

EIR interviews in 1983

We present here highlights from some of the many interviews with world leaders conducted by *EIR* in 1983. The dates given in parentheses refer to the issue of *EIR* in which the interview appeared.

The Ibero-American debt bomb

EIR interviewed leading officials from the Ibero-American countries trying to organize a “debtors’ cartel” as well as representatives of the competing factions of international finance.

The strategy of the primarily Swiss-based banking faction is to force a “crash” that would wipe out the U.S. banks and force unprecedented levels of austerity upon the developing sector. A prime spokesman for this view was **Friedrich von Hayek**, the 84-year-old honorary world chairman of the ultra-monetarist Mont Pelerin Society. He told *EIR* (Jan. 18): “I rather expect that during my lifetime, a financial crash will be avoided by renewing inflation. I fear so. I would rather have, in the long run interests of the world, the financial crash now, and then a new beginning. . . . [The Third World nations] will have to crash. Nothing special about Brazil. All of them will have to crash.”

Fritz Leutwiler, president of the Swiss-based Bank for International Settlements, was asked about the possibility of the formation of a debtors’ club (March 1): “I cannot express it in public, but I expect something like this to happen; I have a very uneasy feeling. I saw the Brazilians in Washington. . . . I felt I was the one asking for money. *They told me what to do!* They gave me instructions.”

Leutwiler emphasized that the financial crisis will get much worse and that “the hope of a U.S. recovery is ill-founded, wishful thinking.”

Carlo De Benedetti, the managing director of Italy’s Olivetti Corporation, a member of the board of directors of Morgan Guaranty, and a spokesman for Venetian financial interests, believes that a crash is inevitable (April 5): “Everybody sees that the LDCs can never repay their debts. . . . So what will happen? The banks don’t want it, the governments don’t want it, and the populations don’t want it. That doesn’t mean there won’t be a crash. It could happen by accident, or

by political action.”

From the Ibero-American side, *EIR*’s numerous interviews with government officials and other leaders reflect momentum toward using the collective “debt bomb” if necessary to force a global economic reorganization.

Carlos Alzamora, then-permanent secretary of the Latin American Economic System (SELA), is one of the principal spokesmen for continent-wide integration around an economic development perspective. In an interview conducted in Bogotá, Colombia, he discussed SELA’s proposals on the debt issue (June 14): “We think the problem is of too great a magnitude to be solved within the individual capacity of the countries, banks, and international financial entities; it demands a meeting of minds at the political level between debtors and creditors. This meeting of minds can only be possible on the basis of a common proposal issued by the debtors. . . . What we have protested most strongly is the excessive and unjustified cost which refinancing is having for the countries. . . . We have to pay our debts, but we do not have to pay usury.”

Dr. Jorge Illueca, president of the 38th General Assembly of the United Nations, former foreign minister of Panama (Nov. 1): “In Latin America an effort is being made . . . to stress the necessity for these countries, either at the regional or world level, above all the indebted countries, to coordinate their efforts, not so much to achieve collective negotiations, because we know that is very difficult, but at least to coordinate their attitudes and actions.”

Frederick Wills, former foreign minister of Guyana, described the effect of International Monetary Fund conditionalities in the developing sector (Nov. 29): “[The IMF and the World Bank and other lending institutions] pursued policies which meant that the only chance of recovery, if the policies were accepted, was to do something like the exportation of dope—heroin and marijuana—to get quick cash flows to close the balance of payments gap.”

Brazil, the biggest debtor country in Ibero-America, has been the scene of the fiercest national battle with the IMF and the Bank for International Settlements.

Ramiro Saraiva Guerreiro, foreign minister of Brazil,

stressed (June 28) that Brazil would not repudiate its debts unless it becomes “physically impossible to meet commitments on their due dates.” But he warned that the austerity conditionalities of the International Monetary Fund could lead in this direction. “It cannot be the object of the IMF to impose policies which are self-destructive, therapies which will kill the patient.”

Alencar Furtado, a Brazilian congressman and chairman of the Parliamentary Inquiry Commission on the foreign debt (Nov. 22): “We are paying today more interest than the debt itself. And the news brought to us now, which we are carefully analyzing, is that we are also paying, in addition to the interest, the U.S. inflation incorporated into the Brazilian debt. Therefore the Brazilian population is paying what it owes plus what it does not owe—insult with interest.”

Jamil Haddad, the mayor of Rio de Janeiro (Nov. 8): “The international financial powers have dominated the Third World not by military arms but by financial weapons. The Third World was trapped; it became dependent through the types of loans that can never be paid. . . . If the international creditors want a solution, they are going to have to accept the idea of moratoria so there can be internal investments, improvements in the social situation, increases in the population’s buying power, generation of jobs. . . .”

Shigeaki Ueki, president of Petrobrás, Brazil’s state oil company (May 17): “There is no way for the developing countries to overcome the crisis through their own efforts. . . . It has never been so important as it is now to have a greater understanding between the developed and the underdeveloped countries.”

Dr. Rodrigo Lloreda Caicedo, foreign minister of Colombia (June 28): “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. I think this is the realistic approach. . . .”

Jorge Carrillo Rojas, vice president of the Union of Colombian Workers (UTC) and president of its largest region, Bogotá and Cundinamarca (Dec. 6): “There are no possibilities for paying the debt at the moment, at least not if the population is not to be starved to death to pay the debt. . . . Thus we agree to the proposal for the formation of a debtors’ club, so that the banks accept a moratorium on payment of the interest and they give us a grace period of 10 to 16 years, while we are able to develop our economies to be able to pay.”

Carlos Andrés Pérez, former president of Venezuela (Feb. 15): “Global renegotiation would put the industrialized nations face-to-face with an idea which we hold to be fundamental, that of defining a New International Economic Order in which the industrialized nations will no longer unilaterally set for us the terms of exchange, will no longer force the developing nations to submit to the abusive policies which the International Monetary Fund imposes on the poor nations. I call that ‘economic totalitarianism’ by the industrial-

ized nations. It is a totalitarianism which kills not with bayonets, not with cannons, but with hunger.”

Léon Roldos, vice-president of Ecuador (Sept. 27): “I do not believe in a debtors’ club, because I believe that there are problems unique to our countries which cannot possibly be acted upon jointly in negotiations of this sort. On the debt, I think there should be an overall reference framework so that all renegotiations and all credit policy are decided from the perspective of development rather than in terms of trying to pay previous debts.”

Luís Valencia Rodríguez, foreign minister of Ecuador (April 5): “This is the most serious crisis of the postwar period, similar only to the Great Depression of the 1930s. It is possible that we are on the brink of a great collapse; that is what we have to assume. . . . The possibility of a joint renegotiation of the public debt and even of a moratorium has been widely discussed. All of these ideas are currently in play. On the other hand, the idea of achieving a joint renegotiation seems difficult in view of the fact that the economies of Latin America and those of other developing nations are all very different.”

Raul Alfonsín, now president of Argentina, spoke with *EIR* during the election campaign. Asked about the possibility of a Latin American common market, he replied (May 17): “Maybe that would be too pretentious, but this is in reality the direction we have to be working toward. . . . We have to work together, at least to protect ourselves from being forced to pay usury. . . . I would not pay this usury. I am willing to fulfill our country’s promises, but not on the basis of destroying our people by paying international usury.”

Pinto Kramer, a federal judge in Rio Gallegos, Argentina, outraged the international banking community when he ordered the arrest of central bank president Julio González del Solar on Oct. 3, on the charge that the terms on which he was renegotiating Argentina’s foreign debt were a violation of national sovereignty. Judge Kramer told *EIR* (Oct. 25): “It’s time for Latin America to stand up, to establish its importance in the eyes of the international community. You cannot strangle the debtor, and [force him] to pay at any price. . . . You asked me if I thought that with these actions I had lit the fuse of an ‘atomic bomb.’”

Juan José Taccone, a leader of Argentina’s Partido Justicialista [Peronist party] and international coordinator of the Office of Latin American Economic Information in Buenos Aires (Feb. 22): “We have determined after examining the foreign debt of our own country . . . that it is necessary to convene an Ibero-American conference, including a meeting of the Organization of American States, to discuss the problem of Ibero-America’s \$260 billion in foreign debt, and propose a joint renegotiation. This situation was imposed on our countries as a collective process, and as an antibody, there must be collective response from our side.”

EIR asked **Dr. Juan Bustos Fernández**, president of Argentina’s state oil company, Yacimientos Petrolíferos Fiscales (YPF), whether there was any chance that his company would be denationalized as part of an agreement with the

foreign banks (Oct. 4): "No. I see this to be quite impossible. In the speech I gave on Petroleum Day, last Dec. 13 . . . I very solemnly declared that YPF is not for sale and never will be sold. This is not a mere phrase; it is not mere rhetoric, but the feelings of all the Argentine people."

Ricardo de la Espriella, president of Panama (April 12): "Everything that is a cartel carries weight, can make itself felt politically. That does not mean that a debtors' cartel is the solution, but we have a saying: 'In unity there is strength.'"

The international response

EIR correspondents covered the two key meetings of developing sector countries this year—the New Delhi summit of the Non-Aligned and the Belgrade UNCTAD meeting—where the debt crisis was the number one item on the agenda. **Saud al-Faisal**, the foreign minister of Saudi Arabia, gave a press conference during the Non-Aligned summit in March. *EIR* asked him about Saudi Arabia's view of the debt crisis and the IMF's role (May 10): "Something has to be done concerning the conditionalities of the IMF to make it more responsive. The decisions concerning these institutions lie in the hands not only of the developing world."

Fernando Moran, foreign minister of Spain (May 31): "Spain doesn't have much debt, it doesn't have the same proportion of debt that Mexico has, for example, but I think that it can be effective to coordinate the postures of these countries suffering the economic crisis."

At the UNCTAD VI conference in Belgrade, *EIR* spoke to **Moustapha El Saeed**, Egyptian minister for economy and foreign trade (June 28): "It may even be in the interest of the creditors if such a club is formed, to discuss and find agreed-upon means to repay the debt. . . . I think that unless something completely new and unusual is done, either by writing off the debt or a large part of it, or by investing in certain export oriented projects, which can bring in initial capital, and which can generate profits that can be used to pay for the old debt, this problem cannot be solved."

Also in Belgrade, we interviewed **Janez Stanovnik**, senior adviser to the Yugoslav government on foreign economic policy (July 5): "I do not believe that a debtors' cartel is a realistic approach. . . . All economic logic speaks for a debtors'

the other side monopolizes also. But the situation here in the power structure, in the balance of power, is such that it is just totally impossible to get to it."

EIR correspondents visited Poland in January, and interviewed **Bazyli Samojlik**, an economic adviser to Polish Prime Minister Gen. Wojcieck Jaruzelski. He explained the desperation behind Poland's application to join the IMF (Feb. 1): "Because of the level of our debt, our inability to pay, and the strong demand for credit for our most urgent needs, we are looking for every possible source of credit, even if it is on bad terms. . . . Already the degree of control by the IMF and the banks is huge."

Beam weapons and the defense of the West

EIR featured statements of support for President Reagan's anti-ballistic missile defense program from Western European and Ibero-American experts.

Bartolomeo Ciccardini, Italian Undersecretary of Defense (Oct. 18): "Is a laser shield perfect? It is still difficult to say, but every step in this direction is right. I find ridiculous the attempt to ridicule the American President's proposal by calling it science fiction or 'star wars.' . . . I am convinced that defense represents an important lever for technological advancement which can be re-utilized in civilian life."

General Giulio Macri, retired general in the armored armed forces of the Italian Army (May 31): "I think that Western Europe as a whole and Italy should immediately and urgently give political support to the project that President Reagan announced last March 23 and which was reaffirmed by Defense Secretary Weinberger, so as to support him also in the present battle in the U.S. Congress and Senate to pursue the research and development efforts of laser and particle beam weapons, as essential components of a valid antimissile and nuclear defense."

Colonel Marc Geneste, vice-president of the Center for the Study of Total Strategy in Paris, is known as the father of the French "neutron bomb." He described (Nov. 9) the erosion of the Mutually Assured Destruction (MAD) doctrine which has governed Western defense, and the need to replace it with Mutually Assured Survival—the "shield" of defensive weapons like the neutron bomb and anti-ballistic missile beam weapons: "The French had better cooperate, because they have the capability to participate in laser development, they are very good. And they have the know-how to participate in the common ballistic projectile defense of the West, if they want."

Julian Amery, a British Conservative Party member of parliament, distanced himself from the British government's outcry against the U.S. military action in Grenada (Nov. 9): "Grenada was being destabilized from the outside by Cuba and Nicaragua. It was better to move now rather than later, when it would have been more problematic."

Piers Wooley, a British defense economist and international relations specialist, was, until Sept. 1983, the research officer for the Conservative Party Research Bureau International Department. He discussed (Nov. 8) the effect of monetarist doctrines in destroying the British economy, including its defense: "We should go for beam weapons on the basis that it would be a policy of Mutually Assured Survival. . . . [In the U.K. this] is not taken seriously."

Brigadier General Hector Luis Fautario, former commander-in-chief of the Argentine Air Force, was the first leading military spokesman from a developing-sector country to endorse beam-weapon defense (Nov. 9): "This strategy, which opens a completely new panorama on the future nature of war and the future defense of all countries, has not been sufficiently broadcast here. I think that the development of beam weapons . . . is tremendously important; I could

compare it directly with the development made by the United States when it launched its famous NASA program to conquer the moon and reach other planets. . . . What I believe is that countries like ours have to rapidly associate ourselves with developments of this magnitude because they would ensure the freedom of the world.”

Makoto Momoi, a Japanese defense expert currently with the Tokyo daily *Yomiuri Shimbun* (Sept. 27): “Now the United States is putting emphasis on defense and laser beams. This is good, particularly from the standpoint of reassuring the allies. It’s very reassuring for us to learn the United States is not trigger happy.”

Asia and the Mideast

Tan Sri Ghazali Shafie, foreign minister of Malaysia, spoke to *EIR* at the Non-Aligned nations’ summit in New Delhi in March. During the summit, Mr. Ghazali Shafie held a meeting with Vietnamese Foreign Minister Nguyen Co Thach (April 5): “We have been making contacts at this conference with Co Thach of Vietnam. . . . I told him: Surely Vietnam is the first country to recognize that to occupy a foreign country is the easiest way to allow your enemy to subvert you because that is how you subverted the Americans when they were occupying South Vietnam. So, by your being in Kampuchea, it is very easy for the Chinese to subvert both Kampuchea and Vietnam. So why don’t you leave if you are afraid of China?”

Nguyen Co Thach, the Vietnamese foreign minister, in turn told *EIR* (April 5) that the security of Kampuchea was improving, as signaled by his government’s declaration of annual withdrawal of troops: “There are two options. Now, we can settle the problem between ASEAN and Indochina on Southeast Asia, the sooner the better. This is the best option. The second option is that the present situation will drag on. And if time goes on, the situation in Kampuchea will improve.”

Pichai Rattakul, deputy prime minister of Thailand, told *EIR* about his government’s efforts to ease relations with Vietnam (June 14): “The Thai government is willing to cooperate in the economic field and trade with any country. This has never been mentioned before. On the basis of the statement made by the prime minister, I think this should be a good initiative.”

Datuk Musa Hitam, prime minister of Malaysia, described his government’s efforts to crack down on the drug trade, which he described as a “security problem” (May 24): “We regard this matter as one of the biggest threats that we have ever faced, and we are determined to stamp it out.”

Dato Azman Hashim, chairman of the Arab-Malaysian Development Bank, said (May 17) the Malaysian government would orient its economy toward the Japanese model: “We need to be comparatively more productive. So I think ideally the best example right now is in the East, Japan and Korea.”

Youssef Wali, Egypt’s agriculture minister, described

his country’s bid to become “the Japan of the Middle East” (Jan. 25): “Our transformation into a new Japan will not be served to us on a golden platter. We will have to work hard; we must be organized; we will have to avoid mismanagement, to avoid corruption, to avoid miscommunication, to become the Japan of the Middle East.”

Mohammed Abdellah, foreign affairs chairman of the Egyptian National Assembly (Jan. 25), discussed the Non-Aligned movement’s attempts to coordinate economic and political action: “There is coordination among the countries of the Third World that could give them more bargaining power. It’s nothing in comparison to the power of the big powers, but it is more bargaining power.”

Col. Meir Pa’il, former brigade commander in the Israeli army, former deputy in the Knesset for the Zionist Peace Initiative parties (Aug. 23): “The Israeli invasion of Lebanon was from every point of view something that created a terrible negative outcome for Israel. . . . We didn’t destroy the PLO. We didn’t solve anything vis-à-vis the Palestinian question. . . . I don’t like Israel to perform the duty of a dirty dog. Kissinger and others in Washington have all too often used Israel as it would use a dirty dog.”

Ehud Olmert, an Israeli member of parliament from the Likud party (March 1): “I read with apprehension that [West Germany’s] Green Party included in its official publication and material positions and views which are traditionally anti-Semitic.”

Terrorism, gun-running and the Jesuits

EIR interviewed two Spanish government ministers on the threat posed by terrorism to democracy. **José Barrionuevo**, the interior minister, stressed (June 21) that “terrorism can act as an incentive for the most reactionary groups who would prefer there were no democracy in Spain.” **Joaquín Ledesma**, the justice minister, discussed the government’s effort to crack down on the ETA terrorists, and its interest in solutions found by countries like Italy, “notably, disincentives to criminals through favored treatment in the fight against terrorism.”

Rep. Henry Gonzalez, a Democratic congressman from Texas, has launched an inquiry into possible conflict of interest regarding Henry Kissinger’s as chairman of the President’s Commission on Latin America. As he explained to *EIR* (Sept. 13): “Kissinger has profited, and continues to profit, from such things as even the arms sales in Central America. . . .”

Alfonso Robelo, Nicaraguan co-commander of the Democratic Revolutionary Alliance which is waging guerrilla warfare against the Sandinista government (Nov. 29): “It seems like a segment of the Jesuits . . . really wants to be the power behind the throne, independently of which way the current goes. They were once the power behind the throne of the bourgeoisie; now they are at least the top advisers of the Sandinista government. . . .”