TRADE AND THE ENVIRONMENT

IN THIS ISSUE

A Perspective on Free Trade
Trade, Development and the Environment: Ecuador - Peru - Honduras - Brazil
Haiti and Diplomatic Precedence
Current events/commentary: Cuba - El Salvador - Venezuela - Peru
Trade, Development, and Environment

We offer you this newsletter in the hopes that it will inspire debate, more newsletters, and ultimately inspiration for our active involvement in the struggle for a future of greater social justice throughout our hemisphere.

J.K. Langford's article has already roused spirited discussion in the CUSLAR office and among the editors of this newspaper. We will host a continuing discussion about trends in U.S./Latin American Relations, and welcome input from our readers. It seems odd to talk about fascism in an era of deregulation and privatization (see definition to right), yet behind those labels we find bank bailouts, industry bailouts, and a preactive role of government institutions in eroding labor rights, eroding women's reproductive rights and eroding affirmative action for economic and social equity among different ethnic groups in the U.S.

The promotion of "free trade" and the use of "economic sanctions" as a weapon seem to be connected in current U.S. foreign policy. International debt payments are coming to look a lot like debt servitude, and there is a striking loss of national sovereignty implied in the growing role of international credit institutions in specifying government fiscal policy and social programs throughout Latin America and the Caribbean. So are all states losing power to international institutions? Or do those institutions simply serve as a mask for power relations between "north" and "south"?

As multinational companies reorganize production to set up assembly plants in Latin America and the Caribbean, their move is facilitated by US AID and US Commerce Dept. funding for developing "maquiladora" zones and for advertising their cheap labor advantages in industry journals in the U.S. While some argue that this new exploitation hurts Latin American workers, others point out that wages and benefits in some sectors are better with multinationals than they are with national companies.

One effect of this move is already being felt in the U.S., as unemployment levels rise and wages drop: real "free trade" would lead to a more similar level between the standard of living of U.S. workers and those of the Third World. Meanwhile, the short-term advantages in profit levels to the corporations are enormous. And they do not have to spend money complying with the environmental regulations so hard-won inside the United States.

Whether advocating the export of toxic waste or the export of the industrial processes that produce it, the bottom line on the destruction of the Latin American environment is set by those who are making economic arguments. Jorge Negueira points out that the conflict between the constant expansionism of "frontier economics" and the environmental balance advocated by "deep ecology" lies behind our inability to develop policies that work. In the end, we all need to look deep into our own contradictions before we start prescribing policy to everybody else.

Mike Spezio brings us down to concrete examples, as we see how multinational companies "talk ecology" even while they are there in Latin America in order to cut costs and maximize profits. And the effects are disastrous, if we just listen to their talk and don't address the real practices in the rainforest and all around us.
J. K. Langford: Free Trade, Freedom and Freely Spreading Fascism

"The capitalist 'head office' can allow itself the luxury of creating and believing its own myths of opulence, but the poor countries on the capitalist periphery know that myths cannot be eaten."

Eduardo Galeano, Open Veins of Latin America

"We are confident in God and North American technology,"

Gloria Salguero (ARENA deputy)

The Free Trade Agreement with Mexico will further institutionalize U.S. corporate-political-military control over Mexican life. It will manifest itself directly in the further devastation of ecology and labor as targeted "cheap labor" is further ghettoized in the maquiladora and industrial center; as any attempts by Mexican labor or government to regulate health standards and toxic dumping will be rendered null and void by U.S. power — either militarily by killing and assaulting labor organizers or politically/ economically under the clarion call of challenging "unfair trade barriers." Land and labor will bleed many more pools before the Enterprise has filled its gut.

"Yes: Mexico must be thoroughly chastised! ... Let our arms now be carried with a spirit which shall teach the world that, while we are not forward for a quarrel, America knows how to crush, as well as how to expand!"

Walt Whitman, 1846.

In March of 1846, the people of Matamoros on the Rio Grande faced the poised canons of General Zachary Taylor. Taylor and his American army sat in their newly erected fort, guns to Mexican heads on Mexican soil, waiting, waiting for the excuse for slaughter, waiting for "[our] manifest destiny to overspread the continent allotted by Providence for the free development of our yearly multiplying millions," as the editor of the Democratic Review wrote. And when the "first shot" was fired from a Mexican gun against the occupier on occupied land, the slaughter of these invaded peoples could begin wholeheartedly, blessed by the triumvirate of God, democracy, and profit wrapped oh-so-lovingly in the tinsel of Anglo-American patriotism. While one letter in the New York Journal of Commerce reminded the world of business that, "[God's] interposition... seems to me to be identified with the success of our arms," others extolled the liberating power of the slaughtering forces. They would civilize wasted Mexican souls: "... [we believe it is a part of our destiny to civilize that beautiful country."

And thus liberate wasted Californian resources:

"Shall this garden of beauty be suffered to lie dormant in its wild and useless luxuriance? ... myriads of enterprising Americans would flock to its rich and inviting prairies; the hum of Anglo-American industry would be heard in its valleys; cities would rise upon its plains and sea-coast, and the resources and wealth of the nation be increased in incalculable degree." (Illinois State Register)

After the slaughter, rape, and devastation of thousands upon thousands of Mexican peoples, the invaded surrendered. The invader oozed civility, paying $15 million, he took half of the remaining blood-drenched land in his capacity as

Continued on Pg. 4
Free trade Cont. from pg. 3

patriotic businessman, not, he reminded the dead and dying, as ruthless conqueror. The sanctified Anglo-American invader thus established his dominion from sea to shining sea and the Rio Grande as fortified marker between North and South of the Border.

"Latin America is going to be convinced that Mexico has resigned from the continent and now belongs to the United States, but prosperity has its costs and giving up sovereignty is the price Mexico must pay for it."

Elliot Abrams, El Financiero, April 15, 1991.

On November 26, 1990 in Aguaclitas, just a few short miles from Matamoros, capital of the maquiladoras, American President George Bush and Mexican President Carlos Salinas de Gortari cuddled up to one another over a bullfight as they confirmed their reciprocal commitment to a USA-Mexico Free Trade Agreement. "My house is your house," beamed a Salinas aid to the American officials. The Enterprise of the Americas Initiative shoved the door wide open to the land, bedrooms, schoolrooms and bodies of millions of Mexicans who have had no say in this extension of hospitality which will rob them of control over key national policies and resources.

A few miles away along the border, in Matamoros, for example, US maquiladoras sprout like mushrooms, sometimes as frequently as one a week. Matamoros is but one of the approximate 1,500 US sweatshops which dot the Mexican-American free-trade zone border established in 1964. It is but one of the myriad havens for foreign — mostly U.S. — profit wrung from the bones of increasing numbers of poverty-ridden, female, "cheap labor." Thanks to the spirit of free trade GATT, extended so warmly to Mexico in 1986, tariffs have been systematically lowered, finally plummeting 80% under Salinas. The gate to the Mexican garden has been swinging open for a while. Foreign-owned corporations are free from Mexican taxes and obligated only to pay U.S. taxes on any "added value" on materials shipped to the maquiladoras for processing. How much "value," according to the laws of market exchange, is added by labor which costs 11% of U.S. wages? The likes of Ford, Kodak, Chrysler, AT&T, Union Carbide, General Motors, and Green Giant have indeed cultivated a bloody Garden of Eden on Mexican soil. Some profiting guests plant stakes along the ghettoized border while others erect high-tech operations in Cuatitlan or Toluca, but the result is the same exploitation. In the language of freedom according to capitalism, this assault on a people is known as the "natural division of labor".

"To reduce costs, companies often allocate phases of a manufacturing process to a number of nations. A free trade agreement would further encourage this natural international division of labor."

1991 Economic Report of the President

These forces of nature ravage workers on both sides of the borders. These forces of nature play one exploited labor force off against another, even pitting members of the same family against one another. Chicana labor in California, for example, is threatened with food processing plants relocating in order to exploit even cheaper family members south of the militarized border — if these forces of nature have not already beaten, imprisoned, or killed family members attempting to enter this land bursting with natural opportunities.

Free trade cannot be camouflaged in natural foliage. The historical reality of free trade means that while Green Giant, relocated from Watsonville, CA to Irapuato, Mexico, pumps millions of gallons of water out of the ground in Irapuato for irrigation, the people of Irapuato have no clean running water. The historical reality of free trade means that in the maquiladoras of Matamoros and Nogales, the worker shantytowns (colonias) have no running water, no sewage or electricity, and store costly delivered water in barrels previ

Continued on Pg. 19

NOTES:

1 Young women and girls make up two-thirds of the maquiladora labor force.
2 In 1981, Mexican labor cost 30% of U.S. labor. The average hourly wage in Mexico in 1989 was $1.57; it was 51 cents in the maquiladoras. Real wages overall in Mexico have dropped 60% since 1976, falling to a level lower than in the 1930s, while 50% of the work force is either un- or underemployed. Mexican wages today are lower than wages for comparable work in South Korea, Taiwan, Singapore and Hong Kong; they are 56% less than those in Brazil, 110% less than in Argentina and Columbia, and 218% lower than in Panama.
3 Both Ford and Kodak have been cited amongst the top corporate polluters in Mexico. Ford is best known to workers in Mexico in the shape of its henches who arrested workers at the Ford Cuatitlan plant on January 8, 1990, killing one of the workers.
4 AT&T, we should not forget, reaches out to touch someone through its support of SDI nuclear testing in such places as Kauai, Hawaii.
Development & Environment: A perspective from Brazil

By Jorge Nogueira

A masterpiece of economic thought was published in the February 8th, 1992 issue of The Economist:

"...shouldn't the World Bank be encouraging more migration of the dirty industries to the LDCs?... From this point of view a given amount of health-imparing pollution should be done in the country with the lowest cost, which will be the country with the lowest wages. I think the economic logic behind dumping a load of toxic waste in the lowest-wage country is impeccable and we should face up to that."

This unique demonstration of deep concern with the future of the majority of the world population is by Lawrence Summers, Chief Economist of the World Bank. He wrote this in an internal memorandum to some of his colleagues. As a fellow like him must have very unfaithful friends, one of them gave it to the press, including the Third World press.

The most amazing thing is that Mr. Summers can be callous, but he is not creative. Using Cornell’s facilities I found another masterpiece of economic thought:

"Brazil can become the importer of pollution. ... Why not? We have a lot left to pollute. They [developed countries] don’t." [New York Times, February 23, 1972 pg. 40]

This was said twenty years ago by João Paulo Dos Reis Velloso, Brazilian Minister of Planning at that time. It seems to be a coincidence. Actually, as both statements were made months before a world conference on environment and development (Velloso before Stockholm/1972 and Summers before Rio/1992), I believe that this “coincidence” reflects the “state of the art” of the environment/development debate in each of the two moments.

In this context, my main objective here is to present some characteristics of the so-called environmental challenge before Stockholm and before Rio - and look at those characteristics based on the Brazilian experience and in terms of the relationship between our society and the environment.

Environmentalism in the western world, there were four major periods of environmental concern: the 1860s, the late 1920s, the late 1950s and the late 1960s/early 1970s. All of these followed periods of remarkable economic expansion. This was particularly true of the most recent, the late 1960s/early 1970s, when in the United States and Europe there was a disillusionment among the affluent and educated middle classes with their affluence and with the materialistic philosophy that supports it. Mass movements of that period - the anti-nuclear bomb protests, civil rights protests, VietNam war protests and “hippy” movement all had an environmental component.

Environmentalism developed throughout the 1960s and 1970s with the help of distinguished publications by the scientific community, quickly transformed in “bibles” of the movement. These include Silent Spring by R. Carson, The Population Bomb by P.R. Ehrlich, and The Limits to Growth by D.H. Meadows et al. “Objective scientific knowledge” has been used as a cultural filter for environmentalist movements in Western societies, defining as valid and legitimate something that is “scientifically proven.” However, the choice of what questions the scientists are asking has not been devoid of value judgements.

With its images of “respectability” and “truth”, science has been used to justify and legitimate what may be very partial, unscientific and ideologically-derived policies. This pattern can be observed on the environmentalist side as well as among those groups with a more environmentally destructive behavior. In the late 1960's and early 1970's, social scientists (and in particular economists) were divided into two extreme

Cont. on next page
Environment/Brazil cont. from pg. 5

groups.

The first has been called "Frontier Economics" (Colby 1989) or "Technocentrism/Cornucopian (O'Riordan 1981), the approach that prevailed in the Western countries until the late 1960s. While it sometimes recognized the existence of environmental problems and desired to solve them, Frontier Economics has a faith in the idea of progress as expressed in and equivalent to material advancement, in the superiority of "high over "lower" technologies, in the sustainability of economic growth, in the ability of advanced capitalism to maintain itself, and that conflicts between the demands of "economic man" and the environment would be, in most cases, reconcilable through management. When not, "economic man" would win the day.

The second has been called "Deep Ecology" (Colby 1989) or "Ecocentric" (O'Riordan 1981). It has been interpreted as the polar opposite of Frontier Economics. Deep Ecology is not to be confused with the science of ecology, and has given particular emphasis to ethical, social and spiritual aspects that have been downplayed in the dominant economic world view. Limits, self-reliance, self-sufficiency, small-scale production, low-impact technology, recycling, zero population and zero economic growth—these are all key words in the standard ecocentric vocabulary and can be found in all of its main bibles.

These were the two paradigms available in the beginning of the seventies, the "state-of-the-art" when Reis Velloso made that pronouncement just before the First World Conference on Environment and Development in Stockholm in 1972. At that time, it was not very difficult for Third World countries to decide which paradigm to follow:

- zero economic growth could not be taken seriously by countries trying to overcome poverty, many of them no more than a few decades independent from colonialism;
- overconsumption was a dream;
- return to agriculture had little appeal when many of them were in the initial steps of industrialization.

To many governments in the underdeveloped world, environmental concerns as defined at that time were not to be taken seriously: they could only be regarded as a joke - a bad joke - made by the rich nations of the world. Third World countries had many more relevant problems to grapple with - particularly poverty. It became very clear to the planners of the 1972 U.N. Conference on the Human Environment in Stockholm that the relationship between environment and development would be a sensitive issue in the international debate.

In order to avoid a complete confrontation in Stockholm, at the initiative of the Conference Secretariat a panel was convened in 1971 to address this fundamental problem. Out of this panel came the "Founex Report", considered to be the first comprehensive document on the development-environment issue. Its primary contribution was to broaden the definition of environmental concerns to include a variety of development-related problems. At the Stockholm Conference that followed, 113 nations agreed on a sweeping action plan consisting of 109 separate recommendations designed to "safeguard and enhance the environment for present and future generations of man."

In practice, Third World countries basically followed the Principle 17 of the Conference's recommendations and created an "appropriate national institution" entrusted with the task of planning, managing or controlling environmental resources with the view of enhancing their quality. These institutions were responsible for setting limits, and in some cases for cleaning up after limits were exceeded. They were not (and still are not) responsible for planning development activities in ways that did not pollute or impair necessary ecological functions. Develop-

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<table>
<thead>
<tr>
<th>Paradigm</th>
<th>FRONTIER ECONOMICS</th>
<th>ENVIRONMENTAL PROTECTION</th>
<th>RESOURCE MANAGEMENT</th>
<th>ECO DEVELOPMENT</th>
<th>DEEP ECOLOGY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dominant Importance</td>
<td>Progress, Economic growth &amp; Prosperity</td>
<td>Trade-offs between environment &amp; growth</td>
<td>Sustainability as constraints for growth</td>
<td>Co-development of humans and nature</td>
<td>Anti-Growth, Harmony with nature</td>
</tr>
<tr>
<td>Human-Nature Relationship</td>
<td>Very Strong Anthropocentric</td>
<td>Strong Anthropocentric</td>
<td>Modified Anthropocentric</td>
<td>Ecocentric</td>
<td>Biocentric</td>
</tr>
<tr>
<td>Main Themes</td>
<td>Dominance over Nature</td>
<td>Environmental degradation as economic externality</td>
<td>Global efficiency</td>
<td>Global change</td>
<td>Harmony with nature</td>
</tr>
<tr>
<td></td>
<td>Ample resource reserves, Technological solutions, Material realization</td>
<td>Economic ecology</td>
<td>Interdependence</td>
<td>Ecological Economy</td>
<td>Bioregionalism</td>
</tr>
</tbody>
</table>
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Environment/Brazil (continued)

ment decisions were (and still are) the responsibility of other governmental institutions dominated by the "frontier economics" paradigm.

In this respect, First World nations have not been very different from their Third World counterparts. At the same time, "Environmental Impact Assessments" have become institutionalized in some industrial countries (and later on in many developing countries) as a rational means to assist in weighing the costs and benefits of development activities before they begin. This first deviation from the pure "frontier economics" paradigm (see Table 1) can be called Environmental Protection.

On the other hand, some supporters of the "deep ecology" paradigm have tried to develop more operational principles to their philosophical position, in order to build a "transition bridge" to the new Humanity. By the mid-1970s emerged a new paradigm: Ecodevelopment, understood by its supporters as a shorthand phrase for "ecologically sound development strategy." However, the normative character of this strategy made it controversial and its complexity made the derivation of practical guidelines difficult - some would say impossible. As a result, what evolved in the late 1970s and early 1980s were more general concepts such as "development without destruction," "rational use of resources," and in general "sustainable development", which has been transformed into the most popular strategy nowadays.

It could be said that "sustainable development" is one element of our fifth paradigm, Resource Management. It is understood by many analysts as the emerging approach. It is the basic theme of reports such as Our Common Future, State of the World (Worldwatch Institute) and World Resources (World Resource Institute). Others would say, with some reason, that it is a middle-of-the-road approach. It is both a change from and a fairly natural extension of the Frontier Economics/Environmental Protection approach with components of the Deep Ecology/Ecodevelopment paradigm.

It seems to me that today what is in the middle-of-the-road is the behavior of many social groups and institutions, both national and international levels, in dealing with environmental issues.

At the international level, First World governments and the international institutions controlled by them use "philosophical concepts" borrowed from Deep Ecology/Ecodevelopment. But in practice they are not willing to go much further than the basic medicines from Frontier Economics, and sometimes Resource Management, to correct "environmental mistakes" they or their constituencies have committed. In turn, they ask for a Deep Ecology/Ecodevelopment behavior by Third World countries, that must be the big laboratories to test whether a new Humanity can really be created. One could say: DO WHAT I SAY. DON'T DO WHAT I DO.

Unfortunately, at the national level, the behavior of Third World countries' governments and social groups has not been much better. They usually use social and Deep Ecology/Ecodevelopment arguments to show, quite correctly, that Third World environmental problems have some special characteristics and that we have different priorities from those of developed countries. But very often they only can offer Frontier Economics/Environmental Protection solutions to their own social and environmental problems. And in this context, the suggestions of Mr. Lawrence Summers can be very welcome among Third World leaders.

Brazil: All in the name of the poor.

As I pointed out before, since the pre-Stockholm period developing countries have said that poverty was their major "environmental problem." Twenty years later, we are in the period pre-Rio, and we are still saying that poverty is the major environmental problem of Third World countries. While poverty is really a central issue, it has been used, nationally and internationally, in an extremely opportunistic and
Environment/Brazil (continued)

harmful way.

It would appear that every-
body in any Third World coun-
try is equally poor. Reading
some articles, one has the idea
that we live in countries where
all the population live near the
poverty line. Nothing is further
from the truth. Rather, a com-
mon feature of all Third World
countries is that they have an
extremely unequal distribution
of wealth and income. So one
can find in these countries both
environmental problems "equal" to those found in the
developed countries, and also
environmental problems related
to poverty.

Let us turn for a moment to
a basic analysis of some socio-
economic features of Brazil (see
Table 2). The distribution of
income has been historically
extremely unequal in Brazil,
and it has gotten worse in the
past thirty years. To look at it in
another way, the Gross Na-
tional Product (G.N.P.) for Bra-
zil in 1987 was 285 billion
dollars, and the population total-
led about 141 million. Using
the information from Table 2,
one can perform a simple exer-
cise and arrive at the following
average G.N.P. per capita for
each income group: a) "poorest
20%" = US$286; b) "middle
60%"= US$1,150; and c) "rich-
est 20%"= US$6,500, which
was exactly the income per
capita of Spain in the same
year. To complete the picture,
we should add that almost all
consumption needs in Brazil
are satisfied by internal pro-
duction (imports are equivalent
to only 6% of G.N.P.).

We can return now to "pure"
environmental issues. There is
no question that one can find in
Brazil the same environmental
problems found in the United
States or Europe. From the
income and G.N.P. data alone,
one would suspect that Brazil
would have environmental
problems typical of a very-low-
income society, that of a middle-
income society and also of a
high-income society. There are
both poverty-related and
wealth-related degradation
phenomena. From lack of san-
titation, poor water systems,
and inadequate housing and health
care to disposal of chemical
products, risks related to nu-
clear energy plants and the
destruction of sites of out-
standing natural beauty, an
immense variety of envi-
ronmental violence can be found in
a country with this pattern of
income level and distribution.

Moreover, the Brazilian
"environmental community" -
like others - has not fully un-
derstood that there is a com-
plex relationship between pov-
erty and wealth-related envi-
ronmental stress. To put it in
another way, there is an insti-
tutional connection between
poverty and wealth. Using a
criticism made by Buttel et al.
(1991) "...there is a tendency
to see the resource-destroying
poor and the resource-destroy-

continued on pg. 17
Trade and the Environment: Oil Drilling in Ecuador

by Mike Speczo

Say the two words "production pit" and you have named what is probably one of the worst environmental abuses on the planet. Not production pits in the United States, mind you. No, these operate under strict environmental laws. Where production pits have scarred and poisoned the land and water has been in the Amazon, where countries are not rich enough to have in place the same structure of environmental law and enforcement we have in this country. But you know, every cloud has a silver lining, and some sharp companies in the US have been able to increase their profits by ignoring, in the Amazon, the very environmental concerns they are forced to acknowledge by law in the US.

"Production pit" is oil company language for a container into which oil production wastes, including oil and a myriad of chemicals used in obtaining the oil and maintaining equipment, are dumped for storage. In the US, oil companies must comply with strict laws on the disposal of such wastes. The companies usually pour the wastes back into the original well or into a dry well nearby. This has not been the case in the South American country of Ecuador. Recently, Robert F. Kennedy, Jr. and a team from the National Resources Defense Council (NRDC) reported their findings based on an extended tour of Ecuador's rainforest (1). Much of the first part of this article is based on their observations.

There are several concerns which may be raised when one attempts to drill for oil in the Amazon rainforest. The obvious first concern is one of contamination from oil. In the past, however, this has been downplayed, for companies are able to drill with a minimum of oil contamination in the US. This is by strict compliance with regulations at the federal and state level, and companies not in compliance are subject to fines and/or criminal prosecution.

The next major source of worry comes from the environmental damage inflicted by the miles of road cutting into virgin forest. With the roads come colonists from the highlands, looking for a better way of life in the forest, and bringing with them many of the trappings of urban life. This encroachment on the forest damages the ecosystem in countless ways, not least of which is the way it ruins the life of many indigenous peoples. The threat of colonization of the forest has been the main concern about the extraction of oil from the Amazon. With the NRDC report, that is changing.

It was in 1972 that the US oil company Texaco signed a contract to drill in Ecuador's jungle. The company is now on the verge of handing over all of its Ecuadorian holdings to Petroecuador, the Latin American country's national oil company, an arrangement which is mandated by the 1972 contract. In these twenty years, 400 wells have been drilled, hundreds of miles of roads have been bulldozed, and a main oil pipeline which stretches 280 miles across the Andes has been constructed (1). Officials in Ecuador estimate that more than 16.8 million gallons of oil have been spilled from the main line (compare to 10.8 million from Exxon Valdez), with an additional 10,000 gallons per week spilled from tertiary pipelines. Spills from secondary pipelines have never been recorded (1).

A typical Texaco/Petroecuador production pit in Ecuador is an unlined hole which is dug in the ground and which preferably has a stream nearby. Crude oil, heavy metals, cyanide, drilling muds, diesel and airplane fuels, fungicides, corrosion inhibitors and industrial solvents all wind up in the unlined production pits (1). When the rains come, as they often do in the rainforest, the pits overflow. That is why the clever Texaco workers have equipped the pits with overflow pipes. These feed into the nearest bodies of water, and away go troubles, down the drain. That is, into larger bodies of water which the smaller streams feed, into the groundwater, through leaching from the pits.

Every now and then, the pits need to be "cleaned". The cleaning serves the purpose of removing any solid debris or sediment which robs the pit of its usefulness. To clean a pit, the oil company employs Indian labor. Typically men dive into the pit full of oil without any special protection, often without even a shirt on. They

continued on next page
Ecuador's Oil
cont. from page 5

go under the oil's surface to scrape up sediment or to tie a rope to a submerged log. When they come up, the only external part of their bodies not covered in oil is their eyes. At the end of the day, the company takes great care in the cleanup of these men. They are hosed off with gasoline. For this work, they are paid about $2 a day, plus all the gas it takes to get them clean. Health insurance isn't a benefit, though. When the men get sick, they are promptly fired(1).

One can imagine the damage inflicted by the careless, at times malicious, attitudes of Texaco and Petroecuador in drilling for oil. At a meeting in a community health center in Lago Agrio, the NRDC team met with representatives of 14 communities which are in the midst of the oil concession areas. The communities are home to about 40,000 people, and each representative told stories of deformed children, skin rashes, cattle dead with stomach rot, crops destroyed, fish dead, and a decrease in animal populations(1).

In Ecuador today, that is the reality. Texaco is leaving, and it has no plans to clean up the mess it made with the help of Petroecuador. All of the rusting pipes, polluted waterways, and sick people have been abandoned. Based on the evidence of widespread pollution, it is now becoming apparent that oil development in the Amazon promotes not only colonization of the forest, but also its mass contamination. These threats are rising again as Ecuador negotiates oil concessions with Conoco, Occidental Petroleum, and Clyde Petroleum, a British firm.

Since oil finances 80% of Ecuador's $12.4 billion foreign debt(3), the Ecuadorian government is actively pursuing these negotiations. These new concessions are controversial, so much so that even "mainstream" environmental groups are divided, with the NRDC and the Sierra Club holding different viewpoints.

Conoco, the US oil company, has several concessions which used to lie inside of Ecuador's Yasuni National Park, until the boundary lines were redrawn in 1990 to exclude them. The concessions lie on tribal lands inhabited by the Huaorani, a people who have traditionally shunned outsiders and only been maintaining contact with the rest of Ecuador and the modern world for a few years (1,2). Conoco is urgently trying to convince the Huaorani that it will not do to the jungle what Texaco has done. One way in which Conoco is going about this is by hiring Rosana(2), whose job it is to make the Indians trust her word that Conoco will behave responsibly in the jungle. "This is for the good of all of you," she tells the Huaorani people. "What could be better than to have a company come here with good intentions. There won't be ecological damage. Absolutely none." (2) Ironically, Rosana used to be a sociology student opposed to oil development. But she is not alone among Conoco's newly won supporters.

Rosana has been joined by the prominent NRDC. Yes, the same NRDC whose people have documented the horrors of Texaco. Lynne Fisher, a spokesperson for the NRDC, stated that the reasons for the NRDC's support of Conoco are entirely practical. While she agreed that in the best of all possible worlds, the jungle should be left alone, she explained that the NRDC views this as a pipe dream. In reality, she asserts, Ecuador needs oil revenue to meet its foreign debt, and the company of choice to do the drilling is Conoco. The NRDC has found in the past that Conoco is one of the few oil companies responsive to pressure from environmental groups. They have reviewed Conoco's operating plan and have found it satisfactory. In short, Ms. Fisher contends that Continued on next page
Ecuador’s Oil
(continued)
if Conoco does not get the deal, someone else will, and that
company will in all likelihood be completely insensitive to envi-
ronmental concerns.

The Sierra Club takes a dif-
f erent view. It does not find any
reason to give Conoco a place
above other companies in the
area of environmental concern.
In fact, it is working with the
Ecuadorian Corporation for De-
fense of Life (CORDAVI) in
looking into allegations that
Conoco and five other oil com-
panies illegally sought to influ-
ence Ecuador’s government in
that government’s decision-
making with regard to drilling
privileges.[3] The companies
are alleged to have threatened
to “paralyze all the oil invest-
ment in the country.”[3] The
US Foreign Corrupt Practices
Act makes any such threat a
federal crime.

The situation of Conoco in
Ecuador is seen by many as
complex. Clearly, Ecuador
needs to cover its enormous
debt to Western banks some-
how. Indeed, Ecuadorian law
guarantees government owner-
ship of all land found to lie
above an oil reserve precisely
because oil has been the major
source of foreign exchange to
pay Ecuador’s debt. And per-
haps Conoco is the best choice
for the drilling that many see as
inevitable. Best of all, the Indi-
ans themselves have organized
with the hope of preventing
another Texaco through meet-
ing with the government and
Conoco. Yet, one cannot forget
the blackened water and gaso-
line showers which are part of
life in Ecuador. The standard
practice of oil companies in the
past has resulted in nothing
but pollution for the land and
poverty for the people who live
on it. In twenty years, Ecuador’s
oil reserves are ex-
pected to be depleted. Many
hope that the ensuing twenty
years will be radically different
than the past. In the US, the
largest importer of Ecuadorian
oil[1], it is so easy to take the
attitude of Rosana when she
says, “Probably I am contrib-
uting to the destruction of the
Huaorani... I don’t want this,
but I have to be practical.
It’s not just that Ecuador needs
the oil. The world needs the oil.
All we have is Conoco. You have
to trust them.”[2]

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CURRENT EVENTS/
COMMENTARY:
Venezuela

In January, the Venezuelan
government of Carlos Andres
Perez was nearly overthrown by
a group of young military offi-
cers. Although ultimately un-
successful, the coup attempt
did receive considerable sup-
port from the Venezuelan
people. The coup leaders were
able to tap into popular frustra-
tions with the Perez admin-
istration, stemming largely from
its implementation of an IMF-
sponsored austerity program.
During the past three years the
nations poor and middle
classes have experienced a
continued erosion in their living
standards as state subsidies
and services have been slashed,
price controls lifted, and wages
depressed.

The coup also occurred at a
time when apparently well-
-founded accusations of corrup-
tion were being leveled at the
national government. A third
factor, never explicitly raised by
coup leaders, may be the very
low salary level current among
the Venezuelan armed forces.

After the coup, President
Perez has moved to form a coa-
lition government, offering four
ministerial positions to the
main opposition party, COPEI,
a very conservative party that
supports the kind of free mar-
ket forms now proposed by the
Social Democrats. At the same
time, he has promised to ease
some aspects of the austerity
program.

CUSLAR’s study group on
economic trends in Latin Amer-
ica will discuss recent develop-
ments in Venezuela on April
15th at 8:00pm in the Com-
mons Coffee House, Anabel
Taylor Hall. All are welcome.
Call us for more information.
Trade and the Environment: Stone Container & the Honduran Rainforest

by Mike Spezio

Those of us who are concerned about social justice and environmental problems in Latin America were dealt another stinging blow when Greenpeace and the Rainforest Action Network discovered that a major U.S. company was planning to cut down the Honduran rainforests for profit. Stone Container, the world leader in paper bag and cardboard box manufacturing, was discovered in January to be in the middle of negotiations for exclusive control of and harvesting of the forests in the La Mosquitia region of Honduras — an area of almost 1 million acres. The agreement as negotiated (a copy of the contract was leaked to activists, because Stone refused to make any of the details public) was intended to grant Stone privileges in the rest of Honduras' forests at a later date.

The story of the struggle against Stone Container is one that reaches across the boundaries of two nations and speaks of the success of a movement made up of many different groups in Honduran society. The final capitulation of Stone Container to those wishing to preserve the rainforest is a valuable lesson and a welcome victory for those working for social and environmental justice. If it seems that the struggle is going nowhere, here is positive proof to the contrary.

All of us have probably supported Stone Container financially at one point in our lives. Most grocery and other stores, including stores with a decidedly anti-mainstream bent in the type of products they sell, use Stone Container paper bags. And because we buy from stores that buy from Stone, part of our weekly grocery bill is going off to Chicago, Stone’s home base. Even with all of this support from the populace, Stone Container faces a $1 billion debt due to bad investments in junk bonds in the 1980's. In fact, an independent financial analyst on the New York Stock Exchange states that on a scale of 1 being best, 5 being worst for investment security, Stone rates a 5. This is due in part to Stone’s debt-to-capital ratio of 0.7, and because the company has had severe problems making recent dividend payments. Many activists suspected that the reason for Stone's interest in Honduras was its poor financial shape, though Stone has said that it is “convinced that the forest will be substantially better off because of this action.”

The initial outcry against the proposal came in force and mainly from Honduran campesinos, and university students. Reports of the pact in the Honduran media were extensive and 99% showed Stone in a bad light. When it was made public that Stone was fired 25 successive times for soil pollution in Florida, many had trouble believing the company's statement that, "We appreciate your concern for the environment since we hold the same concern." The agreement itself did not call for an environmental impact assessment, and Stone had no plans to conduct one. The company did maintain that it would replant all harvested areas, but the species they intended to use was a fast-growing variety from India, which would have sup-

Continued on next page
Honduras' Forests (continued)

planted all the varieties of species native to Honduras.

The agreement also was criticized for its failure to consider the impact of logging in La Mosquitia on the indigenous people living there. No discussion of the proposed plans took place between Stone and the local population, and though Stone insisted that it would employ indigenous people, no employment guarantees appeared in the contract. Since most people in La Mosquitia do not speak Spanish, it seemed more likely that Stone would look to hire from outside the region. Stone's general manager for International Market Development had stated that, "Right now, the pine trees are not worth anything to [the people of La Mosquitia]," and added, "we want to change that." Economically, though, the contract specified that Honduras alone had to provide for the total cost of developing electricity, communications and transportation in the region.

On the 27th of February, as 3000 people marched in the capital of Tegucigalpa to protest the deal, an announcement by Mr. Pepe Lopo Sosa, head of the Honduran Department of Forestry, was issued over Radio America. In the statement, Mr. Sosa stated that he had been told by President Callejas that the deal would be rejected. Jorge Salaverri, a Miskito Indian and forester, spoke to the crowds and made clear that this was only the beginning of victory for the people of Honduras and for the environment. He also pledged to continue the work against the Wellington Hall Company, a U.S. furniture manufacturer which is logging mahogany in the Honduran rainforests. With one victory under their belts, the Honduran people will undoubtedly come on strong. Perhaps this story has its most appropriate end in a quote from Jose Pepe Herrero of Fundacion Cuero y Salado, Honduras' largest environmental organization:

"This has been an incredible event in which all sectors of the Honduran people united against a government plan that was seriously flawed, justifying their position to the government to the point where the government accepted the voice of the people. This has been a great example of democracy working in our country."

NOTES:
1. Most information for this article was obtained from reports and updates from Greenpeace and the Rainforest Action network.
2. Letter to the author dated January 31, 1992 from Gerald M. Freeman, Sr. Vice President and General Manager, Forest Products division, Stone Container Corp.

CURRENT EVENTS/COMMENTARY:
El Salvador

Leaders of the Salvadoran government and the Farabundo Marti National Liberation Front (FMLN) recently signed a United-Nations-sponsored Peace Accord. The Accord, which took effect February 1, calls for a thorough restructuring of El Salvador's political and social order. The military will be reduced to one half its present size. Various security forces, including the National Guard and the Treasury Police are to be abolished. Officers found to have been involved in human rights violations are to be removed. A new civilian-controlled national police force, which will include members of the FMLN, is to be established.

Large tracts of land in rebel-controlled areas are to be distributed to peasants and partial worker-ownership is to be introduced into state enterprises. A National Commission of Peace, made up of government and FMLN representatives, was established to supervise the Accord. More than one thousand U.N. observers are to monitor the treaty's implementation.

Unfortunately, two months after the Accord, there are many attempts to manipulate or dilute key provisions. Many military and police officers have been transferred among different branches of the security forces, complicating the tracing of human rights violations.
OAS MEDIATION & THE HAITIAN COUP

IS THIS THE BRIDGE TO DEMOCRATIC RULE?

by Leslie Higeman

On September 30th of this year, Haitian President Jean Bertrand Aristide was arrested and a military junta announced that it was in the process of reestablishing control over the country. Thus ended the eight-month rule of the first democratically-elected government in Haiti's independent history. The coup dominated the US' diplomatic channels for close to a week. President Bush and Secretary of State Baker both gave speeches on the situation in Haiti, and Assistant Secretary of State for Inter-American Affairs Bernard Aronson was part of a diplomatic delegation to Port-au-Prince in early October. One of the significant questions at this time concerned the use of force to restore Aristide to power, an act which was to be sanctioned through the UN Charter by the regional security body, the Organization of American States (OAS). OAS authority stems from a measure passed last summer which may have strong implications for the legitimacy of foreign intervention in the domestic affairs of Latin American or Caribbean countries.

On June 3 and 4, 1991, the General Assembly of the OAS met in Santiago de Chile to discuss the Hemisphere's most pressing problems. They produced a document, the "Compromiso de Santiago con la Democracia y con la Renovación del Sistema Interamericano," which at the time gained scant press outside of OAS circles. The Compromiso declared that the OAS would "defend and promote representative democracy and human rights on its territory, while respecting the principles of self-determination and non-intervention." It carried the name of compromise because it sought to navigate the waters between the protection of a country's domestic affairs and the maintenance of sovereignty internationally.

It was a time of recusitation for the OAS, which lay politically dormant ever since the Reagan administration rejected multilateral diplomacy and stopped paying OAS dues. George Bush, on the other hand, has favored multilateralism, especially in light of its apparent success for him in the Persian Gulf. Thus it was not altogether surprising to see initiatives to foster the multilateral protection of democracy in the Hemisphere only months after the end of the war in the Middle East.

It was also not the first time that a connection could be made between US diplomatic imperatives and those of the OAS. The organization was formed in 1948 primarily to protect the region's security against the threat of Communism. Guatemala was the first case of alleged communist subversion where the security pact had been invoked, only weeks before the CIA staged a covert coup in 1954 to overthrow the Arbenz government. Another case is the threat of invocation of the security pact against Cuba, also right around the time of the Bay of Pigs invasion of 1961. When the United States openly invaded the Dominican Republic in 1965 to oust the Trujillo government, it succeeded in invoking the security pact and thus sent Latin American troop contingents to support a US invasion. Just prior to the US invasion of Panama in 1989, the OAS' security Organ of Consultation again was called upon to support this act. When the OAS condemned the prospect of US intervention both before and after the invasion, the United States ignored it. The security

Continued on next page

Crushing poverty in Haiti leads to many forms of environmental degradation and social stress (F. Jaffe/Impact Visuals from Link)
Haiti and the OAS
(continued)

pact has been invoked on several occasions to settle disputes between Latin American and Caribbean countries, but the instances in which the US has been involved show a pattern of association with US intervention.

Thus when the OAS passed a measure supporting the multilateral protection of the political status quo in the Americas, it should have set off warning bells. This was a new type of motion; unlike the prior security pacts it was not designed to protect against outside invasion and/or subversion. Rather, it went a step further and called for the protection of the government against its own people. The question was not whether the new pact would be used, but when and to what ends. OAS and US actions regarding the coup in Haiti are showing what the Compromiso will mean for Latin American and Caribbean countries: political, economic and/or military intervention with the intent of affecting the internal balance of a country.

The United States government has deemed Haiti of strategic importance mostly due to its position along the Windward Passage, a part of a US-European trade route which is shared with Cuba and the US Virgin Islands. The implication is that if both Haiti’s and Cuba’s governments were “unfriendly” to the US, then the trade and the oil shipments that also move through the passage might be hindered. Thus the political situation in Haiti has been an issue of concern.

The United States was able to gain influence over Haitian politics through the period of dictatorship under Francois Duvalier, whose diplomatic allegiance to the US was rewarded with continuing US support in the face of a repressive and corrupt government. The cheap labor and “friendly business climate” in Haiti led US-based multinationals to set up there. When Duvalier’s son Jean-Claude resigned under popular and US pressure in February 1987, there was no assurance that his successor would comply with US wishes.

Jean-Bertrand Aristide, a progressive Catholic priest and leader of the Petit Iglo movement, was elected president in December 1990. Aristide had been an outspoken opponent of Duvalier’s, inciting the rural and urban poor to rise up against the dictator through the preaching of liberation theology. Aristide also spoke out against the power of multinational corporations in Haiti, and of the need for the poor to have a voice in the proceedings of the government. From the beginning, the US saw Aristide as a threat because of his position on multinationals (some of which were US-owned) and because of his stand on popular participation. Coup President Duvalier’s 20-year reign may have been ended, but a new era of democracy and human rights in Haiti was just beginning.

The coup was led by leaders of the Haitian military, although several prominent Haitian businessmen have admitted to paying officers $5,000 each to oust Aristide. The implication is that these businessmen, tied to Haitian export-oriented light industry and not interested in fostering popular participation in the government, decided that Aristide had to go and capitalized on the military’s fear of Aristide to incite the coup.

The Haitian coup is thus the first precedent for the Compromiso de Santiago. If the pact is to function as it was intended, then any coup in any OAS country would have to be reversed, and this includes Haiti. After sending a diplomatic delegation to Haiti to

Continued on next page
Haiti and the OAS (cont.)

assess the situation and to test the prospects for negotiation. The Organ of Consultation decided to invoke the Compromiso de Santiago, to impose economic sanctions on Haiti until Father Aristide was returned to power, and to consider further (implied: military) action should the stalemate continue.

The United States government supported OAS efforts and even sent their highest-ranking diplomat on Latin American affairs (Bernard Aronson) to accompany the delegation to Haiti. However, the US' official position began to change only a week after the coup. The State Department started leaking to the press information from a "little notebook" it had collected on Aristide's alleged violations of democracy. An article in the New York Times even went so far as to suggest that the US no longer considered Aristide's return to power a requisite for the restoration of democracy in Haiti. While the OAS has maintained its stand on Aristide, there is still a possibility that it may change its mind, specifically regarding the constitutionality of the legislature's interim appointment of Joseph Nerette as president.

If the OAS is to follow the United States in rejecting Aristide, then this raises many questions about the power of the Compromiso de Santiago. Who will decide what democracy is—the people of a country or the OAS? And how much influence will the United States have over the OAS' judgments? Will the United States through the Compromise now be able to intervene legally in the domestic politics of Latin America and the Caribbean? And, will the definition of democracy be broadened? In the Haitian case, the US rhetoric went beyond mandates for elections and for a constitution.

US State Department Spokesperson Margaret Tutweiler cast doubt about the Human Rights record of Aristide's government and linked this to his performance as a democratic leader. These allegations were considered to be a basis for revoking Aristide's standing as a democratically-elected ruler with the mandate of the people. But which people? For recognition, "support of the people" seems to imply the backing of the army and of the business elite. Thus the rest of the population is seen as a chaotic element, and not as a legitimate power base.

The analysis of the Haitian coup suggests that when an OAS country is in a period of crisis, the Compromiso de Santiago may be used to exploit that vulnerability in order to further the interests of the most powerful OAS member states. The question that remains is how much truly multilateral control the OAS will be able to hold over its application, and what further implications this will have for the sovereignty and development of Latin American and Caribbean democracies.

CURRENT EVENTS/COMMENTARY:

Cuba

Economic conditions in Cuba have continued to deteriorate during the past year. The U.S.-imposed trade embargo, coupled with the loss of the nation's primary trading partners in Eastern Europe, has created serious consumer goods and capital goods shortages throughout the island. Shortages are especially evident in such areas as food, energy, housing and medicines. The government's austerity program, adopted in 1990 to conserve resources, has further eroded living standards.

In an attempt to earn foreign currency for the nation, Cuba has been focusing on renovation and expansion of the tourist industry. The sharp contrast between the consumer goods and facilities available to the tourists and those available to Cuban citizens has led to a heightened sense of deprivation among many Cubans. It has also led to development of a black market around the tourist industry that is unpleasantly reminiscent of some of the features of pre-revolutionary Cuba. As the U.S. Congress discusses tightening the embargo still further, it is clear that Washington's agenda (as in Nicaragua) is to foster economic and political conditions that completely erode the concrete achievements of the Cuban revolution, in hope that Cuban citizens will come to see many advantages and few disadvantages in capitulating to U.S. pressure.

Extremist Cuban exile groups associated with the interventionist perspective of the
Environment/Brazil
Cont. from pg. 8

increased, the overall profile of land concentration has changed little over this period. In 1980, almost 51% of all agricultural holdings have less than 10 hectares and they have access to less than 2.5% of the agricultural land in the country. At the same time, only 1% of farms have more than 1,000 hectares, but they own almost 46% of all land in agricultural production. If these largest farms were responsible for, say, 46% of all agricultural output in Brazil, it would make sense to retain this concentration. However, Census data show that 32.4% of all farms with more than 1,000 hectares do not have any crop planted. Among the other two-thirds, 63% have less than 100 hectares with any crop planted.

When one seriously analyzes this picture, it becomes clear that poverty in the Third World can be due to something more than the population bomb. Even in a country with a population density of 17 persons/square kilometer (in 1987), one of the lowest in the world and similar to the Latin American average, one can find poverty. For instance, there may be erosion in agricultural land because a small farmer's holding is too small to allow him to produce enough for his family without planting in steeply sloped areas. His neighbor may be a landowner with an immense piece of land that is not producing anything at all.

Or the landowner may be planting soybeans for export, and must be efficient to compete in an international market where subsidies to agriculture are widespread. His efficiency may be achieved through increased use of chemicals that will affect his land, his workers and his neighbors, and through the use of heavy machinery. There will be erosion on his farm, aggravating the erosion on his neighbor's farm, but he will keep producing more and more with incentives to export it, because his country has to pay around US$12 billion a year in interest on its international debt. Sooner or later, he will buy his neighbor's land to increase his cropped area. His neighbor will move to a new region where land is abundant and cheaper, and will start again.

We could go on, but I think the point is clear enough. Most Third World societies have complex social and economic structures rooted in their specific history, but they are essentially capitalist societies. If this is so, and I believe it is, some rationalities of any capitalist society cannot be overlooked in the formulation of any proposal to achieve a more equitable and sustainable development. While most proposals I have seen can only be considered "full of good intentions," we say in Brazil that hell is completely full of well-intentioned people.

In a society like this, there is a plurality of pressure groups, each of them pursuing their own vested interest. In a perfect democracy, the recognition that the harmful effects of environmental degradation are unevenly distributed would result in actions to solve those problems affecting the majority of society. In a Third World country, therefore, the highest priority would be given to environmental issues related to the majority of the population, which is poor, ill educated, jobless, without sanitation, water, health, housing, etc.

Also, in such a democracy resources to achieve a better relationship between people and nature would come through taxation on those who have already achieved a certain level of wealth. These resources would fund policies/programs/projects designed to improve the conditions of the majority. In other words, solutions for environmental problems are highly dependent on an more equitable distribution of wealth inside Third World societies. As this distribution becomes more equitable, the closer we get to (social-economic-political-environmental) development.

Only when these priorities are clearly set can Third World societies really face gentlemen like Mr. Lawrence Summers and others belonging to his gang. Only when these priorities have been chosen, can Third World countries reject "old bottles with new labels."

Continued on page 18
Environment/Brazil
Cont. from pg. 8

that some institutions want to
sell them in the name of a better
environment. Until then, to
complain about the behavior of
First World countries may be
not only opportunistic but also,
and more harmfully, useless.
We cannot once more speak in
the name of our poor in order to
give more privilege to our elites.

When these priorities are
really defined, we can sit at the
table with any country in the
world and show that:

- environmental conservation
depends on more and fair
trade:
- if they do not want to lose
competitiveness in order to
avoid pollution, neither do we;
- to avoid destruction of the
rain forest, debt payments
must be called into question;
- to maintain biodiversity
requires changes in the intel-
lectual property/patent sys-
tems;
- if they do not want to make
sacrifices to save our common
future, do not ask us to make
them either;
- our environmental priori-
ties are not necessarily theirs.

We in the Third World, par-
ticularly we in Latin America,
are accustomed to blame most
of our problems on others. I do
believe that others have had a
significant participation in cre-
ating these problems. But
Third World countries have to
understand that the most fun-
damental changes must be
made inside their own soci-
eties. The most precious re-
source they have is their people
and this resource is in an
advanced stage of degradation.
People must be the top priority,
because if the majority does not
get a better share of the wealth
produced in our nations, there
is little hope for other re-
sources. Third World elites will
have to understand that their
environment will only be saved
if they relinquish some advan-
tages, and if the living condi-
tions of the majority of their
fellow citizens improve. Only
the empowerment of these
citizens can mean any real hope
for a better future.

Final Remarks

Twenty years after Stock-
holm, we are a few months
away from another interna-
tional conference on environ-
ment and development. Rio de
Janeiro was really an excellent
choice for hosting a conference
on these issues. I do not know
any other place in the world
that has so many examples of
environmental and develop-
ment issues. There one can
open a window of a US$2 mil-
lion apartment, and see a shanty-
town (a favela) in front of it.
There, anyone really interested
in environmental problems can
find any one he or she wishes.
We have them all.

In Rio, poverty and wealth
are side by side in a setting of
outstanding natural beauty.
Sometimes living together
peacefully. Most of the time,
fighting a war: rich people kill-
ing to maintain their wealth,
those without anything killing
to get something. It looks like a
small and awful picture of a
World that seems to be only
one, but actually has two
pieces: those with and those
without, or with very little.
There is nothing that will
peacefully keep them "without"
for ever. Let us hope that the
beauty of Rio de Janeiro in-
spires our leaders to find our
common future.

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Free trade

continued from pg. 4

ously used to store chemicals. The historical reality of free trade means that while Green Giant exports broccoli and cauliflower cultivated on Mexican land that used to produce corn and beans for domestic consumption, Mexicans go hungry. The historical reality of free trade means that while transnational profits soar — Green Giant is estimated to save $6 million annually in wages alone as a result of the relocation — workers’ wages, conditions and control plummet.

"If you are looking for a way to get people to lean on you and to be dependent on you, in terms of cooperation with you, it seems to me that food dependence would be terrific."

— Hubert Humphrey, 1957.

Capitalist free trade ploughs through borders, propelled by a multi-jointed arsenal of institutions which stops at nothing to see U.S. privileged interests met. The weapon of food is one of its most prized — and effective — tools of expansion. As American dominated agribusinesses and “food aid” have exploded since the 1960’s and 70’s, global starvation has multiplied, meat consumption has multiplied, more societies have seen their agricultural self-sufficiency dismantled and their diet of whole grains replaced by white bread and processed imports, and more grains than ever before are being produced — and fed to livestock. These are not unrelated facts; they point, rather, to the written and unwritten contracts which bind U.S. corporate, political and military tactics of penetration, always under the banner of freedom, free trade and democracy, and invariably with the blessing of local elites.

PL-480, or the “Food for Peace” program of 1954, institutionalized the U.S. federal-corporate-military policy of targeting “Third World” countries (low on hard currency) for tied agricultural export from the U.S. This was a two-fold strategy: 1) it avoided tangling too directly with European, Canadian and Australian competition; and 2) it established U.S. penetration through short-term “food aid” dependency intended to be converted into long-term dependent commercial markets. In the 1950’s, 56% of U.S. wheat and feedgrain exports were “food aid”; by 1964, it accounted for 78% of wheat exports. Today, U.S. privileged interest is reaping the fruits of this “conversion” plan. It revels over such “successes” as Egypt and South Korea, where U.S. agribusiness has played a key role in “development” packages which have secured U.S. military, political and economic investments to the overwhelming detriment of the vast majority of local populations — and to the benefit of their respective elites.

This systematic joint U.S. political-corporate-military penetration was laid out explicitly in the 1974 Williams Commission Report, commissioned by Nixon as part of his New Economic Policy. The goals were to shore up U.S. trading strength globally as well as to secure intensified free market expansion. The export vehicles isolated by the Commission which would secure U.S. strength were: high tech, i.e., armaments and agricultural commodities, i.e., food and feed grains. All that was left to do was to focus on isolating and cultivating markets for the U.S. armaments and agricultural industries. Tools of massive destruction and fruits of life were coupled within an American rhetoric of freedom and free trade, coupled in a logic and an implementation of power so obscene it can only turn one’s gut.

The results in terms of food have been the same, from Mexico to Egypt, from Bolivia to South Korea — and this list is far from complete. Put simply, U.S. government-sponsored food and feed grain shipments (and U.S. agribusiness following closely behind) flood the targeted country, undercutting local agriculture to the point where it is dismantled. Whereas this flood of U.S. agribusiness has played a key role in “development” packages which have secured U.S. military, political and economic investments to the overwhelming detriment of the vast majority of local populations — and to the benefit of their respective elites.

Quality, Industriousness, and Reliability Is What El Salvador Offers You!

Rosa Martinez produces apparel for U.S. markets on her sewing machine in El Salvador. You can hire her for 57-cents an hour.

Rosa is more than just a worker. She and her co-workers are known for their industriousness, reliability and quick learning. They make El Salvador one of the exporting nations in the C.B.I. In addition, El Salvador has excellent road and sea transportation involving Central America's most modern airport and there are no quotas.

Ad placed in a US textile industry journal in 1990.

continued on pg. 20

NOTES

*Approximately 95% of U.S. wheat and corn exports are handled by 6 agribusinesses (led by privately-owned Cargill, Inc.), and these six control at least 85% of total world grain trade.
Free Trade cont. from pg. 19

food and feed grain is sent off amidst heepoids of "upgrading diets" and "sending aid" out of the compassionate cockpit of the democratic heart, this penetration destroys existing local food self-sufficiency and downgrades the local diet by forcing a shift from whole grains to wheat-based and processed foods, as well as cultivating a heavily meat-based diet for the local elite. Increasingly mechanized local farming, concentrating into ever fewer increasingly (foreign-owned) corporate hands, shifts production from feeding people to feeding animals so as to provide the local elite with status food. And while local agricultural production focuses on luxury export items, the rest of the population is increasingly hungry and/or dependent on imported (processed) foods.

Agricultural workers, who had composed a significant percentage if not the majority of the country's work force, are subsequently displaced into either destitution or the new wage labor force for the growing industrial sector (functioning increasingly as an assembly/manufacturing center for mostly U.S.-owned corporations). The flood of food and feed grains, then, helps stimulate a flood of industrialized wage labor, and, lo and behold, two critical ends have been achieved: The abundance of labor keeps labor dirt cheap and the price is right on inexpensive U.S. processed foods to feed this labor force with little income to spare. Sealing this relationship of dependency and powerlessness, of course, are such U.S.-dominated institutions as the IMF and World Bank. Having enabled the original restructuring/dismantling phases and cultivated massive debt in the "developing" country, these institutions then make future monies contingent on intensified export production so that they can collect hard currency payments on the debt interest now dictating the country cradled in the gentle glow of freedom and free trade.

U.S. food/feed grain importers and manufactured exporters dance hand in hand to the beat of free trade in an orgy of profit and power in these countries. The political and economic dependency this configuration creates, and the subsequent political and military strategic power the U.S. reaps from this configuration, is well known. We need only look at the political and military strategic importance of some of the most thoroughly penetrated/occupied countries — Mexico, Egypt, South Korea — to be reminded what the U.S. rhetoric of freedom and free trade cloaks.

NOTES:

In 1960, South Korea produced nearly 100% of its required food needs; by 1975, it had already dropped to 60%. By 1982, it imported almost all of its feed grain. Whereas, by the early 1960's, Mexico was entirely self-sufficient in basic food crops, by the end of the 1960's it was already becoming dependent on North American grains. By 1990, Mexico imported over 50% of its basic grain from North America; it imports almost 100% of its corn, barley and sorghum from the U.S. Four million Mexicans live in absolute poverty and 42% suffer from malnutrition. Bolivia, the largest recipient of U.S. aid in South America, was wheat self-sufficient before donated wheat began entering the country in 1954. In 1991, 80% of Bolivian wheat will be imported or donated, and total U.S. food aid accounts for 30% of Bolivian national agricultural production. In the 1980's, Egypt depended on imports for over 50% of its basic food staples.

In the 1970's the Foreign Agricultural Service (branch of US Department of Agriculture) worked in tandem with food processing and grain corporations to expand U.S. markets. This took the form of exhibits in targeted countries on the American diet, setting up schools to teach people how to cook with wheat, and having agricultural attaches on hand to assist U.S. agriculture corporations establish themselves. In 1967, Western Wheat Associates and USDA sponsored an "eat wheat" campaign in South Korea, including technical advice to new bakers and attempts to have wheat rolls included as a school lunch staple. In 1979, thousands of South Korean housewives attended U.S. sponsored sandwich-making schools.

NOTES:

*Implemented primarily through USAID, Egypt is the largest country in the world so fully appropriated by the U.S. agribusiness-military-state conglomerate. The dynamics of U.S. economic aid to Egypt from 1975 to 1989 provides a telling example of how U.S. agribusiness, military-industrial complex and state work hand-in-hand in the interest of freedom and free trade. Almost 100% of the $15 billion "Economic Assistance" package to Egypt was, through USAID channeled back to U.S. corporations, predominantly those bidding on agricultural and military contracts. 51% of the budget was allotted to purchase U.S. goods, mostly in the form of food and agricultural commodities and equipment; 49% was earmarked for "development projects," all of which were spent on U.S. contractors, such as Bechtel, Worthinghouse and Caterpillar and so on. Some $100 million thrown in for U.S. research institutes to train Egyptian scientists and engineers to facilitate such "technological transfer:" and, 7% was issued as Cash Transfers, i.e. dollars channeled back to Washington by USAID to maintain Egypt's interest payments on its military debt because U.S. law forbids aid to countries which have fallen behind on military debt payments. Another $15 billion of U.S. assistance to Egypt was allotted specifically for the Egyptian military, including grants for U.S. weapons which has, since 1985 brought in an extra $7.7 billion to U.S. military industries. Thanks to U.S. assistance (including USAID subsidies) the Egyptian military has developed into a major presence in Egypt, with the military industry now being the largest manufacturing sector in the country.
Free trade cont.

"History's renewal [as a result of the dissolution of Communism] enables people to pursue their natural instinct for enterprise... Economic progress will play a vital role in the new world. It supplies the soil in which democracy grows best." George Bush, U.N., September 23, 1991.

Supposedly paving the way for nature's path, for liberation from the actual or imminent evils of "totalitarianism" and "underdevelopment," U.S.-structured free trade expansion has been one of the key venues through which U.S. military, transnational and political institutions have forged adamantine allegiances with one another, working in tense tandem to delineate and implement custom-designed tactics of systematic dependency and occupation. There is no other nation-state on this globe which wields more power and has a more tightly woven web of dictating institutions than the United States. There is no other nation which has mastered the coupling of institutions and mythologizing ideology more effectively. In many languages such a configuration of forces is known as totalitarianism. Combined with its racially-based ideology, it is known as fascism.

An ideology wielded by a threatened class, fascism - "classical" and contemporary - desperately juggles "old" and "new" world orders at a moment of profound historical restructuring. Under the rhetorical cloak of liberating/protecting a racially and divinely defined people, fascism concentrates power ever more tightly in a fragile alliance of corporate and state elites. It is profoundly militarized and unhesitant to use massive destructive power to enforce its rule - should it have to. However, its fundamental legitimacy is based on mass consensus which embraces the sanctified racist-patriotic rhetoric of freedom, liberation, cleansing, etc., for fascism understands and invests in the power of mass culture, the weaponry of cultural institutions.

While divvying up power among international elites in a "color blind" auction to the highest (and most loyal) bidders, today's US/Western-centered fascism legitimates massive global exploitation on the basis of a racist-patriotic rhetoric firmly grounded in biological models. The object to be exploited, those "others over there" - including those non-White "others over there" within the USA - are either essentially incapable of taking care of themselves (they are not "modern," not "developed" enough), and thus need US/Western "assistance" (the charity model exploited by the IMF, World Bank, USAID, etc.) or they are essentially evil, malignant, criminal, deceitful, destructive - ultimately inhuman - and thus deserve ruthless punishment, eradication, retaliation, etc. (Iraqis, African Americans, Nicaraguans, peasants and working classes worldwide, etc.). Those "others over there" are, under the double-edged blade of the racist-patriotic rhetoric, natural disasters of one sort or another while a White "American way of life" and the institutions which reproduce it - from USAID to the IMF to General Electric to Cargill to the National Security Agency to NBC, CBS, ABC and CNN - are assumed as the natural points of reference of all that is healthy, productive, normal, sanctified, benevolent and ultimately human. Natural disasters and natural healers/leaders. Biological models of power cloaked in discourses of freedom, democracy and consensus. Modernization. Development. Free Trade.

The Third Reich was a crude foray into the killing field of fascism; the "head offices" of capitalism/imperialism - USA, Japan and the German-led EEC - have since refined the blades of fascism to an as yet unparalleled deathly - and smiling - efficiency. What it took guns to do in 1946, can now be done with a Free Trade Agreement: The shots which ripped through Matamoros in 1846 ring in the ears of the women on the Matamoros maquiladora assembly lines in 1991. And the U.S. leads the way to freedom.

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CURRENT EVENTS/COMMENTARY:
Cuba
continued from pg.16

Cuban American National Foundation have called for a retaking of the island by U.S.-based political/military forces. However, more moderate Cuban exile groups are quick to speak in favor of self-determination for the island. A right-wing U.S.-based business group has offered to buy the whole place, asserting that it will be coming up for sale sometime soon.

However, on the island it is not clear that political conditions are favorable for a U.S. takeover. There is considerable dissent both within and outside of the Communist Party on the strategies that Cuba should pursue to maintain political independence and economic viability. But word has it that most dissenters are talking about defense of the goals of the revolution. If the Cuban government is able to shift away from its often repressive reaction - despite the looming shadow of the Miami paramilitary - and incorporate a wider range of opinion into the political process, there may be space for a fruitful process of political renovation on the island. Meanwhile, the growth of effective international coordination among Latin American nations may present Cuba with other possibilities for productive economic relationships.

In CUSLAR, we have been talking about the importance of working against the embargo - a telling piece of economic violence selectively employed by the Bush Administration even as it advocates "free trade" elsewhere in the hemisphere. A number of us joined some 5,000 other supporters of Cuban self-determination in the Javitz Center in New York City on January 25th. After seeing the media's gross misrepresentation of that rally and the (smaller) pro-intervention demonstration outside, we caution you to maintain a health skepticism about what you saw or heard in the U.S. media about Cuba. We are also working with a nationwide campaign for medical aid to Cuba. To find out more, call CUSLAR at 255-7293.

CURRENT EVENTS/COMMENTARY:
Peru

When President Alberto Fujimori took power, he shocked the nation by reversing his campaign promises and announcing an IMF-designed "shock" economic package designed to brake inflation, impose "austerity" measures on government programs, and attract international capital investment and credit to Peru. This austerity package hit a population already in desperate economic straits, with the middle classes already having a hard time putting food on the table, and the working poor achieving survival by weekly miracles of struggle and imagination. It is a monument to the stubborn and hardy Peruvian people that they largely survived the "Fujistock", but it should have come as no surprise when cholera began to sweep the country six months later.

Fujimori also reversed his campaign stance to support the counterinsurgency tactics being employed by the Peruvian military against guerrilla groups organized by the PCC "Sendero Luminoso" ("Shining Path") and by the Movimiento Revolucionario Tupac Amaru (MRTA). These two armed insurgent groups differ greatly in philosophy, and Sendero has attacked the MRTA with the same vigor with which they have attacked other political organizations on the left and on the right. Through ruthless violence, strict hierarchy and discipline, and constant organizing and military actions, Sendero has achieved virtual hegemony in political opposition in Peru - sweeping aside a wide variety of other political organizations once prominent on the Peruvian left. Sendero has also achieved the virtual military circumscription of the capital city of Lima.

Fujimori also accepted US aid to Peru on terms which he roundly rejected during his

Continued on next page

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CURRENT EVENTS/COMMENTARY:

Peru

(continued)

campaign: aid which focuses on military support for counterinsurgency linked to the “drug war,” rather than offering substantial economic aid to Peru’s nearly bankrupt government and collapsing economy. However, military aid to Peru was suspended by Congress due to Peru’s horrific human rights record: for three years, Peru has led the world in “disappearances” and extrajudicial executions. Even as the economic crisis has led to an increased level of violence in the society as a whole, and the guerrilla organizations have turned to car bombs and to assassinations of their political enemies or competitors, the Peruvian military and police are in conflict, and both are engaged in irregular detention, torture and assassination of broadly defined “suspects.” While neither government nor opposition have presented a platform offering new and effective routes towards a solution for Peru’s political and economic collapse, the current polarization and misery makes armed struggle seem an attractive option for many Peruvians.

In recent months, Fujimori has instituted a series of reform measures specified by the US congress as preconditions for the reinstatement of military aid. However, at the same time his government has issued a series of presidential and ministerial decrees that counteract the effects of such reforms and go on to grant increased powers to the military. While Fujimori had been granted special powers to make presidential decrees, legislators have questioned both the political purpose and the constitutionality of several decrees.

One decree increases the state power to seize property and reorient the economy. Others decrease state participation in economic development: health, social security and education—arguing that the government simply cannot afford to provide services. One allows the military to undertake development projects, while another allows the military to intervene in public schools in the emergency zones. Two decrees on “civilians, defense patrols” institutionalize Armed Forces organization of local counterinsurgency paramilitary units. One decree limits and defines State Prosecutors’ access to detention centers. Finally, decree No 751 approves a secret “Plan for National Defense on Pacification” that public and private sectors must obey, although its contents are not made public.

CURRENT EVENTS/COMMENTARY:

El Salvador

Continued from page 13

the land reform have been called into question by the Cristián government. The UN observer teams are so bogged down in the land issue that they have been unable to provide proper oversight to support effective implementation of other aspects of the Peace Accord.

As the FMLN and the Cristián government each present reconstruction plans, a major factor will be the securing of international credit and investment to fund implementation of any plan. It is clear that US intervention will continue to manipulate the extension of credit terms and funding for certain types of projects.

Specifically, the U.S. tends to favor the Arena governments' reconstruction plan, which will ignore and/or undermine the work of grassroots popular organizations who have been doing community development work and providing basic services for years with no governmental support. If the root causes of the war are to be addressed, reconstruction must include the voice of Salvadoran popular organizations and not only the voice of outside investors and development experts.

The Committee on US-Latin American Relations (CUSLAR) is a project of the Center for Religion, Ethics and Social Policy (CRESPP), based at Cornell University. We work in Ithaca and the surrounding area to promote greater understanding of Latin America and the Caribbean. We are particularly concerned with the role of the United States in influencing the social, political and economic conditions of the region.

The CUSLAR Newsletter is published bi-monthly and provides members and other concerned individuals with the opportunity to present information and analysis on topics relevant to Latin America and the Caribbean. The positions of the authors do not necessarily reflect the positions of CUSLAR as an organization. The CUSLAR Newsletter committee cooperates with authors to reach mutually acceptable editorial decisions. If you are interested in writing for the Newsletter or working on the committee, please call the CUSLAR office at (607) 255-7293. We welcome your suggestions and letters to the editors.
CUSLAR, the Committee on U.S. Latin American Relations, is a Cornell University based group which seeks to promote greater understanding of Latin America and the Caribbean. The members of CUSLAR are a diverse group of people united in our concern about the role of the U.S. in the social, political, and economic affairs of the region. Within this context we support the right of the people of Latin America and the Caribbean to self-determination, and support their efforts to free themselves from a legacy of colonialism, exploitation, and oppression. CUSLAR works for peace, justice, and greater mutual understanding in U.S. Latin American relations through education, solidarity, and support of human rights.

What can you do to get involved?

Legislation: Inform yourself on the workings of the U.S. government and on the ways in which U.S. Congressional legislation affects policy, economics, social and cultural issues, and human rights in Latin America. Find out what your tax dollars are supporting abroad and let your representatives know how you feel about it.

Human Rights: In the CUSLAR office we regularly respond to human rights action alerts from groups such as Amnesty International by activating our telex network. This network is made up of people who have authorized us to send telexes in their name to officials in Latin American countries denouncing human rights abuses and calling for justice for political prisoners. Each message costs $6.50, and the you may authorize us to send as many or as few as you wish. You will receive a copy of the message that was sent along with the bill. This is a very effective way to deter human rights abuses.

Education: In Latin America, most people know a great deal about the United States. CUSLAR seeks to promote better understanding of Latin America in the U.S., through study groups, guest speakers, and cultural activities. Please join us. We also work with the Latin American Studies Program at Cornell University to bring speakers to the public schools in Ithaca and surrounding communities, and to develop curriculum units that can be used in schools throughout New York State. If you are interested in the speakers bureau, in videos, or in developing curriculum materials, please give us a call at 255-7293 or 255-9532.