

or anything of that sort would be possible today. But I have the impression that there is an overwhelming trend not only among developing countries, but also among some of the industrialized countries, to come to this kind of joint reflection on the financial system.

“Necessarily, some would think that a few changes would be enough. Others think that there should be a very profound or a new approach. Several are between those extreme positions. But this concept should be faced. The question of reviewing the institutions and how they are working should be raised and this idea, at least, is gaining ground every day. “This and the contacts I have made during these few days here in Belgrade at the UNCTAD, have led me to believe that this is a real tendency. It is not to be done overnight, but there is an awareness of the need for a serious study, consultations, and negotiations on various parts of the system, or a complete renewal. Probably, as always happens, when there are necessarily quite divergent positions on the merits [of a system], there will be perhaps some less dramatic evolution than many expect. But certainly the endeavor will be made and the very crisis we are going through indicates that something should be done.”

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## Interview: Ecuador's Industry Minister

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# 'Response to joint action proposal magnificent'

*The following interview with José Augusto Bermeo, Minister of Industry, Trade, and Integration of Ecuador, was conducted by EIR, in Belgrade June 13.*

**EIR:** Mr. Bermeo, in the speech you have just given to the UNCTAD VI conference, you quoted your President Osvaldo Hurtado, who has called for joint action by all Latin American countries. What precisely do you mean by this?

**Bermeo:** We are trying to find a solution to the present crisis, which involves all Latin American countries. President Hurtado has sent a letter to CEPAL [The United Nations Economic Commission for Latin America] and SELA [Latin American Economic System], and the answer has already been delivered to President Hurtado and the personal representatives of all presidents in Latin America [see *EIR*, June 21]. This will be carefully studied and analyzed in a meeting taking place in the Dominican Republic in August. At that meeting, we will know what exactly the positions are in this respect.

There will also be a meeting of the presidents in Caracas. One of the points mentioned in the letter will be dealt with in

that meeting. At this moment, one cannot say what the Andean Pact states will do. We just have to wait for the meeting in Santo Domingo.

**EIR:** You mentioned that your president received an enthusiastic response to his proposal. Was it from all over Latin America?

**Bermeo:** Yes, definitely. There was a magnificent response. Everyone was very enthusiastic.

**EIR:** You further said in your speech that in Latin America decisive steps have to be taken and that a re-definition of the entire world economic order has to be made. Can you explain what these decisive steps should be?

**Bermeo:** We don't really know now the exact way; but in these meetings we have already talked about, it will be decided what the best ways are to reach solutions.

**EIR:** At this conference, there is a lot of support for the proposals made at the summits in New Delhi and Buenos Aires for the convening of a conference on money and finance with universal participation. Does your government support this idea?

**Bermeo:** One of the ideas which will be discussed in Santo Domingo will be to hold a Latin American conference about monetary, economic, and financial issues. But this is still an idea. If this is accepted, then I think that the next step would be a worldwide conference on this. And, of course, we support the idea of the Non-Aligned movement.

**EIR:** President Mubarak of Egypt gave a moving speech in which he called for a new world bank for development, and said that huge development projects in the Third World would overcome the economic crisis. Do you agree with that; and if so, which projects in Latin America would be appropriate?

**Bermeo:** I think it is a very good idea, precisely because it can promote the integration of the Andean Pact states. The members of the Andean group think about *big* projects, and these will be coherent with Mr. Mubarak's proposals.

**EIR:** Can you give some examples—for instance the Second Panama Canal?

**Bermeo:** Yes, we think about big development projects concerning irrigation and the creation of hydroelectricity, for example.

**EIR:** Do you think that Japan and other big industrialized countries will respond positively to a call like this?

**Bermeo:** I think that Japan had been doing this before and this new proposal would be also in line with current Japanese thinking. We expect that the United States will overcome its present nervousness concerning Central America and will participate in these great projects. We can also get agreements with the European countries. We expect that they will get together to cooperate with us.

**EIR:** Do you think that the 24th of July, Simón Bolívar Day, is a good occasion for all Latin American countries to unite on the question of overcoming the problem of their foreign debt?

**Bermeo:** Yes. Right now, the Latin American countries are having an extremely severe economic crisis in which there is intense feeling that each country has to fight for its own interests. These kinds of dates, like July 24, are very good for unity—instead of having each country fighting only for its own interest—and to avoid strong nationalist currents which would affect negatively the tendency for integration. With days like this, we will have a good opportunity to unite all “Bolivarian countries” to solve the financial problems.

**EIR:** So the 24th of July is a good date for all of Latin America?

**Bermeo:** Yes, I think so.

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## Interview: Colombia's Foreign Minister

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# ‘Debtors must maintain close communication’

*The following interview with Dr. Rodrigo Lloreda Caicedo, Colombian minister of foreign affairs, was conducted by EIR June 14 in Belgrade.*

**EIR:** In your speech you quoted Pope Paul VI's famous words “Development is the new name for peace.” Given the fact that Egypt's President Mubarak had proposed here that the present depression can be overcome with great development projects, do you think that this is the right approach to be taken? Do you have some specific proposals in mind?

**Lloreda Caicedo:** There is no doubt that great projects can trigger economic development, but great projects as such are not enough. Development embodies not only the growth of infrastructure, but simultaneously broader participation in better life for most of the people. So, one can only conceive of growth in an economy if it's paralleled with the growth of the social conditions for its people. At least this is the sort of development that can lead to peace, conceived as a whole and as a result of that development.

**EIR:** You also said that the debt problem is so big that a possible bankruptcy can erupt. Do you have any suggestions for the solution to this pressing problem?

**Lloreda Caicedo:** Basically I said that the concern in regard to the debt of developing countries is a concern that not only worries the debtors, but also those countries that have loaned

the money and the institutions that have served as intermediate financiers for all these operations. That is why I feel that a great effort is being made in the way of refinancing and trying to “bail out,” as they say now, the countries that are deeply indebted. UNCTAD can exercise some pressure, especially as far as the “conditions” are concerned. Other initiatives can also help [the countries] to get together so that individual arrangements can be made, but with a broad outlook on how to make those arrangements.

As you recall, the president of Ecuador has insisted during the last few months on the need of the debtor countries to get together, not exactly to form a negotiating group, but rather to exercise pressure on the developed countries and the banking institutions so that the conditions can be worked out in a broad sense. And I think this is the realistic approach that can be made with regard to this specific problem. It would be almost impossible to get all the countries of the developing world together with all the institutions to which they owe money and to have a sort of global negotiation on these issues. But, since this is not altogether possible, what can be done is to maintain close communication among those countries which owe money, so that together they can put some pressure on the institutions to create conditions that would not mean having to fall back on the same obligations.

**EIR:** Is this to be understood as the answer to the threat posed by the formation of the already existing “creditors’ cartel,” the Ditchley Group?

**Lloreda Caicedo:** Well, if you want to call it that. As I said, concern is on both sides. It's a paradox: The countries that loaned the money in a mood of liberality at a point when money was easy, are now to a certain extent just as involved in looking for solutions as the countries that have the debts. But if the creditors get together, I see no reason why the debtors can't get together.

**EIR:** July 24, Simón Bolívar Day, could be a very good occasion to unite the countries of Latin America to this purpose. Do you think July 24 will be a very interesting day this year?

**Lloreda Caicedo:** Historically, it is a very important date. And we said many months ago to the government of Venezuela, which was the birthplace of Bolívar, that we would be collaborating in the celebrations on July 24. They have arranged a meeting, at least at the level of heads of state of the “Bolivarian” countries in Caracas, and I would expect that from that meeting of the presidents of five or six countries in Latin America, a number of proposals can come as a result of the discussion.

In fact, we are preparing for that particular summit on the level of the ministries. We are holding a number of meetings in the next few weeks and will prepare a document and set forth to the presidents a number of proposals they can study and agree upon. So it could have a certain meaning in the