



Written by [Gary Benoit](#) on October 19, 2008

## Global Financial Regulatory Body on the Way?

This last was replaced in the mid-1990s by the WTO, a full-fledged global trade ministry — what the organizers of Bretton Woods wanted back in 1944, but found to be politically unfeasible. The Bretton Woods organizers, especially the British and American delegations, also wanted a single global monetary unit (John Maynard Keynes proposed calling it the *bancor*, and the Americans countered with the *unitas*). But what they got instead was the dollar as a *de facto* international currency to which all other currencies were convertible.



It's likely that a Bretton Woods II will generate proposals for an international financial regulatory body, a counterpart to the WTO. A single world currency issued by a global central bank is another likely project, especially given that those agitating most forcefully for the conference, the EU leaders, have already successfully created the world's first transnational central bank (the Frankfurt-based European Central Bank) and the world's first transnational currency (the euro).

"The world must change," French president Nicolas Sarkozy proclaimed shortly before arriving at Camp David along with EU Commission chief Jose Manuel Barroso to confer with President Bush. The president is offering to host the proposed international conference, although, according to an AP report, he "warned ... against reforms that threaten capitalism."

As to a location for the conference, the Mount Washington Hotel in Bretton Woods, New Hampshire, where the 1944 conference was held, does not appear to be on the short list. "Insofar as the crisis began in New York, then the global solution must be found to this crisis in New York," Sarkozy said. UN Secretary-General Ban Ki-Moon, unsurprisingly, wants to hold the conference at the UN headquarters in early December. This would "lend universal legitimacy to this endeavor and demonstrate a collective will to face this serious global challenge."

As for possible agenda items, British Prime Minister Gordon Brown, in a surprisingly candid October 17 editorial in the *Washington Post*, called for the "boldest of global cooperation" in confronting the crisis:

This week, European leaders came together to propose the guiding principles that we believe should underpin this new Bretton Woods: transparency, sound banking, responsibility, integrity and *global governance* [Emphasis added.]... To do this, we need cross-border supervision of financial institutions; shared global standards for accounting and regulation; a more responsible approach to executive remuneration that rewards hard work, effort and enterprise but not irresponsible risk-taking; and the renewal of our international institutions to make them effective early-warning systems for the world economy.... There are no Britain-only or Europe-only or America-only solutions to today's problems. We are all in this together, and we can only resolve this crisis together.... If we do this, 2008 will be remembered not just as a year of financial crisis but as the year we started to build the world anew.



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In short, world leaders are preparing to take care of unfinished business left over from Bretton Woods. A true international financial regulatory body, until now an elusive goal, is obviously going to be a top agenda item. Such an organization would effectively strip America of her financial independence, as the WTO has already done for trade. While a single global currency and world central bank may not be feasible right away, look for a treaty to emerge from the upcoming conference that will lay the foundation for such an organization down the road by committing the parties to further negotiations. This was how the euro was brought about in Europe, beginning with the Maastricht Accord that paved the way for a gradual phase-in of the international currency and the establishment of the European Central Bank.

Wherever and whenever the upcoming financial conference is held, it will be used to wage war on America's (and the rest of the world's) financial sovereignty, to bring to fruition the long-cherished schemes of Keynes and others for a utopian new world financial order.

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