

A political standoff at the OAS meeting

by Gretchen Small

The annual General Assembly of the Organization of American States opened in Washington, D.C. Nov. 15, bringing together foreign ministers from around the continent for a week of discussions. The meeting was the first at this level held since the Malvinas war, when bitter confrontations occurred between the United States, which had sided with Great Britain, and the majority of Ibero-American nations who demanded the United States back Argentina and its commitments to hemispheric defense treaties.

As late as mid-October, during a preliminary meeting of the Economic and Social Council of the OAS, battles between the United States and its neighbors over economic policy for the region—specifically the right of the industrialized countries to impose sanctions and embargoes upon nations who failed to meet political or monetarist criteria—became so acrimonious that rumors circulated that some delegations were considering a cancellation of the General Assembly meeting itself in order to avoid a full-scale showdown.

No such battle on the economic question, or on any other major issue has emerged. Although the meeting has not completed its deliberations as of this writing, the 1982 OAS General Assembly is already being written off as little more than a useful forum for private contacts, but settling none of the issues of debt, economic collapse and reestablishing of U.S.-Ibero-American relations on a sound basis.

Schultz delivers Kissinger policy

U.S. Secretary of State George Shultz won favorable comment from many delegates with a “just-plain-folks” approach that contrasted sharply with Haig’s pyrotechnics at previous meetings. “I am here to listen more than talk . . . [as] I join this discussion among neighbors and friends,” he began.

The policy package outlined by Shultz was nonetheless pure Kissinger, the same policies cooked up by Lord Carrington, Shroeder’s Bank’s Lord Cecil, Henry Kissinger, et al. last May during the height of the Ibero-American war against all things British and monetarist. Smiling, “low-key,” Shultz made the following points:

(1) Debtors must meet their obligations at all costs.

“Borrowers must cut their current account deficits, raise domestic interest rates, and keep exchange rates realistic,” Shultz argued, as part of the “adjustments” needed to correct the “excesses” of growth in the past decade. The International Monetary Fund is to play an essential role in designing the “stabilization programs” required.

(2) A U.S. economic recovery and a few credits can follow only upon the adoption of these “adjustment” programs;

(3) Border conflicts and the fight against communism as it is now occurring in Central America must absorb the energies of the continent. Shultz called for international “mechanisms” to be created to police the numerous border disputes and raised the possibility that the United States might invoke the Rio Treaty of Mutual Assistance (TIAR) to combat “foreign involvement” in conflicts such as Central America’s—a proposal which provoked a few snide remarks by those present. It was TIAR’s provisions against intervention by “extra-hemispheric powers” which the United States violated when it supplied the British war effort in the South Atlantic!

A different agenda

But a few voices suggested the agenda which should have been the joint one between a sane U.S. administration and Ibero-America.

Ibero-America’s “growing impoverishment” stems from its lack of industry, especially heavy industry, Argentina’s Foreign Minister Juan Aguirre Lanari explained in his speech. Industry “limited to light industry, few centers of energy production . . . low productivity because of backward technology and insufficient capital,” are the signs of the underdevelopment dominating the continent. Lanari urged the Ibero-American countries to strengthen their economic and technological cooperation with other developing-sector countries—and, in the long-term, to establish a Latin American Common Market, to buffer their economies from the international economic crisis.

It is the “duty of the great world powers, and of the highly industrialized countries—a duty in which their own interests are fundamentally committed—to spread material progress throughout the world,” Lanari reminded Shultz, rather than “exercising political pressure through embargos, sanctions, and other forms of economic coercion.”

Peru’s Foreign Minister, Arias Stella, urged the United States in his speech to join in founding “great multinational projects” in the region, suggesting the “colonization of the large unexplored spaces” of South America’s interior, “the mobilization of enormous natural resources which require large investments and advanced technology,” and investment in peaceful border integration programs as the kinds of project of vision that can be implemented. Bilateral cooperation in limited and isolated projects is not adequate; the region should be considered as a whole by the U.S., if the technological, financial and commercial obstacles to development and growth are to be overcome, Arias Stella concluded.