

# Obama at the Americas summit: A bid to revive US hegemony

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With his trip to the Summit of the Americas in Trinidad and Tobago at the end of this week, President Barack Obama is attempting to put a new face on American imperialism's pursuit of its strategic interests in Latin America, a region where the US once asserted unchallenged hegemony.

These summits were first launched in 1994 by the Clinton administration with a meeting in Miami. Their principal purpose over the next decade was to further Washington's agenda of establishing a Free Trade Agreement of the Americas (FTAA) based on US domination and "free-market" capitalism. This meant the scrapping of all barriers to foreign capitalist investment, deregulation of financial markets and the wholesale privatization of public enterprises and basic services.

The Clinton administration had set a 2005 target date for the completion of such a treaty, while George W. Bush sought to move it up to 2003. Neither target was reached, and the last summit, held in the Argentine resort of Mar del Plata, was a debacle for Washington. Bush faced mass demonstrations in the streets and at the summit itself a rejection of the US agenda by the major South American powers joined in the Mercosur trading bloc. For the first time, the final communiqué of the summit included conflicting statements by governments for and against the FTAA.

That summit marked a low point in US influence in Latin America and effectively buried the prospects for a US-led hemisphere-wide free trade zone.

Obama's task in Latin America—as it was in his recent trip to Europe—is to repair some of the damage done by the aggressively unilateralist policies of the Bush administration over the previous eight years.

Under the Bush administration, Washington's Latin America policy was relegated to the back burner. On the one hand, it consisted of an attempt to foist a series of bilateral free trade agreements onto countries in Central America and the Caribbean. On the other, it sought to use the "war on terrorism" and the crackdown on drugs as a means to reassert US military dominance in the region, while maintaining an economic embargo against Cuba and seeking to destabilize left nationalist governments in Venezuela, Bolivia and Ecuador.

While adopting a different tone than that of the Bush administration—Obama's aides have stressed that he is going to the summit to "listen"—it is not at all clear that he has any coherent new policy. Indeed, the chief State Department official in charge of Latin American policy, Under Secretary Thomas Shannon, is a holdover from the Bush administration.

The summit itself has little in the way of an agenda. A draft declaration entitled ‘Securing Our Citizens’ Future by Promoting Human Prosperity, Energy Security and Environmental Sustainability’ is a largely meaningless document containing a laundry list of empty promises to fight against poverty, unemployment and social inequality, combined with declarations of firm support for the system of capitalist free trade and investment that has created these conditions.

The document also includes a lengthy section on “Promoting Energy Security”—a major concern for the US, which derives 30 percent of its oil imports from the region.

On this key issue, the declaration has the following to say: “Recognizing that the issues of the availability, cost and security of our energy supplies, our economic competitiveness and the sustainability of our environment are closely intertwined, we commit to the development of a coherent policy framework that takes into consideration our diverse situations, circumstances and opportunities and allows for the simultaneous strengthening and diversification of all our economies.”

The same type of long-winded platitudes prevails throughout the statement, masking the profound social and economic crisis confronting masses of working people in the region.

What makes the statement even more irrelevant is that it was drafted in September of last year, before Wall Street’s meltdown unleashed a global slide into depression.

While initially Latin American leaders affirmed that they would be little affected by the financial crisis in the US—Brazil’s President Luiz Inacio Lula da Silva replied “Go ask Bush” when asked about the financial meltdown—the impact is now being widely felt in the form of mass layoffs and capital flight.

On the eve of the summit, the World Bank issued a report predicting that Latin America as a whole will suffer a 0.6 percent decline in its gross internal product over the course of 2009. The bank also warned that the flow of direct investment into the region will plunge by 89 percent.

No doubt, the world capitalist crisis will be the focus of the discussions in Trinidad, but Obama has little to offer on this score outside of pointing to the limited promises made at the G20 summit in London earlier this month.

### **Obama maneuvers on Cuba**

While not on the agenda, the question of Cuba is expected to play a major role at the summit. Virtually all of the participating heads of state—save Obama—have stated their support for Cuba being admitted as a member of the Organization of American States (OAS) and asked for an end to the 47-year-old US economic embargo.

OAS Secretary General José Miguel Insulza joined this consensus, telling the Miami Herald: “I want Cuba back in the Inter-American system.” He added that the decision to expel the country in 1962 “was a bad idea in the first place.”

In the early 1960s, when the Castro regime still promoted the idea of guerrilla-led revolution, Cuba’s foreign minister dismissed the OAS as Washington’s “ministry of colonies.” Former Cuban president Fidel Castro in a column published this week echoed this

conception, calling the institution “the incarnation of betrayal.”

In an attempt to deflect criticism of Washington’s policy, Obama on the eve of the summit announced a very limited easing of the economic sanctions that the US maintains against Cuba. Fulfilling a campaign promise, he repealed all restrictions on travel to Cuba and remittances sent by 1.5 million Americans with family members on the island. The restrictions had been tightened under the Bush administration, with trips to visit families limited to one every three years and remittances capped at \$100 a month.

The changes also included the lifting of restrictions on telecommunications companies, allowing them to establish cell phone service in Cuba as well as satellite television and radio.

The economic impact of the changes will be limited, but an inflow of greater amounts of US dollar remittances will serve to widen the already growing social gap between Cubans with access to dollars and those without. Meanwhile, the Obama administration has made it clear that the US economic blockade will remain in place.

Another action that appeared to be a gesture aimed at deflating criticism of US policy toward Cuba was the indictment last week of the former CIA operative and longtime terrorist Luis Posada Carriles on charges of perjury and obstruction of a federal proceeding. Specifically, he was charged with lying to US authorities when he denied responsibility for a series of bombings aimed at Cuban tourist areas in 1997. It marked the first time that Posada, long harbored by Washington, has been accused by US federal prosecutors of an act of terror, even though he has only been indicted for lying about it, rather than the act itself.

In response to the indictment, Venezuela announced that it will renew its demand that the US extradite Posada to stand trial in that country for the 1976 bombing of a Cuban airliner that killed 73 people.

While the US free trade agenda is effectively off the agenda of the Trinidad summit, Washington’s desire for a US-dominated system capable of warding off competition from Europe and Asia remains.

Washington’s drive to establish economic and political hegemony in its “own backyard” has been a bedrock principle of US policy since the adoption of the Monroe Doctrine more than a century and a half ago. It has been responsible for dozens of US military interventions and military coups and the subordination of the region’s people to the interests of US-based banks and corporations.

If Washington now confronts increasing difficulties in imposing its will in the region, it is in large part because of the protracted economic decline of American capitalism and the rise of powerful rivals in the region.

The extent of this challenge was spelled out by the New York Times Thursday in an article detailing the burgeoning economic influence of China, which has become Latin America’s second largest trading partner after the US.

“As Washington tries to rebuild its strained relationships in Latin America, China is stepping in vigorously, offering countries across the region large amounts of money,” the Times reported, citing tens of billions of dollars in loans and investments being made by China with

the aim of “locking in natural resources like oil for years to come.”

In addition to securing access to commodities ranging from soy beans to iron ore, China is also using Latin America investments as “an alternative to investing in United States Treasury notes,” according to the article. It also points to a deal between Argentina and China to swap \$10.2 billion worth of each other’s currencies in order to avoid using dollars in bilateral trade. Such deals, the Times notes, may “lead the way to China’s currency to eventually be used as an alternate reserve currency,” replacing the dollar.

Meanwhile, the European Union has emerged as the largest source of foreign direct investment in Latin America and has forged its own trade agreements with almost every country in the region.

US imperialism, which got its start in Latin America, cannot accept such challenges without a fight. Obama’s rhetoric about a “new day” in US-Latin American relations notwithstanding, the logic of economic interests points to the region becoming the arena for an ever more ferocious struggle between the major powers.

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