

Bush's 'new dawn' for Ibero-America: North-South war and no sovereignty

by Cynthia Rush

When U.S. President George Bush traveled to Ibero-America in early December of last year, he trumpeted the advent of "a new dawn in the New World." Speaking from Uruguay on Dec. 4, Bush said that "the nations of the Americas are on the brink of something unprecedented in world history—the first wholly democratic hemisphere." The U.S. President warned his listeners, however, that this "new dawn" would not be without pain: "Change will not come easily. Economies now dependent on protection and state regulation must open to competition. The transition for a time, will be painful." Such changes, he added, would help end "the false distinctions between the First World and the Third World that have too long limited the political and economic relations in the Americas."

Stripped of its rhetoric, Bush's "new dawn" for Ibero-America—and for the entire Third World—is neither new nor without precedent. It is the same malthusian plan promoted for these nations by the Anglo-American Establishment since the early 1980s, including cooperation with the Soviet Union as part of its condominium arrangements with the United States. The plan is premised on limiting these nations' economic and physical sovereignty, denying them the technological means required to industrialize, and forcing them to hand over their natural resources and economic assets to foreign financial interests. It is a plan for genocide and population reduction, which now comes in the guise of defending "democracy," or "protecting the environment."

The existence of those institutions capable of defending the nation-state, such as the Armed Forces or the Church, cannot be tolerated. Today, with war in the Persian Gulf, no obstacles can be permitted to stand in the way of an Anglo-American asset grab—Venezuelan and Mexican oil—or the bludgeoning of these countries into reorganizing their economies to serve as appendages of the collapsing U.S. banking system. That reorganization is to be carried out by Bush's "Enterprise for the Americas" free trade scheme.

Argentina is the test case

The centerpiece of Bush's "new dawn" is warfare of the North against the South. If economic blackmail and threats won't force Third World nations to sacrifice their sovereignty and their "arrogant" pretensions of becoming industrialized

nations, then they will be assaulted and dismembered militarily. This is being applied with a vengeance in the case of Iraq today; but the precedent for such action was set in mid-1982, when NATO used Argentina's reclaiming of the Malvinas Islands on April 2 as a test case for its policy of "out-of-area deployments."

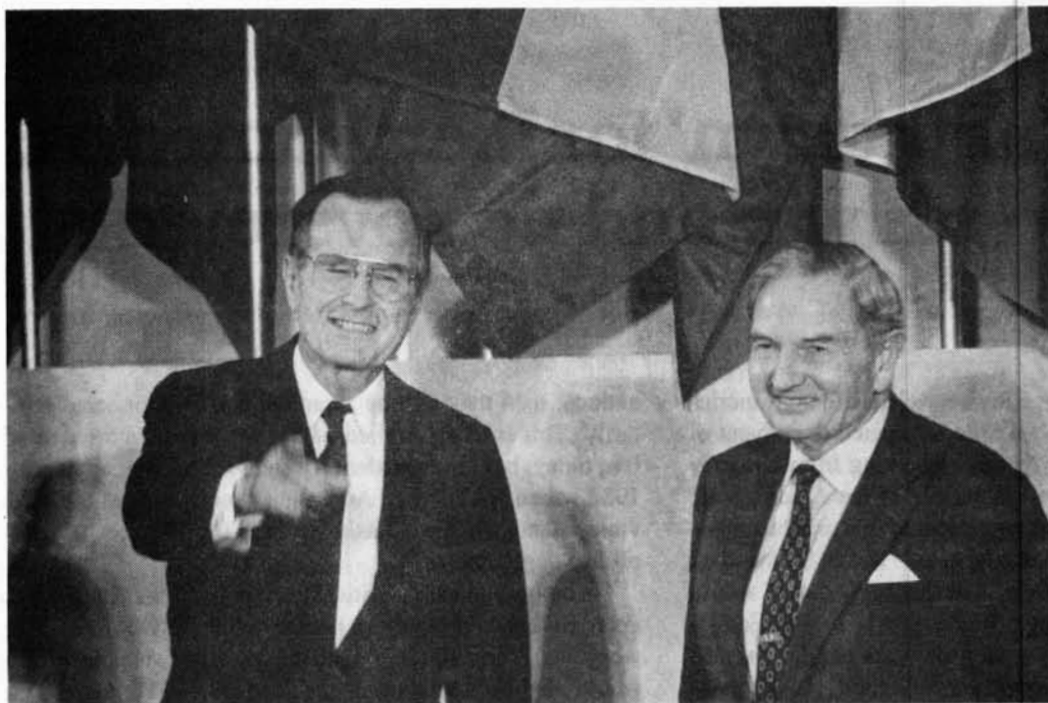
In early June 1982, British Secretary of State for Defense Peter Blaker told reporters publicly that the Malvinas War would be a "test run" for such deployments, which he said would also be discussed at the June 29 NATO summit in Bonn. Predictably, the "Integrated Defense" declaration which came out of that summit read, "we agree to examine collectively in the appropriate NATO bodies the requirements which may arise for the defense of the NATO area as a result of deployments by individual member states outside of that area."

The 1982 NATO deployment sought to make, in Henry Kissinger's words, a "horrible example" of Argentina, for having had the audacity to challenge Britain's colonial power. There were those, like then-British Prime Minister Margaret Thatcher and U.S. Secretary of Defense Caspar Weinberger, who wanted to bomb Argentina off the map. That didn't happen. But no nation on the continent missed the message of what awaited them should they attempt a similar defense of sovereignty.

Seven years later, on Dec. 20, 1989, the small nation of Panama paid the price for standing up to the United States, refusing to implement its policy mandates for Central America, and defending national sovereignty against those in Washington who wanted to rip up the Panama Canal treaties in the interest of U.S.-Soviet condominium arrangements. Not satisfied with the destruction wrought by over a year of brutal economic warfare against Panama, the Bush administration finally "sent in the Marines" to occupy the nation, kill 5-7,000 people, and turn it into a colony presided over by a drug-running oligarchy.

Is Brazil next?

During the Malvinas war, most of Ibero-America rallied to Argentina's cause, but not with the strength or action required to shake up the Anglo-American powers. U.S. statesman Lyndon LaRouche's call for using the "debt



President George Bush and banker David Rockefeller. The Third World's economies are to be reorganized to provide loot to prop up the collapsing U.S. banking system—by military force, when needed.

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bomb”—the proposals for declaring a debt moratorium and creating a continental common market later embodied in his *Operation Juárez* document—went unheeded. Following the U.S. invasion of Panama, the continental response was tepid at best, with most governments quietly accepting the U.S. military occupation of the nation and its imposition of Guillermo Endara as the Panamanian President.

How will the continent respond the next time around? The Anglo-Americans have made clear there *will* be a next time, probably directed against Brazil, using the defense of the Amazon rain forest as a pretext. Brazil's political commentators are already warning that this is likely to occur in the post-Persian Gulf war world. Why? The country's efforts to become an independent and technologically advanced industrial giant have offended the malthusians, who use the same racist propaganda against it that they have directed against Iraq: that advanced technology in the hands of a developing nation can come to no good, and should be controlled by the North, or denied altogether. Over the past year, the international oligarchy has geared up the campaign around the Brazilian Amazon, with an eye not only toward the United Nation's 1992 conference on the environment to be held in Rio de Janeiro, but toward taking military action—should it be deemed necessary—to defend what Britain's Prince Philip has called “the patrimony of all humanity,” the Amazon.

In a document issued in April 1990 entitled *1990-2000: The Vital Decade*, Brazil's Superior War College, which represents the institution of the Armed Forces, warned that it sees continued preying on the Amazon as the moral equivalent of the U.S. invasion of Panama, and stated that it is

prepared to declare a “state of war” to defend Brazil's sovereignty. The populations of Brazil's neighbors, which have rejected their governments' slavish support for the NATO war against Iraq, may rally to Brazil's defense, or in a revolutionary upsurge, overthrow those very governments.

‘Pay at any price’

During the last week of the Malvinas War, in June 1982, the Aspen Institute published its *Governance in the Western Hemisphere* document, which identified the Ibero-American “enemy” as “the persistence and depth of such concepts as nationalism, *Hispanidad*, fears of dependency, and competitive feelings between the developed and developing worlds.” For the document's Brandt Commission, Club of Rome, and World Bank authors, the claim on the part of Ibero-American governments or political factions to the right to independent economic and technological development was a dangerous mode of thinking which got in the way of their policy implementation.

It wasn't just that Argentina had the gall to reclaim the Malvinas; it was also that the country's nationalist forces were prepared to resist foreign oppression. Four months after the war concluded, in October 1982, a Peronist lawyer filed criminal charges against former Finance Minister José Martínez de Hoz, a friend of David Rockefeller and Henry Kissinger, for “fraudulent administration of the foreign debt.” Federal Judge Martín Anzoátegui was charged with investigating the “impressive growth of the Argentine foreign debt” which increased from \$7 billion to almost \$40 billion under Martínez de Hoz's 1976-81 term in office.

One year later, Federal Judge Federico Pinto Kramer, based in Río Gallegos, Argentina, ordered the arrest of Central Bank president Julio González del Solar for his role in refinancing the state sector's foreign debt on terms which violated national sovereignty. Pinto Kramer acted on a complaint filed by a local attorney accusing González del Solar of treason for having guaranteed a contract to refinance the debt of the state airline company, Aerolíneas Argentinas, which granted jurisdiction over the agreement to New York State courts. In an interview with *EIR*, Pinto Kramer explained at the time that "I objected to the clauses [renouncing] sovereign immunity. . . . I sincerely believe it is time for Latin America to stand up, to establish its importance in the eyes of the international community. You cannot strangle the debtor, and [force him] to pay at any price."

'We must squeeze these nations'

But that, in fact, is what the foreign creditors intended—and intend—to do. The Aug. 27-28, 1983 meeting sponsored by the American Enterprise Institute in Vail, Colorado, put forward the strategy by which the banking community intended to force Ibero-America's debtors to give up sovereign control over their economies and natural resources. Alan Greenspan, then a Wall Street economist, told a reporter at the meeting that the conversion of bankers' holdings of debt into holdings of equity in the debtor countries was the only way of dealing with the debt crisis. "The only problem," he added, "is what equity means in sovereign nations . . . is not self-evident." Instead of traditional private bank lending, he added, "there must be a major extension of direct investment and access to capital markets for equity finance for the LDCs [lesser developed countries]. . . . These debtor countries have export earnings and raw materials, and the question is, how would the creditors gain some form of equity?"

An official from the Council of the Americas, sponsor of the Rockefeller Debt Commission, answered the question in an interview with *EIR* in August 1983. After complaining that Ibero-American nations had used loans for "internal development," he demanded that the entire structure of the continent's debt be changed to emphasize private enterprise and private equity ownership. Subsidies must be "squeezed" out of public sector companies, he said. "The laws in Latin America on foreign investment must be changed . . . and that is a problem of national sovereignty." The way to bring about these changes? "There is no substitute for the austerity process. It is very true that it causes social chaos, but mass protests can be used to promote change. . . . We have to use the austerity and social chaos to crack the social institutions of the country and change the laws."

Explaining that the way to guarantee foreign access to state companies is to "introduce the concept of bankruptcy" to the public sector, this official targeted companies like Petrobrás in Brazil and Argentina's military industry, Fabricaciones Militares, and demanded that Argentina, Brazil,

and Mexico alter their domestic laws to permit massive foreign investment. "Once you have a public sector company in a bankruptcy court, if you are a creditor, you can do what the U.S. government did in the case of Chrysler . . . you convert some of the debt into equity."

Over the past seven years, this process has occurred in Ibero-America more or less as the Rockefeller official described it. As real production collapsed as a result of monetarist policies, servile governments opened up their economies even further to debt-for-equity swaps and more free market lunacy, using the argument that "foreign investment" and efficient private enterprise, unencumbered by state sector mismanagement and bureaucracy, would reactivate their economies. State sector companies like Petrobrás, Pemex, and Argentina's Fabricaciones Militares and Somisa are soon to be privatized. The U.S. is squeezing Mexico until it relents and agrees to include oil in the free trade agreement to be signed this year. The Venezuelan government almost proudly admits that it is producing oil for the U.S. strategic reserve and to meet U.S. needs. In an agreement signed with the U.S. Export-Import Bank in January of this year, the Venezuelan government renounced its status as a sovereign state, identifying itself instead as a commercial enterprise which, according to the contract, "has no right to immunity based on sovereignty or any other form as regards these [commercial] activities."

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