

South American Summit: Infrastructure Integration Is the New Name of Peace

by Dennis Small

It was a scene that many would have considered next to impossible, only weeks before it happened. But there they were: the Presidents of Brazil, Colombia, Venezuela, and Spain, gathered on March 29 in the Venezuelan city of Ciudad Guayana, discussing the details of regional great infrastructure projects to pull their economies out of poverty, and to lay the foundations of lasting, regional peace.

At a joint press conference at the end of the summit, Colombian President Alvaro Uribe stated unequivocally, "This meeting has been a step forward in the process of integration, infrastructure integration, integration of the economies, integration of cooperation, integration to advance in the eradication of poverty." In his remarks at the summit, Uribe had underscored: "This has to be thought about way beyond where it now stands. . . . It has to be thought about in relation to Asia. There's no point in our integrating in order to stagnate." Uribe's detailed map-briefing to his colleagues on specific integration projects (see below), was the highlight of the entire summit.

Brazil's Luiz Inacio Lula da Silva also emphasized that the summit's central goal had been to "consolidate a policy of infrastructure, to consolidate the integration of South America . . . [and] to find mechanisms to finance that infrastructure." He added: "We now have a new partner on the world stage, which is China." And host President Hugo Chávez of Venezuela concurred: "I would say that it is our right, and also a necessity: integration. We have no other path."

Chávez also hinted at the broader, international significance of the presence and participation of Spanish President José Luis Rodríguez Zapatero: "What an interesting meeting just happened in Paris: Zapatero, [Jacques] Chirac [of France], [Gerhard] Schröder [of Germany] and [Vladimir] Putin [of Russia]. And we have seen where Chirac, the host, said that they are forming an axis: Madrid, Paris, Berlin, Moscow. Here too there is an axis (which is not the axis of evil): Bogotá, Caracas, Brasilia, Buenos Aires, Asunción, Montevideo, and on the Pacific side, Quito and Lima."

The immediate shock value of the summit was that two of the participating nations, Venezuela and Colombia, only

weeks earlier had come close to a full break in diplomatic relations, and were on a trajectory of confrontation that could have devolved into war. That, at least, was the intention of the Bush-Cheney Administration, which has been aggressively promoting an Iraq-style "regime change" against Chávez in Venezuela, while polarizing the entirety of Ibero-America around an orchestrated left-versus-right conflict. The strategic objective of the financial interests that Bush-Cheney speak for, is both to ensure their control over strategic raw materials (such as Venezuela's oil), and to sink the entire region into chaos such that no unified opposition to the dying International Monetary Fund (IMF) system can be mustered.

In early 2005, these financial interests moved in for what they expected would be the kill. Colombian President Uribe was duped into supporting an operation taken right out of Defense Secretary Donald Rumsfeld's playbook for the deployment of hunter-killer squads: Off-duty Colombian and Venezuelan military forces were paid to snatch Rodrigo Granda, a top leader of Colombia's narco-terrorist FARC, who was in Caracas, Venezuela, at a political gathering, and spirit him across the border to Colombia, where he was then formally "arrested." Uribe bought into this foolish and dangerous violation of Venezuela's sovereignty, because of President Chávez's well-documented past support for the FARC. Chávez also responded according to profile: He denounced Uribe and demanded an apology, and escalated by putting a halt to the extensive cross-border economic activity.

Rumsfeld then threw oil on the fire with a March 21-24 trip to Argentina, Brazil, and Guatemala, whose central theme was the purported "danger" that Venezuelan President Chávez represents to the region, and he demanded that they all act against Chávez.

The trap had been sprung.

But when the dust settled at the end of March, much to Washington's dismay, Uribe and Chávez were not *in* the trap. They had moved—politically. With the help of other regional Presidents, they had shifted the political agenda from a manipulated confrontation between *caciques* whose *honor* had been offended, to that of cooperation among statesmen around joint

great infrastructure projects.

The gnashing of teeth in Washington and on Wall Street was almost audible. On the very day of the summit, President Bush went so far as to call Argentine President Néstor Kirchner, and spent 20 minutes pressuring him to back the U.S. plan for regime change in Venezuela.

A Strategic Revolt

American statesman Lyndon LaRouche promptly responded to the news about the four-party summit by characterizing it as a “dramatic shift, a sudden turnabout which includes the Chinese factor in Ibero-America.” LaRouche was referring to Chinese President Hu Jintao’s visit to Brazil, Argentina, Chile, and Cuba in November 2004, in which China proffered more than \$100 billion in investment and trade deals with the region, over a ten-year period. A complementary trip of Chinese Vice President Zeng Qinghong to Mexico, Peru, and Venezuela in January 2005 broadened China’s proposals, as did a February 2005 proffer to Bolivia around a \$1.5 billion natural gas deal.

“This is the most earth-shaking development to come from the region” of Ibero-America in many years, LaRouche stressed, adding that Argentine President Kirchner is implicitly part of the pattern. Kirchner has been at war against the attempts of the IMF and the country’s financial creditors, especially the criminal vulture funds, to force the collection of the country’s unpayable public debt, even though this means genocide against the Argentine population. Kirchner recently stood his ground against the IMF and the vulture funds, and negotiated a major write-down of the \$82 billion in Argentine government bonds that had been in default since 2001.

LaRouche also stressed the significance of the presence of Spanish President Zapatero at the summit. His predecessor, José Marí Aznar, was a puppet of Spanish banks, such as Santander and BBVA, which have de facto re-colonized Ibero-America on behalf of London- and Wall Street-based financial interests. These interests intend to impose their policies of abject submission to IMF conditionalities, and the untrammelled privatization of the region’s state-sector companies, especially those involved in oil and other raw materials, as well as of the continent’s banking systems. In fact, 42% of Ibero-America’s banking system is now controlled by foreign financial interests—with the two largest being Spain’s Santander Bank, with 9% of the total regional bank assets, and BBVA bank, with 8%.

A good indication of the nature of the Aznar gang in Spain and the role they played, is the fact that Aznar’s Finance Minister, Rodrigo Rato, was made head of the IMF right after Zapatero defeated Aznar’s party in Spain’s Presidential elections on March 14, 2004. Rato is widely reported to be “owned” by Santander Bank president Emilio Botín.

Santander, in a word, stands for fascist economic policies. The bank’s policy is determined by its two “strategic alliances”—with Britain’s Royal Bank of Scotland and with Ita-

ly’s Assicurazione Generali, which were involved in bringing Hitler and Mussolini, respectively, into power in the early part of the 20th Century. Their policy in Ibero-America today is to do the same again.

In July 2004, Zapatero’s Foreign Minister, Miguel Moratinos, announced an about-face in Spain’s foreign policy. Under Aznar, he stated, “there was a mutation of the conceptual bases [of foreign policy]. From a process of institutionalization, Spain went over to a profit-oriented view, basing itself on the efforts of Spanish companies. The policy of the state was replaced by talking in terms of investment.” The reference to “Spanish companies” was unmistakable.

What the four-party summit therefore indicates, LaRouche explained, is that there is a revolt going on against the fascist economic and political policies of Santander and BBVA banks, a revolt that must be viewed in its broader strategic context.

First, the *economic factor*: What the leaders of Ibero-America are beginning to smell, is that the global financial system is careening towards self-destruction, and will take them with it when it goes. The recent developments around the U.S. automaker General Motors, which is teetering at the edge of bankruptcy, are merely symptomatic of the global financial problem. GM has a total debt of over \$300 billion—more than the official foreign debt of Brazil. And its bonds have recently been downgraded by all of the major rating agencies, to a classification one notch above junk bonds. In fact, the “risk premium” on GM bonds—the spread above U.S. Treasury bonds that they must pay—is now greater than that of Brazil. And GM is just the tip of the iceberg of the corporate bond problem, as the looming case of Hank Greenberg’s insurance giant, AIG, indicates.

The systemic crisis which Ibero-American leaders—like others around the world—can no longer avoid, is also reflected in the gigantic and growing U.S. trade deficit; the plunge in the value of the dollar; the insolvency of the real estate bubbles in the United Kingdom, Japan, the United States, and elsewhere; and in the colossal stupidity of Alan Greenspan’s Federal Reserve to address this crisis by further hyperinflating the speculative bubble.

Second, the *political factor*: The financial oligarchy’s strategy of unleashing chaos and coups (“regime change”) has begun to backfire. Inside the United States, the military and intelligence community have informed Bush and Cheney, in no uncertain terms, that they will *not* go along with another Iraq-style military operation in Iran or elsewhere, because it is strategic lunacy. In Eurasia, the bankers’ insane strategy of encircling Russia and China with a series of orchestrated coups—for example, in Georgia and Ukraine—was stymied in March when they attempted to spread it into Kyrgyzstan. Circles around Putin in Russia read the writing on the wall, and apparently moved preemptively with a counter-coup of their own (see last week’s *EIR*).

The Ibero-American version of that same policy of



Presidents Alvaro Uribe (Colombia), José Luis Rodríguez Zapatero (Spain), Hugo Chávez (Venezuela), and Luis Ignacio Lula da Silva (Brazil). The Presidents took a giant step forward for the integration of infrastructure, economic development, and the eradication of poverty, in their historic summit meeting March 29.

chaos—centered around a forced “regime change” in Venezuela—was likewise dealt a major blow by the March 29 summit.

Third, the *LaRouche factor*: It is now five months since the Nov. 2, 2004 purported re-election of George W. Bush, which most political leaders around the world pessimistically viewed as ushering in an era of unopposed policy disasters in the United States. And yet, today Bush stands virtually defeated on his top priority for his second term: the privatization of Social Security. That result can be traced to the policies and actions of LaRouche, who has largely succeeded in rallying what was a demoralized Democratic Party, around the tradition and economic policies of Franklin Delano Roosevelt. As a result, Bush has run into a political buzz-saw, led by the highly visible LaRouche Youth Movement, at every turn.

This sea-change in the United States has not gone unnoticed abroad. The prospect of LaRouche succeeding in bringing about a fundamental shift in Washington, is beginning to evoke a wave of optimism—and consequent actions—in various parts of the world. Symptomatic was the recent debate in the Italian Chamber of Deputies around LaRouche’s New Bretton Woods proposal, as the only viable alternative to the disintegrating IMF system (see article, p. 22).

‘Oh, No! He’s Back . . .’

But the LaRouche factor has an additional, very specific relationship to the just-concluded four-party summit.

That summit placed the issue of infrastructure integration squarely at the center of the agenda, in a way that has not been seen in Ibero-America for almost five years. On Sept. 1, 2000, a summit meeting of the Presidents of South America was

held in Brasilia, to promote exactly this policy. Based on extensive prior discussions with Brazil, Peruvian President Alberto Fujimori delivered a historic speech which called for the formation of “the United States of South America,” premised on the physical integration of the continent around joint great infrastructure projects.

“Seen from a satellite,” Fujimori told his colleagues, “the South American subcontinent is enormous, more than 20 million square kilometers, which contain resources which make us, united, the number-one mining, fishing, oil, and forestry power in the world.” Fujimori went on to raise the crucial issue of the foreign debt—which, it should be noted, was conspicuously *absent* from the March 2005 four-party summit.

“And as if this [poverty and drugs—ed.] were not enough—and this is not detected by satellite—we have to add to this already somber panorama a sizable and heavy foreign debt weighing upon the shoulders of our peoples, and whose principal, according to conservative data, has been paid several times, over the course of these last 25 years.”

Fujimori’s speech was deemed such a threat by international financial interests, that they promptly put their existing plans to topple his government into high gear, ultimately forcing his resignation on Nov. 20, 2000, less than three months later.

Was Fujimori overthrown because of that speech? Yes—but there was something else. On Aug. 31, the day *before* he gave the speech in Brasilia, the *Los Angeles Times* let the cat out of the bag, writing: “The Fujimori regime has hardened its tone with anti-U.S. diatribes and a strange affinity for the

continued on page 34

Documentation

Uribe's Map-Briefing

The following is an excerpt from the map-briefing which Colombian President Alvaro Uribe Vélez gave to his colleagues at the Presidential summit in Ciudad Guayana, Venezuela, on March 29, 2005. Maps are provided by EIR.

President Alvaro Uribe Vélez: . . . Of course, we have

to integrate ourselves in every area. Take the area of infrastructure. Let me mention, President Rodríguez Zapatero, two matters of great importance with Brazil: First, there is the question of the Putumayo River. It runs along the length of the Ecuador-Colombia-Peru and Colombian border and then into the Amazon [River] in Brazil. So this is an extremely important way in which Brazil communicates with the Pacific, through Colombia. . . .

President Hugo Chávez: . . . How many kilometers is it from the Putumayo to the Pacific, from where the Putumayo originates?

Uribe Vélez: Let's see—the Putumayo has some 1,200 navigable kilometers from the Amazon to Puerto Asís in

Colombia. And from there to the Pacific, there are some 320 kilometers, Santiago? So what are we missing there? We need to pave 200 kilometers of highway, and make some very important changes between the two Colombian locations of Mocoa and Pasto. This then becomes a great South American integration route, as well as a great outlet to the Pacific for Brazil.

The other matter involving our sister Republic of Venezuela, President Rodríguez Zapatero, is that mentioned by President Chávez. Here, we see the Orinoco, and here is the Meta River. In this area, Colombia and Venezuela share a common plain. You said to me this morning that Venezuela has two riches: oil—fuels in general—and water. Here we share a common plain, with the whole future ahead of it, where it rains 2,500 millimeters a year, more or less, evenly spaced out, without periods of extensive drought, providing enormous potential for the development of African palm, biodiesel, rubber, etc.

And we have this Meta River, a tributary of the Orinoco, which is a great artery of navigation. After reaching this Colombian border location of Puerto Carreño, you can follow the Orinoco downriver, to this state of Bolívar, or upriver to the Casiquiare Channel, and then to the Río Negro to the brother Republic of Brazil and

FIGURE 1

Northern South America: Great Waterway and Highway Projects



the Amazon. Then we reach the Paraguay and Paraná Rivers by continuing south through what is called the South American waterway—which President Chávez already has.

These are very important projects. What do we want, President Rodríguez Zapatero? To be able to rapidly finance the recovery of the navigability of at least the Meta-Orinoco, as the first stretch of this waterway; and Brazil's outlet to the Pacific by way of Colombia, through the Putumayo River and the Mocoa/Pasto-Tumaco highway—Brazil's outlet to the Colombian Pacific.

FIGURE 2

The Integration of the Orinoco, Amazon, and Rio de la Plata River Basins



This map was first published in 1986 in the Schiller Institute's Spanish-language book, Ibero-American Integration: 100 Million New Jobs by the Year 2000!

We have an extremely important agenda with Venezuela. Venezuela, which is 200 times richer in hydrocarbons than Colombia, will need to supply its western region with gas for some time to come. Colombia is developing gas here. So, one of the first things is to supply Venezuela with gas from this point, to over here, and in return, Venezuela would in the future become a source of gas for Colombia.

But we can't think only of integrating South American infrastructure. Look at Colombia here. It is the link which unites South America with Central America. Colombia already forms part of the Plan Panama-Puebla,

which is another very important area for advancing towards Ibero-American integration.

So, what are we doing? First, building a gas pipeline from our sister Republic of Venezuela through Colombia to Panama, connecting directly to Puebla [in Mexico]. Second, building the Integration Transmission Line. Venezuela is integrated with Brazil and is substantially integrated at various points with Colombia—in electrical transmission lines. Colombia, in turn, is integrated with Ecuador. Along here we are not integrated with Peru; the integration we have with Peru today, we have to do through Ecuador. And, it is quite important that we build this transmission line integrating Colombia with Panama, keeping in mind the Plan Panama-Puebla, and the integration of South and Central America.

But we have to think of this in much broader terms, President Rodríguez Zapatero. We have to conceive of it in terms of Asia. There is no point in integrating ourselves, to then stagnate. I once told President Lula that this integration must serve as a stimulus so that as a bloc, we can seek ties with other economies. And I told President Chávez in December, when he went to China, to represent Colombia as well in his meetings with the Chinese.

So, we are working on this idea. From Lake Maracaibo, Venezuela could build a gas pipeline or a multi-purpose pipeline to the Colombian Pacific, to Asia, looking towards such economies as China's. This is fully accepted by Colombian public opinion. We want this done, and we are ready to do it.

This integration helps us a great deal, because the more integrated we are, the more we are going to feel the need to integrate. I don't think we will arrive at a single currency from one day to the next. Integration is going to be forcing us to take new steps such as monetary and exchange rate agreements. ■

continued from page 31

far-right ramblings of the U.S.-based Lyndon LaRouche movement. . . . His regime could become the model for a trend.”

The financiers’ fear of such a “LaRouche trend” in Ibero-America was not unwarranted. At the time that the *Los Angeles Times* article was written, and as Fujimori was delivering his speech in Brasilia, plans were being finalized for a visit to Peru by LaRouche in October of that same year. LaRouche was scheduled to meet with the nation’s top leadership—including those most active in coordinating with Brazil on the subject of infrastructure integration—and to deliver a number of high-profile speeches, including one slated for live video-conference broadcast across the country. LaRouche was ultimately forced to cancel his trip, because of the growing destabilization of the Fujimori government.

LaRouche’s proposals for Ibero-American economic integration against the IMF system in fact go back decades. Among his best known proposals is *Operation Juárez*, a book-length study issued in August 1982 in the aftermath of LaRouche’s historic May 23, 1982 meeting with Mexican President José López Portillo.

LaRouche’s programmatic proposals dominated much of Ibero-America’s political agenda over the remainder of the 1980s. A high point was the Schiller Institute’s 1986 publication of a study commissioned by LaRouche, *Ibero-American Integration: 100 Million New Jobs by the Year 2000!*, which presented a detailed programmatic outline of how to develop the physical economies of the region, by investing in joint great infrastructure projects. One of the most dramatic of those projects was the idea of linking the three, major river basins of South America—the Orinoco, the Amazon, and the Río de la Plata—through a series of canals and locks, an idea which had originally been suggested by Alexander von Humboldt, in 1799! This would create a single, 10,000 km-long navigable inland waterway, which would directly link up nearly every South American nation.

Since then, much has been done by the financial oligarchy to make sure that LaRouche’s influence was removed from the Ibero-American political landscape—including the orchestration of a couple of synarchist splits from his Ibero-American organization, over recent years. What should be their shock, therefore, when Colombian President Uribe—whom they thought they had in their hip pocket—stood up at the just-concluded summit, and gave his colleagues a map briefing, *precisely on the need to integrate the three major river systems of South America!* (See *Documentation*.)

To be sure, there are blunders, even axiomatic flaws, in the proposals discussed at the March 29 summit. One of these was the lack of discussion of the global financial crisis, including the Ibero-American debt bubble, and how to solve it. Without addressing this issue, as LaRouche does with his New Bretton Woods proposal, there is no way to finance the infrastructure projects under consideration.

Similarly, the gathered Presidents displayed little actual

scientific understanding of infrastructure and productivity; of the need for high-technology development corridors related to that infrastructure; or of the central role that science and human creativity play in driving technological advance, and in redefining the resource base available to an economy.

But help is on the way. These concepts are developed fully by LaRouche in his latest work, *Earth’s Next Fifty Years*, which has now been translated into Spanish and has begun to circulate in Ibero-America. With this, the region’s leaders will come to realize that, if they wish to determine what is going to happen to their respective nations over the next five months, they must *first* come to grips with what is to be the Earth’s next 50 years.

Shortcomings notwithstanding, the issue of infrastructure integration has now been put back on the table, and the onrushing economic and political crises will surely energize the urgency of that discussion. That alone will lead to many sleepless nights on Wall Street.

Recent Steps Toward Continental Integration

January 2003: Lula da Silva is inaugurated as President of Brazil. Over the course of 2003, he travels extensively, visiting the United States, Europe, Russia, five Southern African nations, and the Middle East. In June, he establishes a Group of Three alliance with India and South Africa, which he proposes be expanded to a Group of Five with Russia and China. During 2003, Lula also meets with every South American head of state, with integration the central theme.

March 16, 2004: Brazil’s Lula and Argentina’s President Néstor Kirchner meet in Rio de Janeiro, and sign the Copacabana Act, which calls for infrastructure cooperation, including a joint space mission, construction of the Mercosur Highway, and building a rail link between the two countries that would allow transit from Chilean ports on the Pacific all the way to the Paraguay-Paraná waterway, and Brazilian ports on the Atlantic.

May 23-27, 2004: Brazil’s Lula visits China, with 7 Cabinet ministers, 6 state governors, 11 congressmen, and 420 businessmen. “The time has come to consolidate the union between Brazil and China,” he states. “This alliance will serve as a paradigm for cooperation between nations.”

Nov. 7-9, 2004: The South American Community of Nations is born in Cuzco, Peru, representing 12 South American countries. Its purpose is to bring about the “economic, political, and infrastructural unity” of South America. The first project announced is an inter-oceanic highway, joining the Pacific (Peru) to the Atlantic (Brazil).

Nov. 10-24, 2004: Chinese President Hu Jintao visits Brazil, Argentina, Chile, and Cuba, accompanied by 200 Chinese businessmen, and announces that China is prepared to invest

\$100 billion in Ibero-America over the next ten years.

Nov. 19, 2004: Russian President Vladimir Putin visits Brazil, signing accords for space cooperation and transfer of rocket technologies.

Nov. 24-25, 2004: Venezuelan President Hugo Chávez visits Russia, signing various accords, including for arms purchases. He offers cooperation on oil technology and exports, on the same terms offered U.S. companies.

Dec. 22-25, 2004: Venezuelan President Chávez visits China, and offers oil cooperation on the same terms afforded to U.S. companies. Eight agreements are signed, which are described as consolidating the “strategic alliance” between the two countries, and which include plans for Chinese investment in Venezuela’s railroad grid and mining. Colombian President Alvaro Uribe asks Chávez to represent Colombia as well, in his discussions with the Chinese.

Jan. 24-30, 2004: Chinese Vice President Zeng Qinghong and 130 Chinese businessmen visit Mexico, Peru, and Venezuela. In Mexico, an agreement is signed establishing reciprocal credit lines for binational construction contracts and energy exploration. In Peru, eight bilateral economic accords are signed. In Venezuela, China agrees to help develop oil and gas reserves in Venezuela, in exchange for increased sales of these products to China.

Feb. 3, 2005: Representatives of China’s state oil company, Shengli International, sign an accord with Bolivia’s state hydrocarbon company, YPFB, for \$1.5 billion in investments in Bolivian natural gas and oil.

Feb. 14, 2005: Brazil’s Lula visits Venezuela, and announces that “the integration of South America is priority number one of my government’s foreign policy.” Political dialogue, increased trade, and the integration of infrastructure are the three pillars of the Brazilian-Venezuelan “strategic alliance,” he announces.

Feb. 15, 2005: Colombian President Uribe visits Venezuela, and agrees with President Chávez to continue negotiations to build two pipelines (one for oil, one for natural gas) between the two countries. The two Presidents concur that such projects are the means to resolve the tense political climate between the two countries.

March 2, 2005: Lula of Brazil, Kirchner of Argentina, and Chávez of Venezuela—in Montevideo, Uruguay for the inauguration of President Tabaré Vázquez—sign a joint statement supporting Kirchner’s negotiations on Argentina’s public debt, and announce that they will consult and follow a unified policy on debt matters in the future. While there, Chávez also announces the upcoming March 29 summit with himself, Colombia’s Uribe, Brazil’s Lula, and Spain’s Rodríguez Zapatero.

March 4-10, 2005: Venezuela’s Chávez visits India and France, in both cases offering oil cooperation agreements, along the lines offered previously to China and Russia.

March 29, 2005: The Presidents of Brazil, Colombia, Venezuela, and Spain hold summit talks in Ciudad Guayana, Venezuela.