

It's Banco Santander vs. The Bank of the South

by Dennis Small

The intended late-June signing of the founding document of the new Bank of the South by the Presidents of Argentina, Bolivia, Brazil, Ecuador, Paraguay, and Venezuela, was postponed to an unspecified date later this year. Although the announced reasons for the delay were disagreements over issues such as the relationship between capital contributions and voting rights of the members, and the location of the new bank's headquarters, there is a far more fundamental issue at stake, as U.S. statesman Lyndon LaRouche explained on July 5:

"The Bank of the South is a matter of life and death for the nations of South America, as the international financial and monetary system plunges rapidly into disintegration. As I noted in a June 29 interview on Ecuadorian radio: 'It is my hope that the Bank of the South, would function as a vehicle commonly used by sovereign nation-states of South America, to maintain sovereignty, number one; but as a necessary vehicle of the type I specified back in August of 1982. It is the exchange of long-term credit among nations, for projects in common interest. You need a system of fixed-exchange-rate agreements among nations, in order to do that.'"

In that interview with Ecuador's Radio 530 AM host Patricio Pillajo, LaRouche had also explained that, "the Bank of the South could serve as the South American component of a new international monetary-financial system, to replace the presently bankrupt IMF and World Bank."

"The founding of the Bank of the South poses a problem in South America for financial interests typified by the Spanish Santander and BBVA banks, which are extensions of the British Empire's scandal-ridden BAE company," LaRouche said on July 5.

Santander Bank—Spain's largest bank, and number two in the entire Eurozone—is intimately associated with the

Royal Bank of Scotland, one of the Queen's leading personal financial institutions, and has developed widespread financial and political influence across South America. For example, high-level "former" Santander officials have managed to insinuate themselves into prominent positions, including cabinet posts, within Brazil's Lula government, and are known to be violently hostile to the idea of the Bank of the South, and President Lula's stated commitment to the new financial institution.

This, and not internal Brazilian affairs, is what is behind Brazil's foot-dragging on features of the Bank of the South.

As If It Were Yesterday

LaRouche's reference to his own proposal of August 1982, as a model for the kind of new financial architecture that is required even today, is particularly significant. In that year, LaRouche drafted his historic *Operation Juárez* proposal for global financial reorganization, in the aftermath of his policy discussions with then Mexican President José López Portillo.

Although the LaRouche proposal has been on the table, and known to political leaders around the world for 25 years, current events are bringing it back to life with renewed vigor. In South America, the combination of the unavoidable reality of the global financial collapse, and the emergence of a handful of courageous political leaders in the region, such as Argentine President Néstor Kirchner and Ecuadorian President Rafael Correa, have put that same issue center stage, again, with the drive for the anti-IMF Bank of the South.

The reality, therefore, is that Santander Bank, the BAE, and other oligarchical forces are deploying today to try to stop the implementation of an idea that was set in motion, 25 years ago, by LaRouche's *Operation Juárez*!