

Editorial

A New World Economic Order

It was much to the chagrin of the financial “experts” at the International Monetary Fund (IMF) and the World Bank, that Argentine President Néstor Kirchner decided to tell the unvarnished truth during his April 13-14 visit to Germany. Kirchner is essentially a *persona non grata* with the IMF, not to mention their private banking compadres, because he has defended his country tooth and nail against the demands of international predators like the vulture funds, with a certain amount of success. Yet, while playing hard ball with private creditors, Kirchner has, up to this point, paid his country’s debts to the IMF.

Now, with the IMF threatening to pull the rug out from under his hard-won victory against the vulture funds, Kirchner is taking off the gloves. Speaking from Berlin on April 14, at the Friedrich Ebert Foundation, Kirchner said that his country had been through “one of the worst socio-economic catastrophes in our history, which exploded at the end of 2001.” He went on to say that this catastrophe “was the product of a political-economic model at the service of proliferation of the corrupt, *genocidalists*, and thieves.”

Kirchner was not exaggerating when he used the word “genocidalist,” a term which economist Lyndon LaRouche has also not hesitated to employ, to describe the IMF. Under the tutelage of that institution, food- and skill-rich Argentina went from being a prosperous producer nation, to being an economic disaster, populated by children who are forced to root through garbage cans in order to obtain their daily food. In the 1980s and ’90s, Argentine governments all “followed the rules,” straight into their financial and economic breakdown-crisis of December 2001.

During his term in office, starting in 2003, Néstor Kirchner has not only had to deal with the consequences of that breakdown, but also with the obstructionist and malevolent behavior of the IMF. IMF officials, such as Anne Krueger (reputed to be Freddie Krueger’s mother), have excoriated the Argentine President for acting to increase wages, refusing to carry out even more draconian budget cuts, and resisting the murderous demands of both private cartels (such as Royal Dutch Shell and other oil companies) and international bankers. Kirchner has had to maneuver and

compromise, but he has not backed down.

After Argentina was successful this Winter in reaching an agreement on a debt writedown on \$82 billion in defaulted debt, with the agreement of 76% of its foreign bondholders, the IMF then moved in to sabotage the deal. Kirchner got mad and threatened to default on the IMF. The issue is not resolved. The war is intense.

There is no way Argentina can ultimately win this war on its own, of course, and Kirchner knows it. After a meeting with German Chancellor Gerhard Schröder, he insisted that the IMF requires “a restructuring.” He added that Argentina would participate “actively and constructively on behalf of a new world economic order, without renouncing autonomy in its decision-making.”

A “new world economic order” based on principles of sovereignty and economic justice is precisely what is needed to solve Argentina’s problems, and those of every nation. Nations can resist the insane demands of the IMF, but, without a new structure for international economic cooperation, a large portion of the world community cannot get access to the credit and resources which it needs in order to build its way out of crisis.

It is in this context that the importance of the recently passed Italian resolution for establishment of a new world monetary system, modelled on that proposed by Lyndon LaRouche, can be seen. Under the principles indicated in that proposal, nations would agree on a new system of economic cooperation which penalizes speculation, and promotes the development of the “real economy,” physical economic growth for the prosperity of peoples. The kind of theft which major banking institutions carried out against both Argentina, and the small investors of Italy, are attacked in the Italian resolution, as representing the evils which must be ended in a new, just financial system.

During his webcast April 7, LaRouche addressed the core issue, saying that “the time has come, where in Italy our friends in the Parliament have struck a blow for freedom, for all humanity, in calling for a new financial architecture.” To the extent other nations follow Italy’s lead, the days of the “genocidalists” at the IMF are numbered.