

Andean Pact countries set framework for debtors' club, new monetary order

by Fernando Quijano

Visiting the three non-Caribbean Basin countries of the Andean Pact—Ecuador, Peru, and Bolivia, in the aftermath of the July 24 summit of the Pact's heads of state in Caracas, I found that a new extraordinary integration fever has gripped the area. From Quito to La Paz, there are scores of government and ex-government functionaries, trade-union officials, and many others, all traveling in the area (and also to Colombia and Venezuela) working on the integration of the Pact. Perhaps Ecuadorean President Osvaldo Hurtado has expressed this policy-impulse most succinctly when he said in a recent speech in Santo Domingo: "The economic vulnerability of our countries can only be overcome through unity, cooperation and integration."

The guidelines being used for this process are essentially the same ones that were put forward by Pope Paul VI in *The Progress of the Peoples* encyclical of 1967. In it Paul VI called for a New World Economic Order based on a total respect for national sovereignty and continuous development of technological progress. To facilitate the achievement of that New World Economic Order Pope Paul proposed the formation of regional pacts among underdeveloped countries to help in the fight against the enemy of humanity: the supranational financial usurers. *Populorum Progressio*, used as the central document at the Medellín, Colombia, conference of the Latin American Episcopal Conference of Bishops of 1968, was viewed as the call that created the Andean Pact as a way to further the process of Ibero-American integration.

Today the Andean Pact (which includes Bolivia, Colombia, Ecuador, and Peru), even after Pinochet's Chile dropped out of the Pact, has an approximate population of 75 million, a huge land mass, and is perhaps one of the world's most richly endowed areas in energy resources (oil, coal, natural gas), iron ore, and dozens of other minerals ranging from the well-known copper, to the exotic strategic metals of the 21st century. Clearly, large infusions of technology accompanied by the education of the population of the Pact would rapidly transform the area into a medium-size economic power on the scale of the most successful European countries. As part of a larger continental Ibero-American Common Market, it would be an instrumental part of one of the world's economic superpowers.

While that is the potential, the reality is that, like the rest of Ibero-America, the region's very existence is at stake as

the result of the international economic crisis. In that context, President Hernan Siles Zuazo of Bolivia was the first head of state to call for the joint renegotiation of the continent's debt at his inauguration last October. While many other conferences and calls have taken place since, what followed in strategic importance was the call by President Hurtado of Ecuador for SELA (The Latin American Economic System) and ECLA (Economic Commission for Latin America) to draw up an action plan for the continent in order to face the crisis. That action plan was presented to the Ecuadorean President in May of this year, and was further discussed at the Santo Domingo, Dominican Republic, meeting at the beginning of August. In between it was fully backed by the Andean Pact's presidential summit on July 24, and it is scheduled to be implemented at a Quito meeting at the end of November or beginning of December.

The essential aspects of the Hurtado-SELA proposal boil down to establishing a "frame of reference" for the whole continent which would set development and sovereignty as the basis for negotiations between each country and its creditors. It also includes measures for achieving food security (and other essential goods) within Ibero-America and implementing an immediate plan of intraregional commerce. Were this plan to be realized, it would represent the first rudimentary steps toward the creation of a New World Economic Order along the lines laid out by the seminal "Operation Juárez," written more than one year ago by the founder of this magazine, Lyndon H. LaRouche, Jr.

Before the Quito meeting, however, the fight for development will be taken to the United Nations General Assembly, where Prime Minister Indira Gandhi of India, assuming her role as leader of the Non-Aligned nations, has convoked a mini-summit of Third World leaders. As the following interview with Ecuador's Foreign Minister Valencia makes clear, President Hurtado's proposals will be one of the major items that will be dealt with at that gathering.

While this is the upcoming schedule, time is running out. One high-level official painted a picture which was echoed by everyone that I had occasion to speak to: "The conflict in Central America is being carried out by voluntarist minorities. If our economic crises under IMF pressures continue, social majorities will explode in our region, leading to chaos and destruction of unimaginable proportions."