

## Editorial

### *Past Time for a New Bretton Woods*

Financial papers and gatherings this week were full of discussions of the 60th anniversary of the Bretton Woods Conference, convened in Bretton Woods, New Hampshire in 1944 at the instigation of President Franklin Roosevelt. The lead editorial in the economics section of the German daily *Frankfurter Allgemeine Zeitung* (FAZ) hysterically headlined, “There is no way back to Bretton Woods.” The German edition of the *Financial Times* ran a feature reporting a kind of “renaissance” of Bretton Woods ideas. And in Italy, none other than Mt. Pelerinite guru Robert Mundell took the occasion of a 60th anniversary conference, to push for a “reinvention” of Bretton Woods with his single world currency (fascist) scheme.

Those who hysterically insist that there is “no problem” with the world financial system and its economy, should take special note of these remarks. These statements—made by those who make a living out of following financial trends, especially hangers-on of the international financial oligarchy—reflect the knowledge that the global monetary system is at a breaking point. Indeed, we are at the edge of a global abyss. There is no question but that there will be a collapse of the bankrupt system. The only serious question on the table is: What kind of financial reorganization is going to take place?

While it would be foolish to assume that the financial oligarchy is unified around a reorganization plan, the principle behind what they are planning is clear. It is the principle of putting banking interests before that of the population, an idea that will lead inexorably, under current conditions, to the imposition of fascist-style policies. National sovereignty will be obliterated, because it is a means of protection for populations. Instead, there will be moves toward some form of global fascist economy, somewhat like Lazard Frères’ Felix Rohatyn’s fascist-like economic and social effects produced by the “Big Mac” horrors in New York City 30 years ago. Under today’s circumstances, this could be more vicious in its social effects than those under Adolf Hitler’s regime.

The outlines of such a policy are already evident in

the wanton destruction carried out by global financial institutions in Africa, Asia, and Ibero-America—and coming to a place near you.

The alternative to this genocidal horror lies with the revival of the principles of the first Bretton Woods system, the one whose ghost has the FAZ so disturbed. Bretton Woods established a fixed-exchange rate system conducive to long-term trading and investment relationships, geared toward industrial development worldwide. While all governments were clearly not equal, *governments* were the entities in charge of their economies, and the purpose of the whole system was the improvement in the general welfare of populations, in the long term.

While others have utilized the term “New Bretton Woods,” only economist and statesman Lyndon LaRouche has put forward a competent proposal in the tradition of FDR. The aim of LaRouche’s system—the complete antithesis of a new global currency and bank—is to recreate the success of the U.S. economic recovery launched under FDR, but in all nations throughout the world. That means stopping speculation, re-establishing fixed currency rates, and encouraging the protection of labor and resources, in direct opposition to the predatory system of free trade that has driven living conditions to the bottom over the last 40 years. It likely also means a set of debt negotiations, which freezes unpayable and illegitimate debt, and provides a framework for the issuance of new credits for long-term investment, especially in infrastructure development.

LaRouche first put forward his New Bretton Woods proposal in 1997. Since then, it has gained broad popularity, not only in Italy, where its outlines were adopted by the lower house of parliament, but also among governments in Asia, Ibero-America, and Eastern Europe. But, for the plan to succeed requires decisive action behind it here in the United States.

In 1998, President Clinton threatened to go in this direction, but backed down. Today, we are faced with another chance, to mobilize the Democratic Party around this perspective. It’s past time to revive Franklin Roosevelt’s spirit in a New Bretton Woods.