



## The direction of French policy

In early October, the government and leading policy makers of France extended a new invitation to the United States to join with continental European efforts to bring into being a new monetary system and replace the bankrupt Bretton Woods agreements that created the International Monetary Fund after World War II—before it is too late. The point was most cogently argued by François Donati in the French financial daily *Les Echos* (*Executive Intelligence Review* reprinted Donati's article last week). Donati noted that the remonetization of gold, as currently being undertaken by the European Monetary System countries, would provide the only means for wiping out the enormous overhang of unpayable debt internationally and thus restarting the world economy on a productive basis.

Unfortunately, the U.S. Carter administration is moving along the exact opposite course of these French and other European initiatives for a new monetary system. Carter is explicitly adopting the "British model" of economic policy—a credit squeeze to wring the last drop of productive power out and produce an economic depression.

Jacques Cheminade's paper on the "American System" tradition in French political economy, which *Executive Intelligence Review* publishes here in its third and concluding installment, has as much relevance for Americans today as for the French. In the first two parts, Cheminade recounted the story of the Renaissance and 17th century antecedents of the American Founding Fathers. In part three he tells the story of Chaptal and Monge, collaborators of the American Revolution, and the way they developed scientific education as the prerequisite to industrial capitalist progress.

Chaptal, Monge and Dupin relayed U.S. first Secretary of the Treasury Alexander Hamilton's concepts to the great German-American thinker Friedrich List, who in turn collaborated with the American school of Mathew and Henry Carey. What all of these thinkers had in common was a firm commitment to government-fostered deliberate technological progress as the basis of industrial capitalist development, and a hatred of the various "free trade" or "free enterprise" slogans used by Britain to crush such progress in rival nations.

Cheminade wrote in the previous installment, "Chaptal, chemist, industrialist and statesman, was a close associate of the American Revolution leaders and was twice (in 1792) invited to an official tour in the United States by George Washington. . . . Chaptal's primary commitment was to set in motion economic processes ruled by (French scientists) Carnot and Monge's principle of the highest ratio of energy transformation.

"(Chaptal) links the relative superiority of industry over agriculture in the production of a higher surplus value to the necessarily urban location of industry, an environment 'where knowledge is shared and human resources continuously multiplied.'"