

The stakes in Reagan's trip to South America

by Christian Curtis

Barely 48 hours after the State Department let out the news that George Shultz was about to embark on a tour of Ibero-America, the White House announced Oct. 26 that Shultz will be accompanying President Reagan on an official visit to Brazil and Colombia beginning Nov. 30, with a brief stopover in Costa Rica. The apparent lack of coordination has nothing to do with bureaucratic snafus. It has everything to do with the fact that the United States, along with the international banks, will very shortly be dragged into total depression at a point when most of the other nations in this hemisphere are close to cutting off their creditors. And there is certainly plenty of disagreement in Washington on what to do about it.

The strategic stakes of the President's trip are these: If the agenda of the talks with Ibero-American leaders is defined by Shultz, Reagan will wind up with inter-American relations even more hopelessly damaged than they were by the Malvinas crisis, with chances of American economic recovery reduced to nil, and prospects for social chaos—including assassinations of important Ibero-American figures—extremely likely. On the other hand, if the President overrides the State Department and opts for a policy centered upon Lyndon LaRouche's Operation Juárez proposal for an overall debt reorganization for Ibero-America, he could return with a quarter of a trillion dollars in export orders and thousands of new job opportunities for Americans.

At this point, Shultz, by default, has the initiative. His proposal, hammered out with Henry Kissinger to conform

with the guidelines handed down by the so-called Ditchley Group of bankers, who met recently in New York (see article, page 4), is to demand 1) that all renegotiation of foreign debt by Ibero-American nations be carried out on a bilateral basis only; all discussion of a multilateral "debtors' cartel" against the banks is to stop; and 2) that Ibero-America support the State Department's plan to militarize the Caribbean basin.

Any number of threats and promises will be proffered to get these points across; delivering on any "deals" is irrelevant. The bottom line for Shultz and the region's creditors is that they must have the hemisphere under political control when the world economy goes into its expected final dive. By the time Ibero-Americans wise up to the fact that whatever Shultz promised will not be forthcoming from a ruined American economy, it will be too late: Henry Kissinger's friends in the "wetworks" business will begin murdering Ibero-American leaders who dared buck the Bretton Woods system.

OAS denounces coercion

The haste with which the presidential journey has been arranged corresponds to the momentum of Ibero-American sentiment in favor of some form of joint debt negotiations, which in effect would mean the end of the political and financial power of the patrons of Kissinger and Shultz. On Oct. 22, by a vote of 20-1, the Inter-American Economic and Social Council (CIES) of the Organization of American States passed a resolution denouncing the conditionalities policies of the International Monetary Fund and took steps toward a

continent-wide debtor's front.

The resolution, of which the sole opponent was the United States, put the OAS on record as "rejecting the imposition of embargoes and economic blockades, the freezing of funds, the suspension of credits, and all other measures of a coercive economic nature directed against any developing country for the purpose of undermining or obstructing the full exercise of its sovereignty over its territory or natural and economic resources." The one-sidedness of the vote reflects the lessons of the Malvinas war and its aftermath. Ibero-America, regardless of so-called objective creditworthiness, is still on a bankers' blacklist for supporting Argentina, and loans to the continent have fallen off dramatically.

With Andean nations' heads of state due to meet in La Paz, Bolivia to map out a collective debt renegotiation strategy, the OAS action is a new step toward extending such a policy to other Ibero-American states.

A companion OAS resolution, still to be acted on, established that "any situation created" by exercise of such methods of economic warfare "be defined as a grave economic emergency" that will open access to special channels of joint action and redress within the OAS at large. Ibero-America's future, said outgoing Venezuelan OAS ambassador Hilarion Cardozo at the opening CIES session, "lies in its capacity to cooperate and unite . . . protecting the vulnerable of its economic security."

Cardozo, widely recognized as the architect of the CIES meeting, introduced another resolution which would set up an inter-American conference, at the ministerial level, to meet in April 1983 in Caracas on the subject of foreign financing—the debt issue. The Venezuelan proposal specified that the meeting would seek "alternatives for the reactivation of productivity throughout the hemisphere."

Similarly, at a conference sponsored by the Third World Social and Economic Study Center (Ceestem) in Mexico City Oct. 26, former Mexican President Luis Echeverría also called for unity against the murderous austerity of the banks. "The countries urgently needing foreign financing must unite in a strategy against international financial institutions like the International Monetary Fund and the World Bank," he said. "The impositions of those organizations must by no means be accepted, because they generate inflation and unemployment."

No open arms

If Washington hopes to be able to maintain embassies south of Texas, this is the Ibero-American sentiment Reagan must address. Already it is clear that America's southern neighbors are not exactly waiting for the President with open arms. The Colombian government leaked a report, once Shultz's dishonorable intentions were known, that it would prefer a brief chat between Reagan and President Belisario Betancur at the airport on Reagan's way back home. The report, of course, was denied, and Reagan and Shultz will

spend a full day in Bogotá, but the point of the rumor was not lost in other Ibero-American capitals.

Despite the storm warnings, Shultz is doing his utmost to be provocative. He has pulled together a separate summit for the heads of English-speaking Caribbean countries to take place in Jamaica Nov. 15-18, where, say Jamaican sources, Shultz will be pushing the same line he hopes the President will take to Brazil, Colombia, and Costa Rica.

According to reliable information, Shultz wants American bases set up in Jamaica, in Haiti, in Guatemala near the border with Belize, and, even more outrageously, on San Andrés island. San Andrés belongs to Colombia, one of the scheduled presidential stops, which is claimed by Nicaragua. Shultz in effect is throwing down the gauntlet to Betancur, because Colombia, much to Washington's surprise, recently announced its intention to join the Non-Aligned movement. If Colombia even so much as sits down to discuss the setting up of a superpower base on its soil, it will be barred from membership in the Non-Aligned, according to the movement's own rules.

Shultz's attempt to "break" the conservative nationalist Betancur is getting substantial inside help from Foreign Minister Rodrigo Lloreda Caicedo. Lloreda told a Colombian radio network late last month that Colombia should enter the continent's "arms race" and prepare itself for possible war against its neighbors over territorial disputes. On Oct. 20, Lloreda made another overt attempt to sabotage Betancur's policies when, after a meeting in Washington with Shultz and David Rockefeller, he stated that the idea of joint debt renegotiation is "not convenient at this time." Betancur has repeatedly expressed support for joint renegotiation and is the Andean leader giving the strongest public support for Bolivian President Hernán Siles Zuazo's call for this policy.

Kissinger in Mexico

While Shultz targets Brazil and Colombia for official pressure, Kissinger and Rockefeller suddenly arrived in Mexico City the same day the Ditchley Group was winding up its New York meeting—which was sponsored by Rockefeller's Chase Manhattan Bank. Kissinger and his companion are said to be delivering the message from the Ditchley meeting that Mexico, which has led the developing-sector offensive against the banks' depopulation policies, is to be "starved out." According to Mexican press reports, Kissinger and Rockefeller both met with President José López Portillo as well as with incoming President Miguel de la Madrid.

The Ditchley program, according to one of the organizers of the New York meeting, is "to keep pushing Mexico to sign an IMF agreement until they run out of spare parts for all their tractors, which has already begun to happen." Like a mafia godfather, Kissinger smilingly relayed this line at a press conference upon his arrival. "Mexico is supported by the U.S. banks and the IMF," he said, "an organization which in no way tries to profit by the misery of different countries."