

New Bretton Woods: Development Perspectives and a New Start

The Schiller Institute met in Bad Schwalbach, Germany on March 21-23, bringing together some 600 people from 45 nations, on the theme of “How To Reconstruct a Bankrupt World.” In the last two issues of *EIR*, we published the keynote speeches by Lyndon and Helga LaRouche; and then a panel on the Eurasian Land-Bridge, which featured experts from Russia, China, South Korea, India, Finland, and Poland.

This week, we feature speakers from the March 23 panel, whose subject was the New Bretton Woods—highlighting the urgent need for the development of Africa, as a case study demonstrating the genocidal effects of the current system of globalization under the dictates of by the International Monetary Fund.

The conference participants agreed to an emergency declaration, “This War Must Be Stopped,” which is being circulated as a leaflet in many languages (see *EIR*, April 4). Calling for an immediate end to the “ongoing war of aggression against Iraq,” which had begun on the eve of the conference, the statement underlined that we are at the end phase of a systemic economic and financial collapse, in which the institutions of the post-war period are breaking apart. “Therefore, let us create new institutions,” the participants resolved, “which better serve the interests of the peoples and the nations of the world.

“Specifically, all those governments in the United Nations which have spoken out against the Iraq war, should come together now, and call for an emergency conference, to urgently reorganize the global financial system according to the guidelines for a ‘New Bretton Woods,’ laid out by Lyndon LaRouche.”

Roosevelt and the Bretton Woods System

In his keynote speech to the conference on March 21, Lyndon LaRouche had emphasized the role of U.S. President Franklin D. Roosevelt, whose policies on behalf of “the forgotten man” lifted the United States out of the Great Depression. As LaRouche has shown, Roosevelt was a thinker in the tradition of Alexander Hamilton’s “American System of

political-economy,” and it was under his leadership that the United States emerged from World War II as the world’s primary industrial power: a powerhouse “producer economy.” With Roosevelt’s guidance, the Bretton Woods System was established in 1944, making possible a mutually beneficial relationship of trade among the principal industrialized nations. The system, admittedly, had flaws, which must be corrected this time around: flaws which would not have been tolerated, had Roosevelt not met an untimely death. These defects concerned especially the treatment accorded the former colonial countries, and the continued toleration of the Anglo-Dutch system of central banking, as opposed to the *national banking* which American System economics requires.

In 1971, President Richard Nixon ended the Bretton Woods System, removing the United States from the gold-reserve standard, and allowing currencies to float freely against each other (encouraging the financial speculation which has ravaged entire national economies in the past 30 years). As a result of these and related policies, the United States and Europe have become “consumer societies,” relying more and more on the production of other nations, whose impoverished labor forces will work for lower wages. This system of globalization, which accelerated after the fall of the Soviet Union in 1991, has driven down living standards in both the “industrialized” countries and the “Third World,” benefitting only the most wealthy elites.

In the panel that follows, the speakers analyze the results of this murderous policy, and the alternatives that exist under a New Bretton Woods. The panel opens with a presentation by Hartmut Cramer of Germany, presenting new archival research on the work of Dr. Wilhelm Lautenbach, the German economist of the 1930s whose work cited the Roosevelt model, and whose policies—had they been implemented—could have stopped Hitler’s rise to power, in the depression crisis of those days. So, today, LaRouche’s financial-economic policies are the only thing that can stop the rise of a new fascist imperialism.