

and significantly facilitating its flight; c) they drove countries to abandon import substitution industrialisation and replace it with a model based on export promotion. They have concealed dangers such as over-indebtedness, payment crises, and negative net transfers, which they themselves detected.

The liberalisation of capital flows, which they have systematically encouraged, has increased the incidence of tax evasion, flight of funds and corruption. The liberalisation of trade has strengthened the strong and weakened the weak. The majority of small and medium businesses in developing countries are unable to withstand competition from large corporations, both in the North and the South.

A new international, democratic financial system must be found as soon as possible to promote the redistribution of wealth and to support people's efforts to achieve development that is socially just and respectful of nature.

Paths must be chosen that radically redefine the foundations of the international financial system (its missions, operation, and so on.)

The organisation that could replace the World Bank should be highly regionalised (banks in the South could be brought together within it). Its role would be to supply loans with very low or no interest and grants, which could only be on condition that they be used in strict adherence to social and environmental standards, and more generally, respect of fundamental human rights. Unlike the current World Bank, this new bank which the world needs would not seek to defend the interests of creditors, while forcing debtors to submit to an all-powerful market. Its primary mission would be to defend the interests of the people who receive the loans and grants.

Meanwhile, the new IMF, should recover part of its original mandate to guarantee currency stability, fight speculation, keep

watch over movements of capital, and act to prohibit tax havens and tax evasion. To attain this goal, it could assist in the collection of various international taxes by working with national authorities and regional monetary funds.

All these solutions require the development of a coherent international financial system that is hierarchical and has an internal division of powers. The UN could be its cornerstone, provided that its General Assembly becomes the actual decision-making body – which implies eliminating the status of permanent member of the Security Council (and the associated veto power).

In the meantime, institutions like the World Bank and the IMF must be held accountable for their actions before national jurisdictions. The debts they are trying to collect must be cancelled. Action must be taken to prevent the harmful policies they recommend or impose from being applied.

**Translated by
Snake Arbusto
with help from
Charles La Via**

**Éric Toussaint is
president of the
CADTM Belgium
(Committee for
the Abolition of
Third World Debt)**

www.cadtm.org

OUR HISTORY 52

Socialist Individualism - Philip Snowden (1905)

The fact that Snowden joined Ramsay's Macdonald's National Government in 1931 has overshadowed Snowden's central role in the propaganda of the Independent Labour Party. A devout Methodist and teetotaler from the West Riding of Yorkshire, brought up in Liberal politics, he joined the ILP on its foundation in 1893, becoming one of its most popular speakers, with an oratorical style which used religious terminology to promote the socialist crusade – one of his lectures was called 'The Christ that is to Be'. A member of the town council and school board in Keighley, Snowden joined the ILP national executive and served as chairman between 1903 and 1906. Elected to parliament for Blackburn in 1906, he became financial spokesman for the Labour Party, was consulted by Lloyd George on his 1909 budget and wrote a series of books and pamphlets on labour's financial policy, advocating a Living Wage.

Snowden was a strong supporter of parliamentary democracy and in 1913 wrote a pamphlet opposing syndicalism. Like Macdonald, he opposed British participation in the First World War, wrote *Dreadnoughts and Dividends* opposing the arms trade and lost his seat in the 1918 election. Returning to parliament in 1922, he was appointed Chancellor of the Exchequer in the 1924 and 1929 Labour governments.

Snowden's wife Ethel was also a prominent ILP activist and writer, and the author of *The Woman Socialist, Through Bolshevik Russia* and *A Political Pilgrim in Europe*.



“Socialism, by making land and machinery the common property of all, and making these instruments to supply material needs, will completely change the business and object of life. Socialism will change human nature. The opportunity makes the man. Socialism will take away the desire for accumulated riches. Today men struggle for riches because the possession of riches gives the command of those things men most desire – social position, honour, independence, freedom from arduous toil and the horror of poverty and starvation. But, under Socialism the possession of riches will cease to be a ruling passion, for honest labour will be a guarantee against want, and riches will no longer be the passport to social position. Under such conditions the possession of riches will be a superfluous burden which no sane man will wish to bear. Crimes of property must inevitably disappear.”

“And Socialism will create a condition of things favourable to the development of the higher type of individuality. The organisation of industry, the saving of the present waste of competition, will reduce the labour of supplying the physical needs to the narrowest limits, leaving abundant leisure for the satisfaction of individual desires. And the conditions under which this necessary work will be done will be healthy, pleasant and elevating. Men and women will be educated to take an intelligent interest in their work. Society will have discovered that it is best for society and for the individual to put him to the work he can best do, and this will transform his labour from a drudgery to perpetual joy.”