

tions, which can prove itself capable of recovering the economy's flexibility in responding to crisis situations, which will clear the way for solutions to the structural problems we are debating here today. We must have a leadership that can create an environment favorable to the development of the different regions of the world, that will return to the free market forces the freedom of initiative.

Without this, our efforts will stand as a denial of the very essence of humanity, which is permanent growth, and we certainly will not achieve the superior goals of increasing production, enlarging employment opportunities, and improving the world's standard of living.

Egyptian central bank

From an interview with Aly Mohamed Negm, Deputy Governor, Central Bank of Egypt, and Vice-Chairman of the Group of 24, conducted Sept. 7 in Toronto:

EIR: Mr. Governor, the Group of 24 communiqué refers to the problem of high interest rates and the debt-service burden. . . .

Negm: Yes, the debt is one of the major problems. Our economies need all the capital we can get for economic development, and to raise the living standards of our populations. However, with the contraction in the world economy, many countries are now unable to support rising debt burdens considering their falling foreign trade.

EIR: The nations of Latin America are growing increasingly aware that they have a great deal of power, if they act in cooperation, and that they can take leadership in attempting to redirect the world economy. Can Egypt take the leadership in the Arab world, to support the efforts of Latin America, and to demand progress for the developing nations?

Negm: Yes, certainly, as Arabs as well as Africans, we understand the problems of the area. We are a good example of this. We have to fight our battle, as well, to survive. Then, we must fight a battle to develop our economies as rapidly as possible. The Group of 24 communiqué reflects these efforts and problems of the developing nations.

That is why it stresses the magnitude of the problem represented by the external debt burden, and the question which we have, which is, how to have access to, and to increase, our resources, of foreign currencies needed for economic development. I cannot comment on the details of the Mexican program, but I may say that we want Mexico to survive. We stand beside Mexico as a developing country, in its battle to develop its economy and to industrialize.

Don Regan's insane posture in Toronto

by Kathy Burdman

U.S. Treasury Secretary Donald Regan, British Chancellor Sir Geoffrey Howe, and the other Group of 10 industrial nations at the IMF Annual Meeting this week re-enacted Shakespeare's "Merchant of Venice."

the Group of 24 LDCs that the West's austerity is about to cause a world "collapse," and ignoring Mexico's refusal to accept IMF austerity, the G-10 in a Sept. 3 communiqué demanded the Third World tighten its belt, and pay its debts.

On Sept. 4, the Interim Committee of the IMF, the IMF's policy body, issued an identical communiqué, largely written by the G-10, which controls the IMF. It blamed the world's problems upon excess spending by the LDCs. Not only will no new funds be made available, the IMF's final communiqué stated, but any country that refuses to immediately tighten its belt will be cut off from world credit.

"Current difficulties" in the Third World, according to the Interim Committee communiqué, "have stemmed from unduly expansionary financial policies. . . external debt has reached historically high levels in many countries. The Committee stressed the importance, at a time when private financial flows are less readily available, to be taking steps toward realistic adjustment."

Playing the role of Shylock was Donald Regan, who personally scuttled even the G-24's foolish plan to expand IMF resources from \$69 billion to \$140 billion in the Eighth Quota Review. In fact, Regan acted instead to ensure that "no new quotas will be available until April 1985," as he said in a Sept. 6 press conference. As a result, the Interim Committee final communiqué announced no new funds for the IMF.

Instead, Regan prescribed more austerity for the world. Tight money and budget cuts have licked inflation in the U.S., he lied; "the U.S economy is now up beat, and the recovery is under way." As for the Third World, he said Mexico and others have been "over-ambitious. We've had to cut back, others will have to do it too. It's tough."

Free-market bull

"Listening to U.S. Treasury Secretary Donald Regan making a public fool of himself,"

founder Lyndon H. LaRouche commented Sept. 7, "the only sensible reaction would have been to shout at the poor jerk: 'Enough of your bull, Merrill Lynch.'"

"Whom the gods would destroy, they first make mad. Not only the mentally sick Friedmanites around Washington,