

'Industrialize the world with the policies of Hamilton and LaRouche'

by Dr. Arturo Frondizi

The following address was sent by former Argentine President Dr. Arturo Frondizi to the Second Conference of the Federation for World Peace, held in Seoul, South Korea in March. Dr. Frondizi's speech, read to the conference, is entitled "Peace and the 21st Century." It has been translated by Cynthia Rush from the original Spanish text, which was made available to EIR. Subheads have been added.

I am sending my views to this Second Conference of the Federation for World Peace, to which I have been so kindly invited by the Summit Council for World Peace, and during whose proceedings the topic of "Peace in the 21st Century" will be discussed.

At a moment in universal history in which poverty and chaos are close to eliminating existing political and social structures, I wish to express my points of view on the tortured state of the human race. I am inspired to do so, as an Argentine and an Ibero-American, by the high spiritual and pacifist values of that great man and former President of Argentina, Don Hipólito Yrigoyen.

In 1929, on the occasion of the inauguration of telecommunications services between Argentina and the United States, and in search of a more spiritual and sensitive relationship among nations, Yrigoyen told President Hoover: "In summarizing this conversation, Mr. President, I reaffirm my Christian beliefs that *men must be sacred for men, and nations for nations*, and [must] in common concert rebuild the work of centuries on the basis of a more ideal culture and civilization, a more solid brotherhood and in greater harmony with Divine Providence."

There is no doubt that the peoples of the world have been diverted from their true ideals and from their national traditions as a result of the international economic premises which have predominated over the past 25 years. World changes have shown that ideologies can suddenly disappear, while *national problems unresolved* by the application of free trade recipes, remain as a factor of constant disturbance in humanity's existence. To verify this, on my continent, we need only observe the political, institutional, and economic situation defined by privilege, injustice, and corruption. The tactical alliances forged among subversion, drug trafficking,

and the monopolies are an additional aggravating factor.

When the encyclical *Populorum Progressio* warned of the coexistence in the world of an oligarchy which enjoyed refined civilization with a dispersed majority deprived of everything needed to live in dignity, it merely described the generalized situation of poverty and marginalization existing in 1967—not only in Ibero-America, but in all the world.

It is extremely worrisome, and worthy of the most profound self-criticism on the part of the planet's leadership, that almost three decades after the appearance of said encyclical, a somber reality demonstrates that *the situation of humanity's misery and underdevelopment has only gotten worse*.

A recent report by the International Labor Organization (ILO) indicates that one-third of the world's labor force is unemployed or earns too little to live decently, a situation considered to be worse than the depression of the 1930s. It is estimated, moreover, that approximately 1.1 billion human beings live below poverty levels in their respective countries, and that the global per capita income dropped over four consecutive years, a fact which places in doubt the moral content of prevailing economic and social policies.

In the relations between capital and labor it is necessary to think of creating conditions "*which make viable growing levels of social commitment while permitting a strategy of reindustrialization*."

What kind of 'new world order'?

We frequently hear that we are entering a new era in international affairs. The concept of a growing world interdependence is emphatically repeated. The possibility of a transition in world politics was enhanced by unforeseen developments which had explosive repercussions. Among them was the 1988 speech delivered in London by then-President Ronald Reagan, who considered that he was breaking down post-war barriers.

During the Group of Seven meeting in Houston, President Bush admitted that we were entering an entirely new era. Mr. Mikhail Gorbachov, in his book *Perestroika*, gives credibility to the growing world interdependence, and maintains that "we all need to learn to live in peace in this world,



President John F. Kennedy with Peace Corps volunteers, Aug. 9, 1962. Kennedy called for the free and industrialized nations to provide economic aid to the Third World, for the "purpose of incorporating more than half the peoples of the less-developed countries into growth sustained by them alone."

and to find a new way of thinking, because current conditions are very different from those which existed three or four decades ago." He further proposed, as a vital requirement, that international policies be based on moral and ethical norms common to the human species, and that "*international relations be humanized*," principles which I fully share.

I realize that current world conditions are different from those of three or four decades ago—but in a negative sense. Far from resolving the problems of peaceful coexistence and well-being of nations, the existence of serious conflicts among nations today darkens the prospect for basic international coexistence.

The economic situation confronting humanity continues to accentuate dramatic contrasts, while the gap between rich and poor countries widens uninterruptedly. As an ex-President of an Ibero-American nation, I cannot but emphasize that the hopes of our brothers on the continent of entering the developed world are rapidly diminishing. On the contrary, and despite declarations on the existence of a democratic order in the region, I emphasize that we have seen a cycle of decadence installed, reflected in the continuous generation of violent crises.

The United Nations can congratulate itself on the efforts which led it to declare, at the urging of President Kennedy, that the decade 1960-70 would be the "United Nations Development Decade," to allow "*all countries . . . to be free and equal States, in law and in fact.*"

But there can be no congratulations offered on the results obtained. The difficulties in building a Just New World Economic Order have only discouraged nations. The need for global negotiations, which was undeniable in the 1970s, produced tons of documents, filed away, which no one consults. This generated demoralization in the face of the perceived futile effort for development, which only a few years earlier had mobilized thousands of fine spirits and committed wills. Later, the mistaken conception that the most urgent problems could be dealt with through bilateral, case-by-case negotiations, took hold.

In April 1985, in Paris, I stated that "this corresponds neither to humanity's highest ideals, nor to the well-understood interests of all peoples. The analyses of John XXIII in *Mater et Magistra* and *Pacem in Terris* are still relevant. Moreover, the consolidation of *peace*, the relative decrease in the seriousness of international conflicts, and the extraordinary technological advances of recent years, make the fight for the *development* of this world more urgent than ever.

To work on behalf of the cause of human liberation, regardless of skin color or religion, it is incumbent on the world's statesmen to put an end to geopolitics based on balance of power and domination of the strong over the weak. International reality demands relations of economic cooperation, not usury: of cultural development and scientific and technological collaboration. This means responding positively to the spirit of *Populorum Progressio* in terms of "the

integral development of man," which, the encyclical affirms, "cannot occur without the development of humanity in solidarity."

Let us also once again be inspired by the great human perception, mental clarity, and moral firmness of President Kennedy, when he stated that in the decade of 1960-70, there existed a historic opportunity for the free and industrialized nations to provide important economic aid to the "purpose of incorporating more than half the peoples of the less-developed countries into growth sustained by them alone." That opportunity exists again during the present decade. The failure to have listened to that great statesman—and I have said this repeatedly—has caused financial speculation, the policies of the International Monetary Fund and the World Bank, and the alternative of free trade prescriptions to become the "new name of chaos."

The preconditions for peace

No one would dispute that *peace* in the world today is the greatest priority; much less can negotiations among the great powers place conditions on that *peace*. It is well known that respect for fundamental principles such as non-intervention, self-determination, territorial integrity of states, and the peaceful solution to conflicts, are undeniable preconditions for *peace* to become a universal reality. Yet all of these cannot obscure the absolute and vital priority of *economic development*.

I cannot but note with sadness that in analyzing the long time passed since I addressed the United Nations as the President of Argentina, the negative outlook remains the same. World security must be based on world development. Moreover, the development of some requires it for all. In the humanity to which we belong, the Earth has to be totally conquered—that is, developed—so that it will be safe for the small as well as the big.

After the fall of the Berlin Wall, the nations of the former communist bloc had hopes that the West would open to them the path to development and *peace*. Accumulated world experience has shown, however, that there is no *foreign assistance or internal aid* capable of resolving the grave problems of poor nations, with their cycles of hunger, social marginalization, and the associated recurrence of endemic diseases and epidemics which form part of the heart-wrenching pathology of misery, poverty, and lack of minimal sanitary conditions.

Instead of the hoped-for aid, underdeveloped nations are victims of erratic policies which have separated them from their own national identities. They have been subjected to economic and social policies intended to subordinate any effort at mobilizing productive forces, to a vision dominated by the globalizing transnational system, which inhumanly ignores the concrete needs of the various social sectors which make up national communities.

It has recently been stated—correctly so in my view—

that regionalization and globalization "occasionally promote new fractures and divisions among and within nations" and emphatically that "the magnitude of the problem defies the imagination of politicians, the intelligence of economists and the patience of populations." *This call to attention must be heard.*

The universalism mentioned above only benefits monopolistic forces and international usury. Through this route of subjugation, human and natural resources of nations, as well as the territorial dimensions of nation-states, become subordinate to the decisions of supranational entities. It is therefore essential to ratify the principle of self-determination of peoples, and to consider those states as a crucial factor for those nations to realize themselves.

One of the paths toward affirming *peace* is by creating employment—this being, I repeat, the true wealth of nations. The only way to achieve this is through development; but it is the states themselves that must establish their respective priorities and deploy productive capital on behalf of an *industrializing dynamic*.

This view is contradicted by the declarations of a member of the Trilateral Commission, reported in the Aug. 1, 1976 *New York Times*, who defended the idea that "international banks and multinational corporations act and plan in terms which have a big advantage over the political concepts of the nation-state." We see before us the calamities suffered by humanity to date for having followed that path.

In general terms, the proposed industrializing dynamic presupposes a transformation of structures. If such change is not effected, the underdeveloped country will be synonymous with the *stagnant country*, increasingly dependent on foreign assistance, with the ultimate consequence that nations end up negotiating away their dignity in order to survive.

We know that the development-underdevelopment relationship is, in one sense, the continuation of the old relationship between the colonial powers and the colonized nations. This interrelationship is expressed by a transfer of a substantial part of the [poor nations'] economic surplus, carried out in a variety of ways. Among them is the deterioration in the terms of trade and in the payment of debt service, including, in many cases, "handing over the patrimony of state companies," as advised by Mr. Henry Kissinger in Berne in 1985. In the brain drain, we find a significant portion of social capital and the outright transfer of capital, either legally or otherwise. This is due in large part to the role of prices and markets.

As long as the economic structures of the underdeveloped countries are not changed, even if they experience occasional periods of growth, there will be no development without greater dependency. It is thereby a mistake to consider them to be "*developing*."

We constantly hear talk of world solidarity, but to avoid confusion we must acknowledge that neither social assistance

nor trade liberalization, nor contributions to offsetting balance of payments deficits, have anything to do with an organic and effective international action to promote and achieve the transformation of underdeveloped economies into industrial economies. If we correctly identify the cause of the problem, we must direct public and private resources toward investment which unleashes processes of integrated industrialization.

It is worth recalling that on the issue of the underdeveloped world's foreign debt payments, in 1990, American

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bishops argued that "total forgiveness of the debt won't resolve the problem, because it would leave intact the causes, both systematic and behavioral, underlying the current crisis."

Returning to the issue of world solidarity, let me repeat my earlier stated agreement with President John F. Kennedy, who, upon taking office on Jan. 20, 1961, referred to poor nations and announced a commitment to make greater efforts to "help them help themselves," emphasizing that "if a free society cannot help the many who are poor, it cannot save the few who are rich."

To transform the structures of dependency means to renew the fight undertaken by, among others, Alexander Hamilton in the United States, by Friedrich List, a proponent of industrialization in Germany and in the United States, and by Carlos Pellegrini in my country, who maintained that the development of national industry is the basis for wealth, power, and prosperity.

After the fall of the Berlin Wall, I am obliged to mention the proposal made by some German circles led by the president of Deutsche Bank, Alfred Herrhausen, who was subsequently assassinated, and by the American economist Lyndon LaRouche, to implement a massive industrialization plan, with its point of departure being the potential of the industrial triangle between Paris, Berlin, and Vienna, with its high concentration of technological power.

The neoliberal policy: shock therapy

Circumstances too lengthy to enumerate ended up imposing against these proposals the neoliberal alternative known as "shock therapy," promoted by the International Monetary Fund. Recently, in reference to the former Union of Soviet Socialist Republics, this policy was criticized by the current vice president of the United States, and, coincidentally, by economist John Kenneth Galbraith, former adviser to Presidents Roosevelt and Kennedy. Both [Gore and Galbraith] made harsh statements, with Galbraith attacking international usury and financial speculation. This undeniably implies a greater rejection of western policies, which is lending credibility to a revival of the ex-communist nomenklatura. Worse is the risk of a Cold War-style, generalized nuclear response, the result of the same hostility.

The neoliberal option generally produces a social situation of misery and political chaos resulting from economic disaster, which unleashes regional and ethnic conflicts. The world is helplessly witnessing genocide in Yugoslavia, where entire populations are wiped out, while in the Middle East, the dreams of a lasting peace are being jeopardized—plans which are only possible if water is provided to the region through use of the most advanced nuclear technology, and if the necessary infrastructure is built to permit the desert to produce food. Africa is disappearing, consumed by AIDS and other epidemics—a symbol of what could happen to the entire world, especially the underdeveloped world, if the policies of the International Monetary Fund, backed by certain non-governmental organizations, continue to be applied.

According to the World Health Organization, 140 million people in Ibero-America are at risk of contracting cholera because of their miserable living conditions. The nations of the continent are increasingly limited in their sovereignty, and are consumed by hunger, disease, pain, and the modern forms of slavery.

The only way to achieve peace in Ibero-America, which would also be a significant ingredient of World Peace, is to allow these nations to develop in the framework of self-determination, and at the same time, to maintain a form of domestic life and international relations which are essential to those of the western world. Otherwise, there will be social and political revolutions, leading toward various forms of dictatorship, of which the continent has painful experiences. It should be noted that the events of the last three years point toward a tendency for the explosion of bloody conflicts and national confrontation—the results of the pagan concepts which have ruled the world's economy and politics over the past 30 years.

The worst option would be that if the problem of humanity's enormous poverty is not resolved, this will facilitate the promotion of false options of government under the guise of meeting [social] demands, which would imply the involvement of forces and ideologies foreign to this region, with powerful influence from the drug trade and the provocation

of indigenous ethnic divisions. Behind the façade of liberation are hidden the already failed means of human domination always ready to surface again in a different disguise.

A real development program

A true policy of *Peace for the 21st Century* must be based on “development is the new name of peace.” The problem of hunger and poverty of over half the world’s population must remind us that man is made in the image and likeness of God, for which he has been blessed with the ability to grow and produce.

All of the papal encyclicals insist on “Be fruitful and multiply, and fill the earth and subdue it.” This makes it incumbent on every organization which claims to promote the “new world order,” to function so that this be realized. We can easily conclude that if solutions to the survival of the world population are sought outside the framework of productive activities, failure will be total, all the more so if placebos such as free trade agreements, free trade zones, and massive and unbridled privatization of state assets are sought.

The economic reforms applied to the underdeveloped nations, which have been plagued, among other things, by a foreign debt crisis, have forced them into the world’s speculative markets to the exclusive benefit of the same privileged forces. They have been forced to reduce their health and education budgets, and have been left prostrate in an unprecedented state of defenselessness.

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Accepting the truth of *Pacem in Terris*, that “Peace is built day by day in the installation of the order desired by God,” and that no human law can place limits on the primary reason for marriage, we must energetically reject all population control. On the contrary, we must accept the challenge of discovering the universe’s immense wealth, of which we know only a small part. *The slogan for the peace of the next century is to create a world economy which accepts the human being as its most important resource.*

It has been said, in my view with great accuracy, that a “new order” must stimulate knowledge because “there are no educated people who are poor, and there are no illiterate people who are not poor.” To speak of *peace* means to grant priority to the multiplicity of educational services at the service of the new generations, since said activities are “*the human future of youth and nations.*”

But we should also realize that simultaneous with an educational offensive, there should be a total war against drugs, the narco-terrorist cartels, usury from the billions of dollars which the international drug trade circulates as a form

of subjugating poor nations and, with no holds barred, against all initiatives for legalizing drugs and abortion. Thus education will again be able to affirm Christian precepts. Without this, an artificial consciousness will continue to be imparted, distorting reason, developing irrationality, and diminishing man’s ability to think.

We must save and help the world’s youth—that youth which, in 1981, John Paul II described in Rome as “desirous of truth, of ideals by which to live, of responsibility, of moral beauty, of innocence and happiness.” Let us not forget that St. Thomas founded the school as a means of uniting Christ with the individual in search of truth and salvation. *World peace* requires this.

We must regret, but not lose hope, that man is failing to take responsibility for the misery which afflicts the world and that the “sacred ability of the human soul” is being destroyed. Our obligatory reflection is to explain how such a dramatic reality came about, despite the fact that humanity possesses such extraordinary scientific and technological advances and has so increased the world’s resources.

In conclusion, I laud the efforts on behalf of humanity, through the attempt to consolidate *peace* in the world, undertaken by this conference. I am grateful to you for allowing my message to be heard, which for me, constitutes a means of continuing in the struggle from which I cannot be swayed.

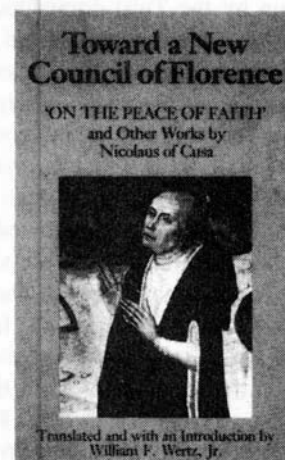
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