Latin Beat:
¡Yanqui Stay Home!
By Kenneth D. MacHarg

"Yanqui go home" was the common graffiti found on the walls of Latin America during the 1960s and 1970s.

Scrawled there by students and union members, some influenced by Soviet and Cuban activists, the message was clear: the United States, including its politics, culture and economic power, was not welcome in the region.

Today, those slogans have largely disappeared. However, if something similar was to reappear, it would more likely be etched on the walls not by leftist students but by right wing businessmen and politicians who are finding their own independent ways to develop trade and politics.

Frustrated by the neglect of Latin America during the Bush presidency, Latin American governments and business are looking elsewhere for investment and foreign trade and are all-but ready to politely suggest that Americans stay home.

The latest sign of Latin America's interest elsewhere was the recent signing of an agreement between Cuba and China which will allow the Asian economic dynamo to extract oil from a deposit off the island's north shore.

That Cuba would look to China is not surprising, but the accord comes on the heals of a much larger deal between Venezuela, the world's fifth largest producer of oil, and China whose booming economy is demanding more and more of the world's resources.

Venezuela's president, Hugo Chavez, recently agreed to permit China to exploit Venezuela's petroleum resources. Beijing will be allowed to reopen 15 oil wells currently closed. The eventual total production of those wells is estimated at 1 billion barrels.

In addition, Venezuela's trade with China, estimated last year at $1.2 billion, is projected to jump this year to almost $3 billion.

Currently, the United States is Venezuela's main trade partner with more than 60 percent of Venezuelan crude exports going to the U.S., representing 14 percent of U.S. energy imports.

But, it's not just Venezuela which is looking to Europe and the Far East as an alternative to expanding relations with the U.S. Several countries, which for many decades looked to North America for much of their trade, now equally divide their efforts between the United States, Europe and Asia.

China's growing presence in South America was highlighted by President Hu Jintao's visit to Brazil, Argentina and Chile last November. (Hu also visited Cuba on that trip.)

China is now the second largest export market for Brazil, which accounts for half of South America's combined gross domestic product (GDP). In addition, China has signed a free trade accord with Mexico and is negotiating a similar agreement with Chile.

In addition, China is among the five leading investors in the region and last year outpaced Japan to rise to fourth after the United States, Britain and France.

In Brazil, Hu said that his country would invest 100 billion dollars in Latin America over the next ten years.

Several nations with a heavy debt load, including Argentina and Brazil, are working to increase exports of farm commodities such as soy beans to China.

This shift to developing ties with China and other Asian countries comes at a time of weakening relations and frustration with the Bush administration.

Expectations were high when George W. Bush took office. Latin leaders anticipated great change, especially when Bush said during his 2000 campaign, "should I become president, I will look south, not as an afterthought but as a fundamental commitment."

But, the terrorist attacks of September 11 and the wars in Afghanistan and Iraq soon relegated Latin America to its accustomed back seat in U.S. affairs and interest.

Now, Latin governments and business leaders are not only frustrated by the lack of attention, but are increasingly critical of U.S. hard-line policies on trade issues, agricultural and industrial subsidies and economic development which, they say, further drives a wedge between north and south and makes trade and other relations with the United States more difficult.

So, Latin Americans are looking elsewhere. With the failure to reach agreement on the Bush-supported Free Trade Area of the Americas, South American nations are forming their own trading blocks within their region.

In addition, Brazil is providing leadership to the Group of 20, a Latin American governmental coalition that is challenging Washington on issues from free trade to patents. And, Brazil has gained global support in its bid to become a permanent member of the United Nation's Security Council.

U.S. political and economic interests should be aware that with the continued political neglect of needs and challenges among our nearest neighbors, Latin Americans will find other markets for their exports, other sources of imports and will increasingly go it alone without the United States.

Already, many sectors say that they don't need the U.S., so for them, it's just fine if the Yanquies stay home.

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