

Ecuador Right Wing Shift Pressures Peru

Exclusive to NSIPS

Dec. 16 (NSIPS) — A sudden revival of Ecuadorean claims to Amazon lands seized by Peru in the war of 1941 caused a dangerous deterioration of relations between the two countries this week. The unexpected cancellation of Peruvian President Morales Bermudez' scheduled visit to Ecuador last week was followed by the withdrawal of the Peruvian ambassador and military attaches for emergency consultations back in Lima. Yesterday the Venezuelan press reported that Ecuadorean Foreign Minister Pesantes announced he would travel to Bolivia, Chile, Argentina, and Brazil to appeal for their help in resolving the conflict. The latter three countries, plus the United States, are the named guarantors of the 1942 "Protocol of Peace, Friendship and Boundaries" which established Peruvian control over the oil rich area of the Amazon claimed by Ecuador. Ecuador now asserts that it agreed to the 1942 treaty only "under coercion."

The behavior of the Ecuadorean government at this time places enormous pressure on Peru, which has already reached a dangerous impasse, bordering on war, with Chile over the question of territory to be granted as a Bolivian corridor to the Pacific Ocean. Caught between two rumbling fronts, Morales Bermudez' government faces the related strengthening of the right-wing military apparatus which is at once revanchist vis a vis both of its neighbors and internally the main instrument for imposition of International Monetary Fund-dictated deindustrialization policies.

The Ecuadorean government has undergone an accelerated rightward drift during the past several months, leading to a situation where the simultaneous ascendancy of fascist elements in Peru and Ecuador exacerbates the danger of war in the region. At the same time, it creates the conditions propitious to regimenting the area according to the Friedmanite "open door policy" which would destroy the industrialization and foreign control measures of the Andean Pact regional development treaty. Already one of the Pact members, Chile, dropped out of the Pact in order to allow a "free market economy", and it is rumored in the Latin American press that Ecuador and Bolivia will soon follow suit. If that were to occur, Venezuela, Peru, and Colombia would be left, in a fundamentally unviable arrangement.

Over the last two months, most of the leading nationalist figures in the Ecuadorean government have been replaced by reactionary monetarists. They were given a large boost by Gulf and Texaco which drastically slashed Ecuadorean oil production under their control during much of 1976 in order to undercut Ecuador, known as "the weak link in OPEC."

A critical blow against the Ecuadorean nationalists was struck at the beginning of this month when Admiral Gustavo Jarrin Ampudia, former Secretary General of OPEC and rallying point of Ecuadorean nationalists, was placed in a position which leads to automatic retirement in six months.

The two remaining nationalists in the government are seeking international leverage against the internal balance of power which is weighted against them. Industry, Commerce, and Integration Minister Galo Montano is going to Rumania in search of oil technology to break the stranglehold which Texaco and Gulf have held over the Ecuadorean oil industry. If Montano and Natural Resources Minister Col. Rene Vargas Pazzos succeed in their efforts to prevent Gulf and Texaco from wiping out previous nationalist advances, Ecuador could play an important role along with Venezuela as a promoter of Latin American development.

As soon as Montano had left for Rumania, however, his interim replacement repudiated Montano's fight for a strong Andean Pact by telling regional businessmen that Ecuador no longer "restricts" foreign business and that Decision 24, the cornerstone of the Pact's common policy against looting by multinational companies, has been changed from being a "tightrope none could deviate from" into "a scenario within which we can all move according to our needs and conveniences." The newly appointed Finance Minister Santiago Sevilla is known to have written last year that Decision 24 was "a victory of socialist extremism" and that General Pinochet made his 1973 coup in Chile because "the people's hunger and unbridled ideology obliged the military to snatch power from Pres. Allende's hands to avoid worse troubles." On the domestic front Sevilla is repeating Pinochet's application of Milton Friedman's fascist nostrums by freezing wages, and stopping state sector development projects, while allocating resources to luxury consumer imports.