

SUMMIT OF THE AMERICAS

Leaders Dump Free Trade, Talk Of Changing Economic System

by Gretchen Small

Plans for a hemispheric free-trade accord died at the fourth Summit of the Americas in Argentina Nov. 4-5, buried by the refusal of the Mercosur nations (Argentina, Brazil, Paraguay, and Uruguay), plus Venezuela, to bow before the free-trade policy which is killing *all* of the nations of the Americas—the United States included.

The standoff resulting from the refusal of those nations—representing 75% of the economy of South America—to set a date for restarting failed negotiations on a Free Trade Area of the Americas (FTAA) produced what Lyndon LaRouche, the champion of anti-free-trade American System economics, called a “fascinating impasse, an excellent indecision.” The American nations stood up and said “no,” and no one said “no” to their “no,” LaRouche commented.

A final declaration from the summit was cobbled together, but only after the heads of state finally agreed, in a nine-hour ad hoc meeting after the summit had officially concluded, to issue a statement stating both conflicting positions: those for locking in FTAA negotiations, and those arguing that conditions do not now exist for those negotiations to begin.

The failure to agree among the nations of the Americas sent a stunning message around the world: The post-Cheney era has begun. Making sure people understood the strategic context in which they were taking such decisions, members of the LaRouche Youth Movement in Argentina ensured that everyone who came through the summit’s international press center—journalists and dignitaries alike—received copies of LaRouche’s most recent call for Cheney to “Get Out!”

Kirchner, Bush, and the IMF

Argentine President Néstor Kirchner opened the summit itself with a speech which, Chilean President Ricardo Lagos

commented afterwards, said “what many were thinking but didn’t dare say.” After declaring that the “neo-liberal” policies of free-market rule and the shrinking state are responsible for creating mass misery, unemployment, poverty, and the collapse of governments across the Americas, Kirchner called for a change in the international financial system:

“There is today a clear international consensus regarding the need to reform and modernize those agencies that emerged from Bretton Woods,” he said. The International Monetary Fund and World Bank must play the role for which they were originally created, that of helping countries grow, and stop being “the agent of private interests.”

Kirchner, who in October elections won a strengthened mandate from the Argentine people for his policy of standing up to the IMF, made clear that he is prepared to shake the very foundations of the IMF, to defend his people. The IMF lent a bankrupt Argentina \$9 billion in loans before the 2001 default, knowing full well that default was inevitable, but now that Argentina is rebuilding its economy, the IMF refuses to help, Kirchner pointed out. Kirchner issued a none-too-subtle threat: Should the IMF continue to insist that before it rolls over those bad loans, Argentina reimpose the very conditionalities which led to its collapse, then Argentina simply won’t repay the IMF. According to press accounts, Kirchner told President George Bush in their private discussion that Argentina might leave the IMF altogether, in that case.

An Argentine default on the \$9 billion the IMF lent in the run-up to the 2001 collapse, could drive the IMF itself into bankruptcy.

While Bush and Kirchner said their discussions when the two men met alone were “candid”—a diplomatic way of saying they had their differences—and sharp disagreements were

Bush in Argentina

In his comments during a joint press conference with Argentine President Néstor Kirchner on Nov. 4, President George W. Bush included the following statements:

This is my first trip to Argentina. I hope it is not my last trip. However, this is not our first meeting; this is our third meeting. And every time we have met, I have come away impressed by your candor, your passion for the people of this beautiful land.

And as we discussed the first time we met till now, the economy has changed in quite dramatic fashions, thanks to the wise decisions you have made. And so, congratulations for dealing with a difficult circumstance, and making decisions that have improved the lives of your people.

Needless to say, the President was quite firm in his belief that the IMF ought to have a different attitude toward Argentina. He has been an outspoken person for reform. I listened very carefully to his point of view.

I was pleased that the United States was helpful during the early part of his term with the IMF. And I suggested that his record is such now that he can take his case to the IMF with a much stronger hand.

And so I appreciated the conversation there. And I appreciate your candor.

reported during the general talks, in his press conference after meeting with Kirchner, President Bush expressly praised the one President in the Americas who has stood up to the IMF in the past decade. Praising Kirchner's "passion" for his people, Bush stated: Argentina's "economy has changed in quite dramatic fashion thanks to the wise decisions you have made. And so congratulations for dealing with a difficult circumstance, and making decisions that have improved the lives of your people." (See box.)

One of Brazil's leading dailies, *Folha de São Paulo*, immediately took note of Bush's surprising comment, headlining its coverage, "Bush Praises Argentine President's Attitude in the Face of the IMF." That's quite a message for Brazil, the largest debtor in the region, which, despite having greater economic strength than Argentina, has yet stand up to the IMF to defend its people, as Kirchner has.

U.S. Must Help Change System

Much attention was given in the press to Venezuelan President Hugo Chávez' grandstanding at the "counter-summit" demonstrations he led in the streets, but few reported Bush's

praise for Kirchner, nor the content of Kirchner's forceful address to his fellow heads of state. Argentina—whose financial system, government, and living standards imploded in December 2001, when the country defaulted on its foreign debt—stands as "tragic proof" that the policies of the 1990s do not work, he said. This is not an ideological question; "the events themselves show that the market alone does not reduce the level of poverty."

The IMF, other international bodies, and the United States, which imposed these policies, must accept their share of responsibility for the results, he said.

Kirchner pressed for policies which focussed on growing the economies, so jobs can be created. "We must ensure that the *state* moves in where the market flees and abandons. Without effectively dealing with poverty and exclusion and providing employment, there will be no well-being. The lack of well-being among our populations is the root of greater instability. Governability will be at risk should we not create employment," he said.

The Presidents of the region must begin to speak up. He called upon the United States, in particular, as the world's leading power, to exercise "responsible leadership" in the hemisphere, and reject policies that cause "misery, poverty, and democratic instability."

Documentation

Argentina's Kirchner: Our Priority Is Development

This is Argentine President Néstor Kirchner's speech at the Opening Session of the IV Summit of the Americas, Nov. 4, Mar del Plata, Argentina. It was translated by EIR and sub-heads have been added.

Distinguished Messrs. Presidents and their wives; Messrs. Vice Presidents, and special envoys; Messrs. representatives of international agencies; national, provincial and municipal authorities, ladies and gentlemen:

We extend to you our warmest welcome to this beautiful city of Mar del Plata, in the hope that these working sessions may bear fruit in the taking of one more step along the road of the Summit of the Americas process.

If there is one central issue on the agenda of this collective building process, which seeks to review the history of the last decade in the Americas, to produce results that will foster the well-being of our people, it must be the theme of this IV Summit, in which the Presidents and representatives of these several countries must stop speaking softly and raise their voices to arrive at the points of agreement and resolution our