

Andean Report by Mark Sonnenblick

No buyers for CAP's snake oil

The Venezuelan President's pretensions at representing Ibero-America at debt talks with Bush were deflated in hours.

Former Socialist International vice president Carlos Andrés Pérez may have imagined he could get away with posturing as the liberator of Ibero-America from its debt burden. His role as the reincarnation of Simón Bolívar did not last long March 20. That afternoon, the Venezuelan President (known as CAP) was so shameless to say at a press conference that his "pilgrimages" around the world were "bearing fruit," in the form of the so-called plan bearing the name of U.S. Treasury Secretary Nicholas Brady.

CAP declared, "This year of 1989 has to be decisive to solve the debt problem. We already have as an extraordinarily good, affirmative, prospect the ideas which President Bush expressed to us by means of his treasury secretary, of recognizing the need for a substantial reduction of the debt and also, that debt service by our countries has to diminish. This is a good start. However, the proposition made to us is still vague and our purpose is, precisely, to concretize it."

Pérez stated that, thanks to the Brady proposals, "today, we believe we are on the road to the solution. During the next few days, I should have a meeting with President Bush, which I have asked for. . . . This weekend, I will meet with the Presidents of Brazil, Argentina, Uruguay, Peru, and Colombia."

CAP said he would meet the first four on the Brazilian border and President Barco on the Colombian border. He said he would try to stop in Mexico and meet President Salinas on his way to "the New Hemispheric" agenda at

Jimmy Carter's center in Atlanta, the hoped-for meeting with Bush, and a speech at the United Nations. He crowed, "I will go as representative or with the mandate of the Presidents of the Group of Eight. That is my purpose; and the initiative came from Brazilian President Sarney."

If Pérez does get to meet with Bush—and there was no sign of any interest from the White House—he will represent only himself. That evening, after a round-robin of international phone calls, Brazilian President Sarney's spokesman announced that Sarney had canceled the Group of Eight summit. The terse official explanations given for the scrubbing of Pérez's flight forward as continental savior and the very limited reporting of the incident in the continent's press offer something of a puzzle.

CAP apparently thought he had qualified himself as just the man to wave a bloody shirt in the United States about the sacrifices caused by current debt collection policies. The problem was, his bloody shirt was stained with the blood of 1,000 of his citizens killed in rioting after he imposed austerity policies dictated by the International Monetary Fund (IMF), Feb. 27. The other Presidents, who have worked to apply IMF austerity "gradually" so as not to trigger such violent responses, may have realized that any identification with Pérez would be political poison. Events had verified *EIR's* Feb. 17 cover story "Carlos Andrés Pérez Sells Snake Oil for the Debt Crisis." Now, nobody will touch him with a ten-foot pole.

Agence France Presse reported from Brasilia, "Brazilian government sources showed some resistance to accepting the Venezuelan ruler as a spokesman for the debtors' group." Brazil views itself as a continental power, and is unlikely to let any Spanish-American boast that he speaks for it in Washington. Pérez, however, has always been incontinent when it comes to self-promotion.

His indiscretion was a desperate ploy to project himself as a statesman to help save his crumbling political hold on Venezuela, where he is considering letting opposition parties he spat at a month ago participate in his government. There is also talk of reviving the Punto Fijo agreement, a secret pact among the parties that nobody would rock the boat, in order to avert a military coup.

Brazilians think the Brady Plan is at best a hoax, and at worst another bludgeon to impose IMF policies and debt-for-equity grabs of their farms and factories. Most Ibero-Americans doubt whether anyone in official Washington cares a whit about their problems. There was undoubtedly resistance in many countries to giving Mr. Snake Oil a blank check to make agreements with Bush on the Brady Plan and to propagate them in the continent's name at the United Nations March 29.

It is also possible that some faction of bankers cautioned President Bush against blessing what could be called a "Presidents' club" or the embryo of a "debtors' cartel," even though their boy was running it for the moment. CAP and most of the region's other Presidents are trading their countries for a mess of pottage. But, as the debt crisis explodes out of anyone's control, a Presidents' club could be catapulted into wielding the region's substantial combined power to force real changes in the international monetary system.