

been President of Colombia, because your country would have mobilized your power to prevent me from winning the presidency.”

Mexican Foreign Minister Bernardo Sepulveda made the following statement on the anniversary of the birth Benito Juárez: “Though some obstacles [to solving the crisis] are internal, others are international. To remove them requires the organization of the international world, and as a starting point, a militant and pronounced effort of the progressive forces among the community of nations. We can’t even attempt effective solutions to the crisis if we don’t think beyond our borders.”

Continental solidarity in the form of an Ibero-American common market and a common strategy for defending the resources, infrastructure, and industry from IMF looting is already under serious negotiation.

The oil and energy ministers of Brazil, Venezuela, and Mexico met on March 23 in Mexico to discuss a joint defense strategy against the Anglo-American efforts to force Ibero-America to become a “Western Hemispheric Reserve.” In particular, Mexico and Venezuela have come under heavy pressure to end all “South-South” collaboration on energy strategy—whether with OPEC or the Mexican-Venezuelan aid program for Central America—and agree to sell all their oil cheaply to the United States as the price of any financial aid package.

Brazilian Energy Minister Ceasar Cals reported to the press in Mexico that under discussion at the energy ministers’ meeting is the creation of a “Latin American market for Energy and Hydrocarbons” to “confront the manipulations of the industrialized countries against Third World nations. This will contribute,” Cals explained, “to the development of Latin America, enabling the political stabilization of the region.” Cals added that Brazil is interested in barter arrangements of Mexican oil for Brazilian manufactured goods, but discussion on this latter point would wait for Brazilian President João Batista Figueredo’s visit to Mexico in the middle of April.

Venezuelan Oil Minister Calderón Berti stated that Venezuela will maintain its commitment to the San José accord, the agreement between Mexico and Venezuela to subsidize the sale of oil to the Caribbean and Central America for political reasons, even though this means a “sacrifice” for the country economically. Calderón Berti added in his press statement that Mexico, Brazil, and Venezuela plan to accelerate the creation of the tri-national oil company, Petrolatin, in order to aid other Third World countries.

Bankers in New York stated March 23 that one of the conditions for any refinancing package for Venezuela was that Caracas pull out of the San José accord, and the government is now split over what to do. When Venezuelan financial officials announced that the government would abandon the accord, an immediate statement contradicting the report was issued by the foreign minister and then the oil minister.

Interview: Ecuador’s Foreign Minister

‘Political will could solve economic crisis’

Over the past month, EIR has had the opportunity to speak twice with the foreign minister of Ecuador, Luís Valencia Rodríguez, about the economic and political issues facing Ecuador and the Ibero-American continent. The first interview was conducted in Cartagena, Colombia on Feb. 19, by EIR’s bureau chief in Colombia, Carlos Cota Meza.

Cota Meza: What is the basic purpose of the letter sent by your President to the heads of state of the region?

Valencia: On Jan. 16 the president sent a letter to the executive directors of SELA [Latin American Economic System] and CEPAL [Economic Commission for Latin America] in which he emphasized the crisis every country of the region suffers today. This is the most serious crisis of the postwar period, similar only to the Great Depression of the 1930s. It is possible that we are on the brink of a great collapse; that is what we have to assume. By asking these two entities—SELA and CEPAL—to prepare a Latin American response, a Latin American plan of action to this crisis, President Hurtado is opening the door to a broad debate on the subject.

As for the magazine that you represent, let me tell you that Ecuador has received an enthusiastic response from your director, Mr. LaRouche, indicating that [the President’s] proposal is a project worthy of the support of all the region’s heads of state.

Cota Meza: Mr. LaRouche has emphasized that the only alternative for restructuring the international financial order, or creating a new world economic order, is to declare a joint moratorium on the debts of the Third World.

Valencia: I would have to say that there have been a number of proposals, including Mr. LaRouche’s, indicating that after the Bretton Woods agreements were established in 1944 and even with the restructuring of the entire economic and financial system in effect to date, this system no longer responds to the world’s needs. Today the world is different, and it is therefore necessary to totally restructure the existing financial and economic system, including substantial changes in the Bretton Woods agreements. This would mean altering the structure and mechanisms established within the International Monetary Fund, the World Bank, and the GATT [General Agreement on Trade and Tariffs]. All of these are fundamental changes that should and must be studied in great depth.

As for a moratorium on the Third World’s debts, this

could provoke chaos among the international banks. I recall that during the depression of the 1930s, when there was also a moratorium by the countries that couldn't pay, this wasn't such a problem, because the debts were very small. But today the developing sector's debt—\$524 billion—of which \$300 billion is Latin America's, would have a strong impact on the world economy. If it comes to that, it would have to be done through careful study, so as to avoid a situation of conflict and confrontation.

The following interview with Ecuador's foreign minister was conducted in New York on March 21 by EIR Ibero-America Editor Dennis Small.

Small: How do you view the meeting of Non-Aligned nations in New Delhi and what are the next steps to be taken by the movement?

Valencia: I believe that the seventh heads of state summit of the Non-Aligned nations in New Delhi is one more affirmation of the Third World's position in line with the movement's original objectives. . . . The great powers are committed to an unbridled nuclear arms race, which uses enormous economic resources that could otherwise be directed toward the developing nations to improve their living standards. . . .

On the other hand, I believe that the call by the nations of the Third World made through the Non-Aligned movement to promote North-South dialogue to guarantee that necessary contacts are established for global negotiations, is a fundamental one. The end result of those negotiations must be the creation of a New World Economic Order. So many efforts have been made in this regard, but they have met such stiff resistance from the advanced sector that they have become paralyzed. Hopefully, with the initiatives made in New Delhi, we can take what has been accomplished thus far and through the structure of the United Nations give a positive impulse to the North-South dialogue. To achieve this we need, above all, political will. If a strong dose of political will does not exist in the advanced sector, all efforts will fail. Thus the call made by the Third World in New Delhi for the advanced countries to find that political will was essential.

Small: Several options were posed in New Delhi, including the idea of seeking an alliance of debtor nations to give them greater bargaining power. There has been talk of a joint renegotiation, or a joint moratorium on the debt.

Valencia: As for the debt, we all know that during the decade of the 1970s the international banking community was very open to giving sizable, often short-term credits, with high interest rates to all the developing-sector nations; as a result, our countries accumulated enormous debts. Finally, at the end of 1980 and in 1981 these credit channels were abruptly cut off and produced the crisis in Latin America.

The possibility of a joint renegotiation of the public debt

and even of a moratorium has been widely discussed. All of these ideas are currently in play.

On the one hand, the idea of achieving a joint renegotiation seems difficult in view of the fact that the economies of Latin America and those of other developing nations are all very different. What I think is possible is that these contacts, and the proposals made by President Hurtado for example, can be used to establish certain parameters for the negotiation of the debt—parameters that the developing sector nations can present as joint positions. In this case, the countries of Latin America could present common positions for renegotiation, which would indeed help greatly because it would give a firm position of solidarity to the developing countries in the face of the grave problem of negotiation of the public debt.

Small: Mr. Minister, Ecuador just devalued the sucre, and is in conversations with the International Monetary Fund. The solutions that the IMF puts before the underdeveloped countries are contractionary and recessive. Can you comment?

Valencia: These proposals of the Fund have been made during negotiations between the Ecuadorean government and the IMF, but what Ecuador has made the IMF representatives understand is that these matters cannot be resolved through unalterable orthodox economics, that together with these proposals of economic orthodoxy, are large problems in the social and even political realms. You cannot take either aspect in an isolated manner. . . .

It is because of that that we believe that the solution to these grave problems, outside of the conjunctural and transitory measures that could be adopted, such as devaluation, is the sustained, autonomous development of the countries which are in this situation. A fundamental aspect of this matter is the collaboration that should exist in economic and financial matters between the developing countries—that is, South-South cooperation, collaboration which has in great part been blocked because there is hesitation on the part of underdeveloped countries to develop, to aid in this cooperation, and also because there have been misgivings over this cooperation by the developing countries. Nonetheless, it is necessary to force through all the cooperation possible, which will also aid the great industrial and economic development of the developing countries.

Small: What has been the response to the proposal by President Hurtado? And what is the possibility of achieving Latin American unity?

Valencia: Actually, we have received very encouraging responses from the majority of Latin America and the Caribbean. We are currently taking steps with other countries to obtain a definitive statement from all of them. We can say, for example, that Peru, Argentina, Brazil, Panama, Costa Rica, Surinam, Colombia, Cuba, Nicaragua, and Venezuela have given encouraging responses.