

provides mutual benefits and advantages to both creditors and debtors.

When the crisis erupted in mid-1982, Latin American countries adopted a plan of action which included the following elements: a) debt renegotiation, particularly of the short-term debt contracted with private international banks; b) adoption of a set of domestic policy adjustments, under the supervision of the International Monetary Fund (IMF); and c)

the region's nascent democracies.

Finally, the evolution of the world financial and monetary crisis, highlighted by the overvaluation of the dollar and high interest rates, has curtailed hopes for revitalizing Latin American trade in the short- and medium-term, while worsening the debt-servicing problem for the entire continent.

Following the Latin American Economic Conference held in

reaching a new understanding in order to properly analyze the political implications of the debt.

To a large extent because of this type of initiative, the governments of Sweden and France and the president of the European Economic Commission, have recognized the political dimension of the debt issue, and have noted the need for including a discussion of the monetary and financial system in any negotiation regarding the international trade system.

Latin American countries share the same basic process of debt accumulation and the same crisis in their capacity to make debt-service payments. And they have joined together in the search for a lasting solution to the debt problem. Although the terms and conditions of negotiations are different for each country, all have reached similar conclusions. Latin American countries have also assumed responsibility for finding solutions which can offer a minimum of stability for economic planning, as well as assuming the social and political costs implicit in those solutions.

A strategy of regional cooperation, born of a common vision and diagnosis of the problem and its possible solution, has been undertaken by the countries of Latin America. This strategy calls upon the industrialized countries to reach an international consensus based on Latin America's diagnosis of the problem.

The proposals that have grown out of the common strategizing have not been extremist or idealist. They have not proposed canceling the debt, for example, nor treating the debt exclusively on a case-by-case basis. What the countries of the region have proposed is a more equitable global framework so that the renegotiation of their debts does not preclude their continued national development on solid bases.

In sum, it is a middle-ground position that seeks to reconcile the need for a global framework with the individual renegotiation needs of each country. At the same, the position is clear that renegotiation cannot replace another equally necessary process of more general political discussion with the industrialized countries.

The facts have shown increasingly that in the case of the debt, as well as in many other areas, solidarity and joint action in Latin America are the best means for reducing the region's vulnerability to external factors and strengthening its own economic security.★

Compiled by Arturo Arias, based on information in an article by Sebastian Alegrett, Permanent Secretary of the Latin American Economic System (SELA) and on an interview with Radomiro Tomic done by Luis Suarez.



Extreme necessity. Photo by Renzo Gostoli.

the notion that the crisis would be overcome once the world economy recovered its traditional dynamism.

The results noted to date, however, have not been hopeful. Renegotiation with the private international banks proved to be much more costly than expected due to high interest rates that generated even greater indebtedness. This in turn, has worsened the conditions for external financing, as well as the general economic situation for Latin American countries.

The short-term focus the IMF gave to the continent's economic problems has also been proved inadequate. It has endangered the political and economic stability of several countries, and has become an obstacle to the strengthening of

Quito, Ecuador, at the beginning of 1984 with the participation of high-level delegations from 30 countries in the region, some sort of joint action has been called for as a viable alternative. The second meeting of the Cartagena Group at Mar de la Plata (Argentina) in mid-September 1984, and the third, held in Santo Domingo (Dominican Republic) in February 1985 continued this process.

The Cartagena Group managed to define the positions of debtor countries before important meetings of international monetary and financial institutions, at which issues related to the debt were to be discussed. Thus, the points of view of Latin American countries were not to be ignored. Finally, the Group emphasized the necessity of

HAITI, THE CARIBBEAN CALDRON

Duvalier is gone, but most Haitians doubt that real change has actually come their way.

"Managing the hopes and expectations stemming from the end of the Duvalier era will require great political ability," says a Western diplomat.

True and understated. Many observers doubt that despite Baby Doc's downfall, the 29 year old Duvalier era has really come to an end.

Jean Claude's regime was

finished in a matter of weeks, and he was quickly replaced by a governing council dominated by his own loyalists. No organized force overthrew the dictatorship, mainly because none existed in the country.

Close to 20% of the six million Haitians are in political or economic exile. Thus far, liberal and progressive exiles have not been allowed to return to their homeland, and neither have many of the thousands of Haitians who over the years

latin american issues

migrated to neighboring Santo Domingo. There are no jobs for them, and the political vacuum is such that both local moderates and Duvalier's own cronies fear that in the midst of economic crisis and widespread poverty, as well as in the existing political vacuum, the left could have a mass appeal. So, better to keep them out.

The National Council of Government did little more than try to keep the people off the streets during its first weeks in power; it has been unable to do so in later weeks. Many Tonton Macoutes, Duvalier's personal para-military force, were lynched by enraged mobs. Everyone, including the Reagan administration, feared an upheaval that would sweep away the delicate balancing act of keeping the same regime without a Duvalier-type-individual at the head.

Why now?

Political unrest had been brewing in Haiti over the last few years as the economic situation worsened. Corruption was rampant and the world economic crisis struck an economy that was already in the red. World Bank figures for the late 70's showed that some 3,800 families owned 80% of the national wealth; 87% of Haitian children were undernourished;

the literacy rate was an appalling 18%, and 61% of the population had an annual income of \$60 or less. Haiti is the poorest country in the Western hemisphere.

In addition to this overall situation, in 1984 a plague struck the countryside affecting the 85% of the country's population which is rural. The disease affected the peasant's hogs and the government ordered all the animals destroyed. They were never replaced, nor did the peasants receive any kind of economic compensation. Haiti does not produce enough food for its population, and the cost of imported foodstuffs went from \$16 million in 1970 to \$77 million in 1983. Wages are the lowest in the Caribbean. Between 1971 and 1984, the real value of urban worker's wages fell by 62%. Government employees saw their purchasing power shrink by 45% between 1971 and 1977. Yet Jean Claude Duvalier's personal fortune is estimated at between \$400 and \$450 million, while his mother's is thought to be as high as \$1.15 billion. Which is to say, more than the country's gross national product in 1979.

Jean Claude's wedding to Michelle Bennett is reported to have cost \$5 million, his yacht cost one million, the memorial he built for his father Francois,

two million, and so on. Like the deposed Nicaraguan dictator Anastasio Somoza, Duvalier also sold his people's blood, exporting plasma to blood banks in the U.S. The regime's corruption and increasing inefficiency were beginning to affect sectors of the business community who were not part of its inner circles. Opposition, thus, ran across the social spectrum.

In 1985 Jean Claude called a referendum vote on his status as life-long president of the country he inherited from his father. Official results showed 99.98% of the population had voted in favor of keeping Jean Claude on as president for the rest of his life (he's only 34, and had been president since 1971 when his father invested him). The referendum was a farce and apparently abstention won the day. But it inadvertently fed into the national debate on the question of lifelong family rule vs. democracy.

In May, 1985, fifty youngsters sent an open letter to the Haitian legislative assembly stating what was starting to become a widespread sentiment: "You contributed to turning our country into the poorest in the American Continent, the pariahs of the Caribbean, the boat people of the oceans, the planet's beggars... You deprived us of our basic rights and became accomplices to state

terrorism... You should have called on us to say NO to the lifelong presidency, YES to presidential elections through universal and direct vote..."

Following the killings of four students last November during a march in the city of Gonaives, the movement against the regime began to take on a national dimension and was becoming increasingly violent. Seemingly all of the powers involved in running the country, i.e. the Duvalier regime itself, the military and the U.S., decided Jean Claude had to go before the movement began to run out of control, radicalized its demands and became impossible to put down without resorting to widespread violence.

Everyone was so sure that Jean Claude had to go that White House spokesman Larry Speakes announced his departure a week before it actually took place. The United States had suspended \$26 million in economic aid the day before. Washington's support was pivotal to the regime throughout its 29 years in power, in exchange for which the Duvaliers guaranteed a staunchly anticommunist U.S. ally in the Caribbean directly facing Cuba.

What now?

At present Haiti is governed by Duvalier loyalists who are probably interested in preserving the regime, and at most in introducing some improvements for the sake of stability and appearances. Yet most Haitians view the National Council of Government with suspicion because of its ties to the former order. The population remains in an upheaval and the NCG has had to make concessions, such as a promise to capture and bring to trial known torturers, and to extradite Jean Claude from his exile in France. All Duvalier family property has been confiscated.

The steps taken by the new government are formal and symbolic, but nonetheless important to the people. The Haitian national flag is flown again instead of the Duvalier family insignia imposed on the nation in 1965. The Duvalier constitution was abolished and the legislative assembly, which one opposition member referred to as "an assembly of sorcerers", was dissolved. So were the Tonton Macoutes. A nationwide literacy campaign was announced but has yet to get underway. It is a measure that now seems a basic step in the



Demonstration against Duvalier at the Haitian Embassy in Mexico City. Photo by Renzo Gostoli.

direction of democratic credentials. Nevertheless, it seems unlikely that the lid will be kept on the situation with only the cosmetic changes enacted thus far.

The Catholic Church played a central role in encouraging the people to demand their basic democratic rights and will probably continue to do the same until measures are taken to improve the lot of the millions of impoverished Haitians. When Pope John Paul VI visited the island in 1983 he said "Things must change in this country." Hundreds of priests and nuns, and as of last year the hierarchy as well, took his words to heart. Catholic **Radio Soleil** was pivotal to the opposition, providing a means of mass communication which other media denied the movement.

The Church today is probably the most solid organization in Haiti. Bishop Francois Gayot is considered the political brain in the hierarchy. The Church, he says, "is free to criticize those who exploit the people and violate human rights." But he denies that the Church has any kind of political interests or aspirations.

As part of the legacy of 30 years of dictatorship opposition parties in Haiti are few, weak and disorganized, and for the most part tainted by their association with the Duvalier regime. Some demand immediate presidential elections, while others have called on the junta to form a provisional

government that includes opposition groups. Another position seeks to enact a peaceful, orderly transition toward political and economic modernization, but this is a tricky proposition in the present unstable situation. At any rate, everyone seems to be extremely conscious of what the U.S. will tolerate and what it will not, and this is part of Haitian political reality.

The liberal and progressive opposition is scattered in exile in Montreal, Miami, New York and Paris, and seems to have little chance of returning to the country unless more in-depth changes take place. Eugene Gregoire, self-announced presidential candidate for the Christian Democratic Party, says: "Most exiles who are members of opposition organizations disguised themselves as progressives but really supported violence. I don't think they should return until total political stability is achieved in Haiti." Meaning, probably not until the question of power and of the succession is resolved, and meaning that no left position can have a role in the process.

Whatever the final outcome, the words of Andre Peluquin, professor of economy and finance at Haiti's national university, still ring true months after Duvalier's fall: "If Dante had seen Haiti as it is today he wouldn't have had to go to hell to write the Divine Comedy." ★

Blanca González

by centuries of poverty and inflamed by the indifference of the wealthy nations toward a situation for which they are partly responsible, Palme's presence and policies signaled the rebirth of hope in the possibility of non-violent change. Olof Palme sought disarmament, he multiplied alliances, held out a helping hand and tried to quench the flames of discontent. These are all desirable policies in a continent under international pressures that are not of its own making. This is why in the early 70's Olof Palme began to take on the stature of a prophet in Latin America. His activity seemed an endless search for understanding, a negation of violence, a promotion of peace. He didn't condition his attitudes to the interests of his own country, but rather tried to really understand the poor countries' legitimate concerns. In this sense he was unique among the rulers of the developed nations. Many Latin American countries have had to nationalize important sectors of their trade and industry as a means of

defending national sovereignty and maintaining control over their economy when faced with voracious multinationals. Yet despite these groundings for their policy, international financial institutions have tried to force these nations to return government owned businesses to the private sector. These institutions ignore the fragility of Latin American democracies, and have resorted to all sorts of pressures in their unilateral concern for the economic interests of the developed countries.

Olof Palme came to the defense of Latin America in his last opening speech to the Swedish parliament. "The neo-liberal economic policy followed in Europe has not led to economic progress, but rather to increasing injustice and insecurity for most peoples, as well as to the squandering of their resources."

Palme's democratic stance vis a vis the most important international conflicts and issues of our times is another factor that made Latin Americans love and respect him.

LATIN AMERICA MOURNS OLOF PALME

Not since John F. Kennedy's assassination has the death of a northern hemisphere's head of state been as sad and meaningful for the Latin American people.

Olof Palme loved peace, literature, poetry and modern art. He was both a qualified statesman and a simple man. He also cared deeply for the Third World in general, for Latin America in particular. This is why all of the Latin American

nations —with the sole exception of Chile, where Pinochet played down his death—reacted strongly to Palme's assassination. The reaction has been comparable only to the events that followed the death of President John F. Kennedy 23 years ago.

Latin America understood early on that Olof Palme was a peace-loving man. From every possible forum he called out for agreement and reconciliation. In our continent, violently torn



Olof Palme. A.P. Laserphoto.