

## Interview: Dennis Small



# 'What is needed is a debtors' cartel, a common market'

*Dennis Small, EIR's director of Ibero-American intelligence, was interviewed by television journalist Dr. Julio Hazim in Leesburg, Virginia on June 12. The interview, which was provided courtesy of Compañía Nacional de Televisión, was broadcast in the Dominican Republic in June, and covered by the weekly Canabrava. The following has been translated from Spanish and slightly edited:*

**Dr. Hazim:** The Dominican Republic is on the verge of signing with the International Monetary Fund. We have with us today Mr. Dennis Small. He is one of seven people who were sentenced to jail, as political prisoners, together with economist Lyndon LaRouche. Mr. Small was sentenced to three years, and has just been released after serving two of those years.

I see that you have a book called *Railroad!* I think it important that the viewers know what this is about and why a group of American men and women were tried and sentenced in the United States to unprecedented prison terms. Welcome.

**Small:** I am grateful for the opportunity to be with you and with the television viewers in the Dominican Republic. It is the case that I just got out of jail a few months ago. I was tried and convicted, along with Mr. LaRouche, for totally political reasons. I believe it is of the utmost importance for it to be known, not only in the Dominican Republic, but worldwide, that in the United States—despite what the George Bush government says—there are indeed political prisoners; there are people in jail for their political beliefs, and I and Mr. LaRouche and my colleagues are among these political prisoners.

**Dr. Hazim:** Mr. Small, the average Dominican doesn't have a clear idea of how internal politics works in the United States, and thinks that people such as those at *EIR*, who are carrying out such a strong political opposition, who use very strong language regarding those who govern in the United States, are what remains of the anti-establishment groups of the 1960s and 1970s, which included communist groups. But

in your literature you oppose socialism and communism, not seeing this as a solution. What do you have to say to this?

**Small:** Yes, we oppose both Marxist socialism and liberal capitalism, in much the same way that Pope John Paul II, in his recent encyclical *Centesimus Annus*, has condemned these two extremes. Neither of these are solutions for the human population.

In the United States, the situation is that the political opposition is tolerated and permitted as long as it does not truly threaten the establishment. And when I speak of the establishment, I am talking about the big Wall Street and London banks, of the Anglo-American alliance which keeps Ibero-America indebted at this time.

Mr. LaRouche has opposed the policies of the International Monetary Fund for decades. We have demonstrated that the policy of the IMF is a policy that means genocide, by starvation and disease, for millions of human beings in the Third World. LaRouche has been a great defender of the interests of the Ibero-American countries and of the entire Third World, and has achieved influence among them not only for his ideas and his proposals, but also among the American voters: His supporters began receiving 25-35% of the vote within the Democratic Party. And at that moment, George Bush, Henry Kissinger, and the representatives of the establishment said, "No more, get rid of LaRouche! We are going to try him, we are going to put him in jail for life!" And they gave him a 15-year sentence. He is 68 years old. Thus, if things continue as they are, he is going to be in jail for life.

**Dr. Hazim:** LaRouche is a Democratic Party presidential candidate, and is now serving time in prison. It would appear that he is not being offered parole.

**Small:** They could give him parole when he completes two-thirds of his sentence, or 10 years in jail—eight years from now.

He will be 76 years of age, and although he is in fairly good health, he is a person who works very hard, he continues to write, to speak, to participate in the politics of the United

States and of the world from jail. Nonetheless, another eight years for a man of his age is a lot.

**Dr. Hazim:** You have many Jewish members, and also Latin American members. You also uphold the social doctrine of the Catholic Church, perhaps with more emphasis than Latin America's own Christians. To what do you attribute this?

**Small:** To the fact that we are an ecumenical, philosophical association, politically activist, and those who are members of our organization, are so out of their political or philosophical beliefs. This can include black, white, yellow, Jewish, Muslim, Catholic, Protestant. What we share is a concept that stems from the Judeo-Christian tradition, of all of Western civilization, that the human being has been created in the image and likeness of God, meaning that he has a creative capacity to contribute to the world's development, and that therefore each human life is absolutely sacred.

In economics, this means that the emphasis must be on the contribution of every individual to science, technology, and to the advancement of humanity. This is contrary to the liberal economic policies of the IMF which mean the death by disease, by starvation—by cholera in Peru's case—of thousands, and what are going to be millions, of human beings.

**Dr. Hazim:** Where is President Bush's general policy of a new economic order leading to? What role are we assigned in this?

But first, on the IMF and the foreign debt: They tell us we have to pay what their countries seized, robbed, mis-administered, mis-planned; that there has to be a free market economy with realistic prices and without subsidies which only benefit a few. Sometimes, their scheme of things appears convincing; and we, who have seen our past governments rob much of the money lent to us, sometimes think that neo-liberalism and the doctrine of the free market might be right.

**Small:** I would pose it this way. What would you think if I loaned you \$100 and you paid me back \$200 in four, five, or ten years. And after that period, you end up owing me \$300?

**Dr. Hazim:** That is usury.

**Small:** "Me, a usurer? . . . I am a Wall Street banker." That is what these gentlemen do. We have studied this, using the official statistics of the World Bank itself. And the statistics are clear.

Take the case of the Dominican Republic. In 1980, it owed \$2 billion in foreign debt. During the course of the 1980s, the Dominican Republic paid \$1.7 billion. That is nearly the entirety of the debt it owed. However, at the end of that decade, the Dominican Republic owed double what it owed in 1980, that is, it owed \$4.1 billion. It is total usury.

The case of Ibero-America as a whole is even more serious. In 1980, Ibero-America owed \$243 billion. It paid 130%

of that debt, or \$314 billion, during that decade, and ended up owing more than it owed in the beginning. Today, it owes \$429 billion. It is pure usury. And what it means to pay this illegitimate, fraudulent, usurious debt, with the people's hunger, is simply to create the conditions in which cholera will sweep the entire continent.

**Dr. Hazim:** Recently, one of your colleagues, Mr. Carlos Wesley, said that the American peoples who are going to make agreements with the IMF must know that it is untrue that they will receive funds. Our country is on the verge of signing with the IMF, after they squeezed us to do so. At every turn, from the government side, the private sector, foreign companies, the national neo-liberals—everywhere this is promoted. The government has gone five years without signing, building its own development projects without any help from anyone. However, it has been convinced that by signing now, it could receive what we call fresh capital. Carlos Wesley says this isn't true.

**Small:** Unfortunately, my friend Wesley is right, and this has also been the history of the entire continent. The Dominican Republic today is one of the only countries that has resisted IMF prescriptions. The Dominican Republic is isolated. It is a relatively small country and it is in a difficult situation. But the idea that if one pays, if one signs and one applies liberal prescriptions—allows free imports, reduces wages, reduces the fiscal deficit, devalues one's currency—that fresh money will come, that simply is a lie.

The truth is that the U.S. banking system is in bankruptcy. It is simply a question of formally announcing it. The major banks, like Citibank and Chase Manhattan, are absolutely desperate to collect the Dominican debt, and the Brazilian, Argentine, African, and Asian debt. Because if they don't collect that debt, they themselves are going to go bankrupt. This is the policy of George Bush, who is a gentleman from Wall Street; Bush's family is not Texan, people should have no illusions. Bush comes from a long line of bankers. His father was a banker, his grandfather was a banker. He comes from a family of bankers, and he is applying the policies of the IMF.

Any person who opposes it, whether from Panama, Argentina, Mexico, or from inside the United States itself, like Mr. LaRouche, Bush is going to put in jail for life. And that is the truth of the situation.

If the Dominican Republic signs with the IMF—and this I dare to predict with all frankness—the living standards, social conditions, and the problems of unemployment in the Dominican Republic are going to worsen. They are going to get as bad as in Peru, and you are going to see an explosion of cholera in the Dominican Republic, as we are now seeing in Peru.

**Dr. Hazim:** In his discussions with the Fund, it would appear that the Dominican President is faced with three things.

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First, they want him to renegotiate the debt at the real price, plus interest, when that debt on the market is at 18% of its real value. Secondly, he is being given payment quotas way beyond any capability of repayment, without taking any other expenses into account. This assumes that everything that is going to be produced in the country will go to pay the foreign debt. Thirdly, they say there is fresh money, but they don't say where.

**Small:** The President is in a very difficult situation, precisely because of the isolation of a country like the Dominican Republic. Nonetheless, the solution to this problem is definitely not in the direction of believing the IMF or Wall Street bankers. In that direction, the only thing that can happen is the Africanization of the Dominican Republic.

Rather, the solution is in integration, in allying with other Ibero-American countries. What is needed is a debtors' club, an Ibero-American common market. The Dominican Republic should associate with its brother countries of Ibero-America, so that together they can sit down at the negotiating table with the bankers and with the IMF, and say to them: "Gentlemen, no more. The genocide must end. The hunger of the people comes first!"

**Dr. Hazim:** You have mentioned cholera. Truly, cholera is Africanization, which refers to starvation in that infamous region of death. What do you think when an Alan García appears who tries to avoid an agreement with the Fund, but then an Alberto Fujimori appears who, despite accepting everything Vargas Llosa would have accepted, help is still denied in any form?

**Small:** The first two years of Alan García's government in Peru, from 1985-87, were two years of economic growth. And that is nearly all due to the fact that the García government simply stopped paying 90% of its foreign debt service. They paid only 10%, that was García's figure, of the money they received from exports. García said simply we are not going to sign with the Fund, we are not going to pay the debt until we have met the needs of the country.

Unfortunately, after 1987, Alan García backed down. In my opinion, the fault lies with the rest of the continent for not allying with Alan García, for not accepting his challenge to establish Ibero-American integration. Brazil, under Finance Minister Dilson Funaro, who unfortunately also left power in 1987, was the only government that somewhat

supported what Alan García was doing, and the debt moratorium. After 1987, it all collapsed.

With the Fujimori government, not despite accepting the IMF's conditions, but *because* he accepted them, Peru is today on the verge of its death as a nation. We are speaking of a country which has suffered a huge reduction in its production, and which has nonetheless exported, and exported, and exported some more, merely to pay the debt, and which *still* owes more than \$1 billion in interest arrears and is not investing anything in necessary infrastructure to maintain its population.

Today, despite Fujimori's signing with the IMF, with Wall Street, with the Club of Paris, despite having gone down on its knees politically to the Bush government, Peru has not received a single dollar of fresh money. I just read that Fujimori is going to receive \$750 million from the United States and Japan. That money is not going to feed people, build infrastructure, or address the lack of potable water. That \$750 million is going, each and every dollar, to the Wall Street banks to pay interest arrears.

**Dr. Hazim:** But the failure to help in combatting cholera means it could reach here, the United States?

**Small:** It has already arrived in the United States. There are 14 cases transmitted from Ibero-America. Fourteen official and proven cases in the United States.

**Dr. Hazim:** You say that Peru was a failure. But others say that Chile was a success.

**Small:** One must define success. For George Bush, as for Adolf Hitler, success means paying the debt, even if it means killing millions of human beings. The Wall Street banks propose this; George Bush proposes this. Mexican President Carlos Salinas de Gortari, trained at Harvard, proposes this. Argentine Finance Minister Domingo Cavallo, trained at Harvard, proposes this.

There are few prominent Latin American leaders who see satisfying the needs of their people as success. The Pope has proposed this, some others have proposed this, but for the bankers, for the neo-liberals, for Wall Street, success means paying the debt, even if millions of human beings die. For me, that is not success.

**Dr. Hazim:** What is the real objective behind the integration

of Mexico and the U.S.? Mexico says that once the free trade treaty is signed, their labor problems will be solved. But we see that Americas Watch and American workers see a danger in that. Why are there complaints in the United States, but the Mexicans have not complained?

**Small:** The Mexicans have complained, but the only voice that is heard from Mexico is that of President Carlos Salinas and of Trade Secretary Serra Puche. But the Mexican people, Mexican businessmen, they absolutely oppose the Free Trade Agreement with the United States.

**Dr. Hazim:** What does the treaty say regarding the labor question?

**Small:** It's an illusion to talk about a free trade agreement. Free trade between Mexico and the U.S. already exists. It has existed since 1986-87, and the ominous results of that policy are already visible in Mexico. There has been a reduction in the average per capita consumption of meat, rice, and corn by 20%, and the previous levels were very low.

So, this really has nothing to do with free trade. It has to do, again—and this shouldn't surprise us—with the payment of the Mexican foreign debt, which is more than \$100 billion. The idea is to turn all of Mexico into a huge *maquiladora* sector.

**Dr. Hazim:** What are the *maquiladoras*?

**Small:** They are assembly-line plants. They are free zones. Today they exist almost entirely along the United States-Mexico border, but the idea of the Free Trade Agreement is to turn the entire Mexican economy into one big *maquiladora*. To import intermediate goods, duty free, and to assemble them in Mexico using cheap Mexican labor.

**Dr. Hazim:** And that is why Americas Watch is complaining?

**Small:** The American unions are complaining, others in the United States are complaining, we ourselves have complained in the United States, because it means putting the Mexican worker, who receives 98¢ an hour, up against the American worker, who receives \$11 an hour.

**Dr. Hazim:** And what does the American worker propose?

**Small:** The defenders of the agreement have said openly and in these words: "We are going to go to the American union, to the American worker, and we are going to tell him: 'Mister, we are going to Mexico because the workers there cost us only 98¢ an hour. Either you reduce your wage demands to \$5 an hour—that is, to half of what it is today—or we will go.' It's that simple." Then the Dominican will "compete" with the Mexican, and the Jamaican with the Dominican, and so on.

**Dr. Hazim:** What do you think of the Caribbean Basin Plan?

**Small:** The Caribbean Basin Plan is intended precisely to

draw the entire Caribbean region into this context of a continental free market.

**Dr. Hazim:** How can the Mexicans compete with us?

**Small:** By paying less to the Mexican. Today, the average salary of the Mexican worker in manufacturing is less than that in Santo Domingo. And they are going to tell Santo Domingo, "If you don't accept less than the Mexican accepts, we are going to leave here."

**Dr. Hazim:** What they call competition.

**Small:** Competition, yes, but to reduce living standards, levels of technology, levels of worker training, to be able to extract wealth by paying less than what is needed to reproduce oneself.

**Dr. Hazim:** I would like you to address the word "competition" in the context of the exchange rate. When the situation in the Dominican Republic becomes difficult, the neo-liberals always have the same answer: One must devalue a little more. They know full well that this immediately unleashes wage demands. One devalues, the worker comes back to demand higher wages, and they don't want to grant wage demands. Why do they say one must have a competitive rate with the other countries that work in tourism, in the free zones, and in agriculture?

**Small:** This has been the history of Latin America for the past decade: forcing each country to devalue its currency more and more. The result has been hyperinflation, the looting of economies with cheap prices, low wages, and cheap exports. Look at what has happened, for example, with the terms of trade, which is the average price for exports that a country like the Dominican Republic receives relative to what it must pay for its imports. These prices have been progressively worsening for all of Latin America. They are paid less and must pay more for what they import. It is robbery.

But it must be understood that this continent-wide agreement—and the Mexican part is but the first step—is to incorporate the Caribbean Basin, Mercosur, the Andean Pact, the entire Ibero-American continent.

**Dr. Hazim:** To make an American bloc?

**Small:** The idea is to make the entire Ibero-American continent into a *maquiladora* zone, a foreign enclave, one big concentration camp.

**Dr. Hazim:** But with American currency?

**Small:** Eventually, yes. Because it is a two-phase process. The first step is to devalue, devalue, devalue. The next step is that, if the economy itself is going to be turned into a foreign enclave and the owners are going to be foreigners, what must be done is to completely eliminate national sovereignty, as Bush said. One form of doing this economically

is to establish the dollar as the only legal currency in the Latin American countries.

Panama is the example. Panama is said to have its own currency, called the balboa. But the balboa is the dollar; there is no Panamanian currency. And the country that has no currency, no credit system, gentlemen, has no sovereignty. The dollar will reign and decisions over what will happen in each country will be made in Washington. The interest rates will be decided by the U.S. Federal Reserve. What is done and not done will be determined abroad. That is called colonialism.

**Dr. Hazim:** I would like you to explain what you have discussed in your magazine where, for example, one particular area is designated a forest reserve, which is Brazil, or another for natural resources, the so-called green zone, and other areas are set aside for tourism, or agro-industry. Is America being carved up into zones for the ruling faction in the U.S.?

**Small:** In effect, yes. The idea is that the decisions on what will happen in each country are made in Washington and on Wall Street. The idea is that they are going to try to seize control of the Brazilian Amazon because of its tremendous mineral and natural resource potential.

**Dr. Hazim:** And it's not to protect them?

**Small:** No, that is total hypocrisy. An ecologist movement is being mounted, with the argument that Brazil should not have sovereign rights to its own territory, the Amazon. And further, that it should be the patrimony of all humanity, beginning with Wall Street, since Wall Street represents all of humanity, right? The bankers represent all of humanity, they say, and therefore, gentlemen, we are going to defend the Amazon and, of course, we are going to take over what is in there. The same with the mineral resources of the Andean Pact; the same with Mexican oil, Venezuelan oil, that is what Wall Street wants.

**Dr. Hazim:** Doesn't Mexico get anything out of the agreement, with its oil?

**Small:** Did the concentration camps in Nazi Germany benefit from the way in which Hitler used them?

**Dr. Hazim:** No.

**Small:** And neither will Mexico. Because what is going to happen with the *maquiladoras* throughout the country is that the Mexican labor force is going to be destroyed. The oil is going to fall under Wall Street's control. And the Mexican labor force will be used to produce cheaply, only to pay the debt.

**Dr. Hazim:** Within this new order, directed by a man who it appears is going to stay in power for another term, what option do we have short of revolution?

**Small:** I am not certain that Bush is going to remain another four years. The man is very sick. This business of his thyroid is very serious. He's out of control. He has truly serious psychological problems, and there are people who are thinking that this man is not going to last another four years. I personally hope not.

There are solutions. But to understand what is required, let me emphasize one thing. Any Ibero-American institution which opposes this anti-sovereignty policy of the new order is an institution which Wall Street wants to eliminate and annihilate. I am speaking of the Catholic Church, and of the armed forces of the Latin American countries. For the people in Washington and on Wall Street, these institutions are obstacles to Bush's new order because they oppose the loss of sovereignty, and the looting and genocide of the people. Therefore, Washington's policy is to completely eliminate sovereignty and the institutions which defend it.

The solution is an end to genocide. How? Debt moratorium. With whom? In an alliance of Ibero-American integration, together with the other Ibero-American countries. If the governments at this moment are opposed to such a policy of integration, the people of each country will install governments that do respond to the national interests.

It is interesting that the democracy of which Bush likes to speak is today being used as a mechanism for applying the IMF's prescriptions. And I invite you and your viewers, to look at the statement made by Michel Camdessus, the head of the IMF, yesterday where he said that democracy is advantageous for us, because it is a means that can be used for applying IMF policies. Thus, the entire so-called democratic movement that Bush is promoting in Ibero-America, is a policy to destroy the armed forces, so that they are unable to defend sovereignty and the continent's right to development.

**Dr. Hazim:** You have described a power not only within your country, but also a power unprecedented in the international order, at a moment when the Soviet Union is collapsing, or rather socialism, there is practically no opposition to the Bush government.

**Small:** Well, there was also not much opposition to the Roman Empire, just weeks before its fall.

**Dr. Hazim:** But we are not a few weeks before its fall.

**Small:** We don't know this for certain. What we do know is that the policy Bush is applying is the policy of the Roman Empire. One cannot survive by constantly violating natural law. One cannot survive as a civilization and a culture if one violates God's law. One cannot survive economically on the basis of looting and genocide against the people of the Third World. Sooner or later, this must collapse. And it could be much sooner rather than later, given the financial situation of the banks, and also because of the unfortunate psychological state of the U.S. President.