their ass burned.

The thing that will shake them up is Mexico. You can take seven countries in the developing sector and push them over the edge, and the White House might not notice, even with United States banks screaming. But if one of those countries is Mexico, then it is a different story. Mexico is the only Third World country that Reagan knows exists. So the easiest thing is to force Mexico to the edge and that is already happening. That would panic people. You get a crisis in Mexico caused by their debt problems and their poor development policies, you plunge the country into chaos right on our border, and you have several other countries close to the margin as well, then you get people screaming for a new Bretton Woods from all sides. It is already starting to happen in Mexico, like I said. Just read the newspapers or look at the TV. It is going to get much worse. That will ring the bells in the White House. Mexico alone could do it.

Interview: Sridath Ramphal

From an interview conducted by EIR*'s Peter Rush with Sridath "Sonny" Ramphal, Secretary-General of the British Commonwealth, on July 20 at the SID conference.*

EIR: There have been numerous articles in the Latin American press recently about the possibility of a debt bomb, where Latin America would use its debt situation as leverage to force some kind of debt reorganization. Have you heard any discussion of this kind of possibility?

Ramphal: I believe that the established agents in governmental positions are refusing to come to grips with the problem of international debt, and it is in that kind of vacuum that all kinds of approaches, some of them quite scary, will emerge. We have all been trying to emphasize the enormity of the debt problem, that there should not be a conspiracy of silence, which is the normal bankers' reaction: "Don't talk about it, it'll only get worse." But everybody knows that it is so bad that you know you have to talk about it because you've got to do something about it. We should come to grips as an international community with the enormous volume of debt. Otherwise, you will respond to one crisis today, say Poland, somebody else tomorrow, and you can handle a few; and then bang, there will be a crash, and you'll be back in the 1930s, and this is a situation in which we ought to be more intelligent.

EIR: What solutions do you see?

Ramphal: I think we have to impress the international community—this is what the Bank of International Settlements was saying—they are after all virtually the central bankers to the world banking system, and they were saying things are getting out of hand. But what to do about it is the question.

EIR: What about debt renegotiation?

Ramphal: The banks wouldn't make that suggestion . . . . I haven't got a blueprint, but the next step is, having recognized it, for North and South, creditors and debtors, together to sit down and recognize that we've got to negotiate this thing on a global basis.

EIR: Was Mr. McNamara's proposal the first you'd heard of his new bank?

Ramphal: No, the idea of an international central bank is one that the Brandt Commission has specifically proposed. However, I was glad to hear Mr. McNamara, I thought, in effect, endorse it. We think this is an important development.

EIR: How would the central bank actually work?

Ramphal: Again, it's a matter for negotiations. But the concept that just as a financial community at the national level needs the regulatory agency of a national central bank, so increasingly in an interdependent world we need a regulatory agency or an international central bank, properly structured, professionally run, so as to save the world from these recurring economic crises.

EIR: But how would it deal with these obvious questions of national sovereignty over currency?

Ramphal: I think that is the real challenge that faces us in the '80s and beyond. We have to come to terms—the Third World in particular, those with newest sovereignty, are most jealous of it—with the fact that we're living in a different kind of world, interdependent. . . .

EIR: How would the currency be differentiated from SDRs, for example?

Ramphal: Well, SDRs are clearly something for which the time has come. The Brandt Commission made it quite clear that they thought SDR should be used more effectively, and they are under the control of the IMF.

EIR: How would the currency of the central bank be different from SDRs?

Ramphal: No, it would be akin to SDRs.

EIR: Would it be like the IMF's SDRs?

Ramphal: That's right.

Interview: Dudley Seers

From a July 19 interview with Dudley Seers, a British subject and guiding light of the SID, conducted by Peter