

Editorial

Can we build a new economic order?

Over the recent period, and especially in the aftermath of the Oct. 19 stock market collapse, there has been increasingly frequent talk, even among senior Establishment figures, of the necessity to reorganize the international monetary, currency, credit, and trade system, the entire economic order of the world. The gloomy annual reports of the World Bank and the International Monetary Fund dwelled on the dramatically worsening conditions of Third World debtor nations and, in the case of the IMF general director, even admitted that the policy of IMF conditionalities has failed to produce the intended policies.

In New York and Washington, the chieftains of Morgan Guaranty Trust engaged in numerous spectacular moves to discount the foreign debt of Mexico and, perhaps, Brazil, which, so far, have produced no visible results. Certain senior observers in London's financial district discreetly sounded the alarm when they dissected Morgan's moves, and passed along the warning that Morgan is scheming to precipitate a major, once-in-a-century reorganization of the world financial system, intended to force world-financial power-centers either to surrender to the Morgan coalition, or to bend the knee.

Essentially, the Morgan scheme assumes that a general collapse of values is inevitable, and, in this context, attempts to ensure the Morgan group's interests by means of cannibalizing its brethren in high finance. Morgan is closer than any other private power group in agreeing with the gloomy assessments of the World Bank and the IMF, that the world economy is winding down, about to march back into the Dark Ages.

A far different, optimistic perspective is being drawn by France's ministers of finance and agriculture, a perspective which echoes the old-fashioned ideas of an economic policy once called "The American System," which, though now discarded in the United States, when applied during the 19th century, propelled this nation to world preeminence and prosperity. Could the French ministers' proposals be employed to construct a new

international economic order coherent with the old American System?

French Agriculture Minister François Guillaume, in an interview published in the Catholic daily *La Croix* on Jan. 21, called for the launching of an American-style Marshall Plan for the indebted Third World nations, in order to provide them with the opportunity to break out of their cycle of poverty and debt, and to achieve the levels of productivity needed.

Minister Guillaume gave special attention to the problem of how to get the United States involved. His suggestions would make the crisis-stricken farmers of America very happy: He called for the establishment, internationally, of parity prices for agricultural products, pointing out that present-day prices, which are bankrupting farmers both in the Third World and the developed countries, are way below the costs that farm producers must pay to meet their production costs. Pointing out that the Soviet Union, back in 1975 when farm prices were five or six times higher, still bought from the West, Guillaume attacked the idea of subsidizing the Soviet Union with Western governments' food subsidies. He proposed that the proceeds from the establishment of high parity prices go into the financing of a development fund which would invest in major projects, such as water management, transportation, infrastructure, and technological training throughout the Third World.

"Even though the United States won't move before the presidential elections, they will have to find a solution, as they won't be able to spend indefinitely nearly \$30 billion each year in subsidies," Guillaume said, and added: "In order to convince the Americans, I point out to them that such a plan for the Third World, is not only a humanitarian gesture, but my plan is also a long-term investment with geopolitical purposes. It's the example of the 'Marshall Plan' conceived by the United States after 1945 which helped Western Europe to rise up, to become their first commercial partner and not to fall into the Soviet camp."