

## LaRouche debtors' cartel at center of Third World agenda

by Christian Curtis

The debt bomb, a term defined and all but copyrighted by *EIR* founder Lyndon LaRouche, has forced its way out of diplomatic briefcases and onto the conference tables of Ibero-American governments since the beginning of the new year in a way not seen since LaRouche first proposed use of the debt weapon last spring. During the second week of January alone, two separate multilateral conferences—plus the chairman of a third—resolved that the only way to deal with the debt crisis is through joint, global renegotiation with the continent's creditors—precisely the first demand outlined by the LaRouche proposal. And, even more importantly, the tight coordination of initiatives on this question with the Non-Aligned movement suggests a new potential for spreading the debt-bomb tactic throughout the developing sector.

A high-level Argentine diplomat put the matter succinctly. Asked how his New Year celebration had been, he quickly replied that he had just finished reading the Jan. 3 *Time* magazine "Debt Bomb" cover story and the most recent statements by LaRouche on the subject. The debt crisis, he concluded, has now reached such proportions that no one can avoid it any longer.

Indeed, it is not being ignored. "Debtors of the World, Unite" ran the banner headline in the Jan. 11 edition of *Ovaciones*, Mexico City's leading afternoon newspaper. The daily was referring to statements issued in Lima, Peru the previous day by the chairman of the Latin American Economic System (SELA), Carlos Alzamora, who reiterated his previous commitment to joint continent-wide renegotiation. But this time, Alzamora specified that there is to be a special meeting in Caracas, Venezuela of SELA experts on just how

to carry out such a demand. In addition, the Mexican press has given prominent coverage to Uwe Friesecke, a close collaborator of LaRouche, who is touring Mexico on behalf of the debt-bomb policy.

And Raul Alfonsin, the man whom many think will be the next president of Argentina, added his voice in a call for Ibero-American countries "to jointly renegotiate our foreign debt." Alfonsin has made a united regional response to the debt crisis the center of his campaign for the presidency. *El Nacional* of Caracas called his statement the "first positive proposal of 1983."

Calls for joint debt renegotiation were also issued at a conference of the foreign ministers of Panama, Colombia, Venezuela, and Mexico in Panama Jan. 8, and at the preparatory meeting of Non-Aligned members in Managua, Nicaragua two days later. And it is the latter meeting, a preparatory forum for the Non-Aligned summit to take place in New Delhi, India in March, which indicates a new potential for expanding the debt bomb battle.

### Turning point: New Delhi

The New Delhi summit has been pinpointed by LaRouche as a crucial potential turning point in the strategic fight for a new world economic order, and the Club of Life, the only truly North-South institution in the world—founded by LaRouche's wife, Helga Zepp-LaRouche—has launched a campaign to force the Non-Aligned governments assembled there to inaugurate a new monetary system as their highest priority.

Indications of Ibero-American coordination with the Non-

Aligned group of nations include:

- the wording of the communique of the foreign ministers' meeting in Panama on the need for joint negotiation that closely parallels that of the draft resolutions discussed at the Non-Aligned Bureau meeting in Managua.

- the fact that the Managua conference referred all treatment of the Central American crisis to the Panama communiqué.

- that the ministers at the Panama meeting, only one of whose governments is a member of the Non-Aligned, recommended the strengthening of Ibero-American participation in the Non-Aligned movement generally.

- the endorsement by Argentine Foreign Minister Aguirre Lanari, who participated in the Managua forum, of the pending petitions for Non-Aligned membership by Colombia and Venezuela.

### Spain: a new dimension

An emerging new factor that may add a dimension to the momentum of this process Spanish Prime Minister Felipe González has indicated he is "on board" the move for joint debt renegotiation. In an interview with Colombia's Radio Caracol network, González called for converting the debt of the so-called Third World into development credits, and announced that he will intercede with other industrialized nations' heads-of-state on behalf of developing countries.

It is also meaningful that González endorsed the Central American peace proposal of Mexico and Venezuela, which led to the Panama foreign ministers' meeting. He also sent a Spanish delegation to the Managua Non-Aligned meeting.

The potential of the Ibero-American/Non-Aligned combination has not escaped notice of the individuals behind the monetary system that brought on the debt crisis and depression in the first place, as the itinerary of their minions illustrates:

- David Rockefeller arrived in Bogotá Jan. 11 after stopping in Caracas, on a tour for the purpose of arm-twisting leaders in these capitals against the idea of joint renegotiation. His well-publicized encounter with *EIR* correspondent Carlos Cota Meza (see interview, page 39) clearly laid out the stakes in the debt bomb fight.

- Business International convened a meeting of elite policy-shapers in Puerto Vallarta, Mexico; the top agenda item was how to defuse the debt bomb.

- Under-Secretary of State Thomas Enders also dropped in on Mexico, according to sources, to dissuade Mexico from pursuing its peace course in Central America.

- A third ill-willed visitor, Queen Elizabeth of England, arrives in Mexico in mid-February.

- The British are meanwhile holding a special meeting on how to co-opt the momentum toward the debt bomb. London has not lost its perverse sense of humor during this crisis, however: the planning session is called World Parliamentarians for a New World Economic Order, and it takes place Jan. 13-16 at Westminster Palace.

## David Rockefeller: 'Debt freeze is dangerous idea'

*In an interchange with reporters Jan. 11 at the U.S. embassy in Bogotá, Colombia, former president of Chase Manhattan Bank David Rockefeller discussed the problem of Ibero-America's foreign debt and contrasted his solution—breaking the backs of the debtor countries one by one—to that of Lyndon LaRouche's "Operation Juárez." Rockefeller was speaking in his capacity as head of the U.S.-based Council of the Americas and in representation of "private initiative." Having just come from Venezuela, he was planning to move on to Panama following his visit to Colombia, which included a meeting with President Belisario Betancur.*

*Excerpts from the Jan. 11 press discussion follow.*

**AP:** Will there be a depression and will there be countries that won't pay their debts?

**Rockefeller:** All countries in the developing sector are different and must solve their problems one by one. A good example is the way that Mexico and Argentina have been treated by the IMF and the private banks. This is one way to solve the problem.

**UPI:** The solutions of the IMF are recognized as short-term ones. What would be a long-term solution?

**Rockefeller:** First, let me clarify one thing. The accumulated debt of these countries is due to the increase in the price of oil, although Mexico has an additional problem. Mexico began to develop under the belief that oil prices would continue to increase, but they didn't and for this reason they had a great crisis in their economy. The help of the IMF and the private banks is short-term. A long-term solution is that the indebted countries will have to cut back their requests for credit.

**EIR:** Is your visit to Colombia for the purpose of supporting Belisario Betancur's proposal on the need to have collective renegotiation of Ibero-America's debt? What opinion do you have of LaRouche's proposal detailed in "Operation Juárez" that there should be global moratorium of third world countries' debts as the only possibility of saving the international private banks and to initiate the building of a New Economic Order?

**Rockefeller:** This is a very dangerous proposal. If there is a moratorium on global debt, evidently the banks will not loan in the future to those countries. For this reason, it is not in the interest of those countries to declare a global debt moratorium but rather to continue with country-by-country renegotiation, as they have been doing.

**EIR:** What is your opinion of Belisario Betancur's proposal?

**Rockefeller:** I think my response also holds for [this proposal], although Betancur's purpose is certainly not that of Mr. LaRouche.

**EIR:** Who knows? . . .

**Russel Marks (Council of the Americas):** I want to clarify something here. The proposal of Belisario Betancur is not the proposal of LaRouche.

**Mr. Copello (Council of the Americas):** I also want to make a clarification. Belisario Betancur has asked the industrialized nations to provide more money to the IMF and the Inter-American Development Bank, and not what you say he says.

**Rockefeller:** If this is what Belisario Betancur is proposing, then we are all in agreement.

**RCN (Colombian radio):** You are coming to Colombia after the Reagan trip and coinciding with the meeting of the Non-Aligned in Managua. Is this coincidence intentional?

**Rockefeller:** It is not.

**EIR:** Yesterday, at 10 a.m. in the offices of Kissinger Associates in Washington, a group of bankers known as the Ditchley Group met. This meeting has been denounced by political figures in the United States and Ibero-America as the creation of a creditors' cartel that is preparing a plan to assure Ibero-America's payment of the debt.

**Rockefeller:** I have just come from Venezuela and have no news on such a meeting. I know the Ditchley Group, a group of serious bankers that want to help at this moment of crisis. I know Kissinger and his offices but I cannot comment on what you are saying.

**Colombian Radio:** Do you support the holding of soccer championships in the United States?

**Rockefeller:** I think that relations among nations depend on each one of them. Relations of my country with Cuba . . .

**Mr. Marks:** Excuse me, Mr. Rockefeller, but the question was about soccer, not Cuba.

**Rockefeller:** Excuse me, excuse me, my Spanish must be failing me.

**Q:** What do you think of Colombia's entrance into the Non-Aligned?

**Rockefeller:** Every country is sovereign and must make its own decisions, but I hope Colombia maintains good relations with the United States.

**Q:** You say there are bitter feelings between the U.S. and Latin America. What are some of them?

**Rockefeller:** Some are commercial problems. But the most recent problem is that Latin America's upset with my country

since the Malvinas war. We want to know what [Latin America's] position is today on that subject. I believe it is not now so grave as a few months ago. The people of Latin America have understood that our country took the position of favoring the United Kingdom because Argentina was the invading country. Later at the United Nations we supported the creation of an independent government on the islands.

**Q:** What can Colombia expect from your visit?

**Rockefeller:** It is simply a visit to establish connections with private initiative and to work in a closer and more effective way for better relations between our nations.

*EIR* correspondent Carlo Meza gave Mr. Rockefeller a copy of the *EIR* and "Operation Juárez," to which Mr. Rockefeller responded with a smile, a thank you, and a comment: "I am very familiar with the ideas of Mr. LaRouche but I am totally in disagreement with him."

## Ibero-American leaders: 'We must take joint action'

*The following statement by Raul Alfonsín, presidential candidate from Argentina's Unión Cívica Radical party, appeared in the Jan. 3 edition of the Caracas daily El Nacional. We Latin American nations should unite to jointly negotiate our foreign debt. . . . Latin America is the region in which a large proportion of the foreign debt of the developing countries is concentrated. We must jointly negotiate our financial problems and establish mechanisms in international forums for the consideration of some that are compatible with the necessity of accelerating the economic and social development of our continent.*

*Excerpts from an interview with Dr. Alfonsín, published in the Dec. 26 edition of Brazil's Estado do São Paulo, follow: I believe that an increase in Latin America's foreign trade is indispensable, and I have been discussing this topic with our friends in Brazil to see how we may best defend our regional interests. Either we defend those interests or we will not be able to defend our economic independence. . . .*

*In the case of foreign debt, we have four countries that owe more than \$200 billion: Mexico, Venezuela, Brazil and Argentina. We should harmonize our financial policies, and seek to strengthen the Latin American Economic system. A new perspective can open up to us if we put on our long pants and work seriously to defend ourselves from discrimination and incidents of aggression from other regions of the world. . . .*

*We are going to focus our attention on Latin America to see if we can increase our exports. But even more serious is the problem of the foreign debt. It is serious, but it should*

not become a conditionality. We should not accept conditionalities such as those proposed by the International Monetary Fund through recipes that are always recessionary. . . . Our economic situation is very grave; currently we are in a severe recession and I don't know how we can continue this way. In any case we will never accept a solution that implies a greater recession.

We have contracted a fabulous debt. But a good part of that [is the product of] international usury.

*The following statements by Spanish president Felipe González were made in a Jan. 9 interview with the Colombian radio station, Radio Caracol.*

In 1983, I will insist that the industrialized nations [consider] the necessity of seriously proposing a renegotiation of the debt and a new effective North-South dialogue; and I will insist on the absolute necessity of a security and cooperation plan for the Central American and Caribbean region.

Spain has been doing the calculations and will soon propose to the great powers the possibility of converting the debt of the countries of the South to development aid.

Everyone talks of democratic freedom and respect for human rights. However, this reality appears to be further and further away. Methodologically, I don't believe in violence to change a situation or a political structure. Violence doesn't lead to the liberation of peoples. Sometimes, unfortunately, it leads to the substitution of one tyranny by another.

*The following is the text of an article entitled "Debtors of the World Unite" published by Agence France Presse (AFP) in the Jan. 11 edition of the Mexico City Daily Ovaciones.*

Caracas—The Latin American Economic System today proposed a meeting of finance ministers and presidents of the Central Banks of Latin America and the Caribbean to consider the possibility of renegotiating the region's foreign debt as a bloc. The 26 Latin American and Caribbean nations which form part of SELA should work hard to consider and agree to jointly negotiate their foreign debt, amounting to \$300 billion, affirmed SELA's president, the Peruvian Carlo Alzamora. The declarations of SELA's president contrasted with those of David Rockefeller who during his visit to Caracas, proposed that Latin American countries negotiate their debts separately.

Alzamora sent a letter today to the Peruvian Finance Minister who presided over the first meeting of finance ministers and Central Bank presidents that took place in Lima in 1980, asking him to call a second meeting whose topic would be the region's foreign debt. According to Alzamora, the [gravity] of the current situation makes it advisory that the region jointly analyze its debt and strengthen its ability to renegotiate it.

Finally, he announced that SELA had called experts on the question to a Jan. 17 meeting in Caracas which would make its conclusions available to the 26-member governments.

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## Colombia

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# Debt burden requires still bolder initiatives

by Valerie Rush

In the last two months, the Colombian government of Belisario Betancur has led a near revolution in the country's financial management. The question is, has he gone far enough?

When, last fall, Betancur announced that the fiscal deficit inherited from the previous Turbay administration was so huge as to make it subversive to cite the true figures, Colombians began to suspect that their President was getting serious. On Oct. 8 he declared a 24-hour emergency in an executive decree imposing drastic new lending limits on the run-away banking system and giving himself the power to nationalize certain banks. That power he immediately put into practice, nationalizing the Banco del Estado, whose prestigious offices had been captured by unscrupulous swindlers, and dissolving the Banco Nacional, which had built itself up as a laundering service for Colombia's drug-running elites. Both banking directors currently face hefty jail terms.

The majority of the Colombian population was delighted; the banking community waxed indignant at the "generalization from a few isolated cases"; and the so-called "emerging class" of newly rich began to wonder if Colombia was such a perfect haven after all.

On Dec. 23, President Betancur greeted the holidays with a second "economic emergency," this one designed to last through Feb. 10 and to finish the job begun in October. The keystone of the second emergency is the "patrimonial amnesty," whose announced purpose is to "open a broad avenue for reincorporation of all the wealth which has been on the margin of the national economy, so that it can be a link to the development effort," according to Finance Minister Gutiérrez Castro. (The significance of the *amnistia patrimonial* is also intensely political, of course.)

In the period preceding the second emergency, the financial sector had besieged the Betancur administration with demands that an "amnesty" for the illegal (read, drug economy) be declared. In one particular gathering of bankers and businessmen in the city of Cali, at the yearly conference of the trade organization Fenalco, prestigious banker after banker rose to warn the government that unless the drug amnesty was granted, the banks were not going to lower domestic interest rates in accordance with a government decree.