

Editorial

First Task for a New Bretton Woods

The brief “triumphalism” in Washington and London over the end of Milosevic’s regime in Yugoslavia, has already been overtaken by events. Not only is the Yugoslav situation far more dangerous and unstable than the media photos of a “peaceful revolution” to “popular democracy” had attempted to portray it. More importantly, the present world financial system is now hanging by threads, and a powerful and desperate London-Wall Street faction has deliberately set war into motion in the Middle East, even while the shift of power in Yugoslavia was under way. That same Anglo-American faction was, only at the end of September, pushing hard for another NATO military intervention into Yugoslavia as well.

Continental European nations resisted this, in collaboration with Russia; now they intend to meet in a Nov. 4 European Union summit to “bring stability” to the Balkans. They will do no such thing, unless they seize this opportunity to organize a New Bretton Woods monetary arrangement immediately—along the lines proposed by Lyndon LaRouche. If they attempt to keep following the bankrupt guidelines of the International Monetary Fund, a new Balkan war will erupt. But if they do seize this chance, the rebuilding of the destroyed Balkan economies could be the initial “Great Project” of a New Bretton Woods system, just as the Marshall Plan great projects of reconstruction initiated the old Bretton Woods system.

Already when the NATO bombing of Kosovo and Serbia ended in May 1999, this was clear. At that time, a call for “Peace Through Development for the Balkans” was initiated by Helga Zepp-LaRouche, founder of the Schiller Institute, and Faris Nanic, Secretary-General of the Party of Democratic Action in Croatia. It is urgent now, that the leaders of those nations which resisted the NATO intervention in Serbia, understand the principles which were expressed in that call:

1. There is no durable or permanent and just solution of the crisis without reaching a strategic consensus among leading NATO states and leading nations such as Russia and China;

2. Not a single regional crisis can be observed or treated separately from the global financial crisis and its consequences;

3. Only by reaffirmation of the concept based on the development of the real economy, can we have a solution for Kosovo, the Balkan region, and Southeastern Europe;

4. We greet and support the initiative for the regional development plan presented by U.S. President Clinton.

Therefore, we demand:

“1. To reach an urgent diplomatic solution for Kosovo, using UN Secretary General Kofi Annan’s plan as a basis, to be conducted through the UN Security Council, and with the full consent of Russia, China, India, and other key nations;

“2. To work out a ‘Marshall Plan’ for the region, using the already existing materials on postwar reconstruction plans for Bosnia-Herzegovina and the region as an integral part of the overall Eurasian development program;

“3. An approach to reform the world monetary and financial system by creating an architecture of the ‘New Bretton Woods’ with no delay (i.e., fixed exchange rates, protection of national economies, and sovereign credit generation for economic development);

“4. An urgent and sharp break with the IMF and World Bank practice of imposing austerity measures and unacceptable financial conditionalities on sovereign nations;

“5. Debt moratoria for the economies of the region, which have been ruined by war and enforced shock therapy;

“6. Use of the model of the Kreditanstalt für Wiederaufbau (Bank for Reconstruction) during the post-World War II period reconstruction of Germany;

“7. Joining the initiative for launching the project of the Eurasian Land-Bridge as a spine of Eurasian development in cooperation with all interested nations;

“8. Inclusion of all Balkan and Southeastern European states into the Land-Bridge project.”