



Written by [Alex Newman](#) on June 23, 2011

With Euro Crisis, South American Union Slows Currency Scheme

After witnessing the massive economic crisis swamping the European Union and euro-zone countries in particular, the Union of South American Nations (UNASUR or UNASUL) has slowed plans to create its own continental central bank and regional currency.



“When we started UNASUR the idea was to create a single central bank and a single currency, but the experiences of Europe led us to park the initiative,” explained Rafael Follonier, the Argentine representative to UNASUR. “In the European Union the single currency is a corset preventing members from leaving.”

Analysts quickly reacted to the news, noting that it was not a good sign for the European currency. Editor Louis James of the *International Speculator* [said](#) it was “quite telling about the euro and European Union, if banana republics look on the E.U. as a cautionary tale.”

The integration scheme in South America officially [got off the ground in March of this year, with the prompt selection of two socialists](#) to lead the organization. Based on the supranational governance model pursued by the EU, the regional regime has been working quickly to expand its sphere of influence and reduce national sovereignty.

Within a decade, its founders and supporters hoped full continental integration — complete with a single currency and central bank — would become a reality. Until recently, it appeared that they might be successful. But in light of the unfolding economic disaster in Europe, at least the monetary union appears to have been put on hold for the immediate future.

“The single currency is the last step,” Follonier explained. “First we must integrate the economies and shrink the asymmetries.” And indeed, that process is well underway and continuing full speed ahead.

Follonier noted that UNASUR was already working to have trade in the region conducted in local currencies as opposed to U.S. dollars. But he suggested that, for now at least, the continental body should primarily focus its efforts on “integrating” the region’s economic system and infrastructure.

Over a hundred separate physical-infrastructure projects — roads, bridges, tunnels — to further link the various nations are already complete or under construction. UNASUR is also considering the formation of a regional “development” bank that would finance hundreds more.

Numerous other integration schemes dealing with security, defense, finance, health, energy, trade and other matters are in the pipeline, too. A regional military alliance called the South American Defense Council has been plotting to — in its words — “consolidate South America” for years.



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The UNASUR scheme promised “security” and “prosperity” for the bloc’s nearly 400 million citizens — the vast majority of whom currently live in poverty and fear. But considering the fact that most of the 12 nations in the union are ruled by tyrants of various varieties, prospects for a better life under the regional regime don’t look good.

As *The New American* magazine reported, [most of Latin America is ruled by members of a shadowy network known as the Foro de São Paulo](#). The alliance consists of communists, terrorists, drug traffickers, “social” organizations, leftist political parties, and various tyrannical leaders.

Founded by communist despot Fidel Castro, the Sandinistas, and former Brazilian President Luiz Inácio “Lula” da Silva, the cabal now includes the ruling political parties of about two-thirds of the governments in the region. And with the help of socialist Venezuelan strongman Hugo Chavez’s “petro dollars” and various foreign powers, the network’s influence continues to grow.

In a [2010 report](#), a liberty-minded think tank in Chile called Libertad y Desarrollo (Liberty and Development) warned of possible problems with a single currency, calling the proposal “highly risky.” The report also noted that monetary unions, such as the one in Europe, were far from being proven beneficial.

In its conclusion, the report warned that UNASUR could be used as a platform to promote the authoritarian ideologies of some of the region’s more unsavory rulers. Or it could become a costly bureaucracy with few benefits for members.

Considering the sorry state of affairs in Europe and the motley assortment of anti-freedom rulers terrorizing most of Latin America, deeper “integration” and “monetary union” in the region would almost certainly lead to an unmitigated disaster. South Americans should consider themselves fortunate. They might have just dodged a speeding bullet — temporarily at least.

Photo: São João avenue, one of the most important commercial centers in São Paulo, Brazil.



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