

The History of the Fight for the New World Economic Order

Four decades ago, when I was a student in Europe, we would meet, filled with the radical missionary zeal of youth, wanting to see the old world go spinning down, as the poet said, spinning down the ringing grooves of change, to a new economic order. We believed in those days, and we still do, that life is the fundamental essentiality of natural processes. Life has to come into existence, life has to survive, life has to grow, life has to develop. We were sure then, and I am sure now, that the assumptions of present existence are unacceptable. One only has to regard the madness that is going on outside. . . .

I must pause and ask you to bear with me while I remember those who have fallen in this fight for a just, new economic order. There are many of them, but in particular, I want to remember Indira Gandhi, Gamal Abdel Nasser, and Marshal Tito, whom I met, as pillars of what we call the Non-Aligned Movement. They're dead, and, as the poet said, "they shall grow not old, as we who are left grow old. Age shall not weary them, nor the years condemn, as the going down of the sun, and in the morning, we shall remember them."

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And in remembering them, I shall ask you to rededicate and recommit yourselves to the purposes of this conference, because it is clear what is happening. It is clear what the solution should be. The only problem is the will to implement it. That mankind has to intervene is obvious. The quality, nature, promptness, and efficacy of that intervention is what we are met here in Andover to consider.

There are three outstanding events I want you to recall, that happened after the Second World War. Generalized technological advance took the form of the nuclear age. That was very important. Secondly, there was a proliferation of new states in the world. I give you one example. In Africa, there were three independent states in 1939. In 1987, there are now 50. There's an immense balkanization of Africa, and, by and large, they created not nation-states, but what I called state-nations. They deemed you to be a state, and therefore, a nation. The third thing, and that's why we are here, and these are all connected, is the establishment of the Bretton Woods system, in a little place in New Hampshire, where they met in 1944, and concluded treaties by 1946.

I wanted to tell you this, that being a living part of the decolonization process, one of the terms of the British, and French, and Dutch, and Belgian withdrawal from colonialism was, that you must join the Bretton Woods system. That was one of the terms. You did not get independence unless you agreed to do that. It is one of the silent, unspoken premises of alleged independence.

We were filled with hopes. We were warned. I warned, that you have to be careful and let decolonization not be the transfer of a kind of pseudo-sovereignty from a metropolis in Europe to some institution. Because—I think the French have a lovely expression, *plus ça change, plus c'est la même chose*—independence could be one of the greatest examples of nominalist hypocrisy you could ever meet.

But, there were those, then and now, who think that you are a doomsayer. Believe you me, ladies and gentlemen, the "I told you so" guy is never liked. One of the reasons why my good friend Lyndon LaRouche is not appreciated in America,

is because every time a new tragedy happens, he's the "I told you so" guy. . . .

The Goal: Development

We had ideas. We wanted a new international order. We wanted to diversify agriculture, put in infrastructure: health, housing, education; industrialize, bring the Third World—which is very important, the developing nations, 80 percent of mankind lives there, you know—bring them out of the 14th and into the 20th century. Grandiose ideas. Independence was not an end in itself, but only a means to an end. The end was development. Nations and peoples have to come into existence, have to survive, have to grow and have to develop. Those were our aims. . . .

My friends, I want to suggest to you that the test of any monetary system is its capacity to enshrine institutions of credit. That's the test. It's not whether the U.S. dollar is doing well as against the yen, or what they're doing to the German mark—that's a case, in my view, of economic murder, what they're trying to do. The important thing is, what institutions of credit do you enshrine? What access do you give to those institutions? How do you distribute credit? That is the key thing about any monetary system.

It is not whether only the dollar is monetized in gold. It has nothing to do with that. The original sin of the Bretton Woods system, I found, the original sin, was that the vast majority of mankind, in the developing nations, 80 percent of mankind, were told that they could have access to international credit only at the price of the *surrender* of their sovereignty in determination of economic policy. . . .

But we were sovereign, we thought. Sovereignty meant sovereignty. And then I had a phone call in 1971 from a secretary in the ministry of foreign trade, which hat I was asked to wear, by a heartless prime minister. The phone call said, Richard Nixon, Richard Milhous Nixon, to be quite precise, has taken the dollar off the gold standard and "let the

dollar float." It used to be \$35 an ounce. It shot up to \$800. What that meant, of course, was massive devaluation, because we were at the time two Guyana dollars to one U.S. dollar. That was the rate of exchange.

By no act of our own, by a mere imperial order, by executive order of Nixon going on television, the money of Guyana and all the Third World was devalued. That's the meaning of sovereignty. And there were further devaluations as you went along. By the time he was finished, and the IMF was finished, as I stand here now, it was two Guyana dollars to one U.S. dollar. It is now, officially, 20 Guyana dollars to one U.S. dollar. And unofficially, in the underground economy of dope, prostitution, gambling, and what have you, it's 30 Guyana dollars to one U.S. dollar.

They have banned the importation of milk, so they say, to save real foreign exchange. That is what is happening. I don't say this because I believe in evocative phraseology. I say this to remind you, those of you who prefer to live in a cuckoo world, who prefer to think that "that's not here, that can't happen here," that those are "basket cases" down there. Let me tell you something, you must tell me, what is the difference between America and the Third World right now? Because, the American debt that these Reagan guys have caused, will have forced all of us in the Third World into the arms of the IMF. . . .

Money is a political creation. Don't get manipulated. Every time you want to present a political argument, an economic argument, you're told, "Do not criticize economic processes. That's the economic problem. Have a separate panel on that. Have some expert"—some denizen out of the dusty tomes of Ricardo or Adam Smith, or what have you. I have always believed, and I'm a hard case, and I will die believing, that the important thing about economics is its political equations. . . .

The idea of the Bretton Woods system after the Russians had decoupled and gone their way with their own machinations, was that the U.S. dollar would be the only money quoted in gold, and we would all be quoted in U.S. dollars; and

institutions would be set up, IBRD [the World Bank], IMF. . . .

The important thing is, that the IMF handled credit systems, and there was bound to be a balance of payments disequilibrium, between export receipts and what you imported, and your total need to fill the gap. You needed credit, and the IMF controlled that. A kind of corrective colonialism—more calloused than the colonialism that preceded it. You all went to the IMF, and you were subjected to conditionalities. "Devalue; cut government spending"—you've heard this before—"fiscal discipline; untrammelled free market." In response to which I once told an American ambassador, that I must check with my ancestor, because he seemed to have suffered terribly from an untrammelled free market system. He was a slave.

Don't ask for all the sophisticated technology that Lyndon LaRouche has been speaking to us about. Take the California maxim. Do your own thing. Burn peat. Burn mud and wood. Import cosmetics. Don't import medicines. Things of that kind you were told.

So I reminded them again, that slavery itself was appropriate technology. And we had enough of that. It fell on deaf ears.

I was marked on by my very good friends, the British, as a person who's never satisfied. Well, I'm never satisfied, so long as a single human being has to live in degradation. So long as we go spiraling down the corridors of ruin, I shall not be satisfied. And that's why I am here.

The Non-Aligned Fight

So what did we do? We said we'd use our forum in this fight. We'd go to the OAU, the Organization of African Unity; SELA [Latin American Economic System] in Latin America; we didn't go to the OAS, for obvious reasons; CARICAM in the Caribbean, of which I was a member; the Non-Aligned group. . . .

It was a consequence of that, that 1976 became a crucial

year for me. The year started off with Marcos holding a conference in Manila. We all went down there, and gave speeches, and I was asked to see the American government. So, being a difficult guy, I went 'round the world. I left one way through London to Manila, and I then came to California. I remember that well, because snow fell in San Francisco, and it hadn't done so in eight years. So obviously something was afoot. Then I came to New York.

And then I went and met a guy named Henry Kissinger. You've heard that name, I suppose. We seem to have in the modern era in America a vast number of educated but unintelligent men. It's a phenomenon. You can't deny that in a formal way, they have been educated. But when you examine their mental processes, their noetic processes, it's amazing. We were discussing why Guyana doesn't vote with America in the U.N. He wanted us to vote a certain way; we did not. I said sovereignty is sovereignty, and he cut off aid to Guyana and Tanzania and some other place. . . .

Kissinger greets me and starts to discuss architecture, if you please. And then he starts to discuss music. I follow him. And then he starts to speak about the Periclean Age in Greece, and I follow him, but I thought, this guy is controlling the agenda. So, I must now wrest the agenda from him. Because he's trying to impose his will on me. Understand in that kind of diplomacy, he who controls the agenda, controls the interpretation of current reality. So I said, what do you think about development in Zambesi culture? I knew he knew nothing about that. And the minute I said that, he got back to the question. He got back to why I was there. Because he wasn't going to let me set the agenda. But you have to know how to deal with lunatics of this kind.

He said to me that America loves the Third World. And that, if we only gave America a chance. I said, yeah, but who's speaking for America? Not you. I've been speaking for America more than you have. He says, I should be telling you that, to give America a chance. In my position in the Third World, you can't tell the secretary of state, he should give America a chance. I did. . . .

So I went to the U.N. and I asked for an International

Resource Bank. . . . In my hotel room, there were quite a few supporters, and a gentlemen, who had an amazing capacity for cutting out the c- - -, and dealing with reality. And he, whom I'd never heard before, visited me and was speaking—it was Lyndon LaRouche. I listened, and I wanted to know, how could the Americans indulge the luxury of not having a man like that in their government. Because I tell you this, some of these guys couldn't get elected in the Third World.

Call for a Debt Moratorium

I went to the U.N. and I asked for the International Development Bank, I asked for a debt moratorium. I asked for a rescheduling and restructuring of debt, a program. I was told I was a lunatic. My friends abandoned me. The Russians called me pro-American, and the Americans called me pro-Russian. The Non-Aligned group thought I was too big for my britches. My president thought I had embarrassed him. So I gave him a book on dialectical economics to read, and he said he read it. I have my doubts. He had a nominalist problem.

I knew then that it was a question of time when I'd lose my job. My problem was how to maximize my actions, while I lose the job. I gave them a good run. I enjoyed it.

We failed. We were defeated. We were defeated by the politicians, and by a monetary priesthood, I call it, disciples of Keynes, Schacht, Harry Dexter White, who is a joke, who was really Keynes's right arm. At Bretton Woods, we had two plans, the Keynes plan and the Dexter White plan. In a surge of American patriotism, they refused the Keynes plan and took the Dexter White plan, not knowing that was also Keynes. That is how international politics works. Always get the other guy to think it's his own, when it's yours. . . .

I want to say to you today, this. If this planet is destroyed, this planet Earth, it will be because of mismanagement of economic science, and not a mismanagement of physical science. It could be destroyed by mismanagement of economic science, and that is why we are here.

I want to say to you, that bad economic policies have led

to highly suspect accounting feats, damage limitation. That's what they're doing. But we have now transcended the possibilities of arithmetical illusion. You can juggle books, you can work your symbolisms, but with starvation, disease, and hunger rampant, those tricks no longer work. The time for palliatives, for exhortatory, verbal panaceas, is over. This is the time for fresh procedures. And that's why we're here. This is a time for surgery, and that's why we are here. Life on this planet is too valuable to be left to the idiosyncrasies and foibles, embellished and nominalist idiocies of the contemporary economists—Baker, etc. They have failed. They and their policies must go.

It is time to return to the fundamental appreciation that money and monetary systems are the servants of humanity. They are not ends in themselves. It is time to appreciate that we have reached not only a crisis in interpretation of reality, as I said before, but that we need a qualitative change in the financial systems of this world. We need new credit mechanisms. That is why we are here. We need new mechanisms for the generation of human survival. New mechanisms for the generation of human growth. New mechanisms for the generation of human development. We need rational avenues of access, by everybody—OECD, developing nations—to all the new credit mechanisms we might create. The need for intervention is clear.

Action by Reason

We cannot remain passive in the presence of impending catastrophe. Our intervention, as exemplified by this conference, must be based on reason. The choice of action by reason, over action by feelings and appetites, is not a mere choice of options, a word they like in the halls of leadership these days. When reason is ignored, the forces of nature serve up terrible reminders. Just re-read the history of the 14th century.

We must have confidence in new technologies, that illuminate man's horizon at the moment, and all development, and the pathways to development.

Starvation, famine, disease, recession, depression, are not culturally ordained. They are not the permanent pillars of cultural relativism. Stop going down to the Third World, where 80 percent of mankind lives, and tell them, that is your way of doing things. Stop that! Stop carrying Racine and Moliere. Carry Pasteur and Madame Curie.

We must not and cannot allow the growth to degenerate into a pandemic wilderness. I say we cannot furl the flags of human progress. That is what this conference is about. Once again, we are met to establish a new monetary system. We are not here to repeat the mistakes of the old. Above all, we're not here to deify, hallow, the assumptions of the old system. We are here because we know that mankind need not remain passive in the face of impending doom.

But if we don't do it, there's nobody left to do it. We are the thin, red line, standing on the lip of progress. If we lose, it's not personal battles and personal tragedies. It's a decision about whether mankind on this planet has a future. I therefore ask you, in the name of those present, in the name of those departed, who've been in this fight for a new economic order and new monetary systems and new mechanisms of credit, I ask you not to let us fail again. True, we've come back to the Northeast. Bretton Woods is in New Hampshire, and we're in Andover. But that's a mere nominalist coincidence.

I think we have the intelligence in this room, the leadership and the directionality, and the resolve to triumph over the present.