Rockefeller, Kissinger, Bush push 'open door' to looting of Ibero-America

by Peter Rush

On May 21-22, at a conference of the Rockefeller family's Council of the Americas, President George Bush, David Rockefeller, friends of Henry Kissinger, and other members of the Anglo-American financial elite declared open season on Ibero-America. For two days, 300-500 top executives of America's multinational corporations heard speeches urging them to take advantage of the fact that every major country in Ibero-America is now ruled by a government willing to allow the free marketeers of the Bush administration to make mincemeat of their national economies. Not since the heyday of Rockefeller power in Ibero-America in the 1950s have political and corporate leaders been so upbeat about the prospects for U.S. companies to "invest" in Latin America—their polite term for attempting to squeeze a few extra drops of value out of these nations in order to prop up the bankrupt U.S. economy for a few more weeks or months.

The gathering took place just days after the visit of Pope John Paul II to Mexico, during which the Pope repeatedly attacked the "free market" policies advocated by Bush, Rockefeller, et al. The Pope identified free market capitalism as responsible for the great increase in poverty during the 1980s, the period in which International Monetary Fund-dictated austerity programs were implemented in most countries. In fact, the entire proceedings of the council should be seen as a direct answer to the Pope's critique: Using phrases such as "common market," "revolution," "integration," and "democracy," speakers attempted to characterize economic colonialism as good for the pocketbooks of top U.S. corporations and good for Ibero-America.

The meeting of the council, chaired by David Rockefeller, which has represented top multinationals doing business in Ibero-America for decades, made clear the tight interface between the U.S. government and this organization of supposedly private corporations. The conference was held in the State Department, its keynote address was delivered by Assistant Secretary of State Lawrence Eagleburger, the closing speech was given by President George Bush, and an entire panel on May 22 on "The Economic Importance of Latin America for the United States," was simultaneously sponsored by the Joint Economic Committee (JEC) of Congress and held in the committee's meeting room at the Capitol.

The meeting also advanced the policy perspective laid out during the last week of March by one of the top coordinating organizations of the Anglo-American elite, the Trilateral Commission. In a report entitled "Latin America at the Crossroads: the Challenge to the Trilateral Countries," co-authored by Council of the Americas president George Landau, the Trilateral Commission called for the final destruction in Ibero-America of what it termed "mercantilism," the term used to describe efforts to develop strong national economies using the traditional tools of developing nations, especially protectionism and state involvement in fostering economic development.

'Free trade' to extract high profits

The *leitmotif* of both meetings was that with the end of communism in Eastern Europe, the "free market" capitalism so decried by the Pope now has a free hand to move into Ibero-America, wipe out national industry with cheap imports, buy up or steal the most profitable national companies, and exploit the continent's dirt cheap labor force to "invest" in Mexican-style *maquiladora* industries designed to re-export cheap products back to the United States or to Europe and Japan.

Eagleburger, one Henry Kissinger's top flunkies in the Bush administration, delivered the keynote address to the council on May 21. He made clear that the United States now considers U.S. domination of Ibero-America—a goal of U.S. imperialist interests since at least the time of Teddy Roosevelt—to be a matter of strategic security. "The prospect of ending the Cold War is, quite simply, of immediate and overriding strategic importance to the United States. . . . The fact of the matter is that, in the post-Cold War era, our national security will be increasingly a function of our economic well-being, which in turn will be dependent on our international competitive position in a more highly integrated economy. Our trade with Latin America, in short, will increasingly be seen as a vital interest."

David Rockefeller, in prepared remarks to the JEC of Congress on May 22 that were incorporated into the conference agenda, was blunt. "We believe that Latin America . . .

offers large and growing opportunities for U.S. trade and investment, which will be increasingly important to the national economic and security interests of the U.S. in the 1990s," he said. He saluted the capitulation of most of the region's governments to "free market" principles, gloating that "In a sharp reversal from previous policies, foreign investment is now courted by Latin America as one means of partially replacing bank lending." He reaffirmed Eagleburger's threats that this was now a security matter for the United States: "We are convinced that Latin America is of significant importance to the vital interests, economic as well as strategic, of the United States."

How this new policy of trade and investment is supposed to operate was defined more by omission. Hardly a speaker over the two days so much as referred to the pressing fact that in its present condition, most Ibero-Americans are not a market for U.S. exports because they are too poor to buy anything, and getting poorer by the day. Raising living standards was not on the agenda of the conference, nor of the public and private U.S. interests in attendance. Nor was investing in transportation, energy, or social infrastructure such as schools and health care, which would be required were genuine development being proposed. Even Rockefeller knows that serious industrialization cannot proceed without such infrastructure, but this is not the intention of the "investment" proposed. Rockefeller emphasized that "We are *not* proposing a new Marshall Plan for Latin America."

Rather, trade was defined not as capital goods to modernize national industry, but the import of cheaper products to compete with existing, nationally produced ones, or to import parts to be assembled for re-export, *maquiladora*-style. Investment was specified to be limited to raw materials such as oil, consumer goods industries to satisfy the limited middle-class market, or export industries. Rockefeller, for example, said that U.S. policy should focus on "an aggressive business development strategy to . . . expand our traditional export markets," "encourage new investment," and "assure a reliable and secure supply of essential energy imports," i.e., oil for the United States. Moreover, much of the "investment" is intended to be pure looting of existing companies in the form of "debt for equity" swaps, whereby the foreign debt is exchanged for the most profitable companies, both public and private, and will involve no *new* investment.

Integration, or surrender

Not trade opportunites, but the importance of "free trade" was stressed throughout the conference. Testifying to the JEC hearing, Goodyear Rubber Co. executive Alan Ockene said, "Today we are frankly discussing a North American free trade area. In a second phase, Central America cannot lag far behind Mexico. Brazil will be the key to South America. . . . A natural tendency over the longer term is hemispheric integration."

The Bush administration agrees. In April, Vice President Dan Quayle called for integrating the Western Hemisphere "from Alaska to Tierra del Fuego" as the basis for "a new Pan-Americanism." And Alan Stoga, head of Kissinger Associates, told the Argentine newspaper *Cronista* in an interview published May 20 that he envisioned a hemispheric free trade zone, to be preceded by an "American Common Market" that would include Canada, the United States, Mexico, Central America, the Caribbean, and Venezuela, which would, among other things, ensure U.S. control over the major oil deposits in Ibero-America.

The Argentine government of Carlos Menem is pushing for the same policy. Argentine Foreign Minister Domingo Cavallo has called, according to Buenos Aires daily *Ambito Financiero* of May 10, for a reduction of tariff barriers in South America—not as a step toward Ibero-American integration, as called for by Ibero-American patriots for more than a century, and also strenuously urged by the Pope during his recent Mexican trip, but as a step toward absorption into a U.S. trading bloc. *Ambito Financiero* noted that Mexico would be allowed to join in the proposed tariff reduction, and would become "a kind of bridge between a South American common market . . . and the virtual North American Common Market, which raises the prospect for the commercial integration of the entire continent."

Under the present curcumstances, any genuine common market would have to operate along the lines laid out by Lyndon LaRouche in his 1982 proposal *Operation Juárez,* and would have to exclude the United States, while providing protection for many of the region's industries against cheap foreign imports. As LaRouche and his forerunners such as Friedrich List emphasized, the "buy cheap, sell dear" mentality is the best way to ruin the national economies of buyer and seller alike.

The Argentine administration of the nominally Peronist President Menem is currently leading the continent's governments in bowing and scraping before the U.S. free marketeers. Argentina has agreed to cease production of its Condor II missile, at U.S. insistence, is likely to finally sign the Tlatelolco Treaty for nuclear non-proliferation, and has abandoned numerous traditional foreign policy positions in deference to the United States. Brazil's new government also appears to be courting the Bush administration with similar trade and foreign policy concessions.

Where such capitulation by Ibero-American governments to the "colossus from the North" might lead if it keeps up, was intimated by Eagleburger when he said that the United States sees the problem of drugs, the environment, and "unregulated immigration flows" as posing "direct threats to our national well-being and security." He said that "Panama and Nicaragua are, in an important sense, metaphors for the kind of challenge we face throughout the hemisphere, the challenge of making democracy work." In other words, the United States will intervene, militarily if necessary on the Panama model, in order to satisfy its policy goals.