

## EIR Feature

# Populorum Progressio: a 20-year fight for development

by Warren J. Hamerman

From the standpoint of today's dramatic challenge to the International Monetary Fund by the nations of Ibero-America and their developing sector allies led by the Catholic countries Peru and Brazil, Pope Paul VI's 20-year-old Encyclical Letter *Populorum Progressio* stands out as an historic branching point. It is the seed crystal for all of the extraordinary statements and actions condemning the practice of debt servicing above the preservation of life and national sovereignty, and of the explicit attacks on the "free enterprise" system of amoral liberal capitalism by Pope John Paul II, Joseph Cardinal Ratzinger, and the Pontifical Commission *Justitia et Pax* in the 1985-1987 period. The ideas now being voiced are clearly present in the formulations and policy guidelines articulated in *Populorum Progressio* two decades ago.

*Populorum Progressio*, issued on the 26th day of March in the year 1967, concentrated attention upon the urgent need for a global world monetary and economic reorganization based upon the foundation of morality in the following basic terms: "freedom" from disease, hunger, misery, and ignorance through development. The document contrasted an "ethical" underpinning to the world economic order based on "development" to the immoral system of enforced usury, austerity, and brutal debt collection upon which "liberal economics" is founded. *Populorum Progressio* identified the essence of such immorality in world economic affairs as the inequities built into the so-called liberal mechanisms of the "free-market" system. It raised a famous battle standard—"Development is the new name of peace"—around which peoples could rally "to wage war on misery and to struggle against injustice."

The international banking and establishment elites of Western civilization rejected *Populorum Progressio*'s premises and instead made one disastrous policy decision after another to try to roll over the unpayable debt, preserve the system based upon the economic liberalism of Adam Smith. They thereby murdered millions unnecessarily, while incompetently ensuring that the total magnitude of the crisis would expand in nonlinear fashion. In reality, their policy of "controlled disintegration" of the world economy amounted to trying to squeeze blood from a



Leaders in the fight for a new world economic order (clockwise, from top left): Frederick Wills (Guyana); Mrs. Indira Gandhi (India); Lyndon H. LaRouche, Jr. (U.S.A.); Alan García (Peru, center) and Jorge Carrillo (Colombia, to García's right).

stone, in order to pyramid uncollectable debt payments.

As a consequence, for 20 years, a ferocious war has been waged between those forces fighting to preserve the free market economic liberalism of Adam Smith, even at the cost of murdering millions in defiance of Natural Law, and those who would reorganize the world economy on a moral footing of expansion and development.

Over the span of several millennia of human history, mankind has been in the grips of such immense crises of civilization before, such as in the mid-14th-century banking crisis, which led to the Black Death, wiping out up to one-half the population of Europe. At those moments of crisis, the historical question, is whether or not there is an actor or force on the stage to provide a solution to the crisis. As the past 20 years of intense combat for a world economic reorganization has proceeded from battle to battle, a formerly obscure American economist, and currently 1988 Democratic presidential candidate, Lyndon H. LaRouche, Jr., has emerged as the programmatic author, the political leader and energizer, of the world army for economic reorganization and development, a story which is richly documented in the following review of the major battles to implement *Populorum Progressio*.

### 1975-76: from the IDB to Colombo

At a public press conference in Bonn, West Germany on April 24, 1975, Lyndon H. LaRouche delivered a major proposal for world monetary reform through the creation of a new institution, the International Development Bank (IDB), to replace the bankrupt institutions, such as the International

Monetary Fund (IMF) and World Bank, of the shattered Bretton Woods system. LaRouche's proposals for a new system of gold-reserve parities among national currencies was the basis for a new institution, the "IDB," designed to issue new, long-term, low-interest credits for large-scale infrastructure projects in the developing sector; he specifically proposed that "development" be added to the demands of the "Third World" agenda of energy, raw materials, and food. One of the unique features of the proposals associated with the IDB was LaRouche's emphasis on an increased flow of "technology transfer" to the developing sector.

The IDB proposal identified opportunities for the creation of a massive agro-industrial development project in the Rio de la Plata region of Ibero-America, as well as longer-term projects to create vast food-producing centers in the Sahel of Africa and the India-Bangladesh-Pakistan region of Asia through massive engineering efforts based upon high-technology U.S. exports. In his proposal, LaRouche underscored that the global reorganization would not merely benefit the developing sector, but would lay the basis for an era of unprecedented export-driven expansion and skilled-job generation in the U.S. and European economies:

On the basis of our own organization's studies, and our discussions of these studies with governments and leading political forces within the "Third World," we have determined to the point of certainty that the activities of an International Development Bank in connection with present wishes and consumption ca-

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