

Editorial

The hour of the nation-state is here

It's impossible to identify the precise time it happened, but the turning point has passed: The global markets are finished, and the hour of the nation-state has arrived. The future lies with the reassertion of government power over the markets, for the benefit of the world's population and its posterity.

A vignette which underscores this reality occurred in Tokyo on Oct. 20, during a private symposium that featured both Japan's Vice-Finance Minister, Eisuke Sakakibara, and the Malaysian Prime Minister, Dr. Mahathir bin Mohamad. Mahathir has been the international symbol for the war against the global speculators since the International Monetary Fund meeting of September 1997, when he attacked George Soros by name. Malaysia's announcement of currency controls on Sept. 1, 1998, created even more hysteria among the financial elites.

But, reality is winning out over ideology. Thus, at the Tokyo meeting, according to the *South China Morning Post*, Sakakibara responded to Dr. Mahathir's speech attacking the global speculators by saying: "The trend of world opinion is changing. . . . I think the world situation has changed lately and what the Prime Minister has said is no longer heretical. . . . It is important to clearly declare to the market that Malaysia is going to maintain the current rate for at least two, three, or four years."

Such statements were unthinkable over a year ago. Now they are being mooted by editorial columnists, bankers, and even government officials all over the world. A consensus is growing that the fate of nations cannot be left to the whims of the markets.

Along with this shift is the reintroduction of the concept of physical economy, something which had also been abandoned in favor of worshipping the all-powerful markets, and the information, consumer society. All of a sudden, economists, and world leaders like Russian Prime Minister Yevgeni Primakov, are talking about "the real economy." "Real," as opposed to what? "Real," as opposed to the fictitious wealth which is the trillions of dollars which is being wiped out on the financial markets. "Real economy" means the farms, factories, mines, and other physical produc-

tion plant that has been neglected for so long.

And once "physical economy" comes back into prominence, that turns our attention to the leading thinker who has fought for that concept, as against the pyramid of paper, Lyndon LaRouche. LaRouche's economic ideas are also now undergoing a resurgence of prominence around the world, in a way that underscores the reality of a paradigm shift.

There has been an extraordinary response to LaRouche's latest proposals for sovereign nations to take control of their economies, in the midst of the global financial meltdown. His eight-point program in "What Each Among All Nations Must Do Now," released at the end of September (*EIR*, Oct. 9), has now been reproduced in full in a major Arabic-language newspaper (the London-based *Al-Arab*); the major newspaper in Mexico (*Excelsior*); and a major economic weekly, *Ekonomicheskaya Gazeta*, in Moscow. In addition, there has been extensive coverage in a conservative Polish newspaper, a regional edition of *Gazeta Mercantil* in Brazil, and *El Siglo* in the Dominican Republic.

Then, on Oct. 22, the largest circulation daily newspaper in Denmark, *Jyllands-Posten*, with a circulation of 184,000, published an extensive article on the New Bretton Woods proposal of the Schiller Institute and Lyndon LaRouche. As author Poul Rasmussen, chairman of the Schiller Institute in Denmark, points out, that paper itself has undergone a dramatic change over the past year, from attacking Dr. Mahathir's blast against speculators, to mooted the necessity to curb destructive speculators.

True, none of these indications of a shift toward FDR-style state measures to rebuild the economy have yet been seen in the major media of the United States, or the major western European nations. There have been scattered articles talking about the failure of the speculative system, but clearly no consensus. But a citizens movement demanding that LaRouche be brought into the Clinton administration to deal with the economic crisis—along with the explosion in the financial markets—is growing. It would behoove responsible citizens to make sure that it is effective in time.