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## Documentation

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# The conceptual parameters of a New Bretton Woods system

by Susan Welsh

At a mid-Atlantic wartime conference in 1941, President Franklin D. Roosevelt confronted a furious Prime Minister Winston Churchill, on the subject of British imperial rule in India and other colonies. Britain was stuck with eighteenth-century views, he said, taking resources out of colonies and giving nothing back to the people. Roosevelt stressed the need to develop industry, improve sanitation, and raise the educational levels and standards of living in the colonies. "I can't believe that we can fight a war against fascist slavery," he said, "and the same time not work to free people all over the world from a backward colonial policy."

That battle, over the right of all nations to economic development, was the most crucial issue on the table at the close of World War II, in 1944, when the Bretton Woods System was formed. Former colonies, such as India, the "jewel" of the British Empire, soon attained their independence, and their people hoped for a better life. But, with the death of Roosevelt and the ascendancy of Harry Truman, British oligarchism got a new lease on life; it remains locked in conflict with the American System of economics to this day.

During 1959-60, Lyndon LaRouche made his first long-range economic forecast: that near or shortly after the middle of the 1960s, we would see a series of major monetary disturbances, leading toward a collapse of the Bretton Woods agree-

ments. This collapse, he said, would lead to increased looting of the developing nations, and austerity measures modelled upon those of fascist regimes, in international economic relations and in the U.S. domestic economy.

In 1971, when President Nixon took the dollar off gold, the positive features of the Bretton Woods System were destroyed: the fixed-exchange-rate system and gold backing, which allowed for stable international trade. All that was left were the so-called Bretton Woods institutions, such as the International Monetary Fund and World Bank, which served as looting mechanisms for financier capital, at the expense of the developing sector in particular.

Since that time, Lyndon LaRouche has been at the forefront of international efforts to bring about a new, just world economic order. In the documentary section that follows, we present some highlights of this decades-long battle by him and his collaborators.

Our selection emphasizes some of the older documents and speeches which are not readily available, starting with LaRouche's call, in 1975, for an International Development Bank, and proceeding in roughly chronological order. For more recent elaborations of how to secure a worldwide economic recovery, see, for example, *EIR's* Special Report on *The Eurasian Land-Bridge*.

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## 1975: LaRouche calls for Int'l Development Bank

*At a press conference in Bonn, West Germany, on April 24, 1975, excerpted here, Lyndon LaRouche laid out his plan for an International Development Bank. The proposal was elaborated in a pamphlet titled "IDB: How the International Development Bank Will Work."*

We propose the immediate establishment of an International Development Bank as a three-way agreement among the three

principal world sectors, the industrialized capitalist sector, the so-called development sector, and socialist countries. The Bank would discount letters of credit and bills of exchange authorized by treaty agreement among nations and self-constituted groups of nations, and would thus act as a rediscount bank for those other letters of credit and bills of exchange generated in the course of supplying needs of final commodities producers producing for bookings issued under relevant international development bank treaty agreements.

For example, several key developing sector nations have demanded that the industrialized sector negotiate interlocking agreements concerning three items: energy, raw materials, and food. Our essential criticism of this agenda is that it included only three principal items, instead of the necessary