

# Americas Summit ends with no agreement on economic crisis

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The Americas Summit that concluded in Trinidad and Tobago on Sunday has been hailed by most of the media as another “success” for US President Barack Obama.

The *New York Times* was typical, breathlessly beginning its report on the summit, “Leaders from the Western Hemisphere, inspired by a new American president, closed a two-day summit meeting proclaiming a new dawn for relations in the region, which had been marked by bitter disagreements in recent years with the United States.”

Much of the reporting has been focused on the handshakes between Obama and his Venezuelan counterpart, Hugo Chavez, portrayed by some as a sign of the American president’s post-ideological pragmatism, while condemned by the Republican right as an irresponsible bowing to an enemy.

One would hardly guess from these accounts that the summit ended with only its host, Trinidad’s prime minister, Patrick Manning, signing the final statement, after several countries objected because it failed to mention Cuba and, having been drafted last September, did not even address the global economic meltdown. Without any consensus, the rest of the members of the Organization of American States followed suit, failing to sign the document.

This was not merely a question of an inadequate document. The summit ended with no substantive agreements or any real proposals for confronting the economic catastrophe that is sweeping through the Americas.

This is a stunning indictment of the summit as well as of the governments participating in it, first and foremost that of Obama. The Latin American nations are themselves deeply divided and unable to develop genuine economic integration as the crisis exacerbates conflicts between the continent’s various nation states.

The crisis in Latin America threatens to throw another 15 million people into poverty this year, as plunging commodity prices, shrinking markets and the credit crunch are projected by the United Nations to contract the region’s economies by 0.3 percent in 2009.

For his part, Obama came empty-handed. The sole new initiative he announced was a \$100 million “micro finance” program to help small entrepreneurs—less than a drop in the bucket. He further pointed to measures announced at the G20 summit in London earlier this month, which for the most part were illusory,

representing steps previously taken or proposals without funding.

There was no promise of significant US aid to the Latin American economies. Instead, Obama presented his economic stimulus policy in the US as a boon to the region because of the supposed prospect that it will spur consumer spending, allowing other countries to increase exports to the US market.

Obama also pointed to the decision to triple the International Monetary Fund’s overall lending capacity. In reality, the lion’s share of these funds are to go to the US and Europe, while IMF “aid” to Latin America will take the traditional form of punishing terms that result in the further impoverishment of working people.

While Obama claimed that Washington was urging the Inter-American Development Bank to increase loans to Latin America and the Caribbean, US Treasury Secretary Timothy Geithner refused to commit any new funding for the bank when he attended its annual meeting in Colombia last month.

The principal role played by the American president was to attempt a repackaging of US policy in the region, presenting his government as a radical departure from the confrontational posture of the Bush administration. He stressed that the United States was at the summit “to listen and not just talk” and to forge a new relationship between the US and the countries to its south based upon “mutual respect and equality.”

The reality is that in hemispheric relations, as with virtually all of the Obama administration’s policies, what is involved is an attempt by the US political establishment to put a new face on what are essentially the same right-wing policies pursued under Bush.

In his addresses to the summit, Obama stressed his skin color as the proof and embodiment of the supposed change in Washington. Given that his government has acted in its first three months as an unswerving instrument of Wall Street and the national security apparatus, bailing out banks while continuing the occupation of Iraq and escalating the war in Afghanistan, it was significant that some of the supposedly left leaders of Latin America embraced these claims.

## Chavez’s “new era of reasoning”

None was more fawning than the advocate of Bolivarian

Revolution and 21st Century Socialism, Venezuela's Hugo Chavez.

"I want to be your friend," Chavez told the American president before the summit's first plenary session last Friday. Afterwards he told journalists that his handshake with Obama was "a good moment." He added, "He is a very intelligent man, young and he is black. He is an experienced politician in spite of his young age."

Chavez declared that the summit, which produced neither a document nor any new policies, was "the most successful" he had ever attended. It "has opened the gates to a new era of reasoning between our countries," he said.

In perhaps the most ludicrous moment, Chavez handed Obama a copy of *The Open Veins of Latin America*, the book written in 1971 by Uruguayan author Eduardo Galeano with a personal inscription, "For Obama with affection." Did Chavez believe that if Obama read this historical account of the exploitative economic relations that the US developed with Latin America over centuries, the American president would "see the light" and cause Yankee imperialism to change its spots?

Whatever the illusions of left nationalist leaders like Chavez, there are undoubtedly more profound objective forces pushing them to embrace Obama. The world economic crisis has severely undermined their economies and threatens to unleash a new upsurge of class struggle that will challenge their regimes as well. While Chavez has attempted to secure new markets for Venezuelan oil in China and Japan, the US remains its principal customer, accounting for at least half of its oil exports.

Chavez took the decision on the spot to send a new ambassador to Washington—Roy Chaderton, Venezuela's representative at the OAS—and to accept a US ambassador in Caracas. Diplomatic relations broke down last September when Venezuela expelled the US ambassador over American covert meddling in the country as well as in Bolivia.

Similarly, Nicaraguan President Daniel Ortega, after delivering a speech denouncing the history of US interventions in the region, told reporters that he thought Obama would be different. "I want to believe that he's inclined, that he's got the will," he said.

Bolivia's President Evo Morales took a somewhat more sober view of the Obama administration. "One hundred days have gone by and we in Bolivia have yet to feel any changes," he said. "The policy of conspiracy continues."

Responding to right-wing criticism at home, Obama made sure to condemn Chavez at the end of the summit for his "inflammatory rhetoric" and accused his government of having "interfered at times with some of the neighboring countries."

While not on the agenda, one question that played a central role in the summit's discussion was that of Cuba, which was expelled from the Organization of American States in 1962 on orders from Washington. Today, all heads of state present, save Obama, are in favor of its readmission and of the lifting of the economic blockade that the US has maintained against the island for 47 years.

On the eve of the summit, Obama announced an easing of certain elements of the economic embargo in an attempt to deflect opposition to the US policy towards Cuba. He lifted restrictions on Cuban-Americans traveling to Cuba and sending economic

remittances to relatives on the island.

He also lifted the ban on US telecommunications companies establishing telephone service and satellite television and radio in Cuba.

These limited gestures received a remarkably positive response from the Cuban government. President Raul Castro said Friday that he was prepared to discuss "everything, everything, everything" with Washington. He specifically cited "democracy, freedom and human rights," terms habitually used by the US government to promote regime change in Cuba.

This concession to Washington is indicative of the Cuban regime's increasing economic crisis, resulting from the collapse of the price of nickel, its main export earner, increasing difficulty in obtaining credit and the impact of repeated hurricanes on the island. While Raul Castro had pledged after assuming the presidency from his ailing brother Fidel that he would initiate "material" progress for Cubans, recent months have seen cutbacks in social benefits and demands for increased productivity from Cuban workers.

Obama responded to Raul Castro's remarks by demanding "further steps." In particular, he called for the release of political prisoners in Cuba—many of them oppositionists sponsored and funded by Washington—and a reduction in government fees levied on remittances sent from the US.

The second demand is significant. Undoubtedly the decision to lift restrictions on remittances is not merely a humanitarian gesture, but rather part of a political strategy. The flow of dollars into the country will serve to widen social inequality and, the US hopes, create a new layer of small businessmen to serve as a social base for the re-imposition of US domination. To the extent that the government takes 20 percent of this money and redistributes it, US aims are undermined.

Obama stressed at a press conference in Trinidad that "the policy that we've had in place for 50 years hasn't worked ... the Cuban people are not free." The implication of this remark is that the influx of hundreds of millions of dollars of US capital, seeking to reap super profits off a workforce that earns on average less than \$20 a month, and the flow of American commodities into Cuba will prove a far more efficient means of toppling the Castro regime than the economic embargo and CIA conspiracies.



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