
Interview: Carlos Alzamora

SELA Permanent Secretary: 'Bankers are coordinating, why not debtors?'

The following are excerpts from an interview granted to EIR by Peruvian diplomat Carlos Alzamora, Permanent Secretary of the Latin American Economic System (SELA). Mr. Alzamora was interviewed in Mexico City Oct. 29 by EIR correspondent David Ramonet.

Ramonet: Could you explain your ideas on the relationship between debtors and creditors, and the potential for joint renegotiation of the foreign debt?

Alzamora: Improving the world's economic health requires a tremendous concerted effort and a great sense of calm, realism, and responsibility on the part of debtors and creditors alike. Both share the same situation, which can be resolved only through mutual cooperation.

Ramonet: The international banks have indicated that they will only renegotiate Ibero-America's debt on the basis of IMF backing. Do you think this will resolve the debt problem?

Alzamora: Experience has not given us much basis for optimism. One of the campaigns of the developing countries, particularly the Latin American countries, has been to modify the series of [IMF] conditionalities. For these reasons, I say that more than anything, it is necessary for the Latin American countries to act *in concert*; not to negotiate our debts as a group—which, although desirable, is almost impossible—but together, to create an articulate, creative plan. The lack of such a [mutual] plan is what causes us today to repeat well-known traditional recipes and prescriptions which have not proven effective.

Ramonet: If one of the Ibero-American nations were to declare itself unable to pay its debt, or to declare a moratorium which resulted in a trade embargo, would SELA be able to come to that country's aid?

Alzamora: Clearly, SELA is open to all forms of cooperation and assistance for its member countries. In any event, I don't believe we should generate catastrophic scenarios on this question. We should acknowledge that if the banks are meeting—as 31 of them did a few days ago in New York—to consult each other on their loans to the Latin American countries; and if the creditor countries are meeting practically every day to consult, there should be no reason for Latin Americans to be the only ones to think this kind of concerted effort and consultation is a sin.

Excerpts follow from a press conference Carlos Alzamora gave on Oct. 29 in Mexico City.

Q: What are SELA's recommendations?

Alzamora: I believe that SELA—which has created a mechanism for economic security, allowing us to mobilize Latin American regional solidarity whenever there are sanctions or other forms of economic coercion against a member country—needs, in turn, a political security system. In our judgment, security is indivisible. Therefore, Latin America needs a mechanism for joint political action . . . as exists in other regions, such as the Arab League. . . .

Latin America doesn't have such an organization for joint political action, and it is now more necessary than ever. We are clearly headed toward this through a series of initiatives which we hope will be successful.

Q: Are you saying you would support the OAS without the United States?

Alzamora: Not necessarily. I don't think the one thing has anything to do with the other. I believe that the OAS will continue to be a forum for negotiation and dialogue with the United States. But today, all of the Latin American countries are aware that they must go to these negotiations and dialogues properly united. In the final analysis, there are two different realities. One is that of an industrialized superpower with worldwide strategic, political and military interests. The other is that of a community of developing nations, which have shown themselves to be—as we saw in the South Atlantic conflict—extremely vulnerable. The two sides must seek a healthy relationship. But I also believe that the way this healthy relationship can occur is by our pulling together and organizing ourselves such that we are bona fide participants . . . allowing us to achieve real negotiations, a real dialogue, under equitable conditions, in which the dialogue takes into consideration both parties' interests, and the benefits are shared equally.

Q: So what you're proposing concretely is a league of Latin American nations with these purposes?

Alzamora: Yes, I am proposing this. But I speak not just for myself. This is an aspiration shared increasingly throughout Latin America: a Latin American institution for joint political consultation.