

Bush tour of South America builds hemispheric war machine

by Dennis Small

President George Bush kicked off a six-day, five-nation tour of South America on Dec. 3, whose objective was to lay the groundwork for absorbing every nation in the Western Hemisphere into a U.S. economy increasingly geared for war. The way Bush put it, in an address to the Brazilian Congress on the first day of the tour, was that "I truly believe we are approaching a new dawn in the New World." He demanded of Brazil, a nation which in the past has viewed itself as a leader of Third World aspirations for development, that it forget any such ideas, and "end the false distinctions between the First World and Third World that have too long limited political and economic relations in the Americas." Bush conceded that his Brave New World would be brought about through pain: "Economies now dependent on protection and state regulation must open to competition. The transition, for a time, will be painful."

Having once postponed this tour to promote the Enterprise for the Americas Initiative because of the U.S. budget crisis, there was concern in Ibero-American circles that the same might happen again, given the urgency of the Gulf crisis. But such fears were misplaced. Bush traveled to Ibero-America precisely *because* of the Gulf crisis, leaving Secretary of State James Baker at home to stoke the fires of war against Saddam Hussein. The administration wants to annex all of the raw materials—especially the oil—in Ibero-America, for the eventuality of a Middle East war. Should that part of the world go up in smoke, Washington figures it can turn to the Western Hemisphere for its needs.

Thus, one of the leading stated objectives of the Bush tour was to establish a five-country "framework agreement" for a South American free-trade zone, under which the nations of the area would abandon any remaining goals of sovereign national development, and instead reorient their economies as appendages of the collapsing U.S. banking system. In his speech before the Brazilian Congress, Bush referred to such an arrangement as a "commonwealth of freedom." With this in mind, Mexico and Venezuela, which are among the major world oil producers, are being pressured by Washington to sharply increase their output to meet U.S. requirements. This was the principal agenda item on Bush's visit

to Mexico in late November, a trip which laid the policy groundwork for the current South American trip.

Washington has the backing of Moscow in this enterprise. The White House repeatedly emphasized that the South American tour was at the top of Bush's "post-Cold War agenda," meaning that Moscow views Washington's hemispheric resource grab favorably. This was stated explicitly at a late-November conference at Johns Hopkins University in Washington, by the current director of the Department of Latin American Countries of the Soviet Ministry of Foreign Relations, Valery Nikolayenko, who told the audience that Bush's Enterprise of the Americas Initiative has many positive aspects for Latin America, and was therefore warmly received by these countries.

Given the lineup, every single government in Ibero-America seems more than willing to bow to Bush's war demands—but not so the populations, and many of the leading political forces, in these countries.

The Bush agenda

Prior to his departure, Bush's responses to questions submitted by journalists from the five countries on his itinerary (Brazil, Uruguay, Argentina, Chile, and Venezuela) revealed what to expect from the tour. He explained that he "became convinced" of the need for his Enterprise for the Americas because of what he described as the three earlier stunning successes of his administration in Ibero-America: "the triumph of democracy in Nicaragua, the end of dictatorship in Panama, and . . . the drug strategy."

What are these "victories" Bush is now building on? The War on Drugs which he is proclaiming a success has led to:

- a vast expansion of drug production worldwide (*EIR* estimates that it is doubling every five years);
- virtual dual power arrangements with the drug lords in Colombia and Peru, with a drift toward legalization in those countries and in the U.S.; and
- the deployment of U.S. Special Forces and CIA mercenaries into the jungles of South America, threatening to spread into a Vietnam-style presence.

As for the Panama "victory," here Bush's war fever:

- butchered anywhere from 4,000-7,000 innocent Panamanian civilians;
- installed the puppet Endara government, which even U.S. Drug Enforcement Administration officials admit is linked to drug money-laundering activities, and which has presided over an *increase* in drug trafficking in Panama since the invasion; and
- won such popular enmity for the United States that 100,000 Panamanians (5% of the population) took to the streets in protest on Dec. 4, less than a year after the invasion (see article, p. 53).

In Nicaragua, Bush's claims of success are equally outrageous. The Sandinistas were defeated at the polls early this year but, as agreed between Washington and Moscow:

- the Sandinistas still run the Nicaraguan Army; and
- Bush-style free-market policies have brought the economy to a standstill. The Chamorro government recently announced the layoff of 30,000 government employees, and suggested that they seek alternate employment . . . as street vendors selling ice cream!

Bush was also cavalier in brushing aside the pressing issues that the Ibero-Americans had wanted to discuss with him. When questioned by a Brazilian journalist about the foreign debt, Bush merely replied, "I do not see it as central to my discussions in Brazil." A second issue which Bush ruled out of order was that of technology transfer. The Brazilians had requested that this topic be discussed, since they correctly view advanced technology as essential to the development of their economy, but the White House told them it would not be on the agenda of discussions—other than a lecture from Bush as to the dangers of advanced nuclear technologies in particular. As the London *Financial Times* reported, "Mr. Bush offered little substantive support in the areas of debt and technology transfer, which most concern the Brazilian government."

Not surprisingly, Bush's reception in Brazil was singularly cool. Before addressing the Brazilian Congress, Bush had to silently listen to Senate President Ronan Tito warn him about the explosiveness of the debt situation, since the servicing of the foreign debt "is sacrificing our sovereignty, our freedom." Tito added: "Brazil invites our creditors to become partners in our development and growth and not partners in our poverty."

The hemispheric strategic reserve

What does Bush's Enterprise for the Americas Initiative boil down to? The State Department sent Deputy Assistant Secretary David Malpass to tour the continent a week before Bush's trip, to lay down the line.

Forget any quick benefits to your economies from the proposed free-trade zone, he explained, since it will "take from three to seven years" to arrange the details. In the meantime, the Bush administration requires a detailed inventory of every industry in the region, "company by company, en-

terprise by enterprise," to know how to properly annex it to the U.S. war economy. Malpass informed the Ibero-Americans that there were three conditions they had to fulfill before they could line up for the "benefits" of the free-trade zone: 1) inflation must be reduced at all costs—in other words, the International Monetary Fund's (IMF) austerity dicta must be ruthlessly applied; 2) the \$420 billion in foreign debt has to be renegotiated on terms acceptable to the creditor banks, and all arrears (over \$20 billion) must be paid up immediately; and 3) all barriers to U.S. foreign investment in the region must be eliminated.

This last point is particularly addressed to Ibero-America's petroleum industry, which the Bush administration is eyeing hungrily as a substitute for Gulf oil. Before the current crisis, the U.S. was importing about 4 million barrels per day of oil from the Gulf. Should all of that be cut off as a result of a conflagration in the Middle East, Mexico and Venezuela are slated to make up much of the difference.

Mexico has gigantic oil reserves: Some experts consider them to be as large as, or even larger than Saudi Arabia's. But Mexican oil output can be raised only over a period of years, and that only with significant new investment in exploration and drilling of wells—investment which Mexico is incapable of financing because of the IMF austerity policies it has adopted. So the Bush administration is pressuring Mexico to accept U.S. investment in its oil industry—a violation of the Mexican Constitution—in order to guarantee sharply increased oil supplies to the U.S. strategic reserve.

Bush lauds Pérez

Venezuela is the region's other principal oil producer, but it has nowhere near Mexico's potential. It *is* capable of expanding output quickly, however, and President Carlos Andrés Pérez has indicated that he is more than willing to hand everything over to the oil multinationals and the U.S. State Department. As President Bush noted in remarks to a Venezuelan journalist before leaving on his tour, "I must pay tribute to the extremely positive role that Venezuela, and particularly President Carlos Andrés Pérez, has played in the months since Iraq invaded Kuwait. . . . I agree with President Pérez that we need to increase the production of oil from areas of the world such as Latin America and the Caribbean. . . . I believe that private investment funds are available for this effort, and will go to countries which have hospitable investment climates. There is more that we can do in this area, and I look forward to discussing this issue with President Pérez and his advisers when I am in Caracas."

Pérez has been perhaps the most obsequious among the universally fawning Ibero-American heads of state, in his praise of Bush's war economy push. "There is no doubt that the Enterprise for the Americas is the most advanced proposal the U.S. has ever proposed for Latin America," the *New York Times* quoted Pérez saying. "It is a revolutionary, historical reaching out."