

García urges Ibero-Americans to unite on debt, sovereignty

The speech of Peruvian President Alan García Pérez before Argentina's National Congress in Buenos Aires, March 14, 1986.

Gentlemen Representatives of the Congress:

In greeting you in the name of the people of Peru, who are represented by the democratic will of the Argentine nation, I want to express my gratitude for the generous welcome that Peru has been given through my person, and to ratify what is already an historical design, the brotherhood of our two peoples and the profound fondness that exists in every Peruvian heart and in every Peruvian home for Argentina, which we feel as flesh of our flesh and to whom we are linked by our common bonds of Latin America. And it is in the exercise of my Latin American citizenship that I come to this other land of ours to loudly proclaim that we who lead Peru's decision to affirm a nationalist and just government know, however, that all attempts for revolution bounded by the borders of our countries would be completely precarious and ephemeral [applause].

When we in Peru speak of nationalist democracy, we are not speaking of it only for Peru; we know that we are part of what would have to be a continental revolution, and we understand that without a united Latin America, there will not be a profound transformation in Peru [applause]. There may be a better administration of the poverty, but the revolution which increases well-being, development, and technology will take place only to the degree we join with other peoples in a great and new decision.

Thus, gentlemen, I come as a Latin American to give and to seek solidarity for the very same cause in which at this moment, Latin America adds up its problems to gain consciousness of them. I come now that the foreign debt compromises our destiny, now that the imperial power intends to intervene in our America, in Nicaragua, now that we share as common problems underdevelopment, misery, and a social order that despite our efforts preserves injustice. And now, more than ever, gentlemen, our obligation is to build a Latin American democracy whose revolutionary essence is solidarity in the dramatic moments.

Perhaps, without wanting it, our adversaries have managed, thanks to their imperial domination, to make us at last

conscious of our unity. And for that reason, gentlemen, my visit shows our solidarity in the beautiful process of the creation of Latin America. And, I must say that if for some, the visit of the Peruvian President could be a theme for contradiction, for us, it is only a message of affection [applause].

Our continental democracy will be constructed with our differences, with our discrepancies, with our specific decisions. It is not up to anybody else to give lessons; it is not up to anybody to show the way. It is up to us to support each other. And if our decisions be not the same, our willingness to support [each other] must be the same . . . and to know that, as far as the Peruvians are concerned, if someone commits aggression against Argentina, he also commits aggression against Peru.

That's why Peru—a Peru that is not rich either in cannons or in money, a Peru that is not a country of imperial vocation, a humble country but great in its moral power, big in its solidarity toward Latin America, and in the struggle of the peoples for their history, is, and will remain, side by side with Argentina—that is the reason for our profound, emotional identification with the rescue of democracy in this great country, a democracy whose path we follow with great expectations, because we feel it as if it were ours, and we see the great President Alfonsín as the moral expression of democracy in Latin America [applause from the deputies and senators].

We, as you do, also believe that democracy is the plural voice of the majorities and the broad path is the one that is affirmed by the people in their history, always advancing, and we know that it is its vanguards who broaden the horizon. In our America it was first the middle classes and then the industrial workers, and behind them, the distant chorus of the peasants asking for a place, and in this progressive march we now render homage to Hipólito Irigoyen and to Juan Domingo Perón as leaders of the continent [applause].

We believe that democracy is liberty, that only the people can elect their rulers and also sanction them, that there is no national problem that justifies the imposition of a dictatorship; the worst national problem is always a dictatorship. We believe that democracy [applause] is peaceful coexistence, because the victory of arms only gives right to might, and might can only impose itself, but never convince. . . .

But, if democracy is liberty and the expression of the will of the majority, democracy must also be a commitment to real transformation for justice. It cannot coexist with exploitation and inequality. Democracy must exist to cancel the unjust differences in the distribution of wealth and power and to open the way to egalitarian societies. Democracy does not exist if it is limited to those who have wealth and privilege. . . .

We took power in the midst of the gravest crisis in our history, with inflation and devaluation similar to that faced by other countries, but with the social reality of a much larger misery, and, also, with a situation of violence responsible for thousands of victims during the last few years, the sensationalist reporting of which, has made Peru known in the world.

Some told me that in the face of that situation, what was needed was a government that did away with a free press, with the labor unions and their collective demands, with parliament and its oversight functions. We replied: We can be anti-imperialist, we can affirm economic independence within democracy. . . .

. . . Democracy for us is nationalism as the principle of identity, as the rescue of economic sovereignty which rejects all intervention or conditionality. Democracy must define itself as the reply to the modern servitude of foreign debt, and as the defense of our natural resources.

. . . Here in Argentina, I feel upon my already mature shoulders the push and the vigor of the university reformists, to ask that we promote a Latin American conception of development, leaving behind the dictates of foreign economic theories. Our history is the history of growing subordination to the international economy, and because we have lacked a continental project, we have lived isolated one from the other, shaping our societies to the big interests of international capitalism. Without exception, the history of all our countries has followed the same path; since the middle of the last century until the great crisis of the 1930s, we were exporters of raw materials.

. . . Later, in the 1970s, when, faced with the increased oil price, world capitalism sought to sell more goods to pay for the higher price of energy, increased the interest of the previous debt, and shortened the period of repayment—in the face of that reality each one of us, separately, opened our borders, purchased foreign goods, destroyed industry, and accepted the dramatic conditions of debt repayments, asking for new loans to pay the debt. And today we see, and we have the duty to see, that the path we have all taken has led us to a dead end, but also to exhaust that same dependency.

Crisis of dependency

This is then a crisis of dependency itself, and it will have no solution without the unity of Latin America, without its sovereign stance, without freeing ourselves from the theoretical taboos that have governed us. . . . For a long time,

governments accepted as universal and absolute truth some of the theories that today are expressed by the International Monetary Fund. Dressed with new words, the old liberalism has imposed itself as a theory that preaches internal equilibrium within our economies.

First, it demands equilibrium between the economy of Latin America and the industrial economy of the richer countries, and by transforming us into an open market for imports, it has only led to the destruction of our factories, and our production. . . . But the liberal economic theory also demands the equilibrium between supply and demand, and it states that if there is no supply there can be no increase in the demand.

We in Peru say that to block the demand and the consumption of the people, also leads to a recession in produc-

That future, which others see as distant, we will create now . . . uniting so that those who come after us will know, that in the critical hour, our crisis became consciousness, and our poverty, our capacity to act.

tion. Truly we know that to increase demand without redistributing income and wealth can cause inflation, if the social structure which we inherited remains deformed. . . .

. . . Liberal theory demands equilibrium of international credit flows, because, it says, development depends on those credits and everything must be sacrificed to that, and that is why they offer us new credits to keep paying the debt. The truth is that that theory of equilibrium, and the contraction which it has brought about, has led us in the past few years to the crisis we are living through, and there is nothing new that we can expect from it in Peru. . . .

Latin America for the Latin Americans

. . . In proclaiming, Latin America for the Latin Americans. . . . We must respond united to each threat that is made to any of us . . . and the times demand that we speak with one voice. . . .

Any act of hostility and intervention against Nicaragua, will be an act of hostility and intervention against all of Latin America, and before this sovereign Congress, I decision of the government of Peru, to break relations with

Continued on page 38

the aggressor power in the event that foreign forces invade Nicaragua, and that we will make all efforts to defend that brother country [standing ovation].

Whether regarding Central America, or the debt question, the countries and governments cannot remain as passive spectators to what is happening to a brother nation; as we did not do in the case of the Malvinas Islands, the Argentine rights to which we here ratify, and before whose dead, almost all of whom were youth, we render an emotional homage [applause]. Latin America cannot wait disunited. In the entire continent, economic subjugation of the foreign debt is equivalent to today's occupation and to the naval blockade of yesterday. . . .

To believe that our problems will be solved with a future expansion of the world economy which will bring about an increase in the prices of raw materials is to again put our trust in the mechanism that has already victimized us. The recovery is not, nor will it be, worldwide.

Opened nations are paying and will pay for the expansion of the North at the expense of our development, and no one should believe that they will be an exception and that they will receive favored treatment. . . .

That is why we have raised the flag of voluntarism, taking the risk of what might happen. And those who built our countries with pain, with blood, in adventurous searches for liberties and independence, would they have done it if they had asked themselves, as many now ask, "What would happen if we became the protagonists of our historical destiny?" [applause, the congressmen jump up for a standing ovation.]

Baker Plan: only to buy time

Therefore, Argentines, we believe that the proposal launched at Seoul under the name of the Baker Plan, which offers new provisions of world credit, is more of the same that we have already experienced, and a dissuasive offer to buy time, offering each one temporary relief which will only last a few months, in exchange for the acceptance of the conditionality which seeks to perpetuate a tributary development model in the interest of the transnationals.

In addition to all this is the intervention of the IMF, whose prescriptions Peru has tested and found to be evil, destroying industry, indebting us, devaluing the money, making the poor poorer, and whose austerity proposals, and budget cuts, respond to the interests of the international oligarchy, to create a surplus to satisfy creditor voracity. . . . [another standing ovation from the floor]

And because we do not recognize the IMF's theoretical or moral authority, we have decided not to follow its recipes, nor accept them as an intermediary with the banks. We have decided not to permit technocratic missions from the IMF [to] review, meddle in, and direct our economy, which is sovereign. . . .

We have decided to restrict the payment of the debt to a level which does not exceed 10% of the value of our exports [applause]. . . . Some say it is 15%, others say it is 12%; that is a secondary detail. The important thing is that we have decided to set our rules, demonstrate our will, and declare ourselves independent, because that means linking the price that we are paid for our labors and our raw materials, with the amount that is demanded of us. It is not a demagogic act, it is not an attack of passion; it is the necessity of finding a just balance between our poverty, caused by them, with the requirements of the development that our people demand. . . .

There is talk of possible economic and commercial sanctions [against us]. It is said that Peru will be declared ineligible, for not respecting the International Monetary Fund's theories. Well, we choose to be ineligible! We need only review the history of Latin America to see that its relationship with world capitalism has been one continuous sanction. . . .

For this reason, when it is said that Peru is alone, because it makes a sovereign decision, I, as a Latin American, say no. I say it is acting for the people, and with the people of the continent. I say that it is with Argentina, and that it was this country, from which in 1902, the Drago Doctrine emerged, as the voice of solidarity. When in 1902, the European fleet blockaded Venezuelan ports to collect the debt, there emerged a doctrine carrying the name of an illustrious Argentine, saying that no one had the right to collect the debt by force from any country.

We have proposed, among other things, that the current Andean Reserve Fund, which at this time is composed of five countries, be progressively expanded to include other countries, so that it can be transformed into a kind of Latin American Reserve Fund. It has also been proposed that a meeting of Latin American Presidents be held, whose realization, not convened by the most powerful country, would be an historic event, but whose possibility should be thought of, not as a passing eventuality, but as a periodic meeting that would take place each year, to concentrate our decisions. . . .

. . . 165 years ago San Martín came to our land to proclaim that Peru was free and independent because of the general will of its people. Today, in view of its multitudes and its dreams, we must say that Latin America will be free and independent, because of the general will of its people, because its cause is just, and defended by God. And that future, which others see as distant, we will create now . . . uniting so that those who come after us will know, that in the critical hour, our crisis became consciousness, and our poverty, our capacity to act. Argentines and Peruvians: For our people and for the poor of our earth, for those who dream, for those who seek tomorrow, for justice and for freedom, for our aspirations for the future, and for the certainty that together, we will make of our land, an authentic land of bread with freedom, Viva Argentina, Viva Peru, Viva Latin America!