

RED TIDE ~ BLACK TIDE IN SOUTH AMERICA

At a time of so much political dispute in South America, we are going through a decisive moment. Either the fascists and their repressive forces will win, or the people who are resisting in the streets on the whole continent will assert their power. Our brothers and sisters have been murdered in El Alto, Bolivia, young people who lost their eyes in Chile and demonstrators were beaten up in Colombia and Haiti. To *Marielle Franco* from Brazil, to *Berta Cáceres* from Honduras, to *Santiago Maldonado* from Argentina who were murdered by pro-fascist elements.

I am interested in revisiting the basic critique of Neoliberalism itself, whether called The Washington Consensus or Globalization. In the 1960s and 1970s the critique of Neoliberalism explained the underdevelopment of South America. It highlighted the enormous transfers of wealth overseas creating commercial, financial and technological colonies. In recent decades, Neoliberalism has dramatically updated this transfer of wealth. The previous forced specialization in raw material exports was a serious problem, but now the specialization has consolidated the role of exporting crops to the detriment of supplying the needs of the local population while encouraging open-pit mining, multiplying environmental calamities and intensifying the extraction of all the various forms of fossil fuels.

Forcing the specialization in agriculture, mining and energy increased South America's vulnerability to international price fluctuations for raw materials. For that reason, in recent years we have again suffered the consequences of the stagnation of the prices for oil, copper and soybeans. Neoliberalism also contributed to the decline of industry in a region affected by the new geography of globalization with the displacement of factory production to the East. It promoted a "precocious deindustrialization," which is much worse than the off-shoring utilized by Money in the United States and elsewhere.

In South America, traditional industry is in sharp decline. In Brazil the industrial apparatus has lost the magnitude it had in the 1980s. In Argentina, the IMF surgery was brutally implemented with the massive elimination of jobs. In Central America, this arrangement eliminates any hope of taking part in the more complex activities of the "Global Economy." For these reasons, South America occupies a marginal place in the technological revolution. With a manufacturing sector in decline, the region is unable to take part in the most important part of this transformation – the information economy.

The Neoliberals are keeping quiet about that adverse situation and even many heterodox thinkers are merely giving generic praise to the new "Knowledge Economy," forgetting that the digital universe requires industries, services and growth. In the face of so many platitudes, South Americans must keep in mind that continuing to be a specialized piece in the world system, guarantees them marginalization in this information revolution.

Neoliberalism has also recreated the old nightmare of debt. We had a breather in the past decade due to the rise in prices of raw materials and the resulting influx of dollars. But that respite is over and we again face the scourge of debt, under the

oppressive supervision of the International Monetary Fund and the investment banks. For instance, President Mauricio Macri [2015-19] has left Argentinians in a **virtual state** of default while in Ecuador, the Indigenous movement rebelled against the adjustment demanded by the bankers, as happened in unexpected places like Costa Rica or less unusual, Haiti. In fact which nation including the USA, hasn't suffered from the machinations of the IMF and the bankers? In Puerto Rico, the debt burden was a determining factor in the **great popular** mobilization that brought down the governor. In Chile, the drama of the debt is evident in the daily life of all families, who face unpayable loans to finance education, healthcare or retirement. **The crises** in South America are acute due to the strangulation caused by the external sector, trade imbalances and capital flight. They derive from the great impact of overproduction on raw material prices, which precipitates dramatic situations of inflation or devaluation. In addition, the crises accentuate the decrease in purchasing power and the low income level of the population.

The seriousness of current South American colonization is also verified by the terrible deterioration of social indicators. Neoliberalism has multiplied unemployment, labor informality and the pauperization of the middle class, and has torn apart the social fabric of the region. For that reason, massive emigration toward the North is increasing, small agricultural property is deteriorating and criminality is expanding.

This social dismemberment results from the terrible increase in inequality. That's why Chile exploded, demolishing all the myths of the model the capitalists praised to the skies. Now it can be seen that Chile is no paradise of growth; it is an inferno of social inequality. It is therefore clear that Neoliberalism has accelerated the inequalities that were obvious to the earlier students of the Western Capitalist system.

I look to renew a key conception of our cultural history. There is a tradition that highlights the importance of exploitation in the great changes that have occurred to produce the Washington Consensus. This tradition describes capitalism's offensive against the workers to weaken unions and demolish workers' victories. It highlights how the transnational corporations take advantage of the great reserves of low-paid and disciplined labor power in the Asian region in order to reinforce the division between formal and informal workers. The compensation of a work-force below the value of its labor power permeated the developed economies.

Another more significant perspective studies the great drain of resources suffered by our dependent South American economies. It contrasts what happened in South America with what happened in the Asian region. Why, unlike the Asian region, does Latin America suffer from acute drainage of the wealth otherwise generated in the region? That disparity explains, for example, the contrasting trajectories of South Korea and Brazil.

The loss of resources is particularly intense in the agro-mining sector due to the use of extractive methods that deteriorate the environment, erode the soil, pollute the water supply, poison the rivers and destroy communities. Those processes of accumulation by dispossession result, for example, in the burning of the Amazon to cultivate soybeans and expand cattle ranching. As the enormous profit generated by those activities is transferred overseas, our region is squandering its resources. South America never takes advantage of the good times when the prices of raw materials are high. And we invariably suffer during lean periods when export earnings are low. Globalization has aggravated that disadvantage by its modifications of the world's industrial structure accentuating our dependency.

Once again, this reality slaps down the naïve beliefs in a prosperous and freely chosen path to capitalist development, supposedly within the reach of any country at any time. South America's economy once survived on the old Keynesian model of import substitution and strong domestic markets. But that model has been displaced by a capitalist internationalization, which prioritizes the availability and low cost of the labor force in Asia.

Because of these severe handicaps, the three models of profit management generated within South America have faced acute limitations. Neoliberal "free trade" policies— guided by Adam Smith generated fantasies — simply accentuated the erosion of wealth. Neo-developmentalists tried to capture part of the profit with state regulation. But they quickly formed alliances with agribusiness and high finance, which frustrated the use of that surplus for reindustrialization.

A third and more radical kind of strategy— with greater state control and greater redistribution of income—is now a target of intense hostility among the wealthy elite. This feared radical strategy has had a record of creating jobs, raising life styles and reducing poverty. But they failed to change the domination of politics by Money and, equally, failed to control the role of the military, as in Brazil and Bolivia recently. It is crucial to control both Money and the Military which are the major export of the United States through its own ruling Money/Military Model. This will allow us to consider the broad variety of economic scenarios available outside the "Washington Consensus," many of which can be designated as Socialism.

A Greenfuse radical remix.

Thanks to Argentinean Economic Thinker, Claudio Katz, for this rough translation from an address to members of World Socialist World.

Will Happen to the Rest of Us

Assange earned the enmity of the Democratic Party establishment by publishing 70,000 hacked emails belonging to the Democratic National Committee and senior Democratic officials. The emails were copied from the accounts of John Podesta, Hillary Clinton's campaign chairman. The Podesta emails exposed the donation of millions of dollars to the Clinton Foundation by Saudi Arabia and Qatar, two of the major funders of Islamic State. It exposed the \$657,000 that Goldman Sachs paid to Hillary Clinton to give talks, a sum so large it can only be considered a bribe. It exposed Clinton's repeated mendacity. She was caught in the emails, for example, telling the financial elites that she wanted "open trade and open borders" and believed Wall Street executives were best positioned to manage the economy, a statement that contradicted her campaign statements. It exposed the Clinton campaign's efforts to influence the Republican primaries to ensure that Donald Trump was the Republican nominee. It exposed Clinton's advance knowledge of questions in a primary debate. It exposed Clinton as the principal architect of the war in Libya, a war she believed would burnish her credentials as a presidential candidate.

WikiLeaks released U.S. military war logs from Afghanistan and Iraq, a cache of 250,000 diplomatic cables and 800 Guantanamo Bay detainee assessment briefs along with the 2007 "Collateral Murder" video, in which U.S. helicopter pilots banter as they gun down civilians, including children and two Reuters journalists, in a Baghdad street. The material was given to WikiLeaks in 2010 by Chelsea Manning, then Bradley Manning, a low-ranking intelligence specialist in the U.S. Army. Assange has been accused by an enraged U.S. intelligence community of causing "one of the largest compromises of classified information in the history of the United States." Manning was convicted of espionage charges in August 2013 and sentenced to 35 years in a military prison. She was granted clemency in January 2017 by President Barack Obama. Manning was ordered back to prison last year after refusing to testify before a grand jury in the WikiLeaks case, and she remains behind bars. No one was ever charged for the war crimes WikiLeaks documented.

Chris Hedges
Truthdig.com

ANCIENT FOREST INTERNATIONAL



"The question is not whether we will be extremist, but what kind of extremist we will be- will we be extremist for hate, or for love"

-MLK

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