

language book, *Ibero-American Integration: One Hundred Million New Jobs by the Year 2000!*, detailing the program for an Ibero-American Common Market.

October 1986. A meeting of 26 Ibero-American and Caribbean countries (SELA) in Lima endorsed the García "10 percent" debt-payment ceiling in a challenge to the IMF.

Oct. 28, 1986. Zaire breaks with the IMF.

Nov. 29, 1986. Peru announces that its course has been an economic success. Since Peru broke with the IMF conditionalities policy, her manufactures have grown 22.5%, inflation has been massively reduced, and the country has experienced 7.8% overall economic growth.

1987: Brazil ends the IMF era forever

On January 29, 1987, the Pontifical Commission *Justitia et Pax* issued an extraordinary document on the debt question which has functioned as an immediate battle document, captured in the following statement in the "presentation" of the document by the Commission:

Debt servicing cannot be met at the price of the asphyxiation of a country's economy, and no government can morally demand of its people privations incompatible with human dignity.

The document explicitly referenced the 1967 *Populorum Progressio* of Paul VI for a world monetary reorganization.

One month later, on Feb. 20, 1987, the government of Brazil suspended payment on interest of foreign debt. In his announcement of the historic decision, President José Sarney quoted from the just issued Pontifical Commission document.

Lyndon H. LaRouche commented immediately:

At 2030 hours, on Friday, Feb. 20, 1987, the government of Brazil broke the political power of the International Monetary Fund, bringing the hopelessly bankrupt world banking system to the brink of overdue collapse. This act of patriotic political will by the government of Brazil, closes the curtain on an entire era. A new era has begun.

Thus, we have entered a stage of total crisis in which the range of policy choices is extremely limited. The world today is in a state of "limbo," the old era has been demolished, the new institutions and arrangements of a global reorganization for "development" have not been established.

Either mankind will be consumed in the apocalyptic Hell which the species-threatening AIDS pandemic threatens, or the long overdue global monetary reorganization, along the lines first raised by *Populorum Progressio* 20 years ago, will proceed.

The author delivered the above speech at a conference honoring the twentieth anniversary of Populorum Progressio in Philadelphia, Pennsylvania on March 21, 1987.

Economics and the Catholic Church

by Vivian Freyre Zoakos

The internationally recognized, preeminent role which the Catholic Church is playing in the current fight to establish an equitable solution to the Third World debt problem, is a most fitting commemoration of the 20th anniversary of *Populorum Progressio*, Pope Paul VI's celebrated encyclical, first published on March 26, 1967.

When Brazilian President José Sarney rocked the world banking community Feb. 20 by announcing that Brazil was "suspending payment on the interest of its foreign debt," the document he cited in moral justification of his nation's action was authored by the Vatican Commission established by Paul VI for the purpose of implementing *Populorum Progressio*. The document Sarney named, and which has been named again and again by like-minded world leaders, including French Premier Jacques Chirac, is entitled "At the Service of the Human Community: An Ethical Approach to the International Debt Question." It was issued at the beginning of this year, at the instigation of the current Pope, by the Vatican's *Justitia et Pax* Commission. In both content and philosophy, it is the direct successor of Paul's encyclical.

Back in 1967, Pope Paul had created that Commission because, as he wrote in the Introduction to *Populorum*, "We considered it Our duty to set up a Pontifical Commission . . . to offer to less developed nations the means whereby they can further their own progress": [the Commission's] name, which is also its program, is Justice and Peace."

A misunderstood document

Yet, although the expression of the best of Catholic orthodoxy and an instrument for a desperately needed intervention by the Church into world affairs at a time of profound crisis, *Populorum Progressio* has been a widely misunderstood document almost from the moment of its publication. The advocates and founders of Liberation Theology have attempted to claim the encyclical as their own, a fact which has provided grist for the mill of those who would prefer to see the Church remain the backer of the political status quo,

no matter how corrupt it might be.

Populorum was published in time for discussion in the Latin American Episcopal Conference (CELAM), held in Medellín, Colombia, in 1968. The conference, also known as CELAM II, was only the second time in history in which the entire Latin American hierarchy was meeting as a body to deliberate on continent-wide, as opposed to nation-by-nation, policy. The fact that Latin America contains the largest proportion of Catholics in the world lent the gathering additional importance. Pope Paul VI personally traveled to Medellín to open the CELAM II proceedings.

The preparatory commissions of both the CELAM and the preceding Eucharistic Congress had been dominated by liberal theologians. Acting as spokesmen for the orchestrated radicalism which was sweeping Ibero-America in the wake of the Cuban revolution, theologians such as Yves Congar prepared documents for the CELAM espousing a pseudo-Christian theology. This "new theology" was dubbed "Liberation Theology," and Medellín is generally reckoned to have been its birthplace.

It was a proto-Marxist theology that called upon the Church to set itself up as a class institution—a spokesman for the poor, in opposition to both the interests of large industry and of colonialist, "non-indigenous" cultures. Industrial capitalism, and particularly the United States, became the unqualified bogeymen for liberation theologians. In the name of defending the poor from both financial and cultural exploitation, they turned Christ into a guerrilla figure. This they used as an ideology with which to foment mass destabilizations, which have been used to manipulate the continent's population on behalf of oligarchical and Soviet interests.

Through it all, liberation theologians held up a truncated version of *Populorum Progressio* as their justification. At Medellín and thereafter, they proclaimed the encyclical to be their founding document.

They paid no attention to Paul VI when, in his speech to the CELAM, he not only divorced his encyclical from these violent proclivities, but condemned the doctrine of revolutionary violence itself as a panacea for the problems of the developing sector. As the excerpts we reprint in this issue of *EIR* show, and as the subsequent words and actions of Paul's successor, John Paul II, have elaborated, the program proposed by *Populorum* was truly revolutionary. It was designed to destroy the power of the oligarchies, which the liberation theologians only helped strengthen by keeping Third World countries in a state of perpetual unrest.

It was not Joseph Cardinal Ratzinger who, in a speech given near the end of 1985, initiated the practice of condemning Adam Smith and Keynesian "free market" economic policies as being at the root of the problems of the developing sector. *Populorum Progressio* did it first. It was not Ratzinger, or Pope John Paul II, or even the 1987 *Justitia et Pax* document, which first pointed out that paying the debt cannot be the guiding consideration of responsible Third

World governments, and insisted that the well-being of populations came first. *Populorum Progressio* had made this argument eloquently 20 years earlier.

The famed five paragraphs in the 1987 *Justitia et Pax* document condemning the International Monetary Fund [see *EIR* Vol. 14, No. 10] were also presaged by Paul's encyclical. Although omitting mention of the IMF by name, *Populorum* called for its replacement by a new international development bank, to be the motor behind the industrialization and development of the poor nations of the southern hemisphere. This institution, Paul proposed, should lend development monies at nominal rates of interest—thus financing that "development" which is, in the phrase the encyclical coined and made famous, "the new name for peace."

It has taken the efforts of Pope John Paul and Cardinal Ratzinger, however, to realize in organizing practice the true policies and the philosophy outlined by *Populorum Progressio*. Even looking back at some of the speeches given at the *Justitia et Pax* Commission's 10th anniversary celebrations, back in 1977, the classic misrepresentations are visibly carried forward even by Commission members. Among the most prominent such was Barbara Ward (Lady Jackson). Under the guise of praising *Populorum*, Ward's speech failed to mention the encyclical's actual programmatic content, to interpret it instead as a document which, in upholding the rights of the poor, tends to pit them against the rich. This efficiently subverted Paul's vision of a "new humanism" grounded, as he said, in the application of man's duty to seize dominion over nature through the application of scientific development.

It has taken John Paul's and Ratzinger's harsh polemics against the purveyors of pseudo-Christian thinking inside Catholicism itself to finally create the conditions where *Populorum Progressio* can be understood, and put to use. Ever since at least 1979, the year following his rise to the papacy, John Paul has dedicated his message on World Peace Day to homilies preaching the message of *Populorum Progressio*. John Paul's policy has been consistent. But it was only when he and Ratzinger began actively to silence liberation theologians, as well as to lambaste the free marketeers, that the Pope's intervention began to have teeth.

At the same time, John Paul has personally intervened to support Ibero-American leaders engaged in concrete fights on the debt question, backing their fight against those who, like the IMF, insist that the debt must be paid even at the expense of genocide. Exemplary have been the Pope's interventions inside Peru, or his Dec. 10, 1985 audience with former heads of state. He used the occasion to urge the Ibero-Americans repeatedly to unify themselves, as a prerequisite to making headway in the fight against foreign creditors. "Latin American integration," he said, is needed to tackle the issue of the foreign debt, which "has become in a broader sense a problem of political cooperation and economic ethics."