

# Synarchists Explode Bolivian Powderkeg

by Cynthia R. Rush

When Bolivia plunged into violent chaos last September and October, setting off a process that led to the ouster of oligarchical President Gonzalo Sánchez de Lozada, international media attributed the upheaval to popular anger over a government proposal to export the country's natural gas abroad through Chilean ports. The plan hit a raw nerve over Bolivia's loss of its Pacific coast to Chile in the 1879-81 War of the Pacific, the media asserted, and sparked the nationwide violence which ousted "Goni," as Sánchez de Lozada is known, sending him fleeing to Miami.

In fact, in recent weeks, the government of "Goni's" successor, Carlos Mesa Gisbert, has insisted that Bolivia's access to the sea is *the* central issue on which the nation's future hinges, and has launched an international campaign demanding that the Chilean government start negotiations to return the territory seized in 1881. The governments of Mexico, Peru, and Argentina, as well as the European Parliament and the Andean Parliament, have all become involved in the issue, urging Chile to commence negotiations.

There is no disputing the fact that Bolivia's loss of its Pacific coast territory to Chile, made permanent in a 1904 treaty, is an important and very politically sensitive issue for Bolivia. It is also true that Chile, which has functioned historically in Ibero-America on behalf of British financial and geopolitical interests, has victimized Bolivia with repeated economic and military aggression. But this is not the reason why Bolivia exploded in September, nor why it is today Ibero-America's most impoverished nation despite possessing an extraordinary wealth of natural resources.

## A Neo-Liberal Laboratory

For at least 20 years, Bolivia has been a laboratory for the murderous free-market policies demanded by the International Monetary Fund (IMF) and its synarchist banking allies, which have driven the large indigenous population into a sub-human existence of poverty and unemployment. It was the same Sánchez de Lozada who, as Planning Minister in 1985, worked with Harvard economist Jeffrey Sachs to impose the IMF-dictated "reforms" that privatized much of the state sector, including handing over natural resources to foreign interests, and forced tens of thousands of miners and other state-sector employees to seek a livelihood in coca production or other sectors of the "informal" economy.

It is estimated that 30% of state-sector employees were

fired as a result of the Sachs-Sánchez de Lozada onslaught, which shut down the Bolivian Development Corporation and Municipal Transport Company (EMTA), and privatized the Bolivian Mining Corporation (Comibol). Social security was privatized, wages and social expenditures frozen, and a free-trade policy imposed which opened the country to a flood of cheap imports with which local producers could not compete.

It was rage over these policies, which "Goni" imposed when he became President in 1993, and again in 2002, and *not* access to the sea, that was at the heart of the September-October events. What occurred in Bolivia was a mass strike of enormous proportions, which threatens to erupt again at any moment, given the weakness of the Mesa government, and the pressures from the IMF to continue with harsh austerity. A first-hand report made available to *EIR* by a group of trade union-linked Bolivian patriots (see *Documentation*) details the depth of this mass strike process, and the desperate nature of the crisis.

In the midst of global economic breakdown, insistence that access to the sea is the most crucial issue facing Bolivia today, is utter folly. It leaves the country open to the manipulations of coca-producers' leader and Presidential aspirant Evo Morales, an agent of global speculator George Soros's drug-legalization offensive, and his "Bolivarian" ally, Venezuelan President Hugo Chávez. Their current agitation around this issue is creating a situation that Bolivian military sources warn is extremely dangerous. These sources don't rule out that Morales and Chávez's high-profile and provocative campaigning for a "Bolivian beach" on the Pacific—i.e., on territory now controlled by Chile—and a trade embargo against the latter country, could even lead to some kind of military conflict in an already very unstable region.

The country is a powderkeg. Trade union, peasant and other sectors are already mobilizing against the austerity program that President Mesa is expected to announce on Jan. 31. Desperate to reduce a \$700 million fiscal deficit—8.5% of Gross Domestic Product—Mesa is preparing to increase the gasoline price, eliminate the state subsidy for widely-used liquefied natural gas, and cut the budget for the government bureaucracy, among other things. The COB labor confederation and the National Transport Workers Federation are preparing for a general strike and highway blockades in anticipation of new austerity measures. Calling continued austerity an assault on already depressed living standards, on Jan. 27, COB leader Jaime Solares gave Mesa 20 days to meet worker demands and reverse neo-liberal policies. Otherwise, he warned, the population would take to the streets, blockade highways, and paralyze the country. He added that renewed protest could include an attempt to shut down the Congress, which he characterized as a gaggle of useless fools.

## 'Ungoverned Territory?'

These developments underscore the urgency of putting Lyndon LaRouche in the White House, and making his pro-

grammatic proposals for a New Bretton Woods and Eurasian Land-Bridge known throughout the region. Patriots who know that Morales and Chávez offer no solutions, are examining and debating LaRouche's writings. Absent this development perspective, and the positive change in U.S. foreign policy that LaRouche's Presidency would bring about, Bolivia will continue to be a target of Vice President Dick Cheney and his synarchist cohorts, who envision plunging all of Ibero-America into unending left-right warfare.

How such warfare would unfold is seen in the fact that left-wing synarchists Chávez and Morales have already provoked neo-conservative charges that Chávez financed the September-October upsurge, and that should Morales become President, he would push Bolivia into a new "axis of evil" being formed in Ibero-America by Cuba, Venezuela, and Brazil. Pointing to evidence of narco-terrorist presence in Bolivia, U.S. syndicated columnist Robert Novak reported in early January that circles in the Pentagon were already viewing the country as one of the "ungoverned areas" in Ibero-America that Defense Secretary Donald Rumsfeld spoke of in 2003, as a potential target for invasion by multinational military forces. Reports are circulating among diplomatic circles in Washington that President Bush recently phoned the Presidents of Brazil, Argentina, and Chile to request that the three nations intervene together, should Bolivia "go out of control." And the head of Argentina's Army, Gen. Roberto Bendini, reportedly had to deny that he had spoken with his Chilean and Brazilian counterparts, about a possible intervention into Bolivia.

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## Documentation

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### Misery 'Has Reached Intolerable Limits'

*Here are excerpts from a report made available to EIR by a source close to Bolivia's trade unions, about the events that occurred in late September and October of 2003, which ousted President Sánchez de Lozada. This individual's eyewitness report offers important insight into what sparked these events, and how precarious the current situation remains.*

The drama suffered by my people has reached intolerable limits. Poverty has intensified at an accelerated rate. Unemployment is our daily fare. . . . The productive apparatus is paralyzed; factories produce well below their capacity, causing worker layoffs, which exacerbate unemployment. All the governments which have held office since 1985 have had the

same policies . . . and this all occurs with the blatant interference of the U.S. embassy. And, on top of our subjugation and submission, there are the demands of the IMF and World Bank. No policy or law can be adopted without the approval of these agencies.

The accumulated rage at more than 18 years of a model that offers no solutions to miserable economic [conditions], exploded in the month of October, in which people demanded that the government not sell gas, much less to Chile. . . . This was also a repeat of the history of handing over our natural resources to the multinationals, with no benefit to the country. . . . In this recent period, our people demanded independence as a sovereign nation.

When peasants announced highway blockades, at first there was little support, and the government ridiculed them, showing their total disdain for people. This arrogant attitude enraged many sectors, such as the COB [Bolivian Workers' Confederation] in El Alto [city adjacent to La Paz—ed.], which, together with neighborhood committees, declared a general strike. . . . In the rural areas, more and more people joined the highway blockades. This was the case in the *altiplano* . . . and the situation became radicalized. Faced with an escalating conflict, the government insanely launched armed intervention in Sorata—a criminal action which resulted in several deaths. . . . People had no weapons. Rage and resentment grew.

From Oruro province, another march began led by the Huanuni miners, joined by other trade union organizations, and it was now evident that the protest had become generalized . . . a nationwide protest. . . .

In one of the last mobilizations called by the COB, large contingents of marchers arrived constantly [to El Alto]. San Francisco Plaza was filled from end to end—the most multitudinous gathering seen in a very long time.

Throughout this whole time, people were demanding a change in the neo-liberal model. In all its years of application, it has only brought disaster, misery, unemployment, and great corruption. . . . The state is bankrupt. . . . There is no money, or budget with which to pay the year-end bonuses in December. There is no budget for universities. . . . There are conflicts in all our educational institutions. Our youth are angry. The only future they see is to emigrate. This is very worrisome, because a country without youth, is a country without a future.

As for other sectors, such as factory workers, the situation is extremely difficult, as we haven't seen a wage increase in years, . . . firings are the order of the day. The peasants live in misery and hunger. Their products are sold at such low prices, they can't be compensated for their hard work. . . . Nor is there money. Monthly salaries only last for 15 days, and you borrow for the rest of the month. . . . There has been a brutal growth in the informal economy, in which more than 50% of the population is employed. There are always more sellers than buyers. . . .