

THE BOOGEYMAN VERSUS THE NEW BRETTON WOODS

Lots of people are posting this YouTube, but no one, as far as I've seen, has contextualized it.

This seemingly organized snub took place, after all, at the end of the attempt on the part of the G20 to find some global solutions to our present economic crisis. The snub occurred after Bush welcomed his guests with a radio address pre-empting some of the demands those guests were making.

This is a decisive moment for the global economy. In the wake of the financial crisis voices from the left and right are equating the free enterprise system with greed, exploitation, and failure. It is true that this crisis included failures by lenders and borrowers, by financial firms, by governments and independent regulators. **But the crisis was not a failure of the free market system.** And the answer is not to try to reinvent that system. It is to fix the problems we face, make the reforms we need, and move forward with the free market principles that have delivered prosperity and hope to people around the world. [my emphasis]

And the snub came during a summit in which Bush championed the adoption of a passage in the Declaration that came out of the summit that, once again, insisted the free market was working fine (this could have—and probably did—come straight out of Administration statements leading up to the summit).

12. We recognize that these reforms will only be successful if grounded in a commitment to free market principles,

including the rule of law, respect for private property, open trade and investment, competitive markets, and efficient, effectively regulated financial systems. These principles are essential to economic growth and prosperity and have lifted millions out of poverty, and have significantly raised the global standard of living. Recognizing the necessity to improve financial sector regulation, we must avoid over-regulation that would hamper economic growth and exacerbate the contraction of capital flows, including to developing countries.

And the snub came after the rejection of international regulation to control those purportedly functional free markets.

8. In addition to the actions taken above, we will implement reforms that will strengthen financial markets and regulatory regimes so as to avoid future crises. Regulation is first and foremost the responsibility of national regulators who constitute the first line of defense against market instability.

This meeting should have been the foundation of a new Bretton Woods—the start of new cooperation to prevent the kind of meltdown we’re seeing. But Bush—a dead-ender to the last—refuses to see the catastrophe in front of him, and certainly refuses to work with others to solve the world’s economic crisis.

No wonder they wouldn’t shake his hand.