

Latin SDR bloc to complement reserve plan?

The U.N. Commission on Latin America (ECLA) held its 18th plenary session in La Paz, Bolivia the week of April 23. The meeting, attended by representatives from every Latin American country as well as the U.S., Britain and France, featured the unveiling of proposed financial mechanisms to complement the "hemispheric reserve" strategy.

Raul Prebisch, the aging monetarist head of ECLA, was charged with putting the ECLA machine behind a hemispheric approach to the financing and marketing of raw materials extracted on the continent, and served as the mouthpiece for the "strategic reservists" at the plenum. Lined up against Prebisch—and his Anglo-American backers—was the Mexican delegation which posed that ECLA adopt a global industrialization program for Latin America, while breaking from its adherence to IMF-World Bank austerity policies.

Latin American monetary system

A series of "reservist" proposals were presented for consideration at the plenum, all designed to create regionwide mechanisms for control over the continent's wealth. The dominant proposal, for a "Latin American Monetary System," urged the creation of a common Latin American currency to be used within the new regional monetary system. Although the proposed system is billed as a "counter to the IMF," its currency would be pegged to the IMF's Special Drawing Rights, making the entire system an effective appendage of the IMF's genocidal policies for the continent.

Although the Peruvians have in the past been the prime movers of the idea in hope of a bail-out for their debt-strangled economy, Prebisch went one step further, calling for using the oil earnings from countries like Mexico and Venezuela to finance a continental looting machine under ECLA direction, or, as he put it, "to finance extraction and development of natural resources for the region." He summed up the strategic goals behind the "hemispheric reserve" push: "Aren't we (Latin Americans) at the end of the illusion that in these peripheral zones we could develop ourselves in the image and the manner of the great industrial centers?"

Mexicans for industrialization

The Mexican chief delegate at the ECLA conference, Victor Manuel Barcelo, responded to Prebisch's diatribe against growth at the conference podium: "We must

put the (1975) Lima accords for an industrial resurgence into practice ... for healthy development, of world industrial production." Barcelo's message was explicitly aimed at the advanced sector nations, whose depressed economies desperately require high-technology capital goods orders from a developing sector undergoing industrialization.

This is the same concept which underlies Mexico's continuous organizing in international forums for a \$15 billion fund to promote Third World capital goods imports and was stated explicitly in an editorial on the ECLA meeting carried by the semi-official Mexican daily *El Nacional*: "The U.S., surely, has not wished to appreciate the full dimension of the benefits it itself would derive from Latin American (economic) expansion."

The Mexican delegation rejected the IMF's "conditionality" on loans to the Third World, and denounced "certain countries" for using "such concepts as 'basic needs,' 'access to supplies,' and 'gradualism'" to hold back a genuine development strategy. The Mexicans' point was well taken when Prebisch railed against the "waste" committed by Third World populations in attempting to imitate the "consumerism" of the advanced sector and urged instead the development of technologies more appropriate to the region's "basic needs."

The fight for energy

The fate of the continent's energy resources—as the motor of economic development or as a "strategic reserve" for an Anglo-American war machine—was very much the central debate at the ECLA session. The Mexican delegation submitted President Lopez Portillo's proposal for a world energy conference, and it was approved by the ECLA delegates. But the Prebisch line was presented in the form of a Colombian proposal for the establishment of a "system of information and investigation" into the prices of energy resources of the regional economy. This proposal, also approved by the ECLA gathering, anticipates the creation of a more substantial mechanism which would oversee marketing of energy resources on a regional basis while encouraging development of alternate energy sources—precisely the hemispheric reserve proposal.

—Valerie Rush