

## French Gaullist Leader:

### "The Lessons of Mssrs. Ford and Kissinger"

*This article by former French Prime Minister Michel Debré, a recognized leader of the Gaullist movement, was first published in the July 7 issue of the Paris liberal daily Le Monde.*

#### *The Lesson of Mssrs. Ford and Kissinger*

At the last meeting of the OECD in Paris, Mr. Kissinger reminded the representatives of the Western countries gathered around the table that they had "to struggle against inflation." Mr. Ford, addressing the *Happy few* (1) in Puerto-Rico, repeated the lesson.

"To our knowledge, no one questioned the Secretary of State or the President to ask them: Why doesn't your country lead the way? Mssrs. Ford and Kissinger would have answered, figures in hand, by showing the decline of the inflationary movement in the United States. To this, the interrupter would have replied, if he had existed, by insisting and making his thought clear: The United States has substituted for the international monetary order established after World War II a so-called new order which is nothing but the law of the strongest. Gold has been sacrificed to the American currency while the principle of fixed exchange rates, except for exceptional adjustments, has been replaced with the curious principle of floating exchange rates. The United States' economic power, its wealth in raw materials and in energy resources, the small share foreign trade takes up in its national revenue, its capacity — thanks to its political power — to establish direct or indirect protectionist measures, and to justify all kinds of discriminatory practices against foreign competition, are as many assurances given it to freely apply the policy of its choice. Other Western countries are paid for their capitulation with a right to indebted themselves to this so-called international institution, in fact a satellite and servant of the U.S. Treasury, named International Monetary Fund. It manufactures money, i.e. inflation, under the name of Special Drawing Rights, and delivers this money according to political imperatives decided upon by Washington. In other words, the United States tamed its allies, including France, which had resisted for so long.

"But the passive side of this victory is clear: On the one hand, there is no longer any rule for the United States or for other nations sanctioning the deficit of their balance of payments with exhaustion of their reserves. Indebtedness is painless for a long time, even if it is very dangerous. On the other hand, the abundance of "international liquidities" (we used to say of "assignats" (2) in days of yore) increases inflation. And the Puerto Rico conference, verbally oriented toward the struggle against inflation, invented on behalf (to begin with) of a rudderless Italy a new form of money, a sort of super-assignat!

World inflation may not create the misfortunes of the world. By giving the false feeling that it attenuates them, it perhaps worsens them to the point that they can be solved only through a brutal political mutation.

As a result, I am not at all sure that Mssrs Ford and Kissinger are qualified to give lessons to their partners. The fatal

triumph of paper-gold, the International Monetary Fund's depravity, should incite them to greater modesty. However, the American leaders' error should not prevent us from heeding their words. The sinner is allowed to give a lesson in morals. The delinquent is allowed to recall the value of law.

The profound cause of the Western world's inflation is the result of the sum of two facts: the citizen's aspiration to a still higher standard of living, i.e. to a greater number of personal satisfactions for less work; and industrial, scientific, and military world competition, which demands incessant expenditures to dominate rivals and remain on the path to progress. To make individual aspirations yield to the priority demands of the international struggle for life; one would need an authority which few democracies know:

The example of the United States is clear. They feel the exigencies of a dominant power which must be at the first rank of strength, of spatial conquest, of research of advanced technology industries. They must at the same time insure the prosperity of all Americans, and, soon, the security of each of them. At each moment, the rise of great world powers, Russia, China, Japan, and the rise of internal aspirations creates new causes for expenditures. That doubts regarding their monetary ability to face this vast program should lead foreigners to trade their dollars in for gold — there was an unbearable stricture, even for the richest, the most dynamic and the youngest nation on earth! Let gold perish rather than the dollar! the United States sacrificed monetary order to satisfy their national imperatives.

The other nations of the West — France, Great Britain, West Germany, Italy and a few others — are the more sensitive to the effects of world competition, military as well as commercial, ideological as well as scientific, as the monetary disorders, henceforth unsanctioned, accentuate them. Aspirations to a higher standard of living are no less strong for their citizen; it is even often given new impetus for reasons of internal policy. So, what can we do? We live in a democracy, and democracies live in the present, forget the past, except for West Germany, where people remember the 1920's. They do not care about the future, intoxicate themselves with ideology as with a drug. They sacrifice the instruments of their power and, soon, of their personality; their defense, their foreign influence, their research, their unselfish aid. Lo and behold! This is not enough and the sacrifice cannot be total. So one manufactures money. Price increases make costlier the pursuit of collective efforts and the satisfaction of individual desires. The latter win still more over the former.

But the world takes no pity on the weak. We Europeans see that, indeed: The Turks take over two-thirds of Cyprus. And we say: "Well done." The Arabs decide by themselves the fate of Lebanon. And we say: "Well done." African states allied with Europe are ravaged by civil wars or coups supported or helped from the outside. And we say: "Well done." Ah! Do not pretend that "European unification" will remedy all. The

Europe which is being prepared for us will be dominated by a total lack of interest in the great problems of the world and the true values which dominate the perspective of societies. It will trail an American policy which will be quite indifferent to them.

Only those nations subsist and will subsist which, despite their relative weakness, want to represent a force, and which to that end will only rely on themselves. The struggle against inflation, or rather the struggle against the excesses of inflation, will be national, or will not be. To each nation the task of adapting its labor to its exigencies, its expenditures to its security and influence imperatives. To each nation the task of insuring the healthy state of its public finances; of increasing its revenue in a healthy fashion; of correctly apportioning this revenue and of not indebting itself lastingly! To each democratic nation the task of surmounting its crisis to avoid the bitterness of social disorders and political effacement. In brief, to each nation its effort and its faith. Woe to the peoples and states whose leaders will let them sink, while spinning fables and playing the magician, in contempt of economic discipline and social values.

France is beginning to suffer from inflation, as much if not more than the French. Let us throw back to Mssrs. Ford and

Kissinger the ball they threw into our camp, by asking them if they truly believe that Washington's international monetary policy authorizes the United States to defy the others. But let us meditate on the advice they felt they had to give us. If we want France to have a policy, and not only a parade, if we want French men and women to have a satisfactory material and intellectual future, let us indeed struggle against inflation. The recent debate on the document called "Plan" shows that the main worry of the majority — and perhaps of the entire parliament — was not to be called upon to support a realistic, effective, and sweeping action.

The government has the floor. How we wish that it uses it quickly and act with intelligence and courage."

**NOTES**

(1) In English in the original. The phrase "happy few" was used by 19th Century novelist Stendhal to describe the few scores of contemporary readers who, he thought, were intellectually and morally capable of understanding his work. Debré's intent here is obviously ironical.

(2) The "assignat" was the form of paper money issued during the French Revolution. Its value was backed by so-called "national goods" (expropriated Church lands). It soon became wildly inflationary.

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