

U.S. talks 'democracy' but seeks dictators

by Cynthia R. Rush

The Bush administration is prepared to install dictatorships throughout Ibero-America for the purpose of guaranteeing continued application of International Monetary Fund (IMF) austerity policies. While the U.S. may prefer military dictatorships, the Trilateral Commission's policy of dismantling the institution of the armed forces in Ibero-America has been so effective, that this may not be possible. Another option, as recently discussed by former Assistant Secretary of State for Latin American Affairs in the Reagan administration, Elliott Abrams, is to have "strong governments" impose policies of "economic adjustment," enforced through repressive measures and the elimination of constitutional guarantees and human rights.

In an interview published Aug. 19 in the Buenos Aires daily *El Cronista Comercial*, Abrams declared that in order to implement economic austerity, "a very strong government is needed—not necessarily a dictatorial one. Pinochet is an example of how the Army can impose sacrifice. The other way is to do it with a strong, popularly elected President, like [Venezuela's] Carlos Andrés Pérez or [Argentina's] Carlos Menem."

Grab for resources

The existence of military or civilian dictatorships in the Western Hemisphere will facilitate implementation of another aspect of U.S. policy—grabbing the continent's resources. Up until the recent "privatization" binge carried out by debtor nations at the behest of foreign creditors, these resources were controlled and protected from foreign takeover by state-sector companies. Now, most of the continent's governments are giving them away.

In the same *Cronista* interview, Abrams expressed the hope that the current Mideast conflict would have at least one positive outcome, "that people will pay more attention to the development of oil and gas resources in the Western Hemisphere. Argentina is a good example of this. It should be clear to us Americans that we should seek other sources of oil, outside of the Mideast."

Norman Bailey, a former U.S. National Security Council staffer and an economic adviser to the Venezuelan government, offered a similar proposal in an article in the Aug. 19 *Los Angeles Times*. The Mideast crisis, Bailey said, should be seen as an opportunity to grab Ibero-America's natural

resources. "Mexico and Venezuela are not the only oil-rich countries in Latin America. Ecuador, Colombia, Peru, and Argentina have large untapped reserves. If opened to full production, the energy supplies of Latin America could become the bulwark of the industrialized world." Bailey called for the creation of an Inter-American Energy Community, which he said would "naturally complement" George Bush's plan to establish free-trade zones in Ibero-America, reduce foreign debt, and attract foreign investment. In an Aug. 14 press conference in Caracas, Pérez echoed Bailey's proposal, emphasizing that there must be sufficient petroleum in the Hemisphere's natural deposits "that can be exploited at any point to meet any emergency."

Smashing the resistance

Abrams has coined the phrase "armored democracies" to characterize the style of government he thinks is optimal for Ibero-America. Regimes of this type are necessary, in the U.S. view, to smash trade union, nationalist military, and political opposition to foreign looting of these economies. Hence, Abrams singled out of Argentina and Venezuela as appropriate models, although he might have added Mexico, where President Salinas de Gortari has just rammed a law through the Senate making it a crime, punishable by fines and jail, for anyone to "dishonestly" question electoral results. The legitimacy of Salinas' presidency remains a question to this day, given the massive fraud of his 1988 election.

Carlos Menem in Argentina and Pérez in Venezuela are fully prepared to utilize security forces to enforce the IMF's austerity policies. Menem, who is facing an August inflation rate of over 15% and growing economic dislocation, recently told a television interviewer that "I will not vacillate in decreeing a state of siege, on a limited or general basis, and if necessary, martial law" to repress popular protest over his policies. In the provinces, where anger over the government's economic plan is intense, Menem is contemplating a federal takeover of those provincial governments which have been unable to smash strikes of provincial employees.

Aware that resistance to Menem's policies is growing, the Bush administration is pressing him to forge an alliance with his opponent in last year's presidential election, Córdoba Governor Eduardo Angeloz, a staunch monetarist. Foreign creditors believe such an alliance would make the government more viable and perhaps help to control social protest. If this fails, Menem is in trouble. The Army, most of whose ranks oppose the government's austerity policies, cannot be relied on to repress a hungry population. That leaves another more extreme, but not unthinkable option, offered by a foreign banker in Buenos Aires, reported in the Aug. 17 *El Informador Público*: "If we can't rely on a viable political alternative, or even on the ability to repress disturbances, the failure of [Menem's] economic plan could force the U.S. to go to the extreme of intervening militarily in Argentina."