



International support for Brazil: This sign outside the French Ministry of Economics and Finance, applauding the debt moratorium, greeted Brazilian Minister Funaro in Paris on March 3, 1987.

be brought to levels of desperation just to be able to meet their financial commitments.

EIR: In the United States, Democratic presidential pre-candidate Lyndon H. LaRouche defends the Brazilian position as just. In his study *Operation Juárez* he proposes a reform of the monetary system. What do you think of LaRouche's proposals?

Donato: I believe that position is in agreement with Brazilian interests. I wish that all the candidates to the presidency of the United States held the same idea as LaRouche.

Interview: Sen. Albano Franco

Brazil industry backs debt moratorium

Senator Albano Franco is president of the Brazilian National Confederation of Industries (CNI).

EIR: Wall Street's media in New York is reporting that the decision of the Sarney government to declare a debt moratorium, has no support, except for a small group within the government. Senator Franco, could you tell us, as president of the CNI, what is the position of Brazil's industrialists regarding the decision to suspend interest payments on the

foreign debt?

Franco: Last week we held a meeting of the Representative Council of the National Confederation of Industries, the organization of Brazilian industrialists, with the participation of all the presidents of the industrial federations. Once again we officially defined our position, and even sent a telegram of support and solidarity to President José Sarney on the question of foreign pressures, and also in defense of our sovereignty in handling the problem of the foreign debt. It is clear that we are aware of the difficulties, but what is important to point out and to stress is that Brazil has always met its obligations until now, but we could not continue to pay at the cost of social sacrifice, that is, the return of a recession to Brazil. The commitment of the José Sarney government is to renegotiate our debt while maintaining growth.

Our social debt to our people is immense, and its fulfillment can be delayed no longer, except at the cost of failing to meet our historic mission as a free, prosperous, and sovereign nation. This is the time to produce, grow, and distribute. The country cannot under any circumstances interrupt its process of development. We need to increase the supply of jobs, increase the number of graduates and the education of our youth, improve the consumption patterns of our people.

EIR: In the CNI meeting you mention, the industrialists also agreed upon a fight against recession.

Franco: Exactly. *No to recession!* is the watchword of the Brazilian industrialists. As president of the CNI, we have insistently and constantly raised our voice against impoverishment and despair, because we are fully aware of the tragic ills caused by a prolonged period of contraction of the productive process. For the great majority of Brazilians, 1983 and 1984 were desperate years.

We believe that Brazil can survive this current period of difficulties without resorting to recessive policies. We are confident in the economic policy of the Sarney government, principally what he says about the foreign debt negotiations, which are being wisely conducted by Minister Dilson Funaro; which is that they should be carried out without damaging the internal market.

EIR: Are you in favor of going to the IMF?

Franco: I have stated that I believe, that if the IMF were *not* to suggest orthodox or monetarist measures, which would cause recession in Brazil, we as members of the club—because the IMF is a club—could truly participate and listen to the IMF. But now we cannot, because of the peculiarities of Brazil and the threat of recession, go to the IMF. Today we face here in the internal market an interest rate problem, which, as Minister Funaro himself says, will remain with us (as will other domestic problems) so long as the renegotiation of the foreign debt remains unresolved. Today thousands of small and micro-businesses are threatened with bankruptcy

because they are unable to pay interest rates of 13% or 14% a month, along with worsening inflation.

EIR: Some businessmen and politicians have internally criticized the economic policy of President Sarney and of Minister Funaro. What is the response of the president of the CNI to these sectors?

Franco: As I indicated, the great majority of Brazil's industrial businessmen, including all the industrial federations, gave their support and solidarity to President Sarney, and automatically to Minister Dilson Funaro. We businessmen know of the difficulties the government faces abroad in these negotiations. That is why in a serious crisis such as the one we are experiencing, I maintain that the understanding and the unity of all the social sectors behind the government is needed to give back-up to the renegotiation of the foreign debt.

Never was it so important for us to believe in our country as today. This moment requires the unity of all and, above everything, it demands patriotism. We are fully convinced that we can rapidly solve this difficult period in our history. We have potential, intelligence, and a proud people which knows how to respond to the adversities of life with work and creativity. It is equally important, at this moment, that our political elites forget their ideological battles, their partisan

fight over the division of labor, and that they efficiently use the power given them to solve the larger questions that are overrunning national life and threatening the very survival of the democratic regime.

EIR: I understand that you took part in a meeting at the Urbaniana University of the Vatican in 1985, presided over by Cardinal Ratzinger. What influence do you think the Vatican document, "Ethical Considerations on the Debt," had on the decision taken by the Brazilian government?

Franco: Exactly, on invitation of the Konrad Adenauer Foundation, the CNI did some work. We were not there personally, but we sent some of our work to the meeting held at the Vatican. We feel the concern not only of the Church, but also of the European countries about Brazil's future, because any imbalance, any instability in Brazil would produce tremendous concern for all the Western world. We live today under full democracy—this is very important, because our society wants and yearns for this—and so we have received a certain comprehension from some countries. Of course we must achieve the understanding and appreciation of the international banks regarding our situation. We only want to postpone, and to have moderate and reasonable conditions for paying our debt. Because otherwise we will not

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have the conditions for us to grow. Today we have a population in Brazil in which 54% are under 18 years of age.

Of course the Vatican's position has much influence, not only personal but also, well, we are a country where the great majority are Christian, truly Catholic. It is thus both support and solidarity that we are receiving; also from various influential politicians in the United States, linked to the Democratic as well as to sections of the Republican party, who are favorable to changing the way we pay our foreign debt.

EIR: You mention the problem of the United States. Lyndon LaRouche has supported the moratorium decision of the Brazilian government. In 1982 he wrote his book, *Operation Juárez*, in which he proposed precisely the policy of launching a new, more just international economic order. Today LaRouche is a candidate in the Democratic Party for the U.S. presidency, and he has a political action committee that has influence throughout the United States. How does the industrial federation view such support?

Franco: To our joy, we know that there exist U.S. politicians, like LaRouche, who is linked to the Democratic Party who, through already published works, truly defends the right of the developing countries to have more flexible conditions for paying their debts. Also, I was in Washington last year with President José Sarney and in the company of Minister Dilson Funaro, and we spoke with five senators in the office of Senator Bradley, who also is thinking very much along the lines of our desires on the foreign debt renegotiation.

EIR: Until very recently, you presided over the Latin American Industrialists Association (AILA). Do you think a joint action of these countries is necessary?

Franco: Exactly. We have urged a broad reform of the international economic order through modification of the international organizations. And through the presidency of AILA, we did what we could; we were also in the IDB [Inter-American Development Bank], we were in ECLA [Economic Commission on Latin America]. We also brought Claude Cheysson, the commissioner of the European Community, to Brazil to explain to us how the European Common Market works, thinking that we would create a Latin American Common Market in the future. On the 26th and 27th of this month, we will be in Mexico City [in April] because we are going to have a meeting of AILA, and 12 countries have already confirmed their attendance.

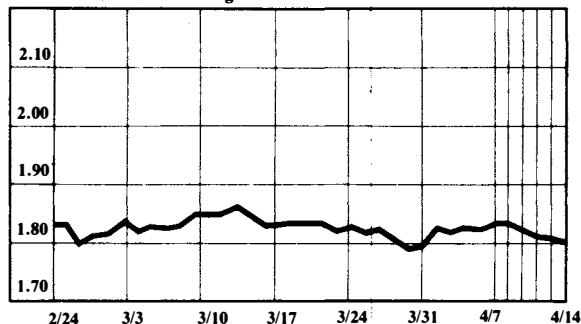
EIR: What does the CNI plan to propose at that meeting?

Franco: We are going to show the need for support and solidarity of all countries, including that of Mexico and Argentina, which have problems similar to ours. To show that with a clear and sharp definition of the Brazilian foreign debt, we will be able to leave behind the threat of recession that Brazil faces today.

Currency Rates

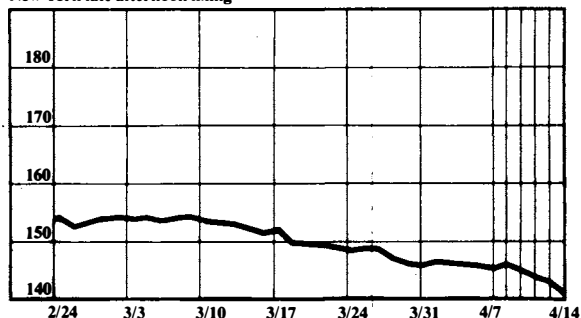
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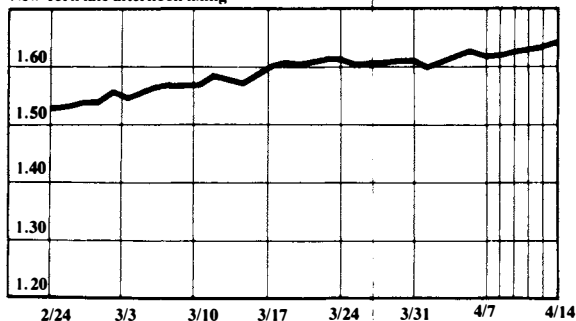
The dollar in yen

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