

OAS: outgrown by Ibero-America's needs and U.S. aggressions

by D.E. Pettingell

Demanding a "political dialogue" between debtors and creditors before the financial system blows up, Peru's foreign minister, Alan Wagner Tizón, on behalf of Peruvian President Alan García, told the Organization of American States' 17th General Assembly that, in light of the collapse of the world's leading stock markets, a "global and definite solution to the foreign debt problem" can no longer be postponed.

"In recent times, the world financial system has given a dramatic expression of the speculative and, therefore, extraordinarily fragile base on which the world financial system is sustained. There is no other interpretation of what has recently happened in several of the world's most important stock markets, in which hundreds of billions of dollars have simply evaporated due to the financial panic," Wagner Tizón told his colleagues Nov. 10. "When we see that only 3% of financial transactions are related to production and trade, that is, to the real economy, we can see how serious is the degree of speculation and financial revenue that prevails."

The Peruvian position forced the assembly to pull away for several hours from the tedious issue of Nicaragua, which otherwise dominated the debate. Following the opening remarks of OAS Secretary General João Baena Soares Nov. 9, Secretary of State George Shultz called a press conference to set the tone. Shultz insisted that Nicaragua is the "primary issue" in the Americas. Nicaraguan President Daniel Ortega's unexpected presence at the assembly Nov. 11, in his first State visit to Washington, reinforced Shultz's agenda.

The foreign debt, narco-terrorism, U.S. State Department meddling into internal affairs of sovereign nations, were put on the back burner. Whether Ronald Reagan would meet with Ortega or not, whether the White House welcomes the mediating role of Nicaraguan Cardinal Miguel Obando y Bravo or not, whether the Contras are willing to meet Managua's representatives in Washington or elsewhere, and so on—these were the things that the media fixated on.

Historically, the United States has controlled the OAS, or, when its other members get a little rebellious, manages to neutralize it or limit its field of action in a way that suits the New York banking community's neo-colonialist and interventionist policies toward Ibero-America. In consequence, the institution has never been what it was ostensibly intended to be, an expression of the principle of cooperation and "community of interests" that the Monroe Doctrine defined for the hemisphere. At best, the OAS has been a mul-

tinational forum where member-states can vent their grief.

Occasionally, the OAS has shown its potential to intervene in support of member-states facing aggression. Last July, the OAS Permanent Council passed a resolution condemning U.S. government meddling in the internal affairs of Panama. The State Department did not hide its displeasure.

Burial for the OAS?

Although most of the time, the OAS does little one way or the other, this year the Reagan administration decided to give the organization the *coup de grace*. At last year's assembly, Shultz invited his colleagues to hold this year's assembly in San Francisco, California. As usual, the host country, in this case, the United States, would have to pay for the cost of the assembly. But in the month of October, one month before the scheduled date for the assembly, Shultz "disinvited" the OAS, arguing lack of budgeted funds to cover the event. Thus, this year's assembly had no official host, and most of the expenses were paid by the OAS itself.

Shultz's "disinvitation" was taken as a diplomatic insult by the majority of American states—and so it was. After all, the United States is the richest country in the hemisphere, and in comparison to other countries, such as Guatemala, the host country in 1986, or El Salvador, which won the right to be next year's host after a diplomatic fight with other eager competitors, Shultz's argument of "lack of funds" is ludicrous. Among the member-states, it has always been an honor to host the OAS Assembly.

Moreover, the U.S. government, the largest contributor to the organization, has only been paying a small percentage of its quota. The quota that each country pays to the OAS is based on national income. Thus, countries like the United States and Brazil have the largest quotas. Currently, however, the OAS is owed \$90 million by member states. Of that, the United States owes \$60 million. The OAS's yearly budget is only \$65 million; the United States is supposed to cover one-third of that amount.

When Shultz arrived at OAS headquarters to deliver his speech Nov. 10, one hundred OAS employees were waiting, holding lit candles and discreet signs calling for the U.S. government to pay its debt to the OAS. Shultz rushed in so fast, amid an army of Secret Service agents, that he did not notice the protest, despite the fact that the employees were spread around the halls and the stairs in a spectacle that had

the atmosphere of a funeral.

Sources who have spent half of their lives within the organization reported that the OAS can no longer go on operating in the red. The OAS personnel also asked for a 10% wage increase, but the U.S. delegation made a counterproposal for a 3% increase. The employees rejected that as "offensive."

An OAS without the United States?

The creation of the Contadora Group (Colombia, Mexico, Panama, and Venezuela) in 1983, and its new version, the Group of Eight (the same four plus Argentina, Brazil, Peru, and Uruguay), consolidated in 1986, are the product of the OAS's unfitness to serve as an effective mechanism of debate and action on Ibero-America's political and economic problems.

This became clear, once more, during the assembly. On the eve of the Group of Eight presidential summit scheduled for Acapulco, Mexico Nov. 26-27, the foreign ministers of those nations absented themselves from the OAS sessions to participate instead in intensive preparatory meetings at the Mexican embassy in Washington. Even were nothing to come of the Acapulco summit, the fact of its taking place represents a milestone in the history of Ibero-American integration and cooperation. As Alan García has stated, for the first time in history, the Presidents of 80% of Ibero-America will get together without having been summoned by the United States.

Argentina's, Brazil's and Mexico's submission to the demands of the International Monetary Fund and the creditor banks, indicate that the eight Presidents will not break the rules of the game established by the creditors. However, the presence of Peru's President, a fighter who has placed his country's interests above those of the speculative bankers, guarantees that at least there will be no ignoring the seriousness of the financial crisis, or the immorality of continuing to pay the unpayable, for the sake of extending the life of a doomed financial system that is starving people to death.

Sources close to the OAS characterized the meeting of the eight foreign ministers as an "OAS without the United States," where issues that the OAS has not been able to address due to its "internal contradictions" were discussed.

In a press conference at the Mexican embassy Nov. 13, Mexican Foreign Minister Bernardo Sepúlveda pointed out that the importance of the summit lies in the fact that it is "the first meeting convened by Latin Americans, with an agenda determined by the Latin Americans themselves." He added that the summit will deal with economic issues and the Central American situation, and that one of the goals is to increase the level of trade and integration among Ibero-American nations. Sepúlveda did not let the occasion go by without criticizing protectionism in the advanced countries, and the depreciation in prices of raw materials, which account for 80% of Ibero-America's exports.

That same day, Nov. 13, while the eight ministers were still meeting, the White House gave an example of its policy

of economic warfare against Ibero-America by announcing harsh trade sanctions against Brazil, in retaliation for Brazil's decision to develop its own mini- and microcomputer industry, protecting it from U.S. corporate competition in the Brazilian domestic market.

The news of the sanctions shocked the eight foreign ministers. Diplomatic sources said that the White House's timing of the announcement of the sanctions against Ibero-America's largest debtor, when the OAS assembly was not yet over, was meant to send Ibero-America a political message on the eve of the Acapulco summit.

Since historically, the United States has controlled the OAS, or limited its field of action, the institution has never been what it was intended to be, an expression of the principle of "community of interests" that the Monroe Doctrine demanded for the hemisphere. At best, the OAS has been a forum where member-states can vent their grief.

The Group of Eight currently functions under the name of Mechanism of Political Consultation, but sources close to the OAS believe that in due time, a secretariat will be formed with the intention of creating a body modeled on the European Community, bound by common political ideas and economic needs. Sepúlveda seemed to back up this hypothesis when he told reporters that the Group of Eight represents the "germ of something that could turn into a far-reaching project."

A proposal discussed at the OAS to jointly negotiate the foreign debt, in respect to payment terms, a ceiling on interest rates, grace periods, and limiting debt service payments to a percentage of gross national income and/or exports, will be included on the Acapulco summit agenda by the Peruvian delegation, according to diplomatic sources.

Panama denounces aggression

In the same press conference, Sepúlveda explained that the Group of Eight is not "excluding" anyone, but that one of the "conditions to be part of it is to have a democratic regime." His comments were most probably not welcomed by the State Department, since one of the Group of Eight mem-

bers is Panama—thus endorsed by Sepúlveda as a “democratic regime”—the subject of a vicious campaign by the State Department aimed at overthrowing its constitutional government, which is labeled by the United States a “repressive military regime.”

The brutal campaign against Panama was denounced at the OAS assembly by its foreign minister, Jorge Abadía, on Nov. 11. “I have come here today with the painful mission of informing you of the moral and economic aggression against the State of Panama,” Abadía told the OAS. He explained that the aggression against his country had been “carefully conceived inside a global strategy, unscrupulously structured and executed without stinting on resources or procedures.”

He charged that the “subversive movement that emerged in my country,” and the attempts to “break the two-decade alliance between the people and the Panamanian Defense Forces,” bases its “structure, development, and tactics” on what he called a “manual of psychological operations of irregular warfare.”

Abadía denounced the outrageous efforts by the U.S. Congress to overthrow the government of Panama through the unprecedented means of passing laws that demand its overthrow. “I ask myself if it is not a grave danger for member-states that, in the Congress of the United States of America, there is presently a proposed bill called ‘Democracy in Panama Act of 1987,’ in which certain requirements are established for the government of Panama to fulfill in order to be acceptable to the U.S. Congress?” Abadía was referring to Sen. Alan Cranston’s (D-Calif.) S. 1650, which stipulates a boycott of all sugar-product exports from Panama until a U.S.-backed “transitional” government is placed in power.

“Is it then the case that a state, to be able to exist, has to receive the approval of the Congress of another state? Is it then that the Congress of a state can impose change on the government of another state?” asked Abadía.

In a clear reference to the Washington-based oligarchic opposition in Panama known as the Civic Crusade, Abadía denounced “those Panamanians who, having failed in their attempts” to gain popular support inside Panama, “have taken to the streets of the world to shout lies” against Panama.

Indeed, as Shultz was delivering his speech Nov. 10, about 30 Crusade members carried out a small protest outside the OAS headquarters in Washington with signs that read: “Noriega, Shame of America,” “Noriega’s Repression Is Worse Than Somoza’s,” and the like. Inside, Shultz was playing music to their ears, “We will continue to watch efforts in Chile, Panama, and Paraguay to reconstruct a democratic order,” he said. To the attending foreign ministers, his implied comparison between Panama’s Gen. Manuel Antonio Noriega and Chile’s Pinochet was outrageous.

General Noriega is the head of Panama’s Defense Forces, a fiercely nationalist institution dedicated to the prospect that the Panamanian people will assume sovereignty over the Panama Canal in the year 2000, as stipulated in the Carter-Torrijos Treaties of 1978.

Project Democracy and Brazil: new evidence

Brazilian Congressman Guilherme Afif Domingos filed criminal slander charges during the second week of November before Brazil’s Supreme Court against *EIR*’s Rio de Janeiro correspondent, Silvia Palacios de Carrasco. Afif’s suit accuses both Mrs. Carrasco of “slander and defamation,” for an article with her byline in the June 12, 1987 edition of *EIR*, entitled “Project Democracy gang in Brasilia,” and Brazilian Congressman Luiz Alfredo Salomão, for citing, in the course of congressional debates, the *EIR* article and another “apocryphal memorandum,” which Afif ascribes to Mrs. Carrasco.

Although Afif’s legal brief is not specific, it appears that he objects to the idea that he was part of a “group of Congressmen backed by ‘Project Democracy.’”

The *EIR* article in question had reported: “According to a report in *Jornal do Brasil* of May 27, a group of ultraliberals has been secretly meeting to discuss plans for denationalizing oil, in a sumptuous palace in Brasilia made available by the Confederation of Brazilian Commercial Associations (CACB). Among the group, to mention a few, were Liberal Party Deputy Afif Domingos. . . . As it turns out, the CACB, chaired by businessman Amaury Temporal, is the Brazilian arm of Project Democracy’s ‘private enterprise’ mouthpiece, the Center for International Private Enterprise (CIPE). CIPE is funded by the U.S. Chamber of Commerce and National Endowment for Democracy, the public front for [Oliver] North’s Project Democracy!”

“The links between CACB and the CIPE are overt. In a Feb. 4, 1987 bulletin of CIPE, the institute admits to having helped sponsor at least two seminars in Brazil. . . . The CIPE bulletin stated that CACB will direct ‘explanatory sessions on the legislative process, legislative cycle, organizing program and regulatory lobbying. . . .’”

EIR not only stands by the above information, but has recently obtained new documentary evidence of Afif’s association with Project Democracy, the National Endowment for Democracy, and CIPE, showing that CIPE co-sponsored an International Conference on the Informal Sector on Oct. 26-27, 1987 in Washington, D.C., whose participants included CACB head Amaury Temporal. The official conference packet included an article by Afif himself.

As the conference brochure reports, the “CIPE is an affiliate of the U.S. Chamber of Commerce funded by the National Endowment for Democracy. CIPE acknowledges the support of the Inter-American Foundation, which underwrote travel grants to enable some participants to attend this event.”