
INTERVIEW



Venezuela's Carlos Andres Perez discusses Central America with EIR

Former Venezuelan President Carlos Andrés Pérez remains one of the most controversial figures on the international political scene. As head of state from 1973 to 1979, Pérez adopted a nationalist policy of heavy industrial growth, and used Venezuela's oil income to fuel average annual GNP growth rates of 6-7 percent throughout his term. He nationalized all foreign oil companies operating in Venezuela, and insisted on Venezuela developing a strong industrial base with major investment projects in areas like steel, aluminum, and hydroelectric plants.

Pérez's relative success in this nation-building effort earned him the hatred of the international financial oligarchy opposed to Third World progress—including their political instruments like Henry Kissinger, who is known to still be gunning for Pérez's final political demise. Although out of office for almost three years, Pérez remains a pre-eminent political influence in Venezuela, in particular in his social-democratic party, *Acción Democrática*. In the interview printed below conducted by *EIR* Latin America Editor Dennis Small in Caracas, Venezuela on March 19, Pérez strongly reiterates his commitment to industrial development, and his hostility to Malthusianism and to the high-interest-rate policies of U.S. Federal Reserve Chairman Paul Volcker.

Pérez's international activities have been no less controversial. As a leader of the Socialist International, he has played an active role supporting the Nicaraguan revolution and the Salvadoran opposition. More recently, he has expressed concern over the growing radicalization of the Central American region, and has lined up with a faction inside the Socialist International pressuring the Sandinistas in Nicaragua to retain their original commitments to pluralism. In his March 19 conversation with *EIR*, Pérez endorsed the usefulness of the recent call by U.S. politician Lyndon H. LaRouche to establish a Commission for Free Elections in El Salvador.

EIR will soon present a full review of the current economic situation in Venezuela, as well as on-the-scene evaluation by Mr. Small of Venezuela's current and prospective role in helping to stabilize the Central American region.

The following is an interview with the former president of Venezuela and leader of the social democratic party Acción Democrática, Carlos Andrés Pérez, conducted by EIR Latin America Editor Dennis Small in Caracas, Venezuela on March 19.

Small: I'd like to discuss two subjects with you: first, the question of economic development; and second, the issue of Central America. On economics, today in the United States the problem of Federal Reserve Chairman Paul Volcker's high-interest-rate policy is a matter of great controversy. Several U.S. allies such as West German Chancellor Helmut Schmidt, have strongly criticized the high interest rates and have insisted that they be lowered. Chancellor Schmidt has even said that high interest rates are more dangerous for world peace than intercontinental missiles, since without economic development there can be no peace. I would like to know if you share this view of Chancellor Schmidt's, and how you evaluate the problem of high interest rates more generally.

Pérez: I have more reasons and arguments than the head of an industrialized country like West Germany could have to oppose, to openly criticize this economic policy which has been carried out by the present U.S. administration and other governments of the Western world, both in Europe and in America. We have the case of the British government, that of Mrs. Thatcher, and the well-known cases of Chile and Argentina, which all fall under the same parameters or the same ideological-economic definition, which is that favored by the famous economist from Chicago, Mr. Milton Friedman. This definition is based on the reactivation of the old theory of economic liberalism, which makes the fight against inflation its exclusive concern.

Countries like the United States can for a certain period of time, withstand a policy of high interest rates, since they have a well-developed industrial process. But in the longer run such a policy will cause serious damage to the fundamental economy of those countries. We are already seeing this in Great Britain, since those high interest rates do not permit a continuity of industrial development and the expansion of the productive pro-

cess. No country in the world can continue its economic development with a cost of money like that proposed by such a policy.

Well, for developing countries this is even worse: it is a total attack, an expression of unacceptable economic totalitarianism. Because it is absolutely unacceptable to maintain the supposed national interests of one state against the interests of humanity. Therefore such a policy, in the first place, will not yield the results the present government of the United States hopes for, but instead will only further aggravate the circumstances in which the world economy finds itself. Already we can see in the supposed "models" in Latin America, where they have tried to sell us on the idea of strong governments together with economies governed by these theories as examples of how to develop our nations. They have presented Chile and Argentina as examples to be followed, but we can see today how these economies have been decimated. What they hoped to sell us on as a paradise for development has failed miserably.

Small: Then you would add your voice to that of Chancellor Helmut Schmidt and of Mexican President José López Portillo in calling for lower interest rates in the United States?

Pérez: Absolutely. This is a part of our struggle for a new world economic order, because there is no doubt that interdependence among countries is not only an interdependence of problems but an interdependence of solutions. No country can arrogate to itself the right, for mere national purposes, to take measures which can cause serious damage to the entire process of world economic development.

Small: Regarding the economic development of Venezuela, if one simply reviews the statistics of GNP growth under your administration and those under the present Herrera Campins administration, one sees a total difference in economic orientation. Does this have something to do with what we have just been discussing?

Pérez: Unfortunately, your observation is correct. Here too in Venezuela we have felt the effects of the neoliberal epidemic, with terrible consequences for the development of Venezuela. Right now as you interview me, our situation has worsened due to a negative oil situation which for a country like ours, an oil exporter, is going to provoke a very important collapse in income. It's well known that Venezuela is still a country which has not developed its true wealth-generating capacity, but depends on a source of wealth as strange and foreign as oil. Today's situation demonstrates the harm which these three years of the current administration have done to the country.

Small: I want to ask your opinion about the internation-

al organization called the Club of Rome, whose thesis is that resources are scarce and that therefore economic growth must be reduced. I have noted with interest that the Club of Rome has supported and praised the economic policies of President Herrera Campins. Could you give me your opinion of the Club of Rome?

Pérez: In the first place, I am not adverse to any human activity which involves undertaking initiatives to try and uncover the problems that afflict us, or their possible solutions. I always consider it positive—even if I am not in agreement with its philosophical orientation. This is the case with the Club of Rome. The Club of Rome was founded as a bold statement of a group of economic and social scientists trying to discover the true causes of the socio-economic phenomena of our countries and to propose solutions. Of course I do not agree with their conclusions, which you referred to, because I hold an optimistic philosophy of life and I believe that the Malthusianism of yesterday or of today stems from a pessimistic sense of man and of life.

At the same time, we must remember that the arrogance of the latest stages of humanity's development in the great industrialized nations has caused them to lose sight of a fact which today has begun to gain importance: that natural resources are not infinite but finite, and that the problem is not whether or not they are sufficient for the present and future of humanity, but rather of how they can best be administered in the service of new generations, in the service of a humanity which will evolve eternally through time. This is the significance of the position we progressive men take toward the future of humanity.

Small: What must the United States do to be a good ally of Venezuela's?

Pérez: Here we must differentiate between the United States and the government of the United States, because unfortunately we sometimes fall into generalities which could make us unwitting accomplices of those who seek to provoke strategic hostility against that great nation of our hemisphere. We believe that the United States is a nation of exceptional importance in the world, that it is an example of what a people can do who are tenaciously and persistently dedicated to development. The United States is a great nation, and so we must take care when we state our policies and our positions—especially in light of the global confrontation in which the two great powers, the United States and U.S.S.R., lead the opposing camps—not to confuse our criticisms of the U.S. administration with our positive and admiring concept of the U.S. people.

I would say that there has been a fatal development in relations between North and South, between the America which is North of the Rio Grande and that which is South of that great river which separates the United

States from our countries. And that is that there has not been a serious effort made to understand us, to understand our idiosyncracies and our objectives—which in essence are the same ideals as those of the United States. These Latin American peoples, despite their long and painful road—if we study their history we will find that it has been a long, unending, but uncompromising fight for freedom.

This lack of understanding has led to serious U.S. policy errors toward Venezuela. I believe that the U.S. president who came closest to understanding us is President Jimmy Carter. I understand that at this moment and for very particular reasons, President Carter is a very controversial figure. But regarding Latin America, I declare categorically that he is the president who made the great effort to understand us and to help us in our democratic process—beyond the efforts of F.D. Roosevelt and J.F. Kennedy, who are the two presidents for whom Latin America holds a special devotion and warmth.

I believe that the fundamental way in which the United States could feel closer to us and we to the United States, would be by making an effort to understand, and not to try to impose upon us formulas which they consider beneficial to these countries. Rather they should discuss them with us and try to appreciate what we want to be and what we believe should be the form of effective cooperation between the United States and Latin America. This seems to me to be the fundamental problem in relations between the two Americas.

Small: Moving on to the theme of Central America, what do you think of the proposal made recently by Mexican President José López Portillo in Managua, in which he offered Mexico's help in achieved negotiated, peaceful solutions to that area's crises?

Pérez: The problem of Central America is enmired in a sea of confusion and is unfortunately centered in this turbulent and difficult Caribbean Sea. In the first place, we must state that to characterize the situation in Central America as a fight between communism and anticommunism is unacceptable. This is an optical illusion of U.S. policy which tries to see everything subsumed within the globalism of the international situation. Central America is not a part of the East-West battle; nor is its dramatic situation a product of communist infiltration in the area; nor is it a consequence of the decisions of the U.S.S.R. or of the United States—although we will not deny that they are interfering in the terrible process of war there.

The reason for that war, that confrontation, the reasons for those revolutions, are precisely the decades those peoples have lived under oppression and governments of exploitation which, in alliance with local oligarchies or multinational interests, have created intolerable

situations, intolerable for the inhabitants of those countries of our Latin America. That is the reality of what is going on there such that if the premises of the Central American discussion are not changed, we will not be able to approach satisfactory solutions.

Herein lies the importance of what López Portillo expressed. He was dealing precisely, as president of a great Latin American nation and one who understands the problems around him, with the need for dialogue to achieve an understanding of the situation, and to search for peaceful solutions to put an end to this bloody Central American drama.

Small: President López Portillo has also criticized what he called “the verbal terrorism” of both sides of the Central American confrontation. Do you share this view?

Pérez: This is another aspect which we do not cease to lament, which begins with the verbal radicalism of present U.S. policy. Never, not even in the worst times of U.S. Secretary of State John Foster Dulles, did we hear from high-level U.S. authorities the ideas and proposals which they are making today. Of course, we can hardly hope that the other side would respond differently. Thus this is a very negative feature, because people cannot understand each other by shouting.

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Small: In the United States the well-known politician Lyndon H. LaRouche has formed a “Commission for Free Elections in El Salvador,” which emphasizes three points: 1) Special cooperation between the United States, Mexico, and El Salvador; 2) negotiations with all elements involved in the fighting, including the insurgents, in order to reach a peaceful solution to this crisis; and 3) the elimination of the death squads which operate in the area. I would like to know what you think of this proposal and in particular what you think of the death squads in Central America?

Pérez: The situation in El Salvador has been subjected to such media manipulation that it has proven very difficult for us to understand who is proposing what. For example, it would be absurd for democratic sectors such as those made up of the Social Democratic parties to oppose the elections, when it is well known that we share the belief that there is only one means of consulting the people and of choosing legitimate governments, and that is through the electoral process. Thus, we are not opposed to elections. What we *do* say is that the conditions for carrying out a credible electoral process currently do not exist. From this point of view, all the democratic sectors of America and Europe have posed the necessity of prior negotiations that create the conditions for entering an election process which can open up the democratic path for that country. The [LaRouche] initiative that you describe to me fits within this school of thought which seeks a peaceful solution and which does not believe that El Salvador can be helped with arms, either to the guerrillas or to the military junta.

Small: Nevertheless they are receiving arms on both sides. There are elements within the Socialist International, for instance, which have publicly defended providing financial support and the sending of arms to the left in this situation.

Pérez: No! The Socialist International, and this is another confusion that has been created, has never defended the guerrillas, nor expressed sympathy for the guerrillas. What we have said is that the guerrillas are a consequence and a socio-economic reality of that country, and that the impossibility of peaceful solutions has justified the presence of the guerrillas. But we have always insisted that violence is not a means for resolving conflicts between peoples. The reality is as you have posed it, and it cannot be changed without an end to the supply of arms to *both* sides.

Small: Returning to the issue of the death squads.

Pérez: Here there is another point. Either democracy demonstrates what it truly is—a regime founded on respect for liberty and the dignity of man, his physical and spiritual integrity—or we become indistinguishable from parties or totalitarian groups that deny the essential value of man and subsume it within the state. The death squads are one of the gravest challenges to democracy, because they act in its name and thereby falsify the essential values of our system. The death squads, according to all reports, according to all the news and evidence that has been gathered, are made up of groups that wave the banner of anticommunism. In this way they try to confuse anticommunism with the fight for democracy.

Small: What do you think of the French arms sales to Nicaragua?

Pérez: This is a highly controversial matter, and it depends on how you look at it. One of the most negative aspects we have pointed out in U.S. policy is that it first accuses Nicaragua of wanting to join the Soviet bloc, and then it shuts them off from all avenues of negotiation and trade, to force them to go to the Soviet bloc as the only option open. In this context, I think France has tried to offer an example that shows that there can be arms suppliers that are not Cuba nor the U.S.S.R. but are in the Western world.

Small: What can you tell us about the Socialist International talks that will be held in West Germany on the subject of Central America? And what will be the position of Acción Democrática?

Pérez: I cannot nor should I predict anything specific, precisely because we should await the debate and let our ideas mature. But I can tell you that it will be oriented by our proposal to not corner the democratic forces in Central America, but to contribute to opening up a pathway so pluralist systems can operate there and so that we can create a climate of peace through which those peoples can resolve their political and social crises.

Small: Do you currently see a process of radicalization within both the Nicaraguan and Salvadoran left?

Pérez: This worries us seriously. But here, as always, we must seek the *cause* of the problem. It is not the fever which must be studied, but the causes which produce the fever. Here we find the harassment and the isolation which they want to produce with this absurd globalization of the conflict.

Small: There are those who say that the death squads are the biggest recruiter to the left.

Pérez: It is true. Unfortunately these exaggerations, these senseless crimes contribute to the radicalization of the population, above all the youth. But not only the youth. Now in Guatemala even the Indians, who had remained apart from the fighting and the violence in that exploding country, are getting involved; and this is going to prove an even more dramatic situation than what is going on in El Salvador.

Small: What can you tell us of what you know about the Propaganda-2 Masonic Lodge in Italy and its implications for Latin America?

Pérez: The truth is that the press reports that have reached us have not been sufficiently clear to understand exactly what is involved. But it appears, for those of us who try to get behind the news, that it was indeed creating an immense network with ramifications on different continents, including in Latin America. And of course, as with all these Mafias, they are never up to any good.