

Editorial

The magic of the marketplace

While it is true that stock market speculators certainly do have something to worry about, as indicated by the increasing volatility of international stock indices, most commentary on the subject is worse than useless. It has about the same validity and interest as a serious discussion about why a lady who was purportedly sawed in half before the audience's very eyes, is now able to stand up and walk from the stage unassisted.

The so-called truths being peddled about why the stock market took a tumble on Friday, March 8, are just so much flim-flam and illusion. And the idea that the economy is in, or is on the verge of, a recovery, is a vicious lie. Whether or not the Federal Reserve raises or lowers the interest rates, in response to various so-called economic indicators, we are teetering on the brink of an economic collapse of astronomical proportions.

There is no economic recovery now nor in the foreseeable future, unless first the enormity of the present disaster is understood, and the measures—spelled out by Lyndon LaRouche—necessary to reverse the situation, are taken. Key in this is the creation of a new international monetary system, which would be predicated upon admitting the bankruptcy of the present banking system. In the United States, this would mean putting the Federal Reserve System into receivership.

Every week, more people lose their jobs, and every week the American population goes further into debt, in a futile effort to maintain a rapidly diminishing standard of living. In real dollar terms, the minimum wage fell 16% in the decade of the 1980s, and it is still falling. On the other hand, as the Federal Reserve reported in a 1992 survey, the top 1% of Americans have seen their incomes increase by 42%. Such a disparity has always been a characteristic of the British Empire, but not of the American System. Noteworthy is the exception in 1929, when the top 1% financial elite in the United States held 44% of the wealth (measured in terms of monetary value.)

There has been a concerted effort to prevent a

financial crash by manipulating the money supply and interest rates, and by parasitizing what remains of the physical economy. This is a process which is occurring all over the world—most brutally in the former Soviet Union, but also in such previously thriving economies as Germany, the United States, and Japan. Inevitably, this will lead to a devastating financial crash.

The craziness in what happened on March 8, was not, as some have claimed, that “good news” about the economy sparked a panic on Wall Street and other markets, because it implied that there would be a tightening of monetary policy; the craziness was that people could imagine that there *was any good news* about the United States economy, contained in the kind of statistics which were released.

The LaRouche campaign is now winning double-digit vote totals in primary elections throughout the United States. LaRouche, unlike any of the other candidates, is confronting American voters with the truth. Unless they wake up and recognize the enormity of the present crisis, they and their children, and their children's children, will be doomed. There is no “good news” about the economy; the good news is that more and more American voters are not only listening to Lyndon H. LaRouche, but are giving him their votes as well.

Recently the U.S. House of Representatives Democratic Policy Committee issued a very useful report attacking “the downsizing of the American dream.” It is a polemical attack upon the fascist policies of Newt Gingrich's neo-Conservatives. The report is a resounding attack upon the growing discrepancy between the conditions of life of the mass of Americans, and that of the financial elite.

Missing from the report are the measures which must be taken to transform the situation. It is important to debunk the magic of the marketplace—the lie of the British free trade doctrine—but it is also necessary that the steps outlined by LaRouche be taken, in order to transform the situation before it is too late.