

Helga Zepp-LaRouche Renews Her Call for a New Bretton Woods



In the wake of previous calls for a New Bretton Woods, from 1997 and 2000, in which thousands of notable personalities from around the world, among them, former heads of state, parliamentarians, trade unionists, entrepreneurs, jurists, church leaders, members of the military, and so forth, demanded a reorganization of the world financial system, the chairwoman of the Schiller Institute, Helga Zepp-LaRouche, has written a new appeal, which will be circulated worldwide by the Institute. It will be published with the names of the signers on the Internet and in various newspapers.

“The fakery of the outgoing Alan Greenspan administration, in burying the ‘M3’ report, was clearly intended to conceal the fact that the rate of the rate of increase of world prices of primary materials has the world as a whole currently on the same kind of ‘least-action pathway’ curve of hyperinflation which gripped Weimar Germany during the second half of the year 1923. Comparing the present rates of rates of increase of primary materials prices with the pattern for Germany 1923, indicates the likelihood that, under present U.S. and European policies, the world system could reach a point of collapse of the monetary system by not much later than September 2006, if not earlier.” Thus wrote Lyndon LaRouche in his declaration of April 20.

When Lyndon LaRouche issues a forecast, usually the competent economic and financial experts in the world give it the highest attention, because LaRouche is demonstrably the one economist whose analyses have been proven right over the past decades, while his critics have been totally discredited.

This time his evaluation hit like a bombshell in political Washington, and other places. Because the parallel of the acceleration of the price increases in the most important raw materials, with the hyperinflation of 1923 is so obvious, the usual mechanism of suppressing reality don’t function any more.

The central bankers have come to a dilemma from which there is no way out: If they continue the Greenspan policy of the past 19 years, of continuing liquidity expansion through derivatives and speculation by hedge funds, private equity partnerships, and similar means, then the energy and raw material prices will explode. If they try to cut back this liquidity again, as they are doing now by abandoning the yen carry trade and by raising interest rates, then the bubbles will begin

to pop, just as is already happening to the American real-estate bubble.

All the same, whether there is a hyperinflationary collapse of the world financial system as in November 1923, or a nuclear-reaction-like collapse of the bubbles in real estate, the stock and bond markets, the bankruptcy of the hedge funds, pension funds, private equity partnerships, and banks—the consequences for the world’s population would be catastrophic. The poorer part of the world’s population would be affected the most, the middle class would be robbed of all their savings. If the state can’t finance its business any more, society will threaten to sink into chaos. The collapse into a new dark age would be the result.

In order to prevent the unacceptable damage to the population, which an uncontrolled collapse of the world financial system would trigger, we the undersigned demand the immediate convening of an emergency conference, which must decide on a new global financial system in the tradition of the Franklin D. Roosevelt-initiated Bretton Woods System of 1944.

We, the undersigned, also point out, that the Italian Parliament has taken up LaRouche’s proposal, and in a resolution on April 6, 2005, called on the Italian government to convene “an international conference at the level of Heads of State and Government, to globally define a new and more just monetary and financial system.”

Such a fundamental reorganization is more urgent today than it was then, but the possibilities for its realization have also grown. That is due to an irony of history: Because, when the Soviet Union began to dissolve in 1991, the neo-conservatives in the government of President George Bush, Sr., decided to transform the American republic, according to the “Project for a New American Century,” into an empire. This “force doctrine” rested on the proposition, that neither one nation, nor a group of nations, could be allowed to threaten the dominant position of the United States, in a political, economic, or military respect.

But now the neo-conservatives in the Bush/Cheney regime, with their policy of preventive war and regime change, have ensured that the process of cooperation among the nations of Eurasia and Latin American, which normally would have taken decades, has accelerated, under the influence of the American unilateral policy. An array of heads of state of important countries have made it clear, that they have decided

to defend the general welfare of their population against the encroachment of the financial institutions associated with globalization. Therefore, the chances of putting the question of a just new world economic order on the agenda, have enormously increased.

But it would be a dangerous illusion to believe that a successful reorganization of the bankrupt world financial system could succeed without, or against, the United States. Therefore, we the undersigned, declare ourselves in favor of cooperation with the “real” America, in the tradition of the American Revolution and the Declaration of Independence, that America which is connected with names such as Alexander Hamilton, John Quincy Adams, Abraham Lincoln, Franklin D. Roosevelt, and Martin Luther King, and which is inspired by Lyndon LaRouche today. America must be a part of the new community of principle of sovereign republics, which is bound together through the common interests of mankind.

In order to correct the failures of development, which have occurred due to the paradigm shift of the past 40 years, and above all, since the abandonment of the system of fixed exchange rates by U.S. President Richard Nixon, in 1971, and which led, after the dissolution of the Soviet Union, with unrestrained globalization, to today’s brutal vulture capitalism, we must implement the following measures:

The conference for a New Bretton Woods would thus

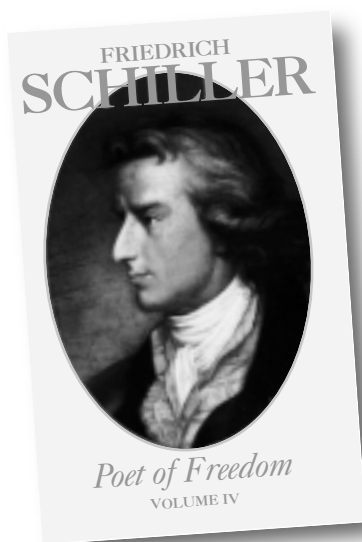
resolve:

1. A system of fixed exchange rates must be agreed upon immediately.
2. Derivatives speculation must be prohibited through an agreement among governments.
3. There must be put into effect a comprehensive reorganization, or rather a stretching-out of debts.
4. There must be put in place new credit lines, through state credit creation, in the tradition of Alexander Hamilton and the American System, which will make possible productive full employment, through investments in basic infrastructure and technological revival.
5. The completion of the Eurasian Land-Bridge, as the kernel of the reconstruction of the world economy, is thus the vision which will not only bring about an economic miracle, but also can become a system of peace for the 21st Century.
6. A new “Treaty of Westphalia” must guarantee the opening up and development of raw materials for all nations on this Earth, for at least the next 50 years.

We, the undersigned, are of the belief that the system of “globalization,” with its brutal vulture capitalism, has economically, financially, and morally failed. In its place, man must again be put in the center, and the economy must serve the general welfare first and foremost. The new economic order must guarantee the inalienable rights of all mankind on this planet.

“There is a limit to the tyrant’s power.”

—Friedrich Schiller,
Wilhelm Tell.



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