

where the law of the creditor and that of the debtor are treated equally as in all civilized countries. In a civilized country you have civil rights also for the debtors. For example, if you owe money in the U.S.A. and your creditor increases the interest, you have the right to go to court and sue him. This principle of law does not exist on the international scene.

What we want is to negotiate a new general and multilateral framework to solve this problem. Not the law of the creditors like the Club of Paris and the Committee of the New York banks which are both unilateral. They claim it's multilateral; maybe for them, but for us it's unilateral. We would like to negotiate a new framework where the 10% or 20% solution can be agreed upon, but we will never accept this "creditors' law" which is prevailing now. If the creditors insist on that, they will see that what happened in Peru is going to happen in many more countries. Peru was the first to move, but now we have Ecuador, Brazil, and the African countries I already mentioned. Since the creditors insist on their terms, the debtors are starting also to impose their law, unilaterally.

EIR: The United States have not spoken yet at this conference, but the fact, that they have downgraded their delegation at UNCTAD VII is seen by many observers almost as an insult. What role do you think will the U.S.A. play here in Geneva?

Rivero: For me, the attitude of the U.S. government at this conference reflects that they are still pursuing very conservative policies concerning the problems of the world economy, whereas the important step which Japan has already decided to take reflects the dynamic nature of the Japanese economy. With these initiatives they are one of the big actors in this conference, as well as the Soviet Union.

The only big country that unfortunately has not changed id the U.S.A., they still keep the same pace that started with the Reagan administration. I hope they will rethink their attitude and live up to their responsibility, because the U.S. economy is the biggest in the world, it is the most popular country and they have to start thinking in a more cosmopolitan way.

EIR: In the ongoing election campaign in the U.S., Democratic presidential candidate Lyndon LaRouche is the only candidate in sight who campaigns for an economic policy based on growth and development. Would Peru like to see Mr. LaRouche playing a more prominent role in the U.S. elections?

Rivero: Yes, I think the United States needs new politicians, all the way. I do not know Mr. LaRouche personally, but I have heard that he is a very dynamic and provocative man. Well, you know, an open society needs some kind of provocation sometimes. I think it's good that he runs for President and provokes the American people to think and to change. Why not?

Daniel Suazo

Palliatives cannot solve debt problem

Daniel Suazo is Minister Counsellor, Ambassador at the Permanent Mission of the Dominican Republic in Geneva. He was interviewed in Geneva on July 16.

EIR: Mr. Suazo, the biggest obstacle to development is undoubtedly the foreign debt, which is intensely discussed in "Committee I" at UNCTAD VII here in Geneva. Peru has been elected as chairman of the Group of 77 in this important committee, which means that Peru is representing the whole developing sector at this conference. Does this also mean, that the Peruvian position, the famous "10% solution," can be agreed upon as a solution to the debt crisis?

Suazo: What you are saying is only a number. The essential thing is the principle which Peru has introduced. The reality is that the developing countries cannot pay the debt under the conditions the international financial institutions are imposing on these countries, so there has to be a change in these policies. As I said in my speech to the conference: If this type of situation continues, then my country could initiate soon a special commercial relation with countries in the East bloc to try to find a market for its sugar production.

My country, for example, has suffered immensely from the drop in the terms of trade since 1970. The problem of foreign debt is also linked to the fact that every year, less and less capital comes into the country, so there is no money for investment. Consequently, this has resulted in a general deterioration of the living standard of the population and has threatened our social and political stability. Latin American economies were placed in strong and compulsive adjustment programs, which resulted in more contraction. The problem cannot be solved with temporary palliatives or with more debt restructuration accompanied by new money to pay old loans. Our country's debt has now risen to \$4 billion, which means we would have to pay more than 100% of our export earnings in order to pay the debt. That's impossible.

So obviously we need relief on the debt, but first of all, we need *new credits for investment and development* so that we can generate more wealth. Whether such a policy can be agreed upon at this conference, I cannot say.

EIR: What are, in your view, the most important developments at UNCTAD VII so far? What especially do you think about the speech of French President Mitterrand in which he talked about hosting a Paris conference on development, the stabilization of the monetary system, and the necessity to start infrastructure projects in the developing countries in the same way that France and Great Britain started to build the cross-Channel tunnel, or “Chunnel”?

Suazo: Of course, I appreciate his speech. But I also would like to say that it depends whether the speech was given by the *statesman* or the *politician*. If it was given by the *statesman*, then not only my country, the Dominican Republic, but I think the majority of the Latin American countries would be very happy to see these kinds of policies applied. Let me add, that such policies will be very much appreciated, not only if they come from France, but from any other industrialized nation.

EIR: Speaking about other industrialized countries, what is your comment on the fact, that the government of the United States has decided to downgrade its delegation to UNCTAD VII to the level of a “senior deputy assistant secretary” of the State Department?

Suazo: It is very sad to see such an attitude from the United States of America. There are even times when the seats reserved for the delegation of the United States are empty in the assembly while representatives of other nations are giving their speeches. That is not what we would wish to see from a country with such a history as the United States.

We would like to see, that this country returns to the moral standards it had long ago. The last time we saw the United States of America show a sincere intent to help developing countries in Latin America on a wide, large scale was during the presidency of John F. Kennedy, when he initiated his famous program, “Alliance for Progress.” With all its errors and misinterpretations, this was a good program to aid the development of Third World nations.

EIR: The only presidential candidate in the U.S. so far who has proposed to get out of the economic depression by giving new long-term, low-interest credits directed specifically to great projects in the developing sector, is Lyndon LaRouche. Is this the kind of program you are talking about?

Suazo: These policies, as I indicated in my speech, are certainly the kind of policies that we in the developing countries need in order to solve our financial crisis. Whoever adopts such policies, which are the ones that we want and need to see, is welcome.

The Baker Plan and Senator Bradley’s initiatives are also policies that we have hopes for. Unfortunately, we have seen they have not been fully developed.

EIR: Does that mean you support Lyndon LaRouche?

Suazo: I don’t know him enough to support his political

views, but certainly I would very much like to see these economic views gain more influence inside the United States.

Bernard Chidzero

‘There must be a reasonable limit’

Bernard Chidzero, the minister of finance, economic planning, and development of Zimbabwe, has been elected president of UNCTAD VII in Geneva. He was interviewed on July 16.

EIR: There is no doubt, that the problem of the foreign debt is one of the biggest obstacles for development. Does the fact that Peru has been elected as the spokesman of the entire developing sector at UNCTAD VII as far as the debt problem is concerned mean, that their “10% solution” will spread to other countries too and couldn’t the Peruvian principle be the common basis for an understanding between “North” and “South”?

Chidzero: Surely, that is what it means. The fact that Peru has been elected or appointed spokesman of the “Group of 77” on this issue, does not necessarily mean that there is unanimity or that there is a fixed position which is identical to that one which Peru has taken. There are different forms of the same principle applied by different countries: Peru has limited its debt service payment to 10% of its export earnings; recently Zambia has taken similar measures, they are going to pay about 5% of their export earnings; Brazil has postponed the payment of its interest; recently Ivory Coast has taken similar measures; Zaire has been doing it and some countries have just silently stopped paying.

What does this mean? Peru has recognized as Zambia, as Ivory Coast and even Brazil that they have an obligation to pay back, they do not repudiate the debt service as such. But they want to change the conditions. You cannot expect people to commit suicide in order to meet an obligation, as they say in Latin “Primo vivere, secundo philosophare,” first you must eat, before you philosophize.

It is absolutely essential that the debt service payments should not exhaust the financial resources of any country to the point that there is no money for education or health, let alone for investments in agriculture, mining, transportation, etc., which is the very basis to secure its future so they can