

# Separatism Unleashed Against Bolivia and Its Neighbors

by Gretchen Small

*EIR* warned on July 9, 2004 that the nest of Cheneyac neo-conservatives at the American Enterprise Institute (AEI) in Washington, D.C. had set out to shatter Bolivia, in order to foment anarchy, war, and chaos throughout all of South America. How better to reduce the population of the region, eliminate the nation-states through which peoples could defend their interests, and then grab their resources?

That AEI-centered operation against South America is now “go,” kicked into motion by the “town hall meeting” held Jan. 28 in Santa Cruz, Bolivia, to demand the Santa Cruz department’s autonomy.

“This is the first day of national autonomy! Autonomy now!” Rubén Costas, head of the Santa Cruz Civic Committee, roared to the crowd of 170,000-350,000 people who gathered for the town meeting. The crowd waved, not the national flag of Bolivia, but the green and white flag of Santa Cruz, as they chanted “Autonomy! Autonomy!”

Costas’s speech was a classic fascist, sophist’s harangue: “Bolivia is being refounded. Welcome, everyone, to the new Bolivia,” he declared in between attacks on the corrupt “bureaucratic elite” of the state which keeps “the People” down. “This is a change, a revolution of peace, of love. . . . This is the revolution of democracy. . . . Democracy here and now!”

The crowd acclaimed the formation of a Provisional Autonomous Committee, charged with negotiating the transfer of powers and resources from the national government to the department. “The lion has awakened!” Costas exulted.

Santa Cruz’s move marks a turning point in the Americas. Under accelerating conditions of international crisis, the decades’ worth of policies designed to take down the nation-state have reached one of their objectives; the very existence of these nations is now called into question. Bolivia’s ongoing crisis is a dramatic demonstration of American statesman Lyndon LaRouche’s warning, that *no* nation will long endure under this international system. Unless a concert of nations, led by a United States restored to the principles upon which it was founded, rapidly moves to change the international system which has crushed sovereignty, there will be no stopping the chaos now unleashed in the Andes.

The “lion has awakened” not only inside Bolivia, but in its neighbors, too. Separatist movements are under way in Ecuador and Peru, also. The neo-conservative oligarchs who

dominate the business and political elite in Guayaquil, Ecuador’s second largest city and main port, organized a march on Jan. 26, at which Mayor Jaime Nebot told tens of thousands of marchers—some carrying signs calling for “Independent Guayaquil”—that “Guayaquil’s patience is gone,” as he demanded autonomy for the city.

So, too, one day after the oligarchs in Santa Cruz held their “town hall meeting,” 10,000 Quechua and Aymara Indians marched in Puno, Peru, demanding autonomy. Announcing the formation of a “Movement for Quechua-Aymara Regional Authority,” leaders of this MARQA movement bragged that they had sent two representatives to Santa Cruz, to observe the town hall meeting directly. The movement insists the economy of their would-be autonomous region, extending across the Altiplano of Peru, must be based upon the establishment of a tax-free, free-trade zone—a telling twist on the defense of “traditional Indian ‘customs.’”

## Who Woke the Lion?

*EIR* emphasized seven months ago the importance of an article in *Latin American Outlook* magazine, issued by AEI in June 2004. Provocatively entitled “The Last Days of Bolivia?” it pronounced: “If current trends continue, we may witness the first major alteration of the South American political map in more than a hundred years.” AEI’s Mark Falcoff forecast that Bolivia would soon break apart, divided along its “perhaps irreconcilable” racial and geographical fault lines, into two countries, each defined by their principal export product: the coca-exporting highlands, and the oil- and natural-gas-producing lowlands, the latter led by Bolivia’s richest department, Santa Cruz. In AEI’s twisted view, the coca nation will be largely Indian-dominated; the lowlands, of more “European” stock.

Falcoff then gave an interview to a Chilean newspaper, in which he signalled to Bolivians that the AEI crowd in Washington backed the split, declaring that he was sure Chile, and implicitly the United States, would recognize a “Republic of Santa Cruz.”

It was the second AEI *Outlook* in six months which had argued the imminence of Bolivia’s demise, but it was not the first time foreign financiers had projected the elimination of Bolivia as a nation. In July 1990, Citibank president John

Reed declared flatly during a trip to Brazil that “Peru and Bolivia will disappear.” Reed made this declaration in the context of pressing Brazil not only to pay its debts, but to adopt policies which favor foreign takeover of the economy. To add emphasis, he threatened that the Soviet Union, too, might disappear, if it didn’t heed these policies. In January 1992, Bolivian radio, television, and print media featured the warning from *EIR*’s Ibero-American Editor Dennis Small, who visited Bolivia to organize support for freedom for the then-imprisoned LaRouche, that Reed’s threat reflected the *intention* of the financiers behind the IMF system to destroy the nation-state worldwide, and that is why LaRouche was leading the battle to replace the IMF system.

“Time will tell if Small was speaking the truth or not,” Channel 3’s TV announcer remarked.

### Time Is Now Telling

Thirteen years of privatization, cutbacks, and increased drug trade later, Bolivia is at the point of breakdown. The majority of its people are jobless and hungry; many who could, have left the country in hopes of finding work. Over three decades of post-industrial looting have reduced the Bolivian state to “an intermediary between the NGOs and the multinationals,” as one Bolivian official commented to *EIR*. Now, the official added, the state appears to be slated to become simply the negotiator among autonomous entities.

The Santa Cruz leadership swears they are not separatist, but just want a greater share of the wealth produced from “their” resources in “their” department. By talking up the need to secure “economic justice” for the department, the Santa Cruz Civic Committee has mobilized students, trade unionists, and local leaders who ought to know better. Some 33% of the Gross National Product is produced in Santa Cruz, including agricultural and industrial goods, and most of Bolivia’s gas and oil. (No one from Santa Cruz has stepped forward to claim “their” part of the country’s inflated foreign debt, however.)

There is nothing spontaneous about this “people’s revolution.” Running the Civic Committee as their façade, is an alliance of the privatized oil and gas, mining, and utility companies, with the particular backing of the National Revolutionary Movement (MNR) party of former President Gonzalo Sánchez de Lozada. During his first term of office (1993-97), Sánchez de Lozada, a Rio Tinto Zinc executive who had lived outside of the country for decades, ran the privatization of the state-sector companies (called “capitalization” in Bolivia) to largely foreign interests—his own Rio Tinto Zinc included. His second term abruptly ended in October 2003, after only a year and a half in office, when mass protests forced his resignation.

The committee’s core group is formed by radical free-traders of the most lunatic sort. Take the case of the Santa Cruz’s Chamber of Industry, Commerce, Services, and Tourism (CAINCO). CAINCO’s Santa Cruz-based Liberty, De-

mocracy, and Development Foundation (Fulided) is an appendage of the feudalist Mont Pelerin Society, whose ideologues are running President George Bush’s “Pinochet-II” Social Security privatization drive. Fulided is a key part of the international network of Mont Pelerin Society think-tanks run by the U.S.-based Atlas Foundation, bringing the international “stars” of this network into Santa Cruz to lecture local leaders on how to end those pesky state regulations which interfere with private profits. (The Mont Pelerin Society, opponents of government in general, espouses Bernard de Mandeville’s satanic doctrine that the practice of “private vices brings public virtues.”) CAINCO’s operation overlaps with AEI directly in another of the Atlas Foundation’s front groups, the International Foundation for Liberty (FIL), in which both institutions are members, on whose Academic Advisory Council AEI’s Falcoff serves (along with former Bolivian President Jorge Quiroga), and of which Fulided’s Oscar Ortiz is an associate director.

### Imposing the Law of the Jungle

Reflecting the pessimism engendered by decades of worsening living conditions, the majority of political movements in the country are now organized around particularist interests: ethnic origin, coca-growers, private profits, regional issues, etc. Each contends for a bigger share of a non-existent pie, most with greater resources at their disposal than the government charged with defending the national interest.

A fuel price hike decreed by the government at the beginning of January—a conditionality imposed upon it by the International Monetary Fund—provided the pretext the Santa Cruz crew had been seeking. (The Santa Cruz gang had already charged a Pre-Autonomy Committee to draw up the statutes for autonomy, *before* the fuel price rise was ever announced.) The price hike set off mass protests across the country. Radical leaders of those ostensible bitter enemies—the *cocaleros* (coca-growers) and the Santa Cruz oligarchy—joined together in their demand that President Carlos Mesa be ousted, the which would ensure chaos and create conditions for a possible military coup.

Faced with an insurgency which he did not have the power to defeat, President Mesa on Jan. 28 announced two major concessions to Santa Cruz: that he had signed a decree convoking direct elections of department governors (under Bolivia’s Constitution, governors must be appointed by the President); and that a national referendum would be held, *before* a planned Constituent Assembly where a new Constitution is to be drafted, on whether all departments should be granted autonomy.

The latter is violently opposed by the “popular” jacobin forces, however, who also advocate autonomy for their particular interests, but believe they can control power, if the Constituent Assembly is held *before* autonomy. Thus, a new round of national strikes and protests has been kicked off against the Mesa government.