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
one of those countries is Mexico, then it is a different
would panic people. You get a crisis in Mexico caused by
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 Brit­
ish 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 govern­
mental 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. Other­
wise, 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 Set­
tlements 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

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 debt­
ors, 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 pro­
posed. However, I was glad to hear Mr. McNamara, I
thought, in effect, endorse it. We think this is an impor­
tant 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 effec­
tively, 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

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