

### Debt:

- The foreign debt is a common Latin American cause, and as such, its treatment and resolution calls for joint work by all of Latin America, the governments of which must not accept formulas which offend the peace and development of our peoples.

- We understand democracy in its integral form where the political democracy expressed in respect for the people's will to make their own governing forms and rulers, must be joined by the contents of national independence and social justice, without which all democracy is weak and runs the risk of disappearing. *Democracy* is the only way to achieve the happiness of our peoples and the greatness of our nation.

- We reaffirm our defense, unrestricted and without concessions, of human rights, both individual and social, and we condemn their violation under whatever form or pretext, pledging ourselves to denounce [such violations], wherever they occur.

- We are in solidarity with all political parties and trade-union and social movements which are fighting to recover democracy in the countries which, like Chile and Paraguay, continue to be subjugated.

- We condemn as unjust and contrary to the order of world peace, the present international economic system which despoils impoverished countries in favor of the [great] powers, in their insane arms race.

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## Interviews

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### Gen. Morales Bermúdez: 'The problem is life or death for us'

*Gen. Francisco Morales Bermúdez was President of Peru from 1975 to 1979, and was minister of war under Peruvian President Velasco. This interview, and the ones which follow, were conducted by Dolia Pettingell on May 8-10 at the Washington, D.C. meeting, "Democracy in South America."*

**EIR:** In the speech this morning by Dr. Cline, governments were asked for more "political will" to impose programs of greater austerity. What do you think of Cline's statements?

**Morales:** Prof. William Cline has his own ideas. Personally, I absolutely do not share what was laid out by this professor, given that I believe I was listening to a functionary of the International Monetary Fund, and these are tendencies we know exist among economists. I have sometimes noted that these economists want to manipulate something we could call a kind of economic arithmetic, something we find very

linear. They don't want to use geometry—not plane geometry, but solid geometry. Solid geometry is that which sees the entire context of what a country means, which is not just a balanced budget and a positive balance of payments, but it also means unemployment, hunger, people's desperation and some effects which are perhaps not so direct but can cause desperation in people, above all among youth, and can align them into movements including the subversive type such as we have in Peru.

**EIR:** What does Peru want from U.S. policy?

**Morales:** Comprehension. There is no comprehension, not only on the part of the U.S. government but also from the governments of the industrialized countries who are all-powerful members of the IMF. So there are demands that go beyond the permissible.

**EIR:** How do you propose to deal with the problem of the foreign debt?

**Morales:** The party I preside over, the Democratic Front of National Unity, is proposing a long-term restructuring of the debt of at least 17 years, with five years of grace. It is the only formula to free resources on the order of \$1.2 billion per year. Naturally, if we were to spend these freed-up resources in aspects which have also worried people at this conference, such as arms buildups, consumer spending, and not spend on the investments which the country has to make in order to create productive jobs, then we would do badly in a debt restructuring in such conditions. It is therefore a question of restructuring the debt, but together with a coherent economic program which will allow us to create jobs and increase the productive forces in the country, and decrease the social pressure which the country is under right now.

**EIR:** What is the main threat to democracy on the continent?

**Morales:** This point which we have touched on today and which has been almost the center of all the speeches by the different leaders of the political parties—i.e., the foreign debt. A government which lacks the resources to solve the problems of jobs, of food, of education, of family life, is exposed to sharpening internal subversion.

**EIR:** What future do you see for Ibero-American unity, for a joint proposal on the debt problem?

**Morales:** What is missing is political will in the ruling parties—if the ruling parties got together in a kind of, let's not say a syndicate or debtors' club, but established a common, overall position. Because naturally negotiations have to be bilateral, between debtor and creditor, but within a framework of understanding. What is lacking on the part of the industrialized countries and the international entities themselves, is this framework of understanding. They don't seem to understand that the problem is one of life or death for our countries.