

Report from Rio by Marco Monteiro

Banks' spies puzzled by summit

From the meeting of Sarney and Mexico's de la Madrid, it seems a Presidents' Club may be created for defense from creditors.

Brazilian President José Sarney ended his Aug. 17-20 visit to Mexico with an agreement "to create a system of mutual support in case creditor banks exert pressure on either country," according to an exclusive report in the São Paulo daily *Folha* Aug. 21.

Folha said they would set up a "red phone" link to mobilize each other in case of emergencies and that their idea was to bring the Presidents of all eight major democracies into the system at their Nov. 27-28 summit meeting in Mexico.

The formal communiqué signed by Sarney and Mexican President Miguel de la Madrid endorsed "a permanent mechanism of political consultation and harmonization," which would hold "periodic meetings of chiefs of state." The presidential summit is the fruit of the commitment expressed by Peruvian President Alan García at his inauguration on July 28, 1985.

García observed the irony that European leaders meet regularly, but Ibero-American Presidents had only met twice, both times at the behest of the United States.

Strong personal ties between the region's Presidents did not exist in 1982, when Argentina was struck by the British in the Malvinas and Mexico was besieged by creditors after nationalizing its banks. Regional rulers have been forced together by the Reagan administration's "Financial Malvinas" against them on behalf of Wall Street banks and by the absurdities of its Central American policy.

The eight Presidents to meet in

November are precisely the members of Contadora and its support group. Their eight foreign ministers announced the unprecedented summit after an Aug. 11 meeting here in Brasília.

They denied they planned a "debtors cartel." Peru's foreign minister, Allan Wagner, explained that the Presidents' club was for "political solidarity so that there would be effective collaboration measures in case of emergency." Peru successfully lobbied for the first meeting to be in Mexico, rather than in Uruguay.

By November, the next Mexican President will have been named; and he may not be as submissive to the International Monetary Fund (IMF) as the current one. Uruguay's foreign minister, Enrique Iglesias, on the other hand, leads the anti-technology "developmentist" mafia of the United Nations Economic Commission for Latin America.

Observers in both Rio and Mexico are skeptical, however, about whether Sarney and de la Madrid will go beyond words and actually *act* in coordinated fashion on the debt. Both Presidents have so far preferred to make concession after concession to the IMF, rather than follow Peru's tough anti-IMF stance. This reality was also visible through the rhetoric in Mexico City.

In greeting Sarney, Mexico's ruler proclaimed, "We will not condemn our peoples to drag the chains of unilateral adjustments which mutilate their just demands for development and well-

being." Yet he swore the two nations "do not want to provoke an economic war in the world" by taking joint action to force a change in debt policies.

Out of the limelight, Brazilian Finance Minister Luiz Carlos Bresser Pereira was meeting with Mexican officials in his hotel suite. With him was Brazil's ambassador to Washington, banker Marcílio Marques Moreira, Rubens "Rasputin" Ricupero, and Sarney's private secretary, Jorge Murad.

This team spent all day Aug. 17 closeted with Mexican Finance Minister Gustavo Petricoli and central bank head Miguel Mancera. According to the daily *Gazeta Mercantil*, the Brazilians were discussing debt strategy with their hosts and trying to find out how the Mexicans had managed to cut the incomes of workers and peasants in half without triggering a social explosion.

Before returning to Brazil, Bresser told the press that Argentina, Mexico, and the Philippines decided to negotiate their debts by way of the IMF and are now "very dissatisfied, since their problems were not solved and they are going to have great difficulties." His candor was not appreciated in Mexico, but he was on his way back to Brazil, leaving Sarney to make diplomatic amends.

Although real unity on debt and integration policies will not be reached without a major effort, there is a will toward political unity. That was expressed in the Mexican-Brazilian appeal that Colombia and Venezuela peacefully solve their border conflict so as not to interrupt "joint action to find solutions of integration for the countries of the area."

The Brazilian President delivered the message on his way home. Sarney expressed it succinctly on Aug. 18: "Brazil believes Latin America is capable of resolving its own problems."