

Andean Pact carries out *Populorum Progressio*

by Christian Curtis

The heads of state of the Andean Pact nations—Venezuela, Colombia, Peru, Ecuador and Bolivia—plus Panama will meet “as soon as possible” to “coordinate joint action for the renegotiation of the foreign debt,” Bolivia’s new president Hernán Siles Zuazo announced in a nationwide television and radio address Oct. 14.

In so doing, these six nations have declared full-scale warfare against the International Monetary Fund and the large international banks, who are trying to impose usurious debt collection that threatens to economically destroy Ibero-America. The Andean countries have taken up the banner of Pope Paul VI, who, in his 1967 encyclical *Populorum Progressio*, proclaimed that “the rates of interest and duration of loans must be allocated such that they are bearable for all.” Such a credit policy, the Pope declared, “is necessary for economic growth, human progress, and industrialization,” because “development is the new name for peace.”

President Siles Zuazo told the press that Panama had also been invited to join the five Andean Pact democracies for the summit in La Paz, Bolivia, and he suggested that the debt action should then spread to the entire continent. “Only joint action by all the countries of Latin America,” he explained, “can force our creditors to soften their conditionalities for renegotiating the foreign debt.”

Moreover, such an Andean Pact initiative could set a precedent for the entire so-called Third World. In an interview with the Caracas daily *El Nacional* of Oct. 16, Siles Zuazo said he first hopes to establish “a common front for the renegotiation of the debt” among what are called the Bolivarian countries, then to extend the alliance to all of Latin

America, and, finally, to the entire developing sector.

The surprise announcement is the first time ever that debtor nations have given notice of their intention to band together to resist the genocidal conditionalities that the banks are trying to impose on a case-by-case basis.

More than simply seeking strength in numbers, the Bolivian proclamation of a “debtors’ cartel” is an implicit threat that, if the international monetary system is not reformed to permit their economic development, they will jointly refuse to pay their debt and bring down the whole house of cards anyway. The use of such a “debt bomb” has been repeatedly identified by American economist Lyndon LaRouche as Ibero-America’s strongest weapon for forcing the creation of a New World Economic Order.

Attack on Dope, Inc.

There will be one other item on the agenda of the La Paz summit: a coordinated, multilateral attack on all narcotics trade, gun running, death squads, dirty money conduits, and fugitive unrepentent Nazis that have enjoyed refuge in parts of South America since the defeat of the Third Reich. These drug and assassination networks are the ultimate “enforcers” of bank policies. Historically, as the reports below indicate, Third World leaders who dare challenge the usurious policies of their creditors wind up dead at the hands of assassination units bearing names such as Aguila, Palladin, and The Bridegrooms of Death. As numerous public accounts in Latin America have carefully documented over recent weeks, these death squads are founded and financed by the “P-2” Freemasonic networks of Europe’s old oligar-

chy—the same networks that own the banks that hold the developing sector's debt.

The oligarchy has much with which to be concerned. It is estimated that the combined debt of the Andean Pact nations, plus Panama, is in the range of \$60 to \$70 billion—more than enough to bankrupt a large number of the area's creditors. Already two presidents—Colombia's Belisario Betancur and Peru's Fernando Belaúnde—have indicated their support for the summit proposal. "The steps are being taken" to carry it out, Belaúnde told reporters Oct. 16. And even the Mexican government has endorsed the idea.

Venezuela has not formally replied, but veteran diplomat Hilarión Cardozo, Caracas's former ambassador to the Organization of American States, traveled to Argentina last week to muster support for the plan there. He told the press Oct. 17 that all of Latin America must "treat external financing for development as well as foreign debt in a multinational way and not bilaterally." The next day he was in Washington, chairing the meeting of the Economic and Social Council (CIES) of the OAS, where he reiterated the call for a united debtors' front.

Wall Street and European bankers responded to the news of Siles Zuazo's speech with shock and disbelief. "It's not true," said a banker at Swiss Bancorp flatly. "It's not possible," a spokesman for Lazard Freres investment house assured callers. "I'm flabbergasted," confessed an officer of France's Paribas, when reached for comment.

Disbelief was followed quickly with threats of retaliatory economic warfare against the "uppity" Andean nations. A high official for the IMF told banking sources that "all credits would be immediately cut off to the debtors cartel" if they proceed with their plans. "The entire short-term debt of these nations will be frozen. They'll all end up like Mexico," he growled—a reference to the credit cut-off and capital flight operations which bled the Mexican economy white over the course of 1982. Combined with such outright thuggery, the IMF official elaborated, "the banks will try to pick the bloc apart" by telling the better-off members of the Andean group, Venezuela and Colombia, that they will get preferential treatment if they break from the cartel. "If they don't cooperate, then they will be treated like the worst basket cases."

What particularly enraged the international banking community is not so much that a debtors' cartel has been formed, but the fact that it hit them from a totally unexpected direction. Ever since Mexican President José López Portillo nationalized his country's banks on Sept. 1 and imposed total foreign exchange controls, the IMF and its oligarchic sponsors have known that they had a fight on their hands in Ibero-America. When the Mexican head of state and his Brazilian counterpart, João Figueiredo, one month later delivered addresses to the United Nations General Assembly calling for radical measures to reshape the international monetary system to foster industrial growth, the bankers braced themselves for the worst—an alliance among the continent's largest debtors: Mexico, Brazil, Argentina, and Venezuela, who

together hold some \$250 billion in debt. So, the oligarchy concentrated on containing the continent's Big Four, through a combination of threats, enticements, and simple stalling tactics.

But then the bankers were outflanked by a collection of small countries that they had considered too unimportant, and too bankrupt, to ever dare to stage a "slaves revolt." In fact, however, the Andean Pact has always been a likely candidate to act on the basis of the *Populorum Progressio* encyclical, since the Pact itself was founded on Papal doctrine. *Populorum Progressio*, published in 1967, called on developing nations to "take advantage of their proximity in order to organize among themselves, on a broadened territorial basis, areas for concerted development; to draw up programs in common, to coordinate investments, to distribute the means of production, and to organize trade." This is almost a word-for-word description of the founding charter of the Andean Pact, written two years later.

As for why Bolivia has suddenly become a leading nation in world history, there is every indication that that country's return to democracy and its current bold policies are a product of international collaboration among Ibero-American republicans. The well-attended Oct. 10 inauguration of Siles Zuazo was in itself both a celebration of constitutional government and a summit of presidents and other high-level officials. The presence and active organizing of the head of Mexico's ruling PRI party, Pedro Ojeda Paullada, was particularly important in forging the necessary unity.

'Development is the name for peace'

The following are excerpts from Pope Paul VI's encyclical Populorum Progressio, dated March 26, 1967. Subtitles and emphases are in the original.

. . . If further development calls for the work of more and more technicians, even more necessary is the deep thought and reflection of wise men in search of a new humanism which will enable modern man to find himself anew. . . . This is what will permit the fullness of authentic development, a development which is for each and all the transition from less human conditions to those which are more human.

The universal purpose of created things

“Fill the earth and subdue it”: the Bible, from the first page on, teaches us that the whole of creation is for man, that it is his responsibility to develop it by intelligent effort and by means of his labor to perfect it, so to speak, for his use. If the world is made to furnish each individual with the means of livelihood and the instruments for his growth and progress, each man has therefore the right to find in the world what is necessary for himself. The recent Council reminded us of this: “God intended the earth and all that it contains for the use of every human being and people. Thus, as all men follow justice and unite in charity, created goods should abound for them on a reasonable basis.” All other rights whatsoever, including those of property and of free commerce, are to be subordinated to this principle. . . .

Private property does not constitute for anyone an absolute and unconditioned right. No one is justified in keeping for his exclusive use what he does not need, when others lack necessities. In a word, “according to the traditional doctrine as found in the Fathers of the Church and the great theologians, the right to property must never be exercised to the detriment of the common good.” If there should arise a conflict “between acquired private rights and primary community exigencies,” it is the responsibility of public authorities “to look for a solution, with the active participation of individuals and social groups.”

If certain landed estates impede the general prosperity because they are extensive, unused or poorly used, or because they bring hardship to peoples or are detrimental to the interests of the country, the common good sometimes demands their expropriation. While giving a clear statement on this, the Council recalled no less clearly that the available revenue is not to be used in accordance with mere whim, and that no place must be given to selfish speculation. Consequently it is unacceptable that citizens with abundant incomes from the resources and activity of their country should transfer a considerable part of this income abroad purely for their own advantage, without care for the manifest wrong they inflict on their country by doing this.

Industrialization

The introduction of industry is a necessity for economic growth and human progress; it is also a sign of development and contributes to it. By persistent work and use of his intelligence man gradually wrests nature's secrets from her and finds a better application for her riches. As his self-mastery increases, he develops a taste for research and discovery, an ability to take a calculated risk, boldness in enterprises, generosity in what he does and a sense of responsibility.

Part II: The development of the human race in the spirit of solidarity

There can be no progress toward the complete development of man without the simultaneous development of all

humanity in the spirit of solidarity. . . .

Every nation must produce more and better quality goods to give to all its inhabitants a truly human standard of living, and also to contribute to the common development of the human race. Given the increasing needs of the under-developed countries, it should be considered quite normal for an advanced country to devote a part of its production to meet their needs, and to train teachers, engineers, technicians and scholars prepared to put their knowledge and their skills at the disposal of less fortunate peoples.

We repeat once again that the superfluous wealth of rich countries should be placed at the service of poor nations. The rule which up to now held good for the benefit of those nearest to us, must today be applied to all the needy of this world. Besides, the rich will be the first to benefit as a result. Otherwise their continued greed will certainly call down upon them the judgement of God and the wrath of the poor, with consequences no one can foretell. If today's flourishing civilizations remain selfishly wrapped up in themselves, they could easily place their highest values in jeopardy, sacrificing their will to be great to the desire to possess more. To them we could apply also the parable of the rich man whose fields yielded an abundant harvest and who did not know where to store his harvest: “God said to him: ‘Fool, this night do they demand your soul of you.’ ”

In order to be fully effective, these efforts ought not remain scattered or isolated, much less be in competition for reasons of power or prestige: the present situation calls for concerted planning. A planned programme is of course better and more effective than occasional goodwill. It presupposes, as We said above, careful study, the selection of ends and the choice of means, as well as a reorganization of efforts to meet the needs of the present and the demands of the foreseeable future. More important, a concerted plan has advantages that go beyond the field of economic growth and social progress; for in addition it gives significance and value to the work undertaken. While shaping the world it sets a higher value on man.

But it is necessary to go still further. At Bombay We called for the establishment of a great *World Fund*, to be made up of part of the money spent on arms, to relieve the most destitute of this world. What is true of the immediate struggle against want, holds good also when there is a question of development. Only world-wide collaboration, of which a common fund would be both means and symbol, will succeed in overcoming vain rivalries and in establishing a fruitful and peaceful exchange between peoples.

There is certainly no need to do away with bilateral and multilateral agreements: they allow ties of dependence and feelings of bitterness, left over from the era of colonialism, to yield place to the happier relationship of friendship, based on a footing of constitutional and political equality. However, if they were to be fitted into the framework of world-wide collaboration, they would be beyond all suspicion, and

as a result there would be less distrust on the part of the receiving nations. These would have less cause for fearing that, under the cloak of financial aid or technical assistance, there lurk certain manifestations of what has come to be called neo-colonialism, in the form of political pressures and economic suzerainty aimed at maintaining or acquiring complete dominance. . . .

Developing countries will thus no longer risk being overwhelmed by debts whose repayment swallows up the greater part of their gains. Rates of interest and time for repayment of the loan could be so arranged as not to be too great a burden on either party, taking into account free gifts, interest-free or low-interest loans, and the time needed for liquidating the debts. Guarantees could be given to those who provide the capital that it will be put to use according to an agreed plan and with a reasonable measure of efficiency, since there is no question of encouraging parasites or the indolent. And the receiving countries could demand that there be no interference in their political life or subversion of their social structures. As sovereign states they have the right to conduct their own affairs, to decide on their own policies and to move freely towards the kind of society they choose. What must be brought about, therefore, is a system of cooperation freely undertaken, an effective and mutual sharing, carried out with equal dignity on either side, for the construction of a more human world. . . .

Equity in trade relations

The efforts which are being made to assist developing nations on a financial and technical basis, though considerable, would be illusory if their benefits were to be partially nullified as a consequence of the trade relations existing between rich and poor countries. . . .

In other words, the rule of free trade, taken by itself, is no longer able to govern international relations. . . . One must recognize that it is the fundamental principle of liberalism, as the rule for commercial exchange, which is questioned here. . . .

Still deeply impressed by the memory of Our unforgettable encounter in Bombay with our non-Christian brethren, We invite them anew to work with all their heart and their intelligence towards this goal, that all the children of men may lead a life worthy of the children of God.

Finally, We turn to all men of good will who believe that the way to peace lies in the area of development. Delegates to international organizations, government officials, gentlemen of the press, educators: all of you, each in your own way, are the builders of a new world. . . .

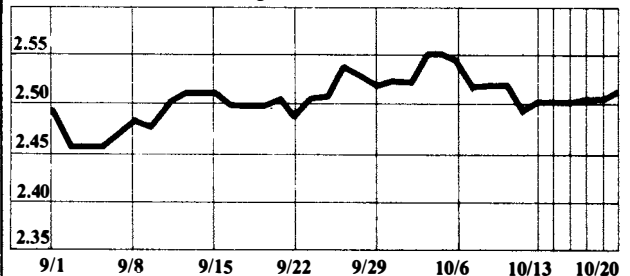
Government officials, it is your concern to mobilize your peoples. . . to make them accept the necessary taxes on their luxuries and their wasteful expenditures, in order to bring about development and to save the peace. . . .

For, if the new name for peace is development, who would not wish to labour for it with all his powers? . . .

Currency Rates

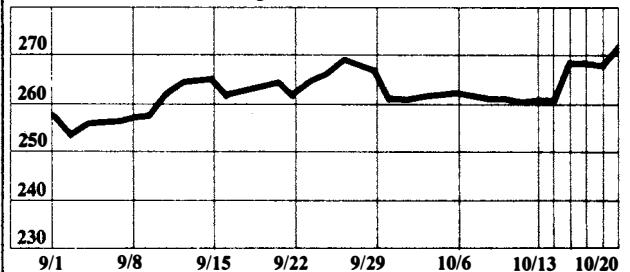
The dollar in deutschemarks

New York late afternoon fixing



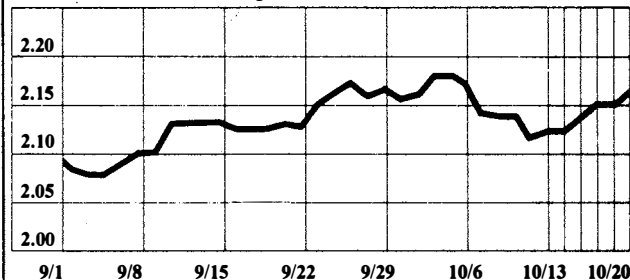
The dollar in yen

New York late afternoon fixing



The dollar in Swiss francs

New York late afternoon fixing



The British pound in dollars

New York late afternoon fixing

