

Ibero-America: the year of will, of action, of *Operation Juárez*

by Robyn Quijano

For Ibero-America, 1985 was a year in which will and determination, and the action of a handful of individuals, changed the terms of the war for the New World Economic Order. While the continent suffered an unprecedented level of misery and starvation, natural and unnatural disasters, earthquakes, volcanic eruptions, and the advance of the narco-terrorist armies of the drug mafias, a few courageous fighters, with the backup of international forces dedicated to imposing moral principles of economics, began to change history.

On Feb. 6, Pope John Paul II dismayed international financial interests—and the oligarchy who had planned a third attempt on his life—by successfully completing his two-week tour, in which he transformed millions among the citizens, workers, and youth he addressed in South America. His message, of the Church's determination to "help to enlighten consciences, change hearts, and stimulate the will of all citizens, especially of those who have the possibility and responsibility to put into effect the means to create a more just social order," brought hope to the masses who gathered to hear the Pontiff. The Pope offered the Church as a moral force against the economic conditions that imposed genocide, and called for a solution to the debt problem, a war against drugs and immorality, and the economic integration of the vast continent, the continent of hope. A week before the Pope began his tour, the editors of *EIR* published the first Spanish language edition of the best-seller, *Dope, Inc. Narcotráfico, S.A.* was distributed to government, police, and military officials throughout the continent, as a crucial weapon against the Nazi-communist terrorist apparatus, linked into the continent's drug trade, which had threatened the life of the Pope. *EIR* investigations into the Tradition, Family, and Property cult, whose members used pictures of the Pope for target practice, aided the movement in Venezuela that succeeded in having the cult outlawed there, less than two months before the arrival of the Pope.

On tour, the Pope asked, "How long must man, and the men of the Third World, have to unjustly put up with the primacy of economic processes over the inalienable human rights, and, in particular, the rights of workers and their families?" He decried the interest rates and terms of trade that cause misery and unemployment, and demanded that international institutions "abandon all discriminatory trade practices, especially in raw materials markets," and renounce

"imposing financial conditions which, in the long run, instead of helping those countries to improve their situation, sink them deeper. . . ."

In Peru, the Pope prepared the way for then-presidential candidate Alan García, who was to collaborate with the Vatican throughout the year to make 1985 the year of "action and of will." Addressing millions of Peruvians, the Pope proclaimed, "This is the time for men of audacity," men who can ensure that "the people of your cities, your farmers . . . have their basic human dignity affirmed by being given the means to work."

Thus began the battle, centered on the simplest of principles, that human labor is the center of moral economics. "Man, created in the image of God, participates by his labor in the work of the Creation and of its perfecting, complying with the commandment of the Lord to subdue and dominate the earth," John Paul reminded his listeners.

On Feb. 1, the *New York Times*, voice of the liberal establishment, stated with disgust: The Pope has elaborated a social doctrine which, if put into practice, would change the face of Latin America.

Thus began the year of open battle between the economics of production and the immoral economics of usury. For Ibero-America, 1985 was the year in which labor rose to fight for the dignity of man.

The Schiller Institute

On Nov. 24-25, 1984, the goals for 1985 were set as the Schiller Institute, founded by Helga Zepp-LaRouche, held an international conference outside Washington which brought together 1,500 international leaders, among them, trade-union leaders representing the democratic trade-union movements of several Ibero-American nations, who met with Helga and Lyndon LaRouche, U.S. economist and author of *Operation Juárez*, an economic program for solving the debt crisis, to map out the creation of the Schiller Institute Trade Union Commission.

The conference heard speeches by the vice-president of the Union of Colombian Workers, (UTC), Jorge Carrillo, who became the first worker Labor Minister of Colombia in August; Pedro Rubio, secretary general of the UTC of Bogota and Cundinamarca, (UTRABOC); and Eduardo Rios, then president of Panama's CONATO union confederation, who

became coordinators of the commission, among others. Juan Rebas, secretary general of the Peruvian fishery workers union, who later also became a coordinator of the trade-union commission, was denied a visa by the U.S. Rebas, nonetheless, sent a message to the conference warning that the U.S. policy and treatment of the developing sector was designed to throw nations such as Peru into the arms of Moscow. "They would like me to go and get a visa to Moscow instead, but I will not give them the pleasure," he said. Today, Juan Rebas heads *Pesca Peru*, the state fishing company.

Neither Kissinger, Nor Castro

By June, the Trade Union Commission of the Schiller Institute had stirred the hopes of the leadership of the democratic trade-union movement of Ibero-America. Preparations advanced for an official founding conference that would make the continent's organized labor into a cohesive fighting force against the IMF.

At the center of the organizing was LaRouche's *Operation Juárez*, the program of Ibero-American defense he had written at the request of friends in Mexico, in August 1982, after a meeting with then President José López Portillo.

The key points of *Operation Juárez* are:

- 1) Reorganization of the foreign debt of Ibero-America through collective negotiations which would impose a moratorium on the existing debt, issue new long-term bonds by each debtor nation at 2% interest, and bury the IMF.
- 2) Formation of an Ibero-American common market through establishment of a customs union to stimulate intra-continental trade, creation of an Ibero-American development bank based on Hamiltonian principles, establishment of a "Golden-Peso," with new, revalued parities to the dollar, defended by exchange controls, and the re-establishment of the true value of the continent's exports.
- 3) The launching of great infrastructural development projects to integrate the continent.

Lane Kirkland, the Trilateral Commission speculator and enemy of labor that heads the AFL-CIO, and his minions of the American Institute for Free Labor Development, who had controlled the pursestrings of the mobsters in the continent's labor unions for years, went into a panic that has happily escalated to date. Fidel Castro, pulling the strings of the communist unions, set into motion the biggest propaganda drive of his career.

In May and June, Castro gave hours of interviews to Mexico's *Excelsior* and Brazil's *Folha de Sao Paulo*, centering on Ibero-America's debt crisis. Much of Castro's analysis came directly from *Operation Juárez*. There were, however, two crucial points of difference. "The IMF itself deserves to be saved," he stated. "We are going to save the banks. The debt no longer collectable from the Third World will be reimbursed to the banks by governments, with the approval of their parliaments. . . . A small part of the military budget will be injected into the financial system," Castro suggested.

President Reagan's Strategic Defense Initiative, of course, was the first thing to be sacrificed to the banks. Clever, but a bit too transparent, while Cuba's key creditor, the Soviet Union, expands its already advanced beam-weapons program.

At the end of June, LaRouche issued an open letter to Fidel Castro, made famous on the continent in the Spanish-language book, *Ni Kissinger, Ni Castro (Neither Kissinger, Nor Castro)*. LaRouche's letter described Operation Juárez as, in Ibero-American eyes, "the chief hope for a sane U.S. policy toward Ibero-America, in contrast to Kissinger's obscenities." Hardly had LaRouche's document begun circulating in policy layers, than Kissinger responded. In a June 22 syndicated column, "Building a Bridge of Hope to Our Latin Neighbors," Kissinger called for a "Marshall Plan," a "Western Hemisphere Development Program," within the context of IMF conditionalities. Some new soft-term loans must be promised in order to maintain the present austerity programs since "Sacrifice needs to be sustained by hope," he warned.

Thus, Kissinger renewed the old "threat to lend," the promise of funds that would never reach live economies that LaRouche had warned about as the principal hoax which gullible Presidents swallowed for fear of acting in a united way to save their populations from the preplanned genocide of the usurers.

In exchange for the hope of new loans, Kissinger demanded the usual: the total opening of the economies to "free enterprise" takeover, ending all nationalist restrictions, the payment of debt with equity at a penny on the dollar. The model was Hong Kong, the free-enterprise paradise of drugs, free banking, tourism, prostitution, and gambling.

The goal was to head off any possible joint action by the debtors. Alan García was already President-elect of Peru. He visited the Vatican during his first trip after the elections, in which 96% of the population voted against the incumbent party that had imposed the most perfect IMF dictatorship on record. Kissinger was worried.

He explained his Marshall Plan hoax this way: "The long-run economic cost of closed or controlled markets in Brazil, Argentina, Mexico, and Venezuela, would far exceed the cost of the program."

Schiller Trade Unions

The Schiller Institute Trade Union Commission called its first Continental Congress on July 15-17 in Mexico City. Cuba's trade-union federation later announced a continental labor conference for the same date, and Castro invited heads of state, and political leaders to attend a July 30 conference in Havana to discuss his debt proposal. Simultaneously, the American Institute for Free Labor Development (AIFLD), coordinated with the State Department to intimidate and threaten labor leaders who planned to attend the Schiller Institute conference.

But the counterdeployments backfired, as 40 trade-union

leaders from seven Ibero-American nations, representing the majority of the democratic trade-union movement on the continent, met to plan the battle against the IMF. The delegations, which included labor officials from Argentina, Bolivia, Brazil, Colombia, Mexico, Panama, and Peru, resolved to impose the common market and debt strategy as detailed in *Operation Juárez*, to organize a new Nuremberg Tribunal to try the IMF, the bankers, and the political officials responsible for committing genocide through the present immoral economic order, for crimes against humanity. They also resolved to organize the forces under their command to back then President-elect García's anti-IMF fight.

The Congress was entitled, "Neither Kissinger, Nor Castro," and the hall was decorated with portraits and quotes of Friedrich Schiller, the Poet of Freedom for whom the Institute was named, Pope John Paul II, Benito Juárez, President of Mexico and ally of Abraham Lincoln, who declared a debt moratorium to save his nation, and Juan Domingo Perón, the Argentine President, one of the most slandered leaders of the 20th century, who organized a continental labor movement as the cornerstone of Ibero-American integration.

The trade-union leaders went home to give the anti-IMF battle a sharper focus, and open up new flanks. Hundreds of thousands of workers were to take to the streets against the IMF. And the banner, *Ni Kissinger, Ni Castro*, was to become a key battle cry.

Viva García

Alan García was inaugurated President of Peru on July 28, 1985. In his inaugural address, he declared that no more than 10% of the nation's export earnings would go to payment of the foreign debt, as opposed to 60%, which was demanded, and that the IMF would no longer be permitted to mediate in future negotiations with Peru's creditors. "Peru has only one great creditor; its own people, to whom the government will allocate those resources necessary for the reconstruction of its destiny. . . . Everything can be negotiated except the sovereignty and the political destiny of my people."

He pledged to destroy the drug mafia and stop the dollarization of the economy. Within days of his inauguration, Lima's "Wall Street" was raided and nearly 200 money-changers arrested. Lists were compiled of those suspected of capital flight, police forces were purged of hundreds of drug mafia-linked officials, and major raids of Amazon cocaine-refining facilities shut down one-third of Peru's cocaine exports.

Interest rates were drastically reduced for the productive sector, prices of basic foods were frozen, the end of IMF-designed devaluations was declared, and by November, inflation had been lowered by over 60%. "I urge you all to work to turn a speculative state into a productive state," García said. The speculative economy was thus put on trial, and the economics of productive labor was imposed.

His inaugural address was the first of dozens in which García would go to the people, as teacher of a new economic

doctrine based on the simple principle of the right to life and the right to productive work. He warned there would be sacrifices, yet he set about to transform the population, as John Paul had done in February. The 36-year-old President's popularity soared. By the time he had the national orchestra and chorus perform Handel's *Messiah* in Lima's Plaza de Armas for hundreds of thousands in December, Lima was, indeed, a different place than it had been before July 28.

The *New York Times* assailed García's inaugural speech as a "daring challenge to existing monetary rules," and the *Wall Street Journal* declared on Aug. 1: "Perhaps Peru is at a point where its long-term interest lies in learning what does not work, and would be served by an open break with the IMF, and perhaps something as close to foreclosure as the banks can manage internationally."

Schiller Institute mobilizes

The Schiller Institute went into action to mobilize international support for the Peruvian President's courageous actions. On Aug. 3, Peru's most important television channels reported: "Forty million workers will mobilize behind the call of the Schiller Institute Trade Union Commission throughout the continent in support of the measures announced by President Alan García. Similarly, the Institute has mobilized an important sector of the Democratic Party of the United States. . . . Also five European congressmen from the Social Democratic Party have sent their greetings of support to the President." On Aug. 5, *El Peruano* reported hundreds of telegrams from the United States and Western Europe in support of García. A dispatch from Colombia reported, "Public and private institutions and individuals of the industrialized world and of Colombian politics yesterday expressed their unconditional support for the measure adopted by Peruvian President Alan García in his patriotic effort to defend the national sovereignty of his country."

Seven hundred García supporters marched in front of the United Nations on Sept. 23, and the Schiller Institute organized dozens of rallies throughout the world on the same day. Peruvian television showed scenes from the demonstrations in New York and Rome with banners: "Ni Kissinger, Ni Castro. Viva Alan García."

One week before, on Sept. 17, García received a delegation of the Schiller Institute Trade Union Commission, 20 labor leaders from seven sister nations. García spoke to the Institute leaders for over an hour, and warned them that his country faced a "bitter siege" in times soon to come, which would require international support. He thanked them for their mobilization, and emphasized the importance of the labor movement for the defense and integration of the continent.

At the United Nations, García's message was direct: The world economic system is unjust and is causing genocide. "We wish only to prove that a great step can be taken and that if many others decide to take it, we open up the avenues of the future . . . between grand and pompous speeches, and

the realism of decisions, we have taken the latter course. It is the hour of action, and the time for will," he said.

On Nov. 11, García brought the case against the IMF to Rome, where he addressed the United Nations Food and Agricultural Organization. Attacking IMF policies for creating "dramatic and terrible effects," he said: "It is not the duty of our governments to repay the external debt, nor to accept adjustment policies to this end. . . . It is the Christian duty of our governments to lead the fight against hunger and obtain justice. Everything can be sacrificed except the basic right to life. At this time, when hundreds of millions of people in Africa, Asia, and Latin America are waiting in vain for food, the banks can very well wait—the poor have waited long enough! . . . We are not going to pay, like the Merchant of Venice, with the last pound of flesh."

García was received at the airport in Rome by two representatives of the Pope and by a group of Schiller Institute organizers, who gave the President the collected works of Machiavelli.

According to a statement issued by the Vatican after a 30-minute meeting between the Pope and President, John Paul II presented García with a facsimile of a 15th-century manuscript of Dante's *Divine Comedy*.

A Schiller Institute demonstration of support in Rome was televised in Peru and reported in dozens of dailies in Europe and Ibero-America. The Peruvian newspaper *La Cronica*, reported that the slogan "Ni Kissinger, Ni Castro, Viva Alan Garcia," "has become rather well known in Rome since García's arrival."

The week before, the president of the Italian Senate, former Prime Minister Amintore Fanfani, and other Christian Democratic leaders met with Peruvian Sen. Josmel Muñoz, who was in Rome to address a Schiller Institute conference celebrating the year of St. Augustine. Senator Muñoz received important backing for García's war on drugs and battle for a just economic order from the Italian parliamentarians.

Worker minister

On Aug. 20, 1985, Colombian President Belisario Betancur named veteran trade-union leader Jorge Carrillo to the post of labor minister of Colombia. The appointment sent shock waves through international financial circles, and Kirkland's AIFLD as well. Carrillo was a friend of the Schiller Institute, a backer of Alan García, and a years-long vocal opponent of the IMF. In his first interviews as minister, Carrillo challenged the IMF-dictated decree of a 10% ceiling on wage increases. Inflation was over 20%. After months of negotiations, the minimum wage was increased by 24% in the first week of December.

Carrillo's victory on the salary question over the IMF faction in the cabinet was the most concrete demonstration of an organizing process going on in Colombia which is not unlike the transformation of Peru. Carrillo gained the support of business, specifically the head of ANDI, the industrialist association.

The labor minister has put forward a program of "Harmony of Interests" in which he has cited Henry Carey, Abraham Lincoln's economics adviser. Growth of the productive sector and the end to the speculative economy is in the interest of the workers and the industrialists. Emmiserated workers are unproductive workers, without buying capacity. One section of industry has already gotten the message.

On Dec. 2, Betancur opened a meeting of the Organization of American States in Cartagena, reminding the hemisphere's foreign ministers, including George Shultz, that "the moral basis of international politics is equality before the law, independent of material power." There, as at the meeting of the Cartagena group of the 11 most indebted nations in Montevideo the following week, the influence of García, the continent's labor movement, and the vocal call for morality in economics coming out of the Extraordinary Synod of the Vatican, was apparent.

One of the most important lessons of 1985 can be learned by studying the fall of Panamanian President Barletta, ex-official of the World Bank, who imposed IMF dictates, and refused to agree to Alan García's call for a summit to be held in Panama. A military/trade-union alliance

While no joint action by the heads of state of the continent is expected now, no nation dared not back Peru's fight. Although there is still an extreme lack of courage and will on the part of the Presidents, they have demonstrated at least the fear of not backing García, the fear of their own trade-union movements, and perhaps, the fear of God.

The fall of Barletta

One of the most important lessons of 1985 can be learned by studying the fall of Panamanian President Barletta, ex-official of the World Bank, who imposed IMF dictates, and refused to agree to Alan García's call for a summit of Ibero-American Presidents to be held in Panama. A military/trade-union alliance, based on the refusal to destroy the nation with IMF conditions, ousted a President, and replaced him with a vice-president who understands clearly the base of his power.

The Presidents of Ibero-America may meet in 1986, for the first time in 160 years, to determine the destiny of their continent. Should the summit take place in Panama, it will be a major victory for the young Peruvian President, who has offered "Peru's determination" as a model for the world.