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## Background to the News

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# Papal debt document echoes 1985 meeting

by Cristina Fiocchi

In November 1985, the Schiller Institute held an international conference in Rome, Italy in honor of "St. Augustine, Father of African and European Civilization." Nearly 1,000 persons took part, representing four continents, bringing together spokesmen of the "advanced" and "underdeveloped" sectors, to lay the basis for a New World Economic Order to end the brutal and usurious control of the major international financial institutions over the economies of most of the world's nations.

Representing the Peruvian government, Sen. Josmell Muñoz presented Peru's struggle against the International Monetary Fund (IMF); Sen. Vincenzo Carollo, Christian Democrat of Italy, called for the mobilization of new financial means to aid the development of the Third World countries; Usele Mawisa, member of the executive of the Organization for African Unity, stated that the debt problem is

today the main obstacle to the development of the African continent.

At the end of that extraordinary conference, two messages were sent, one to the Pope and the other to Peru's President Alan García, to express total support for their respective actions on behalf of the triumph of justice and the development of peoples.

Many people wondered what the link was between the eminent figure of the Bishop Saint of Hippo and economics. Schiller Institute founder Helga Zepp-LaRouche answered: "Man's task today is to restore order to the world in accord with the justice desired by God. If we truly want to fulfill this immense task, we can only do it by incorporating into our efforts the highest ideal of humanity . . . and no one is more apt to furnish such a point of departure than St. Augustine."

Slightly more than a year after that historic gathering, the Vatican has backed the demands for justice of the peoples of the Third World, in a document on international debt. Drawn up by the Pontifical Commission "Iustitia et Pax" and entitled "At the service of the human community: an ethical approach to international debt," the document was presented by the chairman of the commission, Cardinal Roger Etchegaray, to the press on Jan. 27.

"The phenomenon of international indebtedness," the cardinal said, "has been worsening for several years with particular sharpness, posing, both by its scale, and by what is at stake, new challenges to the international community."

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## Polarized response to Vatican document

**U.S.A.:** While White House press spokesman Larry Speakes dismissed the "Iustitia et Pax" statement with a glib remark (see page 67), a Democratic candidate for the U.S. presidency in 1988, Lyndon H. LaRouche Jr., welcomed the document in a 1,200-word statement of Jan. 30, "The Catholic Church's Morality and Ours." It concludes as follows:

"The essential fact is, that justice for developing nations is not my 'political ambition,' but is God's own cause, to which my associates and I have but submitted our own judgments and wills, to the best of our ability to do so. If my own practical programs coincide with the morality of the Papacy in the matter, as seen by the Papacy, who should be seen as playing into whose 'political cause'? It is a cause higher than either my circles or those of the Papacy; it is God's cause, and so clearly that only a foolish or very wickedly greedy man would deny this to be the essential fact of the matter."

**Brazil:** In presenting the Vatican document in Brasilia, Jan. 27, the head of the Brazilian bishops' council, Dom Luciano Mendes de Almeida, declared:

" . . . The Holy See has for the first time in history denounced the international injustice called foreign debt. . . . The Church expects that so-called monetarism will be replaced by priority to the social [aspect]. . . .

"No government can morally demand from its people privations incompatible with individual dignity. . . . You cannot ethically oblige a sick person to pay a debt that he is not able to pay. That is what happens between nations. Paying the foreign debt is a duty; but it is a higher obligation to respect the debtor's dignity. A poor nation is sick. Then a rich and healthy nation offers aid, saying: 'Don't worry; I'll help you. . . .' The poor nation goes into debt to pay the debt, and in return only receives a fistful of birth control pills. Thus, it is evident that the foreign debt question must not be dealt with only from an economic angle."

The flagship liberal paper, *Jornal do Brasil*, ran banner headlines, Jan. 28: "The Vatican Condemns IMF policies." Its Jan. 30 editorial argued:

"The Vatican document . . . is basically an affirmation of the principals of social doctrine which the Church has held since Leo XIII's *Rerum Novarum*. . . . It is one thing to talk about principles and something else to go from principles to concrete reality. There is much more

He went on: "The efforts imposed by credit institutions, in exchange for increased aid, when they consider the situation only from the monetary and economic standpoint, are often such as to push the indebted nations toward unemployment, recession, and drastic reduction of living standards—in short, to an intolerable situation, and in the medium term, disastrous for the creditors themselves."

Etchegaray related the history of the document. It was the Pope personally, after his repeated trips to Ibero-America and Africa, who asked the commission to draw up a document that would offer creditors, debtors, and financiers the ethical guidelines to seek solutions.

Last September, "Iustitia et Pax" and the Latin American Bishops Conference held a joint meeting in Bogotá. When the bishops were asked what were the gravest problems of Ibero-America's social reality, the majority cited the problem of the foreign debt, with domestic inequalities in a distant second place.

The vice-chairman of the "Iustitia et Pax" commission, Monsignor Mejía, underlined that the document is inspired by the encyclical *Populorum Progressio*, which celebrates its 20th anniversary this year, and that the document was prepared by an international group which utilized numerous studies already published on the international debt.

The 30-page document analyzes the causes of indebtedness and proposes urgent measures to assure survival, and long-term provisions so as not to repeat past errors. The role

of the IMF, the World Bank, and other financial repeat past errors. The role of the IMF, the World Bank, and other financial institutions is criticized with great precision, and the need to take moral questions into account when dealing with financial problems, is stressed: "Payment of the debt cannot be obtained at the price of the failure of a country's economy, and no government can morally demand from a people privations incompatible with the dignity of individuals."

Cardinal Etchegaray told journalists that the document has been sent to all the bishops' conferences and papal nuncios, and through them will be given to governments, trade unions, international organizations, and the world's monetary and financial officials.

"Peru needs help in the struggle against the IMF; will you abandon Peru to itself in this battle?" This vibrant plea for solidarity, which Sen. Josmell Muñoz made at the St. Augustine conference to the entire world, has now received a response full of hope from the highest moral authority on Earth.

Some might ask how an institution as cautious as the Catholic Church, accustomed to weighing every judgment on today's events in the balance of centuries, should have adopted such a clear and revolutionary position in regard to the present international financial system. The answer is contained in the final sentence of the document: "May this appeal of ours be taken up before it is too late!"

harmony in Plato's realm of ideas than in the diverse realms of the Earth. . . .

"Brazil should analyze it very cautiously. . . . The oratory is much more attractive and more comfortable for President Alan García than for President José Sarney, because Brazil is a quasi-power."

**Peru:** Armando Villanueva, a factional enemy of President Alan García within his APRA party, said in Geneva on Jan. 28:

"We Peruvians can feel moral satisfaction that His Eminence the Pope has said words which encourage what president Alan García Pérez has been upholding, basing it on the same reasons of Christian justice."

In Rockefeller-linked magnate Manuel Ulloa's daily *Expreso*, Manuel D'Ornellas responded frantically on Jan. 29:

"The García government will try to convince the world that [the Vatican document] is moral support for the Peruvian position. . . . On the contrary, the central thesis of the document is that said problem must be solved through concerted actions between debtor countries and creditor nations and not by means of confrontation between them as García is proposing. Alan García's government minimizes that co-responsibility. . . ."

**Argentina:** *Ambito Financiero*, the daily of Argenti-

na's British-leaning monetarists, ran a fantasy-ridden analysis by Juan M. Ferriti on Jan. 28:

"The principles enunciated by the document are quite similar to those which inspired the plan which Secretary James Baker presented in Seoul. . . . The Vatican agrees with the U.S. Treasury Secretary that it is necessary to promote growth of the world economy to permit debtor countries to fulfill their obligations while assuring them a reasonable growth rate in accord with their peoples' expectations for improved material conditions."

Similarly, Argentine President Raúl Alfonsín claimed the Vatican supported his policy of capitulation to the bankers:

"This policy has permitted Argentina to get credits, impose itself on the IMF and, above all, that the Pope in his statement on the foreign debt reaffirms the principles which Argentina has been defending."

**International Monetary Fund circles:** Sources close to the IMF were quoted in *El País*, in Madrid on Jan. 29, as taking offense at the Vatican's describing it as "authoritarian" and declaring:

"The Vatican document recommendations do not really diverge from the policy followed by the international financial community in recent years. . . . The IMF does not impose any policy."