

[Fidel Castro, SPEECH IN THE CLOSING SESSION OF THE 8TH SUMMIT OF HEADS OF STATE AND GOVERNMENT OF IBERO-AMERICAN COUNTRIES, Oporto, Portugal. 18 October, 1998 \[1\]](#)

Date:

18/10/1998

Your Majesty [King Juan Carlos of Spain],

Your Excellencies,

Esteemed members of delegations present here,

Distinguished guests,

I will try to be as concise as possible, speaking, if need be, telegram like. First of all, I would like to say in all frankness, as I always do, that in my opinion this has been an extremely fruitful meeting. I would go so far as to say that never before had so much been done, in such a short time, for our aspirations of integration, unity and development.

The method devised by the Portuguese was excellent: No speeches - they informed me and every other - a maximum spontaneity, dialogue and exchange of impressions. As for me, I did not write anything. I was to say some final words. I did not have time to write anything for that either and it was better because, it would have been impossible to write yesterday about the impressions of today.

The opening session began with the heartfelt words expressed by President [Rafael] Caldera [of Venezuela]. Thoughtful contributions by the Prime Minister of Portugal, [Antonio] Guterres, and President [Jorge] Sampaio enlightened our spirits. We all realized that sensitive subjects were being touched on. We were then moved to another room. I do not know why the ladies were left out, but the delegations took part. One good thing: we felt free to speak in greater privacy. The press was not there.

The experience of many meetings has taught us that there are different shades and nuances. There are practically two speeches: when we are speaking for the world, for our country and other countries and when we are speaking among ourselves. However, we will not hide anything from the press.

The statements began. The first speaker, and I am not going to give a complete account of them, was President [Fernando Henrique] Cardoso [of Brazil]. I thought it was an excellent idea that he should speak first because the world's attention is, you might say, on Brazil as a potential gateway to South and Latin America for the serious crisis threatening us; that is the country where a special effort is needed, because what happens there will be crucial. Really, we were all pleased. Personally, I was especially pleased by his in-depth analysis.

He told us about the three runs suffered by the Brazilian economy in 1995, 1997 and 1998, which took tens of billions of dollars from the reserves the country had accumulated with so much effort. He stated his views, essentially, the pressing need to inject new and sufficient liquidity into international finances.

He added some very interesting things when he practically raised the need for two policies: one related

to the emerging countries which are highly vulnerable to the risks of the financial crisis and, another one, for the industrialized countries with the necessary resources.

If I were to summarize it, I would dare say, in a broad outline, that he expounded the idea of an austere, very cautious economic policy for developing countries, that is, for the domestic economy of our countries and a Keynesian policy for international finances. I do not think this is very different from some statements recently made by personalities whose decisions are as important for the world economy, as the president's of the United States and the directors' of the International Monetary Fund and the World Bank, who did so in the face of the serious unfolding crisis.

I cannot mention all those who spoke afterward. Many of them made valuable and important contributions. However, I will mention some who, in my opinion, summarized very important ideas. The contribution by [Chilean] President [Eduardo] Frei, related to the message that the meeting had to elaborate in addition to the Declaration to send it to those with the most decision-making power in international finance. What should be the nature of the message? It did not seem right to send a message that would give the impression of a catastrophic, insoluble or pessimistic situation but, rather, to state openly, realistically and avoiding any overstatement, which is far from required, the current financial situation.

President [Ernesto] Zedillo [of Mexico] called our attention to the fact that, although priority should be given to midterm and future solutions as well as those related to a new architecture, the fire had to be put out immediately. Another idea, among several others, referred to the need for Europe to react and provide its full support to measures considered essential to try to halt the crisis and resume economic growth.

The contribution by President [Jose María] Aznar, head of the Spanish Government, is worth mentioning. Two very encouraging things: Spain's decision to contribute five billion dollars to the International Monetary Fund. That is practicing the preaching. Europe was being asked to react in accordance with the first steps taken in the United States on the reduction of interest rates considered, at this point, a key element to start building confidence and injecting liquidity to international finances. And something very important for Latin Americans; that three out of these five billion dollars would be allocated to an emergency fund for Latin America. That is what we need: emergency funds to cope with the situation.

He also addressed Spain's policy of continuing to carry as many Spanish investments as possible to Latin America. It is very important that such decisions were made in this meeting.

In the latest meeting, Argentina reported a one billion contribution. In other words, six billion came out of this summit, when developed countries are being asked to make the maximum contribution in their own interest and that of the Third World.

Before that, another important event, another Spanish contribution worthy of recognition: a 0.5 percent interest rate reduction, that is, double the first reduction made by the United States Federal Reserve System.

These are, in my opinion, excellent decisions when trying to win support, to remove doubts and obstacles in order to receive similar support from the rest of the European Economic Community countries.

The content of the message which had been agreed upon in the morning session, in addition to the Declaration, and how it should be drafted was discussed and full consensus reached. We were all convinced that the correct way to proceed was as originally proposed on the draft message later discussed in the afternoon session.

To make things clearer, I should perhaps say that it had been decided to continue the dialogue over lunch. The Portuguese managed to get some wireless microphones and to work another incredible

miracle: the continuation of the dialogue over lunch but, this time, just the heads of state or government.

It was there - and I should make this clear - that the content of the message was discussed. Only the heads of state were present. It was a most excellent meeting - one of the best that I have seen - in which the meal did not get in the way of anything. Some ate more, others less. Since I was interested in asking many questions of my more experienced colleagues who were tackling the issue, I did not even touch my lunch. Besides, there was the tension of the afternoon session and this speech.

There, all by ourselves, with no other company but the problems we all have and those we all carry together on our shoulders, the content of the message was clearly defined. There was a consensus but, at the same time, there was a concept on which opinions differed: whether it was possible, at this point in time, to speak of a world economic crisis or of a global economic crisis.

It was pointed out that the United States economy was in good health, which is very true; that the United States economy is still - it is I who say "still" - in good health, and we want it to continue in good health. Also, that the European economy is in good health and it is expected to continue like that, supported by growing integration and particularly the implementation of the euro. More success than hazards are presently being forecast for the euro, although certain analysis in the press might suggest the authors' hopes that the euro will fail. Could we speak of a global crisis or not?

We, Cubans, had a serious dilemma concerning the theme for the Havana summit.

We had already worked on the idea of a theme associated precisely with the problem of the crisis, based on the fact that the crisis is developing, that there is an infinite number of unknown factors and that we would have to examine what had happened, what was happening and all the measures adopted.

We are living in a situation where events are rapidly following one another, and oftentimes they come as a surprise. Nobody knows what is going to happen between now and January 1999, when we will have in our country a meeting of economists from various schools of thought and from different countries to discuss these issues in theoretical terms. It is possible that, by that date, by 21st January, some of those who were thinking differently might have changed their minds, because we have seen very important personalities change their minds in a very short period of two weeks.

For us, it was critical to define what we would do with the theme we had prepared. A short title was called for, one which covers a lot of things but needs to be explained.

We started out from certain facts, and I am not going to take up much of your time with this. On page 23 of that collection of speeches, headed by the United Nations report, Kofi Annan's report in September, is President Clinton's speech of 14th September 1998, given at the U.S. Council on Foreign Relations; a key speech. The first thing that Clinton says to begin his speech is the following phrase: "This is the greatest financial challenge faced by the world in a half-century." Quite a strong statement.

Further on, he adds: "It is a great irony that we are at a moment of unsurpassed economic strength at a time of such turmoil in the world economy."

He later says that, for 30 years, the United States and the rest of the world have been concerned about inflation. Then he adds: "But clearly the balance of risks has now shifted, with a quarter of the world's population living in countries with declining economic growth or negative economic growth. Therefore, I believe the world's chief priority today plainly is to spur economic growth." This phrase suits us very well, because this is what we are requesting, demanding of the industrialized world.

As we analyzed the content of the message to Europe that could not have a pessimistic word but rather be a realistic discourse, we recalled that at the end of his well-crafted and careful speech President

Clinton concluded with unusual and humble candor: "In this room I think it is not too simple to say we know what to do."

That speech was delivered in the Council on Foreign Relations, a prestigious and very well-known American institution in the field of foreign policy. So, it was Clinton who said that.

On 6 October 1996, I know it by heart because I found all this very interesting, the chairman of the International Monetary Fund who, as you all know, is not characterized by his pessimism, quite the contrary, reacting to criticism that there was not enough transparency on events in South-East Asia and the recklessness in which loans had been made without the relevant analyses, partiality and all the rest - which I do not need to repeat because you have all read many times in the last few months those things about which not a single word had been said, when the word "transparency" born in the days of perestroika reappeared, transparency in information and in data, transparency in banking, which everybody was demanding - he defended himself by stating that they did know what was going to happen, that they had warned certain governments, but that they did not make it public because it would have wreaked havoc and accelerated the crisis.

Today, nobody knows what might have been best; if a bit of transparency and a warning that would have curbed the seriousness of that sudden explosion, of that unexpected crisis that came as such a surprise to the world. That is to say, he is not a man who can be characterized as a pessimist but he said it there openly: "Governors, you have come this year in the midst of a crisis. A crisis that has already cost hundreds of billions of dollars." To be more exact he could have used a known data: the stock markets worldwide had already lost between three and four trillion dollars. Michel Camdessus said that a few days ago on 6th October, at a meeting of the International Monetary Fund Board of Governors and the World Bank group. He immediately added that it had also cost "millions of jobs". He did not say tens of millions.

If you read the reports on the situation in Indonesia, there alone unemployment has reached 40 percent. He concluded the paragraph with the following words: "And the non countable tragedy of lost opportunities and lost hope for so many people, particularly among the poorest."

He said a lot more, two or three other things: "But even the well-managed economies have not been spared. We did not anticipate the strength of this virus", he almost compared it to AIDS, "which has struck far and wide, for instance attacking Latin America because Russia ran into trouble."

"Now, in the aftermath of this second shock of the crisis, most developing countries face a sharply weaker environment, greatly diminished capital flows, and declining commodity prices."

This phenomenon is first mentioned very closely associated in history with what events occurred in 1929 and in the preceding months: an irrepressible increase in stock values and a drop in commodity prices.

Finally, Camdessus said - I think it was the last thing he said on the seriousness of the crisis - "Let us be clear: we are speaking not just of countries in crisis, but of a system in crisis, a system not yet sufficiently adapted to the opportunities and risks of globalization."

My attention was especially drawn by the words of the International Monetary Fund chairman on the question of whether or not it was possible to speak of a global economic crisis or an international economic crisis. There are obvious elements that might produce a certain confusion.

Today, in the second meeting, President Cardoso said - I took note of it - "We are living at an extremely grave time." And this is said by the president of Brazil, whose experience and knowledge we are all aware of.

These elements were being discussed and, for us, they were crucial, I mean, with regard to the subject

for the Havana summit.

I asked my colleagues to help us. I do not call them comrades because I do not want to sound such a left-wing extremist as Mr. Wolfenshon, director of the World Bank; I wish I could come across some left-wing agendas with the text of his closing speech at the Washington meeting on 8 October 1998.

Usually, the prospective host country proposed and decided the subject but I wanted to consult all the others. I had come to the conclusion that we had to be prudent rather than overdo it. Saying that there is not a crisis and that there is not a very serious or extremely grave situation, as Cardoso put it, would mean ignoring the harsh reality. Stating that there is already a global economic crisis might sound like an exaggeration and that could in fact be the case.

When drafting a paragraph on the theme, we tried to state, in essence, one idea: What had Ibero-America done? Or rather, how has Ibero-America faced the global crisis? This assuming that, by the time, it had done quite a lot, without waiting a whole year, because nobody can wait for even a single minute. But it was long and so we changed it for another phrase: Ibero-America and the global economic crisis. After the fruitful discussions held at noon, we were absolutely persuaded that it was necessary to modify the original phrase to be more realistic, more objective and more precise: Ibero-America and the serious risks of a global economic crisis. This wording seemed more accurate and, fortunately, it met with total acceptance, the full consensus of everyone present at that lunch. Thus it became the theme of the next summit.

I tell you that I am getting to the end of my speech; I am getting there (Laughter). Now then, how do we see the strategic situation? Like this: as we see it, Latin America is bound to play a decisive role. This is where it will be decided whether the economic crisis is curbed and reversed and its globalization prevented.

I am deeply convinced that if this crisis invaded Brazil, it would have an impact throughout South America, it would inevitably have Mexico relapse into it and have an absolutely irreversible effect on the United States stock market. If a crisis in Russia, with a 2 percent share of the world economy - which I consider an overstatement because its gross domestic product is now 450 billion [dollars], half that of Brazil and below that of France, Spain and many other countries - made the strongest index on the New York Stock Exchange drop 512 points in one day, what would happen if there was a crisis in Brazil, extended to South America?

To be honest, it should be said that Brazil struggled alone against that risk. There were lots of analyses in prestigious magazines that pointed to Brazil as the next and inevitable victim of the crisis, following Russia, on the basis of data revealing a budget deficit of over 7 percent of the gross domestic product; an assumed overrating of the real and an already increasing high current-account deficit. These are the circumstances in which speculators pounce, like hungry wolves, on the economy of any country, this time, Brazil.

Hence the conviction that the United States stock markets would not be able to hold out against this. It could become a catastrophe much worse than that of 1929, when only 5 percent of Americans had their savings and resources invested in the stock market. Today, 50 percent of Americans and almost all the pension funds and savings of the American middle class and the highest-income workers are invested in the stock market. Really, in my opinion, it would have unimaginable consequences.

This clearly indicates that the United States and the industrialized world are interested in preventing, at all costs, that crisis in Brazil and South America. Of course, Brazil is very interested, more than anyone else, and so is the rest of Latin America.

Who helped Brazil, if only with a word of encouragement, in the four years it sustained the three runs on its currency? Nobody! Brazil defended itself, among other things, with the reserves it had accumulated. It managed to increase the reserve to 70 billion [dollars], which is really high; then, only in August and September, after the Russian crisis, it lost over 20 billion dollars. Then, for the first time, some

encouraging words and promises of support for Brazil were heard. It is now clear that Brazil is vitally important for the United States and for the rest of the industrialised world.

I think, first, that this does not mean that, aware of such a reality, Brazil and South America should sit idly by waiting for those in great danger to give resources to Brazil. On the other hand, there is no need to tell Brazil to make these efforts because it has been doing so for four years, defending the stability of its currency, sacrificing its reserves.

Let me tell you that, with the reserves they had to spend in August and September alone, we could have a two-digit growth in Cuba. And it is not such a large amount when compared with what it cost South Korea - a 100 billion dollars - or Thailand and other countries. In only two months, Brazil had to use more than 20 billion dollars from its reserves.

I have also read President Cardoso's speeches, before and after the election, which has let me gauge his political talent too. I am not going to add any more virtues, because I rather avoid misunderstandings with the left (Laughter).

However, we should recognize, in all fairness, the confidence, firmness and ability demonstrated by the president in that lonely battle. Now, he is not alone anymore. Now, he has lots of company, and good company. This is a good political moment for him to lead his country, with recognized international prestige and excellent relations with many of the main leaders of the financial institutions, who appreciate his knowledge; good relations with the United States leadership; good relations with Europe; and his record in the battle waged. This points to the enormous fright and concern, but above all, the United States and Europe's awareness of Brazil's decisive importance as the last defense in preventing the crisis complete expansion.

Cardoso gave two speeches. One before the election, on 24 September 1998, in which he really made a bold decision - I should say bold and intelligent; boldness is not enough - when he stated the measures he would be taken. To avoid interference with internal affairs, I will not say anything about them. I am simply pointing out political strategies and tactics. But, tough measures are tough measures and stating them before elections is not common practice in the political traditions of our hemisphere.

My relations with the left are not bad, despite the fact that it is sometimes difficult to maintain relations with left-wing forces. Family problems easily arise for a simple difference of opinion and they can get to the point of harmful words thoughtlessly said. They demand of us more than they do of the vestal virgins of Rome. Anyone can make a slight mistake, we cannot make any. Great care is needed because, before we get up in the morning and even without them knowing for sure if what has been said is true or not, they are already passing judgment on us.

In strategic terms, Latin America is now in an excellent position. We are something today. They have to count on us.

Actually, in risky situations, as we are going through along with the rest of the world, I am convinced it is necessary to work not only for unity among all the Latin American and Caribbean countries but also for the greatest possible unity within countries. I do not even dare to recommend it, I am simply saying what I think. These are political matters closely linked to a great battle for survival which requires the utmost understanding, unity and even subordination of the national interests to the interests of our peoples as a whole; these are not incompatible, they rather supplement and guarantee each other.

These are the reasons why I am arguing or trying to explain this concept on the strategic situation. And, I repeat, the United States and Europe cannot afford to let the crisis strike Brazil or South America or the rest of Latin America. It would be a catastrophe for everyone.

I have already said that this has been one of the most fruitful meetings that I have seen. I also try to be realistic, not to entertain illusions. And, I repeat, never before was so much progress made in unifying

ideas and marching along the road to integration at this difficult time. What is more, we have happily welcome the peace message received in this already historical - I dare to call it historical - meeting in Oporto on something as complicated and difficult: a solid and well-founded hope of peace between Peru and Ecuador.

The extraordinary and strategically important task of uniting and integrating South America is still ahead.

I sincerely concede to you that it is difficult to accept the idea of integration limited only to MERCOSUR. I am saying here what I sincerely think and believe. To many European visitors and many friends and political leaders who visit Cuba, often quietly, I always raise the principle that it is necessary to help Latin America unite. I never tire of preaching that idea. To be stronger, we should join our strengths.

We have talked here about globalization and regionalization, but I am convinced our need for unity comes first, just like the Europeans are uniting. I must also declare that under no circumstances can the Caribbean countries be neglected, nor should they. They are a force. They have significant political influence in the United Nations. They are very talented leaders, forged in a parliamentary tradition and debate from the grassroots, a system that has worked for them. They are highly respected in Africa and other parts of the world. We need their support and their strength.

The Central Americans cannot be forgotten either. I must say that frankly.

I am aware of the concerns held by Central American and Caribbean leaders. Some of them are not very friendly toward Cuba but we rather ignore it, we always do. That does not matter; what matters are the tasks to which we have committed ourselves and in which we are involved. I defend, and I will continue to defend in the future, the situation of the Central American and Caribbean peoples, who feel God has abandoned them, because they have seen MERCOSUR and NAFTA making progress while 150 companies- which resulted from that Caribbean Basin Initiative- have moved to Mexico. The Mexicans are not to blame; it is the market laws. A hundred thousand jobs have been lost in the Caribbean, a region I visited recently.

They cannot be disregarded. They will be in Rio, with us, together with Europe, in such a strategic and decisive meeting as will take place between the European Community, Latin America and the Caribbean, fully aware of the importance of European integration and relations with Europe for our region. I am not just saying it here. I raised it at the WTO when I said: If the euro is going to be a strong, solid currency; if it is going to support the economies of Third World countries, we welcome the euro. I heard a widespread murmur at that conference room in Geneva. We are aware of the importance of the euro and of European integration.

When we speak of peace between Ecuador and Peru, it is because we dream of a day when there is greater political integration. We all dream of that. We all need that. If unity has been achieved in Europe, where there are such different cultures and where nations were at war with one another for centuries, why can we not unite, being so closely bound by language, culture, religion and history!

We have 50 unifying elements that Europe does not have and we have been independent for almost 200 years. Conflicts between countries jeopardize our unity. That is why we do not only think about those conflicts but we want relations to improve between Chile, Bolivia and Peru; we want relations to improve between Nicaragua and Costa Rica and for there be no conflicts due to such unimportant issues as navigation on a bordering river; new disputes should not be allowed to arise, they must be timely prevented.

The agreement to include the paragraph related to peace in Colombia was also extremely important; another achievement of this meeting.

This is what I had to say.

We will meet again in Havana. Just like during Pope John Paul II's visit, Cuba will be yours.

I apologize for the imposition on your time and I thank you (Applause).

Versiones Taquigráficas

Source URL: <http://www.comandante.biz/en/discursos/speech-closing-session-8th-summit-heads-state-and-government-ibero-american-countries?height=600&width=600>

Links

[1] <http://www.comandante.biz/en/discursos/speech-closing-session-8th-summit-heads-state-and-government-ibero-american-countries>