

Report from Bonn by Rainer Apel

German churches fight IMF

Catholics and Lutherans call for debt relief and a new world economic order, putting pressure on the government.

May 16 brought major progress for the Third World in German politics. At parallel press conferences, the Catholic Bishops and the Lutheran Church took the side of Third World debtors in their fight for a just new world economic order.

Germany is in the middle of international monetary policy debate this year. In September, a huge International Monetary Fund-World Bank congress will convene in Berlin, with hundreds of governmental and private initiatives activated to work on solutions to the debt crisis.

The paper of the German Catholic Bishops Conference on debt, presented in Bonn by Bishop Franz Hengsbach of the Essen diocese, is the German Catholic Church's official response to the December 1987 papal encyclical, *Sollicitudo Rei Socialis*.

Addressing "fundamental problems that have been caused by the debt crisis . . . and led to big damages and deep perturbations in the Third World," Bishop Hengsbach stressed the "social mandate of man."

"The time for decisive action has come. The international system of borrowing and lending money has to be freed from mistaken developments. A sufficient number of well-conceived, sound, and feasible proposals is on the table. It is apparent that the longer a solution is delayed, the deeper the cutbacks and sacrifices will be. Any delay will only continue the need and misery of millions of children, women, and men."

Hengsbach presented a four-stage program, calling for: 1) an emergency program for "immediate relief from

famine and misery of all those human beings who have to suffer from the effects of the debt crisis"; 2) an international conference of experts to discuss a long-term approach toward the chronic underdevelopment problem; 3) examination of the "different forms of debt" and ways toward "agreements on debt cancellation, rescheduling, and issuing of new credit by the private banks"; and 4) creation of an early-warning system to "preempt new crises" and enhance "efforts toward the betterment of international law."

Bishop Hengsbach made a special example of Germany's rapid postwar economic recovery, largely due to the "generous 1952 assistance by the creditors" (the London Accord canceled 51% of Germany's pre-war debt). Only after Germany got relief from that "giant mountain of debt," could rapid economic development begin, making Germany one of the world's strongest economies. The same, or a similar model, Hengsbach added, can be applied today, to remove the mountain of debt.

The 50-page document presented by Hengsbach advocates economic growth as the prime precondition for change. In the Third World, "the main effort must be directed toward economic and social restoration, renewed economic growth, productive investments, and agglomeration of resources," the document states; adding later that "a persistent and profound growth of the economy in the industrial nations will also assist the world economy in overcoming the debt crisis." A sound economic recovery is blocked by the IMF's crisis manage-

ment, the document charges.

Also, the 16-page document which the Lutheran Church (EKD) presented in Hanover May 16, states that the "crisis management practiced to date is in contradiction to fundamental values of Christian ethics." The Old Testament, the EKD recalls, mentions the "year of mercy," an institution which allowed debt relief or cancellation if indebtedness threatened to ruin the debtor. This ancient but forgotten principle of human conduct, the EKD along with the document of the Catholic Bishops recommends, should be worked into a "new clause of international law."

The EKD, unlike the Catholics, gives more negative emphasis to military budgets in the Third World. But both documents on the debt issue will increase the pressure on the government in Bonn to change its views and drop its arrogant neglect of Third World interests.

The German government, official host to the aforementioned September congress in Berlin, has so far sided with the IMF "adjustment" policy, attacking critics as "extreme."

The government's own conduct in this controversy has been "extreme," however. The ministry of finance, for example, even pressured the two parliamentary commissions on Third World affairs and finances, to have their members "respect" a ban on all public criticism of IMF policy.

With the two big churches of Germany stepping into the scene, the government will come under heavy pressure now. The Third World affairs commission of the parliament already convened and, according to one of its senior members, approved the statements of the two churches as "helpful in renegotiating the government's approach on the debt issue and development policy."