

Editorial

Turn to Protectionism, Build the Land-Bridge

With the world financial system threatened with a hyperinflationary blowout, rational world leaders—who do *not*, so far, include the G-8 heads of state—are seeking an alternative. In a statement issued from his Presidential campaign on July 18, economist Lyndon LaRouche provided the answer: protectionist measures, combined with a move to ally with the nations now organizing the Eurasian Land-Bridge.

LaRouche, the world's most credible economic forecaster—who had forecast in April that Fed Chairman Greenspan's interest-rate cutting policy would fail as it has—outlined how to understand the current state of the global crisis:

“The key thing is to compare Argentina and Turkey. . . . Because in both cases, you have the figures which show that the attempt to do a bailout in both cases is totally hyperinflationary. So we're now getting a Weimar-style hyperinflationary type of action on a very short fuse, like the late part of 1923.”

“This thing is about to blow,” LaRouche went on. “Look at the figures on these countries, look at what's happening in Turkey, in Argentina, in other countries. You look at that, and see that the rate of growth of this unpayable debt—and it's a self-aggravating growth, it's a pyramided debt—it's just outside the system. You add to it all this soft stuff outside; and then you just lost up to, say, \$10 trillion in the U.S. markets alone, with the collapse of so-called financial values of various kinds of instruments—either lost on the books, or it's not yet been reflected on the books, but it's happened.

“It's all coming down. It's a systemic collapse; it is not a cyclical collapse. The whole system is doomed. And it's obvious, as the case of Malaysia several years ago typifies this, you have to go to measures which are typified by capital controls and exchange controls, into a protectionist mode. It's the only way you can bring this thing under control. And the purpose of a protectionist

mode is to get real production going, and to protect the institutions upon which the population *and* production depend. Anything else is only going to make it worse. Anything else is putting gasoline on the fire.

“The world is now in a hyperinflationary explosion, analogous on a world scale to what happened in Weimar Germany in the Summer and Fall of 1923.”

LaRouche noted that, in addition to adopting protectionist measures, nations and political groups within nations have to adopt the Eurasian Land-Bridge infrastructure reconstruction policy, which he has helped into existence. “That's the only alternative, and that should be said. That *is* the alternative.”

“The system cannot be saved, it's gone. We have to have a new monetary system, which will return to the standards of monetary discipline of the 1950s, under the old Bretton Woods agreement. And we're going to have to have a rewriting of a lot of this paper. Just write it off. We've got to get the economies going.”

LaRouche concluded: “So we have a crisis that's now in a hyperinflationary phase, which means you're on a short fuse. And the more people do to try to avoid and postpone the crisis, the worse they make it. In the meantime, you have a crisis of political confidence in the world. You have a government in Washington which, unlike the Clinton Administration with Bob Rubin in there, has no ability, no capacity to inspire any confidence that there's sanity in Washington.”

Indeed, neither the seemingly mindless Bush Administration, nor the official leadership of the Democratic Party, is showing any inclination to *recognize* the nature of the crisis, much less propose an adequate solution. This reality is demonstrated daily, from such events as the Genoa summit to legislative discussions in Washington. Those leaders who do comprehend the stakes for the future of civilization in this crisis, are visibly turning toward the solutions advanced by LaRouche, both within and outside the United States.