

# Bush's free trade pact means genocide

by Valerie Rush

In a major foreign policy address June 27, President Bush proposed a hemispheric "free trade zone," modeled on the free trade pact the U.S. and Mexico will begin negotiating in December, whose purpose will be to loot the entire Ibero-American continent. Bush's initiative, which he dubbed an "Enterprise for the Americas," is premised on recommendations made last March by the Trilateral Commission, the supranational coordinating body for the Anglo-American elite which pulls the strings of the Bush administration.

Paving the way for the Bush initiative has been a months-long propaganda barrage by U.S. government and related thinktanks and their Ibero-American co-thinkers, threatening the governments of the continent that if they don't open their economies to this "free-trade" scheme, they will be abandoned to a "New Dark Age," as Rand Corp. doomsayer David Ronfeldt suggests. According to the *Los Angeles Times* of June 24, Brazilian monetarist and former Finance Minister Roberto Campos similarly warned that Ibero-America could be left an "economic backwater" since its potential investors have been frightened away by "obsolete nationalism" and "unrealistic unionism."

Bush spelled this out, lying that the "economic lesson of this century is that protectionism stifles progress—and free markets breed prosperity." In reality, it is just the reverse. There is not a case in the last two centuries of a country industrializing without heavy protectionism, while "free trade" has always been the rallying cry of countries seeking to economically dominate weaker countries, precisely as Bush's hemispheric "free trade zone" is intended to complete U.S. economic domination over Ibero-America.

## A partnership for suicide

Billed as a "partnership for the '90s," Bush's initiative toward Ibero-America is, in fact, a recipe for collective suicide. Specifically, the Bush proposal urges 1) dropping all trade barriers among the nations of the hemisphere; 2) eliminating the "regulatory burden" which serves as an "impediment to international investments" in Ibero-America; and 3) debt reduction based on debt-for-equity and debt-for-nature looting schemes. The only money Bush offered for his "Investment Fund for the Americas," was \$100 million a year to force "investment reforms" such as privatization of state industries, banking, and resources, which he "volunteered" from the Inter-American Development Bank. Bush said he

would ask for another \$100 million each from Europe and Japan.

The elimination of trade barriers between such disparate economies as that of the United States and its southern neighbors not only makes Ibero-America's cheap labor pool a target for colonial-style exploitation by runaway U.S. shops, but will also be used to smash U.S. wage levels by blackmailing workers with the ever-present threat of moving industry south of the border.

Further, with the establishment across Ibero-America of sweatshop assembly plants on the Mexican *maquiladora* model, the U.S. economy will find itself buried under a flood of cheap imports from the Trilateral Commission's new "Hong Kongs" south of the Rio Grande. It is doubtful that the already-depressed U.S. industrial sector, now saddled with the restraints of the Clean Air Bill and other innovations of the "read my lips" Bush administration, would survive such an inundation.

Investment in such light industry, labor-intensive assembly plants is the core of Bush's actual policy. The idea is to create, as Vice President Dan Quayle recently put it, "America 1992" to counter the creation of "Europe 1992." The use of low-wage Ibero-American labor will permit U.S. multinational companies to export, cheaply, to the markets of Europe and Japan, the regions that the United States now regards as its chief economic enemies. Inside Ibero-America, the effect will be the abandonment of any project to develop real industrialization, including heavy industry, adequate infrastructure, or high technologies, which will be reserved for the already developed countries.

## A Trilateral debt approach

Most revealing as to the authorship of Bush's proposal are the debt reduction schemes contained in his "Initiative for the Americas." Although he sheds copious crocodile tears over the plight of the debt-burdened "little countries" in Ibero-America, Bush only comes up with outright reductions on a mere \$7 billion in concessional (that is, government aid agency) loans. More significantly, Bush formally endorses the employment of debt-for-equity and debt-for-nature swaps in selling an unspecified portion of another \$5 billion. Bush especially emphasizes how the offer of debt reduction can be used to blackmail the nations of Ibero-America on environmental issues, with Brazil's Amazon a special coveted target.

Both debt figures referenced in the Bush initiative represent a drop in the bucket of Ibero-America's total foreign debt, which surpasses \$400 billion. However, the name of the Trilateral game is how to prop up that house of cards known as the U.S. banking system. With the productive U.S. economy already sacrificed to the obscene rites of the environmentalists, the deregulators, and other such free-marketeters, Anglo-American control of Ibero-America's remaining profitable assets is the only course remaining to the bankrupt financial establishment.