

Editorial

Treat the patient, not the disease!

The past week's breaking developments on world financial markets have produced a situation, in which no competent leading figure in economics or government could deny that *EIR*'s forecasts have been consistently correct, and that all among *EIR*'s leading critics, from every part of the world, have been consistently wrong. What is rightly described as the biggest crash on the world's financial markets since October 1987, is only the first big tremor. It is not a "correction"; it is the first of a series of major shocks, which begins the disintegration of the presently ruling international monetary and financial system.

No one could predict exactly when the present world financial system might simply vaporize; it has become so unstable, that relatively slight tremors would be sufficient to set off global financial and monetary chain-reactions. Unless certain, narrowly defined types of very radical corrective actions are taken by leading governments, the total collapse of the world's present financial system will come all too soon. When? Who knows? The only reasonable estimate is: "Soon."

There is an available alternative; the question is, "Do leading, existing governments have the courage to adopt and act on that alternative?"

At the present moment, the answer to that question is: "No."

Like the tragic Hamlet of the famous Act III soliloquy, all of the big governments of the world today, would rather cling to attempted reforms of a familiar system which is beyond reform, than survive.

The argument, by leading governments and powerful private economic institutions, is expressed in words to the effect: "We must find a way to reform the existing system; we can not make a radical change in the system at this time." Those words fairly describe the prevailing, almost unanimous general view, presently among the best informed circles of government and economic institutions around the world.

As *EIR*'s now-familiar "Triple Curve" identifies

the process leading up to the present debacle: It is changes in economic, monetary, and financial policies, which were first instituted during a period between thirty and twenty-five years ago, which, like a slow-acting, fatal disease, have taken over the patient's vital functions, bringing the patient to the point, that major surgery, or death, are the only remaining alternatives. The disease is the present international monetary and financial system.

Unfortunately, the physicians in charge are worrying about how to bring the disease back to a state of health, even if that means killing the patient.

As recently retired Senator Sam Nunn accurately described the attitude of those "physicians," the prevailing opinion among a leading, bi-partisan collection of government and private influentials, is to throw everything into the effort to rescue the present financial system, even at the risk of destroying not only the world's economy, but also the United States as a nation.

We have a choice. We may choose to save the economy and the nation, or we may choose to throw everything into trying to save the present international monetary and financial system. It is one or the other; there is no middle ground. The two can no longer live on the same planet.

For rational people, the choice ought to be obvious. What *EIR* has proposed, is to return to the principles of economy upon which the U.S. Federal Republic was founded, the "American System" of Treasury Secretary Alexander Hamilton, which always made the U.S. strong, whenever we returned to them. We have proposed to use the most successful model of economy which ever existed, that American System, as the model for international agreements among states, used to mobilize a general economic recovery. The United States has done it before, several times; we can, and must do it again.

We need your political voice in this effort to save the nation.