

Schiller Institute faces off against Castro in Ibero-American debt fight

by Cynthia Rush

When the Trade Union Commission of the Schiller Institute called for a July 15-17 conference of Ibero-American labor leaders in Mexico City, under the title, "Neither Kissinger Nor Castro," the friends of the International Monetary Fund (IMF) went into high gear to try to sabotage the meeting.

Cuba's trade union federation announced a continental labor conference for exactly the same date, and Cuban President Fidel Castro invited heads of state, political, press, and labor leaders to attend a July 30 conference in Havana to discuss his proposal to declare a moratorium on the continent's foreign debt. The American Institute for Free Labor Development (AIFLD), the AFL-CIO's international arm, coordinated with the State Department to intimidate and threaten labor leaders who planned to attend the Mexico City conference.

All of this frantic activity doesn't seem to have paid off too well. Not only was very little agreed on at the Cuban conference, as indicated by the text of the Havana Act, but most Ibero-American heads of state are uninterested in Cuba's and the Soviets' attempts to turn the debt crisis into an instrument for furthering East-West conflict. The presidents of Mexico, Peru, and Brazil, as well as numerous other political leaders, refused to attend the July 30 Havana meeting. Moreover, the July 28 inauguration of Peru's president-elect, Alan García Pérez, was set to be the occasion for a conference of the foreign ministers of the 11-nation Cartagena Consensus, to discuss taking common action on the debt.

Brazilian President José Sarney told Fidel Castro, "Brazil will not take part in any attempt to transform debt into an aggravation of East-West conflict." Peru's Alan García said on July 19, "I salute President Castro's proposal, but with the realism of one who is having the problem and not looking at it from afar. I believe the authentic historic response of Latin America, which must be a revolutionary response against the International Monetary Fund, must be born in Latin America itself and by those of us who have the problem." García noted that Cuba's relationship to the Socialist bloc

made its debt problem "different."

The July 15-18 Havana labor conference stood in stark contrast to the Schiller Institute's conference in Mexico City.

The Schiller Institute's Trade Union Commission elaborated a policy for replacing the IMF with a new international credit system, and building the new regional institutions capable of financing accelerated industrial development. The conference's final manifesto, which adopts the most significant aspects of U.S. economist Lyndon H. LaRouche's 1982 document, *Operation Juárez*, states that such development can only be achieved through application of the most advanced nuclear and laser-based technology; it identifies the IMF's role in waging an "Opium War" against the nations of the developing sector, and demands a continental offensive to shut down the drug trade, and the terrorists and coup-plotters who are financed by it.

What best characterizes the Havana Act, representing the conclusions of the Cuban trade union conference, is the remarkable statement that "the Central Organization of Cuban Trade Unions stressed from the very outset that the idea was *not for this conference to reach definitive agreements*" (emphasis added).

After much rhetoric about the crimes of the IMF and the banking community, the document states that "most participants called for annulment of the foreign debt. Other unionists suggested variations, the immediate suspension of debt and interest payments . . . however they all agreed that the debt is unpayable." The "broad consensus" reached included the "establishment of a new international economic order," unity of all oppressed strata of the Ibero-American population, and formation of a "united front of Latin American and Caribbean debtor countries that might serve as interlocutor vis-à-vis the private banks, the international financial organizations, and the governments of the creditor industrialized countries."

The glaring hole in the document is the failure to make any mention of the drug trade—explained by Cuba's own sordid involvement in the Bulgarian drug connection, its

laundering of monies from the Caribbean drug trade, and its harboring of such international mafiosi as Robert Vesco. Given the intimate relationship between the IMF and the drug trade, it is not surprising that the Havana Act assumes that debt discussion will continue to be mediated through *existing* "international financial organizations"—the IMF.

Moreover, as a direct attack on the Schiller Institute's assertion that what separates men from beasts is the sacred quality of the human mind and its potential for infinite development, the Havana document states that Ibero-Americans should be bound by the bestial "spirit" of their Indian past, which so excites today's anthropologists. The Cuban document says participants should be "inspired by the historic legacy found in the sacred book of the Mayas, which says: May all rise, let all be summoned, let there not be one or two among us who stay behind."

More threats

Ibero-American governments aren't paying attention to Castro's antics, and the continent's labor movement is not buying more IMF austerity. That makes LaRouche's Operation Juárez a live option for the continent, and the IMF knows it.

Argentina's Peronist-run General Confederation of Labor (CGT) announced on July 23 that it will launch a new mobilization of regional strikes and demonstrations to oppose the mass layoffs and suspensions provoked by the Alfonsín government's IMF-dictated "shock" policy. Peru's state-sector workers have been on strike for over a month, also protesting layoffs and austerity.

The bankers' alternative is to bludgeon debtors into submission. U.S. Treasury Secretary James Baker III, the former member of the White House "palace guard" who demands that debtors impose IMF "adjustment programs," was scheduled to officially represent the Reagan administration at the July 28 inauguration of Peruvian President García. Baker's presence is an unsubtle message to the new Peruvian government to abandon any ideas of bucking IMF conditionalities. He was also scheduled to meet with a number of other Ibero-American leaders at the inauguration, including Argentina's Alfonsín, outgoing Peruvian President Belaunde Terry, Uruguay's Sanguinetti, and President Jaime Lusinchi of Venezuela.

The July 24 edition of the *Wall Street Journal* delivered the threat that Peru's debt status had not yet been downgraded to the category of "value impaired," because the regulatory committee that makes such decisions "wants to see if its newly elected government maintains its initially stated policy of not being receptive to the orderly servicing of its debt."

In Mexico, the international creditors feared that President Miguel de la Madrid would exert new leadership on the continental debt issue, following the ruling PRI party's recent electoral victories. But in the face of oil price manipulations, currency devaluations, and increased capital flight, de la Madrid announced a new austerity program that will elimi-

nate portions of the federal bureaucracy, and reduce the state sector by 30%. At the second annual conference of Mexico's nationalized banks, where de la Madrid announced these measures, Finance Minister Silva Herzog promised that Mexico had no intention of ever considering anything as "irresponsible" as a debt moratorium, and was fully committed to honoring all of its foreign obligations.

The announcement came a few days before Secretary of State George Shultz and State Department "special ambassador" Harry Shlaudemann descended upon Mexico to demand further concessions on questions of trade and foreign policy. In the new economic package, the government has succumbed to IMF and GATT demands to eliminate import prohibitions, replacing them with tariffs. It has also reversed its previous policy of prohibiting wholly-owned foreign companies from operating in the country, by approving IBM's request to build a 100% foreign-owned plant near Guadalajara. Mexico's National Commission on Foreign Investments recently approved majority investments by British, American, French, and Spanish companies, worth more than half a billion dollars.

Mexico's stance gives no leeway at all for worse-off countries like Peru. Although President García has said his government will not go to the IMF, new Finance Minister Luis Alva Castro told the nation that the only way out of the current crisis is to suffer "terrible hours, hours of scarcity, desperation, discouragement, and privation." Alan García recently sent former Finance Minister Javier Silva Ruete to Argentina to find out how President Raul Alfonsín's "anti-inflationary" plan is working. After meetings with Finance Minister Juan Sourrouille, Raul Prebisch, and Alfonsín himself, Silva Ruete returned to Lima with a glowing report on how the Argentines are beating inflation. Alva Castro is now talking about imposing a "war economy" in Peru, as soon as the new government takes power.

Enter the Brandt Commission

The IMF crowd has also hauled out such assets as the aged Raul Prebisch of Argentina and Britain's former Prime Minister Edward Heath to package a nicer-sounding solution to the debt crisis. Speaking at the Guadalajara banking conference, Heath and Prebisch warned that debtors can't tolerate much more austerity, and called for a long-term, "political" solution to the debt crisis, including lower interest rates and longer repayment terms. "Sooner or later," Prebisch warned, "the United States must consider the reform of the international monetary system."

Heath, a member of Willy Brandt's World Bank-linked Independent Commission on International Development, was quick to point out however that "the IMF must be the basis for change, because it has proven its usefulness during the past five years, by supporting the world depression, policy changes, and other factors." Prebisch left Mexico and traveled to Washington, where he presented his "solution" to the House Banking Committee.

Alberto Campos on the dignity of man

Alberto Campos, veteran leader of Argentina's Union of Metalworkers (UOM), gave the closing speech at the Mexico City conference of the Schiller Institute's trade union commission on July 17, 1985. The following are excerpts from that speech:

"In the lives of all human beings, there are moments which make more demands on us than others. I have done nothing to deserve the honor of closing this gathering; for a humble person like myself to close this magnificent act, to pay homage to those workers who struggled, who gave their lives, who paid with jail terms, and who suffered and continue to suffer persecution—this is truly the dignity of man.

My brother trade unionists said that the first thing one finds in getting up on the podium is the dignity of man, because man, the king of creation, for whom any sacrifice is small, has his dignity. We have all shown that here today, without thinking of what tomorrow might bring. With courage and decisiveness, we take initiatives that some institutions have forgotten, or don't want to take, that many governments have promised to take, but didn't. This is the dignity of man.

Here we have identified a series of extraordinary things: Benito Juárez, author of what dignified man must also do; Juan Domingo Perón, who dignified the worker in my country; a man who lived and died, and gave his life for social justice and for the dignity of man; and the Holy Father, the Pope, who as in only few moments in the history of humanity and Christianity, is anxious to travel everywhere preaching the dignity of man. . . .

Everything resolved here is possible, but it now mainly depends on being able to give it impulse and continuity. This process should not end just with a good speech, or in having known new and dear friends, but rather in the real commitment to implement this, and force its implementation, with whatever sacrifice and work it takes.

You know, there is something really wonderful for those of us who have fought for years in the trade union movement. I began fighting in the trade unions, and when I see that our battle stations are in good hands, I feel comforted. . . .

When such important, concrete, and courageous things as have been resolved here are then transmitted, youth and

their families can see that we aren't lost, that a challenge has been made and accepted, that the Good must always conquer—that Reason must always prevail. . . . I, for one, must admit I didn't know Schiller before I came here, and yet the forerunner of dignity, of being honest in everything one says, was a man, a poet of freedom and democracy, of the culture of ideas, which is what must prevail. . . .

When you must fight, you must give your life to that fight, and I dare say this because my life has transpired in struggle, and I've paid for it in jail many times, and I wouldn't mind paying again. I've seen the death of my friends, even my dearest friends—they've died for social justice. . . .

I am a man of profound faith and conviction, and I know that each of us shall make his or her contribution, but we must also transmit this glory and fortune of having achieved something so important. But humbly, for neither is there room for conceit; there never was room for it . . . and even less so today, when we suffer the disgrace of a hunger sentence imposed upon our comrades in other lands through the International Monetary Fund; of corruption in all its forms, like the drug traffic and a number of things we talked about yesterday; pornography, the desertion of home, the departure from all ethical principles of human dignity.

. . . I want to finish by taking the responsibility and committing myself personally to work tirelessly and to contribute everything within my modest possibilities to ensure that we move ahead. Take note: The world labor movement never gives up; we've never given up in the face of death or persecution or poverty or anything. So, I believe the point is that we always be ready to fight and never give up, that's all. Thank you very much.

Who attended the Mexico City meeting

The first continental congress of the Schiller Institute Trade Union Commission was attended by (affiliations for identification purposes only):

Coordinators

Pedro Rubio—Secretary General, Union of Workers of Bogota and Cundinamarca (UTRABOC-UTC), Colombia.

Juan Rebaza—Secretary General, Peruvian Fishery Workers' Union, (Pesca-Peru).

Manuel Carulias—former official, Union of Transport Workers of Argentina, (UTA); former official, General Confederation of Labor of Argentina. Delegations

ARGENTINA

José Antonio Amar—Secretary General, Grain Workers' Union.

Héctor Albi—Secretary for Organization, Meatworkers' Union.

Rodolfo Amado Daer—Secretary General, Food Industries Union.

Patricio Dana—Secretary General, Meatworkers' Union.

Alberto Campos—Metalworkers' Union.

Pabló Flores—Treasurer, Argentine Sanitation Workers' Trade Union (UGATS).

Juan Andrés Mínguez—Deputy Secretary General, Meatworkers' Union.

Domingo Petrecca—Secretary General, Cemetery Workers' Union.

BOLIVIA

Gumersindo Bueno Calderón—Secretary for Public Relations, National Railroad Federation,

Max Ibáñez—Secretary for Conflicts, Amalgamated Light and Power Union.

Víctor Villaruel Paz—Railworkers' Representative to Departmental Workers' Confederation at La Paz.

BRAZIL

Roberto Ismerio—President, Banking Institution Employees' Union of Nova Friburgo, Rio de Janeiro.

COLOMBIA

José Cubillos—UTRABOC-UTC official.

Abel Galindo—President, EDIS Workers' Union; Vice-President, UTRABOC-UTC.

Germán Góngora—Secretary for Proceedings, UTRABOC-UTC.

Octavio Márquez—Secretary for Metallurgic and Mining Affairs, UTRABOC-UTC.

Guillermo Pedraza—Secretary General, Cundinamarca Workers' Federation (FTC); Secretary for Organization, Colombian Workers' Confederation (CTC).

Ricardo Reynoso—President, Banking and Credit Institution Workers' Union.

Dídimo Rincón—Treasurer, National Association of Airport and Air Terminal Baggage Carriers; Secretary for Sports, UTRABOC-UTC.

MEXICO

Francisco Carranza—Secretary for Labor Affairs, Oilworkers' Union, Section 10.

Luz María Torres—Secretary for Finance, National Education Workers' Union, Section D-2-46.

Jesús Lozano Farfán—Secretary for Public Relations, Paperworkers' Union.

Mario Montes—Secretary for Labor, Paperworkers' Union.

Donato Fernández Rodríguez—Revolutionary Federation of Workers and Peasants (FROC-CROC), Puebla.

Jorge René Sánchez Juárez—Revolutionary Federation of Workers and Peasants (FROC-CROC), Puebla.

Carlos Valderrama—Foreign Affairs Secretary, Auto Parts Manufacturing Industry Workers' Union.

PANAMA

Martín González—Food, Trade and Related Workers' Federation (FETRACS-CONATO).

Pedro Félix Montañez—Secretary General, General Workers' Federation.

PERU

Manuel Herrera—Industrial Telephone Community.

Fernando Alí Rubio—Foreign Affairs Secretary, National Confederation of Workers.

José Safra—Secretary General, Workers' Union of the Peruvian Revolution (CTRP).

UNITED STATES

Juan Cortez—American Federation of State, County, Municipal Employees, (AFSCME).

Pedro Vázquez—United Steel Workers of America (USWA).

Pass judgment on IMF at Nuremberg

Below are the full texts of resolutions passed by the Schiller Institute Labor Commission's First Continental Conference in Mexico City, July 15-17.

Resolution No. 1: Nuremberg Tribunal

WHEREAS, it has been demonstrated to all the world that the mass death now occurring in Africa is wiping out entire populations through famine and disease, and

WHEREAS, the scale of such mass death conforms precisely to the description of genocide, which is defined in the conventions adopted by the allied powers for the Nuremberg Tribunal after World War II as a crime against humanity, and

WHEREAS, the cause of this genocide is identifiable in the acts of economic and financial policy toward the nations of Africa, in specific, the manipulation of economic aid and credit to implement policies of:

- 1) food price rises in a situation of starvation;
- 2) reduction of wages of the population;
- 3) prioritization of cash crops for debt repayment over the need to supply sufficient food to the population;
- 4) abandonment of high-technology farming, on behalf of subsistence agriculture that amounts to slave labor;
- 5) abandonment of large infrastructure projects essential for developing the necessary water, energy, and transportation resources for highly productive agriculture;
- 6) savage reduction of state sector subsidies to producers and consumers alike;

7) overall prioritization of debt payment over development of industrial and agricultural infrastructure;

8) population reduction policies under the guise of "population control," and;

WHEREAS, the institution which has taken the leading role in advocating and enforcing these policies, has been the International Monetary Fund (IMF), working through its official conditionalities and its unofficial collaboration with private banks, and;

WHEREAS, leading IMF spokesmen, such as Jacques de Larosière, and World Bank spokesmen, such as Robert McNamara, have explicitly announced that their economic policies have the aim of population reduction, and;

WHEREAS, it is obvious to any knowledgeable person that all the technologies and resources are available to halt genocide by famine and disease in Africa, and any other area of the world, in particular:

1) the current food stocks, and abundant potential for more food production in the industrialized world;

2) the military transport equipment to deliver food to areas without transportation;

3) the idle capacity and unemployed workers to build the necessary tractors, bridges, canals, and other high-technology inputs for agriculture;

4) the range of technologies, all the way up to space technologies, to turn the deserts into fertile farmland, even more efficiently than was done in Israel and the western United States, and;

WHEREAS, it is therefore conclusive that officials of the IMF and their collaborators know, or should have known, that their credit policies would lead to a rapidly escalating pattern of genocide;

THEREFORE, we, the undersigned, urge the heads of state of all sovereign nations, united by the commitment to the principles of Judeo-Christian civilization, most especially the sacred right to life, to immediately convene a Nuremberg Tribunal to hear testimony, and pass judgment, on the IMF's crimes against humanity.

And, while such a tribunal is being assembled, we commit ourselves to the task of gathering and publicizing the evidence of these heinous crimes, and mobilizing the court of world opinion to render its judgment through mass demonstrations, and all possible means at its disposal, to end these crimes.

Resolution No. 2: Summit

We make an urgent appeal to the chiefs of State of the developing nations and the industrialized countries, that they immediately hold a summit conference to discuss the problem of the foreign debt, without the participation either of the bankers or the international financial institutions, to lay down the bases of a new economic world order favoring development, sovereignty, and justice.

Resolution No. 3: Peru's President

We back the recent public declarations of the President-elect of Peru, Dr. Alan García, to not pay the foreign debt with the hunger of the people; to reject the efforts to convert the problem of the foreign debt of Ibero-America into an East-West conflict, because it is not a question of leaving one imperialism to fall into another; and to launch total war against drug trafficking.

We commit ourselves to organize the needed popular backing on the continent to assure that these statements by Dr. García become reality.

Resolution No. 4: Bolivia

In the face of the recent presidential elections in Bolivia, we declare our solidarity with the Bolivian workers in their demand that the new authorities of the country maintain full respect for the rights and trade union freedoms of the organized Bolivian labor movement, and the popular demand to reject International Monetary Fund austerity and to condemn the drug-trafficking mafia.

Resolution No. 5: Chile

The worker comrades, meeting at the First Continental Conference of the Labor Commission of the Schiller Institute in Mexico City, declare our solidarity with the Chilean worker comrades in their struggle for liberty and the return of democracy to their country.

Resolution No. 8: Common Market

The First Continental Conference of the Labor Commission of the Schiller Institute, held in Mexico City on July 15, 16, and 17, 1985,

CONSIDERS,

1) That in this Labor Commission, in its First Continental Conference, delegates participated from Brazil, Argentina, Bolivia, Colombia, Peru, United States, Mexico, and Panama;

2) That meeting in this forum we discussed from the inside the various problems and needs of the brethren of the Ibero-American continent;

3) That we agreed on common responses and plans that envision solutions to the economic, social, cultural, and political problems of our Ibero-American brethren;

RESOLVES:

1) To fight for the Unity and Solidarity of all the brothers and sisters who make up the Ibero-American continent.

2) To present, realize, and implement the need for an Ibero-American Common Market, for the benefit of the countries which make up our continent.

3) To promote moratoria in our various countries on the foreign debt, and that said money be utilized in a real, true, and effective manner in the social, economic, political, and cultural development of our continent.