

Editorial

It's a question of leadership

As stock exchanges and currencies around the world were being beaten to a pulp, the heads of state of Ibero-America, plus Spain and Portugal, met on Nov. 8-9, in the Venezuelan resort town of Margarita, for a chummy discussion of "The Ethical Values of Democracy." Lodging their heads firmly in the sand, most of the assembled leaders refused even to put the financial crisis on the agenda. Yet, four of them had to fly home a day early, for emergency meetings on how to stem the outflow of capital. In Brazil alone, about \$1 billion left the country the week prior. Two weeks before, about \$10 billion had fled.

Like their counterparts in North America and Europe, these heads of state are terrified of facing up to reality: that the whole system is coming down.

Most scandalous was the behavior of Brazilian President Fernando Henrique Cardoso, who will be knighted in December by Queen Elizabeth II, and is spending most of his time manicuring his nails in preparation for that occasion. Cardoso was at pains to disassociate himself from any idea of curbing financial speculators. "There is no international climate for this," said his foreign minister. "Everyone depends solely on himself, and has to take care of his own house."

Returning from Margarita, Cardoso and his cabinet slapped together a fiscal shock program to "retain investor confidence," which was announced on Monday morning, Nov. 10—before the markets opened. It includes 50 measures to increase state revenues and cut the 1998 budget, for total savings of about \$17 billion. Just about the only thing that will *not* be cut, is debt service. The program was promptly endorsed by International Monetary Fund Managing Director Michel Camdessus and Argentina's President Carlos Menem.

Still, the battering of the stock markets continued, to the point that trading was halted on the São Paulo stock exchange on Nov. 12, after a 10% plunge.

Among the participants in the Margarita summit, only Peru's President Alberto Fujimori and the Dominican Republic's President Leonel Fernández had the cour-

age to focus on the crisis that is threatening all humanity.

Fernández called for unity of the nations of the region, to achieve debt relief, in order to attain "equitable economic growth." He stated that his government had paid \$700 million last year in debt service—more than 5% of the country's GNP, 23% of its export earnings, and 35% of its tax revenues. Citing Shakespeare's *The Merchant of Venice*, in which Shylock, the money-lender, demands a pound of flesh from his insolvent debtor, Fernández concluded: "At the dawn of the 21st century, we cannot permit that the foreign debt continues to be the dagger stuck in the heart of the development of our peoples."

Fujimori also referred to the worldwide financial instability, albeit in more cautious terms, and called for measures to be taken to address the problem.

Fernández and Fujimori have thus joined Malaysia's Prime Minister Dr. Mahathir Mohamad, in calling for defense of the so-called developing sector against the speculators' savage attacks. But although their role is useful, they are not the ones who can reverse the crisis. They do not have the power to defeat the British Empire and its Shylocks.

The solution can only come from the President of the United States, as Lyndon LaRouche has often underlined. Joining with China, the President must convene a New Bretton Woods Conference, to put the current financial system through bankruptcy proceedings. He must take the measures that LaRouche has specified, to defend national economies, while allowing the speculative paper to vaporize. He must embark upon the great development projects of the 21st century, notably the Eurasian Land-Bridge.

Will the U.S. President have the courage to take that leadership, when the right moment comes—as it will soon? That depends upon what we do. The President will act, if and when he knows that there is sufficient political support for LaRouche and his program. Mobilizing that support, is the essential task facing people of good will today. There is not a moment to lose.