

Series: What is NATO?

Franklin Roosevelt’s economic development policies vs the Anglo-American financial empire

By Allen Douglas and Rachel Douglas

British Foreign Secretary Liz Truss, US Secretary of State Antony Blinken, and NATO Secretary General Jens Stoltenberg all concur that the June 2022 Madrid summit of the *North Atlantic Treaty Organisation*, and the organisation’s new Strategic Concept, will emphasise the *Pacific*, and confronting China. “We need to lift our sights”, declared Truss at the City of London Lord Mayor’s Easter Banquet. “NATO must have a global outlook... We need to pre-empt threats in the Indo-Pacific, working with our allies like Japan and Australia to ensure the Pacific is protected.”

Many people can readily see that an “Atlantic Alliance” presence in the Pacific is inappropriate and dangerous. Our investigation shows that a NATO presence on our planet, its activity and its very existence, bode disaster for mankind.

The *Australian Alert Service* has documented that NATO’s relentless eastward expansion after the break-up of the Soviet Union in 1991 set the stage for the conflict between Russia and the current regime in Ukraine, now threatening to explode into a worldwide thermonuclear conflagration.¹ Even a former NATO Chief of Staff for the Southern Command, Italian Gen. Fabio Mini, calls the Atlantic Alliance “a threat to the security of Europe”, and wants it to be dissolved.

The obvious time to dissolve NATO was when the Soviet Union and the Warsaw Pact military alliance broke up in 1991, since NATO had been founded, in 1949 at the outset of the Cold War, ostensibly to defend against the Soviet Union and Communism. But not only NATO’s persistence after 1991 is a tragedy; so is its creation in the first place.

This Almanac begins a series that will show how the East-West confrontation after World War II, and NATO as one of an array of institutions founded at that time, were instigated by British pro-Empire elites and their allies within the United States, to block the policies of US President Franklin D. Roosevelt (FDR) for the post-war world. Roosevelt intended that Russia and China, which had suffered horrific wartime losses in the defeat of fascist Germany and its imperial ally Japan, would be America’s indispensable allies in creating an entirely new, just world order. The new United Nations Organisation, at its centre, would subsume new financial and economic institutions to promote development throughout the world—FDR’s intention for what should come out of the 1944 Bretton Woods conference.

Thus, the roots of NATO, and of today’s mad drive towards thermonuclear war by the Anglo-American establishment, go back to the titanic fight between FDR and British Prime Minister Winston Churchill at the very outset of World War II. Their clash in March 1941 was documented by the President’s son Elliott in his 1946 book *As He Saw It*. (Box, page II.)

The outlooks of Roosevelt and Churchill were bitterly opposed, because they represented two irreconcilable systems. FDR had begun his fight to tackle the Great Depression, upon taking office as President in 1933, by declaring war on those he would later call the modern “economic royalists”, who



The Anglo-American private-finance system unleashed two world wars in the 20th century. The Australian Citizens Party (formerly Citizens Electoral Council) has warned for three decades, that the bankrupt financiers’ desperation to maintain their power is driving the threat of a third world war, fatal to humanity. The headlines above are from 1999-2014.

had “carved new dynasties” and concentrated their control over “corporations, banks and securities, new machinery of industry and agriculture, of labor and capital”. He meant the same private financiers, whom Australian patriots in the old Labor Party used to call the “Money Power”. Cracking down on financial speculators and using traditional “American System” methods of national banking to finance great infrastructure projects and create jobs under his New Deal policy, FDR launched one of the biggest economic recoveries in world history. That effort also laid the basis for the USA to provide the famous industrial “arsenal of democracy” during the War, the arms production without which the Allies could not have defeated Nazi Germany.

Looking ahead, Roosevelt envisioned a system of sovereign nations, each developing economically through the same sort of technological and scientific revolutions the New Deal had embodied. His concept was of a *post-colonial* world, as the former overseas territories seized by European powers gained their independence and the murderous British Empire, in particular, disappeared from the stage of history.

The blue-blooded Churchill hated this prospect, and, in a rage, rejected Roosevelt’s commitment to the welfare of all peoples (a generalisation of the “general welfare” phrase in the Preamble of the US Constitution that always rankled with British imperialists)—a commitment based on FDR’s own

study and mastery of the best of American System economics, which Churchill also detested. Instead, Churchill intended to re-establish and even expand the traditional imperial model of looting and genocide, upon which the British Empire had operated for centuries over, ultimately, one-quarter of the globe—the largest empire in history.

After Roosevelt's untimely death in April 1945, Churchill, even though out of office in 1945-51, took a direct hand in founding institutions to achieve that goal, in 1948-49. Foremost were the military project NATO and the political United Europe Movement (UEM), designed to promote formation of a United States of Europe, which would merge with a unitary UK-USA government to become, in his words, a "world government". The UEM sowed the seeds for the future European Union (EU), NATO's partner in one crisis after another in recent times.

Even those few who today raise their voices against the US-

UK-EU-NATO exploitation of Ukraine to permanently weaken Russia, a policy driving the world towards nuclear war and the likely extermination of humanity, usually miss what underlies it: the intention of leading UK circles, already evident in Sir Winston Churchill's 1946 "Iron Curtain" speech in Fulton, Missouri, and their dumb but brawny pawns in the USA to create a single, world-ruling imperial order under their control (today called a "unipolar" order), centred on the City of London and its junior partner, Wall Street.

Forthcoming articles in this series will document the ferocious British attacks on Roosevelt's policies, such as the "regime change" that positioned Harry S Truman as his successor; the creation of NATO in 1949 and its decades-long track record of involvement in coup attempts, assassinations, and terrorism against NATO's own member states—often utilising elements of Hitler's military and intelligence services, under the flag of anti-communism; and the role of NATO in snuff-

FDR's Post-Colonial Vision Challenged Churchill

Within a year of President Franklin Roosevelt's death in April 1945, his political allies saw that FDR's vision of a post-war world without empires was in jeopardy. One of them was Elliott Roosevelt, who had been his father's aide at all but one of the Big Three conferences during World War II. Elliott quickly brought out a memoir titled As He Saw It (New York: Dutton, Sloan and Pearce, 1946), which included his eyewitness account of the struggle that unfolded between FDR and Winston Churchill, during negotiations for the Atlantic Charter—the terms for US collaboration in the War—at the naval base of Argentia in Newfoundland in March 1941.

With Britain under bombing by Nazi Germany (a regime the British establishment and its Wall Street allies had helped bring to power), Elliott wrote, a desperate Churchill knew that Britain could not survive without American help. In the exchanges quoted here, FDR laid down the terms on which that help would be granted: dismantling of the British Empire, in favour of American System methods of national banking to finance great infrastructure projects and other real economic development. Just two months earlier, Roosevelt had delivered his speech on the "Four Freedoms" to which every person in the world was entitled; the third of them, "freedom from want", flew in the face of the British Empire, which had immiserated people around the world.

(Original punctuation has been preserved.)

Churchill shifted in his armchair. "The British Empire trade agreements" he began heavily, "are—"

Father broke in. "Yes. Those Empire trade agreements are a case in point. It's because of them that the people of India and Africa, of all the colonial Near East and Far East, are still as backward as they are."

Churchill's neck reddened and he crouched forward. "Mr. President, England does not propose for a moment to lose its favored position among the British Dominions. The trade that has made England great shall continue, and under conditions prescribed by England's ministers."

"You see", said Father slowly, "it is along in here somewhere that there is likely to be some disagreement between you, Winston, and me."

"I am firmly of the belief that if we are to arrive at a stable peace it must involve the development of backward countries. Backward peoples. How can this be done? It can't be done, obviously, by eighteenth-century methods. Now—"

"Who's talking eighteenth-century methods?"

"Whichever of your ministers recommends a policy which

takes wealth in raw materials out of a colonial country, but which returns nothing to the people of that country in consideration. Twentieth-century methods involve bringing industry to these colonies. Twentieth-century methods include increasing the wealth of a people by increasing their standard of living, by educating them, by bringing them sanitation—by making sure that they get a return for the raw wealth of their community."

Around the room, all of us were leaning forward attentively. [Roosevelt's advisor Harry] Hopkins was grinning. Commander Thompson, Churchill's aide, was looking glum and alarmed. The P.M. himself was beginning to look apoplectic.

"You mentioned India", he growled.

"Yes. I can't believe that we can fight a war against fascist slavery, and at the same time not work to free people all over the world from a backward colonial policy."

"What about the Philippines?"

"I'm glad you mentioned them. They get their independence, you know, in 1946. And they've gotten modern sanitation, modern education; their rate of illiteracy has gone steadily down...."

"There can be no tampering with the Empire's economic agreements."

"They're artificial..."

"They're the foundation of our greatness." ...

It was an argument that could have no resolution between these two men....

Churchill had got up to walk about the room. Talking, gesticulating, at length he paused in front of Father, was silent for a moment, looking at him, and then brandished a stubby forefinger under Father's nose.

"Mr. President", he cried, "I believe you are trying to do away with the British Empire. Every idea you entertain about the structure of the postwar world demonstrates it. But in spite of that"—and his forefinger waved—"in spite of that, we know that you constitute our only hope. And"—his voice sank dramatically—"you know that we know it. You know that we know that without America, the Empire won't stand."

Churchill admitted, in that moment, that he knew the peace could only be won according to precepts which the United States of America would lay down. And in saying what he did, he was acknowledging that British colonial policy would be a dead duck, and British attempts to dominate world trade would be a dead duck, and British ambitions to play off the USSR against the USA would be a dead duck.

Or would have been, if Father had lived.

ing out the hope of East-West accord after the break-up of the Soviet Union and in the “forever” wars of the 21st century.

The issue was finance: private vs public

The heart of the Churchill-FDR conflict, the conflict between the British Imperial system and the American System Roosevelt had revived and wanted to give to the world, was *finance*. A continued British Empire demanded a post-war order dominated by the private financial interests which owned or controlled both the Bank of England and its de facto branch office, the US Federal Reserve System.

FDR and his allies, in contrast, intended a world anchored on *national banking* institutions, typified by the US Reconstruction Finance Corporation (RFC), which had financed FDR’s New Deal and the big infrastructure and related projects that pulled the USA out of the Great Depression. Already in the late 1930s, and continuing even during the war, Roosevelt’s government had sponsored similar nation-building projects and financial institutions in Latin America. This was the “Good Neighbour” policy, which FDR intended to be the heart of the post-war order.

The private-finance system, with its priority on preserving the wealth and power of a ruling elite, had already unleashed the two world wars.

The City of London had been on the verge of collapse at the outbreak of World War I,² while the reparations forced on a defeated Germany in the 1919 Treaty of Versailles provoked hyperinflation, economic breakdown and social chaos, setting the stage for the rise of Adolf Hitler and thus the outbreak of World War II. Indeed, the City of London/Wall Street financier interests, led by the Lazard and JP Morgan banking behemoths, played such a dominant role in the post-World War I “peace settlement”, that the 1924 “Dawes Plan” and the 1930 “Young Plan” for managing the German reparations were named after the two JP Morgan associates who authored them. Out of the Young Plan arose the Nazi-affiliated Bank for International Settlements (BIS), today’s vicious austerity-promoting “central bank of central banks”.

These same City of London and Wall Street banks, and their corporate cartels, financed the European fascist dictators Benito Mussolini in Italy and Hitler in Germany. Mussolini was even on the payroll of Britain’s MI-5 intelligence agency when he entered politics in 1917.³ Hitler’s chief promoters until at least 1938 were Britain’s infamous Cliveden Set, including leading figures who had orchestrated Versailles and in 1920 had founded both the League of Nations, intended as a world government, and the Royal Institute of International Affairs (Chatham House), as the nerve centre of the legendary, worldwide web of British intelligence. The New York Council on Foreign Relations (CFR), influential agency of the American Anglophile Eastern Establishment, was an offshoot of Chatham House. (In the 21st century Chatham House has led the charge for regime change in Russia, raising the threat level for nuclear war.)

Roosevelt succinctly stated his view of the private-finance system, in his Message to Congress on the Concentration of Economic Power, 29 April 1938: “[T]he liberty of a democracy is not safe if the people tolerate the growth of private power to a point where it becomes stronger than their democratic state itself. That, in its essence, is fascism—ownership of government by an individual, by a group, or by any other controlling private power.”

The New Deal goes global

In 1930s clashes with London and Paris financiers over international monetary policy, future Bretton Woods lead ne-

gotiator Harry Dexter White had advised FDR and Treasury Secretary Henry Morgenthau that what was needed was not competitive currency devaluations or a return to a monetarist gold standard, but “an internationalised New Deal”.⁴

Even with the USA’s enormous expenditures preparatory to and following its entry into the War in 1941, FDR did not wait until the War’s end to implement his vision of a global New Deal. In discussions with Paraguay and Brazil in the early 1940s, for instance, he and his confidantes worked out plans to industrialise those nations, thus freeing them from London/Wall Street tyranny. The USA planned to establish a new bank, dedicated to building infrastructure. Wall Street and the JP Morgan-dominated Federal Reserve insisted that this bank should be run by a supranational authority which would judge the “soundness” of its loans, but Roosevelt and Morgenthau vehemently disagreed. Morgenthau wrote that the issue was whether such a bank “shall be democratically used, in the sense to obtain objectives of the government ... or whether it shall be merely a bankers’ attempt to use that to serve not only their individual purposes, but the general philosophy they represent [namely, British-style “free trade” looting].”⁵

Upon the model of the Tennessee Valley Authority (TVA) and the other massive water projects the US had built in the 1930s, FDR and his team in 1943 made a \$100 million loan to Brazil, to develop its enormous potential for hydroelectric power. Avoiding Wall Street, the initiative was funded by the Export-Import Bank of the United States (EXIM), which issued the huge loan in bonds, which were in turn purchased by the Reconstruction Finance Corporation, the institution Roosevelt had developed as a *de facto* national bank during the 1930s. The only proviso was that Brazil purchase the required capital goods from the United States and hire US experts to help design and oversee the projects, to ensure that they were actually built.

“For the first time, perhaps for any nation in history, the United States willingly transferred not just goods, but its science and technology, in entire scientific-technological packages, at very low cost, or in several cases for free, to the Brazilian nation. This scientific-technological principle would be infused directly into the Brazilian economy and mind, and would be deployed to upgrade every major Brazilian manufacturing, infrastructure, and agricultural sector.”⁶

FDR did not confine his bold vision of development to the Western Hemisphere. The next Almanac in this series will report on his Administration’s sweeping plans for cooperative economic projects in China, Asia more generally, and, notably, Iran, which he envisioned as a showcase of development for the post-war world.

The real Bretton Woods: Roosevelt vs Keynes

The “global New Deal” was the program FDR’s team brought to the United Nations Monetary and Financial Conference, held for three weeks in July 1944 in the small town of Bretton Woods, New Hampshire. Contrary to endless volumes of confusing or outright lying accounts, the Bretton Woods conference was fundamentally shaped by Roosevelt’s intention to enable all nations of the world to develop, by doing away with British and other colonialist looting. A world of economically developing, collaborating sovereign nation-states would forever strip the City of London and Wall Street, that dictatorship of private finance, of its power to loot, steal and speculate at will.

Despite what many well-meaning opponents of the post-1971 Anglo-American-run monetary system and the current NATO-led plunge towards world war believe, Roosevelt did

not envision the system to be established at Bretton Woods as a worldwide looting mechanism pivoted upon the US dollar. Quite the opposite: He intended for the dollar, backed by gold reserves and the enormous economic power the USA had developed by the end of World War II, to serve as a stable reserve currency for a *developing* world. In the event, the perversion of the Bretton Woods system by London financiers, who with backing from the Bank of England led the way to institute the “Eurodollar” system, a *speculative looting mechanism* which helped wreck the dollar and the American economy itself, along with much of the rest of the world, brought us to the present crisis.⁷

Having proven the power of *public* finance through the New Deal and the wartime mobilisation (as opposed to the speculative frenzy of *private* finance that had unleashed the Great Depression), FDR well understood that the emission of dollars did not cause economic disarray in and of itself; it was the intention behind such emissions that counted. Would they be used for speculation to the benefit of private investment banks (the forerunners of today’s too-big-to-fail banks, whose massive gambling debts—speculative securities called derivatives—have exploded since the final abandonment in 1971 of the Bretton Woods system of fixed exchange rates pegged to gold)? Or, as FDR’s economic mobilisation policies had shown was possible, were they to be issued via national banking mechanisms to finance real, physical economic development for the Common Good, both at home and abroad?

Inevitably, the American delegation led by Secretary of the Treasury Morgenthau, chairman of the conference, and chief negotiator Harry Dexter White clashed violently with Britain’s John Maynard Keynes.

Roosevelt’s message to the Bretton Woods conference included this: “[T]he economic health of every country is a proper matter of concern to all its neighbours, near and distant. Only through a dynamic and a soundly expanding world economy can the living standards of individual nations be advanced to levels which will permit a full realisation of our hopes for the future.”

EIR magazine, drawing on the work of Canadian political scientist Prof. Eric Helleiner,⁸ summarised what unfolded: “Roosevelt and Dexter White brought representatives of 14 Ibero-American nations into Bretton Woods, all of whom had been involved in the discussions and the projects.... The second largest delegation was from China. Up to that point, British racists had never had to negotiate as equals with ‘colonial underlings’...” Helleiner recounts that “the Central European participants, particularly the Polish central banker Leon Baranski, proposed at Bretton Woods that the Danube River become the TVA for Europe. Even more stunning was the delegation from India, which proposed a ‘Bombay plan’, to create an international board to study where to place TVAs worldwide! This, from India, mind you—still under British rule....

Endnotes

1. “Sleepwalking into nuclear World War III, 1990-2021”, *AAS*, 12 Jan. 2022; “NATO in Ukraine: What Moscow saw”, *AAS*, 16 Mar. 2022.
2. Richard Roberts, *Saving the City: The Great Financial Crisis of 1914* (Oxford University Press, 2013).
3. Tom Kington, “Recruited by MI5: the name’s Mussolini. Benito Mussolini”, *Guardian*, 13 Oct. 2009.
4. Benn Steil, *The Battle of Bretton Woods: John Maynard Keynes, Harry Dexter White, and the Making of a New World Order* (Princeton: Council on Foreign Relations-Princeton University Press, 2013), p. 32-3. Rather than the book by Steil, a neoliberal ideologue, we recommend the incisive

“China came in with the 1918 program of Dr Sun Yat-sen, which called for the industrialisation of China, focused on railroads, on roadways and water management. They told the other delegates that, were China a stable, growing economy, it would afford stability for pretty much the whole world. Interesting: this proposal was put forth by the nationalist [Kuomintang] government of Chiang Kai-shek, but both [Communist Party leaders] Mao Zedong and Zhou Enlai supported it. It was a proposal for international loans, at low interest rates, vectored on infrastructure—that’s all they could be used for.... Many Eastern Europeans were quoting [German and American economists] Frederick List and Henry Carey on the need to industrialise every nation on the planet!”

No wonder Lord Keynes was rubbed the wrong way! Objecting to the participation of South American and African countries, he called the Bretton Woods meeting “a monkey house”. Despite his undeserved reputation today as a sounder alternative to the radical deregulation and privatisation policies of “Austrian School” neoliberals, Keynes was an adherent of the core values of the British Empire. He was a leader in the eugenics movement, believing that the “white race” is superior to all other people. He opposed the American System of national banking, with its emphasis on developing a nation’s *physical* economy and thereby the general welfare of the population, in favour of ferocious advocacy of the primacy of *money*.

Keynes’s chief proposal at Bretton Woods was to create an International Clearing Union, essentially an international bank that would administer an international currency, called the *bancor*, and would have the authority to confiscate nations’ trade earnings in the name of regulating the balance of trade. Keynes’s most radical proposals were defeated at Bretton Woods, but his British imperial views subsequently got the upper hand within the international monetary system, beginning immediately after Roosevelt’s death.

FDR’s plans to use “American System” methods to revolutionise the world economy were derailed under his successor, Harry S Truman, who came to power as a result of British intelligence-coordinated “regime change” against his previous vice president, and close collaborator on the global economic renaissance plans, Henry Wallace. The main Bretton Woods institutions, namely the International Bank for Reconstruction and Development (today’s World Bank) and the International Monetary Fund, were transformed from development tools into looting agencies of London and Wall Street interests.

The monetarist Keynes is the acknowledged father of today’s speculation-centred “quantitative easing”, designed to preserve and even expand the power of the modern British Empire—a financial empire.

Next in series: Roosevelt’s cooperation offers to China and Iran.

review of it by the late J.P. Rubinstein, “It Was FDR’s Bretton Woods!”, *EIR*, 18 Oct. 2013.

5. Cited in Gerry Rose, “New Understanding of the Bretton Woods Agreements Opens the Door to the Four Powers Dialogue”, *EIR*, 21 Aug. 2020.
6. Richard Freeman, “The Good Neighbor Policy and Brazil: Roosevelt’s Bold Creation of the Anti-Entropic Bretton Woods System”, *EIR*, 6 Sept. 2019.
7. “The creation of the worldwide casino”, *Australian Almanac* Vol. 12, No. 26, *AAS*, 8 Sept. 2021.
8. *EIR*: See note 4. Eric Helleiner, *Forgotten Foundations of Bretton Woods: International Development and the Making of the Postwar Order* (Ithaca: Cornell University Press, 2014).