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## ***Interview: Hilarión Cardozo***

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# Venezuela's OAS ambassador: 'we must unite to renegotiate the debt'

*On July 1, Venezuela's ambassador to the Organization of American States, Hilarión Cardozo, delivered a major policy speech upon assuming the presidency of the OAS Permanent Council. In his remarks, Cardozo called on the assembled nations of Ibero-America to unite in defense of the continent's sovereignty and economic development. He urged that vital issues such as debt renegotiation, raw materials prices, and regional security henceforth be negotiated by Ibero-America exclusively on a multilateral basis; and he insisted on the reform of the Inter-American system to facilitate this process.*

*In an Aug. 6 interview in his Washington, D.C. office, Ambassador Cardozo discussed with Executive Intelligence Review's Ibero-American Editor Dennis Small what progress had occurred on these issues.*

**Small:** Let's start with the most polemical. What do you think of Henry Kissinger's possible return to power in the U.S. government?

**Cardozo:** I would have to view it in two ways. From the perspective of his return as such, it is a sovereign act and we have no reason to consider it. Now, from the perspective of what it might mean for U.S. policies, one may certainly recall that Kissinger's performance as Secretary of State was not the most brilliant, the best, the most fruitful, nor the most friendly epoch of relations between the United States of America and Latin America. However, men have the right to adapt themselves to changing times, and I believe in the perfectibility of man, in the possibility for a man to mend his ways. We will have to wait and see what ideas he comes back with. But if he brings the same ones, I think they are not particularly well-liked in Latin America; they do not provoke our sympathy or understanding.

**Small:** I too believe in the perfectibility of man, but I'm not sure I believe in the perfectibility of Henry Kissinger.

Passing to the subject of the reorganization of the Inter-American system, what can you tell me about this? What

reactions have the Ibero-American countries had to your recent speech to the OAS?

**Cardozo:** I was fairly satisfied by the way it was received by the ambassadors. Many foreign ministries have begun to seriously study the matter. But we have felt that it is not yet the right moment to request their final opinions; this is something we will soon begin to do. But I think it contributed something to focusing the discussions and our concerns.

**Small:** In that speech, you referred to the International Monetary Fund and the conditionalities which it tries to impose, conditionalities which are not beneficial to developing nations. Can you go a bit deeper into the IMF question?

**Cardozo:** The economic factor has always and will always be one of the most important elements in relations between men and between peoples. Today in my judgment, it is the primary element for Latin America to consider. Dealing with Latin America's economic situation is also the best way to face the problem of safeguarding the sovereignty and the self-determination of its peoples—because none of the governments of Latin America, nor the Inter-American system, were formed to be subjected to outside influences or enforced government.

Present economic conditions sharply undercut sovereignty. They permit interference from the world's powerful nations, the industrialized countries, which own great capital, and from the international financial organisms which are also controlled and run by big capital. One of these mechanisms is undeniably the International Monetary Fund, which has a very powerful influence. When a country receives the stigma or the anathema from the Monetary Fund, or when a country considers that the proposals of the Monetary Fund are not acceptable and tries to do things another way and gets excluded from the Fund's system, then, to the same degree, all doors to financing and credit sources are slammed shut. Thus, the Fund wields an extremely dangerous instrument. Not that I'm an adversary or prejudiced against the Fund; rather I look

at it realistically in all its intensity. And, unfortunately, the Monetary Fund often, from behind an apparently healthy position of controlling and helping to rein in evasive or perturbing factors in a country's economy, demands cutting social expenditures and programs.

The Fund sees such steps as a natural fact, a "technical problem." But they don't recognize that this cuts into the deepest roots of policy-making and sovereignty. By forcing a government to cut social programs, they could be fostering conditions for social convulsions whose final outcome is unforeseeable—not only internal revolutions in a country and what this might bring in its wake, but even the presence of foreign opinion. This could harm the democratic system, as such, in a country.

I'm not saying the Monetary Fund should change its statutes and give out money without demanding guarantees. No. It's simply a question of seeing if there is a commitment and a desire to favor the progress of people, the advancement of nations. Any measure which in any way leads people to lose faith in democracy, even though it might be "technically" beneficial, will deeply damage the philosophy and the politics of that country.

I believe that it is an imperative obligation of the Fund, and all other international organisms, to try to make responsible economic management perfectly compatible with humanity's social progress.

**Small:** During the last few weeks, the International Monetary Fund, in conjunction with the main international banks of the City of London and Wall Street, has been pressuring many Latin American governments (Argentina, Mexico, Costa Rica, and Venezuela, for example) to impose austerity and budget cuts. In each case, the country's foreign debt has been used as a pressure point to force the adoption of IMF measures.

To counter this the American economist Lyndon LaRouche has proposed that the Latin American nations unite to use their foreign debts to pressure the international bankers to renegotiate their debts in a manner beneficial to the nations concerned. To what degree do you think it feasible for Latin America to unite to renegotiate its debt? Has LaRouche's proposal been discussed, or are there talks leading in that direction?

**Cardozo:** I believe that the foreign debt problem is today one of the basic economic problems of the Latin American countries. That is obvious. I have stated repeatedly that there are Latin American countries which are borrowing money only to pay off interest on their earlier loans. That way, every time they take out a loan they are reducing the possibility of new loans, because each time they are borrowing to pay more interest, and the interest on the earlier interest. So they are getting into an extremely critical situation which is beginning to be taken very seriously by governments and Latin American regional organisms. I understand that several bodies are promoting the idea of beginning to seriously study how to

deal with this—for example, with a seminar of the best economic brains of the continent.

I also believe that the industrialized countries and the big banks have themselves become conscious that any grave situation which might throttle or paralyze the continent's ability to pay, would have disastrous effects on the international monetary system, and practically make those same banks bankrupt. Therefore, I think that the banks have not declared in default some countries which are already effectively in default, because that would engender panic and lead to a more or less violent confrontation of a number of countries.

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*The foreign debt problem is today one of the basic economic problems of the Latin American countries. Latin America must take an extremely clear position that some questions must be negotiated multilaterally. It is not a question of debt repudiation. Within Latin America, a way must be found to channel economic resources for countries' own development under conditions of autonomy and independence. A multilateral Latin American solution cannot wait, but must be achieved immediately.*

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In dealing with this situation, as in other cases, Latin America should study it united. Latin America must take an extremely clear position that some questions must be taken out of the realm of bilateral negotiation and absolutely obligatorily be negotiated multilaterally. Why? Not out of any desire for confrontation; but because the weak must look for a new way to increase their negotiating capacity, their strength and their power. Therefore, in the face of the power of international financial institutions, and in the face of the power of the industrialized countries, the only way of beginning to compensate for the weakness of each Latin American country is by bringing unity inside Latin America and turning that unity into a balance of power.

Therefore, I think this matter should be studied and dealt with collectively, to seek a solution. It is not a question of

repudiating or causing repudiations on this account. That would manifestly not only create a grave situation in the world, but would harm Latin America's possibilities for obtaining new sources for development. Rather, it should be studied from the perspective of finding within Latin America itself some mechanism and some way to channel economic resources, so that countries will not have to submit to pressure wielded against them and so they can find some way of gaining resources for their own development under conditions of autonomy and independence. This is a question which should be discussed and solved as rapidly as possible on a multilateral basis among various Latin American countries.

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**Small:** What do you think of the idea of forming a Latin American Common Market to defend the area from any kind of reactions which could come up in the face of such a debt renegotiation?

**Cardozo:** That is the measure which has always been sought as an ideal. Integration has been posed as a Latin American ideal, which would lead to a great Latin American Common Market and permit us to control these trade and production matters.

However, movement towards a Common Market, which in 1960 had been projected to achieve total operation by 1982, has been extremely slow. I think the economic situation and the public debt situation cannot wait for movements taking many years, but rather must be solved immediately.

**Small:** Let me ask you about your concept of economic development. You are familiar with the Club of Rome and its Malthusian theory that there are insufficient resources and too many people. Do you think that that is correct, or do you share the opposing view that continuous human progress is feasible?

**Cardozo:** I think that the thesis that you have to brake development and population growth in order to be able to feed those who remain, is really a mental pressure mechanism of the people who wield economic power. I believe that nobody can arrogate to himself the faculty of having greater force and greater power than the Creator Himself. And the Creator of man and of the earth did not and has not set any limits other than those which His own will has shown in the life of peoples and of nations.

Now then, some people, who surely did not participate in the creation of the world, want to arrogate to themselves the faculty of being gods in order to obstruct and destroy its growth and expansion. I don't know if such ideas came into their heads after they were born, or if they would have had them if they had stopped to think whether such ideas would have been beneficial to the world had they predominated prior to their own births.

In any case, I am quite sure that all these are fallacies to try to subjugate man, not to the will of God, but to the evil deeds of men.

Even in India, with its immense disproportion between visible economic resources and the immense quantity of people, one of the greatest protégés of Mahatma Gandhi once told the minister of Agriculture who advocated birth control on the grounds that, otherwise, the population could not be fed—he told him “very well, and who gave you the right to meddle in the private lives of our families to decide how many children we may have? If you are incapable of working to give us food, then resign; because you were appointed minister to find a way to feed the population, not to find a way to kill it.”

**Small:** As a Pope once said, if you are short of hats, you don't have to cut off heads so that there will be enough hats to go around.

**Cardozo:** Exactly. I believe that it is perfectly clear that this is not an economic conception, but, in reality, a philosophical and theological conception diametrically opposed to the Christian thought of the Western world. Also, practical experience shows us that there are still many vastly underpopulated countries in the world whose resources have not been sufficiently explored, developed, and utilized. Despite this, they try to bring ideas about control, ideas of negation, or ideas that there should not be population in those countries. But, the reality is the opposite: the population is a resource of nations so that we have enough labor power, enough hope, and enough will and courage to confront the tasks of being countries with an immense potential for transformation.