

# De Larosière is no friend of Third World

by Kathy Burdman

At the International Monetary Fund Interim Committee meeting in Washington D.C., finance ministers of the Group of 24 underdeveloped nations not only supported a 100 percent increase in the quotas of the IMF, as the Bank of England and the British Commonwealth Secretariat had prescribed; the G-24 demanded a vast expansion of the IMF's power despite the evidence that the IMF has deindustrialized and depopulated nation after nation in the Third World.

Minister after minister said to me wishfully that while they cannot control the Western commercial banks or the U.S. government, which have withdrawn loans and aid to them, "We control the IMF." The attitude was that the IMF, as a supranational body, might force the rich North to give them a few crumbs.

This state of fantasy is due in part to the fact that Third World countries have been so battered by the international private banks of the Ditchley creditors' cartel that the Group of 24 ministers do not know what hit them. In terms of hard cash, it happens to be the case that the private banks have shut down world lending markets, and the IMF is the only entity left dispensing any funds to speak of.

IMF Managing Director Jacques de Larosière has organized a public relations campaign for many months to convince the Third World that he alone is their friend, and that only he can wring money for them from the Western banks. De Larosière has also supervised a campaign to identify the United States—and not the Anglo-Swiss oligarchic "families" who created the IMF as the principal villain.

How many Group of 24 officials know that de Larosière is an explicit advocate of mass murder and that in a secret IMF speech in August 1982, he called for the "rapid reduction" of Third World populations? In fact, as *EIR* will document in future issues, Jacques de Larosière was deployed into the IMF from the beginning not as a financial specialist or bureaucrat talented at diplomacy, but as an agent bent on destroying every sovereign nation in the Third World.

## 'Let's you and him fight'

De Larosière has become a master at pitting the United States and the Third World against each other in the IMF gladiator arena, while he plays Nero. One of his most cynical ploys has been to publicly decry high U.S. interest rates—which he privately supports as one of the co-conspirators of

U.S. Federal Reserve Chairman Paul Volcker. De Larosière propagates Volcker's lying argument that high rates are caused by big U.S. fiscal deficits, and has succeeded in drawing the Third World into support for the central bankers and Wall Street spokesmen, who are demanding destructive cuts in the U.S. budget, and America's submission to the IMF.

In his speech to the Interim Committee, Indian reserve bank governor Manmohan Singh, the vice-chairman of the Group of 24, illustrated the new extent of de Larosière's power. Singh began by charging that "erratic behavior of monetary aggregates" which has led to "overshooting of exchange rates"—an accurate but ill-analyzed charge that high dollar parities have hurt the Third World.

Singh declared that the private banking system is not functioning, and only the IMF can pull the world from the brink. "It is also now clear that financing on the scale needed cannot be provided by the commercial banking system alone," he said. "Events of the past year have amply demonstrated the extreme limitations of private commercial banks in channelling expanded flows to countries which in the past have had such access."

"We must now recognize that there has to be a considerable expansion of official, and in particular, multilateral [IMF] financing. The International Monetary Fund has a large and central role to play in the years ahead. Under Mr. de Larosière's dynamic leadership, the Fund has evolved in an imaginative fashion. His recent initiatives in encouraging continued flows of commercial bank lending to LDCs facing severe difficulties has contributed greatly to the restoration of a measure of stability in the international financial system. We in our countries have always looked upon him as a friend of the Third World. . . ."

Another finance minister, a leader of the Group of 24 who is committed to the industrialization of his country, was no smarter. I told him that the Ditchley creditors' cartel was a conspiracy to bankrupt viable nations. "My God," he said, "I did not know of this plan."

"But," he continued, "*we control the IMF*, and Jacques de Larosière is the friend of the Third World!" After it was explained that de Larosière works with the Ditchley private banks to deliberately force countries into IMF austerity programs which destroy them, the minister had further thoughts. "Yes," he said, "the conditionalities..."

Ultimately, those Third World ministers who have a sense of patriotism recognize that they are being blackmailed by the IMF and de Larosière. After a long discussion of de Larosière's actual intentions, the same Brazilian official asked me "Aren't you afraid they're going to kill you?" I told him briefly that Third World officials who cooperate with the IMF have a better chance of being assassinated, history shows, than those who fight; and history is now a question of the murder of entire nations and subcontinents, under the benign administration of "the Man of the Year," as Britain's Chancellor of the Treasury dubbed him at the Interim Committee meeting, Jacques de Larosière.