



**Latin America:**

## **OUR CREOLE APARTHEID**

**Report to Dr. Václav Klaus, ex-president of the Czech Republic<sup>1</sup>**

*Our America is a very "receptive" subcontinent, perhaps too receptive: we have received all kinds of foreign immigrants in different times from different provenances. Some were very honest and laborious people, decent and productive; others, not so much.*

*In ideas and doctrines, we have also been very receptive, and unfortunately, we received all the ideological plagues, even the worst and most dangerous that have whipped the planet, on distinct times, from diverse sources. And we already know that "ideas have consequences".*

*We've even practiced an inverse ideological selection; for example, already independent from Spain and Portugal in the XIX Century, we welcomed the philosophies of Kant and Hegel, Rousseau's "social contract", Comte's positivism, and other ideas equally derived from the "Age of Reason", to the pre-Marxist "utopic" socialism; but we closed our doors to economic liberalism. As a result, we suffered a large series of cruel, international and civilian wars.*

*In the XX Century we gave a warm welcome to "scientific" socialism, to fascism, and to Nazism; and closed the door to classic liberalism. As a result, we suffered all kinds of autocracies and despotisms, and some subversive terrible wars, directed from La Habana, Cuban capital, that in this neighborhood of the globe has been and is like a communist Neo-Kremlin, a new "Moscow", head of a regional soviet mini-empire that speaks Spanish and Portuguese.*

Now, on the XXI Century, we continue such erroneous way: we close the way to genuine liberalism, and on exchange we provide a certain limited hospitality to "Neo" liberalism (the shy and tepid "Washington Consensus"), and even worse, we give the warm welcome, with party and fanfare, to cultural Marxism, and to all modalities of "political correctness".

Unfortunately, we are too hospitable. Barely selective. Consequently, we live in a stratified, "two floors" society, a creole Apartheid: the ones on the top and the ones below; the Nomenclatures, which are the oligarchies, in the upper floor, and the rest, down below.

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## **=#= Classic and Cultural Marxism**

In the last 25 years the last dams that "contained" communism and the left have broken: certain conservative political right; the Catholic Church; and the armed forces. After having suffered three successive waves of classical Marxism in the XX Century, and its terrible consequences, now the "XXI Century Socialism" drowns us.

From the previous XX Century we inherited inflation, excessive taxation and lack of savings, absurd regulations, lack of investment, unemployment and decrease with a chronic debt, brusque crisis and long recessions, generalized economic inactivity, growing poverty, corruption, insecurity and overflowed crime, injustice in the tribunals, impunity, overpopulated cities and empty fields, etc. Consequently, we suffer all kinds of exodus: of capitals, of companies, of professionals, brains, qualified workforce, etc. And chronic political crisis.

And now we suffer the onslaught of "human-rightists", the green and the pink (the ecologist and pro-LGBT agendas), the "deconstructionists", multiculturalism, and universalism, etc.

The Middle Class had become accustomed to not pay attention to politics. But now, it suddenly seems very beaten, and now approaches politics. It opines in social networks but understand very few of what's really happening. It's not worried for emergency because it doesn't know what has happened in the last 100 - 120 years in the region and the world. It doesn't know that three great "waves" of socialist calamities have happened, coincidently more or less with the three third of the XX Century.

## **=#= Three Great Classic Socialist "waves"**

(1) In the first wave, gold standard was abandoned, and the central banks were created, with a currency of merely paper without any metallic support, and a fractional reserve banking: credits without backup in deposits. This way an economic cycle was generated: a phase with fictional boom with inflation, and then falling into the phase of brusque recessive crisis. People started to get impoverished. The left proclaimed to "help the poor" with their first "social measures", for example, Labor laws, with which the situation tended to worsen.

Even worse: The State neglected its three proper functions: security, justice, and public physical infrastructure works; in these three subjects started the flaws, and later the deterioration was complete in the next two stages.

(2) In the second wave The State came to massively offer "free education and health", for which it decreed more taxes and raises in the existent ones, and problems were aggravated. It worsened teaching, because The State doesn't teach but rather indoctrinates in the statism; this way the "most educated" people is the one that has the least possibilities to understand precisely the reality of things.

(3) In the third wave, along with armed guerrillas, interventionism fully entered into all aspects of the economy, with its agrarian reforms, its "nationalizations", the creation of all kinds of State companies, with costly taxation and/or no less onerous loans to finance them, and with asphyxiant regulation for non-State companies. They now reach unspeakable extremes, visible for everyone, and some people begin to react to see what's going on. But they confuse socialism and communism with what is barely its climax or summit point!

The reaction started with reversing only the third and last wave interventions. This was in the 90s, with first generation reforms: certain privatizations and deregulations, following the very shy and tepid Washington Consensus. Not much progress was done from those reforms, and even so the actions taken were fragmentary,

partial, and hesitant. Very few or nothing was done to replenish The State in its proper functions. Rarely did the reforms advanced to reverse, for example, the socialism in education, typical from the second wave. And not to mention monetary, financial and banking socialism, and the "workers'" socialism, both from the first wave! These two should've been liberal reforms of second and third generation. But they have never been seriously considered; moreover, they haven't even been mentioned! Why? Among other reasons, because for that all the bad laws must be repealed; and that's the function of Congress.

The insufficiency and short-sightedness provoked an immediate successful and massive socialist counter-attack before each attempt to at least start to change the course of a country. Hayek pointed out too that when a certain point in this "way to serfdom" was reached, the mismatches and perturbations were such that the lefts ended up imposing a ferocious tyranny, sometimes political-military. And the "unique way of thinking". Which makes it impossible a short-term exit.

For the reverse path a certain time is required to form an adverse current of opinion in each country, and also one efficient political party through the democratic channel, for the authoritarian channel is no longer available; the anticommunist militaries are an extinct species of the past XX Century.

#### **=#= The Fourth Wave**

Cultural Marxism, with its new forms of statist domination, and absurd pretexts, all for the mining and destruction of Western Civilization. This is how the "defense of nature" brandishes against the industrial and economic development. The wild feminism, the "genre" ideology, and the wrongly called "new sexual orientations" attack the "patriarchy"; or in other words, marriage and family, and natality.

Anti-white racism flourishes, barely dissimulated. And again, the violent socialists use religion as a pretext for their crimes, particularly Islamism; and like always, "rewrite history" with all kinds of lies. Besides, relativisms proliferate: cognitive, moral, aesthetic, religious. They don't forgive grammatic nor language. And from behind the scenes, the UN and its Agencies level the ways for "multiculturalism" at a national level, and universalism Worldwide.

The lefts do their job, which is kill and destroy, lie and confuse, disorient to attack. And they do it pretty well. The problem are the rightists: they don't exist or are very anemic and floppy. Or don't do their job, because they are corrupt, inept, and incompetent, and ignorant of the true and real nature of socialism, and/or do it very wrongly.

#### **=#= Socialists and "Neo" liberals: the political pendulum**

In the year 2015, there were triumphs opponents to the Sao Paulo Forum in Latin America: in Argentina, in November, the "Neoliberal" Mauricio Macri wins the Presidency; and in Venezuela, in December, the anti-chavista opposition wins the Legislative Assembly. In Perú, June of 2016, the "Neoliberal" Pedro Pablo Kuczynski wins the Presidency; and the same in Chile, on December 2017, Sebastián Piñera becomes President again. What are they? "Defeats of the Sao Paulo Forum", as certain "triumphalist" press, that presumes to be of "liberal orientation", affirms? No. They're another turn of the pendulum. This political pendular cycle, oscillates from the "XXI Century Socialism" to the wrongly-called "Neo" liberalism, that of liberal has very few or nothing, and goes back and forth.

It's like the "economic cycle", in the electoral landscape. According to the Austrian School, the economic cycle is a vicious circle in the economy: governments have in their power the machine to print backless bills, money of merely paper; and the banks have in their power the faculty to expand the credit, pretty much over their deposits and reserves. The demagogue politicians win elections and bring a certain boom or artificial "bonanza": the money goes out to the street, and the people, happy, consumes. For the poor the "social plans" flourish; this is how a "populist" stage arrives, says the press. But later comes the inflation: the prices skyrocket, and everything becomes more expensive, even the foreign exchanges, and the loans have to be paid. The plans from optimistic businesspersons are frustrated, and unemployment rises, despite the "social" laws. The markets make the inevitable and natural though painful adjustments to the casualties, when the realities knock the door, in the recessive crisis phase, with the cancelation of plans, and coming back to poverty.

This cycle has its correlation in the political cycle that is called the "pendulum law": from the right to the left, and again back to the right, and so on. It's the vicious cycle of politics. (1) First the net or hard left, the one from the "XXI Century Socialism" in this time, that one, from the Sao Paulo Forum, unleashes the expansive phase in the economy, increasing the State spending, emitting bills, sometimes using loans to not increase taxation, and relaxing the demands for credits. With much State employment and "social plans" to buy votes.

(2) The "party" is not eternal. If there's no saving nor capitalization, there's no development. The "social" drunkenness ends with the "hangover": stag-inflation (inflation with stagnation), divestments with company bankruptcies, unemployment and massive unemployment. Then the "Neo" liberals, the bad right, mercantilist, commonly allied to the "center-left", and its recipe book, the "Washington Consensus", for the "containment" phase. Like the firefighters: turn off the fire, merely at the "macro level"; without any micro reforms. What in navigation is called "damage control": patches and patches in the areas most visibly affected by the accident.

(3) The "adjustments" are insufficient because they don't treat the root of the problem: there are no structural changes, and because of that there aren't any sustainable improvements. Sooner or later "in crescendo" discontent surges, until the radical left goes back to power, with its demagogy, a few years later. And so the cycle recommences. "The crisis is so big, and so many year of bad government, that you cannot get out of it from one day to the other". This is what bad-right, mercantilist, and statist governments tell us, and always with the disposition to get allied with the left. For example: Macri's government in Argentina.

(4) The remedies are not the appropriate ones, or aren't applied all but just some of them, in a scarce measure (even though to their enemies, every small thing is already too much for them), so the good results are never seen, or are insufficient and just beneficial for the few. And this way the left comes back to power, after some years, re-powered, and reverses the few good that was accomplished. Examples: Latin American countries with the "Washington Consensus", that is "Neo" liberalism, since the 90s.

### **=#= The Legal South African Apartheid**

Racial segregation is not the only discrimination policy in the status: it can also be religious, economic, cultural, or social: for the beliefs, the wealth, the culture, or the social class. There are many examples; and they have something in common: the apartheid is legal. In our Latin America, segregation is social, between the poor and the rich, the ones from the top and the ones below.

The Apartheid is "spontaneous", when some people that believe to be superior stays separated from other people that they consider inferior. Example: the Jews were ferociously discriminated in Germany before Hitler, but when the Nazis came to power, in 1933, the anti-Jew discrimination was made legal. That is: by law. There's the

key! The same was in South Africa against the black. The shooter was the difference in natality rates: towards the 50s and 60s, the white population began to decrease proportionally. They panicked and thought to put a brake on blacks through legislation, typically: "social engineering".

But it was said that the laws were for promoting education, wellbeing, and development of blacks, only that "separated"; "Separate Development Policy" (SDP) was the official name that was given to the Apartheid. The first laws were the prohibition of interracial marriages (1949), the municipal ordinances establishing separate "zones" (1950), and the Population Registration Act (1950), classifying people for their race. It was complicated and cumbersome, because apart from white and black where those of Hindustani and Asian origins, among others, and of course all kinds of mestizos. The whites were divided: the Apartheid was pushed by the Afrikaners of Dutch origin, but the Anglo-Saxons didn't agree very much.

The rest is known history; but these antecedents have to be seen to understand two things: (1) segregation impeded the capitalist development of South Africa, because capitalism is based on deals, assignments, and rewards according to the demonstrable efficiency and capacity in service to the markets, not according to race; and (2) the large and complex that was the fight against the Apartheid.

### **=#= The Creole Apartheid**

In our America, the earliest segregationist antecedents were in the extensive territory of the Viceroyalty of Perú: the "Indian Reductions", according to the notorious "Ordinances" of the Viceroy Toledo, redacted by a team of lawyers and "experts", headed by the doctors Juan de Matienzo and Juan Polo de Ondegardo.

In South Africa, the segregations crystallized in the "Bantustans", some populations for blacks, in which they "enjoyed" their schools, companies, hospitals, churches, even cabildos and authorities. But that was already commanded here by the Viceroy Don Francisco Álvarez de Toledo in 1573, promulgating his "Ordinances of the Perú for a good government". The "reductions" for the Indians had already been decreed from Madrid on March 1551, by Real Cédula of Felipe II, and were started to be implemented by the Real Audience of Lima on October 1549. The legal text of Toledo took care of the details.

These documents start with large expositions of motives, explaining the fundamentals that justified these policies, according to the judgement of its authors. And here another surprise! They insist that the native populations must live separate because they have a particular and different "idiosyncrasy", and a different culture. For that they must have their laws and institutions designed in obedience to their culture, solely for them. That is: "multiculturalism", which is really old. "Multiculturalism" is an elegant name for "racism"; and racism is bad, be it a white racism, or be it an anti-white racism.

### **=#= The Third Way or Mixed Model: The Ones from the Top and the Ones Below**

They say that in Latin America there's a "mixed" system in our countries, a mixture of capitalism and socialism. And it's true. But it is not said that there's social segregation: capitalism is for "the ones in the top", the rich and the high middle class; and socialism is for "the ones below", for the poor. Nor it is said that this social segregation has a racial tint because the upper layer is in its majority white, and the one below is in its majority not white; and of that you're not told because it sounds awful, and because it's obvious.

Socialism has put State schools for the poor, and likewise State hospitals, and "Social Insurance"; all planned, promoted, pushed, decreed, and financed by The State. Everything is scarce, insufficient and of bad quality; but

"they" don't care, because these are the "Bantustans" for the poor. "They" have "their" capitalism: private education, and likewise their clinics, etc. They have "heir" companies: the ones from the formal sector.

Like in South Africa, for the segregated population they promote "SMEs", "micro companies": to arrange themselves as they can; but that they stay little, lest they have the impertinence to grow, and threaten the supremacy of the superior class, through the capitalist way. To prevent this from happening, they sanction with bad laws for businesses, which are prohibiting, limiting, and restrictive. And who are "they", the rich? There are two types: some of them are rich more or less ethical: they made their fortune serving the public, in some private sector, even though in a unjust and perverse legal framework. Others are the "enriched", thanks to corrupt political careers, and/or State privileges and favors. The firsts are less and less over time, in relation to the seconds, ever increasing. And the divisor line becomes more and more tenuous.

*In Latin America there are almost no politicians; there are pure "politikers", that is, demagogues, that now are called "populists". They live making unrealizable promises, offering false "solutions" to problems created for the poverty: educational shortages, and also medical, social prevision for orphans, the elderly, the widows, etc.*

*They make many scandals over "corruption cases" to distract the people's attention and confuse them, and this way it isn't comprehended that corruption is inherent from statism, and that in order to reduce corruption it is necessary to change the system. And for this purpose, they count with the complicity of the scandalous and sensationalist press.*

*Regrettably the public falls in the trap: before the scandals and bickering, the people gets scandalized and feels indignation, protests, screams, and marches into the streets; but is incapable of seeing the real problems of our Latin American countries: the poverty; the prohibited capitalism, to impede us from creating richness and give a real solution to the roblems of poverty, and to the other problems created by poverty, in the economic, educative, and health orders; the Apartheid that divides us; the classic Marxism that generates the poverty; and the cultural Marxism that attacks marriage and family in a frontal and direct manner.*

*This is the general prospect of all our countries. To all those enemies and adversaries we confront, and all these obstacles and difficulties endure, every day.*