

Editorial

Butchers of Ibero-America

Even before Socialist International spokesman Carlos Andrés Pérez took office as Venezuela's President, he was slated to become the policeman for IMF-World Bank policy throughout the continent. It was he, we were told, who would force Panama's General Noriega to toe the line, he who would act as a model in opening up Venezuela to foreign capital investment.

Now Venezuela has gone through a suspension of its constitution, a death toll of over 1,000 victims, uncontrolled rioting which has not only targeted over 20,000 businesses for destruction, but set slum dwellers against the middle classes in what threatens to become an ugly replay of social disintegration such as we saw in Iran.

There is good reason for bankers to fear that the situation in Venezuela is going out of their control. The present world financial system is so unstable that a continent-wide debt moratorium (already Brazil is threatening to pull out of the clutches of the banker's dictatorship), coupled with a threatened competitive upward slide in interest rates between the U.S., the U.K., the Federal Republic of Germany, and Japan could easily pull it down. And, indeed, every increase in U.S. interest rates makes the situation that much more intolerable for the indebted nations whose debt service is hiked up accordingly.

None of this need have happened, and there is still time to reverse the situation.

On Aug. 2, 1982, Lyndon LaRouche issued *Operation Juárez* which proposed a three-level approach to debt reorganization. At that time he wrote: "In much of the post-1974 period, the condition of finances of developing nations would not have occurred but for the virtual thuggery of Henry A. Kissinger and others, in enforcing the irresponsible and incompetent policies resolved at the 1975 Rambouillet conference and subsequent such conferences. Many of the debtor-nations were forced into refinancing debts at immorally usurious rates, and with other lunatic arrangements, at the point of a gun—sometimes quite literally, Kissinger's guns.

"Such features of the carried-forward debt of nations can not be considered exactly a debt contracted in

good faith. If there are any complaints of losses from debt-renegotiation among creditors, appropriate reference should be made to the injury to the debtors imposed by the wicked Kissinger and others, at Rambouillet and in related conspiracies."

LaRouche's plan for debt reorganization, unlike that of Pérez, Kissinger, and the international banking crowd, was for a reorganization of the debt at low (2%) interest rates, with easement of the extent of the loan—such a restriction not to be tied to any conditionalities or asset grabbing.

To allow the Ibero-American nations to maximize their own strength, he proposed a common market, since, "Given the limited means for creating technologically advanced industries of each and all, the attempt of the republics to meet their needs in parallel represents a costly duplication of investment."

This proposal is as valid today as it was in 1982, although of course, the economic situation of these nations has vastly deteriorated since.

The Kissinger team, which appears to be hegemonic in the present Washington administration, is following a diametrically opposite policy. They intend to use the debt crisis for an asset grab—the so-called debt-for-equity swaps—which would reduce the presently sovereign nations of Ibero-America to colonial status, as well as abject poverty.

The *Washington Post* proposed a similar future for the United States in its March 2 editorial. Citing Pérez's austerity program for Venezuela as a model which should be followed by President Bush in the United States, they wrote: "The great lesson of recent South American experience is that delaying the inevitable only makes it more costly and more painful in the end. There is no reason to think the same somber rule does not apply to North America."

The *Post* openly represents the plans of the bankers and the Kissinger crowd, who intend to repeat in the United States, the horror they are now visiting on the peoples of Ibero-America. There is another solution to the economic crisis, the LaRouche pro-development solution, but these same butchers are trying to silence his voice.