

---

## Interview: Fred Huenefeld, Jr.

---

# NORM Backs LaRouche's New Bretton Woods

*Fred Huenefeld, Jr., a board member of the National Organization of Raw Materials, a board member of the Schiller Institute, and Louisiana State Democratic Central Committee member, introduced the resolution in support of a New Bretton Woods policy, which was passed by the NORM organization at its Dec. 8-10 meeting in Bloomington, Minnesota. He spoke with EIR's Marianna Wertz on Dec. 18.*

**EIR:** The National Organization of Raw Materials just passed a call for a New Bretton Woods system. Can you tell our readers something about what happened at the meeting?

**Huenefeld:** We had an in-depth discussion on whether or not this New Bretton Woods policy is returning to a communist-type approach to regulating the economy. After a complete dialogue on the General Welfare clause and explanation of Article I, and the relevant subsections of the United States Constitution, the questions that they posed were satisfied, that this *is* the American System of economics that we're talking about.

We have to have fixed exchange rates between nations. We have to regulate the value of money. We have to have low-interest loans to the productive sector, and we have to have parity in the physical economy.

We pointed out, to draw this comparison, a single point: Do you want a society that has earned income, or do you want a society that has debt? All in favor of earned income, raise your hands. All in favor of debt, raise your hands. Of course, nobody raised their hands for debt.

As a result, now, we agree *on principle*. Let's see how we solve that problem. And the New Bretton Woods is one of the ways to do it.

**EIR:** So it was you and NORM President Randy Cook who fought for this?

**Huenefeld:** That's correct. Randy Cook was very instrumental in helping me with this. In fact, he's the one who thought up the point: Do you want a society with earned income or with debt.

**EIR:** This is a big step for NORM, isn't it?

**Huenefeld:** Oh, yes. NORM has always been explicit on the economic policy of parity, but they never really spoke out on the broader basis that we're speaking of here, with the New Bretton Woods and positions between nations. I

think it was a really good conference.

**EIR:** What is the view of Lyndon LaRouche's policies, in general, in the NORM membership?

**Huenefeld:** I would say 90% of the members that I talked to or know of, are getting Lyn's papers. In fact, in the general discussion, with over 100 people there, one of the gentlemen asked me a specific question, that was obviously Lyn's position, on the "Plunge Protection" that's taking place on Wall Street—where they're pumping the money into the system. I was able to use Lyn's name in a number of my presentations, without any controversy or any questions at all. So, I was really pleased.

**EIR:** Most NORM members are farmers, is that right?

**Huenefeld:** Most of them are farmers. I think 95% are farmers, and there were some bankers there.

---

## Documentation

---

*The following is the text of the National Organization of Raw Materials Resolution for a New Bretton Woods.*

It is the view of National Organization of Raw Materials:

That, for months the international markets have been affected by total instability and volatility;

That, the financial crises of the 90's which have hit Asia, Latin America and Russia, have revealed the weakness of the international monetary and financial system; they, in fact, do not represent isolated or fortuitous cases, but are manifestations of a systemic crisis;

That, the financial globalization has led to a complete deregulation of the markets, above all of the most aggressive and speculative sectors, like the "derivatives" financial products;

That, in the past 10 years in particular, there has been a split between the real and the financial economy, which gave birth to a gigantic speculative bubble which reached at least the amount of \$300,000 billion, against a GDP worldwide of about \$41,000 billion;

That, this process has provoked devastating effects not only for the economies, but also for the levels of life and the quality of life particularly of the populations of the countries of the developing sector and extremely negative effects on the levels of production and employment, with social consequences which are very worrisome also in the industrialized countries;

That, there is no reason to believe that, without regulation, the process of expansion of the speculative bubble can come autonomously to a stop, simply confiding in the market and in its rules;



*Fred Huenefeld in February 1991, demonstrates his technique for “roping in” Congressmen to understand the problems facing the country.*

That, in front of this situation, the international community has tried to reinforce “the architecture of the international financial system,” to make the world economy less vulnerable to the devastating financial crises and at the same time to make possible that all the countries could enjoy the benefits of the globalization, contributing to the amelioration of these countries’ growth perspectives and to the diminution of the poverty of the people in the developing countries;

That, in a communiqué of April 18, 2000, the International Monetary and Financial Committee, has underlined the importance of a “major transparency of the economic policy, as a guarantee of a better functioning of the economy of the states and of the international financial system.” The monetary committee has also called for “the realization of other measures to promote a major transparency of the policies of the IMF and of those of its member states”;

**Considered:**

That, the realization of rules, internationally recognized, of easy application in the most speculative and crucial sectors, would allow to better economic results;

That, we could deal with this situation only by convoking a new conference at the level of heads of State and Government like the one which took place in Bretton Woods in 1944, with the aim to create a new international monetary system and to take all the necessary measures to eliminate the “speculative bubble,” such as rules for the control of the currencies’ exchange rates, by introducing fixed parities, which could be modified only through the decisions of the sovereign governments, and analysis of the exchange-rate conditions of the economies of the emerging countries; analysis of the emerging market crises; forms of control of the capital movements;

the introduction of measures like the Tobin Tax, aiming to limit the speculative operations like the derivative transactions; the creation of new credit lines explicitly oriented towards investments in the sectors of the real economy; the definition of great infrastructure projects of continental dimension; the participation of the private sector in the prevention and solution of the crises;

That, various countries are compelled to adapt themselves to a system characterized by floating exchange rates and that the strong instability and the seriously dangerous disequilibria of the exchange rates of the strong currencies constitute a reason of preoccupation, particularly for the small economies based on the export of raw materials;

**Considered:**

That, it is indispensable to take into consideration the repercussions of the macroeconomic and structural policies followed by the

countries with strong currencies;

That, strong fluctuations of the exchange rates of the small- and middle-size open economies risk to have a high economic cost, mainly for the weak currencies and the poorest countries;

That, in the context of the present situation, it is useful to evaluate not only the advantages coming from the liberalization of the movements of capital, but also the risks that such a globalization represents;

That, the experience of the recent crises confirms that the coherence of the macroeconomic policy and of the policy of the currencies exchanges, the good administration of the debts and an efficient control of the financial systems are indispensable elements to reduce the frequency and the gravity of the same crises;

**Binds the Government:**

To adopt concrete measures to contribute to the stability of the international financial system, and to assure a rational sharing of the benefits which the world open economy could provide, above all for the developing countries, besides assuring the adjustments of the monetary policies;

To undertake in particular the initiative to propose the convocation of a new international conference at the level of heads of States and Governments, similar to the one organized at Bretton Woods in 1944, with the aim to create a new international monetary system and to take all the measures necessary to eliminate the mechanisms which led to the formation of the speculative bubble and to promote programs to restart the real economy; to bring this proposal to the U.S. Congress, responsible for U.S. economic policies, and through bilateral agreements.