

## Ibero-American Presidents' summit called for Panama

by Robyn Quijano

Panama's new President, Eric Delvalle, called for a historic heads of state summit to be held at the beginning of 1986, in Panama, the site of the last Ibero-American continental meeting over 160 years ago. He made the announcement in an address to Panama's national labor council (CONATO) on Oct. 16, responding to the mobilization of the strong trade union movement, which had taken up the banner of the summit in their fight against the International Monetary Fund. The CONATO's battle against IMF conditionalities that caused economic and social chaos in the country was a major factor in the resignation of former World Bank official President Nicolás Ardito Barletta two weeks before.

"Upon assuming the presidency of the Republic of Peru, Alan García expressed a desire to revive in Panama the assembly of the Americas, in order to examine our common problems, among which Latin America's worrisome foreign debt is most prominent, and to reaffirm our fraternal solidarity. Since then, other distinguished Latin American statesmen have expressed a similar concern. Inspired by our historical tradition of encouraging rapprochement and peaceful communication, we accept the challenge of the Latin American peoples, and we offer Panama as its seat," announced President Delvalle. "I will consult with my colleagues of the continent shortly on the possibility of our meeting in Panama to jointly strengthen development, democracy and peace among all our peoples and nations," he said.

The President, whose speech was nationally televised, promised to place Panama's interests first when dealing with its foreign debt, to ensure that national sovereignty is respected and workers interests not harmed; to consult the development program drawn up by CONATO when economic policies are formulated for the country; and to reject the strike-breaking Labor Law reforms which Ardito Barletta had introduced into Congress.

The President stated: "Our peoples and the workers of Latin America have an identical community of aspirations; a great vocation for peace and great solidarity as brothers in this great *mestizo* continent. We are most willing to contribute to solving Latin America's problems, because they are also ours."

In a militant statement that differentiates him from his pro-IMF predecessor, Delvalle stated: "Our social forces and our productive groups will determine the Panamanian medicine that we need, and the doses that we can tolerate." "Our principal responsibility," he said, "is to solve the most pressing problems of Panamanians, especially the most needy, to lay the basis for true national progress. My government has firmly confronted the problem of the foreign debt. We have declared our independent criteria and made our existence as a free nation a priority. We have continued to talk with our international creditors, but whatever solutions we achieve, must agree with our national interests and respect our sovereign dignity, without affecting the well-being of the great national majorities, in particular, the working class," he promised.

President Delvalle's address to the CONATO labor federation was covered in the Peruvian, Mexican, and Brazilian press, with special emphasis given to his embrace of Alan García's heads-of-state summit proposal. Headlines such as "There Will Be Presidential Summit in Latin America" and "Site Given for Summit" appeared in Mexico. Peru's *La Cronica* headlined its front page, "Score for Alan: There Will Be Presidential summit."

### Alliance for Integration

Two days after Delvalle's speech, Argentine Peronist leader Juan Gabriel Labaké arrived in Panama on his organizing tour for the Alliance for Latin American Integration,

which will be officially founded on Dec. 6-8 in Lima. The Alliance, which has gained the official backing of Peruvian President García, Colombian President Betancur, and many military figures, politicians, and industrialists, as well as several ex-Presidents, from a dozen Ibero-American nations, including Brazil, has already set into motion a virtual economic defense pact on the continent.

Labaké found widespread acceptance for his proposal from Brazil's top economic policymakers, politicians, military men, industrialists, and labor leaders with whom he met during his six-day visit there. He met with Brazilian nationalists in important positions who believe Brazil has no option but to replace the "special relationship" organized by Henry Kissinger in 1976—in which Brazil served as a gendarme against Spanish-speaking America—with a true Ibero-American alliance.

In Brasilia Oct. 16, Labaké ended his trip with a press conference which produced coverage by UPI, Agence France Presse, ANSA, *Folha de São Paulo*, *Senhor* magazine, and the daily *Correio Braziliense*. A UPI cable datelined Brasilia reported: "Important Brazilian figures today gave their support to an Argentine politician's initiative to carry out the creation of the Alliance for Latin American Integration, a private entity, which already has the support of several figures, among them, Peruvian President Alan García."

"It is a grave error to leave integration in the hands of governments, because they are subject to pressures and work with ancient diplomatic bureaucracies," said Labaké. His proposal won support from Sen. Fernando Henrique Cardoso, economist Antonio Barros de Castro, foreign-relations specialist Helio Jaguaribe, businessman Roberto Fonseca, and various business associations. Although he did not gain formal support in his contacts with Brazilian government officials, he said they had very positive reactions to his plan.

Labaké announced that the Alliance would promote concrete measures for regional integration in "total agreement with the governments, though, as a private entity, it would preserve its autonomy in making decisions." "The final objective of the creditor banks and the International Monetary Fund is to destroy the industry of the Latin American countries," warned Labaké, noting that industry has already been destroyed in Mexico, Peru, Chile and Argentina. He predicted that Brazil will be next to go.

### **In defense of Peru**

Labaké's initiative was received in every nation as the right idea at the right moment. Although the Panamanian government is one of the first to officially back the new Peruvian President, support for García's war on drugs and open battle against the IMF among the labor movement and political layers on the continent is enormous. And every step Peru makes in defining its declaration of independence from the IMF, is being studied in every capital from Mexico City to Buenos Aires.

"We declare that the conceptual basis on which the Bretton Woods System was built, is bankrupt, and that the IMF, therefore, has lost its legitimacy," stated Peru's Minister of Economics and Finances, Luis Alva Castro, in an address to the IMF meeting in Seoul, South Korea on Oct 10. He continued, "The monetary system agreed to at Bretton Woods," the 1944 conference which decided the postwar financial order, "has proven unacceptable to the South, inefficient for the North, and anachronistic for all."

The immediate task before the world, the minister argued, is to build a new world financial order which can sustain world trade and production, at levels adequate for the development of sovereign nations. Therefore, the Peruvian government proposes that an international task force be convoked immediately, and given "a maximum deadline of six months to prepare a proposal for the total reform of the international monetary system."

The speech dissects the long-term policy failures which led to the current world economic crisis, and charges that the IMF made itself an "accomplice" of Third World countries' "over-indebtedness." The IMF then used the power it had thus gained, to dictate conditions which "assault our very sovereignty," and "violate the political constitution" of countries like Peru, Alva Castro charged.

He ripped apart the idea that the IMF's dictates are based on "scientific criteria," painful but, in the long run, necessary. IMF policies have driven productivity levels in Peru down to where they were 20 years ago, even in production of such basic staple foods as potatoes and corn.

The United States' own problems cannot be solved without "a dramatic change in its economic policy," the minister pointed out. The U.S. budget deficit cannot be reduced by "an extreme limitation on defense spending," as the IMF is recommending, because of the costs of servicing its own public debt.

IMF officials and their retainers were outraged. "I don't appreciate his suggestion," grumbled World Bank President A. W. Clausen at a press conference the next day. A U.S. official called Peru's actions "stupid," the *Washington Post* reports; another delegate found them "arrogant." Jacques de Larosière, head of the IMF itself, huffed that he had "not perceived that said declaration was in line with the general understanding and position of the majority of the members."

The response of the banking community was immediate: Orders have been issued that the nation of Peru be starved, its credit lines cut off, until it returns to IMF rule. This has occurred with full approval of U.S. government officials—although Peru is a U.S. ally.

London's *Financial Times* called Peru a "pariah," to be "shunned" now for its "hardline policies." But the move for continental integration, for development and growth against handing the nation's resources and industries over to the Shylocks of the world after the pounds of human flesh run out, is not being shunned.