

Ignoring the fact that only political awe before the “emperor’s new clothes” stands between the international financial system and bankruptcy, the *Journal* congratulates itself on how the industrialized world has avoided concessions to the demands for a “new international economic order” which arose at the Cancún meeting.

Ignoring the fact that in-depth industrialization of the “South” is the only means by which the industrialized countries can escape the impending disasters of full-scale depression and financial collapse, the *Journal* tells the Third World that they got what they deserve. In extolling the “realism” of the IMF austerity “remedies,” the *Journal* embraces the system that will bring the United States also to its knees—most likely under the heel of a Swiss-Soviet-IMF dictatorship.

We quote:

“In short, the New International Economic Order that has in fact emerged since Cancún has been precisely the opposite of the one Mrs. Gandhi and her Third World colleagues had hoped for. Some recognition of that fact was evident a year ago when Mrs. Gandhi called a meeting of national leaders at the U.N. to talk, among other things, about what progress had been made in the North-South dialogue that Cancún supposedly had set in motion. The turnout was small and the discussion dispirited. Worst of all, Pierre Trudeau, sensing the changing world mood, ended up telling Julius Nyerere of Tanzania that maybe Third World leaders were to blame for some of their own problems.

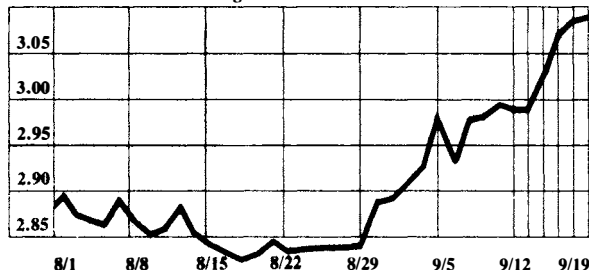
“To be sure, Mr. Reagan last year faced down domestic opposition to an increase in IMF quotas, which laid another \$8.5 billion obligation on the U.S. Treasury as part of the burden of bailing out big Third World debtors. [Read U.S. bankers—ed.] But now that the debt crisis is beginning to ease, there is less political disposition in favor of easy money. The Third World itself is partly to blame. The international politics conducted by the General Assembly majority and the so-called non-aligned nations have hardly been of a sort to endear these countries to Americans. As reality has set in, they have toned down their rhetoric, but it is a little bit late.

“All of which sets the stage for the IMF annual meeting, and the related annual meeting of the World Bank, next week. We have come a long way from Cancún in the direction of dealing more realistically with the problems of world economic development. A lot of people have learned that big helpings of SDRs and soft loans are more of a hindrance than a help to development; they make Third World politicians dependent on international institutions rather than on the latent talents and industry of the people they govern. A successful international economic order can be built only when leaders are forced to create an environment that allows work and investment to prosper. The Common Market [which could not agree on a new batch of IMF Special Drawing Rights for the Third World at its pre-meeting in Ireland last weekend—ed.] is groping toward that realization. We hope further progress will be made next week.”

Currency Rates

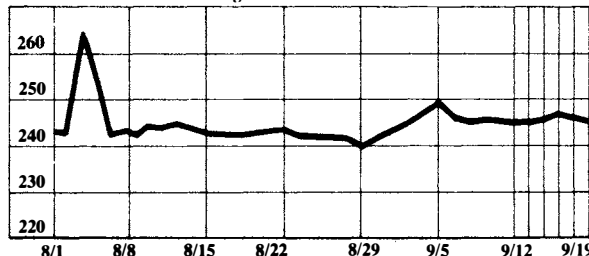
The dollar in deutschemarks

New York late afternoon fixing



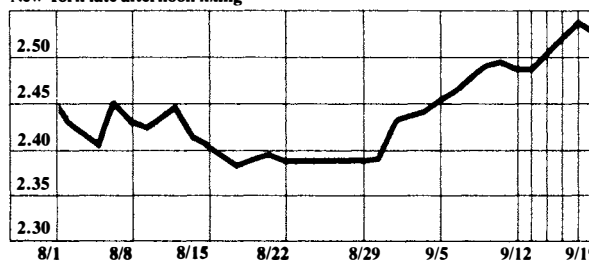
The dollar in yen

New York late afternoon fixing



The dollar in Swiss francs

New York late afternoon fixing



The British pound in dollars

New York late afternoon fixing

