

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.

Interview: Colombia's Foreign Minister

‘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

way of getting some of the Latin American countries together with common purposes. And, of course, these ideas could be expounded to other countries of the hemisphere which will not be participating directly in the celebration, but which have the same difficulties.

EIR: Do you expect something major to come out of that summit?

Lloreda Caicedo: You never can tell. I can't give you an advance on that. It depends on the possibilities of the presidents to really present very effective proposals. I think it's going to be an important meeting. I don't know what you would call "major decisions," but in as far as what has been done and what can be done, I would expect important decisions from that meeting.

Interview: Egypt's Economics Minister

'It is now time for the world to act'

Egyptian Minister for Economy and Foreign Trade Moustapha El Saeed, head of Egypt's delegation to the UNCTAD VI Conference was interviewed by EIR in Belgrade June 10.

EIR: Faced with the tremendous debt burden in Latin America and other parts of the world, there is a growing recognition, including in the United States, that it is very possible that part of this debt will have to be written off. A member of the U.S. National Security Council, Norman Bailey, indicated this in a speech he gave May 17 at a monetary conference in Brussels.

El Saeed: We are meeting at a time when there is a greater recognition of the mutual interdependence of the world. The advanced countries themselves are facing their problems. They have to encourage their exports. Developing countries now are becoming important customers. About 44 percent of Japan's total exports are imported by the developing countries; and for the United States, I think the figure is about 34 percent. In the last few years it was possible to finance exports through giving more loans—official loans from governments or private loans from banks.

Now, due to the increase of the world's debt, the whole international indebtedness, and, due to the failure and even default of many countries, private loans are not expected to be available in the same quantities and at the same rate as they were before. Therefore, you have proposals from people, as you mentioned, [from] Bailey or others, who say we

have to write off the old debt and start again. The basic aim is to find ways to facilitate the movement of exports from advanced countries to developing countries.

EIR: Your president, Mr. Mubarak, has basically given the answer for a way out for both the North and the South in his speech here June 9. He proposed to build large regional development projects and to create a new world bank for development, which would design and finance such projects with the participation of the industrialized countries. This would create a tremendous upsurge.

El Saeed: We are saying that the advanced sector, to facilitate not only the development of the developing countries but also for their own recovery, has to provide the developing world with more loans so that these nations will be able to establish those regional development projects. This is the most important point. It is not a question of charity. It is a question of mutual interdependence.

For the recovery in the West and advanced countries to gain momentum, they have to take care of the development objectives of the developing countries, because the interlinkage of the two groups is becoming great. You can't go ahead with your recovery unless you export more to the developing countries, and unless the developing countries are able to absorb more of your exports. You either have to write off the old debt and start to provide new loans, or you have to create a new international division of labor with less protectionism and more liberal movement of goods from developing countries to the industrialized countries. This is the dilemma which the world is facing, and here at UNCTAD there is more recognition of this. It is now time for the world to act. Even at Williamsburg the question of interdependence of the world economy is recognized.

Although the world is now becoming more and more convinced of this argument, it remains to take concrete steps to achieve this. And here lies the importance of the proposal of Mr. Mubarak yesterday, calling for summit meetings between developed and developing countries so that they can sit together and try to find ways and means to implement great projects. Here lies the importance of the question of creating a new bank in order to finance those regional infrastructure projects which would help all the countries.

EIR: Can you give some examples concerning these regional development projects?

El Saeed: Take an example: A highway from Egypt to West Africa. The problem is that we are not able to trade with Senegal, Nigeria, or with Ivory Coast, and the shipping lines are not regular. You have to ship your products to Marseilles, to Naples, and then change ship or boat going to Nigeria and Senegal. The cost is high, the time is long. You could not compete with commodities coming from the West, although the production costs are cheaper.

But if you have a road from Cairo crossing the desert