

# Bolivia Is Targetted To Redraw S. America Map

by Gretchen Small

The arrogant neo-conservatives at the American Enterprise Institute (AEI) have taken upon themselves to trumpet the imminent extinction of Bolivia, the nation which lies in the heart of the South American continent. More than Bolivia's disintegration is on the agenda here. The groundwork is being laid for a regionwide war, in which the region as a whole may be destroyed.

Under the title, "The Last Days of Bolivia?", AEI's June 2004 *Latin American Outlook* pronounces, "If current trends continue, we may witness the first major alteration of the South American political map in more than a hundred years." Author Mark Falcoff, AEI's resident scholar on Ibero-America, forecasts that Bolivia will 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 natural gas-producing lowlands, the latter led by the department of Santa Cruz. In AEI's twisted view, the coca nation will be largely Indian-dominated; the lowlands, of more "European" stock. This was the second AEI *Outlook* in six months which argued the imminence of Bolivia's demise, an event for which Falcoff claims Bolivia's suicidal elites are responsible.

This time, Falcoff escalated, promoting his thesis in wildly provocative interviews to none other than the Chilean press. With this, Falcoff played into the historic conflict between Bolivia and Chile which has festered since the 1879-1881 War of the Pacific. Bolivia lost its Pacific coastline to Chile in that war, which began when Chile, at the instigation of British interests, invaded both Peru and Bolivia, seizing territory from both of its neighbors. Left landlocked, Bolivia has never given up its claim to access to the sea.

Whenever this most explosive of the regional border fault lines in the region has been reactivated during the past three decades, behind the operation there has lurked that crazy "gringo" geopolitician and self-declared Kissinger lackey, Luigi Einaudi. Einaudi spent his two decades in the State Department attempting to foment a new War of Pacific, and now, as Deputy Secretary General of the Organization of American States, he has been running various other border negotiations in the region.

The AEI operation is tailored to foment the conditions for a regional war. At this point, war could result from a fight over resources, or, as some U.S. idiots are already mooted, if Chilean troops enter Bolivia as part of a regional intervention force mounted on the pretext of "restoring order in a failed

state." The timing of the operation could not be more explosive. As we identify in our preceding article, "The Friends of Blas Piñar Set Fire to the Andes," AEI has struck precisely at the point that the fascist-led operation to trigger race war in Peru, Ecuador, and Bolivia has moved into an overtly separatist phase, in the wake of the horrific twin murders in Ilave, Peru and Ayo Ayo, Bolivia. To foment potential border wars on top of race war, is a recipe for genocide. Someone is trying to unleash a perpetual war in the region, warned U.S. Presidential candidate Lyndon LaRouche on June 28—a war which, once it starts, cannot be stopped.

## Murder of a Potential Economic Powerhouse

AEI, which joins such neo-conservative war-hawks as Samuel Huntington, Richard Perle, Michael Ledeen, and Dick Cheney's wife Lynne, is well-known in the region as one of the principal thinktanks from which emerged Dick Cheney's imperial pre-emptive war doctrine.

Even as Falcoff's forecast reverberated across the region, Bolivia was hit from another side. On June 8, the "Commission on Weak States and U.S. National Security" of Washington, D.C.'s Center for Global Development, released its final report. The commission, a mix of 30 top Project Democracy ideologues, foundation hacks, and financier operatives (George Soros was well-represented and JP Morgan Managing Director Daniel Zelikow personally participated), made recommendations on the "carrots and sticks" required to deal with the "weak and failed states" spreading across the developing world—which, they assert, pose the major threat to Great Powers in the 21st Century. They, too, singled out Bolivia as an example of how a failing, weak state threatens an entire region.

The targetting of Bolivia is not new. In 1990, in an interview with Brazil's *Veja* magazine, John Reed, then president of Citibank, cited the collapse of the Soviet Union as an example of how "countries have disappeared from the face of the Earth." He then declared that "Peru and Bolivia will disappear."

Bolivia has all the potential to become a great industrial and agricultural powerhouse. Situated in the center of South America—it borders on five countries: Brazil, Paraguay, Argentina, Chile, and Peru—Bolivia's more than million square kilometers in territory make it twice the size of Spain. It is rich in natural resources, from the minerals found largely in its mountainous region (tin, zinc, lead, iron, silver, and others, such as antimony, of which Bolivia has been traditionally the world's second-largest producer), to the enormous natural gas deposits in its lowlands. Bolivia is now estimated to have 54 trillion cubic feet of gas reserves, the largest in South America after Venezuela. It has great agricultural potential, as well, as the soy farms of the East demonstrate. Another area, the Yungas Valley, contains some of the most fertile lands in the country, never developed because of lack of infrastructure.

Bolivia's primary problem is that it is vastly underpopulated, yet lacks even the minimum infrastructure required to

sustain and develop its current population of just over 8 million people. Only 64% of the country was electrified as of 2001, with that figure dropping to 25% in the rural areas. As late as 1994, only 4% of the country's roads were asphalted; a national rail grid is non-existent. Invest in adequate technology, infrastructure, and education, as part of a greater regional project to develop the interior of South America, and Bolivia will take off.

For Americans of a previous day, nothing would be more welcome than to see such development underway. Plans to cooperate in the industrialization of South America was, after all, one of the great projects which Franklin Delano Roosevelt's team had been working on, before FDR's synarchist financier opponents seized control of U.S. policy in the wake of his death. For the oligarchs and their financiers, the raw materials of Bolivia and its neighbors exist solely to be looted at their pleasure. As their global financial system disintegrates today, these interests are determined to use the crisis to grab control of the world's resources for themselves, and to eliminate not just specific nations, but the sovereign nation-state itself. These interests care nothing about Bolivia or Peru, *per se*—nor about their supposed “success story,” Chile, for that matter. The “thinking,” if it can be called such, is simple: Bolivia, because of the lack of development, is vulnerable. Blow Bolivia apart, and you can shatter its neighbors, too, Chile included.

## The Trap Laid for Bolivia

Along with its neighbor, Peru, Bolivia was chosen in the late 1960s by the financier interests who run the international dope trade, to be transformed into a leading producer of coca, the principal ingredient from which cocaine is made. The drug trade's grip upon the country tightened in the late 1980s, when the state-owned mining company was largely shut down—an operation run by Harvard's Jeffrey Sachs—which left thousands of miners with no livelihood but coca-growing.

In the 1990's, under the first Presidency (1993-1997) of Rio Tinto Zinc's representative, the millionaire mining baron Gonzalo Sánchez de Lozada, majority control over Bolivia's state companies was sold off to foreign multinationals for a song. These multinationals promptly shut down more of what were already far too few decent jobs available in the nation. (The operation was shameless: The first purchaser of the state mining concessions was a company jointly owned by Rio Tinto Zinc and the Sánchez de Lozada family.) Under Sánchez de Lozada's Presidency, the idea was cooked up that Bolivia's major economic focus (besides exporting coca) should be to become an export platform for natural gas: not as part of a regional development effort from which Bolivia's domestic economy would benefit, but for foreign multinationals who viewed the gas merely as another way to make money. Investment in the domestic market was explicitly ruled out, because it was deemed too small to be worth it.

Some lunatics even mooted that Bolivia should become an *exporter* of electricity, while its own people lived in the dark!

Over the years, the export platform scheme was concretized in one project, which has been billed as the savior of the Bolivian economy. The project involved natural gas: Bolivia would pipe gas to either a Peruvian or Chilean port, where it would be liquefied in a new plant yet to be built, so that Bolivia's gas, now in the form of liquefied natural gas (LNG), could be shipped out of South America to Mexico—and then to the United States. This is a raw-materials-looting scheme of absolutely stunning insanity in physical-economic terms, given South America's development needs.

Hugo Banzer, at his inauguration as President in 1997, pointed out to Chilean President Ricardo Lagos, that the deal meant that Bolivia would get \$400 million for its raw material, while the country with the port, whether it be Peru or Chile, would get \$1.5 billion for the deal, by liquefying the gas. How can I explain that to my people? Banzer asked.

With Sánchez de Lozada back in the Presidency in 2002, however, a lucrative deal was sealed with Chile and a consortium of foreign multinationals, led by British Petroleum and the Spanish oil company, Repsol, under which Chile would get the LNG concession, rather than Peru.

There was across-the-board opposition to the decision to grant the deal to Chile (except for the immediately interested parties). But those who took the lead against the project were the financier-run *cocalero* apparatus identified in the “Blas Piñar's Friends” article: Evo Morales, Felipe Quispe, et al.

With few jobs and little hope for improvement in the situation, the *cocaleros* held up this despised Chile-United States gas deal as one of their principal banners, in the mass strikes and protests which finally forced Sánchez de Lozada to resign from the Presidency in October 2003.

Assuming the Presidency in the midst of this highly charged situation, in which the *cocalero* forces had just shown their growing power, was Vice President Carlos Mesa, a former television reporter and political analyst, who had no political base of his own. With the Bush government and the International Monetary Fund insisting the government hold to fiscal austerity, Mesa had little to offer the population, other than a more sympathetic attitude than the English-accented would-be oligarch, Sánchez de Lozada.

Playing for support from the *cocalero* crowd—which escalated their initial opposition to the gas deal with Chile, raising it to opposition to *any* export of gas from Bolivia at all, until the hydrocarbon industry was entirely renationalized, 250,000 homes delivered free natural gas, and an industry created—Mesa walked into the trap laid for Bolivia. Bolivia's longstanding demand for access to the sea is now mixed with the issue of gas exports, and the Mesa government has declared that “not one molecule of gas” will be exported to Chile, until both issues are settled.

## Regional Development Is Needed, Now!

With that picture in mind, look again at how the AEI's Falcoff intervened. He argued that the Mesa government is committing “suicide” by denying natural gas to Chile; by

“threatening to overturn longstanding contracts with international energy companies”; and by allegedly preparing to “take the country . . . outside the world economy.” He cited even the fact that Mesa is attempting “to govern without political parties,” as virtually a heinous crime. Only if Bolivia agrees to decentralize authority and resources, can the country avoid partition, Falcoff declared. In other words, only if the government hands control of the gas and other natural resources over to departments which are more easily controlled by foreign financial vultures.

Falcoff, long a vociferous promoter of Chile as the model country of South America, then turned around to the Chilean press, and promised that “the Republic of Santa Cruz [should it be created] would have absolutely normal relations with Chile.” As if he spoke for the Chilean government!

Emboldened by promises of foreign support from such purportedly powerful interests as Dick Cheney’s AEI, between 50,000 and 100,000 people took to the streets of Santa Cruz on June 22, to demand autonomy, and the right to control the sale of “their” natural resources, as opposed to the national government. Echoing Falcoff, Rubén Costas, head of the Pro-Santa Cruz Committee which organized the demonstration, told the crowd: “We don’t want to be part of the suicide. We have been patient, but no longer. We say ‘Enough!’ to centralism and corruption.”

Yet the “Santa Cruz Republic” is not the only side of the Bolivian divide being fostered by foreign financier interests. The *cocalero* movement has also found itself a new lobbyist in Washington: Kissinger-McLarty Associates. This operation went public on May 7, when Kissinger-McLarty Associates’ managing director, former retired U.S. Army Colonel Stephen Donehoo, told a forum at the Center for Strategic and International Studies (CSIS) in Washington that the United States needed a new policy towards the *cocaleros*.

Washington sources report that Donehoo is working on bringing Morales up to the United States, which would require lifting the State Department ban on giving him a visa, which results from his ties to drug-trafficking and to the largest narco-terrorist force on the continent, the Armed Revolutionary Forces of Colombia (FARC).

Pressure is building to declare Bolivia a “failed state” which threatens the national security of its neighbors, and thus requires the creation of the Western Hemispheric regional intervention force first proposed by Defense Secretary Donald Rumsfeld in November 2002. On June 25, Argentine Defense Minister José Pampuró declared that the countries of the region, and particularly its neighbor, Chile, are concerned about the instability and “Lebanonization” which are overtaking Bolivia; and that Bolivia’s situation would be discussed at an upcoming meeting of regional Defense Ministers. After the Bolivian government filed a formal protest with the Argentine government over these remarks, the Defense Minister issued an official apology—undoubtedly under pressure from the Argentine Presidency and Foreign Ministry.

More important than the apology, the Argentine Defense

Ministry issued a communiqué stating that the social situation in Bolivia was not a subject for the agenda of the Defense Ministry of another nation, Argentina, nor would it be taken up by the Mercosur Defense Ministers in upcoming meetings.

Defense Secretary Donald Rumsfeld first publicly demanded the formation of such a force in November 2002, under the pretext that the existence of “ungoverned areas” breeds terrorism and “bad people,” and that justifies intervention. For over six months, U.S. Army War College sources have insisted that Rumsfeld’s regional intervention force proposal is very live, and that it is to be initially formed by Argentine and Chilean forces.

## Bush Sets Up New Government in Iraq

by Muriel Mirak-Weissbach

June 30, the long-awaited date for the transfer of power from the US-led occupying forces to an Iraqi interim government, had become a symbol, at least in U.S. political iconography, for the restoration of sovereignty to Iraq and the advent of an era of peace, democracy, and freedom. But the harsh reality of a widening asymmetric guerrilla war against the occupation forced even the publicity-hungry Paul Bremer, outgoing head of the Coalition Provisional Authority, to abruptly alter plans, and effect the handover almost in secret, two days earlier than scheduled. After a short ceremony with about 30 people present, Bremer was whisked off to the airport. The fear had been that a high-profile ceremony could have been annihilated by a massive military attack, which could have killed more than the public relations effort.

As Bremer left, John Negroponte, the new U.S. ambassador to Iraq arrived, to take up his post at the U.S. embassy, which is slated to be the largest in the world. In the view expressed by Germany’s leading Iraq expert, Aziz Alkazar, (who gave an interview to *EIR* on June 29, to be published next week), this changing of the guard captured the essence of the matter. Sovereignty, he said, is nothing someone “gives” or “takes;” but it resides with the people. What occurred during the Baghdad ceremony was not a transfer of sovereignty, but rather, of certain authorities. So long as foreign troops remain on Iraqi soil, and are allowed to intervene militarily, even without the agreement of the interim government, “then one cannot speak of a real transfer of power,” he said.

### Independence and Military Power

The most important thing for the majority of the Iraqi people is not the cosmetic appearance of democracy, free elections, etc., but national independence and true sovereignty. Thus, if there is to be peace in Iraq and the region,