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Venezuelan President Perez Blasts I.m.f., Superficial Measures To Resolve Third World Debt Crisis

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On Oct. 4 in Geneva, Venezuelan President Carlos Andres Perez excoriated what he called the "economic totalitarianism" of the International Monetary Fund and "superficial half-measures" adopted under the label of Third World debt relief. His comments formed part of a message to the UN Conference on Trade and Development (UNCTAD), which is celebrating its 25th birthday. According to Perez, "Despite the urgency of the situation, people have contented themselves with applying superficial half-measures, intervening on a one-shot basis, making simple adjustments without allowing for the financial vise in which the developing countries are suffocating." Next, the Venezuelan leader blasted the establishment of "discriminatory systems" that debtor nations have "collectively rejected, since they are both unfair and inappropriate." On the debt crisis, Perez emphasized the creditor banks' "inability to foresee the tendency of the situation and to set reasonable interest rates, or to grant general debt reductions, has resulted in repeated failures." Regarding the IMF, he said its oversimplification and lack of sensitivity have resulted in the reduction of "our countries' economic and social objectives to questions of balanced budgets and the balance of payments, on the ground of ensuring debt service without paying any attention to our populations' poverty and misery." Developing nations were also criticized: "We cannot make a suitable response to the crisis in which we are immersed unless we frankly admit the extent to which we have proven ourselves, the last few years, to be pusillanimous, disoriented and incoherent," said Perez. Most of the blame for the failure of national development plans, however, was attributed by Perez to the "unfair and dishonest system governing international relations, and to the world economic order that paralyzes our actions and weakens the prices of our basic products." According to Perez, prosperity in the world's advanced industrialized countries "has been attained only at the price of environmental destruction, together with the immoral export of toxic wastes to the Third World." These developments have produced alienation among a substantial proportion of industrial nations' populations, "tempted by materialistic consumerism, which is all the more perverse the subtler it becomes." In an address to the UN General Assembly on Sept. 25, President Perez focused on similar issues. He warned that unless a new international economic order is constructed in the near future, political instability will escalate in both developed and developing nations. Perez said that in the past decade, relations between the North (advanced industrial nations) and the South (developing countries) have deteriorated. The Third World debt burden and unfair terms of trade impacting on developing countries, he added, have been exacerbated over time, rather than remedied. Perez warned that the Third World's huge foreign debt burden endangers political stability world-wide, and not only in debtor nations. He described debt reduction initiatives developed in recent years including the US Brady plan as "insufficient." Finally, the Venezuelan leader asserted that the continued net resource transfer from the Third World to advanced industrialized countries to finance the latter's economic growth is unacceptable. (Basic data from Xinhua, 09/25/89; AFP, 10/04/89)