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Editorial

Our unique authority

Even the most cursory acquaintance with so-called expert opinion should be sufficient to convince any sane individual today that there is no one but Lyndon LaRouche and his associates who understand the world economy.

Yes, it is true that as the situation on financial markets goes more and more out of control, various so-called financial experts begin to mimic what we have said; but that cannot be compared to in-depth understanding. The brutal truth is that we are witnessing the imminent collapse of the entire international monetary and financial system.

The present economic debacle represents the endgame in a 30-year process of global economic collapse. To understand this, it is necessary to recognize that there are two aspects to the process: the financial-monetary side, and the real physical economy. These two are not mutually independent, despite conventional wisdom to the contrary.

Three decades ago, the world still had a viable economy. The United States was leading in terms of scientific and technological progress generally; Germany was second, and Japan was coming up. France, under the leadership of Charles de Gaulle, had not collapsed. Compare the situation now, and the point is obvious.

Over the past 30 years, there have been radical changes in policy shaping—not necessarily in the policies, in themselves, but in the assumptions which underlie decision-making. This is what must be examined. To take just one example: Whereas it used to be considered normal to improve upon infrastructure, today it is considered sensible to consign flood-damaged regions back to "nature."

The ideology of a post-industrial society was first floated in the 1960s with the myth that our economy was too affluent—i.e., overproductive. This ideology ushered in an era of increasing poverty, with the systematic take-down of productive capacity.

The myth is circulated that rampant increase of population density is the root cause of our economic woes; but this malicious nonsense is immediately exposed when one merely compares the high population densities in Europe to the much lower ones in Africa. It is not surplus population which has made Africa poor, but usury.

The policies adopted over the past 30 years have led overall to a situation of a rapidly collapsing world infrastructure, particularly in the zone of influence of the former Soviet Union, and in Africa, but also in the United States and Ibero-America. It began in 1971 with floating exchange rates, which fostered currency speculation. Then there was the OPEC oil price rip-off engineered by the Seven Sisters, but also part of the larger world of geopolitics in the Middle East.

The world's economic infrastructure has been gutted by asset-stripping on a global scale, particularly in Europe and the United States. Key in this was the deregulation of transportation and banking in the United States and Britain, in 1978 and 1979 (a process now being imposed on the rest of the world, to the disadvantage of what real economic potentials remain). With 1982, came the introduction of junk bonds, hostile takeovers, derivatives, and secondary markets in derivatives.

The world economy today is governed by the myth of the price-earnings ratio, while the means to support the world's population are being systematically destroyed. This trend cannot continue indefinitely. It can parasitize on looting the world's real capital base only as long as the host still lives. It is by no means merely rhetorical to compare the speculative bubble to a cancer. From the point of view of the cancer, everything is fine, up until the point when the person afflicted with the cancer dies; and that is the situation of the world economy today.

If our civilization is not to die, then it is about time that people stop listening to the so-called economics experts and recognize our unique authority on these questions. This is not an academic issue, or a matter of awarding a prize for correctness. The fate of humanity is at stake, because there is still time to change the situation and go back to the kind of sane economics that was still being practiced only 30 years ago.

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