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FINANCIAL SLAVERY

Deeper Contradictions Between Latin America and Imperialism

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Many contradictions of the modern world are being exacerbated by the debt slavery of the less developed countries. Since the mid-1970s, the external debt--financial slavery, as the meeting of the communist parties of South America in Buenos Aires in 1984 put it--is the main element in the "sacrosanct triad" of neocolonial exploitation: inequitable trade, direct investments and loans.

The extraction of interest on the debt has evolved into a mechanism of plunder which is much more effective than profit-taking, all sorts of deductions and the notorious price discrepancy. This system has been growing ever more complicated because loan capital has largely ceased to be national and has been transnationalised. The CC Political Report to the 27th Congress of the CPSU pointed out rightly: . . . "A new, complex and changing set of contradictions has taken shape between imperialism and the developing countries and peoples."¹

The Marxist-Leninist conception regards underdevelopment not as a stage but a specific form of capitalist development, and some analysts believe that the external debt is especially charac-

capitalist
 teristic of the relatively mature / society as it develops in the conditions of dependence and backwardness. Loans, which in the 1970s led to brief economic growth, have produced premature decrepitude in peripheral capitalism that has leapfrogged the "prosperity" stage characteristic of the capitalist centres as they move from free competition to monopoly.

The headlong growth of the debt, the ever tougher demands of the private transnational banks, and the mounting debt service payments have turned the economic problem into a political one. While the figures coming from various sources do not always coincide, it is now believed that the Third World countries' external debt has ballooned from \$6-8 billion in 1955, to \$600 billion in the early 1980s, and to \$1 trillion in 1987. In other words, over a period of 30 years it has multiplied 110-160 times over. In the 1960s, its rate of growth was slow; it was much faster in the 1970s, and in the 1980s it began to decline in view of the capacity-to-pay crisis. However, in the recent period, the proportion of ^{short-} / and medium-term debt has increased in the debt pattern. Almost one-half is owed by the Latin American and Caribbean countries, 15-20 per cent, by African countries, and the rest, by countries in Asia and other regions. Ninety per cent of the loans has come from the industrialised capitalist countries (including financial institutions controlled by them) and mainly from the United States. The Latin American debt, which stood at about \$6 billion in the early 1960s, has gone up to \$400 billion in 1987, with over 85 per cent of it being owed by seven major countries in the region, and one-half of it by Brazil and Mexico.

For the Latin American countries, the present debt crisis is the fourth one: the first broke out just after the wars of independence (1810-1826), the next was in the 1870s, and the third one coincided with the Great Depression of the 1930s. In other words, it has recurred every half century, a fact which deserves special study. But the historical conditions are now quite different. The economy of the countries on the continent has been transnationalised, the impact of the structural crisis of capitalism on the Third World has intensified, and chaos and anarchy reign in the international financial system, as a result of the US dollar's conversion into world money. That is why one has to regard the present debt impasse in close connection with the start of the fourth stage of the general crisis of capitalism.

A listing of the external factors at the root of the problem of Latin America's debt would be long. Let us consider only some of its important elements.

A large share of the loans consists of funds earlier taken out of our region, and this shows that imperialist loan capital is fictitious. The outflow of money from the periphery was stimulated by the favourable state of the New York financial markets because of the US urge to use it to cover its billowing budget deficit produced by the wild arms race. There was also Washington's speculation on the fluctuation of the dollar's exchange rate (for the benefit of the Pentagon, in the first place) and this had an adverse effect on the monetary ties between Latin American countries and their partners abroad.

The external debt of the Latin American countries is roughly four times that of direct investments, so that interest payments are much higher than profits. What is more, the transnational corporations used the funds they obtained to consolidate their own positions. It is generally assumed **that** they account for almost one-third of the external debt of the private sector in the Latin American economy.

The terms of international trade have also caused a rise in the debt. Fidel Castro told the Sixth Meeting of the Group of 77 ministers that there were three highly unfavourable circumstances for our countries: the drop in the prices of basic primary products, the increasing inequivalence of exchange, and the growth of protectionism.² Because of the low prices of primary products, the Third World countries were short-changed of \$65 billion in 1985, and of \$100 billion in 1986.³ The sharp decline in their ability to pay forced them to curtail purchases on the world market. Thus, 440,000 jobs were lost in the United States as a result of the cutbacks in Latin American orders alone.

Internal factors are equally grave. The substance of the debt problem does not, of course, consist in the recourse to loans or their size, but in the motives of the lenders, in the purposes for which the obtained funds are used, and whether they promote economic growth. There is the apologetic idea of the need for "capitalist aid", which allegedly stimulates economic growth in the countries of the continent that are said to be incapable of

turning out the surplus product required for accumulation. But the true reasons for the low level of accumulation ^{are} / the flight of capital and the constant and burdensome payments to those who set themselves up as aid-givers, Uncle Sam in the first place.

The chronic external-trade deficit and the costs of maintaining an inflated bureaucratic apparatus likewise tend to swell the debt. A large part of the funds it got was used by the Latin American big bourgeoisie to finance repression against popular movements, and also for stock-market speculation, which has led to even greater centralisation of productive capital.

According to the neoliberal conception, external borrowing is a substitute for overdue reforms, because such reforms are allegedly too costly in economic and political terms. The state is vested with a new function: it has to withdraw from direct participation in economic activity, and to do more to guarantee exploitation and dependence. There is also the impact of the adaptation to transnationalised consumer standards, which has led to a growth of unwarranted imports.

The borrowed funds have not promoted either stable economic growth or social development for the benefit of the working people. As a result, the basis of discontent and the struggle against the effects of the crisis has been enlarged. The TNCs' plunderous policy has now infringed the interests even of the local big bourgeoisie and impeded its capitalist reproduction, although it itself has yet fully to comprehend this contradiction with the "senior partner". All these factors make one take a closer look at the political ^{aspects} / of the debt problem.

The debt burden has now become truly intolerable, and the situation is being further aggravated: it is bound to increase the poverty of the masses and cause social explosions with immense and irreparable losses. In most countries, the debt has been rising not so much through the influx of new funds, as through the refinancing of unmet obligations, and state guarantees for private loans. From 1982 to 1986, the centres of imperialism extracted from Latin America almost \$120 billion; from 1980 to 1986, the Gross Domestic Product of the countries in the region went up by no more than 6 per cent, while it shrank by almost 8 per cent per head. The share of investments in the GDP dropped from 25 per cent in 1981 to 16 per cent in the mid-1980s.

There is a close connection between the towering external debt and the sharp drop in the rate of growth and accumulation: more than one-third of the Latin American countries' export earnings go into annual interest payments, while the total debt is equivalent to export earnings over a period of four years.

The change in lenders has done much to aggravate the situation, as private transnational banks have come to the fore. According to the Inter-American Development Bank, from 1975 to 1981 they increased their share of the external debt from 69 to 82 per cent, and from 15 to 23 per cent in short-term loans.

There has been a simultaneous change in the make-up of borrowers. Governments have entitled individual organisations and enterprises in the service sector, which find it harder to stand

up to bank pressure, to contract loans, and the financial state of these companies is being worsened by the steady depreciation of the national currencies.

The living and working conditions of the masses have been made sharply worse by the vast increase in the debt, stagnation and the fold-up of production. The UN Economic Commission for Latin America has estimated that 35 per cent of the population lives in "absolute poverty". The cost of living remains very high, while wages have been going down. In more and more countries, over 7 per cent of the economically active population is totally unemployed. There is a spread of latent unemployment and a widening of the "informal sector" of the economy that is typical of backward capitalism.

Meanwhile, the Latin American big bourgeoisie has brazenly used the external debt for its own enrichment, as is proved by the concentration of their profits and the million-dollar accounts in foreign banks.

All these factors are bound to cause substantial changes in the economic and social structures of the region, and subsequently in social consciousness and political relations.

Fidel Castro has proved that the external debt of the Third World as a whole, and of Latin America, in particular, cannot be repaid without serious economic and social reforms. He put it graphically when he said that "the debt cannot be repaid even in a dream".⁴ This prospect is so evident that the UN General Assembly says in its resolution adopted in

November 1986: the debt service problems are a heavy burden and a constant brake on the economic and social progress of many developing countries. It called for agreed, equitable and lasting solutions.

Since it is impossible to repay the debt as a whole, a valid mechanism must be found to rid the Latin American countries of at least a part of it. The way seems to lie in a juridical repudiation. Indeed, a large part of the debt could well be repudiated because the juridical, economic and social prerequisites are there. Expert studies show very well that a large part of the debt is not only illegal but illegitimate and immoral. An amount equal to the total debt has already been paid back over the past few years in the form of exorbitant interest, various commission fees, the rising cost of imported goods (mainly armaments) and services, and the declining prices of primary materials.

That the debt is illegitimate is well shown by the loans contracted for military purposes, for the purchase of luxuries abroad, and for speculative operations. Many loan agreements were not duly approved by parliament or were signed in breach of established legislation. Generous "commission fees" have been paid to high-ranking civil and military functionaries. A part of the debt consists of capitalised usurious interest, even if it ^{is} made out to be new borrowing. That is why we are right in insisting on a repudiation of the state external debt, i.e., of that part of it which puts a direct or indirect burden on the majority of the population. As for the private external debt, only the obligations which the governments have underwritten could be repudiated.

Studies made in Brazil warrant the assertion that more than one-half of the money loaned (without the \$16 billion owed by subsidiaries to their transnational corporations) has never actually reached the country. We believe that it is up to the governments, parliaments or the judiciary to make a detailed investigation of all the foreign loans since the early 1970s, to establish their origins, the purposes for which they have been used, to compare prices and tariffs with those existing on the world market, to bring out the role and incomes of middlemen who are Latin American citizens, and to determine which of the imposed terms are an infringement of national sovereignty.

The external debt has become a national problem, and that is why the claims that any investigation would be an infringement of the rights of private persons should be ignored. The transnational banks, which have artificially spiralled the debt, should bear a part of the responsibility.

The private transnational banks are a creditors' club, a transnational banking monopoly. They have a highly efficient system of information and control, which ignores the sovereignty of states, including the imperialist states. Lenin's description of bank capital in his classic work on imperialism is now more relevant than ever before.

All the transnational banks have long since united in a worldwide banking trust, of which the Club of Paris is the legislature, and the International Monetary Fund, the executive.⁵ The creditors' club has tried hard by every means to prevent

the debtors from uniting. All the formulas it has proposed for solving the debt problem contain three main conditions: bilateral negotiations in every case; non-acceptance of responsibility by the private banks for the existing situation, and no review of the size of the debt.

Since the debt problem defies solution by purely banking methods, a technico-economic variant has been proposed. It is said to be very easy to put through and to be mutually advantageous for creditors and debtors alike. The idea is to convert a part or the whole of the debt into equity by swapping debt obligations for the shares of Latin American enterprises. The president of Citicorp agreed while on a tour of Latin America that the external debt cannot be repaid, but rejected any political solutions. The only way, he said, is to convert the debt into direct investments, although such an operation, as he himself admitted, would apply to about a quarter of the debt. The idea was endorsed by the US Federal Reserve System by allowing US banks to own up to 100 per cent of the capital of foreign non-financial enterprises.

This supposed panacea is both false and dangerous. There are not enough enterprises in Latin America that are sufficiently attractive for the transnationals and whose sale could help to cover the debt. An amount equal to only 10 per cent of Brazil's debt would go to pay for 50 major enterprises in the country, even including Petrobras, a world giant. Such an operation could produce a short-term improvement in the state of the hard-currency

balance, but it would ultimately lead to a denationalisation of the economy whose consequences are simply unpredictable.

The Latin American governments have still done little to organise joint action in surmounting the debt. That bilateral negotiations alone are possible because of the great differences between states and the borrowing terms is a half-truth that continues to be current, but the differences are being obliterated by the crisis, which compels the working out of a common stand. Evidence of the slow but inexorable development of this process comes from the Cartagena Consensus⁶ and the declaration issued by a group of political personalities and economists in May 1987, among them several former Latin American presidents.

The substance and the acute character of the confrontation with the United States over the external debt problem largely depends on the stand of the imperialist financial groups: they will either have to accept an expansion of the domestic markets of the countries on the continent by writing off a part of the debt, an approach that favours the industrial and commercial monopolies, or they will insist on continued debt service payments, since an end to payments would mean losses for the transnational banks. It is hard to predict what the solution will be, because one has to reckon both with the immediate and the strategic interests of imperialist capital, which are often regarded as being more important than the rate of profit. Only organised resistance by the peoples and joint action by the Latin American governments can produce a solution meeting the needs of the LDCs, an expansion of their domestic markets.

The debtor countries have the right to act in unison and to put up collective resistance to the creditors' club. We believe that there must be a conference on the external debt with the participation of all the countries of the world, preferably under the auspices of the United Nations.

It has been proved over and over again that military expenditures are non-productive and are in excess of any reasonable idea of defence: the existing nuclear arsenals can destroy a population that is twelve times larger than the actual number of people on the Earth. The monetary and financial turmoil and its consequences—the astronomical growth of the Third World countries' external debt—is largely the result of the way in which large-scale US military programmes are being financed. That is why, as Fidel Castro has shown, the debt burden can be removed through a dialectical solution of these two problems: the excessive debt of the dependent and backward countries, and disarmament. Let us recall that the Soviet Union proposed to ^{cut} the UN General Assembly back in 1973 a 10 per cent/^{cut} in the military budgets of the permanent members of the US Security Council, and the use of the resources thus released for assistance to the Third World countries.

The governments of the industrialised capitalist countries, once they have accepted the recommendation to hold a world conference, will have to compensate the transnational banks based on their territory in proportion to the military-budget cuts. If the funds do come from military-budget cuts, they will not fall as an additional burden on the citizens of these count-

ries and will not inflate expenditures or increase the national debt. The governments concerned could issue special bonds and agree their terms and maturities with the transnational banks with an eye to the period of amortisation of the written-off part of the Third World's debt. That cannot, of course, imply any obligations for the Latin American countries, because it applies to the essentially illegitimate and immoral part of the debt, which is not due to be repaid any way.

In this way the governments would guarantee the banks the repayment of earlier loans and so would avert the bankruptcy which threatens them in the event of debtor insolvency.

Finance capital is increasingly aware that developments could run such a course. Accordingly, the banks have been selling off (often in secret from their governments) the debt obligations of Latin American republics at a large discount which sometimes comes to more than 50 per cent, while simultaneously increasing their liquidity reserves to offset the actual depreciation of active loans on their balance-sheets. The suggestion is that the private banks, in fact, assess the external debt at a much lower figure than its nominal value. While such actions may be regarded as capitalist prudence in sacrificing some profitability, so as ^{not} to lose all of it, they also show, even if indirectly, that the profits they have already made have adequately compensated them for any possible losses. Even specialists who can hardly be suspected of being hostile to the transnational banks do not rule out the possibility of a partial write-off of the debt. —————→

A report by the UN Economic and Social Council admits that a partial write-off of the debt, or a lowering of interest payments to a level below ^{the} market rate would go to benefit all the parties concerned. One should bear in mind that while the external debt is extremely high for an underdeveloped economy, it is not all that large when compared with the total volume of loans made available through the financial system of imperialism. US non-financial corporations alone have run up a debt close to \$1.5 trillion, which is 50 per cent higher than the external debt of the LDCs. These corporations are themselves faced with the problems of non-liquidity and insolvency. If the private banks will not even hear of the similar problems faced by the Third World countries, and especially by the Latin American countries, that is not because our debt is the basic component of their assets: they simply want to avoid receiving yet another blow in addition to that inflicted on them on the internal front.

But even a partial write-off of the debt would not mean any definitive solution to the problem. There arises the question of what is to be done with that part of it which has actually been used by the economies. In any negotiations on this issue, we believe, one should start from the possibility of a general moratorium, without any interest accruing over a period of at least five years, a reduction in interest rates, a deferment of payments to a maximum percentage either of export earnings or of the GDP: these should not be in excess of 20 per cent of the former, and 2 per cent of the latter.

A solution to the debt problem is the prerequisite for a resumption of economic growth in the Third World countries and, consequently, for an improvement of the state of employment in the leading imperialist states. But there is more to ensuring balanced and stable development. International economic relations as a whole need to be made healthier. The central element in this process should be a democratic restructuring of the financial system, elimination of the dollar's power as world money, and Washington's hegemony in the world financial centres. There is also a need to modify the dependent industry of the LDCs, to reorient it towards internal requirements and raw materials, and to fix fair prices for their goods. So long as the TNCs continue to be the factor behind the economic perturbations, it is hard to implement the Charter of Economic Rights and Duties of States or to set up a New International Economic Order.

The periphery of the capitalist world, including Latin American and the Caribbean countries, is, in fact, not the debtor but the creditor of imperialist centres, which is why a partial write-off of the debt would at least be a minimum compensation for the vast losses the peoples of our continent have suffered during the long years of exploitation for the benefit ^{of} transnational finance capital.



¹ Mikhail Gorbachov, Political Report of the CPSU Central Committee to the 27th Party Congress, Novosti Press Agency Publishing House, Moscow, 1986, p. 18.--Ed.

² Grahma, April 21, 1987.

³ Ibidem.

⁴ Ibidem.

⁵ See the report by corresponding member of the USSR Academy of Sciences Victor Volsky at a round table on "The General Crisis of Capitalism and Latin America's External Debt Problem", WMR, No. 4, 1986.

⁶ The original document was adopted in June 1984 at a meeting of 11 Latin American countries in the Colombian city of Cartagena.--Ed.

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EXCHANGE OF VIEWS. DISCUSSION

THE GENERAL CRISIS OF CAPITALISM AND LATIN AMERICA'S EXTERNAL
DEBT PROBLEM

The substance, character and main causes of the deep crisis affecting Latin America since the early 1980s; the role of the United States in exacerbating it; the economic and political consequences of the imperialist expansion for the Latin American countries; the interconnection of the crisis and the external debt problem; the bourgeois prescriptions for escaping from it; and the alternative programmes of the Communists and other progressive forces on the continent were among the issues discussed by the participants in a round table arranged by the WMR Commission for the Problems of Latin American and Caribbean countries.

Among those who took part were: Jose Maria Lanao, CC member, CP Argentina; David Moraes, CC Political Commission member, CP Bolivia; Luciano Barreira, CC alternate member, Brazilian CP; Donald Ramotar, CC Executive Committee member, People's Progressive Party of Guyana; Randolfo Banegas, CC member, CP Honduras; Alvaro Oviedo, CC member, Colombian CP; Luis Orlando Corrales, CC Political Commission member, People's Vanguard Party of Costa Rica; Rogelio Gonzales, CC member, Paraguayan CP; Cesar Jimenez, Peruvian CP representative on the WMR Editorial Council; Jaime Barrios, CC Political Commission member, CP El Salvador; Orel Viciani, CP Chile representative on the WMR Editorial Council; and Corresponding Member of the USSR Academy of Sciences, Victor Volsky, Director of the Institute of Latin America of the USSR Academy of Sciences, who presented the introductory paper.

Below is an abridged text of Volsky's paper and Orel Viciani's summary of the discussion.

The capitalist world has not suffered such a grave and shattering upheaval since the Great Depression of the 1930s, as it has over the past five years, Volsky said in his introductory paper. It is too early to say anything about the final results of the crisis of the 1980s: it is far from over in the less developed countries. But it is already safe to say that it is more than just another cyclical upheaval for capitalism, since the scale and scope to which the various spheres of the society have been hit by the crisis provide evidence of a further aggravation of all the contradictions endemic to imperialism.

Defects of Capitalism Hypertrophied

The cyclical crisis of overproduction and the debt crisis that followed served merely as parts and catalysts of the structural crisis of the exploitive system itself, essentially signifying a further deepening of the general crisis of capitalism, and a dangerous sharpening of its chronic and incurable ailments under the cumulative impact of the changes in the world capitalist economy over the past 20 years.

There is, first and foremost, a marked growth of the parasitic features of imperialism, a process based mainly on the further transnationalisation of the capitalist economy. The Transnational Economy Centre (Buenos Aires) has estimated that the 500 major industrial concerns' share of the capitalist world's gross domestic product increased from 23.4 per cent in 1962 to 30.1 per cent in 1980;¹ while their sales abroad grew twice

¹ See R. Trajtenberg, Concentración global y transnacionalización. Centro de Economía Transnacional, Buenos Aires, 1985, p. 50.

as fast as those at home. The US corporations' exploitation of other countries is even more telling: from 1971 to 1980 alone, their sales abroad increased from 27.8 per cent to 42.9 per cent,² with Latin America the main objective of their expansionism: from 1966 to 1981, its gross domestic product increased roughly 2.5-fold, while the sales of US subsidiaries in the area leaped more than 7-fold.³

There is nothing new in the monopolies' penetration of Third World countries, in general, or of the Latin American region, in particular, but the novel element is that, as never before in the past, the foreign subsidiaries increased their capital mainly through external loans, which were, as a rule, underwritten by the governments of the recipient countries, that being one of the main causes of the mounting debt. It has been estimated that the TNCs account for 30-35 per cent of Latin America's debt. Let us add that in the process they have "skinned the ox thrice", collecting interest on the loans, and increasing their repatriation of dividends on the growing direct investments, and earnings on their goods deliveries.

Nevertheless, the crucial changes in the capitalist economy have been expressed in a sharp growth in the strength and significance of loan capital. The energy crisis and the rise in the prices of oil provided a real bonanza for the oil monopolies and the transnational banks (TNBs), which had at their disposal the bulk of oil exporting countries' earnings. That was largely

² Ibid., p. 83.

³ Estimated from Survey of Current Business, May 1976; August 1982.

the source from which the Eurodollar market alone multiplied 12-fold from 1971 to 1982. This capital certainly required to be profitably invested, and this was done by means of the latest hi-tech business techniques. External loans were not just made available; the powerful TNC-TNB bloc used the hard sell to push them on the market, while the strategy of the imperialist ruling circles took care of their interests and assured them of a free hand. There was a substantial reduction in the extension of "aid" to less developed countries along official channels.

But there was more^{to}/it than that. The capital traded by the banks was largely fictitious. On the one hand, that was due to its nature and its origination from mining (oil) rent, which had no real material collateral either in the country of origin, or even on the world market. There was here evidence of a constant trend to offset the oil capital with higher prices for the industrialised countries' products.

On the other hand, the vast masses of loan capital were also fictitious largely because of their unprecedentedly rapid turnover at a high and usurious rate of interest. Consider these figures: 10 major US banks had extended almost \$50 billion worth of loans to the major Latin American debtor countries (Brazil, Mexico, Argentina, Venezuela, Chile), which was 50 per cent more than the banks' own assets, including, 262 per cent for Manufacturers' Hanover, 174 per cent for Citicorp, 158 per cent for Bank of America,⁴ and so on.

⁴ Le Monde diplomatique, February 1985, p. 28.

The "new role" of the banks under imperialism was exposed by Lenin, who gave numerous examples of their "terrorism" with respect to industrial enterprises.⁵ Nowadays, banks terrorise and dictate their will to entire countries, the less developed ones, of course, in the first place. The loss of a large part of their real economic power leads to growing disbalances and anarchy of production, and to the development of contradictory and destructive processes.

The intense development of intra-corporate trade is another "achievement" of contemporary imperialism. It enables the TNCs to use the mechanism of transfer prices⁶ to extract vast profits from the Third World countries, and the scope of these operations will be seen, for instance, from the fact that, in the late 1970s, the TNCs accounted for one-third of US imports from Latin America, including over one-half of manufactured imports.

Among the components of the markedly intensified exploitation of the less developed countries are the search for lucrative spheres of investment, accelerated development of capitalism in the peripheral countries, transfer to these countries of labour-intensive, material-intensive and "dirty" industries, and the emergence of "newly industrialising countries", which have to produce for export because their domestic markets are either too small or non-existent. Latin America, which has gone farthest in its integration with the imperialist system is being subjected

⁵ See V.I. Lenin, Collected Works, Vol. 22, pp. 210-226.

⁶ The prices used in settlements between enterprises of one and the same corporation.--Ed.

to the most refined and ruthless plunder, whose proportions were thrown into bold relief by the crisis of the 1980s. Indeed, from 1978 to 1985, the continent made debt service payments in excess of \$368 billion--the amount of its present debt--but that notwithstanding, its indebtedness in the period more than doubled. How are the Latin Americans now to go on living with an external debt burden of more than \$1,000 per head--the equivalent of the area's annual income per head?

The US Role in Sharpening the Crisis

Of all the imperialist centres, the United States has been hit hardest by the current crisis. However, it is not a victim, but the prime cause and chief culprit of the crisis. It is in the United States that the features of parasitism and neocolonialism have been concentrated and most strongly manifested, not least importantly because of its large economic potential. The United States reached the peak of its might in the early 1950s, and since then its dominant positions in the "free" world have been subjected to ever more palpable blows: from the exploited peoples fighting for their sovereignty, freedom and social progress; and from its imperialist rivals. Let us recall that over the past decades, the working people of Latin America have repeatedly attacked the bastions of imperialism with success. There was, first, the Cuban Revolution, which raised the banner of socialism in the Western Hemisphere; the liberation process then developed into the victory of the Sandinist Revolu-

tion in Nicaragua; there is now a mounting struggle by the peoples of El Salvador, Guatemala and other countries in Central America.

US hegemony in the capitalist economy has been substantially eroded. Thus, the US share of the capitalist world's industrial output shrank from 56 per cent in 1948 to 30 per cent in 1981, while that of Japan, which has moved into second place, increased from 3 per cent to 17 per cent, respectively.⁷ In 1982, 24 of the world's 100 major banks were Japanese, and only 12 were US-owned. In Latin America this rivalry is even more obvious: from 1966 to 1984, US direct investments went up 2.8 fold, and Japanese--more than 63-fold, which puts them in second place.⁸

But the United States has no intention of accepting the prospect of losing its leadership in the imperialist division of "spheres of influence". In order to attain its objectives, Washington has been making use--under pressure from the military-industrial complex, the TNCs and the TNBs--not only of all of its internal reserves, but also of the tribute which the US capital-and-state machine manages to levy abroad. The Reagan administration, as no other before it, has increased to a dangerous point the astronomical growth not just of unproductive, but also of downright anti-social and anti-human expenditures, those going on the arms race, the exercise of gendarme functions, the export of counter-revolution, the recruitment and equipment of mercenaries,

⁷ Calculated from Informe sobre el Desarrollo Mundial 1984, Banco Mundial, Washington.

⁸ See H.D. Heydenreich, Problembereiche ausländischer privater Direktinvestitionen in Lateinamerika, Göttingen, 1974, p. 13; Survey of Current Business, August 1979; August 1985.

the maintenance of a steadily inflated repressive apparatus, and the conduct of declared and undeclared wars against the peoples standing up for their sovereignty and the right to self-determination.

The United States has been inventing new techniques to marshal world resources to cater for the USA's hegemonistic ambitions. One such technique was the immediate cause of the debt crisis which broke out in 1982: the US Federal Reserve System raised bank interest rate to the record high of 17.3 per cent.

That had truly tragic consequences for the Latin American republics. Three-quarters of their external borrowing had come from private commercial banks on the basis of "floating interest rates", whose growth by only one percentage point in 1981-1983 increased their debt-servicing charges by \$2.3 billion a year. Besides, the rising bank rate in the United States itself acted as a powerful magnet pulling in capital from various parts of the world, above all from a Latin America toiling in the throes of inflation, unstable and unable to compete with foreign firms on domestic markets. According to various sources, Latin American deposits in US banks total between \$110 billion and \$170 billion. Such an unparalleled outflow of resources from the countries of the region has naturally pushed many of them to the brink of disaster.

The United States has brazenly speculated on its status of a country whose currency unit has been adopted as the international standard of value, manipulating interest rates, money supply, and dollar exchange-rates, and even engaging in downright

smuggling of currency. One French journal, describing the tricks and dodges used by the United States to cover its vast military outlays and keep its economy going, says: "Only a country controlling the dollar can afford such a luxury. Others have to foot the bill."⁹

The general crisis of capitalism has been exacerbated by the imperialists' urge for boundless expansion, and for the expanded reproduction of the relations of domination and dependence. The predatory model of the imperialist economy, which is pathological at root, cannot exist unless it keeps sucking out more and more of the less developed countries' lifeblood, although they are no longer capable of catering for the appetites of the leech which threatens their very survival. In view of the special role of the United States in this crisis, there is good ground to say that the existing order of things in the dollar empire has collapsed, and that US relations with what is virtually the rest of the capitalist world are bankrupt.

However, for Latin America the crisis is not something that is external or reflected, and that will take care of itself if business improves. The problem is not only--and not so much--that the scale on which the region is being plundered has gone beyond some tolerable limit. It is in fact the collapse of a model according to which most countries on the continent have been developing over the past decades.

The crisis has hit the Latin American economies more deeply and keenly than did the depression of the 1930s. Virtually all

⁹ Le Monde diplomatique, February 1985, p. 1.

of them suffer from an absolute decline in production (against the background of the general decline, Cuba alone has demonstrated the incontestable advantages of its option: over the past five years, its gross social product grew at an annual average of 7.3 per cent). The crisis has also resulted from the failure of the basic concepts of development foisted on the continent. The so-called neo-liberal, or monetarist doctrine, imposed on Argentina, Chile, Uruguay, Peru, Jamaica and Costa Rica by US imperialism has turned out to be an unmitigated disaster. Recipes for an "open economy" allegedly helping to harmonise the interests of the beneficiaries and of the TNCs eager to "cooperate" with them were proposed by the founders and fervent advocates of the Chicago School, among them Milton Friedman, R.A. Mundell, H.B. Johnson and R. Goldsmith. Their recommendations included such measures as unlimited freedom of investment, trade and competition, and foreign currency transactions, the "mutually complementary" domestic and external commodity and, especially, financial markets, curtailment of the state sector, and cutbacks in social spending by privatising the respective establishments to make them pay their way. In practice, this meant farming out the economy to foreign capital and its local agents.

Very many firms (and not only national firms), including the largest ones, were unable to operate in such conditions. There began in the countries adopting "monetarist" schemes a destruction of industry which is altogether incredible in our day. The share of industry in Argentina's gdp declined from 27.6 per cent in 1974 to 21.6 per cent in 1982, and in Chile's, from

29.5 to 20.2 per cent, while employment at Argentinian and Chilean enterprises shrank by 37 per cent.¹⁰

The effect of import-substituting industrialisation, another strategic economic line, likewise had grave consequences, for it actually increased, instead of decreasing, imports and dependence in imports; the TNCs tightened up the links between their subsidiaries and foreign technologies and sources of supply. The narrowness of domestic markets and the chronic balance-of-trade deficits forced some governments to start subsidising exports in order to surmount the protectionist tariff barriers in the industrialised capitalist countries.

The ruling classes' line of having the rural areas in some countries gradually integrated into modern capitalism via the "green revolution" and the development of new lands, instead of deep-going agrarian reforms, has led to a relative--often to an absolute--shrinking of the domestic markets and also to an unprecedented penetration of agriculture by the TNCs.

In the social sphere, the crisis is characterised by a sharp decline in the living standards of broad masses of people. Unemployment and partial employment have more than doubled everywhere, and the impoverishment of tens of millions of people within the "informal sectors" of the industrial and agricultural population¹¹ has accelerated.

¹⁰ Revista de la CEPAL, No. 23, 1984, p. 112.

¹¹ The highly numerous and characteristic category of people in less developed countries who are involved in economic activity in the lower-order, and mostly small-commodity, sectors.--Ed.

Political structures have also been deeply affected by the crisis. One need merely recall the bankruptcy of some authoritarian regimes, which relied on the "national security" doctrine. There has been a sharp step-up of action by the working masses, who now have a much greater role to play in deciding their countries' destinies. But the most important thing, perhaps, is that the crisis ^{has} / shown--as never before in the past--that the main watershed in the current political struggle on the continent now runs between the pro-imperialist and the anti-imperialist forces.

Bourgeois Recipes for Enslavement

The ruling circles of imperialism are highly worried by the present situation, for the tense atmosphere of discontent over the exploitation and diktat is fraught with unpredictable consequences, and not only in the sense of possible social explosions and their political effects. Even a simple refusal by some major debtor to pay tribute in due time could bankrupt one or more major lenders. Furthermore, there could well be a chain reaction whose outcome it is hard to anticipate. The business barons have been trying hard to surmount the crisis with the smallest possible losses, but it is the future that worries them most. Having dragged Latin America into debt-bondage by means of dishonest "labours" and at the price of a crisis, imperialism has no intention at all of letting go of such a powerful weapon. Its purpose is to tide over the politically most dangerous phase and to turn the debt into a chronic malaise to be used as a handy instrument for extracting profits and controlling the economy.

When the banks were just starting to dictate their will to individual enterprises in the most developed countries in the early twentieth century, Lenin was quick to discern the techniques which the banks now use against any country on the globe. He wrote: "The concentration of capital and the growth of bank turnover are radically changing the significance of the banks... When, however, this operation grows to enormous dimensions, we find that a handful of monopolists subordinate to their will all the operations, both commercial and industrial, of the whole of capitalist society ... first, to ascertain exactly the financial position of the various capitalists, then to control them, to influence them by restricting or enlarging, facilitating or hindering credits, and finally to entirely determine their fate..."¹²

All the TNBs now sharing the international credit market in accordance with the size of their capital have long since banded into a world banking trust, with the Paris Club¹³ as its legislature, and the International Monetary Fund (IMF), as its executive. It is truly hard to exaggerate the role of "Señor IMF", as it is known in Latin America. It carries on large-scale intelligence and information operations to have an exact knowledge of the slightest changes in the economic or political situation of any debtor country; it works out the prescriptions, plans and peremptory "recommendations" which determine the lot of states and nations.

¹² V.I. Lenin, Collected Works, Vol. 22, pp. 214-215.


¹³ The Paris Club (or Group of Ten) was set up in 1961 under an agreement between the governments of the leading capitalist powers.--Ed.

The IMF is now feverishly casting about for ways and means to take the edge off the acute situation. It is now already into a third round of negotiations with individual countries to decide on the terms for settling the debt. Fearful of their clients' becoming totally insolvent, the banks and the IMF are, of course, forced to do something to ease their plight by deferring dates of payment, slightly lowering some interest rates, and making available new loans to pay off old debts, whenever the debtor accepts the established rules of the game. It goes without saying that the solution of the debt problem is not brought any nearer by these financial and bureaucratic motions, for the debt continues to go up, instead of down. Meanwhile, the IMF continues to toughen up the terms on which it agrees to make "concessions" to the debtors and to make available additional loans. Apart from the "customary" recommendations (import cuts, government budget economies, etc.) it is now making political, rather than economic demands, among them massive sales of state-owned enterprises, transfer of the exploitation of natural resources to the banks and allied TNCs, introduction of new taxes, lifting of customs tariffs, and so on.

The IMF, like other financial organisations of the leading capitalist powers, devotes ever more time and attention to world-wide plans for settling the less developed countries' debt. The imperialist schemes, as a rule, boil down to taking the debt problem outside the framework of direct clashes between the nations and the TNBs, and turning it into some kind of permanently operating international economic factor. One suggestion, for instan-

ce, is to convert the debts into standard international bonds, with the relevant settlements to be controlled by an ostensibly independent supranational body. There are many other similar projects, but they all have one common defect: their main concern is to perpetuate the debt-bondage and to turn it into the main instrument of financial relations between the centre and the periphery of capitalism.

It is not only the public forces, but also the governments of Latin America that are coming to see the objectives of this super-task of imperialism. The annual session of the IMF and the IBRD in Seoul in October 1985 decided to set up an agency to ensure guarantees of security for foreign investments in IMF member-countries. The draft decision drew sharp objections from the less developed countries, with the Peruvian delegate launching the sharpest and most wrathful attack on the United States and the IMF. Nevertheless, the "masters" managed to put through their resolution, since "one country, one vote" does not operate within the IMF, although it is a fair and normal principle of international relations. Voting rights in the IMF are allocated according to the strength of capital (weighted vote), so that the United States has almost 20 per cent of the votes.



Strength Lies in Unity

The peoples of Latin America and all their progressive forces are seeking their own solution to the crisis and debt problem. Attention everywhere was focused on the initiative of Fidel Castro, who not only provided the most convincing proof that the debt was unpayable, but also indicated the concrete way of eradicating it: the leader of the Cuban revolution says that if the arms race were halted, it would take only 10-12 per cent of the present world military expenditures to clear all of the Third World's debts. Let us recall that at the 28th session of the UN General Assembly in 1973, the Soviet Union urged a 10 per cent reduction of the military budgets of the permanent members of the Security Council, with a part of the money so saved going into a fund for assistance to less developed states.

There was world-wide public response to the proposal for improving international economic relations set forth in a memorandum of the USSR government, which it put before the United Nations in January 1986. It says: "Ending the arms race, liquidating nuclear and chemical weapons, and substantially reducing the military expenditures of states are the most realistic and effective source of funds that are so necessary for the economic and social needs of the less developed countries, and for a solution of such global problems facing mankind as the surmounting of economic backwardness, and the elimination of vast areas of hunger, poverty, epidemic diseases, illiteracy."¹⁴

¹⁴ Pravda, January 28, 1986.

There are growing demands in Latin America for an end to the IMF diktat and protection for national sovereignty. The main thing the Latin American nations now need, one feels, is unity in the face of united imperialism. Awareness of such a need has been steadily growing on the continent, as will be seen, in particular, from the forum held in Havana in August 1985 and attended by more than 1,400 delegates from broad public circles in 37 countries of the region. A meeting of members of parliament from 14 Latin American republics in Montevideo in October 1985 likewise showed that the standpoints on the debt problem and the ways of solving it are drawing closer together.

Another thing is of equal importance. The most important and fundamental element of the debt problem is not the debt itself but the inequitable relations under capitalism, which are being entrenched and compounded in every way by the imperialist monopolies. The world community has long since formulated and endorsed the principles for drafting a fundamental document clearly expressing the idea of establishing a new international economic order, but for long years the Western powers have been obstructing and sabotaging the adoption of a Charter of the Economic Rights and Duties of Nations.

While the debt problem is not as acute in any other region as it is in Latin America, it is perfectly obvious that it cannot be solved within the framework of a single continent. The whole Third World, Volsky said in conclusion, is in need of a radical restructuring of international relations.

Key Issues Discussed

The participants in the round table dealt with three main problems: the characteristic features and peculiarities of the current crisis and its social and political consequences; the alternative programme presented by the democratic forces; and the international conditions which variously influence the possibility of overcoming the negative factors.

Speakers naturally concentrated on the external debt, now a real scourge on the peoples of the continent. However, it was not considered out of context, but as an organic link in the whole chain of elements which had produced the crisis. The debt is an integral component and, simultaneously, a natural product or a "concentrated expression of the crisis", as one speaker put it. The sharpening of the relations of domination and dependence imposed by imperialism on the Latin American and Caribbean countries has produced a tight knot of the gravest contradictions. The debt-bondage springs from the inner logic of capitalist development and its objective historical trends, which inevitably engender parasitism and speculative operations on an ever wider scale and in ever uglier forms. Hence this conclusion: the external debt problem is neither casual, nor transient. Nor is it some temporary "anomaly" caused by a conjunction of circumstances, such as an unfavourable cyclical outlook. It is structural, and that is what determines its place in the context of the crisis gripping the continent.

After all, speakers pointed out, if financial resources keep being extracted from the national incomes to service the debt, many Latin American countries can hardly hope to carry on expanded reproduction without more external borrowing that would sharply increase the debt.

The problem is rooted in the very nature of the present imperialist stage in the development of world capitalism. It is characterised, on the one hand, by TNC operations, and on the other, by the fact that the local bourgeoisie, primarily the financial oligarchy, cannot create (and cannot hope to introduce) its own economic development model taking account of the degree of dependence and foreign capital penetration into the structure of the Latin American states. Indeed, most of the loans are used not for the needs of production, but for speculative operations for the benefit of local and foreign financial groups, for the enrichment of those in power and the top bureaucracy, and also to a large extent to cover the growing military spending and to maintain a steadily inflated anti-popular repressive machine.

The facts show that the countries of the continent are doomed to remain underdeveloped, while parasitic trends are running ever more strongly both in the imperialist centres and on the periphery. That is the context of the external debt problem, which, as speakers repeatedly stressed in the course of the discussion, is simultaneously the cause and the effect of the crisis.

The most essential features of these processes (with various distinctions, of course) are also in evidence in other regions of the Third World, a vast zone of the globe in which the debt mechanism is used as an element of the latest and most refined system of imperialist plunder and enslavement of less developed countries. It includes a worsening of the terms of trade between the debtor countries and the imperialist powers; high bank interest rates, subsequently become "floating" rates; artificial raising of the dollar's exchange rate; flight of capital; and growing military expenditures imposed on the Third World countries by the United States under militaristic programmes. All these factors, taken together, lead to extremes such as Latin America's conversion into a net exporter of capital for the centres of imperialism, the latter striving to maintain the existing order of things and to perpetuate the debt through annual service payments, thereby guaranteeing the receipt of neocolonialist profits for ever. To this should be added the protectionist measures (tariff and non-tariff) and the manipulation of international market prices to the detriment of countries exporting industrial and agricultural primary materials.

The so-called international credit agencies, notably the IMF and the IBRD, have acted in the same spirit. While claiming to be intermediaries between debtors and creditors, their actual mission is to satisfy the inordinate imperialist appetites, while bolstering the role of money-lender cartels like the Paris Club or the US Banks Coordination Committee. All such agencies are

engaged in a tactical operation with the following objective: to present a solid front against every individual debtor. The less developed countries are forced to accept the terms and "adjustment programmes" whose harmful consequences are perfectly obvious. Thus, unadulterated blackmail is presented as a desire to "facilitate" the receipt of new loans in the course of negotiations on refinancing and restructuring their debts. In actual fact, such new loans are entirely absorbed by annual interest payments and merely go to compound the debt-bondage. To escape from it, they resort to more loans, and these carry an ever higher price as interest is capitalised¹⁵ with the result that the debt keeps piling up. Such is the technique used in the continuous draining of the Latin American countries' lifeblood, and this must be ended--once and for all.

In the light of these facts, the participants in the round table expressed complete agreement with the view which is now being ever more widely accepted in the region. It could be summed up as follows: the conditions being what they are, the debt can neither be reclaimed, nor repaid; the debt has become a political problem, and that is the light in which it must be seen; the Latin American countries cannot hope to find a realistic and reliable way out of the existing situation, unless the problem is closely tied in with the establishment of a new international economic order whose basic principles are contained in UN resolutions; no time must be lost in starting a campaign for a democratic way out of the crisis, an impetus should be given

¹⁵ As debtors find themselves unable to service their debts in due time, the interest in arrears is added to the principal.--Ed.

to national development, payment of the debt should be repudiated, and the imperialist diktat rejected.

It was the consensus that any realistic alternative should come down to the following. There must be a halt to the endless and senseless game of "restructuring", "adjustment" and deferment of payment datelines, and the illusory hopes of lower interest rates must be abandoned. So long as this game goes on--even if its rules are changed for the better--it is impossible to resist the economic mechanism which was conceived from the very outset as an instrument of domination and plunder.

The specific forms for getting out of the crisis will, of course, differ in each country and will be determined by the existing economic and political situation and other factors. But the common element in this situation is--in any case--that it is impossible to go on repaying the debt. Most envisage a write-off, abolition or complete cancellation of the entire debt, while others suggest a deferment or a moratorium for a definite period, say, 10-15 years, upon the expiry of which the problem could be reconsidered on new and fundamentally different principles.

These could, for instance, signify a recalculation of the debt. In this context, some fraternal party representatives drew attention to the view widely accepted on the continent concerning the need to draw a distinction between so-called legitimate and illegitimate debts (the latter including subsidies used to finance reactionary coup d'etat, anti-popular repression, enrichment of the ruling elite or the rewarding of its political hangers-on). Accordingly, the proposal is to undertake the repayment of

the former and to repudiate the latter. The concepts of state and private debt are also used in a similar sense. The need was pointed out to reckon with the existence of this clear-cut trend: an ever greater part of the debt, initially a private one, is being underwritten and backed up with securities by the state, which for that reason has to expend vast public funds to cover it.

There are ever louder and well-justified demands in Latin American and Caribbean countries that they should not accept any responsibility for the obligations of financial groups which had used the loans for all manner of speculations and machinations cutting across the national interest. (Everyone knows that many monopolistic circles have been illegally transferring their capital abroad, only to have it returned in the form of "foreign loans" falling as a burden on the state. These same funds are subsequently remitted abroad once again.) What is more, in view of the damage done to the economy, these groups deserve to have some kind of sanctions imposed on them by the state.

The capping of interest rates, and a ban on the practice of interest capitalisation were among the other measures proposed. Countries insisting on a moratorium and new terms for servicing the debt intend to allocate a reasonable percentage of their total export revenues to meet the annual debt payments. Others urged the need to make debt servicing contingent on the changing terms of trade between the Latin American countries and the developed capitalist countries.

It was the unanimous view of the participants in the discussion that such measures would help ease the blood-drained economy of the region and give it a breathing space. If this is paralleled by international economic restructuring, the ruthless plunder of the countries of the continent will undoubtedly end. Meanwhile, there should be no illusions that these measures will of themselves lead to the attainment of the desired level of development and economic growth. The important thing is to put in the utmost effort to make them so effective that--in strict conformity with national interests--they would provide Latin America with the necessary export stocks. Primary attention should be given to boosting production and investments, and practising thrift.

The concrete proposals for each country's development being made by the revolutionary and progressive forces, it was emphasised at the round table, necessarily reckon with their resources and economic peculiarities. Mention was made, in particular, of such possible initiatives as the cancellation of some contracts concluded with the TNCs for the exploration and working of mineral deposits and their transfer to state control. There was the demand to nationalise key sectors of production (duly considered in each concrete case), the banking and financial system as a whole, and foreign trade, which could become more extensive and ramified through the development of ties with the socialist community and the non-aligned countries.

There was also a consideration of the need to introduce control over prices and foreign-exchange operations, with a

simultaneous increase in the working people's real wages, a reduction in indirect taxes on the population, and an increase in the taxes on profits and large fortunes; an increase of state investments in the sectors which are most important for national development (industry, transport, agriculture, livestock breeding, etc.); a framing of plans to assist small and middle enterprises, cooperatives, etc. In view of the state of the countryside, the progressive forces favour agrarian reforms with an eye to the specific conditions in each country. Some spoke of the need to rescind the decrees of the reactionary dictatorships which legalise the mechanism of plunder by the foreign monopolies. The fraternal party representatives were at one in urging that the agreements concluded with the IMF, the IBRD and creditor banks should, as a rule, be abrogated without delay.

The discussion also dealt with the external factors, and in particular, the fact that apprehensions are being voiced in various public circles about the consequences which could result from the implementation of alternative programmes, and mainly the two following consequences: the probable reprisals by the creditors, and the possible complete collapse of the entire international financial system (thus, some groups of the Latin American bourgeoisie say that it is altogether utopian to expect any comprehensive or definitive solution, and so prefer to consider some kind of intermediate scenarios which, from their standpoint, do not transcend the "possible").

Considering the threat of reprisals, some speakers stressed that a definitive solution of the problem does not at all signify an intention to break with the money-lenders. It merely implies a formulation of new and acceptable principles of relations with them in the future, envisaging the creditors' recognition of the changed realities, and also a way out of the existing situation with due respect for the interests of the debtors. In any case, the greediest of the money-lenders may be expected to take hostile action, and one should be prepared for such a contingency. Here, the task of establishing internal and external unity comes to the fore, as Fidel Castro put it. The broad movement for the attainment of such unity which has been gathering momentum on the continent will have to rise to a higher level of organisation and coordination of action. The proposal to set up a continental front of peoples and governments deserves to be given full support. There are real prerequisites for forming such a front, and it could include a wide spectrum of social forces: from the working class to groups of the bourgeoisie outside the financial oligarchy and uncommitted beyond recall to foreign monopoly capital.

The Latin American and Caribbean countries are faced with the need of perseveringly seeking ways for solid mutual understanding. In this context, some speakers assessed and noted the positive aspects of the available experience in economic integration (Latin American Free Trade Association /ALALC/, Latin American Economic System /SELA/, Andean group, Caribbean

Community /CARICOM/, and Central American Common Market /MCCA/). There was also mention of the shortcomings and clearly negative effects of the activity of such organisations as, for instance, the MCCA. While on the whole recognising the importance of integration, the participants in the round table reached this conclusion: it can proceed successfully only with the attainment of sovereignty and complete independence from imperialism and the TNCs. Elaborating on the subject of unity, speakers pointed to the need to seek support also beyond the boundaries of the continent, and to lay more solid foundations for mutual understanding with the non-aligned movement and the socialist community.

Finally, the participants in the discussion did not ignore the fact that the atmosphere among the money-lenders does not at all testify to their unity or cohesion: there are many contradictions between them, and evidence of different approaches to relations with the debtors, something that was made perfectly obvious by comparing the stand of the United States and that of the other capitalist powers. This factor needs to be taken into account and action should be taken accordingly.

When the debt was said to be a political problem, the following was implied: service payments on the debt are incompatible with the Latin American countries' economic development, in fact undermining their national security, and exacerbating their social conflicts, which, for their part, jeopardise the prospects of democratic processes because

of the moves by extreme right-wing reaction. The IMF-imposed "adjustment programmes" in effect signify that national economic planning is conducted outside their territories, which is a gross trampling of the debtor countries' sovereignty and independence. It follows that a way reckoning with the Latin American countries' interests can be found only if the balance of forces tilts in their favour. The concrete goal here is to put an end to the present creditor tactics. This can be done only if there is unity, concerted action and mutual understanding between all the states. Success in resisting any repression depends on such unity and resolve to act.

Concerning the possible collapse of the international financial system, speakers stressed that there was no desire to cause such a collapse, but merely to rid the countries of the continent of the heavy burden that imperialism has imposed on them. Those are the considerations by which the debtors are being guided. The question is: what are the creditors' intentions? After all, it is they who are in possession of abundant resources that could avert any dangerous destabilisation. Everything depends on whether the money-lenders have a desire to act in the light of elementary common sense.

Fidel Castro proposed a formula whose justice is perfectly obvious not only from the practical, but also from the economic, political and moral standpoints. The idea is to have the accumulated debt redeemed by the countries in which the creditor banks are located through an insignificant reduction in the vast military expenditures: these need to be cut back

by only 12 per cent to clear the debt. Such an operation is quite feasible, and it will do nothing at all to burden the lending countries' taxpayers or jeopardise their security, because--for all practical purposes--their defence will not suffer. Finally, the amount of funds required for this operation is truly insignificant as compared with the profits the capitalist powers have extracted from the colonial and dependent countries over the centuries of their domination and plunder.

The participants in the round table repeatedly referred to the USSR's proposal (outlined in Volsky's paper) for a reduction in the military expenditures of the permanent members of the UN Security Council. Speakers stressed the exceptional importance of the step, for it was made by a state which--in contrast to the imperialist powers--has not developed by exploiting the Third World countries. It has never received any dividends from them, and has not engaged either in diktat or blackmail, but has, on the contrary, always been prepared to support the cause of their liberation.

While a 12 per cent cut in the military expenditures of the major capitalist powers would not remove the terrible threat of war hanging over mankind, Fidel Castro's idea could be taken up by hundreds of millions of people both in the industrialised and in the dependent countries as a powerful slogan expressing the idea that the battles for peace and for national independence are inseparable, so giving them a fresh impetus.

A movement is gathering momentum throughout Latin America and the Caribbean for a realistic way out of the crisis and solution of the external debt problem--and it is one of the broadest movements in the history of the region. Its victory will depend on whether the movement is capable of developing its potentialities, on whether it becomes massive and involves the various social and political strata and groups. The working people of the continent are stepping up their struggle along these lines, and this will be seen from the large demonstrations recently held against the imperialist diktat and the policy of the IMF, among them the popular uprising in the Dominican Republic; the mass action in Peru which led to the change of government as a result of the elections; the strike by bank employees in Brazil; the nation-wide strikes in Colombia (June 1985) and Bolivia (the longest in the country's history: September-October 1985); the general strike and mass action by the proletariat in Argentina demanding a moratorium on debt repayment (August 1985), and a powerful nation-wide strike (January 1986); the Chilean people's courageous struggle against Pinochet's fascist tyranny, which has applied the IMF "recommendations" by the nastiest and most brutal methods; and the Haitian people's powerful burst of indignation, which toppled the blood-stained Duvalier tyranny. There was, finally, the Continental Day of Action against the external debt (October 23, 1985), which was the first successful experience in simultaneously mobilising the masses on a regional scale.

The Communists, as ever in the midst of the people, are fully resolved to make their patriotic and internationalist contribution to this struggle.

TÜRKİYE SOSYAL TARİH ARAŞTIRMA VAKFI
TÜSTAV

DEBT NOOSE

V. Shchetinin, Doctor of Science (Economics)

The foreign debt of Asia, Africa and Latin America has become a pressing international issue. Among the more urgent matters it was discussed by the latest, 40th Session of the UN General Assembly. At a conference of Latin America and the Caribbean in Havana, foreign debt was taken up, jointly for the first time, by prominent politicians, Communists and Radicals, Christian Democrats and Social Democrats.

In the past 30 years the external debt of the developing countries has grown by 100 times to a trillion dollars at the beginning of 1986. With things continue to develop at the present pace, early next century their external debt may have grown to three trillion dollars.

The West alleges that the tremendous debt of the Third World has its roots in currency matters, a changeable economic situation, and rush actions and short-sighted decisions by some politicians and financial tycoons. Probably, these and other similar factors do play a role. However, even taken together, they would have hardly led to such deplorable results for many nations.

The main reason lies elsewhere. With the collapse of colonialism and the growing activity of the public at large in the emergent countries, insisting on economic and social reforms, the mechanism of imperialist exploitation could continue to operate only by switching from traditional colonialist methods to neo-colonialist ones, by feeding foreign exchange to the economies of former colonies in the form of subsidies, loans and credits to create a social basis and class allies for the imperialist forces there and subordinate the Third World's social and economic development to international finance capital.

The debt also grows because of some developing countries' involvement, through multinationals, in military business, arms manufacture and participation in military programs of the United States and other NATO countries, which fact depletes their resources. Another reason behind the growing debt is financial speculations and unproductive expenditures by local dictators, corrupt politicians and greedy nouveaux riches. Some estimates show that only twenty per cent of the foreign exchange received from without have gone for productive pursuits.

Recipes by the International Monetary Fund are ostentatiously pragmatic. It is alleged that debt is not something new and that its adverse consequences can be controlled by throwing the door wide open to foreign private investments and adapting national economies to multinational-led competition in the external market. The Havana conference on the debt issue qualified this as a competition between the lamb and the lion.

Writing off the debt is the most radical proposal. Fidel Castro said the external debt was a cancerous tumour, provoked by imperialism, which can be removed only surgically. Writing off the Third World's debt to the West could be regarded, to quote the declaration adopted by the CMEA summit in 1984, "as compensation for the damage caused through colonialist plunder and neocolonialist exploitation".

The Soviet Union does not fail to point to the interdependence between disarmament and development.

From a class viewpoint, the developing countries' persisting debt allows international finance capital to violate their national sovereignty and dictate to emergent countries what policies to conduct at home and abroad.

Without easing its power politics, the US has now adopted a "new strategy" which somehow resembles the notorious

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"Marshall Plan" of the first postwar years. The central role in this strategy is assigned to the International Bank for Reconstruction and Development (IBRD) which would have the task within the framework of the same programme with the IMF of rendering assistance to debtor countries with a view to slightly supporting their economic growth and thereby avoiding internal political upheavals there which would be undesirable for the West. The essence of the imperialist economic expansion remains the same, and only the set of means is being expanded and modernized.

By way of resistance to this policy, there is a growing determination among the public of developing countries to seek cardinal democratic changes both inside their countries through the establishment of effective state control over the receipt and use of foreign loans and through major reductions in non-productive spending, and on the world capitalist market. In particular, there are demands for the establishment of a new international economic order, for the diversification of foreign economic links and specially for the development of mutually beneficial cooperation with the socialist countries. There is also a growing realization of the need to invigorate the struggle against the dictates of the imperialist monopolies.

The Soviet Union and the other fraternal socialist states are convincingly demonstrating with their performance the possibility of accelerated economic growth and social progress without any crises and upheavals, on the basis of complete equality and justice. In their trade and economic relations with Asian, African and Latin American states, the socialist countries display complete equality and readiness to take into consideration all the justified and fair requirements of their partners. Their sympathy invariably lies with the countries which are advancing along the road of political independence

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and social renovation.

Soviet loans and credits are meant for the development of the productive forces in newly-free countries and for the consolidation of their economic self-sufficiency, that is why the payments system does not lead to the accumulation of debts.

Our country has never evaded participation in the settlement of the poignant international problems, including the debt crisis. This can be notably gathered from the Soviet government's memorandum "International Economic Security of States: a Primary Condition for the Amelioration of International Economic Relations" which was forwarded at the end of January to the UN Secretary General. It is noted in the memorandum that securing a genuine settlement of the foreign debts problem is impossible without a drastic restructuring of international economic relations on a just, equitable and democratic basis. The Soviet government has made a number of concrete proposals aimed at easing the developing countries' debt burden. These include reductions in the loan and credit interest rates, stabilization of foreign exchange rates, renouncement of protectionist policies in trade, rearrangement of the international financial and monetary system with due regard for the interests of all states and democratization of the financial institutions operating within the framework of that system. Such is the principled position of the Soviet Union.

(Pravda, February 11. Abridged).

GELİŞMEKTE OLAN ÜLKELERİN DİŞ BORÇLARI SORUNUNUN ULUSLARARASI YANLARI ÜZERİNE

Türkiye, dış borcu en yüksek ülkeler sıralamasında 6. yeri alıyor. Latin Amerika, Asya ve Afrika ülkelerinin önemli bir bölümü de Türkiye'nin içinde bulunduğu duruma benzer sorunlarla karşı karşıyadır. Kuşkusuz her ülkenin borçlanma biçimleri, alınan borçların kullanıldıkları alanlar vb. açılarından farklar vardır. Ancak borçlanma sorunu, hızla gelişmekte olan ülkelerin ekonomik çıkarlarını ilgilendiren eğil bir sorun olmaktan çıkarak, tüm dünya ülkelerinin çıkarlarını yakından ilgilendiren uluslararası bir soruna dönüşmüştür. Gelişmekte olan ülkelerin gelişmelerinin karşışık sorunları, dünya savaşını önleme, toplumsal gelişmeyi ilerletme ve dünya devrimci sürecini hızlandırma sorunları borç sorununda içiçe geçiyor. Türkiye'de de çok geniş çevreler, bu soruna dikkat veriyor, bunun üzerinde düşünüyor, görüşler öne sürüyorlar. Latin Amerika'da ise sorun, burjuva hükümetlerinin erkte bulundukları ülkelerde bile emperyalizme karşı çıkış potansiyelleri taşıyor. Bu sorun etrafındaki savaşın, önümüzdeki dönemde, ekonomik-politik-ideolojik savaşının konularına belirleyecektir.

Bugün Türkiye gibi, gelişmekte olan ülkelerin dış borçları yalnızca dev boyutlara varmakla kalmadı. Borçlar, ülkelerin ödeme gücünün kat kat üzerindedir. Bu ülkelerin toplam borçları 900- 1000 milyar dolardır. Her yıl bu ülkeler, toplam 100 milyar dolar dış borç ödüyorlar. Kredi faizlerini karşılayabilmek için dış ticaret gelirlerinin % 35-50'sini borçlara ayırıyorlar. Bu anda 40'ın üzerinde gelişmekte olan ülke, borç yükümlülüğünü yerine getiremez duruma düşmüştür. 1984 yılında ödemesi gereken dış borç miktarının 115 milyar dolarlık bölümü, vadesinde ödenememiştir. Üstelik, hangi yönden ele alınırsa alınsın bu ülkelerin birikmiş olan dış borçlarını ödemeleri olanaksızdır. Brezilya'nın 102 milyar dolar, Meksika'nın 96 milyar dolar, Arjantin'in 48 milyar dolar, Venezuela'nın 34 milyar dolar, Türkiye'nin 29 milyar dolardır. 1984'de ülkemizin Amerikan bankalarına borç bağımlılığı % 38 artarak 2 milyar doları buldu. (Milliyet, 22.1.1985) 1983'de dış borçların ana para ve faiz ödemelerinin tutarı, Brezilya, Meksika ve Arjantin'in toplam dış ticaret gelirlerini aşmıştır.

Asya, Afrika ve Latin Amerika ülkelerinde bağımlılık ve talan sistemlerini, başını Amerikan tekellerinin çektiği uluslararası tekeller oynasılardır. Bunlar, hem bu ülkelere milyarlarca doları kendi kasalarına akıtmışlardır, hem de borçlanmayı bu ülkeler için tam bir felaket durumuna getirmişlerdir.

Bu durum, son yıllarda bizim gibi ülkelere giren mali kaynak akışının, artık bizim gibi ülkelere çıkan mali kaynakların kat kat gerisinde kalması sonucunu getirdi. Yapılan hesaplara göre, yalnızca Latin Amerika ülkelerinde, iki yılda (1983-1984) dış merkezlerle mali kaynak akışının tutarı 55 milyar doları bulmuştur. ABD, gelişmekte olan ülkelerin sırtından yalnızca kendi ekonomisini finanse etmekle kalmıyor. Aynı zamanda bizim gibi ülkelerin ulusal ekonomilerini talan ederek, askersel harcamalarını da karşılıyor. Bunun sonucu olarak, gelişmekte olan ülkelerin giderek artan dış borçlanmaları ve dış kredilere olan bağımlılıkları, bu ülkelerin uluslararası finans kapital ve askersel-sanayi kompleksleri tarafından sömürülmesi ve talan edilmesi için önemli bir ek araç olmuştur.

Gelişmekte olan ülkeler, kapitalist dünya ekonomisindeki bunalımdan çok daha yıkıcı boyutlarda etkileniyorlar. Dış ekonomik konuları sayıflıyor. Bu ise, borç sorununun gittikçe daha keskinleşmesine yol açıyor. Öte yandan hammadde fiyatları ile sanayi malları fiyatları arasındaki denge, sürekli olarak, gelişmekte olan ülkelerin zararına bozulmaktadır. Bu arada bizim gibi ülkelerin sanayi mallarının Batı pazarlarına girmesi de çok zorlaşmıştır. Gümrük duvarları, çeşitli kısıtlayıcı önlemler bunu engelliyor.

Reagan yönetimi iş başına geldikten sonra ABD'de gelişmekte olan ülkelere verilen kredilerde büyük ölçüde kısıtlamalar yapıldı. Özel bankalar ise, yüksek faizli ve kısa vadeli kredi uygulamasına yöneldiler. Amerikan ekonomisinin militarizasyonunun hızlandırılması, Amerikan bütçesindeki açığın büyümesi, faizlerdeki tırmanış ve doların değerinin yapay olarak sürekli yükseltilmesi gelişmekte olan ülkelerin borç yükünü daha da ağırlaştırıyor. Reagan yönetimi, bunu kullanarak, politik kurtuluşunu gerçekleştirmiş olan ülkelere dayatmalarda bulunuyor. Bu ülkelere karşı sömürgeci ve hegemonyacı bir politika izliyor.

Emperyalizm gelişmekte olan ülkelerin borçluluk durumunu şu amaçlarla kullanıyor: Kendi yenisömürgeci, talancı politikasını dayatmak; uluslararası tekellerin bu ülkelerin ekonomisine tümüyle egemen olmasını sağlamak; bu ülkelere ulusal çıkarlarıyla taban tabana zıt politikalar dayatarak onları kapitalist sisteme daha kölece bağlamak.

Ne ki, batılı kredi kurumları, bir yandan gelişmekte olan ülkelerdeki sosyal-politik sarsıntılardan korkuyor. Öte yandan ise tüm finans sisteminin altüst olmasından endişe duyuyor. Bu nedenle uluslararası finans kuruluşlarının aktif katılımıyla dış borçların "yeniden düzenlenmesi" adı altında kimi önlemler almak zorunda kalıyorlar.

Emperyalistler, bu alandaki politikalarını koordine etmektedir. Ortak önlemler almaktadır. Borçlu ülkelere sözüme "istikrar programları", "ekonomiyi canlandırma paketleri" dayatmaktadırlar. 24 Ocak programı, bunlardandır. Bu programlar ise emekçileri daha da yoksullaştırıyor ve halkların ulusal çıkarlarıyla çelişiyor. Emperyalist devletlerin geliştirmekte olan ülkelere karşı izledikleri talancı nitelikli ilişkiler sistemini koruma ve sürdürme politikası ise, borç bunalımını daha da derinleştiriyor.

Bu konu, birçok kardeş komünist ve işçi partisinin belgelerinde ele alınmaktadır. Konu, yalnızca borçlar sorunuyla doğrudan karşı karşıya bulunan ülkelerin komünist partileri tarafından değil, aynı zamanda sosyalist ülkeler partileri tarafından da ele alınmaktadır. Örneğin BBKP MK'nin Nisan 1984 Plenumu'nda, bu konu üzerine şunlar belirtilmiştir: "ABD'nin ekonomik yayılma politikası gittikçe aktifleşiyor ve genişliyor. aız manipulasyonları, hesap sahtekarlıkları, uluslararası tekellerin talancı rolü, ticaret alanındaki çeşitli politik kısıtlamalar, değişik değişik boykot ve ekonomik yaptırımlar uluslararası ekonomik ilişkilerde gerginlik yaratıyor, dünya ekonomisini ve ticaretini istikrarsızlaştırıyor, onun hukuksal temellerini baltalıyor. Dünya üzerindeki kurtuluş ülkelerin sömürülmesi ve talan edilmesi daha da yoğunlaşıyor, bu ülkelerdeki ekonomik dekolonizasyon süreçleri bloke ediliyor. Başka ülkelerin büyük finans ve maddi kaynaklarını yenisömürgecilik yöntemleriyle kendi elinde toplayan ABD, bu ülkeleri doğrudan ya da dolaylı yollardan kendi dev askersel programlarına araç yapmaktadır.

"Bu koşullarda, uluslararası ekonomik ilişkilerin normalleştirilmesine ilişkin etkin önlemlerin saptanması ve uygulanması, devletlerin ekonomik güvenliğinin sağlanması görüşü, tüm dünyada büyük bir ilgi uyandırmaktadır. "

Sorun, Küba KP MK 1. Sekreteri Fidel Kastro tarafından da ardarda dile getirildi. Fidel Kastro'nun "Ekselsuar" (Mart 1985) ve "Dia" (Haziran 1985) gazetelerine verdiği demeçler, dünya kamuoyunda ve politik çevrelerde büyük yankılar yaptı. Kastro, bu konuşmalarında Latin Amerika devletlerinin dış borç sorununun derin bir çözümlemesini yapmış, emperyalizmin talan politikasına karşı koyuşun örgütlenmesine ilişkin öneriler getirmiş, sorunun hakça ve gerçekçi bir biçimde çözülmesine ilişkin yolların aranıp bulunması görüşünü dile getirmiştir.

Emperyalizmin mali bağımlılığı kendi politik egemenliği için kullanma girişimlerine karşı koymak, dış borçlar sıralamasında 6. yeri alan Türkiye'li ilericiler ve yurtseverler için çok önemli bir görevdir. Bu, emperyalizme karşı savaşımla ilgili iç içe geçmiştir.

Burada, borçluluk sorununun çözümü ile askersel harcamaları azaltma

ve silahlanma yarınığını gemleme savaşılarının sıkı sıkıya birbirine bağlanması ve bu bağın somut olarak propaganda edilmesi büyük önem taşımaktadır. Böylece, halkların önünde duran iki önemli amaç, yani barışı koruma, silahlanmayı durdurma, nükleer savaşı önleme amacı, dünya nüfusunun en büyük bölümünün yaşadığı gelişmekte olan ülkelerde ulusal ve sosyal kurtuluş süreçlerini hızlandırma amacı doğrudan birbirine bağlanmış olacaktır. Sosyalist basında yer alan yazı ve yorumlar, bu yaklaşımın sosyalist ülkeler tarafından da desteklendiğini gösteriyor.

Diş borçlar sorununu bir yandan uluslararası platformlarda, öte yandan ülke içinde güncelleştirmek, tüm bu nedenlerden dolayı, bizim için büyük önem taşıyor. Bu alandaki propagandamızın yoğunlaştırılmasına ve yetkinleştirilmesine gidilmelidir. Bu alanda yapacağımız çalışmalar, yalnızca ülkemizdeki demokrasiyi kazanma savaşıma yeni bir ivme vermekle kalmayacak, aynı zamanda sorununun ABD silah tekellerini zenginleştirme yani da olduğu için, barış savaşıma da bir katkı olacaktır.

Bu nedenle, ideolojik, politik ve propaganda çalışmalarımızı şu ilkesel konularda dayandırmalıyız:

-Diş borçlanma sorununun baş sorumlusu, emperyalist devletlerdir, en başta da ABD'dir. Emperyalist ülkeler, diş borç sorununun çözümü konusuna yenisömürgeci bir tutumla yaklaşıyorlar, borçların tümüyle ya da kısmen silinmesine gitaıyorlar.

-Gelişmekte olan ülkelerin emperyalizme, en başta ABD emperyalizmine karşı savaşımasının güçlendirilmesi için ekonomik gelişme sorununun çözümü yönünde kollektif önlemler alınması, eylem birliği yapılması, bölgesel dayanışmanın güçlendirilmesi, kapitalist dünyada uluslararası ekonomik ilişkilerin demokratik ve adaletli bir temel üzerinde kökten düzenlenmesinin sağlanması, kaçınılmaz bir zorunluluktur. Bu savaşım, ABD ve NATO'nun militarist politikasına ve talanlarına kesin ve kararlı bir karşı koymayla organik olarak bağlıdır. Çünkü silahlanmanın tıraandırılması, doğrudan gelişmekte olan ülkelerin ekonomik durumunu daha da kötüleştirmektedir.

-Bizim gitti ülkelere ekonomik kalkınma ve gelişme sorunlarının çözümü, derin ekonomik-sosyal dönüşümlerin gerçekleştirilmesi, diş kredilerin kullanımı üzerinde etkin bir devlet denetiminin sağlanması, üretici olmayan harcamaların kısılması, yatırımların üretim alanında teşvik edilmesi ve diş ekonomik ilişkilerin çeşitlendirilmesiyle olanaklıdır.

-Sosyalist ülkelerin sağladığı kredi ve mali yardımlar, gelişmekte olan ülkelere üretici güçlerin gelişmesine, bu ülkelerin ekonomik bağımsızlığının güçlenmesine yöneliktir. Kredilerin geri ödenmesi, genel-

likle mal karşılığı olmaktadır. Sosyalist Ülkeler, gelişmekte olan Ülkelerin ekonomik kalkınmasına ve gelişmesine yapıcı katkılarda bulunmaktadır, bu Ülkelerle eşitlik ve karşılıklı yarar temelinde ticari, ekonomik, bilimsel-teknik işbirliğini daha da geliştirmeye hazır olduklarını açıklıyorlar.

TÜRKİYE SOSYAL TÜSTAV
TARİH ARAŞTIRMA VAKFI

UNDER THE BURDEN OF "AID", IN DEBT FETTERS

How Neocolonialists Are Plundering
Developing Countries

Sh. Yamalutdinov, Cand. Sc. (Econ.)

Brazil has recently announced that it ceased payments of the interest rates on debts to private foreign banks. Of the huge sum of Brazil's external debt private foreign banks account for 68 billion dollars, that is, for about two-thirds of foreign borrowings. Brazil has informed 700 foreign banks of the deferment of payments and has proposed that new terms of the debt repayment be worked out. Almost simultaneously seven West African states united in the currency union have made a statement that they are unable to repay their external debts which have reached 15 billion dollars and the interest rates on them.

Both these events show that developing countries have found themselves in a financial impasse. The Western neocolonialists that have led them there capitalize on their difficulties.

The soared foreign debt has now become an acute economic problem for Africa, Asia and Latin America. In 1970 their overall external debt amounted only to 70 billion dollars. But since 1980 it has increased by 150 per cent and has topped a trillion dollars. By the end of the century it may reach three trillion.

The indebtedness of developing nations has three sources -- capitalist powers, international financial organizations controlled by the latter, namely, the International Monetary Fund and the International Bank for Reconstruction and Development, and multinational corporations and banks.

Loans are generally accepted practice in interstate economic relations. They have played a certain role also for

Very often donors impose on underdeveloped partners such a pattern of using the received funds that is oriented on turning out products which are of interest primarily for creditors. For instance, earlier practically all external resources were invested in mineral extraction and in the export of minerals. Today, however, the West invests also in the production sectors of developing nations since it has to take into account their requirements and also the policy of socialist countries which help their industrialization. But Western investors try to limit themselves to the output which is profitable mainly for them.

The capitalists keep devising new forms of neo-colonialist financial expansionism, alleging that western aid is rendered on a tremendous scale. Is it so? According to official statistics, the developing countries' external financing on medium- and short-term credits grew from 81.4 billion dollars in 1980 to 110-115 billion dollars in 1985. An impressive figure, at first sight. However, adjusted for profit reinvestment, the unending inflation of western currencies and a growing price scissors, making manufactured goods increasingly more expensive and raw materials cheaper and cheaper, the real volume of assistance constituted around 40 or 50 billion dollars in 1985. At the same time, the Third World's external debt rose from 402 to 970 billion dollars, currently exceeding a trillion dollars. Clearly, the debt curve goes up mostly not because development assistance grows, but because of an effective imperialist mechanism designed to invest capital in the developing countries.

This mechanism is matched by a system intended to withdraw profits from overseas investments. Even if we take only official western statistics, figures will testify against the advocates of western assistance here too. In 1980 the developing countries expended 71.6 billion dollars on debt-

through a fettering debt issue, non-equivalent trade and other instruments of imperialist plunder. Currently, these losses stand at 300 billion dollars a year.

The example of Brazil shows that resistance to Western dictatorial practices is growing. The Soviet Union views international economic security as an urgent world issue. The relevant Soviet memorandum says that resolving the developing countries' debt issue calls for restructuring the monetary system to ensure the interests of all states and making the financial institutions operating within this system more democratic. This will promote the interests of nations which want to progress in conditions of freedom and independence.

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THE END

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IN BONDAGE TO INSATIABLE USURERS

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The capitalist world is faced with the problem of the external debt of developing countries, which is very hard to solve in purely economic terms.¹ Their debt totals about \$1 trillion and is much higher than the limit of payability. These countries are now trying to shake off the heavy burden of the debt as they search for ways and means of curing their economies. Monopoly capital's International Monetary Fund (IMF) and World Bank (International Bank for Reconstruction and Development) offer remedies, yet it is precisely their activity that is to blame in great measure for the present plight of many countries.

Both the IMF and the World Bank admit the gravity of the present situation. It was not accidental that at their latest joint annual meeting (Seoul, 1985) they gave promises of granting new credits and advanced "economic stabilisation" programmes. On the other hand, they voiced objections to the "radical methods" of running the economy used by some developing countries. These are expected to pursue an economic policy convenient for imperialist powers, transnational monopolies and military business.

While recommendations of this nature disappoint more and more those whom they are meant for, both institutions mentioned above insist on continuing a ruinous policy. They oppose new

trends and would like to secure compromises benefiting them and to silence the discontented. They impose on countries dependent on imperialism remedies making for a bigger debt.

The economies of certain countries alleged to achieve success by acting on the recommendations they get are held up as "exemplary". Turkey was described as a "model" in this respect at the Washington meeting of the IMF and ^{the} World Bank in 1984. But when its delegate met with his Brazilian colleague, the latter said: "We have been told that Brazil was described to you as an example."²

At last year's meeting, Turkey was again extolled as an "exemplary" country whose economy is allegedly recovering by taking the advice given. Alden W. Clausen, President of the World Bank, said that the economic growth rate had increased in countries where economic activity in the private and the public sector alike was allowed freedom, as in Turkey. How true is that? Can the economic policy of our regime serve as a model?

Remedies Aggravating the Illness

Turkey has been affiliated to the IMF since 1947, and throughout the past years the Fund has been trying hard to influence the development of our country. An acute crisis in 1978-1979 enabled the IMF to assume control of the situation in Turkey. At that time, our country was short of foreign exchange for various reasons, such as increased oil prices. The trade and balance-of-payments deficit was up. Unable to pay off its debts, Turkey met nearly all the demands of the IMF. Its reactionary

government, which early in 1980 had accepted certain measures known as the January 24 Decisions, was removed from power in a military coup. But the military regime which took over pursued the same policy even more obediently.

The IMF is always willing to offer its members a programme for a "way out of economic crisis". The starting point of the programme is the balance of payments, seen as an indicator of the depth of the crisis. Where the balance is deteriorating, the Fund considers it a sign of trouble and imposes its remedies to "stabilise" the situation.

Foremost among the measures offered to Turkey was the devaluation of the lira, said to be a sure means of gradually improving the situation. The lira was devaluated more than once after 1980. As of March 25, ¹⁹⁸⁶ one dollar equalled 657 liras against 47 liras in 1980. Although our country succeeded in increasing exports, its balance of payments showed no substantial improvement, and the deficit still runs to several billion dollars.

Another important measure offered by IMF experts is to limit consumption, made out to be the main source of inflation. To this end, Turkey was advised to keep wages and salaries below the level of inflation, and it did so. As a result, real wages fell by more than half against 1980. Between 1980 and 1984, their share in production outlays dropped from 14.7 to 9 per cent in the private capitalist sector and from 15.1 to 8.2 per cent in the public sector. Income distribution in our country can only be analysed approximatively, for the State Statistics Institution

keeps information on it secret. Nevertheless, all experts' estimates indicate that in the 1973-1983 period the share of 80 per cent of the population in the national income decreased noticeably while that of the highest-income group, or 10 per cent of the population, went up considerably.³

The IMF and Turkish advocates of its remedies claim that lower pay makes it possible to cut export costs. From what they say, limited consumption and a reduction in sales on the home market will compel manufacturers to export their output and this, in turn, will improve the balance of payments. Nevertheless, production costs are not diminishing, nor has inflation been stopped. At the same time, curbs on consumption strongly affect the living standards of wage and salary earners without helping in the least to improve the economic situation.

Cuts in government spending are another measure recommended by the IMF. True, they do not affect appropriations for defence and armaments, which increased by 15 per cent last year. What is meant is primarily cuts in investments in the public sector and a reduction of the share of industrial investments. They averaged 27 or 28 per cent before the adoption of the January 24 Decisions and dropped to 17.6 per cent in 1984. One result of this was the suspension of a number of construction projects. It is only some industries, chiefly the power industry and telecommunications, that went on expanding. The 1986 budget provides for a 20 per cent cut in appropriations for economic development.

Revealingly, this situation causes concern even to ex-premier Suleyman Demirel, who headed the government when it adopted

the January 24 Decisions. "If Turkey stops industrialisation," he said in August 1985, "I think it will be tragic. Present-day Turkey cannot be considered an industrial country. What do we have today? Four million tons of steel, 30 billion kwh of electricity, 25-26 million tons of coal, 12-13 million tons of wheat. These indices do not make Turkey an industrial country. It must go on with industrialisation." ⁴

The social needs of the population are a further sphere affected as a consequence of the adoption of measures recommended by the IMF. Government expenditures for health care, education and social security have gone down by a substantial margin. Whereas formerly medical service for working people covered by the system of sickness benefit was fully paid by the state, today patients must pay 20 per cent of the costs. Higher education was free in the past but now students must pay tuition fees.

Lately the IMF-the World Bank duo has shown particular zeal in pursuing a strategic goal of international monopoly capital, which is to involve developing countries in the world capitalist economy as deeply as possible. Hence the recommendation to abolish the public sector by privatising it or at least to facilitate its infiltration by transnationals. This sector holds an important place in Turkey, where it accounts for 40 per cent of all industrial production. Steel, energy, oil, and chemicals are under state control. State enterprises are much more powerful in terms of concentration of production and capital as well as technical standards. It is this sector that helps balance diverse economic fields and contributes to further extended reproduction. Efforts

aimed at running it down or transferring it to private capitalists or transnationals have not been fruitless. In line with recommendations of the IMF and the World Bank, a US firm is now drafting a plan for the liquidation of a number of state-owned industrial enterprises. The World Bank has granted a \$2 million credit for the purpose.

The demand that developing countries should repeal protectionist measures, which safeguard their economies to a degree, serves the same strategic goal, if in a somewhat different way. To meet this demand would mean deteriorating the situation still further and turning our country into an imperialist colony. It is perfectly clear that the industries of countries such as Turkey cannot develop on their own without applying protectionist measures. They can exist only if the home market is safeguarded. Competition in any form makes their situation difficult, and to abolish protectionist measures would spell disaster. As for going to the foreign market, it can only be done with ample support from the state.

Turkish realities bear out these conclusions. Many enterprises became bankrupt after protectionist measures had been eased. For this reason alone, roughly 10 per cent of the employed lost their jobs. Non-payment of debts hit the banks, and some of them closed down. Numerous companies merged, and this strengthened the positions of big monopolies. Enterprises geared chiefly to supplying the home market proved unable to adapt to the new situation. Many of them asked the state to make up for their losses, and it allocated substantial funds to some companies and certain privileged export firms.

Bitter Experience

The economic policy determined by recommendations of the IMF and the World Bank is nearly six years old. We have said that the Turkish government which adopted it was brought down in a military coup. But Turgut Ozal, then under-secretary at the Prime Minister's office, became vice-premier because he enjoyed the full confidence and support of international and US capitalists, and now he heads the government. It was he who did a good deal for the realisation of this policy and is largely responsible for the present situation.

The economic development model imposed on Turkey has turned out to be completely unworkable. The balance of payments has not improved in spite of the flow of foreign exchange. The external debt went up from \$17.3 billion in 1979 to \$25 billion early in 1985. The biggest leap came under the Ozal cabinet, which repeatedly solicited foreign loans. In 1984 alone, the debt grew by \$3 billion.

These facts invite the question: Could Turkey have raised its economy by carrying out the "stabilisation measures" of the IMF? Irrespective of differences in political views, many Turks feel that there is no coping with the crisis through this kind of policy because it leaves the main causes of the crisis intact and leads to a general deterioration in every sphere of life.

In 1980, the economy went through a slump, with output falling by 1.1 per cent. Later years saw a revival but it was

slight. Last year output was down again. With the population growing by one million per year, we are witnessing, in effect, protracted economic stagnation. Unemployment has been growing by 300,000 per year and affects four million people today. Many new **workers** who replace the dismissed are paid lower wages than their predecessors. However, the monopolies are satisfied with the economic policy of the past six years. Research has shown 500 leading companies to have made 55 per cent more profit in 1984 notwithstanding inflation.⁵ Small wonder that the monopolies support the regime's current policy. As inflation unquestionably benefits them, they say outright that they would not like its rate to drop below 40 per cent.

Repeated devaluations of the lira led to a substantial increase in exports at lower prices. At the same time, however, there was some increase in imports meeting the requirements of industry. Besides, the gradual abolition of protectionist measures was accompanied by the import of luxuries to meet the demand of the bourgeoisie. As a result, the foreign trade deficit showed no decrease; it tells above all on relations with West European countries and the United States. After easing its protectionist measures, Turkey came up against the protectionist barriers of the United States and the Common Market, which charge high duties for its textiles.

These facts shed light on the unfairness of the criteria applied by the IMF and the World Bank. What they consider important is the balance of payments and the ability of the country concerned to pay its debts. This leaves out the key problem of who shoulders the chief burden.

Both institutions are of the opinion that Turkey can regularly pay principal and interest on its external debt, and therefore they allow it to seek new loans. They hold it up as an example for "recalcitrant" countries which declare that they cannot repay their external debt. If it is a question of paying off old loans by obtaining new ones, the problem may be regarded as solved. But this is no way to end the economic crisis. This "solution" only meets the interests of a small handful of speculators and monopoly bosses cooperating with imperialism. Besides, the results of the years-long hunt for new loans to repay earlier debts make themselves felt more and more. In 1985, Turkey paid foreign creditors \$3.5 billion, including \$1.5 billion in interest. Last year its debt stood at roughly \$25 billion, which means that the debt, far from declining, has been mounting in recent years. Loans are granted on tougher terms and for shorter periods. The share of short-term loans in the total amount of the external debt is 22 per cent now against 12 per cent three years ago.

It is indicative that in 1985 the International Finance Corporation assessed Turkey's solvency as unsatisfactory and classed our country among the ten countries owing the biggest external debt.⁶ Turkey's balance of payments tends again to worsen sharply, nor does inflation drop below 50 per cent. This is an obvious indication of the hypocrisy of the IMF and the World Bank in representing Turkey as an "exemplary" country.

What is in store for our country if the government abides by its IMF-imposed policy? Official forecasts say that in the

1985-1989 period the total amount needed to service debts and pay for imports will rise to \$89,100 million while foreign exchange earnings will only total \$71,400 million. This means that to meet the deficit, the government will have to solicit new loans amounting to \$17,700 million.

The Communist Party of Turkey believes that rather than seeking new loans and running into new debts, Turkey should stop servicing its external debt for a time. Otherwise our country will be back where it was in 1978 and find itself once again among the countries which implore the IMF to cancel the old debt and grant further loans.

It is not only the economy that is strongly injured by the policy based on recommendations of international imperialist usurers. The military coup led to the strangling of democracy. All protest is brutally crushed. The country's military political dependence on US imperialism has increased. General Dynamics, a company representing the US military-industrial complex, has secured a highly profitable contract for the assembly of F-16 fighters in our country. The Turkish side will have to invest \$4 billion in the project. The government has set up a special fund to bolster the arms industry and introduced new taxes to obtain the requisite means. In this way, Turkey is becoming involved in the arms race in the interests of the United States and NATO. And while the flow of foreign investments is small, many banks, including US and Arab ones, which are closely associated with transnationals, have opened subsidiaries in our country. It follows that the six years since Turkey began to

implement directives of the IMF and the World Bank have been a period of savage suppression of democracy, preservation of backward economic structures, and increasing dependence on imperialism, primarily US imperialism.

Needed: A New Policy

A wide spectrum of political forces ranging from Left Unity, an alignment formed by six left parties, including the CPT, to the reformist Social Democrat Populist Party and even the Correct Way Party led in fact by ex-premier Demirel, take a common stand on the current economic policy. They recognise the need to reveal its failure and to evolve an alternative economic programme. All of the country's anti-dictatorial forces consider that implementation of this programme should lead to an expansion of the home market and not to its restriction, to rapid economic growth and industrialisation and not to curbs on investment and production.

True, these forces approach the provisions of the programme differently due to their class positions and political views. There are those who hope that the IMF can be persuaded to agree to a different policy or to accept measures meeting the nation's interests. These are unrealistic hopes. One cannot treat the problem of defining economic policy as purely technical, ignoring the influence of imperialism, which operates through its international financial organisations.

The CPT and Left Unity consider that in evolving an economic alternative, it is necessary not to make concessions but to seek

agreement on the pursuit of an anti-imperialist line, the restriction of monopoly activity and steps to improve the working people's standard of living. These are the points forming the basis for an alternative economic policy, which should be carried on without directives from the IMF or the World Bank.

Having revealed the economic picture of Turkey, we can answer the World Bank President Clausen's question whether Turkey is an example for developing countries. Yes, it is an example but an entirely different one, for the case of Turkey shows these countries the economic policy they should not pursue.



¹ For more details, see "Financial Instrument of Neocolonialism" in this issue.--Ed.

² Cumhuriyet, September 27, 1985.

³ See S. Kesim, "A Study on Distribution of Incomes", Düşün (monthly journal), September 1985.

⁴ Cumhuriyet, August 25, 1985.

⁵ See A Research of the Chamber of Industry of Istanbul on 500 Big Industrial Enterprises, Istanbul, 1985.

⁶ Milliyet, July 27, 1985.

TÜRKİYE SOSYAL TARİH ARAŞTIRMA VAKFI
TÜSTAV

DEVELOPING COUNTRIES: WHY DOES THE DEBT GROW?

A. Kondakov, Master of Science (Economics)

The larger the funds we receive from elsewhere, the more we have to pay out to return interest and the principal. However, the more we have to pay out, the more money we need to patch up the holes which have become real craters. This is how the Brazilian newspaper Politica describes the vicious circle of the developing countries' foreign debt. By the end of 1984 their debt had reached the astronomical total of 895 billion dollars -- 385 billion dollars for Asia, 360 billion dollars for Latin America, and 150 billion dollars for Africa. Western economists estimate that by the beginning of the next year, their debt would come close to, or exceed, a trillion dollars. If a person started counting this total with a speed of a dollar per second, it would take him 32,000 years to finish the job.

Foreign debt is becoming an unbearable burden for these nations, hindering their economic growth. With the net influx of external finance to the emergent countries declining in recent years, payments in return of the debt have kept growing. In the past five years the Third World's debt-servicing payments have increased by almost 50 per cent and, as some estimates show, this year they will come close to 130 billion dollars as against 9 billion dollars in 1970. In the ten years to follow Asia, Africa and Latin America will have to repay some 620 billion dollars to other nations.

In 1983, for the first time in years, the developing countries' debt-servicing payments dwarfed the total of their middle-and long-term loans. A similar picture was in evidence last year, when the emergent countries paid out 7 billion dollars more than they received from other nations. This

bleeds Asia, Africa and Latin America economically, with the process assuming increasingly dangerous proportions. . In this way, the West's advertised financial "aid" results in the recipients finding themselves heavily in debt, while the USA and its allies fabulously profit by this arrangement and plough the bulk of the profits into militarisation.

The causes behind the debt crisis is the position of inequality and dependence in which the developing countries have found themselves in the capitalist sector of the world economy and the self-centered neocolonialist policy of the imperialists.

Apart from the debt noose, there is discrimination in trade. This means, first of all, the price scissors manifesting themselves in the West arbitrarily pushing up the prices of its technology and forcibly sending down the prices of minerals, other raw materials and products the industrial capitalist nations import from the Third World. A quarter of a century ago 200 tonnes of sugar bought a 180 hp bulldoser. Today the deal requires 800 tonnes of sugar. On the whole, to buy Western industrial plant, nowadays the developing countries spend three to four times the quantity of traditional exports compared with 25 years ago. Last year, Latin America lost 20 billion dollars through the worsening terms of trade alone.

The world market's pricing mechanism favouring the imperialists is complemented by mounting protectionism in the way of the developing countries' commodities, dumping, economic blockades and other discriminatory practices which the West has made daily leverage of its relations with the emergent countries.

Multinationals too plunder newly-free countries. A dollar invested in Latin America, brings US multinationals 2.5 dollars in profits. Every year the Latin American affiliates

of multinationals transfer nearly 40 billion dollars in profits abroad.

Established in 1945, the International Bank for Reconstruction and Development (IBRD) and the International Monetary Fund (IMF), each of which has some 150 member-states, are instrumental in plundering the emergent countries, damaging their economic interests. UN specialised agencies formally, these organisations are an important constituent of the US-controlled financial system of capitalism.

It is America's contribution to the assets of the IBRD and the IMF that determines US influence on the activities of these organisations. In the IBRD Washington has more votes than 118 developing countries. Another fact behind America's position of influence is that the IBRD personnel consists mostly of US citizens and the Bank's president is, traditionally, an American.

This is also true of the IMF where America's dominant quota in the assets determines Washington's supremacy in the organisation. As an IMF executive director from the developing countries put it, it will take you five years to understand what the board of governors is talking about and another five years to see how IMF personnel deceive you.

America's participation in these agencies and some other international organisations is of considerable benefit to US capital. In particular, these banks subsidise the US economy by giving US corporations major contracts, often at exorbitant prices, for goods and services to developing countries. Per dollar invested in these banks, the US economy has received three dollars. Also, America's participation in international financial organisations helps the White House and other developed capitalist partners to charter a common policy with regard to the newly-free nations.

The IBRD and the IMF have always been advocates of

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imperialism. They have been working to enforce upon the developing nations a model of economic growth to promote the interests of international financial capital.

The IBRD and IMF constitutions say that the organisations may not control the domestic policies of the borrowers. However, the opposite is true in reality. In recent years two thirds of the IMF loans to the young states have been issued on tough political and economic terms, often insulting to the national dignity of the recipients and incompatible with their status of independent states.

Last year some 40 developing countries had no choice but to comply with the "shock treatment" prescribed by the IBRD and IMF. Under their pressure, for example, in 1984 Brazil carried out 72 mini-devaluations, with inflation having grown dramatically as a result. On the IMF's insistence, the Brazilian government slashed down a wide range of subsidies, which also sent prices up, their growth having approached 200 per cent last year. The uncontrolled growth of prices plus falls in real wages have made the social situation in Argentina tense.

Experience shows that the debtors should not expect favours from the Western usurers resorting to gangster-like practices. More and more developing nations reject international financial capital's efforts to expose them to pressure tactics. At the 7th conference of parliamentarians from Latin America and the EEC (in May 1985 in Brazil), Brazilian President Jose Sarney said that foreign debt could not be returned at the price of hunger and poverty. Speaking in the city of Trujillo, Peruvian President Alan Garcia said that the Peruvian government's main duty is to its people. He added that he was elected president by the Peruvians, not by IMF officials. We will not live on our knees for a handful of dollars in exchange, he said.

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More and more emergent countries stand for joint action by the debtors. A major event was a trade union conference of Latin America and the Caribbean in July. Attended by over 190 trade unions from 29 countries, the conference called on the governments of the region to formulate a common stand of the debtors to negotiate with the Western banks and international financial institutions and stated its resolute support for the moves aimed to refuse to pay their debt. Latin America's striving for unity against Western diktat was illustrated by a meeting in Havana, held soon after the trade union conference, of 1,200 statesmen, politicians and public personalities from 33 countries of Latin America and the Caribbean, who discussed the debt issue.

Developing countries increasingly realize an acute need to close the ranks for a joint rebuff to the imperialist plunderers.

(Trud, October 17. In full.)

TÜRKİYE SOSYAL TARİH
TÜSTAN ARASTIRMA MERKEZİ



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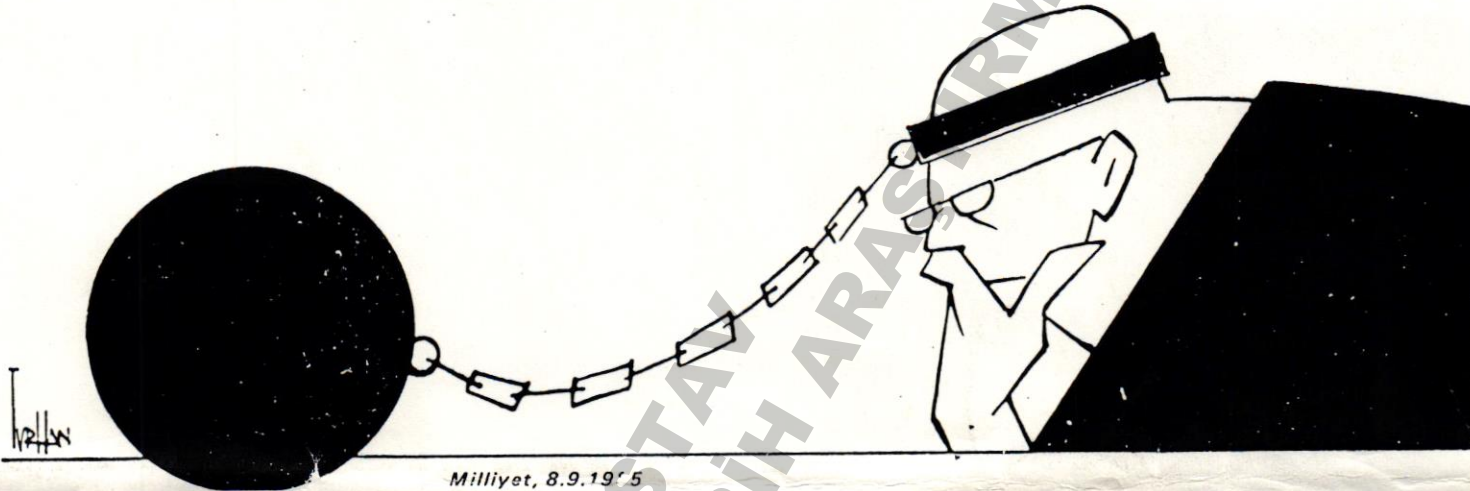


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FOLK SINGER RUHI SU ALSO FELL VICTIM TO THE STATE TERROR

While Yılmaz Güney, prize-winner "Palme d'or" of the 1982 Cannes Film Festival who died on September 9, 1984 in exile, was being commemorated on the occasion of the first anniversary of his death, the people of Turkey were deeply distressed, on September 22, 1985, by the news of another distinguished artist's passing away.

Like Güney, 73-year old Ruhi Su, most eminent folk singer of Turkey, has been a victim of the repression carried out by the Turkish regime.

He suffered for a long time from cancer and his doctors declared that he should be hospitalized in Germany. But the Turkish Government, disregarding the medical reports, refused until two months ago to deliver him a passport. Recently, on the protest of some German personalities his passport was delivered, but it was too late...

Ruhi Su was born in Van in 1912 and graduated from the Ankara State Conservatory in 1942 and was distinguished as one of the best singers of the State Opera. He was taken under arrest in 1952 due to his political views and sentenced to a 5-year imprisonment.

After his release, he totally committed himself to Turkish folk music and had a world wide fame. His highest aim was to universalize the Turkish folk music. He is esteemed by all Turkish modern singers as their master.

His funeral was attended in Istanbul by more than five thousand persons and turned into a protest march against the repression. The police arrested about 150 persons.

ORDEAL OF AZIZ NESIN

The Turkish Government still refuses delivering a passport also to Aziz Nesin, renowned humorist and Chairman of the Turkish Writers' Union. Recently, he was invited by the National Union of Journalists (NUJ) of Britain to a closed conference on the Media in Turkey to be held in London on October 13, 1985.

Since the government does not allow him to go abroad, Aziz Nesin sent a letter to General Evren and declared that, if his letter is not answered until September 1, he would be obliged to inform the NUJ of the arbitrary attitude of the Turkish authorities.

Hit by an heart attack in 1983, Aziz Nesin had already demanded a passport in order to go to the United States for a surgical operation, but that demand has also been refused.

73-year old Nesin is still being tried at the trial against 59 intellectuals accused of sending a petition to the "President of the Republic". (See: Bulletin No. 105-106).

GENERAL EVREN AGAINST AMNESTY

The recent reply of General Evren to European parliamentary institutions such as the Council of Europe and the European Parliament which have underlined that an amnesty to all political prisoners is a prerequisite of the amelioration of Turco-European relations has been a rough "No!"

In his much publicized national address to mark the opening of the Turkish National Assembly, on September 1, 1985, the General-President said discussions on an amnesty in the country are a humanitarian gesture, but added: "Amnesties based on political interest and strategies caused a lot of harm in Turkey in the past. We have had much experience... I believe that the Turkish Parliament will ignore the ruling propaganda made in favor of those who committed crimes which are mentioned in Article 14 of the Turkish Constitution, namely those who have committed crimes against the sole existence of the state."

Evren, reminding that a campaign is being carried out in the country and abroad for lifting capital punishment said: "I wonder why these European parliamentarians never make such proposals to the United States or the USSR and other socialist countries. I should confess that I am having a hard time understanding the logic behind such proposals. We must never forget that more than 5,500 people died during the near civil war in Turkey during the turbulent days."

Accordingly, Prime Minister Turgut Ozal, after his return from the United States, declared on September 19 that his party had never promised any person to grant an amnesty for political prisoners. "Why do you consider them as the victims of destiny? Are we responsible for their imprisonment? The amnesty issue should not be made the subject of polemics," he said.

As for the left-wing opposition, both the Social Democracy Party (SODEP) and the Populist Party (HP) believe amnesty has become a necessity due to rapid social change, disorder in the economic structure, the extraordinary high number of political court cases, unsatisfactory conditions in prisons and death penalties.

Both parties have set up a joint commission on the amnesty question. Following the works of the commission, the spokesman said on September 5 that the Commission would propose amnesty for crimes convicted up to August 8, 1985. He said death sentences should be reduced to 30 years imprisonment and life imprisonment to 24 years. The draft proposal stipulates that no investigation will be made on political "crimes" liable to 10-years imprisonment, and those sentenced for 10 years or less will be pardoned.

Although the two left-wing parties have a considerable mass support and their credibility has rather increased since they announced that they will unite in a single social-democrat party, in the 400-seat National Assembly only the HP is represented with 113 deputies while the two right-wing parties are holding an absolute majority with 265 deputies. Banned to participate in the last legislative elections, the SODEP has no deputy in the Assembly. Therefore, the enactment of an amnesty law conforming to the proposal of the two left-wing parties seems very difficult.

CONTROVERSY ON THE MINIMUM WAGE

A special commission convening under the chairmanship of Labour Minister Mustafa Kalemli has decided to raise the minimum wage in Turkey, after a 3-year interval, from gross of TL 24,525 to TL 41,400.

The Turkish Labour Unions Confederation (Türk-

İs) demanded a radical change in the system employed in determining the rate of increase in the minimum wage and called for an increase of almost 110 percent while the government and employers' representatives were calling for an increase parallel to the increase rate in salaries of civil servants, thus an increase of 40 pc.

The rate of increase was adopted, following long negotiations, as 68.81 percent.

The net sum of the old minimum wage was TL 16,996 which hardly covered 29.6 percent of a 4-person family's food expenditure totalling to TL 57,368.

The net sum of the new monthly minimum wage is TL 27,875 and it is also very far from covering the foreseen food expenditures.

According to a survey published by the Turkish Daily News, on August 23, 1985, the relation between the gross minimum wage and the monthly per capita income has developed since 1982 to the detriment of wage-earners:

YEARS	Minimum Wage (TL)	Per Capita Income (TL)	Rate (pc)
1981	10,000	12,400	83.1
1982	16,200	15,718	103.1
1983	16,200	20,244	80.0
1984	24,525	31,625	77.5
1985	24,525	46,248	53.0

ALARMING ECONOMIC DATA

The OECD announced that the rate of inflation for the last 12 months in Turkey reached 40.6 pc and that the price increases for the first half of 1985 went up by 22.5 percent.

Turkey had the highest inflation rate among the member countries of the OECD with a rate of 40.6 pc while Iceland was the second with a rate of 31.1 pc. This figure was 22.5 pc in Portugal.

For a better illustration of the inflation in Turkey, we are reproducing below a table appeared in the Turkish Daily News of August 21, 1985:

	1980	1985
Average daily wage . . .	TL.426.96	TL 1,790
	(\$ 8.93)	(\$ 3.37)
Sugar (1 Kg).	TL. 16.50	TL 175
	(\$ 0.35)	(\$ 0.33)
Cheese (1 Kg).	TL.120.00	TL 1,200
	(\$ 2.50)	(\$ 2.26)
Rice (1Kg).	TL. 30.00	TL 310
	(\$ 0.63)	(\$ 0.58)
Olive oil (1Kg)	TL. 80.00	TL 790
	(\$ 1.67)	(\$ 1.50)
Beef (1 Kg)	TL.200.00	LT 1,200
	(\$ 4.18)	(\$ 2.26)
Washing machine.	TL .23,250.00	TL 150,000
	(\$ 486)	(\$ 283)
Refrigerator	TL 25,000.00	TL 160,000
	(\$ 523)	(\$ 302)
Oven.	TL 17,000.00	TL 98,500
	(\$ 356)	(\$ 185)
Shoe.	TL .1,700.00	TL 8,500
	(\$ 35)	(\$ 16)
Cotton batiste (1 Kg) . .	TL. 40.00	TL210
	(\$ 0.84)	(\$ 0.40)
Firewood (1 Kg)	TL.700.00	TL 5,625
	(\$ 14)	(\$ 10.5)
Bread (1 Kg).	TL. 12.77	TL 150
	(\$ 0.26)	(\$ 0.28)

Ozal's Government has recently taken a series of economic measures designed to further "tighten" the current strict monetary policy ruling the economy. According to the new package of measures:

- The banks will set their own foreign exchange rates without any restriction from the Central Bank.

- Interest rates have been increased for long-term deposits and lowered for short-term ones. For one-year time deposits, the interest rate has been increased from 45 pc to 56 pc.

Economic experts said the measures signal an admission by the government that the inflation rate will remain above the 50 pc mark by the end of 1985.

On the other hand, Turkey's foreign trade deficit for the first half of 1985 stood at \$ 1.38 billion, an increase of 6.6 pc compared to the first six months of 1984.

Exports in the first half of 1985 increased by only 3.1 pc compared to the same period in 1984 and reached \$ 3.64 billion. Imports in the first half of 1985 went up by 4 pc compared to the same period last year, and stood at \$ 5.01 billion. Foreign trade deficit in the first half of 1984 was \$ 1.29 billion.

As for the increase in national income, the average of last 5-year period registered a fall compared preceding three 5-year periods of planning. The compared rates of the growth and the inflation for past 22 years as follows:

Periods of Planning	Growth Rate	Inflation
1963-67	pc 6.6	pc 5.2
1968-72	pc 7.1	pc 11.2
1973-77	pc 6.4	pc 21.6
1981-85	pc 4.5	pc 38.3

TURKEY'S DEBTS INCREASE

Turkey's short term debts in the first half of 1985 rose 8.8 pc to 4.90 billion dollars from 4.51 billion at the end of 1984, a report prepared by the Central Bank showed.

The report, for circulation to international banks, said total debts, including loans from the International Monetary Fund, rose 1.7 pc to 21.68 billion dollars in the first half from 21.32 billion at the end of last year.

Long and medium-term debts fell to 16.77 billion dollars in the six months from 16.82 billion at the end of December, according to the report.

The report also showed a 12.3 pc fall in Turkey's foreign exchange reserves in the first six months to 3.90 billion at the end of 1984.

Turkey still keeps the 6th rank among the most indebted countries after Brazil (100 billion dollars), Mexico (96 billion), Argentina (48.4 billion), Venezuela (35 billion) and the Philippines (26 billion).

Premier Turgut Ozal disclosed on September 16 that Turkey does not plan to sign a new standby agreement with the IMF. The Premier's declaration was in contrast with recent official statements. In August, Deputy Premier Kaya Erdem said a new agreement was still being planned. Ozal said consultations will continue with the Fund, with IMF teams paying visits to Turkey once or twice a year, "But other than this, a standby is out of question".

Turkey's first standby agreement with the IMF was signed in 1978 when the country was in severe financial crisis, unable to service its foreign debts of around 15 billion dollars and to import necessary goods to keep its industry functioning. Turkey received 1.65 billion dollars in loans from the Fund in the 1978-82 period. Yearly standby agreements, providing

240 million dollars annually, were signed in 1983 and 1984. The latest agreement expired in April this year.

Despite the said declaration of Ozal, the planning of the Turkish economy still depends mainly on the directives of the IMF. On September 5, an IMF delegation of five arrived at Ankara for reviewing Turkey's economy and holding talks in various economic circles. During the talks, the major issue on the agenda was the inputs required for the IMF annual report on Turkey's economy. Although Turkey will not sign a new standby agreement with the IMF, the report to be drawn up by the 5-man mission will be the principal indicator for the international money-lending institutions and banks to determine their credit policy towards Turkey.

The IMF Secretariat and its Turkish Desk were very satisfied of the Turkish performance between 1980 and 1984: "Turkey managed to improve its balance of payments deficit considerably; debt-servicing continued according to schedule." In this regard, Turkey was termed by the IMF the only success in the whole of the developing world. "As such, Turkey was the living proof of how an IMF-sponsored stability programme saved a country from near bankruptcy and converted it into a highly reliable one with a very good credit standing."

But this was only a part of the story. The improvement in the balance of payment problem also owed a great deal to a substantial cut in foreign currency payments at the cost of a decline in growth and industrialization and to a comparative growth in exports as a result of the heavy pressure built up on domestic demand.

Viewed from that angle, the Turkish miracle stemmed from economic contraction and recession. Unemployment was up from an existing high of 16 pc to 20 pc. The hope that foreign capital investment would be the life-saver has been still-born. The private sector is not of the caliber to fill the vacuum created by the public sector. The rise in interest rates and inflation were enough to paralyze the Turkish business community which has long been accustomed to easy means of cheap credits.

The IMF is also unhappy about the rather sloppy way in which economic decisions are taken. Like many observers, the Fund believes many important decisions are taken on the spot without due consideration for the longer-term or larger-scale implication.

The Ozal government seems to have adopted the Korean model as suggested by the IMF, but the model is not fully appreciated, says a high-ranking Fund official. He notes in particular that although it is a liberal economy, the South Korean decision-making process is highly centralized and economic reforms there were initiated at the grass roots and in the banking system, in a manner reminiscent of a nationalization operation. As for Turkey, the banking sector seems to be totally out of control.

Moreover, the easy days for an indebted Turkey have already ended. According to a schedule announced in the Turkish press, Turkey will be obliged to serve the following debt-payments in the coming 5-year period:

2,600 million \$ in 1985
2,387 million \$ in 1986
2,429 million \$ in 1987
2,414 million \$ in 1988
2,074 million \$ in 1989

Whatever the text to be drawn up by the IMF mission, it is now clear that the classical IMF approach will not be enough to solve Turkey's economic and financial problems.

FOREIGN CAPITAL DROPS IN 1985

Incoming foreign capital in the first half of the year totalled 138,5 million dollars. This indicates a significant decline of 61.1 pc when compared with the corresponding period last year.

182 foreign companies that wanted to invest in Turkey were given permission by the State Planning Organization. However, SPO authorities reported that last year 104 foreign companies brought in a total of 355.9 million dollars through their investments.

The SPO stated that 95.1 million dollars of the total capital will be used in financing new investments. A sectoral breakdown of the foreign capital flow is summarized as follow:

Fertilizer industry: 42 million \$
Food-drinks: 20 million \$
Tourism sector: 12.9 million \$
Chemical-mining, iron and steel: ..14.5 million\$

As for the origin of the invested capital:

USA: 8.9 million by 21 firms
RFA: 7.4 million by 24 firms
England: 17.4 million by 12 firms
Switzerland: 8.9 million by 21 firms
Holland: 8.7 million by 11 firms
Iran: 1.7 million by 16 firms
France: 6,2 million by 4 firms
Saudi Arabia: 3.9 million by 5 firms
Bulgaria: 2.2 million by one firm
Denmark: 6.9 million by 2 firms
Syria: 1.1 million by 15 firms

While the total flow of foreign capital from 1954 to 1980 was only 228.1 million dollars, in last five years the annual foreign investment registered a considerable rise because of the adoption of a new foreign investment policy by the Government:

1980..... 97 million \$
1981..... 338 million \$
1982..... 167 million \$
1983..... 103 million \$
1984..... 207 million \$

In first 4-year period, 64 pc of the total foreign investment was financed by non-guaranteed trade arrears, which cannot be a real foreign capital investment.

Among the foreign firms investing in Turkey are also: American Express, Bayer, BMC, BP, Chase Manhattan Bank, Ciba-Geigy, Citybank, Club Méditerranée, Daimler-Benz, Fiat, General Electric, Ford, Good-year, Henkel, Hoechts, International Harvester, MAN, Mannesman, Merck, Mobil, Nestlé, Northern Pfizer, Philips, Pirelli, Renault, Hoffman-La Roche, Sandoz, Shell, Siemens, Thyssen, Unilever, Uniroyal and Wyeth.

Observing the recent decline in the foreign capital flow to Turkey, the Turkish Government concluded a new agreement with the USA on July 16, 1985 in Washington, covering various guarantee clauses for US businessmen wanting to invest in Turkey.

According to the agreement, US capital to be invested in Turkey will not be "nationalized" with the "exception for public interest", US business will not face additional paper work relating to investments and US banks will make the money transfer at once and no additional tax will be imposed on this. What is more, the agreement also guarantees the security of US businessmen in case of "disturbances".

The daily Cumhuriyet of July 18 reported that the businessmen of five other countries will also be granted same guarantees in future.

Earlier, on March 11, 1985, the Council of Ministers had already decreed a reduction of the tax on imported cigarettes and alcohol in order to speed up the flow of foreign capital.

ACCORD FOR NUKE PLANT IN TURKEY

The Turkish Electricity Board and the Atomic Energy of Canada Limited signed on August 14 a preliminary accord for the "construction, management and then conversion to Turkish ownership" of Turkey's first nuclear plant in the Mediterranean coastal area of Akkuyu.

Initially Turkey held talks with a Swiss firm in 1980 about constructing the first nuclear power plant. Then in 1983 when the talks failed, Turkey started negotiating a deal with three different foreign companies and finally concluded agreement with the Canadian one.

A joint company will be set up between two sides with an initial capital of 125 million dollars. A consortium led by ACEL will own 60 pc of the shares while the Turkish Electricity Board has 40 pc.

The joint venture will complete construction of the plant and then, manage it for 15 years. After this period, ownership of the plant will be handed over to the Turkish Electricity Board.

The 665 megawatt reactor will produce 4 billion kilowatt hours of electricity annually.

PROSECUTION OF WORKERS

On August 20, the Turkish Coalmining Administration started an investigation against one thousand miners who carried out an action against the prolongation of their working hours. 70 out of them have already been subjected to a one-day wage cut as a disciplinary measure.

On the other hand, on June 4, seventeen trade union officials were summoned to a police station in Ankara and interrogated in relation with the declaration made by the leader of the Correct Way Party (DYP), Hüsamettin Cindoruk, during their visit to the party seat.

The trade unionists are accused of having disregarded the Law on Trade Unions which bans all collaboration between trade unions and political parties.

ILO'S WARNINGS TO TURKEY

ILO representative, John Murray speaking at a trade union seminar in Trabzon, on August 16, said: "Turkey is a part of the Western World. The rules of this world contain broad labor rights. Turkey's acceptance in the Western World is possible only through the positive opinions of international organizations such as ILO on the existence of labor rights in this country. Turkey cannot improve its relations with the Common Market, European Parliament, or the Council of Europe, if ILO does not recognize the existence of these rights."

According to the daily *Milliyet* of September 2, 1985, the International Labor Organization has warned eight times the Turkish government that it should respect trade union rights.

BRIBERY CONCERNING F-16 PURCHASES

Allegations of bribery concerning the F-16 jet fighters purchases have gone around in connection with Ex-general Tahsin Sahinkaya, former member of the military junta and commander of the Turkish Air Force.

After a long period of bargaining, the Turkish government had decided on September 7, 1983 to select the F-16 Flying Falcon as the fighter it will co-manufacture with General Dynamics. The contract

covers assembling and co-manufacturing 160 planes at an estimated cost of 4.2 billion dollars. The losers of the rate were F-18 of McDonnell Douglas and F-20 Tigershark of Northrop.

On June 25, 1985, General Evren laid the foundation of the F-16 jet fighter engine plant in Eskisehir.

A few weeks later, the former vice-president of the General Dynamics, Mr. Takis Velotis revealed in an interview to the Turkish daily *Milliyet* dated July 11 that the company had given a bribe of TL 12.5 billion to some top officials in Turkey in order to get the affair, but he did not give the names of the bribed persons.

However, the US magazine *Time*, on November 14, 1983, had already mentioned the name of General Sahinkaya as one of the bribed persons and qualified him as the "one of the ten richest army generals of the world."

Though the opposition circles asked that the State Council of Inspection should take up the matter as the highest authority in this field, the Provisional Article No.15 of the Constitution drawn up by the military junta forbids any legal investigation or action against any decisions or measures whatsoever taken by the Council of National Security (the military junta).

Justice Minister Necat Eldem said that allegations of bribery concerning the F-16 issue may be investigated if Parliament decides to lift Provisional Article 15.

But Parliament, because of the pressure coming from General Evren, cannot act accordingly and the bribed General Tahsin Sahinkaya still keeps his title of "Member of the Presidential Council".

PROFITS OF THE ARMY HOLDING (OYAK)

The 25th General Council meeting of OYAK (Armed Forces Mutual Assistance Foundation) was held on May 31, 1985 in Ankara. According to the financial report presented by the Chairman Görmüş, despite the recent economic stagnation in Turkey, OYAK's profitability rate climbed to 130 pc in 1984 and the foundation distributed a profit-share of 42.4 pc to its all members in army uniform.

OYAK, according to the report, is currently giving service to its members through 20 different army department stores. The annual turnover of these stores rose to TL 10.2 billion in 1984 while it was TL 6.3 billion in 1983.

OYAK was founded 22 years ago with the contributions of army officers and NCOs, apparently for providing them with supplementary social benefits. But the 5 pc cut off from the salaries totalling up 20 million dollar a year pushed army chiefs to invest OYAK's enormous funds in industrial and commercial ventures. Thanks to its collaboration with foreign companies such as Renault, International-Harvester, Good-Year and Mobil Oil in automobile, petro-chemical, tires and canned food industries and in tourism,

OYAK has turned in a very short time in to a mammoth finance-holding. OYAK climbed to 15th rank among the 500 biggest companies of Turkey in 1983.

The recent meeting of OYAK, chaired by the National Defence Minister and attended by the Chief of General Staff and other high-ranking commanders, was held behind the doors closed to the press.

MILITARY PACT REVISION WITH USA

The Turkish Government asked, on September 17, 1985, for a revision of the defense and economic cooperation pact with the United States.

The 5-year Turco-American Defense and Economic Cooperation Agreement (DECA) is scheduled to expire on December 18. Under the pact, the United States has key facilities on man bases across Turkey including a big air base in Incirlik near the southern city of Adana and many listening posts gathering intelligence from the Soviet Union.

In return, Turkey gets grants and loans of which the sum for 1985 was 879 million dollars. But the Turkish side says the amount is insufficient. Ankara also wants more help in modernizing the outdated equipment used by the Turkish Army and technology transfer.

During the talks on revision, the United States will request facilities from Turkey for its Rapid Deployment Force.

On the other hand, an American analyst, William M. Arkin claimed, in his article appeared in the "Bulletin of the Atomic Scientists", that the United States has already placed its nuclear forces in Turkey on a standby alert status similar to that of landbased missiles and B-52 bombers at home.

As evidence, the Institute for Policy Studies researcher cited an October 1983 "munitions bulletin" published by the Headquarters of US Air Forces in Europe.

The publication said the US nuclear weapons mission in Turkey "is in an aggressive growth stage" and that its four munitions support squadrons "are actively pursuing resumption of alert."

The article said the United States stores "some 500 warheads in Turkey, and as many as 300 of them are bombs for aircraft."

"US nuclear bombs are stored at four Turkish airbases -Eskisehir, Murted, Incirlik and Balıkesir- for use by four Turkish Air Force units. Resumption of 'alerte' in Turkey means that aircraft there are loaded with nuclear bombs in peacetime and are ready to strike targets in the Soviet Union."

Arkin added that operations at the only US combat airbase in the country, at incirlik, "have increased significantly since the signing of a 1980 Defense and Economic Cooperation Agreement... allowing an increase in the number of aircraft assigned to Incirlik from 18 to 36."

STATE TERROR

MAN-HUNTING BY THE POLICE

Following the enactment of the Law on Police's powers, police agents have launched a man-hunting against those whom they consider "immoral".

Under this new law, police agents while being on duty or in their spare time, can apprehend any person

who, in their view, does not observe the moral norms, and, subsequently, can keep this person in custody for 24 hours during which he has to be filed.

The daily *Cumhuriyet* of September 10 reports the arrest of a couple who was apprehended by a policeman while they were strolling at sea shore in the night.

According to the same daily, on September 9 in Ankara, a policeman shot dead a streethawker on the pretext that he had attempted to escape although he was ordered to stop.

Again in Ankara, a group of medical doctors were taken to the police station on the charge of drinking beer in front of a pub.

On September 10, in Izmir, a mentally handicapped person named Ahmet Ozün was brutally beaten by a policeman who suspected him of being "drunk" because of his abnormal behaviour.

ALL CITIZENS TO BE FILED

Ozal's Government has started a new practice with the view of reinforcing Police State and enlarging repressive arsenal against the adversaries of the regime.

According to the daily *Cumhuriyet* of August 14, on the order of the Ministry of Interior, headmen of 35,268 villages of Turkey have begun to file all inhabitants of their locality. These files consist, among others, of information concerning the political tendency and ideological choice of each inhabitant. Headmen are charged to oblige the concerned person to sign his file, and to send one copy to the Gendarmerie of the village. The second copy will be kept in the office of the headmen.

On the other hand, the Justice Minister Necat Eldem announced on August 9 that the judicial record of each citizen will be computerized in order to accelerate the process of investigation.

ORDEAL OF LAWYERS

On the occasion of the start of the judicial year, the Chairman of the Union of Turkish Bar Associations, Teoman Evren declared on September 2 that Turkish defending counsels are systematically prevented from defending their clients.

According to Evren:

- At military tribunals or State security courts, defence attorneys can be expelled from the hearing room on a simple decision of the judge.

- During preliminary investigation, defendants are not allowed to see their lawyers. In political cases, an investigation goes on for months and even for years. Deprived of any possible contact with exterior, the defendant can easily be subjected to torture and forced to sign any deposition drawn up by the police.

- All lawyers who assume the defence of political prisoners are considered "suspect" by judicial authorities. There are many lawyers who have been indicted during trials for the declarations that they made in defence of their clients.

Evren said on this occasion that this situation is not compatible with universal conventions on human rights.

330 REPENTANT PRISONERS

According to a declaration of the Justice Minister Necat Eldem, 330 prisoners condemned by military courts for "crimes against the State" have benefitted from the "Law on Repentance" which is in force until September 11.

Adopted on May 7 by the Parliament for a 4-month period, this law, named commonly "Law on Sneaks", stipulated the acquittal of the prisoners accused of non-violent "crimes against the State" if they denounce their comrades. For the denouncers who had committed violence acts, the law stipulated a reduction of punishment.

The same law also ensures that a denouncer, if need be, will benefit from free esthetical surgery or will be given a new identity card bearing a different name and sent abroad.

TOLL OF THE OPERATION IN KURDISTAN

As reported in the preceding issue, according to a communiqué of the Turkish General Staff, dated August 16, 1985, the total number of those killed in armed clashes since August 15, 1984 amounts to 216 including 97 Kurdish militants, 56 military and policemen, and 63 civilians.

We are giving below other details concerning the military operation carried out in the Turkish Kurdistan in the same period:

Captured militants	309
Identified and wanted	641
Kurdish attacks	102
Seized arms:	
Pistols	836
Machine guns	8
Rifles	860
Automatic rifles	11
Hand grenades	157
Anti-tank mines	43
Anti-personal mines	48
Small arms	47,314
Rocket launchers	2

Trials against Kurdish militants:

- The Eruh trial took 98 persons of whom 10 were condemned to capital punishment, one to life-prison and 38 others to different terms up to 24 years.

- Semdinli ambush trial started with 12 defendants.

- Sason trial with 90 defendants

- Cukurova trial with 16 defendants.

Recently, on September 11, 23 Kurdish militants were brought before a military tribunal in Diyarbakir for having participated in an armed attack made by PKK in Semdinli.

Recent operations:

From August 1st until September 12, the Turkish press announced the following operations in Kurdistan:

3.8, Kurdish militants shot dead an army officer and five GIs in the district of Sason of Siirt province. Same day, at the village of Karahasanlı in Kars province, a peasant was machine-gunned by Kurdish militants in a retaliation for denunciation.

4.9, in the province of Hakkari, 11 Kurdish militants were arrested as they were penetrating Turkey through Iranian border.

7.8, a Kurdish militant was shot dead in the district of Genc in Bingöl province.

9.8, security forces announced that they captured 15 of the Kurdish militants who had attacked many foreign tourist groups on the slopes of the Ararat Mountain.

16.8, in Hakkari, the car of the local police chief was machine-gunned by Kurdish militants and a policeman was gravely wounded.

17.8, six more Kurdish militants were captured on the slopes of the Ararat Mountain.

25.8, in Agri, 6 sympathizers of the Kurdish organization TKSP were arrested.

26.8, the district of Sirmak of Siirt province, two GIs were shot dead during an armed clash with Kurdish militants.

11.9, during another clash at Catak in Van province, two Kurdish militants were shot to death by security forces which, for their part, lost a GI.

The dimensions of the armed clashes in Kurdistan are getting more and more alarming for Ankara. Recently, the Armed forces, with the aim of better preparing their units for further sweeping operations, started on September 4, 1985 a big military exercise in the Turkish Kurdistan. These exercises were attended by general Evren himself as well as the Chief of General Staff Necdet Urug, the National Defence Minister Yavuztürk and all commanders of the Army.

"THE TURKISH GENERAL STAFF LIES..."

On the other hand, the Kurdistan Committee in Paris issued on August 28 a press communiqué in which it declared: "The Turkish General Staff which has been silent until now on the war developing in Kurdistan, distorted in its press release all facts concerning one-year period of actions, military operations, arrests and assassinations.

"All actions carried out in this period have been led by the HRK (Liberation Unity of Kurdistan), founded on August 15, 1984. Today it exists on a line of 1000 kilometers, from Semdinli and Yüksekova (in the province of Hakkari) up to Nord-West, passing through South-West, where fierce combats are being carried on. The following cities are in this fighting zone: Hakkari, Siirt, Bitlis, Mardin, Van, Mus, Bingöl, Diyarbakır, Elazığ, Urfa, Adıyaman, Kars, Ağrı and Dersim (Tunceli).

"In all, 117 attacks, ambushes and clashes have occurred and 402 military, policemen, guards and high-ranking officials (of whom 30 pc are Army officers or NCOs) have been shot dead and 188 others wounded in these operations.

"130 Turkish GIs have been captured. They have been released later on, after being disarmed.

"46 well-known denouncers have been punished by death."

EUROPEAN RADICALS EXPELLED

On August 8, four members of the European Radical Party who made a demonstration in Ankara were arrested by police and expelled toward the Federal Republic of Germany. The Italian deputy Gianfranco Spadaccia and his three friends came to Turkey in the framework of a campaign started by the European Radical Party with the view of drawing attention to the "holocauste of our era" on the occasion of the anniversary of Hiroshima. This party organized on the same day other demonstrations in twelve capital cities of the world as well as in the eastern and western sections of Berlin.

OTHER RECENT ARRESTS

13.8, in Kayseri, 16 persons arrested on the charge of having made clandestine work for 6 different left wing organizations.

16.8, at Kozaklı, Nevşehir, 12 presumed militants of a left-wing organization were arrested.

26.8, police arrested 20 left-wing persons in Bursa.

7.9, in Istanbul, 24 persons were arrested for having attempted to reorganize the Revolutionary Union of the People (DHB).

11.9, in Istanbul, 10 militants of the Kurdish movement Ala Rızgari and 20 of TKP/ML were arrested by police.

NEW TRIAL AGAINST TSIP

The military prosecutor of Istanbul opened a new legal-proceeding against 16 members of the Socialist Workers' Party of Turkey (TSIP), on September 10, 1985. TSIP was one of the legal socialist parties prior to the military coup d'Etat and closed down by the military.

The defendants are accused of having led communist and pro-Soviet activities on the directives of the party leaders exiled in Europe.

Each defendant faces a 10-year prison term.

On the other hand, on August 16, fifteen presumed militants of the Revolutionary Vanguard of the People (DHO) were brought before a military tribunal in Istanbul. The prosecutor requested prison terms up to 24 years.

On September 8, a new trial was opened in Istanbul against 13 presumed militants of Dev-Yol. Accused of having committed violence acts, each defendant faces capital punishment.

On the last day of the 5-year period of military regime, September 11, 1985, the military prosecutor requested capital punishment for 71 defendants of the Dev-Yol trial in Erzurum. Also life-prison was asked for 10 defendants and different prison terms up to 24 years for 636 others.

RECENT CONDEMNATIONS

8.8, in Istanbul, 11 defendants of a Dev-Yol Trial were condemned to 7,5-year prison term each, and a militant of Kurtulus to 13 years and 4 months.

9.8, in Izmir, 34 persons who are in prison for a political trial, were condemned to prison terms up to 2-year for another reason: having addressed a petition to General Evren for protesting against ill-treatment in prison.

16.8, in Istanbul, three presumed members of TIKKO/Bolchevik were condemned to prison term of 13 years and 4 months each.

22.8, in Izmir, 16 right-wing activists were condemned to prison terms up to 36 years.

31.8, in Izmir, 9 presumed members of the Revolutionary Communist Party of Turkey (TDKP) were condemned to 8-year prison term each.

5.9, in Istanbul, the trial against Kurtulus ended with the condemnation of 13 defendants to prison terms up to 20 years.

ORDEAL OF UNIVERSITY PROFESSORS

The contracts of 7,360 university professors and 123 faculty deans expired on August 31, 1985. If their contracts are not renewed, they will take part in the mass of unemployed intellectuals. For this reason, in all Turkish universities, during the period of annual vacancies, reigned an atmosphere of anxiety.

For the replacement of 129 deans, the chairmen of university have submitted to the Higher Educational Council (YOK) the names of 369 candidates. According to the regulations drawn up by YOK, intelligence services carry out a profound investigation on the philosophical and political tendencies of all candidates.

On the other hand, although martial law was lifted in many university cities, none of the professors who had been dismissed on the order of military authorities have not yet been allowed to return to their posts.

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As we reported in the preceding issue, the Administrative Board of the Ankara University refused the request of seven professors who asked for their posts.

On August 17, eleven dismissed professors of the Aegean University, Tayyar Bora, Cumhur Ertekin, Erol Mavi, Yavuz Aksu, Ataman Tamgör, Oya Tamgör, Veli Lök, Sükrü Bozkurt, Hüseyin Tural, Türkan Süren and Hüseyin Balci applied to the university board for restoring their posts, but their request too was refused by the administration.

Following this refusal, they appealed to the Administrative Court for quashing the decision.

On the other hand, in Ankara, the Administrative Board has already taken a decision in favour of Professor Figen Güllalp whose request had been refused by the Gazi University. The same court has quashed another decision of dismissal concerning four top servants of the National Education Ministry, Saim Açıkgoz, Adil Konuk, Eyüp Ak and Osman Kaplan.

A spokesman of the dismissed professors has announced that, if the university administration does not take heed of the Administrative Court's decisions, they would appeal to the European Court of Human Rights and would bring a suit of damage against the responsables of this arbitrary conduct.

A JOURNALIST ARRESTED

Mustafa Uysal, editor in chief of the daily *Türkkanı* published in Samsun, was arrested on July 8 because of articles revealing the misappropriation of funds made by the Mayor of the city. The tribunal which issued warrant for arresting Uysal has also decided the suspension of the newspaper's publication.

NUMBER OF TURKISH MIGRANTS

According to the data given by the Employment Ministry of Turkey, the total number of Turkish workers abroad rose to 1,083,000 in 1984. As for the total number of Turkish citizens abroad, including the family members of workers, is estimated at 2,274,000.

The distribution of the Turkish workers in different countries as follows:

F.R. of Germany	595,568
The Netherlands	77,675
France	65,832
Belgium	31,100
Denmark	8,991
Great Britain	11,648
Austria	29,166
Switzerland	25,254
Sweden	10,000
Norway	1,400
Australia	39,000
Saudi Arabia	140,000
Libya	38,000
Iraq	5,800
Kuwait	4,000
United Arab Emirates	700
Syria	230
Jordania	8,000
Lebanon	457
Iran	185
Qatar	55
Bahrain	50
Algeria	20

The same source reports that the number of Turkish workers who have benefitted from the "Alien Repatriation Pay Act" of Germany has hardly reached to 136,000."

POLITICAL CHOICES OF TURKISH WORKERS

The daily *Milliyet* of August 31 published a survey of sociologist Faruk Sen on the political choices of Turkish citizens living in Federal German Republic.

According to the results of a poll made among 14,511 Turkish adults, 63.2 pc declared that they have a sympathy for the Social Democrat Party (SPD), 27.7 pc for the christian CDU/CSU, 3.3 pc for the liberal FDP and 3.9 pc for the ecologist Greens.

Mr. Sen points out also that 22,000 Turks in Germany had already adhered to SPD and they represent 2.2 pc of about one million adherents of this party.

TURKISH YOUTHS IN BELGIAN ARMY

According to the daily *Tercüman* of August 11, among the Turkish youths who became naturalized Belgian, 200 have been called to a 9-month military service in the Belgian Army. The number of the Turkish youths who have become naturalized Belgian citizen without renouncing their Turkish nationality has already reached to one thousand and they also wait for their enlistment.

Yet, among these youths there are someones who have already made their military service in the Turkish Army for two months. This is a special short-term military service from which only migrant youths can benefit by paying a sum of 300,000 FB for exemption from the regular 18-month military service which is obligatory for all Turkish youths living in Turkey.

Since there is not yet any bilateral agreement between Turkey and Belgium on the matter of military service, the Turkish youths of double nationality are considered liable to make a second military service by the Belgian Army.

Recently, the daily *Tercüman*'s correspondent in Belgium, Mr. Sıtkı Uluç was called to military service in the Belgian army while he had already paid 300,000 FB and made a short-term military service in Turkey. Thereupon, this newspaper which had made a spectacular propaganda in favour of the naturalization of Turkish youths in Belgium, has launched a new campaign against the obligation of a second military service in Belgium. This new campaign has put in an undecisiveness many Turkish youths who desire to become naturalized Belgian citizen without renouncing Turkish nationality.

On the other hand, the same newspaper reported in its issue of May 12 that many young Turks were already enlisted by the German Army with the purpose of avoiding a possible shortage of soldier in future. The German Chief of Staff Wörner had a series of talks with the Turkish military chiefs during his recent visit to Turkey with the aim of concluding an agreement on the enlistment of the young Turks of double nationality.

TURNING BACK OF REFUGEES

On August 10 and 18 a group of political refugee candidates coming from Turkey were turned back by the Belgian gendarmes at Zaventem Airport.

The Association for "Aid to Deplaced Persons" has announced that 76 persons who were not able to explain that they were asking for the status of political refugee were taken to the border, while 139 others were being allowed to stay temporarily in Belgium, because they had a translator for explaining their request.

The said association pointed out that the turning

back of 76 persons, of Assyrian origin, is a violation of international convention as well as of the Belgian legislation on the entry into Belgian territory.

ANTI-MIGRANT ACTS

27.7, in Liège (Belgium), the Aliens Police advised a Turkish worker, Halil Ozer that his grand daughter, born last year in Belgium, would be sent to Turkey though she automatically became a future Belgian citizen according to the Law on naturalisation.

The father of the baby, Mehmet Ozer has been for 20 years in Belgium and presently in a prison for purging his 3-year term. After his incarceration, police sent first his wife to Turkey and said him that he would also be subjected to the same procedure after having purged his prison term.

Police does not tolerate that the baby stays with her grand father even if she is officially considered a future Belgian.

2.8, in West Berlin, a young Turkish woman, Leyla G. was attacked by unidentified persons while she was coming home from her work.

3.8, in Krefeld (FRG), a Turkish worker, Cibo Dogan, 36 years old and father of four children, committed suicide as a result of a nervous breakdown. He was jobless for a long time.

6.8, in Copenhagen, a hotel inhabited by candidates for status of political refugee was attacked by about 300 Danishmen shouting racist and xenophobe slogans. Police avoided a lynching by a hair's breadth.

7.8, in Passau (FRG), a house inhabited by a Turkish family was put on fire by unknown persons in early morning.

11.8, in Hamburg, a Turkish worker, Hasan Soy-maz, father of four children, committed suicide by hanging himself. He was jobless for a long time.

28.8, according to the German weekly *Quick*, young activists of some extreme-right organisations had had a meeting in Brussels and decided to launch a violence campaign against free circulation of Turkish workers in the EEC, foreseen in Turco-European accord for from 1986 onward. The weekly reports that German authorities registered 74 violence acts committed last year against foreigners by these activists.

28.8, in Basel (Switzerland), a house inhabited by Turkish families was put on fire by unknown persons. A 42-year old Turkish worker, Halit Celebi, was killed by the fire and six others were gravely wounded.

1.9, in Kassel (RFA), a Turkish woman, Senel Sasmaz, and his 17-year old son Fikret Sasmaz were assailed by a German group while they were coming home from a visit. The assailants stabbed Fikret in the back.

4.9, in Switzerland, a new anti-migrant party, the National-Socialist Party was founded by a scission of another racist party, the Nationalist Action Party.

5.9, in Triembach (Switzerland), the dwelling of a Turkish family was destroyed by an explosion. Ayhan Tokay who has been working in this country for 20 years and his family avoided a catastrophe thanks to their absence at home during the explosion.

9.9, in Brussels, the Mayor of Schaarbeek, Mr Nols declared that he would not allow Turkish children to follow Turkish language courses without bringing a written engagement from their parents declaring that they would definitively return to their origin country.

11.9, in Bensheim (FRG), a Turkey mosque was put on fire by unknown persons in early morning.

12.9, in Gent (Belgium), the habitation of a Turkish worker, Ibrahim Can, was destroyed by the explosion of a molotov cocktail thrown by unknown persons. Can who has been working for more than ten years in Belgium and his family had a narrow escape.

EUROPEAN SOLIDARITY WITH INTELLECTUALS

"We hereby declare our full solidarity with writers, artists, jurists or scientists in Turkey who are being persecuted for 'crimes' that, had we been in Turkey we would very probably have committed ourselves..."

So have an outstanding group of intellectuals from all over Europe declared on the occasion of fifth anniversary of the military coup in Turkey.

In this declaration made public by Prof. Server Tanilli, in the name of the Initiative for Solidarity with the 1256 Intellectuals in Turkey, they have moreover underlined their refusal to be part of the "conspiracy of silence" surrounding the brutal repression of their colleagues in Turkey and called upon intellectuals all over the world to join their voices to theirs.

Among the signatories of this declaration are Bibi Anderson, Amar Bentouni, Pieter Dankert, Max Frish, Costa Gomes, Yannis Ritsos, Antoine Sanguinetti, Otto Schilly, Alain Tanner, Mikis Theodorakis, Per Wastberg and Jean Zigler.

They demand that "all cases involving 'crimes' of thought and the press be dropped, that all persons being held under arrest on such charges be freed and that all curbs on the freedoms of thought, press and association be lifted."

On the other hand, Mr Colman McCarthy from

the Washington Post, in a letter addressed to Judges Committee on July 31, 1985, nominated the Turkish Peace Association for the 1985 Robert F. Kennedy Human Rights Award.

"As one who has been writing about human rights for my newspaper for the past 17 years -interviewing victims, praising its champions and criticizing its opponents- no group has stirred me more than the Turkish Peace Association," he said.

A MUSI-CASSETTE FOR SOLIDARITY

A group of Turkish and Kurdish musicians in exile, Delal, Emekçi, Gülbistan, Mehmet, Koç, Melike Demirag, Nedim Hazar, Yarıntaş, Nizamettin Arıç, Orhan Temur, Rıza Aslandogan, Tahsin Incirci, Tülay German, Sivan Perwer, Ufuk Adalı and Heval have collectively produced a musi-cassette entitled "Kursun Neylesin Türkiye...". The income of this cassette will be used for developing the solidarity campaign with 1256 intellectuals who have been prosecuted by the military for having addressed a petition to General Evren.

This musi-cassette can be ordered through Info-Türk. Price: 200 BF (10 DM) plus postage.

LATIN AMERICA'S DEBT HITS RECORD HIGH

P.Demchenko

A report by the UN Economic Commission for Latin America and the Caribbean said by late last year the overall foreign debt of that part of the world had hit a record high--368 billion dollars. Of that staggering sum 68 per cent were owed by three most heavily indebted nations, including Brazil (101.93 billion), Mexico (97.7 billion) and Argentina (50 billion).

Sadly, the financial burden of other Third World nations, particularly the African ones, is no easier. Although Africa's debt (170 billion dollars) makes less than half of Latin America's, the black continent has far less chances to repay it. To all indications, the Third World's total debt is well past the 1,000-billion-dollar mark.

It is normal to borrow money for promoting trade and economic development. The problem is that most of Third World nations are simply unable to repay their debts, as in many countries export revenues do not suffice to offset debt servicing costs, making them to look for more loans. That offers the world's capitalists a golden opportunity to step up exploitation of Asian, African and Latin American countries which are in fact forced to shoulder part of the burden of the arms race and economic upheavals in the leading Western states. The sum of 250-odd billion dollars annually drained by the West from the Third World is roughly equivalent to the U.S. mindboggling defence spending. It is not a mere coincidence.

The debt squeeze has developed into a political problem, so it must be resolved by political means.

Everybody knows that the Soviet Union promotes its relations with Third World nations on an equitable basis, backing their efforts to cope with the debt crisis faced by most of them.

(Pravda, January 31. Abridged.)

FIDEL CASTRO

**THIS DEBT IS NOT ONLY
UNPAYABLE BUT ALSO
UNCOLLECTABLE**

ADDRESS IN THE 4TH CONGRESS OF THE LATIN-AMERICAN
FEDERATION OF JOURNALISTS (FELAP)
ON THE AFTERNOON OF SUNDAY, JULY 7, 1985

FIDEL CASTRO

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TÜRKİYE SOSYAL TARİH ARAŞTIRMALARI VAKFI
TÜSTAV

FIDEL CASTRO

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ADDRESS IN THE 4TH CONGRESS OF THE LATIN-AMERICAN
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ON THE AFTERNOON OF SUNDAY, JULY 7, 1985



EDITORIA POLITICA / La Habana, 1985

ADDRESS BY COMMANDER IN CHIEF FIDEL CASTRO
RUZ, FIRST SECRETARY OF THE CENTRAL COMMITTEE
OF THE COMMUNIST PARTY OF CUBA AND PRESIDENT
OF THE COUNCIL OF STATE AND OF THE COUNCIL OF
MINISTERS, IN THE 4th CONGRESS OF THE LATIN-
AMERICAN FEDERATION OF JOURNALISTS (FELAP),
ON THE AFTERNOON OF JULY 7, 1985, YEAR OF THE
3rd CONGRESS

TÜSTAV
TÜRKİYE SOSYAL TARİH ARAŞTIRMALARI

ELEAZAR DIAZ RANGEL (Venezuela). Commander in Chief Fidel Castro, President of the Republic of Cuba; Comrades of the Presidium; Comrade Delegates; and Comrade Delegates to the Nairobi Women's Congress.

Even though this will be a very brief address, I would like to divide it in two parts: in the first, I will be speaking as a delegate to this 4th Congress; in the second, as President of FELAP and Vice President of the Congress.

I am going to present an opinion that is different from most of those that have been given here concerning the problem of the debt and Latin America's position. Ten days ago, on Friday, June 28, the Head of State of a Latin-American country was asked what he thought about Comandante Fidel Castro's theses and the Cuban theses concerning the unpayable nature of the Third World's foreign debt, and especially Latin America's. This Head of State said that he was familiar with them, that he had received a letter from Comandante Castro with the text of his talk with a representative of the US Congress and a professor -- which is the text that was distributed to us last night -- and that it seemed to be a realistic analysis of this phenomenon, of this very pressing problem for the Third World; that, mathematically, Castro was absolutely right, as the debt was unpayable, but that, even so, he disagreed, because he thought that there were other factors that would necessarily weigh and were weighing on this process, and that is that the Latin-American economies are not only controlled by the US economy but are very interdependent and that the exacerbation of this crisis, a crash or a failure of these economies necessarily and inevitably would have unforeseeable effects in the US economy -- and that, for these reasons, it was possible, through refinancing and new credits, to gradually manage to solve this serious problem that affects most of the Latin-American countries.

Consequently, since this seems to be the position of other Latin-American governments -- some days later the Argentine

Foreign Minister expressed a more or less similar position -- and, in addition, there are the efforts of the Socialist International, promoting meetings between the creditors and the main debtors in a search for solutions, the doubt or the statement that I would like to present -- perhaps to obtain a reply for tomorrow's press conference -- is, if it isn't possible, through these other means of negotiation, the conclusion of certain agreements, etc., to gradually and slowly solve the problem until it has been turned into a relatively manageable one, and whether the idea and the proposal of regional unity in order not to pay the debt wouldn't, in this way, interrupt the search for this goal. I'm posing this only as a concern based on the opinions of a Latin-American Head of State and some already known positions of Latin-American governments, asking that Comandante Castro comment on it in his press conference tomorrow.

Secondly, as President of FELAP, reflecting what is surely the unanimous feeling of the delegates to this 4th Congress, I would like to express our appreciation for an amazing, unusual happening in the relations of Heads of State with meetings of this kind. I think that, even in the cases of greater affinity and closer relations between a Head of State and international congresses, generally the presence of those Heads of State is limited to the protocol ceremonies inaugurating or closing the meeting. In spite of his logical occupations and concerns, Comandante Fidel Castro has been here with us, giving surely more attention than many delegates have given to all of the remarks that were made yesterday afternoon and this afternoon concerning this important problem facing the region. Therefore, I repeat, reflecting the opinion and unanimous feeling of the comrade delegates -- and especially those on the Presidium -- I would like to reiterate our appreciation for his receptivity and patience for having spent these two sessions with us and also convey our thanks to the other comrades in the Cuban Government, State and Party who have also attended this

meeting of Latin-American journalists.

Thank you.

FIDEL CASTRO RUZ: What Comrade Díaz Rangel has raised -- as a good journalist, which he has just shown himself to be -- is a question about this prickly problem. This is a very prickly problem, with prickles all over it. (LAUGHTER)

I also heard the Uruguayan and the Brazilian comrades, both of whom have made some very interesting points. I think that all of the remarks have been good, and some, exceptionally so, really very good. They have enlightened us much on this problem. A constant can be noted; we have held several international meetings with more to come: the workers' meeting in the middle of the month and a very extensive one of political and social figures at the end of the month. The invitations have already been issued and are being delivered, but we observe a constant in all of this, something like a long line of people with the same idea, and that is the idea that the debt cannot be paid.

Some time ago, almost nobody dared to say that the debt couldn't be paid. There were a few who did, as was recalled here -- the workers in Uruguay and other places began to say this -- but many people felt it was immoral to say the debt couldn't be paid. There was a mystic respect for the words "not pay" and "moratorium," even though this is as old and respectable an institution as Roman Law. All of you who have studied something of Roman Law know this.

Let me tell you an anecdote. I remember that, at home, they spoke very badly about pawning something, and, in the morality in which we were being brought up at home, we were told that that was very bad, that anybody who pawned something was committing a very serious mistake, that pawning something was a terrible thing. Well, I grew up with that idea: the most depraved person in the world was the one who pawned something, the one who asked for a loan and gave something as security for it. Then, later on, I began to

study law -- first year and second year of Roman Law -- and you know that nearly all of today's civil law originated in Roman times, the civil contracts of all kinds. We had to study a lot about that.

Well, studying law, seeing some charming things in a book, I found that it was the pawn contract, with security guarantees. Then, when I saw that for the first time in a book, that it was a practice that existed 2000 years ago and that the jurists and the philosophers of law raised those problems, I said, "My goodness, all this about pawning something isn't such a sacrilegious thing after all; it even seems to be something honorable and necessary sometimes, which was invented a long time ago. Of course, worse things happened back in that era, because anyone who received a loan without putting up security and who didn't pay his debt was enslaved; if he signed over his house or other security, he lost it; but many people didn't have anything to use as security, and bound themselves over. Later, they were even sent to the amphitheater, before the Romans got their kicks out of sending the Christians to the amphitheater. All that business about pawn credit with the delivery of security began to take on an honorable character for me; I still remember that. In addition, other needs arose, and the scanty income that came into our house wasn't enough. It was enough to live on moderately, but you know what students are like -- they always have one need or another. And, since that institution had acquired such a respectable nature for me, I, too, went to the pawnshop and pawned a few things -- even a gold watch that I'd been given at home. Spurred by youthful needs, I had no recourse but to get some credit from a pawnshop by putting up security. Well, that was worse than the foreign debt. Let me tell you that the interest was more unfair, if it's possible for anything to be more unfair than the interest on the foreign debt. But the fact is that a myth had been destroyed for me.

In that era, too, Roman law spoke of moratoriums, and

sometimes they were decreed by individuals, and at others, by the state. How many times the state decreed a moratorium! It's difficult to find a single Latin-American country that hasn't ever decreed a moratorium. In the '30s, during the crisis, a tremendous moratorium was decreed in Cuba. Under certain circumstances, it's one of the most venerable and fairest institutions that has ever existed.

Here, somebody -- the Mexican -- recalled that Juárez had decreed a moratorium on the foreign debt, and in what a period! Warships and gunboats popped up all around. I've thought a lot about all this, about whether or not they can do that now again.

I think that I don't have to go into that, because, if, at last, you finish reading that material, you'll see that I make a full analysis of the possibilities that the industrialized world has of doing something like that now, for the last 40 years haven't been in vain. The Algerian people's heroic struggle for independence against one of the mightiest powers in Europe; the 30 years' war waged by the many-times-heroic Vietnamese people -- 30 years struggling against the mightiest powers in the world! -- and the struggle of the Portuguese colonies, which were the last ones, and Cuba's struggle and resistance, and those of the Nicaraguans, the Salvadorans and the Saharawis, in northern Africa, haven't been in vain. The struggles of so many peoples haven't been in vain, and this has taught all of us and the whole industrialized world a lot: that we deserve a little more respect and that the major powers can't hold even a small country back when it decides to defend its independence and its rights. (APPLAUSE) I'm convinced that they can't invade us or blockade us or carve us up again, as they did so many times in past centuries, because, if they should be crazy enough to try to do something like that, then capitalism would definitely come to a very quick end in the world. They can't do it, and they know it.

If the Latin-American governments adopt a firm, unbending

position, I know what they'll do immediately. If two or three desperate governments decree a moratorium and proclaim it openly, not under their breaths -- for, as long as they do it under their breaths, the powerful creditors will keep quiet, too, because they don't want a scene; they don't want this example to spread --, if some desperate countries do this and proclaim it as a right, as a legitimate thing -- and not just because they can't pay their debts, for the fact that they can't pay is part of the reason for not paying, but also because it isn't fair to demand that they pay them, because it's criminal to do so in the way in which they are being demanded to do it (APPLAUSE) --, then, what they're going to do when this happens isn't to impose an economic blockade or place an embargo on aircraft and the ships of those countries, I'm sure. If they impose a blockade, they'll be playing into the movement's hands, into the hands of this colossal Third World liberation movement, because they'll be unleashing so much solidarity that it'll make the solidarity over the Malvinas look small in comparison. At the time of the Malvinas, nobody had a cent to win or lose, but, in this case, our countries' lives are at stake. To blockade one of us would be like putting out a fire with gasoline; I'm convinced of this. I know they're stupid, but once in a while they think. (APPLAUSE) Rather than stupidity, what they've always shown is their contempt for our peoples; it's clear that they've disdained us; how many years, for example, have they been blockading us? They've disdained us for nearly 26 years, and now we say to them, "Look at all the indicators and see how we compare, even with the countries that have much greater economic resources than Cuba; compare us with what you have tried to present as political and social models in this hemisphere, and that'll show you a lot of things."

When I talk with US interviewers, they are soon destabilized. I tell them, "Let me see the figures on prostitution for such-and-such a place, and compare them with the figure here; let me see the figures on beggars there and here. How

many drugs are consumed there, and how many are consumed here?"

I also ask them, "How many casinos are there there, and how many here? How many people are unemployed there, and how many here? What are the levels of education there and here? What's the index of children between 6 and 12 years old who attend school there, and what's the index here? How many young people between 13 and 16 years old go to school there, and how many here? How many schools are there there, and how many here? What's the teacher-student ratio there, and what is it here? How many health institutions are there there, and how many here? How many doctors are there there, and how many here? What's the infant mortality rate? How many babies die during their first year of life, in the second year and in the third?" Etc., etc., etc. "How many people are unemployed there, and how many here? How many millionaire thieves, plunderers of the public funds, are there there, and how many here?"

There's no comparison. It almost makes me ashamed to see how few arguments they can present in reply to such basic questions. (LAUGHTER AND APPLAUSE) They can't take it; they've spent all their lives talking rubbish, idealizing some things and defaming others, in a desperate attempt, using all the mass media, to keep revolutionary ideas from spreading. We've been blockaded for 26 years, and they don't have any weapons that they can use against us in any field. None.

Our trade with the Western world is insignificant; 85 percent of our trade is with the other socialist countries. This crisis affects only 15 percent of our trade; we're the ones least affected. This is why we can be the standard-bearers of this cause and speak with complete freedom. So, truculently, they begin to wield the most deceitful, ridiculous arguments. They're even saying that we're the best in terms of paying. Never before had they praised Cuba in this way. Before, they used to go to the bankers and say, "Hey, don't lend to

them, "cause they won't pay."

Our debt isn't to the US banks. Rather, it's to several other Western countries -- not the United States. One part is to other Third World countries, such as Argentina and Mexico, fraternal Latin-American countries. Our debt in convertible hard currency is, moreover, insignificant -- the smallest per capita debt of that kind in Latin America -- and none of it to US banks. Then, in their desperation and impotence, they began to make provoking remarks. What gives us more moral strength is to say, "We don't have this problem; we're waging a battle for the others." And it isn't that we're beginning now. We began many years ago. This isn't an idea that popped up in just a few days or a public relations campaign. That's what the US Government believed for months -- that what we wanted was to improve international relations, using this topic as publicity. They didn't know that we were waging a real battle and that this was the right time to do it. We've been taking up the problems of underdevelopment in the international arena -- its origins, its causes; and capitalism's, colonialism's and neocolonialism's responsibility for this tragedy -- for more than 15 years. Cuba took an active part in the approval of the principles of the New International Economic Order and the Charter of the Economic Rights and Duties of States, along with Algeria, Mexico and some other countries in the Non-Aligned Movement and the Third World.

After the 1979 Summit Conference, I went to the United Nations, and my address is around here somewhere. We could find it and print enough copies of it and give each one of you a copy before you go so you can see that this isn't something new, it isn't something invented now, an invention of Cuba's now, such as something that we just clutched at and have just discovered. In 1979, I stated in the United Nations that \$300 billion was needed, in addition to the resources that were available, for investments in the Third World countries' development in the 1980s, because it was shown that there was no program for tackling underdevelopment and that there was an

ever greater gap between the rich world and the poor world, that there wasn't any development as such, that what there was was a process of relative underdevelopment and that, rather than developing countries, we were underdeveloping countries. Sweden, Switzerland, Belgium, Holland and Denmark, for example, had per capita Gross Domestic Products of \$10,000, but many of the Third World countries had per capita Gross Domestic Products of \$200, \$300 or \$400, and, when the per capita GDPs of the Third World increased by \$50, those of the industrialized countries increased by \$500. Our countries have been euphemistically called developing countries; in fact, they are underdeveloping countries, countries that are becoming more and more underdeveloped, falling farther and farther behind the developed countries both economically and industrially.

What is the future of our world? What is the future of the 4 billion human beings who are living in underdevelopment? This topic isn't new for us, though we have made a few changes in what we proposed, for, as I already explained, back in 1979, we were calling for the cancellation -- that is, the remission -- of the poorest countries' debts and broad payment facilities for the rest. We were still proposing that in 1983; the change is that, now, we are demanding it for all of the Third World countries, because all of us have to make common cause if we want to win this battle and because even the peoples that have abundant natural resources and are oil exporters -- such as Venezuela, Mexico and Ecuador -- also have many social problems. In Venezuela, with so many resources, there is 14 percent unemployment, and it's growing. We know about the serious socioeconomic problems that exist in those countries that have resources, and we should say, "We have to think, too, about the people in those countries, who are the ones who have to pay that debt, even though the money wasn't lent to them." Let me give you an example: it's like the case of a father who is lent a certain amount of money and who goes to a casino, gambles it at roulette and loses it -- and then

the ones who lent him the money want to make his 5-year-old son pay it back. That is the case; they're trying to collect the debt from those to whom they didn't lend anything. As I said yesterday, a lot of that money left the country. There were countries where 126 percent of the money that was lent to them was sent out of the country and deposited abroad -- all of what was lent, plus some more from the country's reserves, was sent out. In others, 40 or 50 percent of the money that entered the country in the form of loans was deposited in private accounts outside the country -- in some countries it was more; in others, less.

There are quite a few cases of big debtors in which from 40 to 50 percent of the money lent to them was sent out of the country. Now, who are they trying to collect from, and why? What are the moral grounds for such an unjust, cruel thing?

Now, nearly everybody -- it's almost unanimous -- is saying that they can't pay. I've seen religious people categorically stating this. It used to be said that nonpayment was nearly a sin, but now there are cardinals, bishops and an infinity of priests and Christians of many churches who are saying, "It can't be paid, it shouldn't be paid, and we aren't going to pay it."

When I saw a little Colombian nun here recently explaining that many of the people in Bogotá -- hundreds of thousands of children -- were abandoned, barefoot and hungry, and another little nun had some slides that showed it all. When I saw that eloquent explanation and heard them in the meeting of Latin-American women energetically saying that they weren't willing to pay the debt, I came to a conclusion: the debt is not only unpayable but also uncollectable. (APPLAUSE) All of the Latin-American women had the same idea.

Here, rightly, you've spoken about the statements of the governments, and it is logical, because I know what nearly all of the governments think -- there are very few that I don't

know about -- and the vast majority of the governments know that they can't pay; they're convinced that they can't pay and that the debt shouldn't be paid. A few still have technical hopes of being able to pay because their situation is less desperate -- they export oil -- but, if the price of oil falls by \$4 a barrel, good-bye hope! And oil is already \$4 a barrel under the price set by OPEC. Imperialists have been doing everything possible to lower the price of oil, exporting oil from the North Sea and from other places, by various means, using the reserves they had accumulated and doing everything possible to depress the price of oil to further their own interests, since they're the big consumers. And a situation has been created in which, really, the mere reduction of the price of oil by \$4 a barrel has placed some more Latin-American and other Third World countries in a state of crisis -- and OPEC's exports have been reduced from nearly 40 million to 14 million barrels a day -- without solving the problem for any of the others. You can tell Jamaica or the Dominican Republic, "Hey, the price of oil has dropped by \$4 a barrel," but that doesn't solve anything for them. The problem is so serious, the crisis is so deep, that a \$4-per-barrel drop in the price doesn't solve anything. But that same drop in the price of oil can wipe out the last hope that some of the countries still harbor of being able to pay their debts.

All right: the vast majority are convinced that they can't pay. Naturally, the Latin-American governments are in a situation in which they can't say so; they're rescheduling -- they have to reschedule practically every month. They aren't in the same condition as Cuba; they can't speak with the same freedom and impunity with which Cuba speaks. They can be pressured, difficulties can be created for them. They don't say what they think, but they know that they can't pay.

Some information transnationals have used the tactic of going around asking specifically about the topic -- what people think of our theses -- trying to foment contradictions among us. Whereas, before, they thought that this was a public relations

play, now they realize that this is a serious movement, a regular battle, so they're wracking their brains trying to come up with how they can weaken this struggle. One of the tactics they're using every chance they get is that of asking specific, direct questions: "Listen, what do you think about what Cuba is proposing?" These questions are a kind of trap for the governments that need to schedule and reschedule every month; in general, they have been very careful, expressing a lot of respect for Cuba but, as is only logical, being very, very careful in their replies. It's asked of them, as it was once asked of Christ, whether it is lawful to give tribute unto Caesar or not. Of course, the spokesmen of the US administration keep putting the pressure on, desperately inventing all kinds of tricks to weaken Cuba's statements and the powerful movement that is being created.

As a consequence of this, some Latin-American politicians began to become concerned when Cuba took up this cause, because after all, Cuba not only has to be blockaded and attacked, but they can also occupy a bit of its territory and take away its sugar quota and distribute it to everybody, as they did in the first few years of the Revolution. That's all right; Cuba has no rights in this world; it has to suffer, alone, against the United States, and, in exchange, it is obliged to be resigned to everything -- it doesn't even have the right to set forth an idea, to take up a cause or to place emphasis on this idea, when we've been talking about these problems for more than 15 years. There are also those who react with jealousy and even ridiculous envy because this "terrible" country is the standard-bearer of this cause. They're more worried because it's Cuba that has taken up this cause than about the debt they have to pay. There are some with these ridiculous, disgraceful concerns, aren't there? Absurdities, vanities, foolishness, jealousy. We'd be glad to hand over this banner to anyone who wants to take it up -- immediately. We'll be glad to drop it altogether if another Latin-American government or govern-

ments, other leaders, take it up -- just so they do what needs to be done and never betray it. Why have we taken it up? Because nobody else did. (APPLAUSE) We didn't do this because we want the glory or the prestige -- far from it. No real revolutionary is interested in those things. Martí said that all the glory in the world fits in a kernel of corn; that was one of the first things we learned. And a kernel of corn is pretty small.

Only cheap politicians and conceited people are interested in such things; really, there's nothing farther from the character, the idiosyncrasy, the mentality and the ideology of a Cuban revolutionary than to go around hankering after prestige. Some people are interested in such foolishness. Some of them are afraid because the subject is too serious. Some say that my theses are radical and Maximalistic. Our theses aren't radical -- they're realistic. We're just saying what mathematics tells us. To those who think that we're Maximalistic, we would say that it's their illusions that are Maximilianistic -- not from maximum, but from Maximilian, that Hapsburg idiot whom Napoleon III crowned Emperor of Mexico in the time of Juárez and who couldn't keep even his head.

All right, this movement has gathered momentum; it's like a snowball, that's rolling onward with unstayable force, supported by the law of gravity -- not of the Earth, but of a planet with much more volume, proportional to the immense debt that is weighing on us. Therefore, it is a snowball that is increasing its velocity as it rolls and is growing, growing and growing. By now, nobody can stop it. This is the truth. Everybody knows this. This battle is already producing some benefits, because, now that they're scared, the powerful owners who live off our sweat and blood, they have begun to treat things with more care and are showing a willingness to use more anesthesia when slaughtering the lambs.

In an unusual action, the US Secretary of State met with all the Latin-American representatives in Washington on the 4th of July, the day of independence on which they recall

the famous Declaration of inherent and inalienable rights of citizens -- white citizens, of course; not Indians, who were nearly exterminated after that brilliant declaration, or black slaves, who were kept subjected to slavery until nearly a century after independence, producing surplus value to finance capitalism. The Secretary of State said, "Keep cool, boys; be good; we're looking out for you; we're thinking about the debt; your problems are ideas of Cuba's, that's inventing all kinds of things against the United States; don't pay them any attention."

Some of the most intelligent characters in the United States have begun to talk about the problem, too. Mr. Martin, Undersecretary of the Treasury of the United States, came out with it; 24 hours later, the Secretary, his Boss, said that it was an enormity, and how could he have said that, and he recriminated him harshly for what he had said. Kissinger -- who, doubtless, is one of the most talented, one of the politicians most intellectually endowed in the empire -- has already proposed some formulas that aren't very different from the ones we're proposing, and he's sounded the alarm. Some wavering and perplexity can be seen in the ranks of the adversary. They are the first fruits of this movement, of this struggle. And, when they give a little longer time to pay the capital -- 10, 12 or 15 years -- this is the result of this struggle. When they begin to make some concessions, it is the result of this struggle, not of any love letters. We should be very clear, very clear indeed about this. (APPLAUSE)

Naturally, Díaz Rangel, there are no technical formulas; they don't exist. Some technocrats indulge in illusions to the effect that there may be technical formulas for solving the problem. If a family has \$50 income a month and spends \$100, needs \$200 and owes \$1000, I want you to tell me if there's any technical formula for solving the problem. Well, yes, there is a technical -- very technical -- formula: forget the \$1000 and give them the \$200 they need; that's the only technical, arithmetical, mathematical formula. The miraculous

remedy for solving what they supposedly owe and can't pay, -- the exorbitant interest spread they are forced to pay, the overvaluated dollar, the protectionist measures, the unequal terms of trade, the dumping, the loan money that was sent out of the country, the New International Economic Order, the underdevelopment and the causes to which they give rise -- can't be pulled out of a hat or come from the head of a technocrat. That remedy can only come out of our peoples' struggles; the Latin-American political leaders should ask themselves if the problem will be solved merely by cancelling the debt, or if this can be achieved without the New International Economic Order that the United Nations adopted ten years ago or without uniting and adopting a firm position. I ask if this is possible. If we're going to think with any responsibility about the future of our countries, we have to ask ourselves what's going to happen in ten years, at the rate we're going; and what's going to happen in 20 years, because there are still some people who are infected with technicism, who think that solutions will spring from mental exercise. Merely technical formulas don't appear -- nor can they appear -- anywhere; there are no technical solutions for this economic, political, social and historic problem, not even for those few countries that, because they have a few more resources than the others, still cling to the hope of being able to pay -- even though doing this may imply the continuing plunder of their peoples and their making enormous sacrifices.

Of course, imperialism is trying to undermine this struggle. It's going to try to defuse this bomb and impede this rebellion. Rather than lose everything and allow a solution to be imposed on it, it's going to make some concessions. It may even lower its interest rates, extend the terms of payment and lend a part of the money that should be paid for interest, but it will have to begin to go against its own economic principles and renounce certain political goals, and this it probably won't do spontaneously. It can't invest trillions of dollars for military purposes.

have a budgetary deficit of more than \$200 billion a year and a trade deficit of more than \$100 billion, as the United States is doing, without printing money or buying dollars, without selling Treasury bonds, which is what the United States has been doing to get money from all over the world. It's taken money away from even its developed capitalist allies, to pay for all those crazy things that it's doing. How is it possible to incur those expenses, to run up those budgetary and foreign trade deficits, without raising the interest rates? It would really have to begin to cancel out the capitalist system, and this it can't do. It won't dare to simply print more money, as it did to pay for the Vietnam war, because it is afraid of unleashing a further catastrophic inflation with a very high political cost for the ruling group in the United States. One of its watchwords, one of the things it takes most pride in, is that of keeping inflation down to tolerable limits, though it is doing this at the cost of the world economy. Without it, it wouldn't even have been able to undertake its colossal rearmament without levying new taxes. The fact is that it's enmeshed in a series of contradictions that can't be solved, it also has contradictions with its Japanese allies and with its European allies; it's like a dog fight. They have little time and little space for worrying about what's happening to our countries.

When, not long ago, Kissinger said in Brussels or Holland that a Marshall Plan for Latin America was needed, I laughed, because I thought, "One won't do it; we need at least 25 Marshall Plans." The problem's too big. But imperialism is going to try to weaken this struggle, gain time, solve one of the little problems that may come to a crisis point very soon, give someone a little bit of help, and a little bit to somebody else, make them a little loan so that they can use it to pay a part of what they owe on the interest -- but, if the interest keeps on mounting up (according to my calculations), then the debt keeps growing and growing, and it gets more and more unpayable. If they were to charge 6 percent instead of 10 percent and were

to declare a ten-year moratorium, Latin America could begin to pay not \$360 billion but more than \$800 billion in the next ten years. If the interest is higher and mounts up, Latin America will have to pay \$1.4 trillion before 20 years have passed. And, if you search through all the technical formulas and say, "Well, gentlemen, don't pay any interest now; don't pay the interest, and we'll allow you to begin paying the capital and interest in ten years -- that's cancellation; it's nothing else. A ten-year moratorium on both capital and interest amounts to repudiation, cancellation, or making a clean slate of it. It's all the same thing. Otherwise in the next ten years the Third World debt would amount to \$2 trillion and this will only make the debt even more unpayable.

I believe that settling for just a piece when you can get everything is betraying the hopes of the Third World's peoples. We're in a position to rally the largest force we ever had, because this time we're not asking for 300 billions for the Third World as we did at the UN in 1979. Now we're telling the Latin American peoples, "Don't lose your head; don't hand over the \$400 billion just for interest in the next ten years." And we're saying the same thing to the Third World: "Don't lose your head. Don't hand over \$1 trillion in the next ten years."

That's the difference. The initiative is now in the hands of the Third World countries. Confronted by a greedy, selfish, insatiable world, we hold a powerful weapon: to unite behind this banner and, impose the establishment of the New International Economic Order. And I believe we're going to have many allies all over the world in this battle, even in the industrialized countries, if we manage to convince them that this is good for them, because it would mean more jobs, increased use of production facilities, and more trade with the rest of the world. And capitalism would be able to come out of this situational, cyclic crisis. All of capitalism's crises are cyclic crisis. All of capitalism's crises are cyclic but each new one is more prolonged than the previous ones. This will go on until

capitalism disappears, because nothing can save capitalism. But we don't want it to destroy the Third World's peoples before it disappears. We want to see the day when capitalism disappears. (APPLAUSE)

Therefore, comrade Díaz Rangel, the way I see it, there's no such thing as a possible technical solution, and a mere drop in oil prices will shatter the last hopes of the few who still believe that, by juggling numbers around and imposing an enormous sacrifice on their peoples, the debt can be payed.

Imperialism will try to find some compromise and defuse this bomb. Doesn't this imply some risk? Right; that they make some concessions and that some debtors will agree with them and that some government may say, "Well, I've got only two more years to go. Let the one that comes after me worry about those problems." The imperialists are even helping Chile and lending it some money to pay part of the interest, and the World Bank, where the United States plays a leading role, is lending that country \$100 million for a certain project, \$150 million for some other project. It's evident that they are trying to help Chile and see if they can defuse the bomb of the revolution there. But they don't realize that nothing can save that regime, the same way that nothing can save apartheid. It's a matter of time, but they keep stalling so as to prolong the life of those ghastly regimes.

This is why it's so important that the masses join this struggle, that there be an awareness on the part of the people. Many governments are convinced that they cannot pay, and when all the people rally around that cause, it will be much more likely that there will be a coincidence between the views of those governments - many of which don't dare speak up for some reason or another. . . , maybe because the elephant is very close and is snorting in the hole, as the Mexican journalist said here - and the peoples' awareness. It'll be easier for the peoples' awareness and the governments to coincide.

We're not saying that the masses should have an awareness

in order to put pressure on the governments. On the contrary, we're saying that when governments have to make a difficult decision, it's convenient that the masses be aware of the problem. We're also saying that it's very important for the masses to have such an awareness so that they can participate in this struggle and guarantee its success and also to forestall behind-the-scene maneuvers and conciliatory formulas.

Someone said that parliaments have had no participation in the agreements with the International Monetary Fund regarding the debt. A country is committed, its people are committed and parliaments have no saying in the matter. In other words, even the way in which debts are scheduled and rescheduled is undemocratic. The people, the parliaments, the trade unions, the political parties, everybody must take part in this battle. Having the message reach the masses constitutes a decisive factor in winning this battle, and any self-respecting government would be glad to have the support of the masses, to be able to count on the people, when the time comes to make a difficult decision. In other words, this would satisfy any politician who's really concerned over the future of his country, his own future and the future of his party, unless he happened to be a politician who's terrified of the masses, a technocrat who's terrified of the masses, who believes himself to be a prophet, a magician, a sorcerer, who can find magical formulas which are only the result of his daydreaming, who's terrified of the possibility of having the masses think and develop an awareness. Only in these circumstances can this be explained.

It's also ridiculous for anyone to be jealous of Cuba. We're been defending sacred rights for 26 years and the first right is the right to independence, to sovereignty. We've been defending these rights with our people's bravery, courage and heroism. Every time we've defended independence and sovereignty in this our stronghold, we've also been defending the independence and the sovereignty of the rest of the people in Latin

America. (APPLAUSE) We've been defending a hope. What was our first achievement in favor of Latin America, the very first one? The distribution of our sugar quota, taken away from our people and meted out in exchange for an act of treason against a sister nation. Our country was deprived of its sugar quota and that quota was distributed throughout Latin America. "You'll get this share of Cuba's quota; you, this other share, and you this other one." All sugar-producing country in the area benefited from that distribution. The condition was: "You've to go to Punta del Este, here and there and everywhere. Cuba must be kicked out of the OAS and of everywhere else. If Cuba can be moved to the Moon, let's move it to the Moon." They haven't done it simply because they haven't been able to do it. Anyway, that was our first revolutionary achievement: we won a sugar quota for the others. That was Latin America's first profit.

And still, there are people going around saying that we purchase sugar, -- because occasionally we have purchased sugar in the world market for our consumption so as to honor our commitments with other countries when ours was affected by drought or we're had to meet some specific previous commitment. And some people -- in a country that doesn't even have relations with Cuba; a country that hasn't even deigned to look our way; a country that received a good portion of our sugar quota at one time -- are wondering why we didn't share the benefits of our trade with the Soviet Union.

Second achievement: the Alliance for Progress, the \$20 billion that were distributed for fear of Cuba. Now, we wish they'd cancel the debt for fear of Cuba. (APPLAUSE) Well, that's what we want or the establishment of economic relations similar to the ones existing between Cuba and the Soviet Union.

I've heard it said, "Why, Cuba is one of the countries with the biggest debt!" and all sorts of theories are propounded about our debt to the Soviet Union. I've said it over and over

that our debt to the Soviet Union is automatically rescheduled at 10, 15 and 20 years, without interest. Let us in the Third World reach an agreement with the developed capitalist countries; let's reschedule our debt at 10, 15 or 20 years. Now there's an example of an excellent, technical formula applied by Cuba in its relations with the socialist countries. That's what we want. But they have no argument to contest our claim because they can't hide their greediness, their selfishness, their vocation for plundering. Pirates cannot hide their mentality, their crimes, and that's their big problem. They can't stop this snowball, they simply can't, and they'll never be able to stop it, if you and all the others -- women, students, workers, journalists, intellectuals and progressive and democratic politicians -- inspired by patriotism and awareness, convey this message to the people, to the masses. They will never be able to stop it and that will be the one and only guarantee of real victory! (APPLAUSE)

Moreover, we in the Non-Aligned Movement have worked intensively with the countries of Africa and Asia. We have talked with the socialist countries; we've talked with many people, even in the industrialized world, in order to pave the way for extensive solidarity and full support to those countries whose situation is so desperate that they must declare a moratorium.

The ideal thing would be for all of us to sit down and discuss all these things, to get together and discuss this with TV coverage, via satellite -- the works. The ideal thing would be for all parties concerned to sit down and discuss and find a solution. My dear Ecuadoran friend, that is the ideal thing. That is indeed the ideal thing, but very difficult nonetheless.

The next best thing would be for all debtors -- first and foremost the Latin-American countries -- to sit down, talk things over and come to a consensus on what is to be done. That's the ideal thing, but it is still difficult. I believe that this will come about when one or various countries will decide

out of despair to suspend payments, decree and declare a moratorium. In that case, all conditions to offer support and solidarity must be created.

We know that blockades cannot prevent anything, and that's why I mentioned Cuba's example. Other countries would have more support. Cuba was not supported. They started off by distributing our markets. We were very "wicked people," that "terrible" thing, a socialist country; that "infernal" thing. How come? "All those people must be rapidly doomed to hell, they must be done away with" -- just like they now want to do away with the Nicaraguans and all other revolutionary countries. It's the classical imperialist formula. But I'm convinced that they can't do anything.

Then I said that none of that would happen immediately. If a rebellion were to break out in one or several countries of some economic importance, the imperialists would try to step in to stifle it -- and this could happen if the masses were not aware. However, if this awareness is created in the masses and an attempt is made to impose the payment of the debt, at any price, then we'll be on the threshold of revolutions, on the threshold of revolution in this hemisphere. And we say this very clearly so that those who can do something to solve this problem will also understand.

This is how we see the problem, very clearly, and we know that it's like an incurable cancer. Unless the cancer is excised it will mean the death of all democratic processes. No question about it. Gentlemen, this is a case of accelerated decay, very accelerated decay. We have a clear example in Peru. A government is coming to an end after five years in power, a government that had got over 50 percent of the votes, and was bent on paying the debt and going along with the IMF conditions. How many votes did that party get this time? Four percent, between three and four percent of the votes. I believe it was maybe four and a half percent, after five years in power, only five years. Now the processes of decay develop much faster. All

these things are crystal-clear and we understand them, and a journalist, a revolutionary, a politician can understand them better than anyone. These are unbreakable laws. Nobody, no matter how good-looking or charming he may be, can keep his popularity by simply uttering phrases and words when the people are suffering the impact of this tragedy day after day. He simply won't last. He has as much chance of lasting as a snowball in hell.

There are also people who believe that publicity acts like magic and, of course, some governments have won elections thanks to publicity; they hire US specialists, build up a good image on TV, spend millions of dollars and get elected. But it's easier to fool the people for one day -- election day -- than to fool them after 30 consecutive days in office without solving anything.. Lincoln said that you could fool all the people some of the time, but you couldn't fool all the people all the time. Then comes the election, the big day. The man's an angel, an apostle, a saint, an honest person, a wizard, he'll solve all the problems of the masses... so they go and vote for him. But how long does all this last? We can say that it's possible to fool the people several times in one single day, but one thing is certain and it's that after the 30th or the 45th day, support begins to peter out. Decline sets in. The thing is that formerly it was like sliding down hill, but now, it's like going into a tailspin. Things have changed; it isn't a slope anymore, it's an abyss.

I don't want to go on about this much longer. I feel that I've taken too much of your time. There's one more idea I'd like to express and it's an important one. Of all the things that we have discussed there are two that are paramount: to repudiate the payment of the debt or to cancel the debt, and the New International Economic Order. The third is economic integration. These three things are essential. I'm saying this because if in Europe, England -- the birthplace of industrialization -- has found out that it cannot develop without

an European Common Market, then how could any of our small countries in Central or South America develop without a Latin American economic integration? Therefore, I believe there are three basic ideas: to make a clean slate of the debt, to establish the New International Economic Order and to obtain Latin American economic integration, in that same order. These are ideas that we must begin to defend as of now. Everybody talks about integration and I believe this battle will constitute a big step forward on the way to integration.

Lastly, an idea, not as momentous but still a basic idea: to associate our battle against this economic crisis and for the solution of these problems with our battle for world peace. The cause of peace has tremendous strength, in the industrialized countries, -- mainly in Europe, Japan and the United States itself -- but not as much in Third World countries because they have no time to think about peace, since their dying of hunger, diseases, all sorts of things in the midst of peace: they're fighting a daily battle for survival. But the cause of peace has attained worldwide strength, especially among all well-informed people in Europe and other industrialized countries. We're speaking in terms of associating the struggle of the Third World for its economic interests with the struggle for world peace, because the interest we're paying on the debt is being spent on weapons, military spending, the arms race, and an arms buildup. How is all that money being spent -- all that money that is being taken away from the children, thereby depriving them of food, medicine, everything, even of jobs for their family? That's the \$300 billion that the United States spends every year on arms and military buildup, the hundreds of billions that are spent by the industrialized capitalist countries thus forcing the socialist countries to spend millions, too. What use can the socialist countries have for an arms buildup or a war industry? None at all. This was imposed on the socialist camp from the very moment the first socialist nation was founded. That is a fact, and everything else is sheer fantasy.

I believe we're already paying with all that interest and unequal terms of trade; with the \$20 billion they cheated us of in 1984, when we exported \$95 billion worth and got paid \$20 billion less than what a dollar was worth in 1980. We keep on giving more and getting less. We try very hard, we knock ourselves out exporting, and, every year that passes, our exports are worth less and less. So then, what's all that money being spent on? On the arms build up, on the arms race. The idea is that our struggle should be unified, as is stated in these theses. The struggle against the foreign debt, for the New International Economic Order and for development closely linked to the struggle for peace will potentiate its force, because, even in the industrialized countries, millions of people -- tens of millions, hundreds of millions of people -- would be determined to support it, and we must see to it that they do.

A woman from the United States spoke here, very concretely and eloquently. She promised that she would wage her battle in her country. There are millions -- tens of millions -- of people like her in the United States, Europe, Japan, Canada, in that same industrialized world whose greedy system is robbing us and trying to starve us to death.

I think that, after all the discussion, after having listened to excellent speeches -- generally speaking, they were all very good --, all that remains to be done now is to understand these basic ideas, all the basic goals of this battle.

I'm certain that this meeting and this discussion will have an important bearing on this struggle and on the victory that we can, should and will score.

Thank you. (APPLAUSE)

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06-07

TÜRKİYE SOSYAL TARİH ARAŞTIRMA VAKFI
TÜSTAV

FIDEL CASTRO

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THE DEBT OR THE
POLITICAL DEATH OF
THE DEMOCRATIC
PROCESSES IN
LATIN AMERICA

ECONOMIC SECTION OF THE INTERVIEW GRANTED TO
CONGRESSMAN MERVYN DYMALLY AND PROF. JEFFREY
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INTRODUCTION

Last March, Commander in Chief Fidel Castro granted a long interview to Prof. Jeffrey Elliot and Congressman Mervyn M. Dymally, of the United States. Many economic, political and historic matters were dealt with in depth in the course of the interview, which continued for several sessions.

The complete text of these talks will be published soon.

In view of the importance and timeliness of the problems related to the serious international economic crisis that were discussed during these talks, it was decided to issue this volume, containing the economic section of the interview.

Prof. Jeffrey Elliot and Rep. Mervyn Dymally will publish a book in the United States soon which will contain the economic section of the interview and other statements and theses on economic topics by Comrade Fidel Castro.

The Editors

**ECONOMIC SECTION
OF THE INTERVIEW GRANTED
BY COMMANDER IN CHIEF
FIDEL CASTRO RUZ,
FIRST SECRETARY OF THE CENTRAL COMMITTEE
OF THE COMMUNIST PARTY OF CUBA
AND PRESIDENT OF THE COUNCIL OF STATE
AND OF THE COUNCIL OF MINISTERS,
TO PROF. JEFFREY M. ELLIOT,
OF THE POLITICAL SCIENCE DEPARTMENT
OF NORTH CAROLINA COLLEGE AT DURHAM,
AND CALIFORNIA DEMOCRAT CONGRESSMAN
MERVYN M. DYMALLY,
MEMBER OF THE HOUSE
FOREIGN AFFAIRS COMMITTEE
AND FOUNDING PRESIDENT
OF THE CARIBBEAN-AMERICAN RESEARCH INSTITUTE,
ON MARCH 29, 1985,
YEAR OF THE 3RD CONGRESS**

JEFFREY ELLIOT: Mr. President, given the monumental importance of the present economic crisis of Latin America, why hasn't the international community responded with far greater urgency to that problem?

FIDEL CASTRO: For several reasons. I suppose that, when you say the "international community," you mean the industrialized community, the developed countries -- and mainly the Western countries, which are the ones that have the closest economic relations with the Latin-American and Caribbean countries.

First: because of their indifference and indolence to and lack of real concern about the economic, social and human tragedy that the Third World countries are experiencing.

Second: I could say, because of their lack of awareness,

irresponsibility and lack of foresight with regard to the serious political problems that exist and especially concerning those that will arise in the short and medium term. It is possible that, when problems come to a crisis – and there will be a crisis – they will become aware and begin to be concerned about those problems.

Third: because of selfishness. They have a privileged economic relationship with the Third World countries; they buy cheap raw materials, cheap exotic products for which they pay less and less, and they sell ever more expensive manufactured products.

Fourth: because they have become accustomed to a system of privileges, which they aren't at all interested in renouncing.

Yesterday, for example, I explained how, in just one year, 1984, Latin America transferred economic resources worth more than \$70 billion to the industrialized countries, as follows: interest on the debt and profits, \$37.3 billion; deterioration in the terms of trade, \$20 billion. What does this mean? That, if Latin America, with a certain amount of exported products, purchased the equivalent of 100 in products from the developed countries in 1980, with that same amount of products, it acquired the equivalent of 78.3 in 1984. If trade or exports worth around \$95 billion is considered, the loss under this heading amounts to slightly over \$20 billion. That is, Latin America has transferred merchandise, economic values, worth \$20 billion without receiving anything at all in exchange.

In addition to remittances under these two headings we have to add -- and this is a very conservative figure -- \$10 billion for the flight of foreign currency, money that was sent to the industrialized countries, mainly the United States. And lastly, as a prudent, conservative figure, since this is difficult to determine exactly, \$5 billion due to the overvaluation of the dollar.

In order to understand the losses incurred under this heading, let's take an example and use the old, coveted gold, which was often used as currency – the most traditional currency -- to measure the value of things. Imagine that you are lent a kilogram

of gold at 6 percent interest. Historically, interest rates weren't very high, and some countries -- particularly some religions, such as Islam -- denounce interest and even assert that charging interest constitutes robbery. But, leaving aside these ethical concepts and religious conceptions and accepting as normal the fact that someone who was granted a loan should repay it, plus some additional amount, if you are lent a kilogram of gold and are expected to return a kilogram and 6 percent more gold at the end of a year, and if suddenly the person who lent you the gold decides that you should give him a larger amount of gold, 35 percent more -- which is more or less equal to the overvaluation of the dollar -- then you have received a kilogram of gold and the lender is demanding that you return 1.35 kilograms of gold, plus 6 percent interest. If, in addition to this, that 6-percent interest is raised to 10 percent when it comes time to pay, the lender is demanding that you pay 1.35 kilograms of gold plus 10 percent more. Then, in short, you received a certain amount, at a certain rate of interest, but are being pressured to return a larger amount, at higher interest -- that is, you are being robbed in a way that isn't permitted by any religion.

How much does that amount to? Well, I'd have to have the exact figures on what part of that debt was in dollars, and how much interest was agreed upon in each case, to know exactly how much the loan and the interest on that dollar overvalued by more than 30 percent has cost the debtors each year.

It can be calculated that at least two thirds of Latin America's debt is contracted with US sources -- that is, let's say \$200 billion. Let's assume that that figure represents the actual debt in dollars -- which is quite unlikely, since other credit sources operate also with that currency -- and that the dollar is overvalued by 10 percent; you are increasing your real debt objectively by \$20 billion, plus the corresponding interest. If the dollar is overvalued by 30 percent, your objective, real debt in dollars increased by \$60 billion. The amount of dollars doesn't change, but each dollar is more expensive. Therefore, I have made a very

conservative estimate that, in 1984, at least \$5 billion was paid in interest on that increased value of the dollar.

Summing up: for the reasons I have mentioned, Latin America has transferred more than \$70 billion in a single year in the form of money or merchandise for which it didn't receive anything in exchange.

Now, another analysis: how much of that transfer was illegitimate? Let's accept the normal interest on the debt. We won't call it illegitimate; we won't call it plunder. But normal interest -- we won't adopt the Islamic concept; we'll adopt the Western Christian one: for a given amount of money, a reasonable -- though relatively high -- interest rate must be paid, an 8-percent interest rate, which includes the devaluation, which isn't exactly the case of the dollar. So, then, what share of the \$70 billion that is now being exacted from Latin America is illegitimate? For a deterioration in the terms of trade, \$20 billion; for an interest spread of 12 percent instead of 8 percent -- also a conservative assessment -- \$10 billion. It is estimated that, for each point in the interest rate, the amount that Latin America has to pay increases by \$3.5 billion a year. Then, add \$10 billion for the flight of capital -- that is, money that the country received for exports, for services rendered, even for loans, money that the country needs for investments, for development, which is sent abroad. And \$5 billion for the overvaluation of the dollar. Thus, in 1984, the Latin-American economy has been arbitrarily, illegitimately deprived of \$45 billion. A part of the world whose population doubles every 25 years and which has terrible social, educational, housing, health and employment problems is being illegitimately deprived of \$45 billion -- of \$70 billion of expatriated resources, when the allegedly normal interest is added.

Those countries' economies can't hold up under it; this is already the case. They are becoming aware of this problem and are reacting, and a serious crisis is in the making. If the Western countries persist in maintaining this system of plunder and no solution is found, I believe that there will be quite a generalized

social explosion in Latin America. And, of course, we're stating this and reiterating it precisely so that everyone will become aware of the problem. I've been asked, "What do you want: for there to be an explosion in Latin America?" And I've answered, "No, we want these problems to be solved; an explosion alone won't solve the difficulties."

We have stated that we must struggle to solve this economic crisis, to solve the problem of the debt, and we must struggle for the New International Economic Order, which was almost unanimously adopted by the United Nations ten years ago to promote international cooperation and protect the economies and development prospects of the weaker countries, putting an end -- among other arbitrary actions in the economic relations between the developed and the developing countries -- to these problems I've mentioned: the growing deterioration in the terms of trade and unjust, abusive financial practices, such as artificial interest spreads and the overvaluation of the richer countries' currencies. This is compounded by equally loathsome and selfish trade practices such as dumping highly subsidized products and the protectionist tariff and nontariff measures constantly applied by the the European Economic Community, the United States and other industrialized nations.

I'm going to refer to a very current protectionist policy tied to the domestic subsidies that considerably affected many countries in Latin America and the Caribbean. In 1981, the United States still imported 5 million tons of sugar, most of which came from Third World countries; in 1984, it imported only 2.7 million tons. That is, sugar imports have dropped -- drastically -- and are still dropping. It has been estimated that, for the coming period, it will import less than 1.7 million tons. This is because the United States is protecting and encouraging the production of beet sugar and corn syrup. The taxpayers have to pay for those subsidies; the consumers have to pay more for that sugar because its prices aren't regulated by the law of supply and demand, so loudly championed by the capitalist system; and the

market system likewise so loudly championed isn't respected, and an artificial procedure of subsidies and prices is established.

What are the consequences for these countries which used to export that sugar to the United States? Their exports have been reduced by half, by two thirds. In addition, there is customs duty. What about the Dominican Republic, Jamaica, Colombia, Peru, Ecuador and many other countries? —I'm not speaking about Cuba; our quota was taken away from us a long time ago, under the pretext of having to blockade our country economically so as to strangle the social change, and it was distributed among all those countries; now it's being taken away from them -- we don't know under what pretexts, because they haven't carried out any revolutions or moved away from capitalism. What will they do with their workers?

What will they do with their plantations and with their industries? What will they do with their debts? What will they do with the interest to be paid on their enormous debts? Naturally, this aggravates the crisis.

The United States is doing the same with textiles: restrictions and quotas for textile imports from Latin America and for steel from Brazil, Argentina and Mexico. And so on and so forth. All against the principle of free competition, the principle of supply and demand and its much-championed market principle. Other products of the emerging Latin-American industry have even fewer possibilities.

The European position is even worse: it subsidizes sugar at very high prices and exports the surplus. It used to import millions of tons of sugar: now it is demanding a quota of 5 million tons on the world market. All of these measures drive sugar prices down, because, if the United States stops importing 5 million tons, if it cuts its import figure in half, and if Europe stops importing and becomes a large exporter, the surplus sugar goes on the world market and prices fall. Then Japan buys cheaper sugar, Canada buys cheaper sugar, and many other rich industrialized countries buy cheap sugar; they pay less for

it. Yet other countries have an unlimited need for this and other foodstuffs but don't have the necessary buying power.

Europe subsidizes meat. In the past, it used to import it; now it is a meat exporter. The EEC meat producers are paid \$2500 a ton, and the meat is then exported for \$800 a ton. So meat from Argentina, Uruguay, Colombia, Brazil, Costa Rica, Panama and other Latin-American countries confronts a depressed world market price of \$1150 a ton. Just as with sugar, many Third World countries need meat but don't have the necessary buying power. Their own exports are depressed. Their main client, the industrialized world, is paying increasingly laughable prices.

In order to produce sufficient food for a large population, you need technology, fertilizers, pesticides, machinery and energy, and you have to get them from the industrialized world or from the great fuel exporters at increasingly inaccessible prices. Investments, a technical culture and scientific expertise are also needed. None of this is within their reach. They can't produce them, and they can't buy them. This is the tragedy.

The New International Economic Order calls for an end to such trade practices -- indeed abusive and unjust; they can't be described as anything else -- by the richer, more industrialized countries. How can the Latin-American countries be expected to develop when, in addition to their being paid less for their exports and charged more for their imports, their hard currency is drained away through the mechanisms of the flight of capital, their exports are restricted, they are subjected to devastating forms of unfair competition, the dollar is overvalued and they are charged arbitrarily high interest rates on the enormous debts that have been imposed on their peoples?

All of this constitutes a system of privileged economic relations for the industrialized countries -- that aren't really very enthusiastic about giving up those privileges. The Third World countries -- which for centuries were colonies and suppliers of exotic products, raw materials and cheap fuel -- are not to blame for their economic backwardness.

I don't know if this explanation is clear. I've tried to give examples and quote figures -- figures that are exact because we have the updated information on the regression of the Latin-American economy during the last few years. The per capita product of the Latin-American countries as a whole has decreased. The gap separating them from the industrialized countries is growing ever wider. It is a fatal and sustained trend that must be reversed.

JEFFREY ELLIOT: Mr. President, how do you respond to the often-repeated charge that the affected Latin-American nations have a moral responsibility to repay their debts, that the money was loaned in good faith and that the failure to repay their debts would be a clear sign of bad faith?

FIDEL CASTRO: Well, I'm going to tell you what happened with that money. Traditionally, debtors used to go to the banks to borrow money. In recent years, that practice was reversed. The banks amassed huge sums; among other things, they collected the financial surpluses of oil-producing countries during the oil-price boom, and some industrialized countries had accumulated huge sums of money. The role of the banks is to raise money, lend money and earn interest. Then the banks went out to look for people to lend money to, and they lent a lot of money.

Some 20 or 25 years ago, Latin America had practically no debt; now, it amounts to \$360 billion. What did that money go for? Part of it was spent on weapons. In Argentina, for instance, tens of billions of dollars went for military expenditures, and the same was true of Chile and other countries. Another part of that money was embezzled, was stolen and wound up in foreign banks, in Switzerland and the United States. Another part returned to the United States and Europe as a flight of capital. Whenever there was talk of a devaluation, the more affluent people, out of mistrust, would change their money for dollars and deposit it in US banks. Another part of that money was squandered; another part was used by some countries to pay for the high price of fuel; and,

finally, another part was spent on some economic programs. Let's grant that.

You say that the countries have a moral responsibility. When you talk about nations, you're talking about the people, the workers, the farmers, the students, the middle class -- the doctors, engineers, teachers, other professionals -- and other social sectors. What did the people get out of the \$360 billion that was spent on weapons, deposited in US banks, misspent or embezzled? What did the people get out of the overvaluation of the dollar or out of the interest spread? They got absolutely nothing. And who has to pay for that debt? The people: the workers, the professionals and the farmers; everybody has to make do with reduced wages, reduced income, and make huge sacrifices. Where is the morality of imposing measures that result in a bloodbath in an effort to make the people pay the debt, as was the case in the Dominican Republic, where the International Monetary Fund's measures resulted in dozens of people being killed and hundreds more shot? The people have to protest, because they are being forced to pay a debt that they didn't contract and that brought them practically no benefits.

That's why we say that payment of that debt is an economic impossibility, a political impossibility. You practically have to kill the people to force them to make the sacrifices required to pay that debt. Any democratic process that tries to impose those restrictions and sacrifices by force will be ruined. Lastly, it's a moral impossibility, for the reasons I've already given you.

Therefore, I think that it's much more moral to cancel this debt, which would benefit billions of people -- I'm not talking just about Latin America's debt; I'm also talking about the debt of Africa and Asia, which affects the lives of over 70 percent of mankind -- than to spend the money on weapons: chemical weapons, nuclear weapons, biological weapons, aircraft carriers, battleships, strategic missiles and star-wars weapons programs. What is truly immoral, an act of bad faith, practically a betrayal of mankind, is to force the people to go hungry; to live in poverty;

to live in the worst material, educational, cultural and health conditions in order to spend a trillion dollars on weapons and military activities every year -- for this is what is being spent on preparing the conditions for a catastrophe, to kill hundreds of millions of people and perhaps even to wipe out mankind.

To those who make such statements, we must say that that is what is really immoral -- not the cancellation of the debt, whose payment can't be exacted from people who got nothing, no benefits, from that money.

MERVYN DYMALLY: Mr. President, what has been the net impact of the economic boycott of Cuba by the United States, and how long can Cuba survive without US trade?

FIDEL CASTRO: Well, if you make mathematical calculations, you can detail the consequences of the blockade -- we've done this -- which has already cost us billions of dollars. In transportation alone, to cite just one example, if you have to bring your imports from Japan or Europe, if you have to bring the goods you could otherwise have purchased in the United States from a place that is 10 or 20 times as far away, you are forced to spend several times as much on transportation. If, in addition, you have to go to other places to find the goods that you couldn't buy in the United States, you may also have to pay a higher price, because the trader, the seller, knows that you have no alternative but to buy that merchandise in that country. If you calculate all the damage done to Cuba by depriving her of her sugar quota and the price difference between what we would have gotten from the United States under the existing agreements and the prices at which we had to sell that sugar in Japan and other countries, it's a lot of money.

If you calculate the damage caused by cutting off all supplies of spare parts, specific materials and equipment for industries based on US technology, you can see that the damage was considerable.

Some things were even more painful, however, because they caused damage to human beings. When you can't buy medical equipment that is made exclusively in the United States, or a given medicine that is needed to save a life, the consequences of the blockade cease to be just economic; they are of a humane nature. When someone in any country is the victim of a measure that may cost him his life, there are legal procedures for claiming material compensation; an enormous, justified claim has been lodged in India for the deaths of thousands of people caused by a lethal gas leak at a pesticide plant owned by a US transnational. But, leaving those aspects aside, the blockade has cost our country's economy billions of dollars; we estimate it to be about \$10 billion. Still, we've held out, and we can go on holding out -- we held out for 26 years, and we can hold out for another 25 years; we can hold out for another 100 years without trading with the United States -- because we were forced to make greater efforts, to be more austere, more efficient. In other words, from the damage caused by the blockade, we have derived some virtues that are of enormous value for a developing country. We have struggled to find alternative solutions, and we have found them. We have excelled at our work and have turned the US economic aggression into a motivating force.

We have developed economic relations with the other socialist countries and established a kind of new international economic order in our relations with them. We aren't victimized by the law of unequal trade relations, protectionism, interest spread, an overvalued ruble, protectionist measures, or dumping by the other socialist countries. As a result, we have established a solid foundation for the country's economic and social development, which is guaranteed. We already know what we are going to do during the next 15 years in all fields of economic and social development -- in the industrial, agricultural, housing, educational, cultural, sports and medical programs -- and, despite the blockade, there are some areas, such as public health and education, in which our achievements come very close to those

of the United States, and we expect to surpass it in the not too distant future. That is, we use our resources rationally to achieve sustained economic development in the interests of the people. We certainly won't adopt any such measures as cutting aid to the elderly, reducing old-age pensions, cutting medicines for the sick, or reducing hospital and school appropriations; we don't sacrifice social programs -- as they do in the United States -- for the sake of building aircraft carriers, MX missiles and other engines of war that the world abhors.

You can see the difference. While the United States has imposed a policy of sacrificing social assistance and social expenditures, in our country these are top-priority items. Rather than freezing them, as has been suggested in that country, they are increased every year, as our economic performance improves. This is why Cuba is the only Latin-American or Caribbean country which hasn't suffered from this crisis. We haven't been exposed to the crisis, except as it affects the 15 percent of our trade that is carried out with Western countries -- which, of course, charge high prices for their products, pay low prices for ours and force us to pay high interest rates on our foreign debt in convertible currency, which is relatively modest. But 85 percent of our trade is within the socialist community, and this is what gives us a solid foundation for the sustained growth of our economy. And, during these years of crisis, when the Gross Domestic Product and per capita product of the Latin-American countries as a whole dropped, Cuba's Gross Social Product -- that is, its economy -- grew by 24.8 percent and its per capita product grew by 22.6 percent in the 1981-84 period. This is recorded in the annual economic reports of the United Nations Economic Commission for Latin America and the Caribbean, in which Cuba's situation can be contrasted to that of the rest of the Latin-American countries.

The growth of the Cuban economy during the 1981-84 period is higher -- much higher -- than that of the rest of the Latin-American countries. In Argentina, the Gross Domestic

Product decreased by 6 percent; in Bolivia, by 16.1 percent; in Brazil, by 0.3 percent; in Chile, by 5.4 percent; in Peru, by 3.8 percent; and in Uruguay, by 13.9 percent. This list is quite long. I'm not referring to the figures on health and education, where our country is in first place among all the Third World nations and ahead of several industrialized countries, as well. We have no problems of unemployment, begging, slums, prostitution, gambling or drugs. Not even alcoholism.

This is why we are morally entitled to speak about this problem of the economic crisis and of Latin America's debt; we don't have to keep silent. This is precisely why we are energetically denouncing it. But we can feel secure because, fortunately, we depend very little on the Western world, and we don't depend at all on economic relations with the United States. I wonder how many other countries in the world can say the same.

MERVYN DYMALLY: Let's turn the other side of the coin and daydream a little bit. What would happen if trade opened up in the United States? What effect would it have on the Cuban economy?

FIDEL CASTRO: I believe that the United States has fewer and fewer things to offer Cuba. We export sugar, but the United States is reducing all its sugar imports, nearly eliminating the sugar quotas of many Latin-American countries. What sugar are we going to sell to the United States? The United States is drastically restricting its imports of Latin-American steel. We can export some steel for construction, but there's no market for it in the United States. The United States is imposing extremely low textile quotas on the Latin-American textile-exporting countries to protect its own textile production. The textiles made in the new modern textile mills that our country has built and in the old ones, many of which have been modernized and expanded, couldn't be sold to the United States.

As regards tourism, the demand is now greater than our hotel

capacity. Lifting the blockade would only imply an advantage in the long run. I'm not going to say that we wouldn't derive some benefit, because that wouldn't be true. There might be some practical advantages; perhaps some goods that now have to be acquired in distant third countries could be obtained in the United States with lower freight costs and speedier delivery; we might purchase some types of medical equipment manufactured in the United States, some recent products of its pharmaceutical industry -- things of that sort, of that kind. But it wouldn't be anything out of this world, because it would be inconceivable for us to start buying Cadillacs and other luxury items in the United States if our relations with the United States were normalized someday; we haven't the slightest intention of spending a single cent on luxury items -- it can go on exporting those things to other Latin-American countries, to millionaires and other people who have money to spend on those things even though their countries derive no benefit from the purchase but rather the opposite -- more debts with more squandering.

But, frankly speaking -- I like frankness -- relations with the United States, economic relations, wouldn't imply any basic benefit for Cuba, any essential benefit. If trade relations with the United States were renewed tomorrow and if we were able to export our products to the United States, we would have to start making plans for new lines of production to be exported to the United States, because everything we are producing now and everything we are going to produce in the next five years has already been sold on other markets. We would have to take them away from the other socialist countries in order to sell them to the United States, and the socialist countries pay us much better prices and have much better relations with us than the United States does.

We export our citrus fruit, a large part of our sugar, a large part of our nickel and other products to the other socialist countries, which not only pay us much higher prices and sell their products to us at lower prices but also charge us much

lower interest for credits and reschedule our debt for 10, 15 or 20 years without interest.

In fact, what are we supposed to do? There's an old folk saying that goes, "Don't swap a cow for a goat!" (LAUGHTER)

JEFFREY ELLIOT: Mr. President, how has Latin America's inability to repay past debts affected its ability to negotiate new loans?

FIDEL CASTRO: They don't need new loans; they don't need them. If they're paying \$40 billion now -- and they'll have to pay \$40 billion every year if the debt doesn't continue to grow -- that will mean \$400 billion in ten years, making enormous sacrifices, and it will be very difficult to convince the people to do this. They don't need loans. They can lend themselves the \$40 billion and the \$400 billion for development programs, and the people will understand the need for such sacrifices and for implementing austerity measures for their development. Now they are asking the people to make sacrifices that will promote backwardness, decrease the per capita product and reduce the Gross Domestic Product, but they can persuade the people to make sacrifices for the sake of growth and development.

Banks can't offer them more resources than they can offer themselves. For example, if Brazil is paying \$12 billion a year for the interest on its debt, it doesn't need any loans; if it invested that \$12 billion, it would have \$120 billion for development purposes in ten years. Mexico, with great restrictions, is exporting \$23.5 billion worth of products and importing only \$10 billion worth; it could invest more than \$10 billion a year instead of paying interest on its debt. That makes over \$100 billion in ten years. If Argentina is paying \$5 billion, that would amount to \$50 billion in ten years.

No one can lend those countries such enormous sums for development; if anybody did, in a few years, the three of them

would be paying \$60 billion a year for interest instead of the almost \$30 billion they are now paying. That is, sacrifices would continue; they would be even greater. The economy would grow just to pay the interest to the banks. It can be compared only to that torment in Greek mythology in which a man is doomed to push a large stone uphill for all eternity, a stone that always rolls down again before reaching the top.

I've given several examples. The same could apply to Venezuela, Colombia, Ecuador, Peru, Uruguay -- almost all the other countries. Then no one would have to lend them money; they could deposit that money and use it for development. Nobody could take reprisals against those countries or blockade them economically. The industrialized world can't do without the underdeveloped countries' trade; it can't do without their raw materials; it can't do without their minerals; it can't do without their fuel; it can't do without their chocolate.

Can you imagine an industrialized society -- Switzerland, England, France, Spain, Italy, the FRG, the United States or Canada -- without chocolate? Can you imagine those countries without coffee, tea or cashew nuts to go with their drinks? Can you imagine them without nutmeg, cloves, other spices, peanuts, sesame seeds, pineapples, coconuts or coconut oil for their mild and fragrant soaps? Well, life would be very sad and unpleasant in the industrialized countries if the steel, copper, aluminum, chemical and power industries were also to stop. They can't do without any of that.

Therefore, the power of decision is no longer in the hands of the rich countries. If you tell them, "Lend, aid, cooperate and be fair," 10 or 50 years could go by without their paying you any attention. With this crisis, in which the gigantic debt is nothing more than an expression of systematic and historical plunder, the decision is now in the hands of the Latin-American and other Third World countries, because, with the money they are handing over -- and, as I explained before, much of that money is illegitimate, the product of the overvalued

dollar, the interest rates and the other measures I've mentioned -- they are morally and rightfully entitled to decide to suspend payments. This action isn't new; it's as old as Roman law. Loans, moratoriums, payments and defaults all existed 2000 years ago -- sometimes decreed by the state, at other times by the debtors themselves. Of course, in those times in Rome -- which was as democratic as the United States and which had a Senate like the Senate of the United States and a Capitol like the Capitol of the United States -- when someone couldn't pay his debts, he was haled into court and was declared a slave. Enslavement for indebtedness lasted for millennia, from the time of Greece and the time of Rome. Even recently, there were countries where people who couldn't pay their debts were declared slaves. What is the good of human rights and all the achievements obtained by man during the last two millennia? The industrialized countries could never shackle and enslave 4 billion people in the world, nor have they needed to up until now, because what they have done is to exploit them as if they were slaves. Today, they work almost exclusively for the benefit of the industrialized countries; they are slaves without chains, and they could very well proclaim their freedom before the industrialized world.

That has been done many times. During the past century, the slaves in Haiti declared themselves free. The freedom of the slaves in the United States was also proclaimed. This has happened in many parts of the world. No one has ever questioned the justice of that. This debt may become the chisel with which the economically enslaved peoples of the Third World begin to break their chains.

The cancellation of the debt would simply be an absolutely moral, absolutely unobjectionable, proclamation of freedom. This is clear: they don't need loans of any kind. Moreover, the industrialized world would benefit, because the developing countries would have greater buying power: instead of importing \$10 billion worth of goods, for example, Mexico could import \$20 billion worth; Argentina could import \$8.5 billion

worth instead of \$4.2 billion worth. This would also be the case with Brazil and the rest of the Latin-American countries. Where could they buy finished products; materials; and agricultural, transportation and industrial equipment? From the United States, Europe and Japan. The Third World's buying power would increase every year by \$80 billion -- which, if well invested, could guarantee the sustained growth of their economies if the economic principles proclaimed by the United Nations were applied. This would mean more exports for the industrialized countries, greater use of installed capacity and more workers employed.

Unemployment is the main problem in the industrialized countries. They would increase employment and industrial profits, the export companies would export more, investors abroad would make larger profits and the banks would recover their money. I'm not suggesting that the banks go under; I'm not suggesting that the banks lose their money; I'm not suggesting that the taxpayers pay more taxes. I am suggesting something very simple: to use a small percent of military expenditures -- which couldn't be more than 12 percent -- so the creditor states can assume the debts to their own banks. This way, neither the banks nor the depositors would lose; to the contrary, the banks would have that money guaranteed. Who could guarantee this better than the rich and powerful industrial states of which the Western nations are so proud? If they consider themselves capable of dreaming up and waging "star wars" while giving barely a thought to the risks involved in a thermonuclear conflict that would in the first minute destroy a hundred times more than what is due their banks-- In short, if the idea of universal suicide doesn't scare them, why should they be afraid of something as simple as the cancellation of the Third World's debt? What is the only thing that would suffer? Military spending. I believe that this is absolutely moral -- and, furthermore, reassuring and healthful. This way, the solution of the Third World's economic problems would be associated with peace, with international

détente, which is what all countries are demanding.

No demand could be fairer or more moral than to end the arms race, to reduce military spending. This, in essence, is what I'm suggesting. I'm not saying that the banks shouldn't be paid. I am suggesting that each creditor state take over the debt to its own banks. That is the essence. It's a simple accounting operation. It's not going to close a single factory; it's not going to stop a single ship along its route; it's not going to interfere with a single sales contract on the market. To the contrary, employment, trade, industrial and agricultural output and profits would be increased everywhere. It isn't going to hurt anybody. The only adverse effects would be on arms and military spending, neither of which provides food, clothing, education, health or housing for anybody. That is the formula I am suggesting.

Frankly, it seems to me that this takes everybody's interests into account. That's what's good about the formula: it hurts no one and benefits all.

JEFFREY ELLIOT: Mr. President, suppose the United States were to cancel all outstanding debts and, in cooperation with Latin America, provide a massive foreign assistance program. Would such an action significantly change your own view of the United States and produce a dramatic turn in US-Cuban relations?

FIDEL CASTRO: I'll answer you the following: What is needed is for the debt to be cancelled, because that will benefit the United States, international trade and all countries. I think it would be of great help for overcoming the crisis, because, as a matter of fact, not even the United States has come out of the crisis. To the contrary, the United States is creating its own conditions for a bigger crisis.

During the last four years, this administration used its monetaristic policy and the US economic power so skillfully that it

imposed a financial policy, a monetary policy, on the rest of the world, forcing not only the Third World countries -- that could do absolutely nothing -- but also its Spanish, French, Italian, English, West German and Japanese allies and everybody else to accept it. Through its Federal Reserve Bank, the United States decided how much money there should be on the market, what the interest rates should be and what economic policy to impose on the world -- exclusively to solve its own economic difficulties: inflation, unemployment and economic stagnation.

Moreover, this was associated with an arms race without new taxes, such as the Vietnam War. Economists know that the expenditures of the Vietnam War were one of the causes of the high inflation that hit the world economy. The United States spent hundreds of billions of dollars without raising taxes, because the war was so unpopular that the people would have balked at paying for it through new taxes.

Now the United States is spending more than it did on the Vietnam War -- and it is promoting rearmament and the arms race without raising taxes. It has tried to pay for it partly by cutting back public spending: assistance to senior citizens, the sick and the schools -- all those measures that have been discussed so much in the United States. But those savings aren't enough, because military spending has grown enormously: from \$135 billion in 1980 to \$277 billion in 1985, to \$314 billion in the coming fiscal year. That's not money for developing industrial technologies or for making industry more efficient and productive. All that money is spent on very expensive equipment that contributes absolutely nothing to the economy. That's a fact. What did this administration manage to combine? An arms race without raising taxes, a reduction in inflation, an increase in production and a decrease in unemployment which is truly marvelous. It's as if it had an Aladdin's lamp or the wild ass's skin of which Balzac spoke in his novel. But you could ask the wild ass's skin for only three things, and Reagan's already asked it for much more. Generally, those

magic things don't grant an unlimited number of requests. They set a limit: three things, four things or five things. I've listed four things here: rearmament without raising taxes, the reduction of inflation, an increase in economic activity and the decrease in unemployment. Someday the members of the brain trust that gave Reagan this formula will have to be found and given citations and maybe decorated with an award that could be called the Order of the Machiavellian Prince because they are certainly very intelligent people who know all the secrets of these mechanisms and came up with what Reagan needed: to come to the election with less inflation; more employment; more production; and, in addition, almost \$300 billion in military spending without raising taxes. Now, there are more battleships, aircraft carriers, bombers, nuclear submarines, Cruise missiles and arms of all sorts. That is how Reagan ran for reelection. He got all that.

But then it makes you wonder, because money doesn't grow on trees; money has to come from somewhere. It makes you wonder how Reagan accomplished this and how all this was paid for -- I think that is a question the US citizens have to ask themselves -- and what the consequences will be after this. Well, for example, there is one: the public debt, which had taken 205 years to reach \$1 trillion, increased by \$650 billion in just three years of the Reagan Administration -- 1981-84. By the end of 1986, after five years of the Reagan Administration, it will amount to more than \$2 trillion. I'm using the US trillion, which is equal to the English billion; a million million.

The economists advising Reagan have managed to achieve in five years what it took all the other Presidents of the United States 205 years to do. There's no doubt that it's an Olympic record. Second, the budget deficit has already come close to \$200 billion, and, at its present rate, it should reach \$222 billion during this fiscal year. That's another Olympic record.

It should be borne in mind that last February, in just 28 days, the deficit rose by \$20.5 billion. Last year's trade deficit

was \$123 billion. An Olympic record. Three Olympic records. This year, the trade deficit is estimated at \$140 billion. For February, the figure was \$11.4 billion -- the highest since September 1984, when it amounted to \$11.5 billion.

I ask you: Where does this money come from? How can this "miracle," this US "miracle," be explained? How has he managed to turn water into wine? How did he work the miracle of multiplying the fish and the loaves? I believe that, on the basis of this experience and what we are witnessing, it will even be necessary to found a new church, because we are witnessing "miracles." And, obviously, we believe in "miracles." There may still be other "miracles" to see. Where does the money come from? From everybody. There are other "miracles." One way or another, they have managed to collect the money from the Japanese, the Germans, the English, the Italians, the Spaniards and all the other industrialized and Third World countries and have brought it to the United States. This is an unprecedented phenomenon.

Foreigners have invested close to \$200 billion in US bonds. That is growing and only in bonds. What we have to do now is estimate the total amount of foreign deposits in the United States -- which, as *The Washington Post* stated recently, is living above its level of production, above its level of productivity, and is becoming the country with the largest debt in the world. It is certain, most certain, that the United States alone already owes more than all the Latin-American countries put together. Reportedly, its debt is close to \$600 billion. We would have to ask the US economists, the experts -- there are a lot of them, and they have computers -- to gather the information so that we, "the academics," can know how much the United States owes.

Of course, I suspect that the United States, which has received overvalued dollars during these years, will try to pay with devaluated ones in the future. It will surely have a different policy as a debtor than as a creditor. It lent cheap dollars and is collecting expensive ones; it obtained loans and deposits in

expensive dollars and will try to pay with cheap ones.

I'd like to imagine what the consequences of all this will be on future inflation -- what the consequences will be and the impact this will have on the buying power of the US dollar, how much the inflation will amount to and if the "wizards" advising Reagan know when this phenomenon is going to take place -- for it will take place, unquestionably. What will be the consequences for the future US economy of spending \$2 trillion in only eight years for military purposes, instead of investing it in industry, technology and economic development? The only significant development has been registered by the arms industry, but weapons aren't goods that the population can consume. Rifles, bullets, bombs, bombers, battleships and aircraft carriers increase neither the wealth nor the productive capacity of a country; they can't meet any of man's material or spiritual needs. You can't even fish with those boats; you can't do anything with them that's useful for human life, health or the struggle against cancer and other diseases that kill so many US citizens every year.

There are three diseases that kill millions of US citizens: cancer, heart disease and circulatory problems. I don't have the exact figures, but, in a population of 240 million, you can estimate that over a million people die every year from these three causes. No war ever killed so many US citizens. If some of that money could be invested in fighting these diseases -- and everybody knows that not enough resources have been earmarked for this -- the life of the people in the United States and in many other countries of the world would be prolonged.

That \$2 trillion doesn't produce even an aspirin; it doesn't solve one single headache. Someday people are going to be sorry that the US economy's industrial facilities aren't much more efficient, more productive; they're going to be sorry that the environment has become more and more polluted; they're going to be sorry they haven't invested in hospitals, recreational facilities, schools, homes for the elderly and housing.

Someone is sure to say, "Well, was disarmament the only

option?" No, the alternative was to get rid of prejudices, lies and anachronistic myths; to get rid of the farfetched dreams of sweeping other ideologies and social systems off the face of the earth; to stop attributing the craziest, most absurd intentions to your adversary; and to talk with the Soviets and work sincerely for peace once and for all, because the Soviets understand these realities much better than the people in the United States; they were in closer contact with the tragedy of war; they have a greater concern and greater feeling of responsibility regarding the need for averting a nuclear conflict which would be catastrophic and -- in all likelihood -- suicidal for mankind.

A socialist can better understand -- is better prepared to understand, from a theoretical point of view -- the folly of spending on weapons the resources needed to meet the pressing needs and problems of any human society. All socialist states know what can be done with those resources both at home and abroad. A glance shows the poverty and disasters that plague our planet. The arms race is a crime against mankind. Why not opt for a serious, sincere effort to seek peace and cooperation among all countries, based on full respect for the sovereignty and the social system that each people has chosen for itself?

The consequences that these enormous arms expenditures will have on the economy of the United States are yet to be seen; they will have an impact on inflation, the country's development prospects, the people's welfare, the country's prestige and its relations with the rest of the world. No matter how rich a country may be, it can't squander its wealth and that of others with impunity. I think it's high time for the US people to reflect on this.

We know what happened in November 1984 under the bewitching influence of the "miracles"; the impact in November 1988 is still to be seen. Some symptoms can already be observed. The Senate Appropriations Committee adopted a resolution calling for drastic measures against Japan -- it was almost a declaration of a trade war against Japan. Expenditures for Japanese

auto imports grew by \$1.5 billion in February.

It is public knowledge that the United States' 1984 trade deficit to Japan was \$37 billion, and it is expected to reach \$50 billion this year. The Japanese aren't producing battleships, MX missiles, B-1 bombers or Trident submarines; they're investing in industries, in development, as they've done during the last 30 years, ever since the war, and that is why they have modern, automated machine, electronics, chemical and steel industries. Moreover, they're more austere, better organized and more disciplined than the US people, and it's only logical that they compete successfully with US cars on that country's own domestic market. The United States will have to set quotas and adopt other measures against the free market and free competition; it will have to demand an equal share of the Japanese market and do a series of things that contradict what it preaches and claims as its economic philosophy.

I believe that there will be people in the United States -- thousands of people versed in economic matters -- who will worry about the consequences of this tremendous arms race without raising taxes, which is what I feel should be debated in the House, in the Senate and by the academic community, to see if what will come after these "miracles" can be explained. What is clear is that the economy has declined, not grown, in Latin America. Nor has it grown in most of the Third World countries. In Europe, it grew very little, while unemployment grew a lot. The United States did manage to reduce unemployment -- from nearly 11 percent to approximately 7.5 percent -- but in England the number of the unemployed rose to 3 million; in France, to 3 million; in Spain, to 2.8 million; and, in the FRG, to a postwar record of 2.6 million. And unemployment is still growing. These things begin to explain the "miracles." In the last quarter of 1984, as reported by official US sources, the United States' purchases amounted to \$72 billion, a record figure. And the present administration and its economic advisers have produced "miracles" and broken all Olympic records

in the field of budget deficits, trade deficits, foreign indebtedness and the growth of the US public debt.

I ask you: what will the consequences of this policy be? I believe that the US people have the right to ask this question; the Representatives, the Senators – and we, too, have the right to ask that question, because the Third World countries are also affected by those consequences in one way or another. What is it all for? To improve the people's lives, well-being, health and security? No. If the United States had really become indebted and incurred all those deficits in order to develop its economy, to develop production, this could have been accepted, even though its doing so at the expense of the whole world wouldn't have been very honest. If that money had been invested to raise the standard of living, you could say, "That isn't correct, because the country shouldn't be mortgaged just for that." For instance, we couldn't do that in our country. But, if you become indebted for either of the first two purposes, at least you would feel that you'd created something. If you do nothing of the sort, if you don't build a single industry with that money – a factory, a school or a hospital – and if you don't improve the environment or homes, in the end you have mortgaged the nation and created nothing; you haven't improved anyone's standard of living, and you have spent a fabulous amount of money on war matériel that will be totally obsolete and only good for scrap in 10 or 15 years.

That's my view of what's happening in the United States.

You asked me what my reaction would be if the United States cancelled the debt and also offered massive assistance to Latin America.

As I said at the beginning, the cancellation of the debt would suffice. This may happen if the United States becomes convinced that there is no alternative or if the Latin-American countries decide to unilaterally declare it cancelled, which would be more likely. They may do this by common consent. If a policy of austerity is followed, those resources could be enough for

development and no additional massive injections of funds would be needed in many of those countries. It would be more important to solve other problems: to obtain equitable prices -- that is, to put an end to the growing deterioration of trade that favors the industrialized countries, to put an end to protectionist measures and to end the practice of dumping. All of these issues become the most important thing. If the Latin-American countries had received in 1984 what they received in 1980 from their exports, they would have earned an additional \$20 billion solely on that account. That's just an example.

Naturally, the Latin-American countries will have to adopt effective measures to avoid the flight of foreign currency that has also implied serious losses in the past, but, as long as the present monetaristic policy is in effect, as long as the dollar is overvalued and as long as 12-13-percent interest is being paid, Latin Americans will try to send their money to the United States. If all these tricks are ended and if Latin America stops sending \$70 billion to the industrialized world every year, including the interest on its huge debt, no massive injections of money would be needed for development. Then, if you add the cancellation of the debt at the expense of a small percent of military expenditures and the banks recover their funds, additional development loans could very well be obtained and repaid. If the United States were to spontaneously do what you say -- if such an inherently selfish, neocolonialist system were capable of that generosity -- a real miracle would have taken place, and I would have to start meditating on that phenomenon. I might even have to consult some theologians and revise some of my opinions in that field. If that were to happen, I might even enter a monastery. (LAUGHTER)

MERVYN DYMALLY: Mr. President, it has been said that the conditions the IMF places on Third World countries are a blueprint for economic and political disaster. Do you believe that the IMF economic policies spell doom for underdeveloped countries?

FIDEL CASTRO: They undoubtedly presage an economic disaster, a political disaster and a social disaster. They will engender an unprecedented crisis with unpredictable consequences. I know what many people in Latin America are thinking and what their state of mind is. This includes people from all social strata and with the most diverse ideologies. Furthermore, almost unanimous awareness is developing concerning the debt and the impossibility of paying it and on the question of the unjust, intolerable economic relations that have been imposed on the Third World. One way or another, this situation will have to change. The International Monetary Fund, which is causing a lot of harm, will ultimately deserve our gratitude, because it's creating a big crisis, and the solutions will stem from the crisis. It is a law of history that big problems have never been solved unless they come to crisis. Mankind has never had sufficient foresight to act otherwise. So, then, the IMF and the system-- of which the IMF is a tool -- will trigger rebellion in the Third World countries, and the rebellion will promote the solution of these problems. This will involve not only the debt but also the unjust and already intolerable economic relations between a handful of rich, industrialized nations and over 100 nations in which three quarters of the world's population live. This won't be solved by a miracle, proclamations, ideas, arguments or someone's persuasion or subversion. No. The crisis is what will lead to a solution.

As you know, the United States didn't become independent until there was a crisis. Slavery wasn't abolished in the United States until a crisis occurred. In more recent times, Roosevelt's New Deal -- which, by the way, saved capitalism -- was a response to the great crisis of the '30s. We should recall that, on the eve of the catastrophe, the US economy seemed healthier and more prosperous than ever before. On the eve of the 1914 war, the economic and social catastrophe in the old empire of the Czars gave rise to the first socialist revolution, and the independence of India, the revolution in China, the socialist community in

Europe and the end of the colonial system came out of World War II.

If you analyze major historic events and the important changes that have been wrought everywhere, you'll see that such has always been the case. What will come from the economic, social and even ecological catastrophe from which the peoples of the Third World are suffering? Won't the huge foreign debt trigger great changes in international economic relations? In Latin America – I have no doubts at all about this – either these problems will be solved or great social upheavals will take place that will lead to widespread revolutionary changes.

Ultimately, as a token of gratitude, we may put up a monument to the International Monetary Fund, and we might even put one up to Reagan, too, because all these things – all these policies – are helping to unite governments, to unite Third World countries, regardless of ideology, in demanding and bringing about a change in the established economic relations. I have no doubts about this. I'm convinced of it; I'm certain. The International Monetary Fund has run out of arguments with which to confute the facts, the data, the figures, the realities. All its theses and traditional formulas – all its prescriptions – are in crisis.

The representatives and theoreticians of this venerable institution can call together all the Latin-American leaders, academics, professionals, economists and left- and right-wing politicians in a big theater and present their formulas, defend their theses and explain how these problems we're talking about should be solved, and maybe those men – who, 25 or 30 years ago, would have welcomed them with brass bands and applause – will give them cold, ironic smiles. Now, nobody in the world believes what they say. The Brandt Commission was probably the last effort to introduce some reforms and add a bit of flesh, life and common sense to the old skeleton of the system created in Bretton Woods in the wake of World War II for dominating and exploiting the natural and human resources of Third World

countries. But no one paid it any attention.

Well, then, it's not merely a matter of an awakening. You become aware of the problem when the problem exists in its full dimensions and its full seriousness. Until then, everything is theoretical speculation -- the noble work of visionaries. Now the problem exists in its full dimensions, and I would say that this system of economic relations has fallen into its own trap and that the enlightened economic advisers -- the brilliant "wizards" who worked those fabulous "miracles" we've already talked about are creating the premises for a major tragedy for the US economy.

In conclusion, I'd like to say just one more thing. This morning the wire services carried a rather unusual piece of news: President Reagan was the first to arrive -- very early -- at the New York Stock Exchange. Of course, that's because there were reports that the US economy's growth during this first quarter was much less than it had been last year, and the dollar was beginning to lose ground on the international market. President Reagan appeared at the Stock Exchange to boost the dollar, to inspire confidence in the economy, because, since all of this was "magical," there was a real need to conjure up the spirits. In other words, if that much money doesn't come out of labor, production, productivity and the gold mines, it has to come from the spirits. (LAUGHTER) He had to go there to perform something like a religious rite, to protect the US economy against misfortune and difficulties. But Reagan's early morning visit to the New York Stock Exchange, in spite of his heavy work load in Washington -- the many visits of illustrious guests with whom he is meeting -- is truly symptomatic. Maybe Hoover's ghost was haunting the Stock Exchange, and the evil spirits had to be exorcised. (LAUGHTER)

That's all I wanted to say on this topic.

JEFFREY ELLIOT: Mr. President, how likely is it that the present economic crisis will, in fact, unite Latin America and produce a single, unified approach to resolving these problems?

FIDEL CASTRO: I think it's likely. I feel that one of the consequences of this unprecedented crisis and of this debt will be that it will unify the criteria of the Latin-American political leaders in the search for joint action. This will happen because they are all aware of the vital need to find a solution for these problems. It's a matter of survival for the Latin-American countries and, of course, of survival for the current process of democratic opening -- a matter of survival for them also as the leaders of these countries. If you're dying of thirst in the desert, you need water; if you're at sea and your ship sinks, you need a raft; if you're going to be hanged, about to die, you need at least a knife to cut the rope. And that is the situation of the Latin-American countries and of their political leaders. This struggle to find a solution is supported by the whole world: left, center and right; beggars and millionaires; landless peasants and big landowners. It's a problem that affects everybody, and those who have the most possessions know what the consequences of social upheavals are.

Yes, I believe that this will be an element that will undoubtedly promote unity of action. I read -- and not just reports about the New York Stock Exchange and the United States' annual and monthly budget and trade deficits. I also read every statement and declaration that the Latin-American politicians make, and there is no doubt that they are already aware of the problem.

MERVYN DYMALLY: Mr. President, let's go to your neighbors in the Caribbean. More and more, these island states are dependent on the United States to help them with their financial crises. Do you believe these weak economies could be helped by grants and loans from the United States Government?

FIDEL CASTRO: Let me tell you. Really, in today's world, the mere fact that a country is small, in both territory and population, constitutes a problem for development, because almost all

technologies are based on a scale of production for a much wider market. Those scale tend to increase.

Everybody knows, for example, that, proportionally, a 2000-kilowatt power plant consumes more fuel per unit of electric power produced than a 300,000-kilowatt thermoelectric power plant. Everybody knows that a nuclear power plant is built with reactors of at least 400 megawatts. Smaller reactors aren't even built.

In some international forums, Cuba has expressed the need to find a technical solution for this problem, which makes it impossible for many small oil-importing countries to use nuclear power. Nor can these countries receive electric power from another country, because they are geographically isolated.

Take the case of Europe and the Soviet Union. They have big power transmission lines, which transfer electric power from east to west and vice versa every day from the big plants located all over the country, so that each area receives what it needs during the hours of peak demand. When it is 8 o'clock at night in an eastern city, it could be 4 o'clock in the afternoon in a western city. This allows the power plants to operate at full capacity. They even transfer electricity to some of the European socialist countries -- and, I believe, in some cases, to Western European countries. I suppose the United States does the same with its power plants, and the same goes for the gas and oil pipelines, roads and railways that link the socialist and other European countries. Nothing like this could take place among the small nations of the Caribbean.

When a country is an island -- even when the island isn't very small, as in Cuba's case -- it can't receive gas, oil, electricity or solid or liquid cargoes of any kind through any of the means used in continental territories. Everything must either be produced in the country or be brought in by ship.

If the island is very small, its problems are multiplied. If you're going to set up a textile plant, the minimum capacity required for a rational, cost-effective scale of production is

25 million square meters of fabric. If you're dealing with a cement plant, you should set up a line that produces at least 300,000 tons a year. Smaller ones aren't even made. If you analyze a series of industrial branches, the problems of economic development in the small Caribbean countries turn out to be much more complex, much more difficult, precisely because they are both small countries and islands.

If you take all the Caribbean countries, the whole Eastern Caribbean, it stands to reason that they need serious, creative theoretical solutions if they are to overcome these limitations and be anything more than places to go for tourism, pleasure and gambling, with nice coconut trees and exotic nooks to be enjoyed by privileged travelers from the industrialized world. It's unquestionable that they need very close economic integration. Jamaica is somewhat larger and has a population of over 2 million; it can attain some autonomous development. The same holds true for Trinidad and Tobago. But most of those islands can't do without an economic community.

Let me remind you of an example: Western Europe, composed of a group of rich industrialized nations. Those countries couldn't survive if it weren't for the European Economic Community and economic integration. How can a group of small islands that were colonies up until only a short time ago survive and develop without integration? They need economic integration; there's no doubt about that. Only on that basis can they achieve some degree of industrial development which is efficient in the various branches, taking into account the natural and human resources available on each of them, the group's potential market and their export possibilities to other areas. Moreover, almost all of them speak the same language and have the same cultural background. They need an economic community.

This, of course, would be a prerequisite for the viability of their independence.

It's perfectly understandable -- I couldn't feel otherwise -- that the industrialized countries, even the United States, should

open their doors to the product of these countries. I support this fully, because that's what I've been postulating as a general principle: that the developed nations should open the doors of their markets to the products and exports of the countries that need development. That is an aspect that the so-called Caribbean Basin Initiative contemplates, though for a limited period of time. The project includes this positive element, but the concept is permeated by the idea that the transnationals are to take over those countries. The development of those islands is conceived of as a private business, and aid is offered to US investors. Rather than national development, with local entrepreneurs, it is viewed as transnational development, with foreign entrepreneurs, and based on cheap labor -- the workers' wages being the only thing that would remain in the country. In exchange for that, these countries would be granted tariff and tax exemptions of all sorts, and even the chewing gum and soft drinks would have to come from the United States. It's the same old story of the banana and sugarcane republics. We're already familiar with that kind of development. It won't integrate the Caribbean countries or unite them. Rather, it will splinter them, make them compete with one another and facilitate their manipulation. We can't agree with that concept at all.

In Puerto Rico -- which was, at one time, purported to be a model of this type of development -- over \$20 billion was invested, largely in all sorts of polluting industries, and now a very large number of people are unemployed, and almost half of the population is on food stamps in order to subsist.

Those Eastern Caribbean islands -- and many others regions, as well -- need large-scale international cooperation for their development. They can't even survive on their own resources. What is required is the kind of economic and social development that promotes the people's welfare -- not the profits and business interests of the transnationals, which would ultimately be served by the market facilities offered to them.

In short, they need integration and international cooperation;

their development can't be carried out solely on the basis of their own resources; and it should be carried out not as a transnational business but to promote their people's welfare and consolidate their independence and national identity. Foreign cooperation is, therefore, essential.

I believe that there are very few Third World countries -- particularly these and other small islands and countries in black Africa -- that don't need considerable international cooperation for their development.

JEFFREY ELLIOT: Mr. President, let us assume the worst possible scenario -- namely, that the debt crisis continues to deteriorate. What impact will a major deterioration have on democratic political institutions within Latin America?

FIDEL CASTRO: It would mean a crisis, no matter what they do. If there's a government like Pinochet's, it would imply the crisis of Pinochet's government; if there's a government like the one that's just been elected in Uruguay and there's no solution for this problem, it would mean a crisis for the democratic opening in that country; in Brazil and Argentina... It would mean a crisis for the administration in any of those countries. It isn't a selective virus -- not at all. It affects everybody: dictators, democrats, right-wingers, those in the center, left-wingers, everyone. And, of course, I wouldn't complain if this led to the rapid disappearance of Pinochet's regime. What really hurts is that it could also mean the rapid ruin, the rapid erosion, of all the governments that have emerged as a result of the democratic opening and, thus, the crisis of all those processes, if we aren't able to unite the forces inside and outside the country to wage and win the battle of the foreign debt.

I maintain that, in this case, I don't believe there will be new right-wing military coups. Rather, there will be social upheavals that will assume revolutionary characteristics with the possible participation of progressive, nationalist sectors of the military.

I maintain that the Armed Forces are in open retreat from government, precisely because of the crisis. Those countries have become unmanageable, and the military have left the government to the civilians. For the time being, they want nothing to do with the administration of the state, though this doesn't preclude the emergence of revolutionary movements within the military in some countries, as a result of the crisis. Whether it will be civilians or the military or a combination of the two that assumes the responsibility, someone will have to tackle this problem. Under these circumstances, anything can happen.

JEFFREY ELLIOT: Mr. President, are you concerned that the Western world could or would blockade the Third World economically if the affected Latin-American nations failed to repay their debts?

FIDEL CASTRO: Nothing the industrialized world does could be worse than what's happening right now. Moreover, it's a political impossibility in today's world. One or two countries can be blockaded; 100 countries can't. The entire Third World can't be blockaded, for that would mean that the industrialized world would be blockading itself. I've already discussed this at some length. What a few countries do will surely -- with very few exceptions -- be supported by the rest.

JEFFREY ELLIOT: Mr. President, you have proposed during this conversation a solution to the debt problem. Who and what do you see as the major stumbling blocks to the successful resolution of the problem and the adoption of the proposal which you have enunciated?

FIDEL CASTRO: I believe that, up to now, the United States and the other industrialized countries have tried to postpone the problem and tackle it through separate discussions

with each of the affected countries, making some concessions, such as the rescheduling of the debt, granting extensions for paying the capital and coming up with formulas of that sort that don't solve anything at all but only offer brief, spasmodic breathers that simply prolong the agony. The situation is being exacerbated economically and politically in all those countries, because any solution requires truly radical formulas -- not just for tackling the debt, which is only a part of the problem: one of its consequences and its most visible symptom, but not its cause. If the debt is cancelled tomorrow, a few years from now those countries will be either the same or worse off than they are now. In the case of some of them, it wouldn't even solve anything right away; their situation is so difficult that they wouldn't even get a breather if the debt were cancelled.

I have shown you that there are some problems that are worse than the debt: depressed prices, the flight of capital, excessive interest, the overvaluation of the dollar, protectionism and dumping, which deprive the Latin-American countries of twice the resources they remit for what could be considered normal interest on loans. If the problem of the debt is solved and these problems remain, they will have gotten nothing but a breather.

Therefore, the industrialized countries have no rational, effective formula with which to face the crisis at present. None.

I believe that the main difficulty lies in lack of understanding about the nature and seriousness of the problem. I'm not advocating social revolution in those countries; I'm not advocating the nationalization of foreign enterprises; I'm not advocating any of those steps. I am propounding formulas in the financial sphere, which, I feel, would benefit all of the underdeveloped and even the developed countries. I've already spoken to you about this. The cancellation of the debt, in the way I've outlined, would be an important step toward emerging from the current international economic crisis; it would even help the foreign companies with investment in those countries, the companies

that have trade relations with those countries, the companies that produce goods for those countries. And, in the creditor countries, the state wouldn't be hurt economically. To the contrary, they would raise their levels of employment and use of industrial capacity; their banks wouldn't have any losses; and their taxpayers wouldn't have to pay any more taxes.

If this is understood, if there is an awareness of this, I believe that the path toward a solution would be made much easier, by means of dialogue, through agreements between the industrialized and the Third World countries. And, as I was saying before, the only thing that would suffer would be the irrational arms race, the frantic madness of weapons and war -- and that, unfortunately, to only a very small extent. This would be a healthful measure, since we would begin to overcome the most shameful and dangerous disease of our times. If the New International Economic Order, which has been proclaimed and agreed upon by the United Nations, is implemented as an indispensable complement to the cancellation of the debt, that would really imply a greater reduction of military expenditures.

If this is understood, if it is clearly perceived -- I've spoken with dozens of people, even many Latin Americans lately, and I haven't met one of any ideology, of any political or apolitical belief, who wasn't absolutely convinced that this was correct.

If we don't succeed in this, what will happen? Instead of there being a negotiated agreement between the parties, the Third World countries will impose this agreement. Let there be no doubt about it. Essentially the situation is as follows: it is materially impossible to pay the debt and its interest; therefore, due to this very elementary and understandable reason, the debt cannot be paid. It would take rivers of blood to force the people to make the sacrifices this would imply -- for which they would receive nothing. No government would be strong enough to do this. This is worth analyzing, discussing and solving in common agreement between creditors and debtors. We should never forget, even for an instant, that the initiative has passed to the nations that are being

pressured to make this monstrous sacrifice.

If the debtor countries of the Third World are forced to decree a suspension of payments unilaterally, the industrialized countries will be left without any possible alternative for action. An economic blockade; an invasion of the Third World; a new repartitioning of the world, as in past centuries, in order to guarantee raw materials and markets or to collect the debt is simply impossible. Any rational person can understand this. They couldn't impose an economic blockade on any country or group of countries that declared a suspension of payments, because this would immediately lead to expressions of solidarity by all the other countries.

We are one big family, and times have changed a lot. Some madresses have already been left behind, and others -- such as several of the ones analyzed in the course of this interview -- are on the way out.

I remember that, when I was in the fourth or fifth grade, when I began to study world geography -- before I had any clear ideas about geography -- I must surely have thought the world was flat, as had been believed during the Middle Ages, before Columbus came along. Somebody must have taught me about these great discoveries before then, but, when I began studying world geography, I discovered many marvelous things: that the earth was really round; that there was a sun around which it orbited; and that there were other planets and millions of stars and even a moon, which orbited around our planet. Truly fabulous things. Later, I learned about the great rivers, oceans, seas, gulfs, lakes, mountains and other wonders of the world. All this was perfectly clear and understandable. Thus, I also began studying the political geography of the times. The maps of each continent were beautifully colored. All the English colonies in Africa, the Middle East, Asia and Oceania -- including India, Burma, New Zealand and Australia, of course -- were in red. I remember this perfectly, and it had nothing to do with communism. That map was almost all red, and now that map -- Canada

was also in red -- would look like a communist world.

The color for the French colonies was the next most extensive one. I think it was yellow: in the Caribbean, Africa, Asia, the Indian Ocean and the Pacific Ocean. Countries that are well known today, such as Algeria, Vietnam and Syria, were mere anonymous spots of yellow on those maps. Some of those yellow spots, sometimes lost in the blue immensity of the oceans, are still a headache for France today.

Several days ago, Mitterand had to drop everything and travel thousands of miles to see if a solution could be found for the problems of the small island of New Caledonia and its several political repercussions in France itself. Such a small island. Who would have said that when I was in the fifth grade? A large part of the map of Africa was in yellow, and it has nothing to do with China. (LAUGHTER)

There were many other colors: orange, brown, green, gray, etc. When you looked at the map of Europe, you saw countries as small as Portugal, Belgium, Holland and Denmark with large sections of world's map, in which they could fit many times. Mozambique covered a considerable portion of the map, painted in the color which indicated the Portuguese colonies; Angola, another considerable section; the same color filled a section of western Africa and was present on the tiny islands of Cape Verde, Sao Tome and Principe and even in India and Oceania. That small European country, where many people didn't even know how to read and write, owned large territories.

Then came the Dutch, with big territories in the East Indies. Belgium had the vast Congo; Denmark, the enormous space of Greenland, covered with ice and almost uninhabited, even if it were only a matter of prestige. Even Spain, as if in consolation for its decline from the times when the sun never set on its immense dominions, still had some territories in Equatorial Guinea and Western Sahara, whose people are our Spanish-speaking brothers in Africa. Those countries had carved up the world among themselves and were owners both of the land and of the

natives. Even Mussolini waxed enthusiastic over his dreams of reestablishing the old Roman Empire. Libya, Somalia and part of Ethiopia weren't enough for him. He invaded the only independent territory that was left in Africa, the remains of the ancient Kingdom of Ethiopia. A large part of China and all of Korea bore the colors of the empire of the Rising Sun. We students were taught this as if it were another natural phenomenon in the world, as natural as the mountains and the rivers. I never heard my teachers make even the slightest critical analysis of those maps, and I was supposedly receiving a good education, so I could know and understand the world.

Years later, I was able to understand that all this was an absurd madness, a great injustice and a terrible crime, that that irrational yearning for colonial possessions was the cause of many wars over the centuries and that it also led to systematic, continual repartitions. However, nothing seemed more natural, moral and fair to the civilized, Christian Western world, the world of the great thinkers and philosophers. The liberty, equality and fraternity which one day shook feudal society was only for Europeans and whites.

It was very difficult for that world to consider that the Indians, blacks and Asians had souls. Socialism was still a distant idea: nothing disturbed that idyllic world of nascent, voracious capitalism.

On the map, Latin America was depicted as a group of independent countries. Later, I was able to see what kind of independence the Latin-American countries really had, what kind Cuba, the Central American nations and the others had.

The colonized countries had no idea how weak the colonial powers were and what enormous, invincible potential power lay in their patriotism and national dignity. Feats as revealing as the ones wrought by the people of Vietnam and Algeria hadn't taken place yet, though it's only fair to note that, by the end of the past century, Cuba had already shown that a small country could stand up to one of the mightiest European military powers.

How much has the population of the Third World grown in the last eight decades? How much has our political know-how, our sense of national dignity and our awareness of our enormous potential power multiplied?

I wonder if the creditors really want to apportion these countries among themselves again, if they would really dare to try a show of force against the Third World, if they can even consider imposing an economic blockade against any country that may be obliged to declare a suspension of payments on the debt. In any such attempt, the industrialized capitalist world would find itself alone and isolated, reduced to a small group of countries from which some would be absent, as in the case of the one that rejects the Convention on the Law of Sea, that wants to disband UNESCO or that supports South Africa's apartheid. So, in point of fact, Professor Elliot, there isn't the slightest possibility that they could impose an economic blockade on, intervene in or redistribute these countries among themselves and return to the times when I was a fifth-grade student in elementary school, which really wasn't so long ago. (LAUGHTER) Nevertheless, many things have happened in the world since then.

JEFFREY ELLIOT: Mr. President, suppose you had unlimited authority and the unlimited support of the community of nations. If you could establish a new world economic order, upon what principles would it be based? Can you delineate its chief elements?

FIDEL CASTRO: Look, I think it's impossible for anyone, on his own, to define or even outline all the aspects of what should constitute the New International Economic Order, in which new situations are constantly cropping up.

These problems have been discussed at length in the United Nations; the corresponding documents have been accepted and adopted. At the initiative of Algeria, Mexico and other countries, it was almost unanimously defined and adopted in that organi-

zation, where all the nations of the world are represented, more than ten years ago. It simply hasn't been implemented. The industrialized Western countries haven't even wanted to have the issue raised again -- irrefutable proof of the hypocrisy and scorn with which they treat us. We must demand its implementation. This, precisely, is the problem. I am a convinced and determined defender of these ideas, in which many of the finest minds of the Third World invested thousands of working hours.

I believe that certain principles are fundamental: the starting point must be the fact that there is an immensely rich, economically, industrially, technologically and scientifically developed world and that, on the same planet, near it, there is another world that is just the opposite, where 70 percent of the world's population now lives and where, by the end of the century -- 15 years from now -- 80 percent will live, because the population of those countries is growing by from 2 to 3 percent a year.

The countries that make up the Third World were colonies of the European powers in the not too distant past; the people of the United States recall that their country was once an English colony. The present industrialized countries -- the former colonial powers and their more privileged colonies, such as the United States (where the African slave trade and slavery continued for almost a century after its independence) -- now constitute the main nuclei of industrial development in the Western world and are historically responsible for underdevelopment because, for centuries, they benefited from plundering those countries.

Let me tell you something: it was the gold and silver that was extracted from the mines of Latin America that really financed much of Europe's development. That is a fact which is recognized by historians and economists. The present financial system didn't exist at that time; the gold and silver came from here. The resources contributed by the colonies -- which also included Africa and Asia -- financed a large part of the economic development of Europe and the world capitalist system. The former

colonial powers have a responsibility for underdevelopment and, therefore, have a duty and a moral obligation to the peoples whose wealth they siphoned off for centuries.

I don't think it's only the former colonial powers that have this obligation; I believe that all of the countries that, in one way or another, have achieved the privilege of development have the elementary duty of expressing solidarity with this immense area of poverty and underdevelopment. This is a human and moral principle. While once it was fraternity among men that was proclaimed and inscribed in the great mottoes of the French Revolution -- and even the American Revolution -- now it is fraternity among peoples that has to be considered. In fact, I believe that this principle should be an essential part of the concept of the New International Economic Order. It isn't just a matter of redress for a historic injustice for which we may or may not be responsible; rather, it is moral imperative vis-à-vis the human race -- even if we aren't to blame for the present tragedy. If these principles are taken as the starting point -- principles that involve the idea of justice and solidarity among people as they exist to a greater or lesser extent within each nation -- then international cooperation should be one of the basic principles of that new order.

Aside from that, there are injustices, inequalities, inconsistencies and selfish attitudes that must cease. If the industrialized capitalist countries really can't come up with a solution for their difficulties -- sometimes because of the system's intrinsic irrationality, anarchy and contradictions, since technology, resources, expertise, production capacity and culture aren't factors that limit the satisfaction of their material and social needs -- I can find no justification for the protectionist policies that stunt the economies of the Third World countries, where billions of people live in subhuman conditions. If there is unemployment in the developed countries, it is entirely due to pure irrationality, because, if full employment existed -- that is, if all human resources available were used -- working men and women

could have a shorter workweek. (Rest is also one of mankind's most prized possessions.) Dumping is an even more reprehensible practice, because it constitutes unfair competition based on financial and technological superiority over countries with weaker economies that are desperately in need of means of subsistence.

Unequal terms of trade, the deadly process through which the commodities of the vast majority of the Third World countries bring ever lower prices while the products they import from the industrialized countries become ever more expensive -- a continual, progressive historic trend -- is one of the most diabolical expressions of the present system of economic relations imposed on the world, and you can't call it anything but systematic robbery of our peoples' resources and the fruit of their labor.

When the Third World countries produce something -- coffee, cacao, precious wood, tea, spices, aluminum, copper, iron, manganese, chrome, medicinal plants, peanuts, sesame seeds, cashew nuts, coconuts, kenaf, sisal or rubber -- that the industrialized countries can't produce at all or can produce only in limited quantities, those Third World products are frequently obtained without any mechanization, with very low productivity, grain by grain, leaf by leaf, in 12- or 14-hour workdays, with the labor of men, women, children, adolescents and old people. For example, sugar is, with few exceptions, cut and loaded by hand and transported by ox cart; in general, all the work is done in temperatures of 30°C. or more, in humid climates, with seasonal work and starvation wages that don't amount to more than \$60 or \$80 a month, generally without medical care, with large families living in thatched-roof huts with dirt floors, going barefooted most of the time and poorly dressed all the time, with no unemployment compensation and beggarly pensions. Life expectancy is frequently less than 40 years, and there is premature aging, no education, no recreation, no comfort, no hope. Yet, in order to keep producing and just stay alive, those countries have to import high-technology industrially processed

products -- even in the case of medical equipment and medicine -- that involve high company profits and salaries of \$1000 and even \$1500 a month. With the prices they charge us, we pay for the companies' profits, high salaries, taxes, unemployment compensation, old-age pensions, social benefits and advertising -- even part of their military expenditures.

We often have to pay 10, 15 or 20 times as much for our own raw materials that have been processed as we were paid for them. What do we get for our products? Very low wages, no social security or unemployment compensation, no medical care, no education, no culture, no recreation, no hope of progress, premature aging and early death. And things are getting steadily worse: the same amount of coffee, sugar, tea, copper, iron or bauxite with which we used to buy a piece of medical equipment, medicine, an irrigation pump, a bulldozer, a crane, a truck, a tractor or a simple work tool 35 years ago now buys only a third as much. Every day there is more work; every day there are more sacrifices; every day there is more hunger for more people; every day there is more poverty. The New International Economic Order, that was adopted by the United Nations, was designed to solve or at least mitigate these problems.

We have done this; we have obtained fair and stable prices for our exports, which are indexed to the prices of the products we import. We have obtained the New Economic Order in our relations with the rest of the socialist camp, and this, fortunately, has resulted in our industrial, agricultural and especially social development. An average educational level of the ninth grade, a rate of only 15 children out of every 1000 born alive who die before they are one year old, life expectancy of 73.5 years and the fact that 85 percent of all Cuban homes have electricity are some of these results. That couldn't have been achieved without such terms of trade -- not even with a fair social regime and an equitable distribution of social wealth.

I've presented some ideas about the new world economic order. Important concepts were also expressed regarding the

transfer of technology, contributions of financial resources and other aspects.

It's not so much a question of transferring resources to the Third World -- may countries couldn't do without them, no matter what the circumstances. It's rather a matter of immediately ending the huge transfer of resources which, for instance, takes place every year from Latin America to the industrialized world -- amounting, as I told you, to more than \$70 billion, no less than \$50 billion of which is in cash, under various headings: interest on the debt, the flight of capital, interest spread and the over-valuation of the dollar. When the Charter of the Economic Rights and Duties of States was discussed in the United Nations ten years ago, this couldn't even be imagined in its full dimensions. As an immediate measure, the cancellation of the foreign debt is indispensable. The United Nations already envisaged this at that time for the group of countries with greater difficulties. Now very few countries -- if any -- don't have great difficulties. Now, they are divided into those with great difficulties and those with terrible difficulties. Therefore, the cancellation of the debt and its interest has to become widespread.

The industrialized world will lose nothing with the New Economic Order that was adopted by the United Nations.

At times a European Economic Community country wants to solve the difficulties of a small farming sector of its population -- which are not, in fact, problems related to hunger -- and resorts to the off-used recourse of subsidies, not only to supply the domestic market but also to export considerable amounts of products (such as sugar, meat and other foodstuffs) that compete with many Third World countries' vital exports and that can also be produced in temperate climates (such as beet sugar or corn syrup).

It doesn't bother them at all to take away markets and depress the prices of basic exports from which hundreds of millions of people in the underdeveloped countries live. They don't even have a guilty conscience; they don't come up with

other ideas. They aren't the least bothered about raising the cost of those products for their own domestic consumers or about violating all the principles of the free market and free domestic and international competition, which are the postulates of the philosophy for which they even fought bloody wars. Giving up the brutal neocolonialist practices applied to the Third World would not affect the industrialized countries at all; rather, it could promote healthier, more stable and sustained development of the entire world economy.

For centuries, many believed that the end of colonialism would ruin Europe. On the contrary, history has proved that Europe never developed so much before or achieved higher living standards than when the colonial system collapsed. In Asia, too, the catastrophic collapse of the empire of the Rising Sun -- which sought to guarantee raw materials, rubber, oil and other resources by force -- marked the era of Japan's greatest development, prosperity and well-being.

When, instead of exploiting others, nations have been forced to live off their own work and ingenuity, they have achieved unsuspected wealth. Spain had one of the greatest colonial empires. All of Spanish America contributed fabulous sums of gold, silver and other wealth to Spain for 300 years. Did Spain develop? All that money wound up in England, France, Holland and other countries. In the era of industrialization, Spain remained the most underdeveloped country in Europe until the beginning of this century. Did the colonies help in the development of Spain? They helped in the development of Europe, but Spain did not develop. The industrial development of Spain began towards the end of the last century, when it was left without colonies and even lost Cuba, which was the last colonial gold cup.

Another example is a recent development that began in 1974. During the sudden spectacular rise in oil prices, which went from \$2.50 to \$30, many felt that the economy of the industrialized countries could not withstand those prices; actually, the ones that didn't withstand them were precisely the non-oil-producing

countries of the Third World, for which a new form of unequal exchange emerged. If, in the past, 24 years ago, they needed, say, one ton of sugar to buy four tons of oil, they now need two and a half tons of sugar to purchase one ton of oil. The same thing happens with coffee, with cacao, with sisal, with fibers, with fruits, with minerals, with everything the Third World countries produce. In the case of Tanzania -- to give one specific example -- a country that lives off many of these products and even exports meat produced from nomad herds, all its exports are not enough to pay for its modest oil consumption, which is less than a million tons a year for a population of 18 million.

But, what happened with the industrialized countries? Nothing. They adapted; they developed programs to conserve the energy they were squandering without limits; they designed more efficient motors; they used coal once again. They developed nuclear programs, such as in France and other countries; they started to exploit old pits which had ceased to be profitable. As a result of those hikes in the price of energy, they spent over a trillion dollars in years, while adapting to the new situation. Where did that money go? To US and European banks. It returned to the industrialized capitalist countries. They handled it, lent it, increased exports to oil-exporting countries, made deals worth millions and also sold unprecedented amounts of weapons. The Shah of Iran was multiplying his purchases of weapons from the United States; the United States sold Saudi Arabia and Iran tens of billions of dollars' worth of planes, radar equipment and weapons of all sorts -- which was really sad -- and it made tremendous deals. How was the economy of the industrialized world harmed? The price of oil hurt the weak economies of the non-oil-producing Third World countries. What economic impact could cancellation of the debt and the New International Economic Order have for the United States and the other industrialized countries? Actually, I think it would be much fairer and could increase trade in agricultural equipment, medical equipment, machinery and many other industrial and agricultural

items extraordinarily. If those countries get fairer prices for their basic exports, the Western industrialized countries would also benefit; this would generate employment and industrial development throughout the whole world. I believe that all of that is possible and that we only have to give up one thing: the madness of war and of the ongoing colossal arms race. This is obvious, simple, basic.

Now, then, if we want to be madmen, if we want to continue the arms race and keep this unfair economic order, we will continue along the path leading to large-scale famines, great social conflicts and -- what is even worse and very probable -- a large nuclear conflict, until all people, both sane and insane, are wiped off the face of the earth. By the way, it may also be said that not all madmen are in government, and not all who govern are mad.

JEFFREY ELLIOT: I have two final questions on this topic. First, do you discern sharp differences in the United States' approach to economic problems in Western Europe and the approach of the United States in Latin America? If so, what accounts for these two varying approaches?

FIDEL CASTRO: Yes, unquestionably, they are different approaches.

The United States' relations with Western Europe and Japan are relations between industrialized and developed countries, involving some competition, some integration and some cooperation -- not unequal trade. The following is proof of this: the transnationals have investments valued at \$625 billion, only \$150 billion of which is in the Third World; of the \$150 billion, 53 percent -- that is, some \$80 billion -- is invested in the Latin-American and Caribbean area, which means that over 75 percent of the transnationals' investments are in the industrialized world. There are European companies in the United States and US companies in Europe. The same holds true with

regard to Japan and other industrialized countries. This phenomenon of unequal trade doesn't occur among them, even though the United States' economy prevails among the Western economies, and it is the one that sets the standards and makes the rules. There are difficulties among these nations, contradictions they are constantly discussing: between the United States and Japan, between the United States and Europe, between Europe and Japan. But, even so, they get along just fine, and sometimes they have so many resources, so much productivity, that they can permit themselves the luxury of working fewer hours and have a per capita income that is incomparably higher than that of the Third World. If the system were at all rational, still fewer hours could be worked and unemployment could be eliminated; but, naturally, the system itself demands a reserve army of the unemployed. There is a growing difference between the per capita income of the industrialized countries and the per capita income of the developing countries.

In contrast, the United States' relations with Latin America are uneven and unfair, like the relations between other industrialized countries and Third World countries. I've already gone into this at some length and explained how the Latin-American countries were transferring huge amounts of resources to the industrialized countries every year.

That is, the main difference is that there are two types of relations: the ones existing among the industrialized countries themselves – relations of cooperation, integration and trade on more or less equitable grounds – and their relations with Latin America, which are unfair and are based on ruthless exploitation. That is the essential difference.

JEFFREY ELLIOT: My final question on this topic: You have proposed, during the course of this session, a concrete way in which to resolve the problem of the debt and shared your approach with the nations of Latin America. How have these nations responded to this approach? Do you expect that they

would rally around the proposals which you have articulated today?

FIDEL CASTRO: I've been talking about this problem for quite some time now -- at the United Nations in October 1979, for example. The speech I delivered there is around here somewhere. In it, I referred to the cancellation of the debts of the least developed countries and greater payment facilities for the other, more developed Third World countries. I also referred to the need for additional financial resources amounting to \$300 billion for development assistance in the 1980-90 decade, if the programs that the United Nations has proposed so often for that part of the world were to be implemented. Many of these problems -- those of unequal trade, the protectionist measures and other issues -- were defined in 1979, when, even though it was already in the offing, the great crisis of the '80s hadn't yet occurred. The present situation is very different from that one.

I set forth those same problems in New Delhi in 1983, at the Summit Conference of the Movement of Non-Aligned Countries, and in other international meetings, but -- I repeat -- there was a difference, based on two elements: first, the crisis hadn't reached its most critical point, and, second, we were drawing up, arguing over, reasoning out and requesting timely and appropriate measures. This is necessary. The United Nations' goals haven't been met. The gap between the industrialized countries and the Third World countries is widening; cooperation is needed. Resources are needed for development. I referred to all this at some length. That statement may have been very fair, but its importance was relative, because -- I repeat -- the crisis hadn't reached an extreme. We should analyze what has happened between 1979, when I said this, and the present situation, in 1985. The data on what happened in each Latin-American country are available.

Then, the decision was in the hands of the industrialized

countries. They could afford to turn a deaf ear to the problem. The situation now is totally different; the crisis has reached an extreme, and the decision isn't in the hands of the industrialized countries. It is in the hands of the Latin-American and Third World countries. Now, the industrialized nations will have to accept what these countries decide: whether or not they want to continue remitting fabulous sums of money for debt servicing.

With respect to the Latin-American countries' response, I can only tell you that these statements have awakened great interest in all nations and in all social sectors. What will the answer be? If I hadn't said a word about this -- words now have a relative value, since the time has come for all to make great decisions -- they would have to find a solution. They were going to reach the same conclusions, one way or another. I don't have any doubt whatsoever, in seeking a solution, they will follow a path similar to the one I am proposing, because there is no alternative. Nobody has to be persuaded. I am merely saying what is happening, why it is happening and what will happen and proposing solutions.

In this case, the ideas, the analyses and the meditations I have put forth are the product of reality. They aren't the fruit of the imagination or fantasy. Many people in Latin America have been thinking about this and have reached the same conclusion on their own.

I have felt freer to speak about this topic. I have been referring to this since 1979 -- for six years now -- and I've been developing these ideas all of that time. I can present them. Our economy has more solid foundations for development; it doesn't depend at all on the United States, that has blockaded us for 25 years. It is less dependent on the Western world's economy, and we are less vulnerable to economic pressures and retaliation than the other Latin-American countries, that are constantly rescheduling their debts and facing quite serious hardships. Their situation isn't the same as ours when expressing these points of view, but I'm convinced that many public figures, many Latin-American

and Third World politicians, have already reached these conclusions on their own, even though they may not have been in a position to state them as I am doing.

If you read the international wire service reports, for instance, you'll see that, in Africa, Nyerere has been speaking out strongly about debt-related problems and Africa's tragic economic situation. He hasn't done this in exactly the same terms, but he is, in essence, reflecting the same concern and the urgent need to seek solutions. That is, we are faced with events and situations in which the countries have no alternative but to find a way out, and any way out that they find will, at least, be in the same direction that I'm proposing -- maybe not exactly the same thing, but in the same direction. The debt simply cannot be paid. "Give me liberty or give me death." The choice for those governing Latin America is now between the cancellation of the debt and political death.

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Julio de 1985,

"Año del Tercer Congreso"

TÜRKİYE SOSYAL TARİH ARAŞTIRMA VAKFI
TÜSTAV

FIDEL CASTRO

TO PAY TRIBUTE TO THE EMPIRE OR TO PAY TRIBUTE TO THE HOMELAND

DIALOGUE WITH THE DELEGATES
TO THE TRADE UNION CONFERENCE OF
LATIN-AMERICAN AND CARIBBEAN WORKERS
ON THE FOREIGN DEBT,
HELD DURING THE CLOSING SESSION OF THE MEETING,
THURSDAY, JULY 18, 1985

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DIALOGUE BETWEEN COMMANDER IN CHIEF FIDEL CASTRO RUZ, FIRST SECRETARY OF THE CENTRAL COMMITTEE OF THE COMMUNIST PARTY OF CUBA AND PRESIDENT OF THE COUNCIL OF STATE AND OF THE COUNCIL OF MINISTERS, AND DELEGATES TO THE TRADE UNION CONFERENCE OF LATIN-AMERICAN AND CARIBBEAN WORKERS ON THE FOREIGN DEBT DURING THE CLOSING SESSION OF THE MEETING, THURSDAY, JULY 18, 1985, YEAR OF THE 3RD CONGRESS.

FIDEL CASTRO RUZ: Comrades, I can do one of two things: either go to the rostrum and make a speech or stay here and have a dialogue with you. There, I might talk about the things which I consider are the most important and clarify those points that I think need to be cleared up -- and it would be a matter of luck, if I guess right on each of the things that may concern you or in which you may have the greatest interest. Therefore, I would prefer to have a dialogue, since I have noted in my contacts with diverse delegates that you have questions or interest in learning something more or in getting additional points of view on some topic, so we could break with tradition. You have listened to a lot of speeches during the past few days -- some of them, certainly, very good ones -- and I have made a lot of speeches about these matters this year. Therefore, I would be glad if you agree to have a dialogue. (APPLAUSE) In that case, we would have to ask Comrade Veiga to preside over this dialogue and to give the floor to those who ask for it, with the agreement that it will be possible to do this in an orderly way and with a time limit. It's not that I impose this, but, as the hours go by, you get tired, I get tired -- we all get tired. We could set a limit of two hours and, if you hold up under this, one hour more. I think that we might set a limit of around 15 or 20 questions. If you agree, let's start immediately. (APPLAUSE)

ROBERTO VEIGA (Chairman): Comrade Angelino Garzón, General Secretary of the Colombian Workers' Trade Union Confederation (CSTC), has the floor.

Comrade Danzós Palomino wants to make a suggestion.

RAMON DANZOS PALOMINO (Mexico): Why don't we combine the two ideas that Fidel has suggested: that of learning from the rostrum some of his opinions about the assembly and combining this with a series of questions?

I think that it's important to learn what Fidel's point of view about the assembly is and then have questions.

FIDEL CASTRO RUZ: I could say some final words from here -- there's no need to go to the rostrum -- and it could be in the reverse order: I'll answer the questions first and then say some brief final words about the things that haven't been included in my replies. (APPLAUSE)

CHAIRMAN: Comrade Garzón.

ANGELINO GARZON (Colombian Workers' Trade Union Confederation [CSTC], Colombia): Taking the opportunity provided by Comrade Comandante Fidel Castro's presence here in this conference, I would like to ask him what his impressions are and what he thinks about this conference -- its character, the discussions and deliberations and also its conclusions and the prospects for this work.

FIDEL CASTRO RUZ: It's hard to say something that hasn't already been said about these impressions in the course of the remarks or in this report, but, if you want me to give some very personal views, things that I've reflected on during the course of the conference, I'd say, first of all, that, prevailing over the different political criteria there may have been, as Veiga said, or different positions -- he even spoke of religious criteria, which I don't think were mentioned in the meeting -- the differences that could be political or of position, of approach, ideologies, all that, I observed here in all the remarks that the fact that you are all workers, farmers, people who are very closely tied to the base and who understand the problems and the sufferings of the men and women of the people -- above all, of your comrades at work -- prevailed over your differences. This is a really interesting phenomenon, for a great community of feelings and ideas could be seen,

and I'd say that the things in common prevailed, so the differences were barely perceived or not perceived at all.

The high intellectual level of the delegates, your ability to understand problems in depth and to go straight to the heart of the matter, struck me, even though some remarks had to be cut short with that wooden hammer -- I don't know what you call it -- or an alarm clock, because time was up. I've taken part in many meetings of all kinds -- meetings of Heads of State in the Non-Aligned Movement, in the United Nations, in many places -- and I could see how prepared the people who met here, the many who spoke, were.

At one time when the rules and regulations began to be applied with greater rigor, I was amazed to see how the speakers adapted to this relatively quickly and made interesting, brilliant remarks in a short time: ten minutes or even less. I think that everything that was said at that rostrum was interesting, and I can't remember any other meeting or assembly in which such high quality has been shown in the statements.

In addition, I've noted firm, solid criteria, expressed with great conviction, energy and character. I don't want to make comparisons with the other sectors of society -- the women gave a great demonstration of their ability just recently, a demonstration similar to this one, which I greatly admired -- but I could say that I have never taken part in a more interesting meeting or in one of higher quality in terms of the delegates' participation and remarks.

I would also say that, as a rule, the remarks were good. They had content and conveyed valuable ideas, and some were really brilliant.

Concerning the document, in view of the tremendous breadth of the meeting and the diversity of trends and ideologies represented here, this document is an amazing achievement; the fact that it was possible to draw up a document such as this one seems miraculous, but it isn't a miracle;

it is the product, the fruit, of the sense of responsibility, seriousness and commitment of you who are here. I think that all of you share this opinion, for you demonstrated this with the emotion and enthusiasm with which you approved it unanimously in the end.

Between the earlier discussion or between today's midday session and this one, the report was improved. We know it isn't perfect; we don't think we've made a perfect document; but, in view of the conditions, the circumstances, the all-encompassing nature of this meeting and the diversity of trends, I think that it has been a considerable success. I think that the ideas that arose are going to have an impact not only on Latin America but also on international public opinion, on the industrialized world and on Africa, Asia -- all over. I'm convinced of this. It isn't a manifesto or a proclamation; it is simply a report that reflects what was discussed here and the thoughts that were set forth.

I think that the spirit in which the Conference was called has been observed, in the sense that efforts were made to avoid any step or measure that might make it appear that we had formed an organization or that any of the existing organizations were ignored. This document simply reflects the spirit and the ideas that prevailed in the conference, and, even though it is simply a report, I think that it is going to be one of the reports with the greatest repercussions ever in our region.

I've been thinking about these problems for many days or months -- a long time; I could even say many years -- and I've never seen anything so clear and, in my opinion, so effective as the contents of this report. Abiding strictly by the spirit of the call, you have managed to come up with a document that, in my opinion, is going to have many reverberations.

I said -- or I wanted to say but didn't say it -- that, in this long process in which I have been concerned with these questions, nothing has moved me more than the reading of

this report -- both the version that we saw at midday and the improved one that was drawn up as a result of the discussion and which was read so well from the rostrum. I think that I caught all of your emotion. Even though we have been meeting here for several days and already feel more at home, speaking for myself, Comrade from Colombia, I felt very moved this evening, because I realize that we have taken a great step forward.

It is difficult now to speak about future projections and consequences; I think that this is going to have a great impact, be a great force and dynamize this united movement and this struggle.

I think that this Conference is going to have great repercussions and abundant fruit, but we shouldn't forget that it isn't the only one. Support has already been expressed here for the next conference, which is to be held in Bolivia, and for the one that will be held in the Southern Cone.

I also think that October 23, the day of protest or struggle -- how did you put it? -- "a day of regional action on October 23 against the foreign debt and its catastrophic effects," could become a day of regional action not only by the urban and rural workers but also by the student organizations, the women's organizations, the professionals' organizations and many political organizations. It wouldn't be surprising if many political organizations supported this action. The effect of this agreement would be multiplied if, in practice, it were turned into a day of regional action by the mass and political organizations.

A very large meeting is going to be held here in Havana a few days from now. That meeting will be even more all-encompassing than this one, because this was a broad meeting of trade unions and workers, but the next one will be a meeting in which parties of many different ideologies and different social sectors will be represented. The participants in the meeting that will begin on the 30th will include

representatives of leftist, center and some conservative parties; scientists; intellectuals – they tell me that this is being broadcast over radio to the entire hemisphere; I'm here talking, not knowing whether this is or isn't a direct transmission; I'm not going to change anything I say simply because I'm on the air (APPLAUSE) – economists; religious sectors; students; women – a part of the group of Latin-American women who are waging a great battle in Nairobi now will also participate in that conference or in that regional dialogue that will begin on July 30 – and, of course, a large and prestigious group of trade union delegates. Many political figures will also be here. That is, it will be a big meeting. Some national businessmen and even some bankers have been invited to give their opinions and also to take part in the dialogue. The transnational banks, the transnational corporations and imperialism will not be represented, but it will be a very broad conference.

I've jumped the gun a little in explaining this, because it's also related to some points of view on the strategy and tactics that we should follow in the struggle. It's impossible to say now how the meeting will develop. I've seen the women's meeting, the Latin-American journalists' meeting and this workers' and farmers' meeting, but I can't predict what will happen in the next one. It will be an all-encompassing meeting with absolute democracy, absolute freedom for the participants to express their views and absolute respect for the opinions of all, no matter what those opinions may be. We'll have to see how that great assembly develops in which that dialogue will be held.

I think that none of us has ever seen anything similar to it, because the broadest meetings that we've seen have been those of the Non-Aligned, the meetings of the Heads of State -- which are also very heterogeneous, due to the nature of the nearly 100 countries that belong to the Movement. The 6th Summit Conference of the Movement of Non-Aligned

Countries was held right here, in this hall. It lasted nearly a week and may have been the meeting most similar to this one, but I hope that this meeting will be better than a Non-Aligned Summit Conference.

The cables spoke of a summit conference, and I immediately said that this wouldn't be a summit conference. Rather, it will be a high-level meeting of outstanding figures, political leaders, trade union leaders, etc. That is what it will be. At no time did we even think of calling a meeting of Latin-American and Caribbean Heads of State. Cuba doesn't even belong to the OAS; to its honor, it was expelled from that organization. Cuba doesn't even have relations with many countries, because it was made the victim of isolation, the blockade and the breaking of relations that imperialism insisted on. It would never have occurred to us to call a summit meeting of Heads of State of the region; it would have been presumptuous for Cuba to do so. For us, the summit, the excellence, lies not in the political hierarchy of the participants but rather in their moral quality, their human quality and their honesty, plus the fact that they represent the people. (APPLAUSE)

I think that we'll be able to see repercussions of this conference on the 30th, comrades, and I'm absolutely convinced that those repercussions will be big ones. This conviction isn't based on a dream or strange occurrences; rather, I have been observing this movement, this process, for some years, and I've seen the storm coming and forming; now, the storm is about to break, for the crisis has matured.

I don't want to talk about this at greater length, but, taking your question as a starting point, I have tried to give you a reply and also set forth some other ideas.

CHAIRMAN: The comrade from Mexico.

PABLO SANDOVAL RAMIREZ (Sole National Trade Union of University Workers [SUNTU], of Mexico): I think

that Comandante Fidel Castro's opinion is very interesting, and, in the course of the morning session, I heard some other very interesting opinions, as well. I agree with his opinion, for example, about the date for the regional action. I think that, really, it is necessary to launch a very broad campaign in order to clear the cobwebs away from the celebration of a date of this kind. I think that he rightly referred to the things that imperialism does to keep on justifying the exploitation of our people.

However, it is necessary to clarify and state precisely that, in making this proposal, we were motivated by what Fidel Castro said. Our comrade from the National Trade Union of Education Workers (SNTE) said that this date would be appropriate for initiating this campaign of struggle against colonialism. I think this is what motivated the group of comrades who proposed this date for the regional action.

I think that there's a coincidence with Comrade Fidel Castro's concern; I think that we should clarify this and carry out this campaign.

Moreover, I would also like to propose that the coincidence--

CHAIRMAN: Comrade, I think that this exchange is one of questions, not statements. (APPLAUSE) In order to gain time and make the exchange more fruitful, I ask the comrades to go directly to the questions that interest them. Excuse me, comrade, but I think that this is the feeling of all those present; therefore, please ask your question directly and concretely.

PABLO SANDOVAL RAMIREZ: Please excuse me, comrade. I based myself on Comrade Fidel Castro's comment about establishing a dialogue that also implies expressing opinions. I wanted to refer to these opinions of mine and to clarify some matters that may not have been clear about my position, but I won't say any more than this.

FIDEL CASTRO RUZ: He didn't ask a question, but I understand that he was referring to the date of October 12, which some of you proposed as the day for the regional action against the debt. Is that right?

PABLO SANDOVAL RAMIREZ: Yes, exactly.

FIDEL CASTRO RUZ: I was talking with you for a while on this point. All of you are responsible for opening a third front today. I was meditating about this this afternoon. We already have one big - very big - front, which is the one we've discussed here. Then there's a second front, which was opened concerning the Seoul Olympic Games; another front. I don't know if a pamphlet on this was distributed to you or not. Anyway, that's two fronts. And the third front was opened today, concerning October 12. I had a series of ideas and opinions about that; I could say that I've been muttering about this for some time now. I haven't said anything publicly, but I've been ruminating on this problem for some time, you might say, chewing it over, and I simply can't swallow this idea (LAUGHTER) of defending October 12. I have my opinions about this, because I feel like an Indian. I am an Indian; I belong to this new mass of Indians who inhabit our region. I feel aboriginal, as all of you who live proudly in these lands do, feeling a part of them, no matter where our ancestors came from: some from one place and others from another. They say that those who were here before Columbus arrived came from Siberia or China or I-don't-know-where and crossed over the Bering Strait. They weren't from here, either, but I think they came peacefully. They had their wars among themselves, but they were wars between more or less even sides, until we were discovered. I say "we were discovered" because I feel like an Indian; I am an Indian; I feel that I am a part of the new Indians. There are those who have pretensions of being much

more powerful Conquistadores now, with a lot of technology and more sophisticated and destructive weapons than the Conquistadores who conquered our lands and subjugated our peoples had then.

I think, as I said this morning, that the choice of that date would have been unfortunate or unlucky; it clashes with all the values that we most cherish.

The Indians here on this island were the most peaceful inhabitants of this region. The Aztecs, the Incas, the Araucanians and others were more warlike and better organized, but the Indians of Cuba were the most peaceful people who have ever lived in the world. Naturally, they didn't have any planes, locomotives, radios, television sets, tractors, buses, harquebuses, crossbows, swords or even sailboats. I've always thought how lucky the Conquistadores were because, by mistake, they landed here. Don't forget: Columbus was trying to get to the Indies; nobody knew that a whole continent was in the way, right across their path - and it was lucky for him and for Cortes, Pizarro and all the other Conquistadores that it was.

I've read some books about the Orient, or what was called the Indies at that time, with a great deal of interest. They include the complete history of Marco Polo, in detail -- 800 pages. The Orient had armies of well-trained warriors, with hundreds of thousands of fearsome cavalymen. If the Conquistadores had, by chance, arrived in China at that time, they wouldn't have lasted more than 15 minutes - 15 minutes at most. They were able to conquer this hemisphere because they brought a few dozen horses, and the Indians believed that each horse and rider was a single being, one animal that had a strange shape. Then, when they killed the horse and the man kept on coming, it was demoralizing. Moreover, the Conquistadores had a few little cannon, which were demoralizing, too. But, in China, they'd invented gunpowder, and they had armies of hundreds of thousands of cavalymen.

When I was in school and studied history, I was taught about the Spaniards' "prowess," and I've read books about the conquests. I've come to the conclusion that it was their mistake that saved them. I would have liked to have seen Diego Velázquez, who conquered Cuba by killing the Indians here, landing in China; or Pizarro and Hernando Cortes, those "glorious" warriors -- we were taught that they were glorious warriors. I know what they did. They came here with swords; they had the cross bless the conquest -- I have a lot more respect for the cross than for the sword -- and they wiped out the population. There was practically nobody left here in Cuba. There were 6 million Indians in Mexico, but, within a few years, there were just 2 million left. They didn't wipe all of them out with their swords, their diseases and their atrocious methods of slavery simply because they couldn't. They conquered enormous areas, raped, did everything you can imagine, grabbed all the wealth and enslaved our peoples. I think that this part of history should be criticized and that those in the cradle of the Conquistadores, who are almost proud of their ancestors' feats, should make the criticism and self-criticism of the conquest, of colonialism and of the Conquistadores. The day they engage in self-criticism, we will be able to thank them for some cultural things they left us. But I think that there can be no defense of the discovery and conquest without criticism and self-criticism for the unjust, atrocious and brutal things that happened. This is what I think. I'm thoroughly convinced about all this, but I didn't want to start making a fuss about it in the middle of the struggle against the debt.

Tomorrow, the cables are going to say more about the problem of the conquest than about the conference, but I'm not afraid. We have three fronts, and we'll keep on struggling on three fronts, that's all. (APPLAUSE)

CHAIRMAN: The comrade from Argentina.

ALBERTO HERNANDEZ (Municipalities Trade Union [SM], Córdoba, Argentina): Comrade Fidel Castro, throughout their history, the Latin-American countries have experienced successive changes, stages in which democratic governments alternated with dictatorial ones. Now, we have three brand new democracies in Uruguay, Brazil and Argentina. Specifically, my question is: What possibilities do you see for the consolidation of these democracies, comrade, and how may they develop in the future?

FIDEL CASTRO RUZ: Relating all this to the foreign debt?

ALBERTO HERNANDEZ: It's all related.

FIDEL CASTRO RUZ: Let me tell you how the world reacted to the democratic openings in Argentina, Uruguay and Brazil, each of which was achieved in a different way but all of which were, unquestionably, democratic openings.

Everybody was overjoyed by these events, because the horrors that occurred in those three countries -- especially in Argentina, where the repression reached levels that were unprecedented in this hemisphere -- had been publicized.

Historically, there was talk of Rosas, in Argentina; of Juan Vicente Gómez, in Venezuela; of Porfirio Díaz, in Mexico; and of many other tyrants and satraps. Martí spoke a lot about the dictators of the last century. More recently, we had Trujillo, Somoza and Carías, without counting the latest ones in Guatemala, El Salvador and other countries. In short, most of the Latin-American countries have been governed by bloody dictatorships for a long time.

We had them, too -- more than one. But, if we compare them with the ones you had, we can say that the dictators trained and prepared by the CIA, which taught them the art of torturing, killing and making human beings disappear,

were Olympic champions. It must be said that the torturers here in Cuba were a bunch of amateurs compared with the ones that appeared in Chile, Argentina, Uruguay and other countries. Just recently, I was talking with a Uruguayan comrade whom they'd kept hooded for a year, I think it was. It's a wonder how people stand up under those methods of torture, which might be called scientific.

The torturers here in the time of Machado and Batista were backward, crude, amateurs. They weren't scientific torturers. They beat people up, and tortured them to death, but the methods that appeared in Latin America after the triumph of the Cuban Revolution and after the Vietnam War – in which imperialism developed its scientific studies in the art of repressing, torturing and killing people – were unknown here.

The phenomenon of taking people away and making them disappear is one of the cruelest things that can be conceived of. I have seen families five years later, still hoping that their relatives were alive. There's no way to persuade them otherwise. I've known Guatemalan, Chilean and Argentine families – families from many places. Perhaps the most difficult thing there is is to persuade somebody to give up hope. The children, wives, parents, brothers and sisters of the victims have kept hoping for a year, two years, five years and ten. There is nothing more horrible than the method of making people disappear, and the tyrannies that the United States has imposed in Latin America have used this method massively.

Who are the ones who suffer the most? Perhaps that citizen, that human being, whom they took away, tortured for a month and killed, but the members of his family will go on being tortured all their lives. He may have been a revolutionary who was consciously running a risk, but what about his family, which was victimized by this atrocious procedure? This is ten times as brutal as the news of the death of a loved one.

From whom did they learn those methods? Who taught them to them? It was the CIA and imperialism that taught them all those scientific methods of torture for repressing our peoples and have applied them exhaustively.

The whole world knows this -- perhaps not in all its horror, but it knows it and suffered a great deal, morally, as a result. Therefore, the news of the fall of each of those bloody regimes was welcomed with great joy, as was the news of the triumph of the Sandinista Revolution. This is the same feeling with which news of the triumph of a revolution or of a democratic opening in Chile is awaited. I think that that will be a day of great happiness, because the people have never forgotten that September 11, when the legal, constitutional government elected by the people was sabotaged and destabilized by imperialism; the way it was overthrown; and the way in which Salvador Allende gave his life -- Allende, who had great prestige because he had tried to bring about social changes peacefully and build socialism by peaceful means. All that had awakened a lot of hope and great fellow feeling throughout the world. When a revolutionary victory or a democratic opening takes place -- and either one may occur there -- everybody will welcome it with tremendous rejoicing. That was the way the news of the democratic openings in Argentina, Uruguay and Brazil was received, and I think that the democratic openings in those countries were a very important -- historically very important -- step, at an exceptional moment.

The economic crisis has already played an important role in those processes of democratic openings, because the military men began to understand that the country was getting harder and harder to govern. That is, those democratic openings were the results of the people's struggles, in circumstances in which the economic crisis supported the people's struggles and forced the military men to withdraw from government. This is connected with the struggle that

you are waging now: the struggle against the economic crisis and the foreign debt. I'd say that the struggle that is being waged now couldn't have been waged three, four or five years ago. This is so, among other reasons, because the crisis hadn't matured so much then and because the possibilities that the workers, students and farmers in those three countries now have for expressing themselves and organizing are very important for this struggle.

I think that not only world public opinion but also Argentines, Uruguayans and Brazilians of the most diverse political trends have great esteem for the advance that these democratic openings have meant in countries where terror reigned in a really terrible form; I can see this.

I even think that those who disagree with the measures that are taken, who are in political disagreement with the present governments, those who are in the opposition, all the opposition parties, have very high esteem for and are aware of the need to preserve these openings, even though they may feel or think that present possibilities don't meet the most advanced social and political aspirations. I think that this is what practically all of the political parties on the left and in the center and even conservative ones feel about these countries.

Now, there is a real danger. I think that this crisis is seriously affecting that process. It is affecting it, and it is going to affect it more and more, since it takes a heavy toll on the political forces, on the political leaders, wearing them out, and their weakening may lead to some backing up, though I don't think that there is any immediate danger of coups.

You should never discount the possibility of a reactionary coup, but, with such an enormous economic crisis, I don't think that the military men will have much incentive to take over the government in the near future, because the countries have become ungovernable, and they know it. They are

aware of the gravity of the crisis. I don't think it is likely that a majority will seek solutions a la Pinochet, though there are some - there are always some crazy people - both there in the United States and in those countries, who think and believe that repression offers the solution for the economic crisis and the debt. Pinochet is even digging his heels in and stubbornly trying to maintain his regime under ever more impossible conditions and in a situation of total isolation.

As I have said in some interviews, when the economic situation is more or less normal, the number of madmen who may try to pull a coup may even amount to a majority, but, in situations of crisis as deep as this one and after the experience those countries have had, I think that the madmen who are dreaming about this are in a very small minority. This is what I think.

The situation isn't exactly the same in all the countries in our region. It is less hopeless in some countries. I think that there are greater possibilities of a coup in some of them, but I really don't think there will be a coup in Uruguay, and it is even less likely in Argentina right now. And I don't think it's very probable in Brazil, either.

To the contrary, I believe that this economic crisis can lead to social upheavals and outbreaks. I'm going to tell you frankly what I was telling some comrades on the Commission when I was there for a few minutes to make two or three suggestions - matters of details, such as the figure of the 40 percent who were at the critical limits of poverty. It seemed that only 40 percent could be considered poor, when, in fact, the 40 percent are at the lowest levels of poverty, and 30 percent are below those limits, so the figure should be 70 percent, not 40 percent. I went there to comment on some technical details, and I told them why I was talking about social upheavals. I think that the objective conditions for revolution in the Latin-American countries are advancing much more quickly than the subjective ones, and, when you

don't see the subjective conditions for social change in one way or another and can see that they haven't matured sufficiently, you can't really talk about possibilities of revolution. You know that the lady is pregnant and has a fetus inside; she's five or six months pregnant and has to give birth, willy-nilly; there has to be a solution somehow, but you still can't see clearly who the midwives are going to be - even though, unquestionably, they will be the oppressed sectors and the progressive forces. I can't see clearly that awareness has matured sufficiently for that and that those forces are sufficiently organized, and this is why I say that, if these objective conditions continue to mature so quickly, social upheavals will take place. I can't say that there will be revolutions. It is possible and probable that a social upheaval will lead to a revolution, and I said in some of the interviews that there would be generalized social upheavals of a revolutionary nature.

There have already been some social upheavals - there was one in Santo Domingo; it wasn't a catastrophic one for the system as yet, but one did take place. When the International Monetary Fund forced the Dominican Government to apply certain measures, there was what we could call a spontaneous insurrection in the Dominican Republic. The Government felt that it was necessary - very sadly and very censurably necessary - to send out the troops, the soldiers and the police, against the people and to kill more than 100 people. Don't think they were revolutionaries. They were men, women, young people, housewives, simple people who took to the streets spontaneously, and the Government felt that it was necessary to kill and wound hundreds of people. It is said that there were around 400 or 500 wounded. The official figures say that 60 people were killed, but serious, well-informed people from the Dominican Republic have told me that there were more than 100 dead.

The situation is very serious when a government has to use the army and the police to fire on the people, wounding hundreds of people and killing more than 100; it's very serious. That has left tremendous tension in the Dominican Republic.

In Panama, certain measures that the International Monetary Fund tried to impose gave rise to mass demonstrations, in which tens and perhaps hundreds of thousands of people took part. There wasn't an army that would repress the people there; they didn't find that. There was no massacre. This has to be kept in mind, too.

In Guatemala, efforts were made to apply certain measures of the International Monetary Fund's, and, in spite of the repression that exists there, the measures had to be rectified and withdrawn.

In Bolivia, too, the measures of this nature gave rise to large mass movements. The events there are still recent; when the miners and the farmers and everybody else mobilized, a prerevolutionary situation was created. Fortunately, it didn't wind up in a massacre; the situations vary from one country to another. The only way the International Monetary Fund's measures can be applied in any country is by forcing them through ruthlessly. I haven't imagined - I can't imagine - the democratic opening governments in Argentina, Uruguay and Brazil throwing the army and the police against the people.

In the Dominican Republic, the time of Trujillo ended a long time ago, and there's been a little of everything there in a single historic period. After Trujillo, there was even a revolution -- an uprising by the people, along with a sector of the Army -- but it was drowned in blood by imperialism and its soldiers; 40,000 US soldiers landed there. That was in 1965. This was followed by a series of more or less constitutional governments, and it seems that the horror of Trujillo-ism has been forgotten.

These situations lead to very serious political and social crises and may lead to revolutions. That is, the objective conditions for revolutions are being created, and I think that the possibilities of serious social convulsions are greater than those of rightist coups. When these situations are created -- the Bolivians know this -- and the crises come, certain psychological conditions are created in the people, in the masses, and possibilities for participation in these struggles open up, not only for civilians but even for military personnel.

There's no need to be scared; I'm not scared by this, for I've just mentioned what happened in Santo Domingo. Who initiated the uprising in Santo Domingo, together with the people? Who was Caamaño? Caamaño was trained in Trujillo's military academies. He also took some courses in the United States. His father was a high-ranking military chief of Trujillo's, and I can assure you that the Caamaño I knew was an honorable man and a revolutionary. (APPLAUSE) In addition, he was a real patriot, and there were many other military men like him who fought there alongside him and the people. It was very sad that such a man as Caamaño was sacrificed when, out of honor and his spirit of struggle, he tried to renew the struggle in his homeland under conditions that were anything but favorable. I believe that he is one of the great, legitimate heroes of the Dominican people.

Torrijos, too, took courses in the United States, and imperialism thought it had a Praetorian Guard there to defend its interests and the Canal, yet Torrijos was the standard-bearer of the struggle for the return of the Canal -- and he wasn't just the standard-bearer; Torrijos and the National Guard were determined to take the Canal by force if it wasn't returned through negotiation. I want you to know -- and I'm not giving away any secrets, because he said this in a ceremony that was held at the Moncada Garrison during a visit he paid to Cuba -- that he expressed his gratitude for the times that I had conveyed my concern to him over the kind

of radical statements that were being made, because I saw and could imagine perfectly well what was going to happen if they lost their patience and seized the Canal; I knew exactly what was going to happen. That would, perhaps, have been the best possible thing that could happen in imperialism's view, and I urged him to remain calm and be patient. Luckily, what happened later showed that I was right. I've never gone around working people up for the fun of it. I like to think about problems calmly, and I'm not a philosopher; I'm far from being indecisive, and I've had to make a lot of difficult decisions and have done so without vacillation. But this doesn't mean being hotheaded - much less feeling that it doesn't matter if an entire nation is sacrificed, as long as problems, difficulties, are created for the United States.

I've always followed that policy of being concerned about my friends, first of all; being concerned for their interests - not mine - understanding that that is what being a real friend and internationalist means. I saw the problem that was being created, the course events were taking; they said publicly that, if the Canal wasn't returned to them, they were going to take it by force. I know the imperialists, their record and their tricks, and I was afraid that, at a given moment, that could lead to an act of provocation that could serve as a pretext for liquidating the Panamanian process. Every statement they made brought them closer and closer to that, and they could easily have fallen into a trap, for the imperialists could have told them that they weren't going to agree to return the Canal through negotiation, which would have brought them to a confrontation of that kind, in which the imperialists would have used all their technology, their funds and their resources against a relatively small armed force and a people that wasn't prepared for prolonged resistance. But I understand the spirit that motivated those people.

And he was a military man. Therefore, we shouldn't discard the military men simply because they are military men. I know that the military men have done many horrible things in this hemisphere, and I know that they have been the tools of imperialism, the oligarchy and the reaction many times, but I also think that, from the ranks of the military men, in some countries more than in others, military men may emerge who have the same feelings as you, me and many others who are here; I don't exclude them. When social convulsions take place, anything is possible, and, as the revolutionary that I think I am and in view of the experience I have, I think that nobody should be excluded as a potential protagonist of social change and even as a potential protagonist of revolution.

In our own struggle, we fought against the Army for 25 months, and we had a lot of battles with those military men and inflicted a lot of losses and many defeats on them. I don't know if you know how that war ended - I'm not going to give you a blow-by-blow account of it or anything like that. When the military men realized that they were defeated, many people wanted to conspire with us - even the henchmen did - and we established a rule: we wouldn't accept henchmen or a coup. We were struggling against a coup because it might be used to snatch the victory from us, especially as we weren't strong enough as yet. We told them to rise up and join us.

At the end, a prestigious officer asked for a meeting on behalf of a large group of officers, and he said that they had lost the war and wanted to end that war. I suggested that we could save many good officers. I, too, knew the enemy and knew that not all of them were murderers; not all of them were henchmen or torturers; I could distinguish among them. There were officers who surrendered after fighting hard against us and who later joined us - joined us honestly and sincerely. We knew that they were courageous in the

battles and efficient as chiefs, they hadn't committed any crimes; they had been our enemies, and we let them join us.

But, when that high-ranking officer, the chief of the troops that had been sent against us, came and admitted that they had lost the war, I suggested that we should try to save the good officers and promote a united uprising by the two forces – that's what I proposed to him – so they could make up a little for having supported the regime. I knew that we were going to form an entirely new army; I was very clear about that. But, even so, I would have liked to have saved some of those officers who had high professional quality and humanity.

When we met, we agreed that the Santiago de Cuba garrison would stage an uprising on December 31, 1958, but he insisted on going to Havana, even though I urged him not to go, saying it was risky. He said that he had contacts and was sure he would have no problems.

He also had a brother who was chief of the Matanzas regiment, 100 kilometers from Havana, and he gave that as one of his arguments. He insisted on going. I told him that he was free to go but that, in my opinion, he shouldn't do it. Then, seeing that he was bound and determined to go, I warned him about three things: one, we didn't want any contact made with the US Embassy; two, we didn't want a coup in the capital; and, three, we didn't want anybody to help Batista escape. I told him this very clearly, and I repeated it. I said good-bye to him and awaited news. We were already preparing the operations for attacking Santiago de Cuba. At that time, we had 17,000 enemy soldiers surrounded, and we were going to attack the Santiago de Cuba garrison, which was composed of 5000 men. We'd postponed things for a few days, waiting; the meeting was on December 28. He went to Havana and did precisely the three things that he'd promised not to do: he got in touch with the Embassy,

pulled a coup in the capital and saw Batista off at the military airport. (LAUGHTER) We immediately denounced the coup, gave our troops instructions to continue military operations without letup and called for a general nationwide strike.

For you to see what the workers are and for you to understand why we have so much faith in the workers; despite the fact that all honest trade union leaders had been swept away, all of them, and leaders that had sold out to the regime, were placed, imposed through blood and fire by the tyranny, in all trade union positions, when we, through the broadcasts of Radio Rebelde, launched the slogan of the General Revolutionary Strike, the entire country came to a halt: all transportation, all factories, all communications. The only things that kept functioning were the radio and TV stations, that the workers placed on a chain with Radio Rebelde from that moment on. (APPLAUSE) From that moment on, the only things being broadcast were the declarations and orientations of the revolutionary command to the entire nation. It was tremendous.

In less than 72 hours, all military facilities had been taken over. I want you to know that we only had 3000 armed men then and they were 80,000, from the various services. There was no cease-fire, no truce, not for a single minute. In Santiago de Cuba, I met with all the officers of the garrison that had been surrounded by our troops; I talked to them and they joined us. Twenty-four hours later, on January 3, I reached the Bayamo Garrison by the Central Highway. There were 3000 soldiers there who had been fighting against us in harsh battles a few days before; but they respected us, they respected us as adversaries who knew how to fight, and never murdered a prisoner, never mistreated a prisoner, who never left an enemy soldier wounded in combat, who cured them, who saved many lives; that made us gain prestige and respect among the enemy.

What I want to say is that I met with all those soldiers while moving toward Havana, when things were not totally clear yet, and all of them joined us; I was moving toward Havana with 1000 rebel soldiers and 2000 Batista soldiers. They were bringing the tanks, the cannons, all the heavy weapons and some selected infantry units and I'm convinced that if there had been battles, they would have fought fiercely since they would have tried to do in a few days what they had not done before, they would have wanted to vindicate themselves. So, I have experience in that respect and, therefore, I do not exclude any man. I exclude torturers, murderers, but I don't exclude any man in advance, even if he had been my adversary. Because I feel deep contempt for those who murder prisoners, for those who kill, but I do not feel any contempt for the men who fight openly on the battlefields.

That is why I tell you that, based on our own experience, on what we've seen, I don't exclude the military either. It may be a good idea for me to say it on this occasion because of a phrase that appeared in one of those pamphlets and that comrade Veiga himself was telling me some didn't understand. I say that it is logical that some don't understand it because there is a tremendous allergy to the military. Therefore, recalling that and relating it to the question and the situation as such, I say: in the end, the struggles for changes will also have to be all-comprising, they can not be sectarian. (APPLAUSE)

The lesson of all this: objective conditions advance rapidly toward social changes, even revolutionary social changes; the subjective conditions are far behind. There is a revolutionary embryo in the womb of this hemisphere, but the midwives to assist that lady in delivery are still lacking. This is not the first time, either. When the independence of Latin America took place - which we all venerate although it doesn't exist, the first independence -- the subjective

conditions were not there either; exceptional objective conditions had been created: Napoleon Bonaparte, with his delusions of grandeur, invaded Spain and installed a goofy king in Spain (LAUGHTER) -- his brother, he put him there as king -- one of his manias (like the yankees who are doing similar things now), and then the Spanish people rose up against the goofy king and foreign occupation.

The first independence movements in Latin America, and I want this to be known, were acts of loyalty to the metropolis, to the imprisoned king of Spain, whom Napoleon had placed behind bars; the struggles began out of loyalty to the king. There were no subjective conditions, but they did not take long to arise. Nobody had heard of Simón Bolívar, or San Martín, Sucre, Hidalgo, Morelos, or O'Higgins. The men appeared and they were not military; although some were, they had had some training, but, a priest on one hand, a military man on the other, civilians of varied origins, in short, they were the ones who began the initial independence struggles. Therefore, when the objective conditions are created, sooner or later the subjective conditions will also be created but, at present, they are really behind in relation to the objective conditions; this is with respect to revolutionary changes. . . but these are somewhat theoretical matters.

We are neither promoting nor proposing revolutionary social changes as the immediate objective now, we are not saying that; with these ideas, with these theses what we are referring to rather is a national liberation movement, a struggle for independence because, among other things, we have lost independence, it doesn't exist: in the objective reality of facts, the independence of the Latin-American and Caribbean countries is a joke. The struggle we are promoting against the debt, the struggle for the New International Economic Order, the struggle for Latin America's economic integration, is a struggle for the liberation of our peoples, of our continent, that becomes, due to the existence of similar circumstances,

a struggle for the liberation of the entire Third World. That is what is being put forth: a national liberation struggle. We are not proposing revolutions, what we are proposing is this struggle, as we see it at present, a struggle for national liberation that must necessarily be very broad.

And if we are referring to a broad struggle, if we are promoting a strategy of unity within and without – within the countries where the conditions for unity exist, and we must be very clear that they do not exist in all countries: we must not forget the cases of Chile, Paraguay and others, where conditions for that are not even in sight – a unity among Latin-American countries and unity among the Third World countries in a struggle for their independence, it is simply because this debt, this economic crisis and this system that have been imposed on our countries have made us totally dependent, have enslaved us more than we were in the time of the goofy king and other Spanish kings, many of whom were also goofy because they did not really “rule” us as the yankees do now: then they used to send a viceroy and every once in a while an inspector for the viceroy, a judge or someone, but they had no news, it took them three months to find out something about us. And imperialism is informed about us 24 hours a day, every hour they are informed about us. And, unfortunately, we also know about them every day, every hour, every minute, every second, because we feel the burden of their oppression over our countries, and what a burden!

Imperialism is attempting to impose a culture, to impose an ideology on us, and in what manner! The king of Spain would send a letter every once in a while and it was published in some gazette; but these people try to speak on radio, television, the cinema, 24 hours a day; they sell us thousands of alienating films, programs, and serials. Their invasion of even man's soul, man's mind is incredible! They speak of indoctrination, of brainwashing. Throughout history there

has never been such an attempt to wash the brains of hundreds of millions of people, as the imperialists' attempt to brainwash all Latin Americans. (APPLAUSE) Through the most sophisticated means, they try to tell us what clothes to wear, what toothbrush to brush our teeth with, where to go on vacation, what cigarettes to smoke, everything! It's an incredible invasion, one that Spain never attempted and with an influence that Spain never had.

Thus, we are faced with a challenge that is greater than ever before; fortunately, I believe we have more awareness, more potentially favorable factors and such clear differences with them, such appropriate and unique characteristics for unity, that we can wage this struggle. I'm convinced that we can wage this struggle, but it must be united and all-encompassing.

If it is a matter of a struggle for national liberation that requires the broadest participation of all possible sectors, our promoting the struggle for social revolution at the same time would contradict the correct strategy and tactics of the present social and political circumstances of our countries.

And I say it literally: this struggle must be as broad as possible, if not, we will not win the battle. We would be either underestimating imperialism and its forces or overestimating our own forces; and I don't underestimate nor overestimate them, but see them for what they're worth. We can create a very broad front, without excluding any social strata, any social sector, it wouldn't exclude anyone! Those who wish to exclude themselves, let them do so, let them exclude themselves, but we shouldn't exclude them. (APPLAUSE)

This is a tremendously transcendental and historic moment: the time for definitions has come and I think we should give all men and women of this hemisphere, whatever their social strata -- and I believe it could potentially be an overwhelming majority, if we are able to get the message

to them; if we know how to use this correctness – the option of being with their homeland or against their homeland; they should make a choice, at this time of definitions, each one should say whether the tribute should be rendered to the empire or to the homeland, and I'm speaking of the homeland in the broadest sense. We shouldn't exclude anyone, we should give that possibility to each one and let each one take a stand. And some will. We know that there are minority sectors that are the ones most directly linked to imperialism, the financial sectors of imperialism, we know they exist, and they will be on the side of imperialism; but they will be a minority, they should be a minority. And if a greater number place themselves on the side of imperialism than should be, then we start losing the battle. That can happen if we are not comprehensive; it can happen if we are sectarian.

We also have a lot of experience in the battle against sectarianism, the experience of our own Revolution. When the Revolution triumphed, our Movement had the support of the vast majority of the people, it won that support with the war, with the fact that it pointed out a path, that it saw a revolutionary possibility. In times when there was nothing similar to the present Latin-American crisis, in times when there seemed to be no solution to the existing oppression, a small group of us started preparing ourselves, organizing ourselves to struggle, based on a set of principles and premises that were later proven by life and history. We even had to move away from some historic criteria; for instance, that the revolution could only take place when there were great crises. Ours took place when there was no great crisis, and it was undertaken by a group of men who had to defeat a tyrannical government, backed by a well-equipped army, and do it without a single professional soldier, a single penny, or a single rifle. If some thought we were mad, I believe they were right in thinking so; objectively they were right, subjectively they were not. Nevertheless, we began that struggle,

we waged it and were successful. All of that gave us the almost total support of the people. I said that our organization was like the bed of a small river where, at the moment of victory, an Amazon of people rushed in.

We never had hegemonistic tendencies – and there were other smaller, less strong organizations. We never dreamed of saying: this is our victory, it is only ours and they can't have a single bit of it; on the contrary, we started to call on them to join us. We called not only on communists to join us, those who had been fighting with us in the mountains, but on the students' organization which had even had some differences with us. We didn't call on those organizations only, we want you to know that we called on everyone – except the Batista people; we offered everyone the possibility of joining the Revolution and we didn't boast of the huge support our own organization enjoyed. The surveys said that the Revolution had 96 percent support. If I say that our Movement included 90 percent of the population, I don't exaggerate; but we didn't look at the number of people that were joining us, but a principle, and we said: the principle is unity. But if you don't appreciate the principle of unity, you start rejecting people who want to participate; if you want to be hegemonistic, you end up splitting your own organization. So we were not analyzing the quantitative value of the principle of unity, but its qualitative value. If the others had 3 percent, well, let that 3 percent come to us and we would highly appreciate it; the others 2 percent, and we would also appreciate it highly. There were organizations here, old political parties that at least were opposed to Batista, and at a given moment we accepted them as elements against the dictatorship, we gave them all an opportunity; there were some with 100 people, 200 people. I can tell you that the Revolution became so strong, that the other parties had no more than 100 or 200 people that followed them militantly.

We embraced everyone; those that were excluded from the Revolution were so because they wanted to exclude themselves, or because they thought it couldn't survive, or because they thought we were all mad, or because they thought that the Yankees would crush us and that it was only a matter of 15 days, and that the economic blockade, the sugar quota, the threats, were going to put an end to us. And we are here.

The principle of unity was always a fundamental element of our policy -- antisectarianism, because we had to fight sectarianisms. In the first place, our own: those who were in the mountains, guerrillas with a lot of prestige, tended to be sectarian with respect to those that were in the plains, because they were doing other tasks, another type of struggle which, by the way, was not less dangerous; against the sectarianism of our organization with respect to others. Other sectarian attitudes were generated afterwards; the Popular Socialist Party itself, that is, the party of the communists, generated some sectarianism that, to tell the truth, had been developing before, it was not a sectarian attitude that emerged then, but problems that had already come up during the underground struggle.

What happened was the following: our organization had people who had been members for five years; the oldest -- very few -- six years. Actually, from the March 10 coup d'état to the victory of the Revolution, less than seven years had elapsed; there was a first little group or cell of three or four of us who started the work, and others joined later. Of these, I think no more than five or ten had been members of the Movement for more than six years when the Revolution triumphed. That is how we started organizing the Movement during the years of struggle; but, when the Revolution triumphed, the vast majority of the people had been members for two years, one year, or one month -- that entire sea of heterogeneous people joined our struggle.

The Program of Moncada was a very advanced and quite radical program but there seemed to be people who thought it was simply another lie in this country, one more program; they didn't take our first revolutionary program seriously and we were revolutionaries educated with clear, very clear ideas; we were Marxist-Leninists since before March 10, when Batista's coup d'état took place - I want you to know that, I've said it before, we were Marxist-Leninists before. (APPLAUSE) A socialist program couldn't have been put forth yet, it would have been unrealistic. We advanced a program of political liberation and extensive social justice, which is what had to be put forth at that time in order to be realistic. We told no lies, no stories; we thought that was what had to be done in the entire initial stage of the Revolution, and we did it.

When the program started to be implemented, the confiscation of the properties of all embezzlers and the harsh measures against the transnationals; when we implemented the urban reform, when we implemented the agrarian reform and various interests started to be affected; when many people discovered that this was not going to be a government of the rich, but rather the government of the people and that for the first time in the over four centuries of this country's recognized existence there emerged a government that identified itself with the people, then the people became more militant together with the government. But some sectors that believed in other things, or thought they could handle that government or that the Yankees would tame us rapidly, started to withdraw from the Revolution. At that time, we had to organize our defense, the administration of the State, diplomatic representation and many other things, some quite sensitive and complex. Our fighters were in the army, where they should remain, but there were some activities that required politically proven personnel. Who had a 25-, a 30-year membership? The Popular Socialist Party.

Our Movement contributed most of the leaders of the State, almost all the leaders of the Army, the State Security and other bodies, we contributed most of the cadre; but, on many occasions, when we needed someone for specific functions, in those times of confusion, of vast imperialist campaigns, we would call on a communist, because they were militants with a much longer history and were better prepared politically, having been members of the Party for 20, 25 or 30 years. That, which was correct, which was a necessity, also brought about sectarian attitudes on the part of the Popular Socialist Party, which was still an independent party before all of us joined into a single organization.

We went through all those experiences but we knew how to get through them; and when there were sectarian attitudes among our ranks, we fought them; when there were sectarian attitudes in the ranks of any of the allied organizations we fought them as well, with correct methods, and immediately prevented the sectarian attitude of old members of the communist party from generating anti-communist sectarianism or anti-communist sentiment. Thus, in matters related to the struggle against hegemonism, against sectarianism, and in the intransigent defense of the principle of unity, we have long experience. I believe that was a decisive factor in our reaching the point we have reached now, in the Revolution having the strength it has today, and in having been able to withstand all of the imperialist attacks and be better prepared than ever to resist any adventure that is attempted against us.

Actually, if we are able to play a role in this struggle together with the rest of the Latin American peoples, it is because we have a firm nation, a united people, a tremendous strength, a good economic and social situation; that is what allows us to make a contribution in this struggle of the fraternal Latin American countries. This is not mere chance, it is the result of a strategy, a tactic, a set of principles that we have applied consistently. And I believe that the results

we have obtained, the achievements of the Revolution in every field, have been due to our consistent implementation of all those principles, including the principle of collective leadership that we have always applied -- since I started in the revolutionary struggle, I began organizing a cell, and when the Revolution triumphed, we organized a leadership nucleus, made up of all forces -- that of collective responsibility, which doesn't mean that every one of us doesn't have responsibilities and that every one of us doesn't have a field of action in which we make decisions; and that of the struggle against the cult of the personality, against making gods of men -- I say it honestly, against caciquism -- against all those evils, which has been waged here intransigently in order to create a solid revolution, based on principles, to create a truly revolutionary awareness among the people. Because our people's unity is not based on worshipping an individual or on the servile cult of an individual, it is based on a firm and profound political awareness. And the relations of our Revolution's leadership with the people are based on consciousness, are based on principles, on a loyalty proven for more than 26 years; they are based, among other things, on the fact that the people have never been told a lie. (PROLONGED APPLAUSE)

There is a set of principles that has ruled here and that can explain the strength of the Revolution, over the power of our adversaries and despite all the slander. One is the strict way in which, over these 26 years, we have abided by the principles that emerged and became sacred during the war: those of never killing a prisoner, never mistreating a prisoner. And how much slander has been made against the Revolution! Talk to any of the 10 million citizens of this country and you will be able to see that in our country what guarantees human rights is not hollow words nor an article of the Constitution, it is the consciousness of all revolutionaries and the consciousness of all of the people, a people who

know what should and what should not be done, who know how to respect their values. A prisoner has never been beaten here, and many have been the slanders against our country! You can ask any one of the 10 million citizens of this nation -- our citizens would not allow that. It is not that we act in a given way simply out of respect toward the law, no. There is an awareness that does not allow robbery, deceit, crime, abuse of authority, nor does it tolerate them. So, the strength of our Revolution which seems to be a miracle, is not a miracle; it's the result of a principled policy, followed consistently for the 26-and-a-half years of our Revolution.

I speak about all of this, and I want to apologize, because there are some related issues here and we must be careful when referring to one aspect and not others. I believe it would be truly dangerous for the enemy to launch a campaign saying that what we are doing with this struggle is promoting subversion in Latin America, or fostering social revolutions in Latin America. That is why we must be very clear on this and not allow them to confuse the Latin-American peoples, to confuse the parties or to confuse anybody in Latin America. That is not what we are promoting nor do we believe we have the right to do that.

That is why, in all the interviews, we have been careful to refer to the issue of common actions around problems that affect us all and not propose internal measures, because internal measures are to be applied by each country itself, this must be a sovereign decision of each people, of each country. If we now start to get involved in what should be done there, if something should be nationalized or not, we would, to a certain extent, be interfering in matters that are typically the internal affairs of the nations. And I believe that there is something we should respect a lot: the principle of national sovereignty. The one who does not respect the countries' sovereignty and the one who very day wants to get into the very homes of every citizen in this hemisphere, is imperialism, imperialism! (APPLAUSE)

On the contrary, it is appropriate for us to raise the principle of sovereignty, which does not contradict the struggle for economic integration. Political integration is not the issue, since that will be a more distant goal, a future aspiration; but I do believe that the time has come for us to start speaking of economic integration, respecting the sovereignty of each country.

That is why I, in analyzing this issue, have always tried to avoid, by all means, even making suggestions of what should be done within a country; that is the task of the people of the respective countries, it is not our duty to say, advise or suggest from outside the measures that should be taken in each. We promote the principle of unity inside, unity outside, common action, all these things, but we try not to discuss these problems.

You asked me a question; I've had to give you some answers. If this were an academic meeting, I could speak more at length of all this, of what I think; but now I believe it wouldn't even be useful for me to say what I think. Besides, it is unnecessary, I believe the way we all think is well-known, those of us who are socialists, revolutionaries, who have absolute faith in our system. Because our faith in socialism has not weakened with time, it has been strengthened, because life has taught us how much can be done and that much more can be done than any of us even dreamed of doing when we started the Revolution. As I have told you on some occasions, in our case, the experience, facts and realities have actually gone beyond our dreams. We are not any kind of disillusioned revolutionaries, nor revolutionaries that move backwards; I believe we are much more revolutionary than when we started and that we are, in the year 1985, much more revolutionary, and ideologically and politically stronger, than we were in the year 1959. We have not gone backward a single step, not even a single minute. (APPLAUSE)

Academic discussions can take place on all these issues, but this is no time for academic discussions, really, that's my opinion; I believe we are involved in a great struggle and that we must be wise with respect to how to approach and develop that struggle.

We have talked here about national liberation, we have talked about cancelling that debt, the struggle for the New International Economic Order, the struggle for integration, and I believe that, unquestionably, the best standard-bearers of those banners are the workers. If economic integration ever takes place in this hemisphere, it will be because the workers take those banners in their hands. The strongest hands to raise those banners are the hands of the workers, even though they may not have the power now, because the reality is that the workers do not have the government of Latin America and the Caribbean in their hands; these are the realities and we must start from realities.

I don't say: you have to win over the government first, no. I think you can't wait for revolutions to wage these battles. If we thought the revolution should come first and said so, too, and we believed it -- I really don't believe it, because that wouldn't be realistic given current conditions -- then we might be pushing back the revolution. It's hard to talk about social revolutions when we don't even have independence yet.

And what happens? Cuba, the tiny country, the country stretched into the shape of a crocodile, makes its Revolution, and then the shark comes, the fierce tiger, the elephant that wants to squash it, and Cuba is left all alone here as we were left, actually, from the point of view of the solidarity of the Latin-American governments -- not the peoples. Workers who died, students who died in demonstrations and struggle for solidarity with Cuba, the people's Cuba, were spoken of here with good reason and with justice; but we found ourselves alone here. No government supported us and all of

them broke off relations, except Mexico. And what has this meant? How much effort to do what our people have done? A heroic deed, I say: not our deed, a heroic deed of our people, who kept the banner of the Revolution on high, resisted with their strength, kept it, are keeping it and will keep it. (APPLAUSE)

But they made us pay the price that came from independence: they took away our sugar quota, they took away our markets, they took everything from us, they prevented even a single United States part from being brought to Cuba, for machinery that was almost all from the United States. When it comes to blockades, we're experts; and we're experts on antiblockade measures, because the workers were able to keep the machines running, the sugar mills, the factories, transportation, without a single part from the United States; the workers, with a little lathe, with a piece of metal, made this or that part, and this country was kept going. We ourselves don't even know yet how this country was kept going! But we won't forget those days when we had nothing, no parts, nothing.

Of course, we and our internationalist spirit -- not only as a matter of conscience, but with regard to our possibilities of coming out ahead as well -- were greatly influenced by the solidarity we received from the socialist countries, for which we were, are and always will be grateful. (APPLAUSE)

They have criticized us so much, as I've said to some journalists who say we depend on the Soviet Union and the socialist countries. . . I say: Listen, what luck we had in those dramatic circumstances to have had someone to depend on (LAUGHTER), to have had, at least, a market for our sugar, oil, medicine for our people, food for our people, that we couldn't get anywhere else. What luck! we've said to them. Because they have nothing else to say. They don't talk about the criminal yankee blockade, the attacks; they will be forever unable to appreciate the degree of dignity

and independence of this country, they will never understand it, because a country is independent when it is able to defend itself and respect itself. That's the basis of independence; they'll never understand it. (APPLAUSE)

I said yesterday to a group of delegate comrades during a break that we are the most independent country in the world, there is no other like us, because we are the country that depends least on yankee imperialism, the country that depends least on the United States. Everyone has some market there, they buy something; we can't sell anything there, not a gram of sugar, and we can't buy even medicine in that country, not even an aspirin can we buy in the United States. And we say: thank you! How you've taught us! We thank you so much for how independent we are today! (APPLAUSE)

We wanted to be independent, but we never imagined how independent we were going to be: they made us be so to a very high degree, and we've discovered that real independence means not depending in the least on that powerful country, powerful and abusive country, powerful and exploiting country, powerful and aggressive country.

And I say that the workers are the most trustworthy and staunch standard-bearers of these three banners, and they are the ones who will be able to carry them even further ahead. This doesn't mean they should try to carry them alone, nor ignore the realities. I simply say they should be staunch and intransigent standard-bearers of these banners and that they should all look to be united in this struggle, and that everyone should support them; or, in that happy phrase quoted here, taken from the book of the Mayas by the Guatemalan comrade who spoke so brilliantly yesterday: "Let all rise up, let all be called, let there be not one, not two among us who remain behind." In other words, we must not expel anyone from the ranks of this struggle, because we need the very last atom of energy, from the last man who

can and wants to be with us, if we want to win this battle.
(APPLAUSE)

Pardon my long answers, I'll try to be more brief.
(LAUGHTER)

CHAIRMAN: Comrade Mario Villegas of Venezuela.

MARIO VILLEGAS (CUT, Venezuela): I would like to ask Comandante Fidel Castro the following: I have seen and followed very closely the opinions you have been formulating over the last few months with regard to the problem of the foreign debt and have been particularly interested in how you have pointed out the benefits of the economic trade that Cuba maintains with the socialist countries, especially the Soviet Union, and the benefits of the conditions under which the socialist Republic of Cuba has obtained financing in the European socialist camp.

Concretely, I would like to ask if, in your opinion, it is possible to transfer some of these beneficial conditions to the Latin-American countries, through the establishment of some kind of financing mechanism from the socialist camp or the socialist countries to the Latin-American nations and, in general, what role would the nations of the socialist camp play in this battle of the Latin-American countries against the foreign debt and for their national liberation?

FIDEL CASTRO RUZ: Well, some comrades here were asking me this morning for ideas on the New Economic Order, and I tried to explain to them that the New Order is a set of demands of the Third World countries, and that the declaration in the United Nations and the adoption of a program of action to establish a New Order is based on general ideas which are important and must continue to be developed; among them is the question of unequal trade, protectionism and dumping, problems that affect us greatly.

One representative here -- I don't know if he was from Guyana or another Caribbean country, he spoke English, I remember it well -- mentioned some figures that I referred to in the Non-Aligned Conference in New Delhi on what this phenomenon of unequal exchange was and what it meant; in order for the population to understand it we have to give simple examples.

He mentioned the comparison between sugar and some import products; there are two or three examples here that I think are very clear. For example, coffee -- an important product of a large number of Latin-American, Central American, South American countries: Colombia, Brazil and others -- there one can see how in 1960 a ton of coffee could buy 37.3 tons of fertilizer, an important product for agriculture; in 1982, however -- and the situation was not as serious as in 1985 -- (this is in 1982, because I already presented these figures in 1983), it could buy only 15.8 tons, that is, less than half, with the same amount of coffee as in 1960.

There was another product of many Third World countries: jute; he mentioned this example also, I want to reiterate it. In 1959, six tons of jute could buy a seven- to eight-ton truck, a medium-weight truck -- six tons of jute! At the end of 1982, it took 26 tons of jute to buy the same truck.

Another example he cited, I believe he cited it, and which I think is very descriptive -- we've already talked about it, is fertilizer, a very important import for many Third World countries; we could talk about a truck, a tractor, an industrial machine, lots of things, it's the same. Let's look at a component of some medical equipment we have to import. In 1959, one ton of copper wire could buy 39 X-ray tubes; at the end of 1982, the same amount of copper could buy only three X-ray tubes. You can make the same comparison with dental equipment, operating room equipment, any medical equipment, anything that they produce and export to us, because, unfortunately, we don't produce them,

because we haven't developed sufficiently -- nor do they want us to develop and be able to produce them. And when they transfer technology it is simply because of the transnationals' interest in making money, there is no interest in anything else. Maybe we need to make medical equipment, and they have us making automobiles and they mortgage us with the need for tires, spare parts, gasoline, to plant cane -- as one of the delegates said here -- to feed the cars, while the children are dying of hunger; because industry in their country, organized and developed by the transnationals, is based on automobile production. They distort the countries' development -- we probably needed to produce other, more immediate, more urgent things first, like medical equipment. But no, they decided what kind of development we would have. Unequal trade and this type of phenomenon are on the rise.

I'll give you another example with regard to sugar. In 1960, we had to use 200 tons of sugar to buy a 180-horsepower bulldozer; now, to buy this same bulldozer in Japan, we have to export 1,300 tons of sugar. This means that the Japanese produce their bulldozer at an ever-higher price. They produce it with good salaries, profits for the companies, publicity, everything, and they buy six times more sugar with the same bulldozer. We can produce six times more sugar and buy the same things as before with one-sixth. This is unequal exchange, this exchange between raw materials, basic agricultural products and other products they can't produce -- because when they can produce them there, they ruin us, they subsidize it and they ruin us.

Unfortunately, and because of Napoleon's ambitions -- or no, Napoleon's wars against the English and the blockade of France, of Napoleonic Europe -- they developed beet sugar. So they produce beet sugar over there in Europe and the United States, they subsidize it and they ruin us; like when they invent a synthetic product: synthetic rubber.

The only thing they haven't made synthetic is gum and when they do, they'll liquidate the chewing gum market. Synthetic fibers, all kinds of synthetic products. Vanilla is synthetic. I used to like the flavor vanilla, I didn't know it was a synthetic product, that what I was eating was a chemical product. And all these things are the same. With all these measures, they are destroying us, they are ruining us, they are annihilating us, they are enslaving us more and more.

I think that in each country we have to look for all these concrete examples of how much imports cost before and how much they cost now. Sometimes there is a momentary increase in the prices of some of our products, but they go back down, and the historical tendency is as we have explained. This is unequal trade. One of the things talked about is the struggle against unequal trade, against the protectionism and dumping that are killing us.

The Colombian spoke of his country's coal mines. It is said that the Government and an enterprise together are investing \$1.5 billion. Their main market was the United States' eighty-odd thermoelectric power plants, for which it was more advantageous to buy coal in Colombia than there in the United States. Then the protectionist ideas came up and they are proposing, since the price of coal dropped to \$39, a \$12 tax on Colombian coal so that those eighty-odd thermoelectric power plants that were going to buy that coal buy it in the United States. They make a plan to develop a product for a supposed market, invest more than \$1 billion, and then from one day to the next they have no market.

These are abusive, selfish, horrible measures being applied against our countries, against our countries' development. Thus, what we are saying is that they shall not do this; what is said in the Charter of Rights and Duties of States, what is stated in the proposals for the New Economic Order, is that they cannot do this.

Now they are ruining the Argentines, they can't sell their meat; nor can the Uruguayans, nor the Brazilians, nor the Costa Ricans, nor the Colombians sell an important export product, because Europe has 600,000 tons of frozen meat stored away. It subsidizes it, paying \$2,500 for it, exports it at \$800 and thus lowers the price of meat on the world market to \$1,200. That's what some Third World Countries live on. It's an important economic item for many countries. They are left with no markets, and in the markets that are left, they have to sell their meat at very low prices.

They apply these measures mercilessly against our countries, this dumping of subsidized products. They do it with sugar, they do it with wheat -- they subsidize these products in the United States; they do it with textiles, they do it with everything, even meat. They don't do it with those products they can't produce there: the conditions don't allow for it -- until they produce them synthetically. And when they're not doing this, they're doing something else, as the Bolivians well know. Every time they feel like lowering the price of tin, they take out the United States reserve and start to sell it; if they want to lower the price of silver, they take out the reserve and start to sell it; if they want to lower the price of copper, they lower it, not only because they produce optic fiber that replaces copper wire in communications, but also because they take out the reserve they have. When they decide they have a lot, they sell it and depress the prices. Later they buy at the depressed prices. And they do this with all products, they do this with aluminum, they do it with everything. These are unbearable, abusive, intolerable measures.

One of the demands we're making is for an end to such brazen abuses. All the Third World countries can demand and achieve -- even while this hateful system of exploitation exists -- if we unite, if we use our strength, then we can put some limit on these methods, as trade union workers do

when they are tired, when they can't bear practices that are too abusive, when they want an improvement; and that is what we are doing. I would say these are the Third World's union demands: don't do these hateful things, gentlemen, because you are wasting our countries away and we are not ready to go on tolerating it. If, in addition to all this, they lend us cheap money, at agreed-upon interests, and then make us pay expensive money with sky-high interests; if, in addition, they make us mortgage Latin America for \$360 billion, and want us to pay them \$400 billion in 10 years, just in interest and services, how can we pay them? What are we going to pay them with if they establish, for example, protectionist measures of all kinds against Mexico, against Mexican textiles and produce, against footwear? Tariff and non-tariff protectionist measures: we can't sell even what we produce at these miserable prices, and when we can't even sell it, they want us to pay them these colossal prices. Isn't this crazy? Aren't those who think it's possible to pay it just as crazy as those who think it's possible to collect it? So, we are not basing anything on fantasies; we are talking about reality.

These things, comrades -- in spite of the fact that I had promised not to extend my remarks too much -- all these demands constitute what has come to be called the New International Economic Order, and its principles must continue to be defined and developed.

I stated at midday today that one of the ideas has to be solidarity, because there are countries that have been so exploited, that are so backward and so poor, that not even with the New Order, not even the cancellation of the debt, would solve their problems. There are some that owe \$150 or \$200 million. There are some so poor they didn't even get loans. Many countries of Africa didn't get loans. There are dozens of countries that can't develop without the implementation of the principle of international solidarity.

That is what we raise as one of the principles of the New Order: the duty to aid the poorest, most backward countries. The duty of all to make a real contribution, but above all, the countries that have the most resources, the countries that exploit poorer ones, those responsible for underdevelopment, those responsible for colonialism and neocolonialism. This is a moral obligation they have and we have to demand it of them. Others of us can help. I think the socialist countries can help and should help out of solidarity. And I think the old colonial powers that were financed by our sweat and our blood, our gold, our silver, by the lives of tens of millions of slaves, or Indians and mestizos who died in the mines and on the plantations, have the moral duty to contribute to the development of the Third World countries.

This is one of the principles we have to defend as an elementary principle of the New International Economic Order.

With regard to Cuba and its trade with the socialist countries, what we have attained with the socialist countries is truly the New Order. Everything we are raising we have attained, so this horrifying thing of a constant trade deterioration doesn't occur; rather, there is a fair price, sufficient for our country to be able to develop and not live on starvation wages in sugar, coffee, jute, copper, all these products. And if the products they export to us increase in price, then our products' prices increase as well, there is an established index. That which enters goes up, and that which is exported goes up. That situation of needing 40 tons to buy something and later needing 200 never occurs. It never happens; and the buying power of our product is maintained through the agreements we've made.

Credits are long-term, interests are low and debts are automatically rescheduled to 10 years, 15 years, 20 years without interest. Thus we can say: gentlemen, may these principles that apply to Cuba's relations with the countries

of the socialist community apply around the world and to all the industrialized countries. What we want is to universalize what we have obtained. Fortunately most of our trade is with these countries, 15 percent with the others. They ruin us, there in that 15 percent is where they ruin us, when they pay for our sugar at three cents, and that's if we have a market and if we can sell it, because the yankees go chasing after our merchandise all around the world with all kinds of measures and pressures against the buyers to keep us from being able to sell.

Of course, they can do this when it's one country. That's why I say that the day they have to blockade 20, or the entire Third World, they are blockading themselves. The United States and the industrialized capitalist world can't afford to blockade themselves, especially if there is unity of action in the Third World; they can't live without our raw materials, our products, they can't. They would also be the most wretched people on earth: they've gotten used to eating cheap chocolate, drinking cheap coffee, everything cheap and abundant, and selling everything they produce at higher and higher prices. They can have a different standard of living, different salaries, everything. But we, what do we have? The people don't even have a roof over their heads, they're barefoot, with no education, no retirement, no social security, nothing. We are slaves and we are worse off than slaves. Slaves were taken care of; the owners worried about them dying. But who worries about a worker dying in Latin America, with more than 100 million unemployed and underemployed? Who worries about a peasant dying in Latin America? They would even be happy for him to die because they try to keep him from being born. They try to keep him from being born! What do they care if he dies, if the United States spends tens of millions of dollars every year to spread sterilization in the Third World.

There are some figures I read some days ago in a cable from Brazil, some research done by the Universidad Campifia,

in Sao Paulo that has figures I'd like to have confirmed. It says that in 10 years, the fertility of Brazil's female population has dropped 26 percent, that is, fertility as a whole, despite population growth; but among women 15-44 years of age, sterilization reached 38 percent. And I would like, and I ask, please, the comrades present from Sao Paulo, to investigate these figures, and send me a telegram and say, "it's true," because I almost don't want to believe it. They also explain that more than half of these sterilizations took place after 1980, and that from 1978 to 1984, the United States has supplied \$20 million for these sterilization programs in Brazil.

Can they really care whether the peasants, the workers, the children survive or not? They don't even want them to be born. They are frightened, since they see the political implications and the explosive potential of the whole question, so they do not want more children to be born. How can they care at all whether those that have already been born die of starvation, and die in such huge numbers as the Peruvian representative quoted here today: he reported that infant mortality stands at 120 per 1000 born alive. The figure he quoted was 12 percent, which equals 120 children per 1000. And infant mortality increases instead of decreasing; for some time it was decreasing, but now it is increasing. If one refers to the statistics of the Pan-American Health Organization one finds some very "official" figures for previous years.

So I asked myself: A blockade? They can blockade and harass a country like Cuba. But once they had to harass 20 or more countries they would go mad, they would end up biting their own tails like mad dogs, (APPLAUSE) because they cannot blockade 20 countries, 50 countries, 100 countries; to blockade even one has proven a terrible headache. They have spent 26 years in that inglorious task. What for? Ah, they wanted to prove that the Revolution was bad,

because the country did not advance. So, every once in a while I ask them some questions: come on, compare us with some of the models that you have left here and there. There is no possible comparison. I am sorry to establish comparisons between ourselves and the rest of the countries in Latin America and the Caribbean; it pains me when I see the rates of infant mortality, of illiteracy, of teachers per students, of physicians per inhabitants, of unemployment, of prostitution, when I see the beggars, the gambling, the drugs, everything. And when I ask them, especially some of them: tell me if you know the case of even one official here who has become rich, someone who has become a millionaire with money stolen from the people. I ask them: Is there any similar situation to be found in the rest of Latin America? And with 10 questions, with less than 10 questions, with five, they become completely unnerved, because it so happens -- as I have told them many times -- that instead of having ideas they have beliefs; they believe something and they immediately assume it is true. So I tell them: you have beliefs, you do not have ideas; furthermore, you believe that all truths are self-evident, because the Declaration of Independence of the United States stated once that there were some self-evident truths, which, by the way you never complied with. They believe that things they make up, things that cross their minds, are self-evident truths. And I can assure you that with only a handful of questions they become completely unnerved. I tell you, they lack the ideological consistency to argue with a revolutionary who starts from a principled position and has been consistent with those principles.

Thus, we insist, we demand -- whichever expression you prefer -- that the rest of the countries be given this same treatment we have talked about with regard to this New Order that we have obtained from the community of developed socialist countries. We would have distributed our wealth

better and our society would have been better in any case, but without that New Order, with the social changes alone, we would not have been able to do what we have done. There are some people who say that they do not want to share poverty, to portion out poverty; just some months ago, I heard an outstanding Western politician say so. And other famous bourgeois politicians, when they speak about socialism, say: we do not want to share poverty. Of course, they are absolutely right, in their countries poverty is not shared by all but suffered by a substantial majority of the population; and the rest, the superprivileged minority have everything, they do not share in the poverty. And I say that it is much more just to share the poverty than to throw the full weight of poverty on the immense majority of the population for the benefit of a minority that has too much of everything. (APPLAUSE)

But, in fact, social change does not solve the problem; development is also needed.

Why are we able to enjoy our present levels of social development? There are 256,000 teachers and professors in our country, and instead of unemployed teachers we have a reserve of 10,000 teachers. What do we do then? We give jobs to those 10,000 teachers and we send others to study, and pay them their full salary. And in the future we will have a reserve of 40,000 or 50,000 teachers, so that we will be able to give all teachers and professors one year off every seven years to study, while earning their full salary. We have already graduated the first group of teachers with a Bachelor's degree in Primary Education -- 2700 -- and we are moving with tremendous impetus in this direction. We already have a medical school in every province and each year 5500 young people are selected according to their school averages and their vocation to enter those schools.

We have already graduated 2436 doctors this year. From 1988 onwards we will be graduating 3000 every year;

from 1991 onwards, 3500. We will graduate more doctors every year than those left here by imperialism! -- we had 6000 and 3000 were taken away. But now we tell them: here is our answer, we will graduate 50,000 doctors in the next 15 years; by the year 2000 we will have 65,000 doctors, of which 10,000 -- that's our estimate -- will be cooperating with Third World countries. (APPLAUSE)

In addition to the day-care centers and the school system, we have hundreds of facilities for children: Pioneer palaces, vacation resorts, pioneer scout camps; every child in the country is splendidly taken care of, not one child lacks schooling, not one child goes barefoot, not one child is abandoned, not one child has no food, not one child lacks medical care; no family lacks economic resources; there is a great spirit of solidarity. But this is not done with goodwill alone; development is needed, resources are needed.

If we had to subject ourselves to today's world market conditions -- that famous market imposed by imperialism -- I can assure you that the seven-and-a-half million tons of sugar that we export would not pay for 25 percent of the oil we use -- 11 million tons. We use almost as much oil as that produced by Ecuador, because we do not have big rivers here, or hydraulic energy, or coal mines or big hydrocarbon deposits being exploited. What would our situation be? We would still be here -- maybe without these lights, maybe in a park; maybe we would be using candles to light our meeting -- but we would not have been able to achieve our present social progress.

It would be presumptuous and vain of the Cuban revolutionaries to say: we have achieved all this because we are excellent revolutionaries, or because we are excellent managers; we have achieved this because we made the Revolution. We are not excellent managers and we do not boast of being excellent revolutionaries, but we do our best and we have created the conditions needed to make available the

resources required for the economic and social development that we are carrying out in our country.

But of course, what can the future of the Dominican Republic and many other Latin-American countries be with those prices? And I mentioned seven-and-a-half million tons of sugar for export, if there were a market for that sugar.

We have our markets and certain conditions guaranteed. Why can't all the Third World countries, by fighting together, impose that New Economic Order? There is something we surely can impose; the cancellation of this debt. And I repeat, cancellation. This afternoon I was thinking about the problems that we have with this word, cancellation, and I got the dictionary. I wanted to know the meaning of the word "to cancel"; because I remember I used it for the first time in 1979 at the United Nations, after the 6th Non-Aligned Summit Conference, and it is only now that I understand the confusion that ensued. To tell you the truth, the dictionary is to blame for that (LAUGHTER), because it gives the following definition: To cancel: to annul a document -- that is precisely what we want to do with all these documents having to do with the debt; to liquidate, to settle a debt -- that is what none of us wants to do; to annul a commitment -- that we do want, to annul that commitment to which we are not bound. That has been explained. Then I looked it up in a dictionary of synonyms to find a word that would solve this terminology problem and this is what I found: To cancel: synonyms: to liquidate -- it depends on the sense we ascribe the word; to fulfill -- this we do not want; to derogate -- this we do want; to annul -- this we do want; to abolish -- this we do want; to wipe off -- we certainly do want to do without the tears the debt is causing; to file -- this we do want; to erase from one's memory -- yes, very much so: We want to erase it from our memories. (PROLONGED APPLAUSE)

This means that we have a lot of synonyms, some of them are good; but I prefer to use "abolish," because it reminds

me of slavery and of the abolition of slavery, which was done historically; and what was done with slavery must be done with the debt: since it enslaves us, we must abolish it. To erase from one's memory is an excellent synonym for what we want to say; to file is also excellent. Thus, you can choose the ones you like most; and if you like none of them, there is another very clear and understandable expression: not to pay. That is what we want. (APPLAUSE)

Comrade from Venezuela, I want to thank you, because you provided me with the opportunity to explain some of the issues related to the New Order -- I know some people have been discussing these questions -- to explain the kind of relationship that we have with the socialist countries, and how the ideal situation would be a generalization of these relations; that is what we should fight for and impose. Because I believe that if we get together and use our strength in the international organizations it is not only the cancellation of the debt that we can achieve. We should not forget that we are the overwhelming majority at the United Nations, we should not forget that; we should not forget that dozens and dozens of countries attained their formal independence and that all we have to do is dare to vote. We can even alter the U.N. rules themselves if we apply the full strength of all the countries that share this demand.

We are the overwhelming majority in all the international organizations: in UNCTAD, in the economic conferences, everywhere. And I warn you that there is great solidarity among the rest of the Third World countries, there usually is, and they usually dare to pose questions that Latin Americans, as a rule, do not dare to pose, because we Latins have been inculcated with more habits of submission than the Africans; I have seen them deliver speeches at the United Nations that the Latin-American representatives do not usually deliver.

Thus, I honestly believe that we have the force of imposition; the trade unions are less strong than we are, and when

they join forces they obtain their demands, they achieve their goals. And I believe that by joining forces the Third World can also reach its goals. I always speak of the Third World, because Latin America has to bring together the joint strength of the Third World countries. Latin America can and should lead this struggle; in fact, it is the only region that can lead it; it enjoys much better conditions than Africa, better conditions than the underdeveloped countries in Asia; it has more cultural development, more political awareness, a different social structure, tens of millions of workers, peasants, millions of university professors, doctors, engineers, that were also included in the report this afternoon.

Thus, I believe that if we see things clearly enough, if we become aware of our strength, we do have the strength needed to obtain some of the demands we are raising.

And I have no doubt at all, I know for sure, that the socialist countries would support this struggle; they have already made some statements in this direction. I know that they are interested in this struggle, particularly because of the way in which the idea of peace has been linked to the solution of these economic problems. They don't have these problems that the Third World countries have, but they are very much concerned about peace.

That is why I say that it is so important to link our struggle with peace; and that is why this element that we have introduced in all the interviews -- the fact that the foreign debt can be resolved with 10 or 12 percent of the billion dollars spent each year in the arms race -- is so important. Furthermore, the whole question of the New International Economic Order could be solved -- both things could -- with 30 percent of what the world is devoting to the arms race at present. And if this debt were erased from memory -- as it undoubtedly will be -- and a New International Economic Order were achieved, and if all this were done with money from the present military expenditures, unfortunately, there

would still be \$700 billion left for those expenditures, and that is enough to destroy the world several times over.

If the Third World received \$300 billion more every year -- taken from those expenditures -- the prospects for peace and development would be different. And this is no utopian dream; we have to state our demands; we have to tell them: it is not enough to forget, abolish, file this debt, we also need a New International Economic Order. So, we tell them the following: there is a solution, take this money from your military expenditures, forget that madness of star wars, the cosmic conflagration, the sophisticated weapons and all those lunacies that are proving so harmful, not only because of the danger they imply of actual war, but because the huge budget deficit is the origin of high interest rates, the overvaluation of the dollar and all those other lunacies that they have implemented in order to make the world burst. And we say: we are determined to wipe out the debt. Moreover, we are doing them a favor. We are explaining to them how to solve the problem without great losses for them, rather, some gains. It is true that it is not our task to solve the problems of the industrialized capitalist countries, but we do believe that it is correct, it is wise, it is intelligent to advance a formula, and I am going to explain why: in this struggle, we should not only unite the greatest number of forces within our own countries, and bring together the Third World countries, we should also win support within the industrialized world.

It was highly symbolic today that messages were sent by workers from France, Scotland and other countries. We have to seek the support of the workers in the industrialized countries, of all workers in the industrialized countries (APPLAUSE); of the students, the intellectuals, all possible forces, because if we do not win their support, imperialism will try to bring them together against the Third World. What shall we tell them? It's not necessary, we don't want banks to go bankrupt. Do we have, by any chance, a tender, very

tender love for the transnational banks or the capitalist financial system? No, we do not love them even a little, but we have to deprive imperialism of the argument that our demands are going to ruin the banks, and that as a result of their ruin tens of millions of their clients in those countries are going to lose their money. Or they could tell the workers: your living standards are going to suffer; or they could tell the taxpayers: your taxes are going to increase if this happens.

We say, none of that is necessary, the banks do not have to go broke, you do not have to pay one more cent in taxes, not a single cent in the bank accounts has to be lost, because there are huge amounts of money being thrown away every day, every month, every year in fabulous amounts: that of the military expenditures. This is sheer madness; the world cannot be interested in the arms race, the socialist countries cannot be interested in the arms race, the socialist countries know very well what they could do with the money, because there are always many needs to be met in all areas of society.

We tell them: sit down and stop trying to impose your political system on the whole world by force. Stop dreaming that you are going to change the world; stop dreaming that you are going to halt the course of history; sit down and discuss peacefully with your adversaries and solve your problems through negotiation. If they want to maintain capitalism in their own countries, let them maintain it for as long as they want. That is their own business. We are not going to go to the United States to make a revolution there or to impose socialism on them. In an academic discussion we can prove to them that socialism is better, more humane, more rational and fairer than capitalism, but we cannot go there and tell them: change your social system. Roast yourselves over that fire for as long as you want. It will not be forever, but that is not our business. Nobody will ever want to change the capitalist system by force, to impose socialism in Europe, in Japan, in the United States, in Canada, in

Australia; nobody will ever want to do that, nobody is thinking of that, it doesn't occur to any one. Sit down, discuss, and save a third of what you are spending on the madness of war and give us back what you are stealing from us.

It is necessary to convey this message to the public opinion in those countries: the measures we are proposing do not affect them. Unemployment affects them. If the buying power of the Third World increased by \$300 billion, many factories in Europe, in the United States and elsewhere would work at full capacity, and the number of jobs would increase in those countries. That is why I think that the formulations made on this question are not frivolous; their purpose is to convey a message to the public opinion of the industrialized world.

Imperialism will try to isolate us and we should endeavor to isolate imperialism and the warmongers. That is the purpose of these statements.

We have sent these documents to the governments of many industrialized countries. A great number have been distributed. All these documents are on the desks of the African Heads of State who are meeting now; these documents have reached the Heads of State of almost every country -- we always make some exceptions; these documents have been widely distributed; they have reached the women that are meeting in Nairobi, and they will reach the young people who will meet at the Moscow Festival. And let nobody imagine that we have been carrying out a publicity campaign; we have been working intensively towards establishing contacts everywhere. They believed this was a publicity campaign by Cuba to improve its image, to further its relations; they didn't realize that this was a serious struggle which we have been waging for a long time. If you like, I can refer to that briefly later on. This is what I can tell you on that question and I promise this is the last time I will speak so extensively. (LAUGHTER AND APPLAUSE)

CHAIRMAN: The Brazilian comrade.

JAIME MENEGUELLI (CUT, Brazil): Comrade Comandante Fidel Castro, this conference is a great step forward in uniting the struggle of Latin America and the Caribbean, particularly the immediate struggle against the foreign debt. It is evident that as we come together, imperialism will use new tactics: instead of blockading it will have to divide -- and who knows if it will make some tempting offer to some Latin-American countries, in the sense of negotiating better conditions for their debts.

What should our joint response be in such a case?

FIDEL CASTRO RUZ: Your question is very important, in fact it is essential. I can assure you that up to now imperialism is puzzled by the whole problem and that it has been left on the defensive. This problem has been on the agenda for some time now, and I am going to take this opportunity -- I am not going to keep my word a hundred percent. I am not going to be too brief, because I believe that there are some things around this question that should be explained. (LAUGHTER)

There are some people -- particularly the yankees -- who say that Castro is an opportunist, that he is taking advantage of this problem to improve Cuba's image, to improve Cuba's relations. They still haven't realized that, having resisted these 26 years, we are more consolidated than ever, we have better relations than ever and that for us that supposed goal means nothing essential. The idea of the image is the silliest thing in the world. Since in the US they live on their image, they believe that everybody else is looking for an image, and everybody knows that image doesn't feed anyone. They throw away huge amounts of money on this, particularly for mercantile purposes. They imagine that everybody else is vain, or looking for a name, looking for prestige, that's the way they think.

I asked that a reprint be made of the speech I delivered at the United Nations, after the 6th Summit Conference, in October 1979. I am glad you did not choose October 12, because it was precisely on the 12th of October that I said all that, but that was mere chance (LAUGHTER). I was already speaking about these problems. Even before that, we had been posing these problems within the Non-Aligned Countries, but more concretely, now, in the past six years. I have those speeches here. For instance, in that speech, on behalf of all the non-aligned nations, I said: "... while the inequality of international economic relations (has) increased the developing countries' accumulated foreign debt -- to over \$300 billion -- ..." it was already big, it was the debt of the entire Third World and it was smaller than Latin America's debt today. And I added: "... the international financial bodies and private banks (have) raised their interest rates and imposed shorter terms of loan amortization, thus strangling the developing countries financially ... this constitutes an element of coercion in negotiations that permit these financial institutions to obtain political and economic advantages at our countries' expense." This is to explain that I believe that some of the theories and myths that they have put forth have to be shown for what they really are. This seems important in terms of what you said, given the role Cuba has been playing on this issue.

On that same occasion we said: "The underdeveloped countries now have a foreign debt of \$335 billion." Today it is three times as high, and at that time the dollar was falling, while now it is overvalued.

"It is estimated that around \$40 billion a year goes to servicing this foreign debt -- more than 20 percent of their exports. Moreover, average per capita income in the developed countries is now 14 times greater than in the underdeveloped countries. This situation is untenable." We were saying this in 1979, and the service on the debt of all countries amounted

to \$40 billion; at present, Latin America alone owes more than that and what it is paying in interests and services alone amounts to \$40 billion; it may be a little more or a little less, depending on the interest rate.

On that occasion we also raised the question of arms and military expenditures. I said: "The developing countries -- and on their behalf the Movement of Non-Aligned Countries -- demand that a substantial part of the immense resources now being wasted by being poured into the arms race be used for development -- which would both contribute to reducing the danger of war and help improve the international situation."

And finally, we summed up. This was in the United Nations, in 1979. The hall was full, everybody attended and I remember that these positions received a great deal of sympathy at the time. We were also asking for \$300 billion for the development decade, on the basis of the fact that there had actually been no development and that what had taken place was a relative underdevelopment. In 1979, we were still saying, look, please, hand out \$300 billion, take \$300 billion out of your pockets. That was what we were trying to say, in effect. But the situation has changed drastically.

We said: "... unequal exchange is impoverishing our peoples; and it should cease!

"Inflation, which is being exported to us, is impoverishing our peoples; and it should cease!" What they are exporting to us now is the overvaluation of the dollar.

"Protectionism is impoverishing our peoples; and it should cease!

"The disequilibrium that exists concerning the exploitation of sea resources is abusive; and it should be abolished!" Another problem that has been posed and was under discussion is the Law of the Sea. An agreement had already been reached, but the United States and some of its wealthiest accomplices will not accept it.

"The financial resources received by the developing countries are insufficient; and should be increased!

"Arms expenditures are irrational. They should cease, and the funds thus released should be used to finance development.

"The international monetary system that prevails today is bankrupt; and should be replaced!

"The debts of the least developed countries and those in a disadvantageous position are impossible to bear and have no solution. They should be cancelled!"

Even then the dictionary led me to use a word that lent itself to a dual interpretation. At that point there was a lot of applause. That was the idea that received the greatest amount of applause at the UN from the representatives of the Third World and other countries -- with the exception of the wealthiest capitalist nations. "Indebtedness oppresses the rest of the developing countries economically; and it should be relieved!" We were not yet demanding the cancellation of the debt of all the Third World countries.

"The wide economic gap between the developed countries and the countries that seek development is growing rather than diminishing and it should be closed!

"Such are the demands of the underdeveloped countries." It was already posed in 1979; almost the same thing, there are only a few differences: at that time the total debt was smaller, the problem was critical for some tens of countries, but it was not critical yet for Venezuela, for Mexico, for several countries; the fact is that today the debt has tripled and that it affects all the nations that are developing. Even the countries that had resources with which to face the difficulties then find themselves in a difficult situation today.

Nigeria: an oil-producing country, an enormous debt and tremendous problems, and more than 100 million inhabitants.

In 1984, Mexico, as was explained here, was using 72 per cent of its oil exports to pay the interests on the debt, and

that was before the drop in the price of oil; now it must be using around 75 percent or more to pay the interests alone.

Venezuela: the comrade here eloquently explained the problems of Venezuela, and from his analysis I have concluded that it is impossible, they cannot pay, because the oil-exporting countries have been affected by two problems: they were producing a bit more than 30 million barrels a day, they are now producing 16 million; the price of oil, which had reached \$30-some a barrel, has decreased; when the prices were high, these countries contracted financial commitments, they spent their money, and even for them the situation has become difficult.

I understand that horrible things have been done -- as the Venezuelan comrade explained -- that some groups linked to imperialism's financial circles have taken huge amounts of money out of the country. A recent World Bank report explained that, while the debt was piling up, the flight of capital from Venezuela was not 100 percent of money received in loans, not 100 percent, which seems high, but, curiously, 132 percent of that amount fled the country; for every dollar the country borrowed -- note this -- one dollar and 32 cents fled abroad. That means that not only the money they borrowed left, but the money they had saved, the reserves, or that which was earned by the imports. It's incredible! But I am not concerned about those people. I think about the Venezuelan people, the Venezuelan workers, the peasants, the young, the women, the people, who are suffering the consequences.

I reached two conclusions: first, that the situation had worsened to such an extent that no country could be excluded; second, that since the situation was critical in all countries, the demand for the annulment of the debt of all Third World countries, without exception, was going to have much more force. This demand would then mean that this struggle was not going to be waged only by some tens of countries that can't even walk, but by all the Third World countries. Because

many of those countries that have resources are already facing such a terrible situation and their peoples are suffering the consequences to such a degree that they need to be included in this demand; but when all are included in this demand, the movement gains strength. Those are the differences.

Today, the Third World owes three times as much. At that time the situation was already serious and we perceived that this problem was gradually becoming worse. We then asked for \$300 billion to be handed over in a period of 10 years. Now we are posing something quite different: we are not going to give you almost a trillion dollars in 10 years as interests and services, not to amortize the debt. Latin America alone would have to hand over \$400 billion in interests and services. That is why we said that the situation has changed: then, it was a question of requesting, and now, the action that we have to take is that of not paying. There lies the difference. The initiative went from them to the Third World: it is the prerogative of the Third World to take action now and not wait for them to pity us, to soften up and to give. The money demanded from us should be invested in the economic and social development of our countries. There lie the main differences.

I explained this, comrades, because it is something that we saw happening, something that we had been raising for some time, that Cuba had been raising. The main difference is that the problem was not yet as critical as it is now: now it is catastrophic. The wealthy countries paid no attention; all the Third World liked it, applauded it; all the Heads of State welcomed this speech delivered on behalf of the Non-Aligned Movement, which was chaired by Cuba at that time, because we had hosted the 6th Summit Conference.

In March 1983, in New Delhi, when the crisis was already sharpening, we continued to pose the problem. Cuba made a report to the Non-Aligned Movement in which all these

problems were analyzed in full detail, although the language used was not popular, but rather technical; and in the speech delivered on behalf of Cuba, among other things, I said towards the end:

"To struggle tirelessly for peace, improved international relations, a halt to the arms race and a drastic reduction in military spending and to demand that a considerable part of those funds be dedicated to developing the Third World!

"To struggle without respite for an end to the unequal exchange that reduces our real export earnings, shifts the cost of the inflation generated in the developed capitalist countries onto our economies, and ruins our peoples!

"To struggle against protectionism, that multiplies the tariff and non-tariff barriers and blocks the marketing of our export commodities and manufactured goods!

"To struggle for the cancellation of the external debts of the large number of countries which have no real possibilities of paying them and drastically lighten the burden of debt servicing for those that, under new conditions, may be able to fulfill their commitments!"

There's already a subtle difference here from what we stated in 1979 in the United Nations: at that time we already spoke of cancelling the debt of all countries having no real possibilities of paying. Previously, we were referring to countries with less relative development; now we're referring to all countries having no real possibilities of paying, as well as a drastic reduction of the burden for the rest. And why? Because the debt had already increased tremendously, and it has almost doubled since 1979.

To drastically lessen the burden of service payments of those who, under new conditions, might honor their commitments. More than two years went by and, from 1982 to 1985, the debt of the Third World increased, by \$300 billion.

But at the time, these demands didn't give rise to a movement. These demands are now generating a movement because

the crisis has reached its most critical point; a new situation was created; and the peoples are feeling the harshness of the problem much more. Year after year, the details, the thread of all these ideas, all these statements -- that are the same, adapted to a worsening situation -- could be followed; it's only that now, when there's a crisis, some -- who apparently weren't informed of anything, or who pretended not to be informed -- thought I discovered something, that I was making something up to pester the yankees or to improve Cuba's image or to improve Cuba's relations.

This is important because some are worrying about why Cuba is saying it, and Cuba's been saying it for six years; it's been raising these problems for a long time; and now there are some who are oddly concerned. Some of them have said: Cuba's right, but the problem is it's Cuba that's saying it. Poor Cuba! It can't even talk. It has to be forced to remain silent because that's what the US likes! It's been talking about the problem for a long time, and now it has to shut up! The imperialists think this is a maneuver, a trick made up by Cuba.

And, of course, they imagined this; they imagined and maybe even believed it. But while they were thinking this, all these ideas have been disseminated everywhere and are being known everywhere. These ideas have reached many places -- I'm not going to mention all the places they've reached -- but I'll tell you they have even reached the churches; they have even reached the masons; they have reached every place they had to reach. Now, those who believed it was a game, a publicity campaign, are finding out that there's a problem, and they're baffled; they don't even have a theoretical answer... nor can they have one. They've made cheap campaigns against Cuba: that Cuba is rescheduling its debt. Yes, we've been rescheduling our debt, too, just like the rest. But our debt is in foreign currency; it's small; it's relatively insignificant compared to that of the rest of the countries;

and part of it is with Third World countries, like Mexico. We also owe money -- some hundreds of millions -- to Argentina, and other amounts to other Third World countries. We don't owe a cent to the US banks or to the International Monetary Fund or to the World Bank, because all those institutions honorably kicked us out. They honorably kicked us out! (APPLAUSE)

And we say: we're not waging this battle for Cuba; Cuba will do what the rest do. They'd love to see us taking an unnecessary and inopportune step in this matter so they can say: Ah, well, you see. . . it's problems Cuba has, and that's why they're fighting for this. We say: We're the only ones who are calm, who don't have any problems, who are in the best position to wage this battle. And what would they like? That we say we're not going to pay the Mexicans? Well, we say that we are going to pay the Mexicans and that we are going to pay the Argentines, because they're Third World countries that have serious problems. And for us, the battle we're waging is inspired in firm principles. It's a struggle we've been waging for a long time; it's not going to help our country in any sense; and that does honor to us. Ah, but if we owed \$30 billion to US banks, they wouldn't be saying that; they wouldn't be trying to provoke us into cancelling our debt with US banks. They know we don't owe them a single cent, and that's why they can argue cynically that we must cancel our debt.

That's why I respond that we shall do what the rest of the countries do, as a whole. We do have some debts with Western banks, but they're very small. . . with some banks that, in the middle of the blockade and despite yankee resistance, lent us money. We believe that our commitments to Third World countries, for whose interests we're fighting, are sacred. Even if the debt were cancelled, we'll pay the Mexicans, the Argentines and any Third World country that has granted us loans; among other reasons, because we can and we must do

so. (APPLAUSE) We don't owe a thing to US banks, and nobody stole a cent from the money our country received; not a single cent fled the country or was squandered; everything was invested in the economic and social development of our country. This can't be said of the enormous debt of Latin America and the Caribbean. On the other hand, though, just like them, we're victims of unequal trade, protectionism, dumping, high interest rates, the overvaluation of the dollar and other evils in our relations with the developed capitalist world. We do have something in common. Moreover, we've been suffering a criminal economic blockade on the part of the United States that has already lasted 26 years. Our morale for waging this battle is very high.

They've had the Voice of America broadcast an editorial every now and then. They've already broadcasted three, and they desperately want to transmit a message against Cuba -- not officially, but rather through the Voice of America. They've called on several well-known newspapers in Latin America that serve imperialism, and they've ordered them to publish some cheap articles and things like that; they've been active. They took frantic steps to hinder this meeting, but they failed. Nor will they be able to prevent or spoil the broad Latin-American and Caribbean dialogue that will begin on the 30th. They're baffled.

They've thought about other things. As you know, some time ago they mistakenly thought that if they killed the dog, they'd kill the rabies. They think this is rabies and that I'm some sort of a dog they're entitled to kill. So here you have the most waylaid and ambushed dog in the world. It's a miracle the dog's still alive. But actually it really isn't that much of a miracle, because there's a people defending the revolution; and over here, not even disguised as a rabbit can a CIA agent move around. . . not even disguised as a rabbit can he get away with it. (LAUGHTER AND APPLAUSE) What I can tell you confidentially is that they're a bit desperate

and a bit hysterical, and they're rapidly reactivating all kinds of plans to eliminate Mr. Castro, to kill the dog, see? We know it, and it's good that they know that we know. They've been taking measures for attempts on my life, rather shamelessly, but we know it; and a good piece of information is very important in anything. That's what they've been doing, some plans of that sort. But they're wrong: they can kill 100 dogs but the rabies lives on, and maybe it'll spread. I'm convinced that not even with that can they stop this, but I know about their mental and psychological state.

I believe that now they're going to move more actively, although their ranks are dwindling. The vice president of the Federal Reserve began talking about formulas and about the Latin-American debt being a very serious problem. His boss, the president of the Reserve, Mr. Volcker, was furious. Twenty-four hours hadn't gone by before he made a statement saying it was all nonsense. Kissinger, the mastermind of imperialism, has been raising the problem and suggesting formulas on the not unrealistic basis that the enormous debt is potentially serious and dangerous to US interests. He's already worked out some formulas and proposed, for instance, that the World Bank acquire the debt, paying in bonds to private banks in order to soften payment conditions.

We mustn't think at all that imperialism is going to remain idle. It's going to do all it can; it's going to launch publicity campaigns of all kinds; it's going to call on all resources -- all of them; it'll try to divide, to pressure, and, above all, it'll try to put out the fire before it gets too strong. Will it put it out? I believe that imperialism will put out the fire or not depending on whether or not the masses take up this cause. If this cause becomes the banner of the workers, peasants, students, professionals, of all social strata sensitive to the problem; if it becomes the cause of the masses, then this can't possibly be solved in a conciliabule, nor with promises here and there. Besides, what can they offer?

Let's imagine that, accepting in part that the debt is unpayable, all of a sudden they start lending money to pay the interests, and they say: Don't worry; not a single dollar's going to leave the country. We're going to lend you money. Behave yourselves; implement all the IMF measures; be good boys and we'll lend you the total amount of the interests and give you a break. That would only increase the debt year after year; new amounts would pile onto the enormous debt every year.

There may be some who think that that's a step forward. They really wouldn't be giving out anything; they'd only be lending what they can't collect; they'd make up a fake loan to increase the debt. I believe that public opinion would see clearly through this maneuver and make its analysis. Above all, there's a vital question: dependency wouldn't end, because the countries would have to keep negotiating every month or every six months or every year; they'd still have the rope around their necks, which could be tightened at the most opportune moment; they'd still be in chains; they'd still be slaves.

It turns out that this debt has become a problem for imperialism. And what do they want? If they pretend to be good and make this offer, in the critical economic situation of the countries and governments today, just a few of them could have a little more resources at their disposal -- a good part of which would leave the country -- and at the cost of a geometrical progression of the debt, without solving any fundamental problem. It would not solve the very serious problem of unequal trade: they would continue to pay less and less for our products and they would continue to export at higher and higher prices.

In 1984, \$95 billion in merchandise was exported, and the purchasing power of these exports was equal to \$75 billion in 1980. That is, with tremendous exporting efforts, the purchasing power was \$20 billion less. They've shamelessly

robbed us through trade conditions alone, imposed by them, with all its classic aspects: dumping, the sale of strategic reserves of material, and protectionism. With all those tricks -- all measures that tend to depress prices -- they've robbed \$20 billion in one year. The countries exported \$95 billion and the purchasing power of these exports, I repeat, amounted to \$75 billion in 1980, and this situation continues to worsen.

Are they going to give up their selfishness, their protectionism, their dumping -- which besides lowering prices lowers the volume of exports as well? Well, they might say: For a certain period, we'll not receive the \$40 billion for interests. They'd continue to keep our countries in debt, and they'd continue to steal dozens of billions of dollars through the prices they pay for our products, the manipulation of currencies, the flight of capital. The situation would continue to be very serious; nothing would be solved; the foundations for development wouldn't be established. I'm ready to admit though, that, if all of a sudden a few countries stop paying some billions of dollars in interests, they might get somewhat of a breather, at the cost of an even more uncertain future. And that's just a few. The others, not even that. What would be the sense in lending to Latin America, the Caribbean and the Third World the money they need to pay their interests? The debt increases, dependency continues: every month, every six months, every year they'd have to go and eat from the hand of imperialism, and the basic problem would not have been solved. That's why it's so important for these three banners to become one, so that no one believes he's solving the problem or gratifying the conscience or answering the demands of the Latin-American peoples by simply proposing some small financial formula of this type, which wouldn't save anybody's neck, and which would continue perpetuating the robbery and the plunder to which we're subjected. That's why these three pillars are so important: the abolition of the debt, the New International Economic Order and the economic integration of Latin America.

Even if the first two conditions are met -- the cancellation of the debt and the establishment of the New Economic Order -- Latin America will not develop; because if Europe, so developed and rich -- if England, Spain and all the rest state that they can't live without a greater economic community, how then can Curaçao or Venezuela or Colombia or Ecuador or Peru or the Central American countries or any of the other countries develop alone and isolated? They would always be prisoners and hostages of imperialism.

In my opinion, it must be taken into account that economic integration is one of the prerequisites for the development and independence of our countries. They can still get hold of Santo Domingo by itself and suffocate, blockade and invade that country; they blockade Cuba; they blockade Nicaragua and threaten to invade it; they invade Grenada and every day they threaten to invade any of our countries. Why? Because divided and disintegrated countries suit them, so they can exploit and strangle them one by one. That's why they're the sworn enemies of integration. They don't even want to hear about it.

I affirm that these three banners are three great anti-imperialist banners, three great banners for the independence of our peoples, and I'd say three great historically revolutionary banners. I believe that they're immediate goals that can be achieved if we struggle, if we do what we have to do.

I believe that if the masses are clearly aware of all these problems, they can obstruct and prevent imperialism's maneuvers. There lies the importance. We're not saying to pressure... You must understand that we have to use different language. We say that the masses are the best guarantee to prevent imperialism from maneuvering, holding conciliabules, playing tricks, limiting the goals of this struggle, making us conform with 15 when we know that we can have 100.

Now, there's no doubt that they'll try everything... all those ideas. Kissinger spoke about a Marshall Plan, and I was

thinking: the problem is so serious that at least 25 Marshall Plans are needed; and there isn't enough money for even one. If they reasoned, if they reacted, they'd start thinking a bit more realistically. So, all this, as things stand, might lead them to realism. They'd have to stop thinking a bit about all those crazy ideas in which they're investing such fabulous amounts of money, because there are other problems; but I'm not going to talk about that: about what the consequences will be for the US economy. All that is here, in my interview with an academician and a legislator of the United States who are soon going to publish a book over there.

We have to be on the lookout against all maneuvers they may try. We have to see how this problem evolves. It's said that the ideal thing would be to have a consensus; that the ideal thing would be for us to sit down and discuss how the debt is going to be cancelled and the New Order established. But it may also happen that there won't be time even for that, because certain desperate countries may throw themselves into this struggle and implement any of the formulas you're proposing in the report adopted today. There are some who have already done it very quietly; the Bolivians proclaimed it, but they're not weighty enough. I believe that if a country of weight, in a desperate situation, openly proclaims it as its right and its duty, they'd find themselves in a dilemma over what to do. Take economic measures? If they do, they'd be quenching a fire with gasoline; if they don't, they'd be running the risk of having everybody do the same. I don't see an easy solution to the problem. If some countries make that decision, naturally, we must give them full solidarity.

And we've said more than once - reacting to all those machinations about our trying to improve our image, our good standing - we've stated that we'll gladly hand over this banner to any Latin-American government that wishes to take it, on one condition: that they carry it forward honorably and not betray it.

But, of course, this banner doesn't have to be given to anyone in particular. I believe that starting today, this banner is in the hands of the Latin-American and Caribbean workers; it's in safe hands. (PROLONGED APPLAUSE)

That's why, Veiga, to conclude, we hand over this banner, that they accuse us of raising for the sake of prestige, to the workers of Our America so they may raise it on high from the Rio Grande to the Patagonia. They shall never betray it.

CHAIRMAN: We shall receive it and keep it flying high with honor. (APPLAUSE)

The comrade of Ecuador has the floor.

EDUARDO ZURITA (CTE, Ecuador): Comrade Comandante Fidel, allow me, first of all, to thank you for the extraordinary lesson that, only here in Cuba and from you, have the workers had the opportunity of receiving.

My question is the following: Speaking as the devil's advocate, how can one respond to those sectors that argue that the New International Economic Order being proposed will mainly benefit the local bourgeoisies, thus prolonging the life of capitalism in our countries?

FIDEL CASTRO RUZ: Listen, the life of capitalism in Europe, in the United States and in other similar countries can be prolonged. They have resources and possibilities for maintaining the system for a time but it's becoming more difficult for them to maintain their present system of exploitation of the underdeveloped countries of the world. If the Third World attained these goals they'd no longer be ruling the world, as they've been doing up to now, and for the first time they'd have to acquiesce to the strength of those countries. Their rule would no longer be as before.

In the second place, if the countries of the Third World undertook development programs, they'd undoubtedly have

to import a lot of equipment and technology; international trade would undoubtedly receive an impetus; underdevelopment -- one of the problems of developed capitalist countries -- might diminish in the near future. That is, if they were sensible, they could also obtain some benefits; the workers, the industrialists, the industrialized capitalist societies themselves could obtain certain benefits.

But I don't in the least believe that this struggle could result in the prolongation of the capitalist system. For the moment, it would mean a strong brake on the exploitation and plunder they're presently carrying out against our peoples. And imperialism is so much more dangerous, and strangles and plunders us more when it has us all by the neck, and when it has us under its heel every day. If we take the rope off our necks and the heel off our backs, we'll begin to live in a more endurable world, especially if we know how to defend the freedom and the goals we have attained.

Insofar as our countries are concerned, we'd be going into a topic which, as I explained to the Argentine comrade, I didn't believe appropriate to analyze.

Now, regarding the concern any of you may have about whether capitalism will be prolonged or not in Latin America, I can tell you the following: first, we've been talking about the New International Economic Order, the elimination of all the abuses existing today, the abolition of the debt. Later on, we'd have to approach another problem: how are these resources going to be used, for the development of socialism or for the development of capitalism? It's evident that I believe in the development of socialism; the perfect thing is the development of socialism. But I think I shouldn't be advocating or speaking for capitalist development or socialist development. I think only the people living in each country can answer this question, can say what kind of development they want, or what kind of development they can attain. Only you yourselves can answer this question.

I don't think it's worthwhile for me to speculate on what is going to happen or how it might happen or even what should happen or proclaim this or that model of development, as I've explained at length in response to the question by another comrade.

Capitalism's longevity depends on you. Its duration in Cuba depended on us.

CHAIRMAN: The comrade from the Inca University of Colombia.

JAIME QUIJANO (Inca University, Colombia): Comandante Fidel Castro, on April 9, 1948, during the Bogotazo, the possibilities of development of the trade union movement, the workers' movement in Latin America began to disintegrate, and I think that one of the fundamental questions that this assembly has brought to the fore is that, as has been said, for the first time, under exceptional circumstances and due to an exceptional crisis, the possibility has arisen here to reunify all the forces of the trade union movement and its allies.

With regard to the issues that have been raised here, you have said: At present there is something more important than social change, namely, the independence of our countries.

I think we have been able to clarify this theme through your extraordinary exposition. I think there may have been some questions here as to what is fundamental and what is secondary, but my question refers to the point already raised regarding subjective conditions.

We in Colombia lived through a situation in which, despite the existence of objective conditions, there were no clear-cut subjective conditions from which something different could arise other than the dispersion that followed April 9th. This has happened in many countries.

I believe that one of the essential things that has taken place here is the fundamental theoretical basis you have provided for this process which, briefly described here, has crystallized now, because a new category has sprung up in the class struggle: the foreign debt is unpayable.

Well, then, I would like to ask you what could be done, in your point of view, to step up the subjective conditions, since, obviously, this theoretical tool, this ideological weapon which has been forged here within the framework of and based on the socialist Revolution of Cuba and under your leadership, evidently constitutes, as I have said, a new element.

So my question is about the stepping up of these subjective conditions: how should this ideological weapon which has been forged here be interpreted within this process of which you are the fundamental mentor?

FIDEL CASTRO RUZ: Perhaps it would be better if I explained more thoroughly my statement that it is more important to attain the objectives we have been discussing than two or three revolutions, because this great anti-imperialist struggle of the entire Third World has an enormous significance and impact.

In what sense do I say that this process is more important than two, three or four revolutions? Well, we have examined the Cuban Revolution; I've already told you what happened here: we found ourselves alone, isolated, and we had to receive help from far away places.

Then came the revolution in Nicaragua and it didn't even set forth a socialist program; it adopted a program of mixed economy and pluralism. It held open elections following the classical bourgeois liberal formula; the president was elected by direct ballot. If they had held elections as they do in Great Britain, which also has a bourgeois liberal system, they would have won 100 percent of the seats in Parliament; the opposition wouldn't have won a single

district. They did it in a classical manner: by direct ballot and the seats in Parliament were allotted proportionately according to the number of votes obtained by each party, in the midst of a war and despite the yankee efforts to sabotage the election. And the US won't forgive them: Nicaragua's blockaded and threatened -- it's threatened every day. Tomorrow is already the 6th anniversary of the Nicaraguan Revolution. The United States exploits our isolation and all our economic weaknesses, our dependence, our underdevelopment, and makes life unbearable for us.

If there were a revolution tomorrow in Bolivia, or Peru, or in any other country, what would happen? They could isolate it, surround it, threaten it from all sides -- it's left on its own -- or, like in the Dominican Republic, they invade it.

Well, unquestionably there are countries in Latin America whose size is such that social change, a revolution, would have tremendous consequences.

We have seen what is happening in Africa; that situation has already led to revolutions. In Burkina Faso, formerly Upper Volta, there was a revolution. I know the problems it has due to underdevelopment and poverty. In Ethiopia there was a revolution. Angola won its independence as did Mozambique. And in that region, South Africa is organizing counterrevolutionary bands; the CIA is organizing mercenary bands, blockading and attacking here and there, with a big stick and a carrot. Imperialism meddles in the political life of these countries. It says to them: Look, I'm willing to give you something if you behave, if you comply; if you don't, I'll clout you on the head. And they send in mercenary bands to make their lives unbearable.

Everyone can understand that if we wage this battle, seek unity and seek strength, we are waging this battle against imperialism with vital demands for our people, and for the immediate attainment of these goals. I clearly see

that this now has priority over the objective of one, two, three, four or five revolutions, which would have to survive under very difficult conditions or be crushed by imperialism. That's why I haven't the slightest doubt that this has priority.

Now, let's suppose we don't win this battle, that the debt isn't erased from memory -- as the dictionary of synonyms says -- that there is no New International Economic Order, that nothing is gained, that this catastrophe continues. Then there will be many revolutions and the subjective conditions will accelerate, they will accelerate. In some cases the subjective conditions help create the other conditions. Cuba is an example. Cuba's situation was not even a shadow of the tragedy of many countries today. The subjective factor influenced the other one; but at present the objective factor will influence the subjective one. And it's seen in this snowball that's gathering momentum, this landslide, this volcano.

I've been to a number of meetings: of women, of different sectors, of journalists. Right here there was a journalists' meeting -- more than two hundred Latin-American journalists. There I saw an almost unanimous opinion, a unanimous idea on these problems. That meeting was very similar to this one. The women's meeting -- the documents are available here -- was also very similar to this meeting. The results of the broad political meeting remain to be seen.

I have never seen ideas develop as these have. And why? It's because we are facing an enormous crisis. It's not because these ideas are well expressed or because they make for pleasant reading. To read good literature one can go to Cervantes: *Don Quixote* will always be a valuable and interesting literary work. These ideas are developing because there is a severe crisis, and they are developing very rapidly.

I would say these meetings are ample proof of this, especially this meeting and the report you have adopted. I say this is a qualitative leap forward. I remember when the comrades began talking about this meeting in Guadeloupe,

in the Caribbean, to discuss these questions, and Veiga proposed it be held in October. I suggested it be held earlier. There were other meetings already being planned; the women's and the journalists' meetings, and the broad meeting at the end of July. I told Veiga that, in my opinion, October would be too late; even if it means an enormous amount of work for us among so many tasks and engagements. I want you to know that these meetings have all been organized in less than four weeks -- in less than four weeks! And they have taken place in a period of only two months. (APPLAUSE)

Under no circumstances other than those of a true crisis could this have been possible. And the facts are demonstrating how easily and quickly these subjective factors can be evolved, in the midst of a crisis, if we work. On the other hand, if we leave everything to occur on its own, spontaneously, to blow up, to explode, then nobody will be able to foresee what is going to happen or how it will happen. I believe people can exert a great influence on historical events and processes, if they see the situation clearly and act in an intelligent manner.

You are well aware of this: so are the intellectuals. I've already talked with many; I've talked with doctors. There was a meeting here recently that was attended by more than 1500 Latin-American doctors, many of whom worked in private clinics. I understand their way of thinking, because they see how the children are dying; they know why and how they are dying; they know how many cents it takes to save a human life and that there isn't even that amount. We must work with the doctors, the teachers, the professionals in general. Some of them serve imperialism, but a great majority of those sectors identify with the tragic fate of our peoples. Hence I believe that man can influence events depending on the way he interprets them and the lines he follows.

Those of us who have participated in this meeting in all its sessions, feel our optimism is justified with regard to the possibilities of making swift progress in the creation of subjective conditions for this struggle in the first place. I think the objective conditions will also contribute to bringing about social changes in one way or another. But I don't think this is the time to raise that banner, at least I can't raise it because that would go against the efforts to broaden and unite the forces for waging this battle and that, in my opinion, is fundamental at this stage. That is what will create the conditions to attain independence, conditions which will truly allow for social changes without the elephant crushing us, without them wanting to annihilate us for it.

The subjective factors are lagging behind but I think this crisis itself will step up the development of these subjective factors.

CHAIRMAN: The comrade from Bolivia.

ANGEL ZABALA (COB, Bolivia): Comrade Comandante Fidel Castro, Comrade Roberto Veiga, comrades all: On behalf of the delegation of the Bolivian Workers' Central Trade Union we wish to express our gratitude to all our Latin-American and Caribbean fellow workers for the support and solidarity you have offered us in the final report.

It would take a long time to analyze again in detail our activities in regards to the mobilizations we have carried out to reach a correct position. We Bolivians know that the foreign debt shouldn't be paid and we are taking concrete actions so that our government assume this position.

I would like to refer to some comments made by the international press on the connection they establish between drug traffic and who promotes it, and how imperialism uses this issue to interfere directly in our economy by carrying

out military operations in cocaine-growing areas. This is only a comment, not a question.

On one occasion, the United States carried out a military operation in the tropical areas of our country in search of a famous drug dealer called Roberto Suárez. This drug dealer made the following proposition: he said he was willing to surrender to the Americans if they condoned the entire foreign debt. Of course, neither occurred.

But what caught our attention later was that the international press pointed out that Cuba was acting as a bridge in the promotion of drug traffic. So, we would like Comandante Fidel Castro's comments on that.

FIDEL CASTRO RUZ: On what? On Cuba? On Suárez? In regard to Bolivia? What specifically?

ANGEL ZABALA: On the problem of drug traffic and its bearing on these economies, not only Bolivia's, but there could be other realities.

FIDEL CASTRO RUZ: You can't imagine the ease of mind with which we laugh at these sort of accusations with which imperialism tries to smear Cuba. An ample response to this, among other things, will be printed in another book which will be published in United States. Something on this came out in *Playboy*, but not a concrete response. In the first place I told them that, as a rule, they were incorrigible liars; cynics who use lies as a political tool. No country -- there isn't a single one in the world -- has Cuba's clean record in regard to that problem.

I remember when we were waging our war in the Sierra Maestra mountains. We had already been there for months and months, more than a year, and the peasants were cooperating with us extraordinarily in every way; a great number of them were our friends and served as messengers and

guides; some infiltrated enemy lines -- they went everywhere -- and brought us supplies and took messages. But there was something we didn't know: several of them trafficked in marijuana and many peasants cultivated it. Not all of them did it, but some did. We didn't know that all those beautiful plants that seemed to be raised to provide shade for the coffee were marijuana. We had passed dozens of times through many areas where up to an entire hectare was sowed with coffee and marijuana and we didn't know it. What a tremendous conspiracy that was -- or peasant discretion: not one of those peasants ever said a word about it, though they had great trust in us. Maybe it was out of respect, since we were almost wholly dedicated to the war. They themselves didn't consume that product, but it brought them more money than coffee. Many of those skillful guides were the same people who had been deceiving or bribing the authorities for years. The war would end in about six months -- this was after Batista's last offensive, which was disastrous for his army. We were moving full speed ahead. Then we discovered that those fields were there and that a number of those who were helping us were the owners of those fields.

At that time, there was no such trade -- the war had disrupted everything. We had a civil administration office, and a comrade from the Movement suggested we take strict measures against those crops, measures which would necessarily affect, even from a moral point of view, the peasants involved in that who had cooperated with us without our knowing in the least that it was marijuana...those fields, those trees; there were many, we discovered many. I told the comrade: "Listen, not a chance...don't even mention taking repressive measures against those who grow marijuana, not here, in the midst of a war." I said: "Listen, let's wait until this war is over, and when it's over we'll take adequate measures to wipe out all marijuana growing and prevent marijuana traffic and use in the country." Indeed, when the

war was over we persuaded many peasants to destroy the crops. Conditions changed; they became owners of their land, were granted credit, given schools for their children, medical care, roads, means of transportation, better living conditions, and every possibility to improve their economies.

Thus, in our country there was some marijuana use, gambling casinos; certain people used cocaine, though far fewer than in the United States and other countries nowadays... In our students days, we were already hearing that such and such politician, or senator, or even the President of the Republic, was using cocaine. (LAUGHTER) Corruption was widespread within the Government so it could have been true.

Yet, I remember that there was none of that among the students, that custom didn't exist. Among the 15,000 university students of that time -- between 1945 and 1950 -- I never knew of a single case. When the Revolution -- moralistic as all revolutions are -- wiped out marijuana growing completely, without affecting any peasant, the traffic of marijuana was easily eradicated in the country. As far as I know, except for small amounts purchased for the pharmaceutical industry through an international organization, not a single gram of cocaine has entered the country throughout all these years of Revolution...unless we mention what we have seized from drug dealers who had the misfortune of coming to Cuba by accident. I don't know of a single case of cocaine use in all these years of Revolution -- and I believe I'm rather well-informed of what goes on in this country -- not a single case; nor a single instance of corruption related to drug traffic, not a single case; nor of a single official having been bribed for this; nor of a single policeman having been bought; nor of a single penny entering this country as a result of drug traffic. On the contrary, due to that moralism, and the constant surveillance of the coasts where spies and enemy agents could sneak in, we captured and confiscated

every single ship that carried marijuana. No large amounts of cocaine were found because they have more sophisticated means for transporting it: even regular air and shipping lines. However, over these years, we have found and seized approximately 500 kilos, and almost 250 tons of marijuana. Where? In airplanes that were forced to land because of lack of fuel or mechanical failure; in ships that were forced to run aground or were stranded on our shores.

We have the statistics -- and I have shown them to some US legislators: the total figure comes to some 300 people captured and convicted from 1975 to 1984 alone -- mostly US citizens -- over 50 vessels and dozens of airplanes have been seized -- almost all registered in the US. Our record in this matter is flawless, though we had no obligation whatsoever. We acted out of respect for our own country, for our country's good name and because it is simply a principle of the Revolution.

They had blockaded us and we would have had the moral right to counter their criminal blockade -- which even obstructs the sale of medicines to us -- by cultivating excellent marijuana fields fitted with irrigation equipment and fertilizers -- they would have been the best in the world, you see? (LAUGHTER) Because we know a little about agriculture, and we could have done it: but that thought never occurred to us.

We could have grown tropical cocaine -- there are varieties and species that grow perfectly well in the tropics. Yet it never occurred to us to do so. I believe we would have had the moral right to do so vis-à-vis a country that threatened and blockaded us. But not even for those considerations did it ever occur to us to join in the drug traffic business.

I remember that in the early days of the Revolution we had a lottery, it was a source of revenue; yet, we were anxious to ban the lottery. In the first few months of the

Revolution, however, thousands of individuals made their living from the lottery and we had no other jobs to offer, at that time. Therefore, from a simple money raffle, we turned the lottery into a savings and housing organization. With the money collected, we built housing and after some years the individuals who bought the tickets got their money back. We maintained the cash prizes, but they became something like savings bonds, and the State lost out in that business. But, we did manage to do away with its gambling nature until we abolished it.

All gambling casinos were closed for good. But for a number of years, while the lottery was still played, we received hundreds of offers from yankee mafias, amounting to millions of dollars a month -- for the Revolution, not for ourselves, because they had too much respect for us to try to bribe us. With that money we could have helped the revolutionary movement, buy medicines, or many other things. But we never accepted it. What did they want in return? To know the winning number of the lottery in advance. You see, all illegal lotteries in the US were based on the Cuban lottery number that was picked weekly. The US mafias, knowing how honest the lottery was here after the victory of the Revolution, and that the winning number was actually drawn by technical means on the day of the raffle and exclusively by chance, sent messages to us saying: No, no we don't want you to cheat, we just want you to do the same thing, only one week in advance and let us know the winning numbers. They offered us millions and millions of dollars, in times that were truly hard for the Revolution. But we did not look for moralistic pretexts to accept that money; we stood firm and have followed that policy for 26 years.

Now then, the anti-Cuba campaigns are the most solid proof of the US Government's cynicism. They cannot say -- they can never say nor demonstrate -- that a single penny

has ever come into this country, and in 26 years, there isn't a single instance of a corrupt, bribed official involved in this kind of business. That is the whole, real, historical truth. I would never tell you a lie, nor would we ever tell the people a lie, ever. And our people know that very well. And we would have had reason to adopt any such measures, even to say so openly, but I believe we were wise in not doing so. I believe imperialism would have taken good advantage of something like that; it would have said what it now says so slanderously: that we want to poison the youth of the United States. Now then, what other country can say for itself what I have said about Cuba? Can the Government of the United States say it, when it already has marijuana fields in 48 states? They grow marijuana in tree nurseries, in greenhouses, everywhere. In the main, marijuana no longer goes from Latin America or Jamaica to the United States; this is ever more infrequent because, actually, they grow it in the United States. The endeavors of that Government have already become a yankee protectionist measure in favor of marijuana.

Another thing: cocaine. I was saying to a journalist that in the end they are going to produce it synthetically. Not much later, someone -- a US newspaperwoman -- told me that they have already obtained synthetic cocaine. They'll do as they did in the case of rubber, as they did with vanilla, and as they did once with synthetic fibers or copper wire: they replaced it with optic fiber in telephone lines. And that is what they'll end up doing with cocaine: produce it synthetically in secret laboratories. I was even told that they made it so strong that some guys used a normal dose and four or five died. It was about six times stronger than the natural one. I was not surprised because, in the end. . . when Fleming discovered penicillin, he extracted it from mold, and it was produced that way for many years. But for a long time now, penicillin has been manufactured synthetically, and it's much

better and purer than that obtained from mold. They'll end up producing pure cocaine because they also have the chemists, and all the means, and all the resources to produce it, and they're going to produce it; they'll end up doing it because such a system is incapable of banning marijuana, cocaine, of destroying the mafia, which is inherent to a system governed by the harshest mercantilism.

Now then, there's a substantive aspect to this problem: the United States created drug traffic; imperialism created it, the consumer society, with the money they steal from us, with the money they plunder from us. Part of it they invest in weapons and the rest in drugs. And they were the ones who created the market, the infrastructure for drugs, the entire mechanism: the planes are yankee planes, the ships are yankee ships, the dealers are yankee dealers, they are the ones who set up the whole machinery. They are incapable of eradicating marijuana within the United States and they dare to come with their arrogance and demand that the Latin-American countries accept their policemen, chemical means and weapons to destroy it, and even destroy the peasants' traditional cocaine fields.

Now then, in my view -- and I have meditated on these things -- not even on this question have the Latin-American countries followed a correct policy. Why? Because that market and that network created by them became a source of invisible hard currency for a number of Latin-American countries that obtained more hard currency in this way than through exports. I won't name names, but you know they exist, and you know well how much each country gets, including Bolivia. I have data on the exact amount of hard currency they brought in through those channels, how much each country kept, how much fled the country; there are many specialists there who know this problem well.

With its vices, the empire built a market that not only constitutes a source of hard currency but that already sustains

millions of peasants. With its eternal mania for demanding from Latin-American and Caribbean countries what it is unable to do in its own country, and with its traditional arrogance, it is only further aggravating the economic problem of a number of countries and creating serious social and political problems in a number of countries, because millions of people have been dragged by US society itself into living off that crop. I know of places - I don't want to name countries - where valleys were traditionally planted with corn and all of a sudden the only thing grown there is poppies, to obtain another type of drug: heroin. I was not aware that the poppy grew so well in our continent. I had always heard about it being grown in Asia. But, think about this; how much does a peasant earn growing one hectare of corn? He would earn ten times more if he cultivated a few square meters of poppy. They have massively corrupted the citizens of these countries and have made drug trafficking the livelihood of millions of peasant families.

If this is a reality, if they are to blame, if they are responsible, what should the attitude of Latin-American countries have been? Precisely what we told a journalist who asked about all these matters. I told him: You were the ones who created all this. If they said to us: we have this addiction problem, this corruption, we can't prevent it, help us; if they appealed to us morally for help, we can be morally ready to help them. But this problem cannot be settled by sending chemical products and spraying equipment, training policemen, sending weapons, or blackmailing governments and countries. You are to blame for this state of affairs; there are millions of people whose livelihood depends on this, who have no other means of making a living. The answer, in essence, was: We could be ready to help you, but for eight, ten, fifteen years you will have to make an annual donation of billions of dollars to support millions of families, whole regions and countries affected by the problem you created,

and to prevent a worsening of the economic problems in the region.

I believe this would have been the right attitude: to submit an economic demand and not accept guns, sprays, and the starving of peasants to solve a problem it created by itself. I honestly believe that we haven't had dignity enough to propose the correct solution to the problem of drug traffic in the correct terms: as a service to the people of the United States. (APPLAUSE)

CHAIRMAN: Comrades, there may be more questions, but I think this is enough! We've been here for quite some hours. I think we should thank comrade Fidel... (APPLAUSE)

FIDEL CASTRO RUZ: I won't make a speech, comrades. I just want to add a few words and say that I have tried to answer your questions. I have spoken at length at times because, perhaps instinctively, I thought it necessary to do so on some topics, to clarify some things. We have been working for hours, we are all somewhat tired.

I simply want to say, in farewell -- though I know that many of you will be with us for the next few days and that some of you will attend the meeting on the 30th -- that it's been a great honor for us to have you in our country. It's been very encouraging and I want to express our gratitude. You have repeatedly stated your gratitude for the kind attention you've received from our people and all the comrades that have been with you. But actually, we are the ones who must express our gratitude to you for having defied the slanders, the lies, the machinations, the pressures, and having come to Cuba. Thanks to your attitude, this conference -- which I followed word by word, hour by hour, minute by minute, second by second -- has been a success. I've been deeply impressed and, as I said at the beginning, I now have a clear idea of the talent and the cultural and

political awareness of the Latin-American and Caribbean trade union cadre.

I have heard words more lively and direct than I recall ever having heard before, and I am certain that these efforts will have historic results.

I've sometimes been accused of being an optimist. Some comrades remember when a number of us -- seven armed men -- were re-united after our initial setbacks. After reaching the place we had to get to, I told them: "We've already won the war." And we were seven men. Some comrades say that out of respect they said nothing, but that they did not share my outlook; they found my words bizarre. In the end, time went by and we won the war.

That's why I'm not afraid of being an optimist. Life has taught me not to be afraid of being optimistic. I don't believe I am simply being an optimist if I say and state my conviction that this conference will become an historical event for the future life of our peoples, which Martí called Our America, and for the Third World. Because, as I said, this continent is the region of the world that can become leader and standard-bearer of this struggle.

Today we are also convinced that among the various sectors and strata of the population, the working class will be the leader and standard-bearer of this historic struggle.

We have been meditating on all these problems for years. Today we are witnessing the possibility for progress and victory becoming reality.

There's a basic idea and I will state it before I say good-bye. An imperial principle has existed since the times of the Romans: "Divide and conquer." It's been the tactic followed by each and every empire, and that is why they attempt to divide our peoples, they try to divide each and every people. Furthermore, they try by all possible means to divide the workers among themselves. And if the motto or principle of the imperialists is to divide and conquer, the principle of the workers must be: unite and win. (PROLONGED APPLAUSE)

I am infinitely grateful for the honor of having had you in our country, for the trust you have shown us, for the encouragement you have given us, and for the hours of excitement and happiness we've shared during these last few days.

Many of you, in ending your statements from this podium, said: "Join me in saying. . ." I ask you to join me in repeating these words that have been the slogan of 26 years of Revolution, this time not for Cuba, but for Our America; for each and every one of your homelands, for our peoples who have so many things in common. The slogan is:

Patria o Muerte!

Venceremos!

(OVATION)

TÜRKİYE SOSYAL TARİH ARAŞTIRMALARI
TÜSTAV

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