger report frankly and totally. We want to share responsibilities with the United States. We accept the United States' leadership of the Western world with which we are in solidarity," but U.S. domination is unacceptable. Carlos Andrés Pérez charged that the Reagan administration's reliance on a military response in Central America can only lead to "a strategic victory for the Soviet Union." The attempt to find a "military solution" in Central America would bring "regional warfare, in which the United States will not win, Central America will not win, and Latin America will not win," he told the *Washington Post* on April 30.

Lyndon H. LaRouche, candidate for the Democratic Party presidential nomination focused on the same theme: "The strategic function of Soviet presence here is to lure the U.S.A. into anti-communist crusades against non-communist, patriotic governments of Ibero-American states: Just as the U.S. State Department and FBI openly support the Soviet agents in Mexico (PAN, PSUM) in an 'anti-communist' insurgency effort against the government of Mexico. In the current vocabulary of the Reagan administration, 'communist' is any government in Ibero-America which opposes the policies of Henry A. Kissinger."

Journey to Washington

Mexican President Miguel de la Madrid will arrive in Washington to meet with President Reagan on May 14. He will come as a spokesman for the continent, with much the same message as the parliamentarians brought. With the White House dominated by Henry Kissinger, he will leave not simply emptyhanded, but with his pockets picked and a gun to his head. Mexico was already hit by \$1 billion in capital flight traced to an article in the *Wall Street Journal* promoting the panic of devaluation.

The response to such treatment could be explosive. The

leadership of the continent has gone through a profound change in the past month. Four events have culminated in a militancy and mobilization that surpasses the continent's solidarity during the Malvinas crisis two years ago.

1) The tour of Mexican President de la Madrid to five nations put into motion both a debtors' cartel and an Ibero-American common market. The debtors' loan to Argentina formed a cartel "to pay, not to pay," but the debt was officially regionalized. The "political will" of the Presidents was mobilized, and since the trip, the Presidents have had several phone conversations, backing one another in moments of crisis. Such diplomacy has done more for the integration of the continent than dozens of bureaucratic conferences.

2) Trade unionists, the unorganized poor, and businessmen have jointly demonstrated against IMF economic policies during the month of April, leading to May 1 demonstrations in which millions marched in cities throughout the continent. Hunger, unemployment, and the destruction of the productive base brought these sectors together to demand an end to IMF rule.

3) Food riots in the Dominican Republic that left over 60 dead and hundreds wounded were understood by every leader on the continent to be the lawful outcome of the IMF conditionalities that had been imposed the previous day. Every head of state understood that his nation could be the next to experience such convulsions.

4) Colombian Justice Minister Rodrigo Lara Bonilla, responsible for the biggest cocaine bust in history, was assassinated on April 30. President Belisario Betancur's response, a new drive to wipe out the drug traffic with total ruthlessness, was backed by nearly every nation on the continent (see article, page 34). Dozens of political figures said out loud what *EIR* has proven for years: IMF conditions provoke destabilization and promote the drug traffic.

One day after the assassination of Lara Bonilla, on May 1, there was an attempt on the life of Mexican President Miguel de la Madrid.

"We know how to identify the enemies of the republic in time . . . to preserve the nation, to preserve sovereignty," declared de la Madrid, reporting on the attempt the following day. "We see that brother nations have become stages for international conflicts, and that those who carry out war in these countries do not hesitate to destroy nations. No one will destroy Mexico!" he warned.

It is this kind of determination to fight to preserve the nation-states of the region that has been awakened.

A call for "a military version of the Latin American Economic System (SELA)," to wipe out the drug trade continentally, also has its implication for continental defense.

Such an inter-American defense council could be used to impose the Drago Doctrine, which rejects the use of armed force to collect debts from Latin American governments. This doctrine, declared in 1902 by Argentine Foreign Minister Drago, has since been incorporated into the international law of the Western Hemisphere and was declared anew by

de la Madrid from Buenos Aires in April.

Such a joint military force could revolutionize the continent's capacity to defend its sovereignty. This is what the continent's leaders are doing as they appeal for reason from Washington.

But as one President said during the first week of May, in a private meeting: "Just as we got together to pay Argentina's debt; if things become impossible, we can get together not to pay."

Documentation

The Latin American Parliament declaration

The executive committee of the Latin American Parliament released this statement to the press in Caracas on May 4.

We state here that the debt problem is not unconnected to democratic institutionality and our right to development and social justice. If the International Monetary Fund does not change its attitude, it could become a subversive organism much more dangerous than the Soviet Union. The events in the Dominican Republic highlight this danger. If these events are repeated in Brazil, Caracas, Buenos Aires, this will take on a really dramatic character. . . . This type of parliamentary diplomacy has as its objective to contact those who represent political opinion in the U.S. We want to stress . . . that relations between Latin America and the United States, hemispheric coexistence, are in danger. Relations have arrived at a critical point. . . .

We want North American political opinion to realize that what is at stake is the very security of the U.S. The debt problem cannot be untied from democratic institutionality, development, and social justice. . . . The development of our countries is at stake, and in danger of worsening to an intolerable level, the situations of extreme poverty which the vast popular majorities of Latin America suffer. The renegotiation of the debt in bilateral form and in accord with the strict demands of the Fund, by wiping out productivity, creates unemployment, and adds to misery and desperation: It does not resolve, but even negates the prospects of countries and creditor institutions which wish to recover their investments. Never has a debt been collected by strangling the debtor.

Therefore, we will direct ourselves to the U.S. Congress, to demand that, in the name of democratic solidarity and peaceful hemispheric coexistence, it show its political support for equitable solutions for the Latin American debt, because, if this is not achieved, it will result in a grave danger to the social peace, democratic order, and stability of the continent.