Washington imposes sanctions on Bolivia

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The Bush administration has imposed fresh sanctions on Bolivia in retaliation for the decision of the country's president Evo Morales to expel the US ambasssador and close down US programs in the country.

Morales's actions came in response to thinly veiled US backing for what was described as a "civic coup" carried out by the ruling elites in the country's eastern "Half Moon" region, where the wealthy landowning elite has pushed for autonomy in order to gain control over the considerable energy resources that are concentrated in the area.

A coordinated uprising earier this month left scores dead and nearly 1,000 wounded. Among the worst atrocities carried out by right-wing rebellion was the massacre of some 30 peasants at El Porvenir, near Bolivia's northern border with Peru and Brazil on September 11.

Initial press reports represented the slaughter of peasant marchers as a shootout between two parties. Further investigation revealed, however, that the victims had been ambushed and attacked by a much more heavily armed force. The victims of the masacre were supporters of the Amalgamated Federation of Pando Agricultural Workers (FUTCP,) part of a group of 1,000 men, women and children marching to rally support against pro-autonomy demonstrations that were taking place in Pando and the other eastern provinces. The demonstrators were attacked by an armed paramiltary group composed of 300 Bolivian, Peruvian and Brazilian gunmen.

According to a report from the Bolivian Permanent Assembly for Human Rights (BPAHR), "Officials from the Department and gunmen fired with cowardice against men, women, children, peasants and students." The BPAHR also accused road authorities of having sent digging crews to open trenches of up to two meters wide to make it harder for the demonstrators to advance, and, once the shooting began, to retreat.

The Prefect of the Department of Pando, Leopoldo Fernandez, is under arrest--charged with ordering the massacre--as are 14 other Pando officials. Ana Melena de Suzuki and other leaders of the so-called "civic committee," which represents the secessionist interests of the landed oligarchy in Pando, have fled to Brazil and are seeking asylum there, claiming persecution by what they call the Evo Morales dictatorship. As of now the Brazilian government has not granted political asylum to the civic committee leaders and, according to Pagina 12, a Buenos Aires daily, Suzuki and others had been spotted on the streets of Brazil's capital, Brasilia, though they are supposedly in "hiding."

The massacre was part of a series of coordinated attacks and provocations between September 9 and 14. These included the occupation of government buildings, and of natural gas installations, interfering with gas exports to Argentina and Brazil. There were also numerous unprovoked attacks on native Bolivians. A preliminary estimate puts the damages that resulted from what the government calls a campaign of sedicious terrorism at US$10 million. The Morales government charged the United States with supporting the rebellion and expelled Ambassador Philip Goldberg, charging him with working behind the scenes with leaders of the autonomy movement. Also shut down were offices of the United States Agency for International Development (USAID) for its complicity in the civic coup.

USAID is a branch of the US State Department created in 1961 with the supposed purpose of providing "economic and humanitarian assistance" to other countries. Behind this façade, however, the agency was, from the very beginning, employed as a tool to destabilize and overthrow governments that did not toe the US line. In Haiti, USAID was one of the US agencies that helped kidnap and expel President Jean-Bertrand Aristide. In Venezuela, it helped finance and organize the failed military coup against President Hugo Chavez in April 2002. In the 1970s, USAID provided cover for torturers and CIA agents sent to exterminate the left in Chile, Argentina and Uruguay. These included such figures as Dan Mitrione, who instructed the repressive personnel of the Brazilian and Uruguayan dictatorships in torture techniques.

In retaliation for the expulsions, the United States announced that it would no longer consider Bolivia a partner in the war on drugs and that it would initiate the legal process to raise duties on imports from Bolivia.

US trade representative Susan Schwab declared: "The Morales administration's recent actions related to narcotics cooperation are not those of a partner and are not consistent with the rules of these programs." US officials said that this decision has been motivated by Bolivia's decision to close USAID and remove US Drug Enforcement Administration (DEA) personnel from areas of suspected cultivation of coca, the raw material for cocaine. The consumption of coca leaves is legal in Bolivia; peasants use it to combat the effects of hunger--in South America's poorest country--and of living in high altitudes.

US officials claim that coca production is on the rise in Bolivia, but Bolivian officials deny this. The Bolivian government charged that the US government appeared to be acting on behalf of groups representing US big business which had appealed to the Bush administration and the US Congress to cut off trade benefits to both Bolivia and Ecuador on the grounds that business profits are not adequately guaranteed by the two countries' governments.

In addition, in a move calculated to create the impression of political chaos in Bolivia, Washington ordered all US "non-emergency"

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personnel and all embassy family members to leave the country and advised all US citizens to leave as well. The State Department also pulled all 113 Peace Corps volunteers from Bolivia. For its part, American Airlines cancelled flights to the country.

The State Department issued an ominous public warning: "US citizens currently in Bolivia should remain vigilant, monitor local media, review their security posture on a regular basis, and consider departing if the situation allows."

Taken together, the US actions were widely interpreted in Bolivia and Latin America as a blatant attempt by the Bush administration to further destabilize a democratically elected regime.

In a speech to the United Nations General Assembly last week, Morales denounced the Uniteds States for not condeming the Pando massacre and other secessionist acts of violence as "terrorism." The government in La Paz strongly suspects the US of being complicit in the attempt by the "civic groups" in Bolivia's eastern crescent departments--Beni, Pando, Santa Cruz and Tarija--to overthrow Morales and to split the country.

Washington's sanctions against Bolivia have underscored the growing crisis of US policy in Latin America and the loss of hegemony in a region that it long regarded as its own "backyard." Under conditions in which it faces an intractable economic crisis domestically and is engaged in protracted wars in Iraq and Afghanistan, US influence in Latin America is on the wane.

Increasingly Brazil, which has become a net exporter of capital, much of it to the region, is attempting to step into this power vacuum.

Following attacks in Santa Cruz province that sabotaged the pipeline that delivers natural gas to Brazil, the administration of President Luiz Inacio Lula da Silva reacted swiftly, making it clear to the eastern Bolivian pro-autonomy elites that his government would not tolerate any disruptions to natural gas deliveries, upon which the industrial cities of Sao Paulo and other southern states are heavily dependent.

The Brazilian president brushed aside attempts by the Organization of American States (OAS) to intervene in the crisis. Instead he threw his government's support behind Chilean President Michelle Bachelet, who convened a summit of the recently created Union of South American Nations (UNASUR) on September 15 at the La Moneda Palace in Santiago. At the meeting UNASUR made it clear that it would back Morales and would not tolerate autonomist groups in the Bolivian Crescent region launching a coup or dividing the country.

At the same time, UNASUR set up two committees, one to mediate between Morales and the rebel provinces, the other to investigate the massacre of September 11. The mediation efforts are aimed at getting Morales and the secessionist landowners in the east of the country to somehow reach a deal on divvying up profits from the energy sector.

A stable Bolivia is a key element to the growth of Brazilian industry. While Bolivia exported goods and services worth $362 million--mostly jewelry, tin, textiles and oil products--to the US in 2007 and imported goods and services worth $278 million that same year, this represented only 9 percent of Bolivia's international trade. This is insignificant in comparison to its trade with the member nations of the South American Free Trade Zone (MERCOSUR,) and with Brazil in particular. In 2007, 45.5 percent of Bolivia's exports went to Brazil; another 20 percent went to Chile and Argentina. Thirty percent of the country's imports came from Brazil, 27 percent came from Chile and Argentina.

Lula's intervention in the Bolivian crisis is driven by the profit interests of Brazilian monopoly capitalism.

In 2005, Bolivia renationalized part of its energy sector that had been privatized in the 1990s. These measures had a disproportionate effect on Brazil's government-owned oil company, Petrobras, the largest investor in Bolivian oil and gas. The partial privatization caused a temporary drop in capital inflows and foreign investment, but Petrobras's need to insure stable sources of natural gas (68 percent of which is imported from Bolivia) drove it to reconsider its decision.

Morales recently boasted that record investments are expected in 2008 from Brazil, Venezuela, Chile and Iran. Brazil alone has some $1 billion in investments pending in the Bolivian energy sector. Bolivia produces 42 million cubic feet of natural gas per day and its domestic consumption is 6 million cubic feet. Exports to Brazil add up to 31 million cubic feet; the rest supplies Argentina northern provinces.

It was rumored that in a visit to Bolivia late last year, Lula whispered in Morales's ear, "your partner is Brazil, not Venezuela." The Lula government requires a politically stable Bolivia on its border that will ensure reliable supplies of natural gas, oil and other commodities. For that reason, Lula explicitly rejected a proposal by Chile's President Bachelet that the OAS, which includes the United States, be invited to the Santiago summit. For six decades, the OAS has almost always bowed to the demands of Washington.

Morales, a former leader of the coca growers union and an Aymara Indian, was elected by a 55 percent majority in 2005. In a recall referendum on August 10, his majority increased to 67 percent.

Morales, who demagogically presents himself as proponent of "Andean socialism," made it clear in his speech at the UN that he will protect the profits of foreign-based multinationals. On one hand, in his speech he categorized capitalism as "the enemy of humanity," on the other, he assured foreign investors in Bolivia that they had nothing to fear from his administration.

"The investor has the right not only to recover his investment but also to obtain profits, including Repsol, Petrobras and all of them," he said, a reference to the Spanish and Brazilian-based energy conglomerates that exploit Bolivian natural gas.

Lula, in his speech before the UN, declared that "the developing nations are leaving behind bit by bit the old aliances with the traditional power centers." He also extolled the benefits of "direct dialogue with no intermediation by major powers" as the means of resolving problems in the "developing countries." This, he claimed, was the purpose of UNASUR, obscuring the interests of Brazilian capital that underlie this initiative.

The Brazilian president affirmed that this initiative did not "imply taking a stance of confrontation." There can be little doubt, however, that in the corridors of power in Washington it is perceived as just that. And it can be anticipated that, whatever its present deep-going crisis, US imperialism will not surrender its centuries of domination in the Western Hemisphere peacefully.

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