

## Editorial

### *World Bank Liar!*

A former vice-president and treasurer of the World Bank admitted that institution's intellectual and economic bankruptcy at a major Washington seminar April 24; national leaders should draw the immediate implications for the ongoing global economic crisis.

The World Bank official, Eugene Rothberg, claimed that the current collapse could not have been forecast by any existing method—certainly its onrush was not foreseen, but rather consistently denied, by the World Bank in its annual forecasts to the present date. Rothberg then lied openly, and stupidly, when asked about Lyndon LaRouche's July 1994 long-range forecast of precisely the global crisis which began with 1997's "Asian" financial collapse. "Lyndon LaRouche," claimed Rothberg, "has predicted a collapse every quarter for the last 35 years."

LaRouche does not make quarterly forecasts, but—as Rothberg and the World Bank know quite well—has a public record of long-term, published economic forecasts over 40 years. Over that time, he has forecast with great accuracy, the stages of breakup and bankruptcy of the so-called "Bretton Woods monetary system" leading to the present global crackup of financial markets and destruction of national economies.

Rothberg was admitting—but not merely admitting—that the World Bank's annual "growth forecasts" are frauds, since the institution and its ilk "cannot foresee" (and will not acknowledge) the global depression conditions which it makes worse by its own policies. In lying about LaRouche's known forecasting record, this World Bank mouthpiece was also attempting to discredit LaRouche's policy-proposal for a "New Bretton Woods" agreement among key nations *which would scrap the bankrupt IMF and World Bank*.

LaRouche's New Bretton Woods policy is under discussion by governments and responsible opposition forces from Italy to Russia to the nations of ASEAN-Plus-3. In fact, it was reflected strongly in the very report of the United Nations Commission on Trade and Development (UNCTAD) which was being presented at the

seminar at which Rothberg made his lying attack on LaRouche.

The UNCTAD *Trade and Development Report, 2001* acknowledges that the world economy is "staring into a dangerous precipice," and that "the root of this problem lies, in large part, in the failure to establish a stable system of exchange rates after the breakdown of the Bretton Woods arrangements." This is the "floating exchange-rate system" since 1971 which LaRouche has insisted nations must scrap, in favor of national currency and exchange controls. And while the report does not clearly estimate the depth of the abyss, its major sections call for an urgent change in the monetary arrangements of the world.

It recommends debt moratoria combined with "lending into arrears" for nations now going through currency collapses and financial meltdowns, such as Turkey, Argentina, and Indonesia—opposed to the IMF-World Bank policy of combining ever-larger debt bailouts with ruinous "conditionalities." And the report proposes reforms to place the large volumes of unpayable indebtedness in the system under orderly bankruptcy; related to, though "not consisting of full-fledged international bankruptcy procedures." UNCTAD Secretary, Rubens Ricupero of Brazil, states in the opening summary of the report that such bankruptcy procedures for the global debt bubble are strongly opposed in financial circles. But they have been one of the hallmarks of both New Bretton Woods international arrangements, and national debt policies insisted on by LaRouche in his widely-known proposals to "launch a sudden economic recovery."

This points toward the alternative Bill Clinton and other leaders began to discuss in 1998, in the aftermath of the "LCTM" near-meltdown of the financial system, but which Clinton then dropped. It is in defense of the IMF and World Bank's refusal to change a genocidal policy for this alternative, that the World Bank's Rothberg attacked LaRouche's credibility—and destroyed his own.