

Correa, Kirchner in Bankers' Crosshairs

by Cynthia R. Rush

In an early-August interview with the Los Angeles-based Spanish-language TV network, Telemundo T-52, former “economic hit man” John Perkins dramatically revealed that, “I am very afraid of what may happen to [Ecuadorian President] Rafael Correa.... I think his life is in danger.” Interviewed by the popular news show “En Contexto,” Perkins, author of the 2005 bestseller, *Confessions of an Economic Hit Man*, elaborated that the danger to Correa’s life stems from his attacks on the International Monetary Fund, and the so-called “Washington Consensus” that enforced the imposition of neoliberal economic policies on the nations of Ibero-America during the decade of the 1990s.

When the anchorman interrupted Perkins to ask, “but wouldn’t [Venezuelan President] Hugo Chávez be first on the list?” Perkins replied that he thought the U.S. government was afraid of Hugo Chávez, “because Venezuela has a lot of oil, and we are going to need increasingly larger amounts of it.” Venezuela is very important for the United States, he said, “and that’s why we are walking very softly, treading very carefully with Hugo Chávez.” But, he continued, while Ecuador isn’t nearly as important as Venezuela, unlike Chávez, President Correa “can serve as a model” for other Ibero-American leaders. “That’s why I believe he is the most important target, and his life is in danger.”

This isn’t the first time that such warnings about threats to Correa’s life have been made. On July 23, shortly before Perkins’ interview, the Ecuadorian President himself told Channel 1 TV that he faces “huge security risks, huge risks, and we’ve already had threats from groups that have tried to purchase a rocket,” for a possible assassination attempt. Although “I am a man who does what he has to do, regardless of the cost,” he said, “there are fears” of an attack on his life, “because we are affecting big interests.”

“Big interests” is exactly right. Since taking office Jan. 15, the young Ecuadorian leader has waged war against those entrenched financier and private banking interests that have maintained a stranglehold on Ecuador’s economy for decades. He has warned that they will no longer be allowed to run amok, at the expense of the general welfare of Ecuador’s people. The threats against him have intensified accordingly, and American statesman Lyndon LaRouche has indicated that, implicitly, it is the circles around former Secretary of State George P. Shultz, the international sponsors of domestic financial predators, that are gunning for the Ecuadorian President.



Marcello Casal, Jr./ABR

The life of Ecuador’s President Rafael Correa is in danger because of his outspoken commitment to the nation-building policies of Franklin Roosevelt, and his opposition to the financial oligarchy.

American System vs. the Financial Vultures

In part, Correa is being targeted because of what he is attempting to do inside Ecuador. With an approach modeled on what Franklin Roosevelt did in the United States during the 1930s, based on the principles of the American System of political-economy, Correa is proposing, through his “citizen revolution,” to use the regulatory power of the Federal government to curb the looting rights of financial and banking sectors, while simultaneously adopting policies to improve living standards, create jobs, and address the country’s profound economic and social inequities.

Reflecting his tough stance, Correa has taken aim at the political and banking factions that with foreign backing, orchestrated the financial crisis of 1998-99, from which the country has yet to recover. They shut down the banks, froze their deposits, and imposed the dollar as the national currency. It was a “perverse plan,” Correa charged in an Aug. 8 speech, concocted by the “political power of the banks in connivance with the Central Bank.”

LaRouche warned at the time, that the dollarization imposed on the country would constitute a form of “slavery”; this was borne out as the harsh free-market austerity that accompanied dollarization drove 2 million Ecuadorians out of the country in a desperate search for work. Today, eight years later, fully 10% of the nation’s productive labor force still lives abroad as exiles, often in inhuman conditions.

Correa reported that a government commission set up to investigate the 1998-99 debacle found that there was never

“any constitutional or legal basis” for the actions taken by then-President Jamil Mahuad, which resulted in the confiscation of \$8 billion in savings and deposits from the banking system. Rather, Mahuad committed “economic-financial crimes” on behalf of “specific institutions and/or individuals.” It was all “planned systematically,” the President charged, to commit an unprecedented “heist” of four-fifths of Ecuadorians’ bank savings.

Isn’t it ironic, he noted, that the very same interests that today charge that the government’s policies will eliminate private property, “were the authors of the biggest confiscation [of funds]” in Ecuador’s history!

Correa has taken an equally aggressive approach to the issue of the foreign debt. With the memory fresh in their minds of how Argentine President Néstor Kirchner dealt with his country’s foreign debt, and his refusal to buckle under to the IMF’s lunatic demands, foreign bankers are sweating over Correa’s creation of a special commission of Ecuadorian and foreign experts, that will spend the next year investigating and auditing the foreign debt for the purpose of identifying what portion of it is illegitimate. He has made clear that the illegitimate debt will not be paid.

Bank of the South: Hope for the ‘Dispossessed’

With everything he has done, and proposes to do domestically, the Ecuadorian President is well aware, as he warned on Aug. 4, that the country’s banking interests “are very desperate.” So, he predicted, expect that the period leading up to the Sept. 30 elections to create a new Constituent Assembly, will be “extremely rough.”

The Constituent Assembly, which will rewrite the Constitution, is the vehicle through which Correa intends to carry out his sweeping reforms in defense of the General Welfare. “It should be our second Independence,” he said on Aug. 11. But, he added, the bankers’ political parties will try anything to overthrow him or destabilize his government. They will resort to strikes, staged attacks, electricity cutoffs, slanders and false accusations—perhaps even the bankruptcy of a small bank blamed on the government—in order to block the “historic change” which would follow the elections should, as expected, Correa’s backers win.

But in the eyes of the Shultz banking crowd, it is not so much the specifics of what Correa is proposing on the foreign debt or local policy that makes him so dangerous. Rather, as LaRouche stressed on July 12, at a moment when the global financial system is unravelling at breathtaking speed, these financial vultures cannot tolerate *any* sign of independence or defense of national sovereignty, whatsoever.

They are frantic over Correa’s collaboration with Argentina’s Kirchner, not only on domestic economic and debt policy, but also in forging the Bank of the South, the new regional financing entity that is intended to be an alternative to the IMF and World Bank’s usurious practices. London-centered financier interests view these developments as so alarming, they

have deployed the British monarchy-controlled Banco Santander to try to sabotage this important initiative, using their Brazilian assets. Originally scheduled to be founded in June, the Bank is now expected to get off the ground in November.

The American Task Force Argentina (ATFA), a front for the predatory vulture funds that looted Argentina in the period leading up to its 2001 debt default, has also been mobilized to threaten Ecuador with economic reprisals, for “following Argentine-style economics”—by which it means the Roosevelt model. At the same time, ATFA, run by former Commerce Department official Robert Shapiro, is trying to convince the U.S., German, and other governments to use Teddy Roosevelt-style “Gunboat Diplomacy” against the Kirchner government, to force it to pay off foreign bondholders who refused to participate in the 2005 debt restructuring, and are now screaming that Argentina “owes” them.

These predators are also taking aim at Argentina’s likely next President, current First Lady Sen. Cristina Fernández de Kirchner, who, as the Presidential candidate of the pro-government Victory Front, has vowed to continue her husband’s “industrialist” policies.

But the pace of today’s global financial meltdown is such, that bankers’ leverage is weakening almost hourly. At the same time, LaRouche’s analysis of the crisis, as well as his programmatic solutions, are being widely circulated throughout the region.

On June 29, Quito’s Radio 530 A.M. conducted an extensive interview with LaRouche, to inform the maximum number of people in Ecuador’s capital that the major political figure leading the fight to oust Vice President Dick Cheney in the United States, also strongly supports the Bank of the South. And, just as LaRouche was speaking to Ecuadorians, Correa himself was stressing the “extreme importance” of the Bank of the South in his speech to the summit of the Common Market of the South (Mercosur) in Asunción, Paraguay.

True integration will be very difficult unless we can increase our independence from certain “extra-regional” interests, and that requires *financial independence*, Correa told his fellow Ibero-American Presidents. South America must seek “a new financial architecture for the region,” with its own institutions, to end the destructive policies of neoliberalism, Correa emphasized, as reported on the Presidential website.

In an Aug. 11 speech in Tarija, Bolivia, President Kirchner expressed his conviction that the Bank of the South would indeed be founded in November, but called on the region’s leaders to rise to the occasion, and not to fall into the “individualism or the petty struggles for short-term leadership, which prevents us from taking the transcendent steps we must take.” If South America’s Presidents show this kind of leadership, he said, the Bank of the South can indeed function to “return the smile of hope to the forgotten and dispossessed” in the entire region.