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## Upcoming Financial Summit About Global Governance

According to an AP report, "EU leaders are set to call on the Nov. 15 summit to agree immediately on five principles: submit ratings agencies to more surveillance; align accounting standards; close loopholes; set banking codes of conduct to redect excessive risk-taking; and ask the International Monetary Fund to suggest ways of calming the turmoil."



Even discounting the deliberate vagueness of the phrase "closing loopholes," such an agenda obviously contemplates a significant increase in the level of international regulation, presumably to be implemented and enforced by an international regulatory body or bodies. The International Monetary Fund (IMF), created at the Bretton Woods economic summit near the end of World War II, is being touted as the obvious candidate for a global financial regulatory organization. Historically, the IMF's mandate has been far more limited than many of its creators, including British economist John Maynard Keynes (one of the organizers of the Bretton Woods conference), originally envisioned. Keynes and the rest of the British and American delegations to Bretton Woods wanted the agreement to create a global reserve currency (which Keynes wanted to call the *bancor*), but ended up establishing the dollar as the world's fallback currency instead. They also created the SDR (Special Drawing Right), a quasi-currency in which all accounts at the IMF were and are reckoned.

Now, it appears, the IMF is being primed for a much larger role, to be remade into a bona fide instrument of global governance — just as the original General Agreement on Tariffs and Trade (GATT), also created at Bretton Woods, was later transformed into the World Trade Organization (WTO). The latter is a *de facto* global trade ministry with supranational authority, and it has already wielded over the United States and many other nations.

The IMF, in other words, is apparently being prepared to become for global finance what the WTO has



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become for international trade. At a recent planning session for the upcoming summit, "[EU leaders] discussed making the International Monetary Fund the world's financial watchdog, suggesting it be given more power to curb financial crises and give more money to aid countries in trouble," the AP reported.

EU leaders like France's President Nicholas Sarkozy and Britain's Prime Minister Gordon Brown have seized the initiative in setting the agenda for the November 15 summit, which some are informally referring to as "Bretton Woods II." The EU will be calling for an agreement to overhaul the global financial system within 100 days, with a second international summit to be held in March.

Additional proposals that may be implied by the aforementioned five agenda items might include: creating a world central bank; creating an international reserve currency to replace the ailing U.S. dollar; and levying fees or taxes on international financial transactions. Any of these would be potentially devastating blows to American sovereignty, and would immeasurably strengthen the UN-centered embryonic world government.

A global central bank with the power to create a truly international currency would give the international system the same power globally that the Federal Reserve enjoys domestically — the power to create money at will. In other words, the UN system would acquire at a stroke the power to fund itself by printing money, emancipating it from reliance on the contributions of member states. An international tax or fee assessed on financial activity would be the realization of another long-cherished but still-unfulfilled dream of globalists: a truly global tax.

Make no mistake about it: the upcoming series of global summits will be about creating and empowering new organs of world government. It will be about curtailing international economic and financial freedom, not enhancing it.



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