

Central Americans Told To Forget 'CAFTA'

by EIR Staff

With negotiations on a U.S.-Central American Free Trade Accord formally opened on Jan. 8, 2003, the drive to extend the North American Free Trade Agreement (NAFTA) south to the Colombian border is on in earnest. The Bush Administration hopes the negotiations on "CAFTA" will be completed by December 2003, a goal considered feasible because the region's economy has already largely been swallowed by NAFTA. Several countries of the region no longer have national currencies, adopting the U.S. dollar instead. All of them depend on the flow of remittances from their unemployed nationals "exported" as cheap labor to the United States. The dislocation caused by dividing of millions of families forced to send family members abroad to survive, is merely symptomatic of the depth of physical economic destruction over the past ten years, which has driven Central America back to the brink of chaos. Protest demonstrations are occurring from Mexico to El Salvador against the free-trade agreements.

Thus, there was a strong response in Central America's largest country, Guatemala, when Marivilia Carrasco, president of the Ibero-American Solidarity Movement (MSIA) in Mexico, visited Guatemala City in late November 2002. Carrasco, speaking with the authority of a spokesman for Lyndon LaRouche's international movement, and of a Mexican debunking the fraud of the supposed NAFTA "success story," provided Guatemalan and other Central American leaders with whom she met, a detailed idea of the economic concepts required to defend the existence of nations in the face of the ongoing collapse of the world financial system. Rather than trying to live with free trade's destructiveness, Carrasco proposed that they join in building the alternative system for which LaRouche is organizing globally.

Carrasco was invited to participate in the Congress of Journalists of the Guatemalan Journalists Association (APG), held Nov. 28-29. She also met with researchers from the National University of San Carlos and with members of the Central American Parliament's Integration Commission, and was interviewed by Radio Universidad and other provincial radio stations.

Carrasco spoke to the Congress of Journalists on their responsibilities in the current world crisis. She emphasized the extensive ties between Mexico and Guatemala, which include the exiles who arrived in Mexico during the 1950s, among these Carlos Wer, a member of the organizing committee of the Congress of Journalists and the person who invited

LaRouche's movement to send a representative.

"The links between Mexico and Guatemala are historic, and I am sure that future relations will be even better," she said. "But not as part of a free trade treaty . . . which is just an extension of the current NAFTA. . . . Mexico and Guatemala have a common destiny as part of Ibero-America. I feel morally obliged to tell the truth about the economic disaster of Mexico under NAFTA, especially given the pernicious publicity campaign about its supposed successes, designed to convince Guatemala and the nations of Central America to join Mexico and the United States in NAFTA." NAFTA was conceived in order to guarantee that Mexico paid its foreign debt. In 1980, the country owed \$58 billion. In interest alone, it has since paid \$242 billion, but its official debt today is \$162 billion. Nor is Mexico any different from all the other countries of Ibero-America. Brazil owes today, what the entire continent owed in 1980; Mexico, Brazil, and Argentina alone owe \$989 billion.

"Under NAFTA, exports and Gross Domestic Product continued to rise even as the physical economy of Mexico collapsed. . . . The worst symptom is the change in Mexican exports: Half of them today come from the *maquiladoras*, which are not part of the national economy, but are large slave-labor plantations. Only a million jobs were created in the *maquiladoras* over the last ten years, while the country requires the creation of that number of jobs *each year*. And now, this sector is collapsing, as the U.S. economy collapses. More than one-half of the Mexican population is either unemployed or working in the informal economy, and the latter is increasingly falling under the control of organized crime."

Carrasco also exposed the fraud of the so-called Puebla-Panama Plan first proposed by Mexican President Vicente Fox in 2000. Puebla-Panama is touted as a plan to build up the infrastructure of "Mesoamerica"—defined here as the area from Puebla, Mexico south through Panama—which the Inter-American Development Bank has taken up as its project. In reality, Carrasco pointed out, Fox's plan came out of the mid-1980s proposals of the Kissinger Commission on Central America. At that time, Kissinger was campaigning to turn the entire Central American isthmus into a large Hong Kong-style free port, as part of a Ibero-American-wide Free Trade Area.

Central America should abandon the failed NAFTA, and consider founding a customs union, she proposed, but added that the spreading "Argentina" bankruptcy shows that there are no national solutions. Central America must join Mexico and the rest of Ibero-America in bringing about the total change of the international financial system into one that encourages growth and recovery, such as that promoted by Franklin D. Roosevelt.

"For Guatemala, as for any nation, the basis for peace lies in the economic, social, and cultural development of its people." Carrasco told the journalists they have a special responsibility to promote this concept, especially in a nation where 80% of the population is Indian, and 40% illiterate.