

Andean Report by Valerie Rush

CAP, Latin America's Kissinger?

Carlos Andrés Pérez bears the Soviet/Wall Street seal of approval for his debt strategy.

During one of his frequent visits to the United States on Sept. 21, Venezuelan socialist and presidential candidate Carlos Andrés Pérez addressed a Harvard University seminar on Third World debt, at which he announced that "the hour of reconciliation" between creditors and debtors had arrived. He proceeded to offer what he described as a novel plan for resolving the debt problem.

His novel plan, however, proved to be virtually identical to the proposals published over the past few years by former Secretary of State Henry Kissinger.

"Substantial reduction of resource transfers abroad, at the same time creating mechanisms to guarantee the flow of new resources . . . and as indispensable counterpart, the governments of Latin America must commit themselves to conducting a disciplined economic and financial administration, with the adoption of policies that prevent misuse of resources, for which one cannot object to the participation of international organizations. . . . Thus will the way be paved for investments by the industrialized countries," declared Pérez.

Compare what Kissinger wrote in the *New York Post* of June 25, 1984: "Latin American debtors [should] be prepared to do their part to restart growth, through great efforts of economic reform: brake inflation; modify factors that discourage savings and investments; eliminate subsidies to inefficient industries; administer a sensible exchange rate policy. [They should adopt] serious adjustment pro-

grams and accept the fact that incentives to private investment—foreign and domestic—is the only path to sustained growth."

Just a coincidence that socialist demagogue and "Third Worldist" CAP should sound so like bankers' mouthpiece Kissinger? Not really. Pérez is providing a critical service to the international financial community, which intends to put him in the presidential seat in Venezuela for the next five years. Already, the ruling elites in Mexico and Colombia have embraced Pérez's proposal. Even the Peruvian government of President Alan García has been driven to follow suit, thanks to brutal pressures from Pérez's Socialist International.

Pérez's claim to a novel approach to the debt problem notwithstanding, he has admitted to sharing his "long-term objectives" with such "prestigious personalities" as "Henry Kissinger, Sen. Bill Bradley, Saburo Okita, and banker James Robinson." He also embraced their "different proposals for creation of a multilateral agency for management of the debt . . . [that] would be in charge of buying the commercial bank debt of the developing countries at discount."

Gone is the rhetoric against the "poisonous" International Monetary Fund, the dramatic calls for a debtor front, the diatribes against imperialist usury. In his Harvard presentation, Pérez opposed the notion of any unilateral action on the part of the debtors. "The participation of the governments of the creditor countries, and dialogue between them and the debtor

countries, will be indispensable in any scheme of negotiation that is adopted. . . . A decade of crisis has convinced the developing countries that it is worthless to adopt isolationist or confrontationist positions in an interdependent world."

Pérez's insistence on "reconciliation" also echoes the Soviets. Academician and Latin American specialist Victor Volsky has argued against a declaration of moratorium by debtor nations, and reports that General Secretary Gorbachov told President Reagan of the need for an international conference on the debt, "because it is a global problem, and not merely a Third World one."

The coincidence between Pérez and the Soviets is not accidental, for the Venezuelan bears Moscow's stamp of approval. In early August, speaking of the debt problem, Fidel Castro told his friend Pérez: "You are going to be the President of Venezuela, and you should head up this unity movement in defense of Latin American interests."

On the day of his Harvard presentation, Pérez gave an interview to UPI, in which he was asked whether, if elected President of Venezuela, he would act on his long-standing promise to "promote a meeting of Latin American heads of state on the matter of the debt." Pérez responded: "As my victory already seems to be a reality, I have to think a good deal about these problems and weigh my words very well, so that what I said as a candidate does not contradict what I do as President."

Making clear why both the Soviets and Wall Street have endorsed his candidacy, Pérez added: "Absolutely nothing will be achieved by a rupture of the international financial system. . . . There are no longer any national economies and we will gain nothing with a rupture of the system."