

Finance Minister Matthöfer defends IMF conditionalities

The European Labor Party (Europäische Arbeiterpartei—EAP) announced Nov. 14 that it will lead a campaign to force the resignation of West German Finance Minister Hans Matthöfer. Spokesmen for the party, headed by Helga Zepp-LaRouche, the wife of *EIR* Contributing Editor Lyndon H. LaRouche, said that they took the action following remarks made by Matthöfer at a Frankfurt Credit Policy Conference that defended the International Monetary Fund's right to impose "conditionalities" on the developing sector.

The IMF conditionalities policy, under which developing nations must enforce severe austerity conditions for Fund credit, is leading toward economic collapse and genocidal starvation throughout the Third World, EAP spokesmen said.

'Harsh necessity'

Explaining his "let them eat cake" doctrine, Matthöfer told his Frankfurt audience: "The IMF is, however, often criticized on the ground that it applies principles of conditionality too sternly and, through exaggerated, abrupt cuts in living standards, provokes social unrest and explosive situations.

"I cannot dispute that there is some harshness in this. Let us not delude ourselves. The IMF is not demanding anything from the developing countries that their own bogged-down situation would not in any case require them to do."

Matthöfer urged the IMF to stand up to its critics: "The IMF must, however, be careful that its financing does not allow the prolongation of structural deficits in an artificial manner and must not weaken conditionality. Conditionality is the source of confidence which the IMF enjoys on the financial markets."

The West German finance minister concluded by saying that the recycling of funds into "third countries is not the concern of the European Community." This statement effectively endorses the IMF as the only possible lender to the Third World.

Matthöfer's remarks stand in direct opposition to West German participation in the European Mone-

tary System and the European Monetary Fund. Officials in both Bonn and Paris have stated that the ultimate goal of the European Monetary System is precisely to recycle funds into the developing sector for industrial development projects, expanding markets and jobs in Western Europe.

Finance Minister Hans Matthöfer is one of West Germany's highest ranking promoters of Malthusianism and the Club of Rome, a top-level saboteur of the European Monetary System. His ministry is known for its "Thatcherite" approach to state financing of industrial projects, and Matthöfer himself boasted at a Nov. 17 Bonn press conference that the harsh cuts in West Germany's new state budget are his handiwork, not that of Economics Minister Count Lambsdorff.

Matthöfer's ministry is heavily staffed by people from the World Bank and the International Monetary Fund; so devoted is he to their zero-growth approach that economics officials in Bonn accuse him of wanting to turn the European Monetary System into "a European IMF."

Matthöfer's credentials show how he was groomed for his saboteur role by the Anglo-American occupation forces during the postwar period:

- Matthöfer is from Hesse, in the old American Occupation Zone. He was released from a prisoner of war camp after the war, and went to the United States to study economic and social sciences at the University of Wisconsin in Madison, one of the principal American "reprocessing" centers linked to British intelligence's Tavistock Institute. He was trained in industrial and labor relations, Tavistock's "soft brainwashing" program for social control.

- In 1953 he returned to Germany to join the economics staff of IG Metall, the German metalworkers' union affiliated with the U.S. United Auto Workers. Both unions are known in their respective countries for their corporatist ideology, their anti-industrial "small is beautiful," "quality of life" programs, and their encouragement of ultraleftism and anarchosindicalism.

- Matthöfer served as president of the German branch of Amnesty International a British intelligence front-group headquartered in London.

- He joined the federal parliament in 1961, and became the Social Democratic Party's expert on "development politics and the humanization of labor." This is the current within the party controlled by former Chancellor Willy Brandt, apostle of "appropriate technology" for the Third World instead of real industrial development.