

Now Is the Time for a New Bretton Woods!

We devote the editorial space of this issue of Fidelio to two Schiller Institute calls for urgent, emergency action.

The first is a call for the formation of an Ad Hoc Committee for a New Bretton Woods, which was initiated on April 7 in the context of the

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NASDAQ and other “New Economy” financial markets throughout the world. The second is a

related, urgent call, issued April 14, for emergency action to save the 16 million people now threatened with famine conditions in the Horn of Africa.

Ad Hoc Committee for A New Bretton Woods

The governments of the G-7 nations, have repeatedly demonstrated their unwillingness and inability to prevent the threatened collapse of the global financial system, through a prompt, and thorough reorganization of the system. This renders it urgently necessary that those in all countries who recognize the devastating consequences of a systemic financial crisis, raise their voices.

We, the signators, refer to Lyndon LaRouche, as the economist, worldwide, who has analyzed the causes of the systemic crisis in greatest depth, and for the longest time, and who, at the same time, has elaborated a complete package of measures to be taken, to overcome it: the anti-crisis program for a New Bretton Woods.

We, the signators, take note of the recent initiative of members of the European Parliament, which states:

Object: Real Economy and Financial Economy

THE EUROPEAN PARLIAMENT:

WHEREAS the 1944 agreement of Bretton Woods mechanisms has contributed to the realization of the monetary stability and to the post-war economic reconstruction;

WHEREAS there is the separation between the real economy and the financial economy after the decoupling of the dollar from the gold reserve system;

WHEREAS the financial crises exploded in different parts of the world since 1997;

WHEREAS the international monetary and financial institutions in carrying out their tasks are malfunctioning;

WHEREAS it has been ascertained that the “speculative bubble” has had devastating effects on

the economies of the developing countries, transforming completely the structures of the world economy, and reaching the level of at least \$300 trillion, compared to the world GDP of about \$40 trillion;

INVITES THE EUROPEAN PARLIAMENT:

- A) to propose the convocation of a new Conference, similar to the one at Bretton Woods, with the aim to create a new international monetary system to eliminate gradually the mechanisms which have led to the “speculative bubble”;
- B) to evaluate the possibility of anchoring the currency values to an element of real reference and to better and more completely control the movements of currency rates;
- C) to propose the creation of new credit lines oriented to develop investments in the sectors of real economy and to define infrastructure projects of continental dimensions.

The most dangerous absurdity of the present situation is underlined by the fact, that the so-called “New Economy” is being celebrated by the White House in the U.S.A. and by government leaders of the European Union, as a great success, at the very same moment that the financial bubble, blown up with this myth, is bursting! Far from advancing growth and development of the world economy, so-called “globalization” has in reality shown itself to be a form of unbridled predator capitalism, which has opened wide the divergence between financial titles and real economy on the one hand, and rich and poor, on the other, in an intolerable manner—both on the national and the international plane.

Considering the increasingly accelerating systemic crisis, we, the signators, have decided to constitute the Ad Hoc Committee for a New Bretton Woods.