

against the rest of the continent, has long been the policy of the international oligarchy, and the specific assignment of Henry A. Kissinger for more than a decade.

Brazil's size and mineral and industrial wealth make it the most important country for the success of an Ibero-American common market. President Figueiredo's signing of the debtors' club accord could give the continent the clout they need in negotiations.

While Brazilian economic officials have protested that the declaration is not the first act of a debtors' club, that Brazil plans to pay every cent it owes, the reality is that the nation will not survive further austerity. In 1983, over 2½ million people died in the drought-stricken northeast, mostly children below the age of 5. Since then, outbreaks of malaria, meningitis, and epidemic gastroenteritis have created genocidal conditions in other areas, too. Brazil has paid its debt with the lives of its people.

Through drastic cuts in internal consumption, and slashing of imports, Brazil has hit record trade surpluses which have boosted its cash reserves to \$2.5 billion. But Brazil already lost over \$1.1 billion added to its interest payments this year through the 1½ point increase in interest rates in the last two months.

While Brazil's economic team, Finance Minister Ernane Galveas, Planning Minister Delfim Neto, and central bank president Celso Affonso Pastore insist that nothing has changed or will change in Brazilian economic policy, Pastore nonetheless warned that "capping interest rates is not a final solution for anything. It merely postpones paying the foreign debt, and I am not very enthusiastic about that as a solution."

Operation Juárez

The fact that the nations of Ibero-America are more solvent than their collapsing creditors is beginning to shape a new perspective for the debtor nations. Reality is on the side of the debtors. They cannot pay. And they still have enough power, enough fighting spirit among their trade unions and industrialists, that no plan for a new colonialization will be easily imposed.

It remains for the patriots of the continent to take control of the debtors' club, and use it to create a new world monetary system. Lyndon LaRouche, candidate for the U.S. Democratic Party's presidential nomination, put forward such a plan for reorganizing the Ibero-American debt in his now-famous 1982 document, *Operation Juárez*; the document is now circulating in its fifth edition throughout the region.

The communiqué

'We cannot accept continued stagnation'

The following joint communiqué was issued May 19 by the Presidents of Mexico, Colombia, Argentina and Brazil:

We, Presidents Raul Alfonsín of Argentina, Joaô Figueiredo of Brazil, Belisario Betancur of Colombia, and Miguel de la Madrid of Mexico, manifest our concern that the aspirations of our peoples to development, the progress of democratic tendencies in our region, and the economic security of our continent are seriously affected by foreign acts out of the control of our governments.

We have confirmed that successive interest-rate increases, the prospect of new hikes, and the proliferation and intensity of protectionist measures have created a somber outlook for our countries and for the region as a whole.

Our countries cannot accept these risks indefinitely.

We have consolidated our firm resolve to overcome the imbalances and restore the conditions for renewing and strengthening economic growth and the process of improvement of our peoples' standard of living.

We have been the first to demonstrate our commitment

to meet financial obligations, on terms compatible with the interests of the international community. We will not accept seeing ourselves thrust into a situation of forced insolvency and continued economic stagnation.

We consider it indispensable to begin, without further delay, a concerted effort of the international community, to the purpose of agreeing on actions and measures of cooperation which shall allow these problems to be solved, especially in the interrelated sectors of international trade and finance.

Therefore, we Presidents propose the adoption of concrete measures to attain substantive transformations in international trade and financial policy which shall broaden the possibilities of access of our products to the markets of developed countries, shall mean substantial and effective relief of the debt-service burden, and shall allow the flow of credit for development.

In particular, appropriate repayment schedules and grace periods are required, along with reductions in interest rates, margins, commissions and other financial charges.

For all the above reasons we call for a meeting, at the earliest possible date, of our countries' Foreign Ministers and Finance Ministers, to which meeting we shall invite the Ministers of other Latin American governments, to the end of defining the most adequate initiatives and courses of action, with a view to reach solutions satisfactory to all the nations involved.