LaRouche Guides a New Economic Architecture

EDITORIAL

April 8—The United States' brutal weaponization of the dollar against other countries' national reserves, national savings, and commercial transactions, has not merely fed a crisis of global hyperinflation and physical-economic shortages. It has also discredited the dollar as the international reserve currency it has continued to be *informally* since the 1970s destruction of the Bretton Woods monetary system. And it has forced countries around the world to think about which major nations could start to build a new international credit system, with what currency or currencies, and how.

The Schiller Institute's high-level April 9 conference for a new strategic *and economic* architecture, whose plenary session we publish this week, included answers to this question. Much more thoroughly, our second installment of Lyndon LaRouche's 2004 masterpiece, "On the Subject of Tariffs and Trade," lets all the speakers from many nations, and the thousands of participants in this conference, learn the fundamentals of building a new economic development platform when NATO has left the dollar system radioactive.

In the current global tragedy, many economists and financial analysts are claiming to see opportunities for a new system—based on the values of strategic commodities; on trade with national currencies outside the dollar; simply on central banks' massive domestic printing of currencies other than the dollar; or at the opposite extreme, on a gold standard.

Like the blind men feeling around the elephant, these ideas all remain at a distance from what Lyndon LaRouche has proven here, is the central criterion for determining economic value in the relations among nations. That criterion is *physical-economic productivity*, and the foreseeable future national productivity which nations can achieve through the wise use of their national credit.

LaRouche has laid this down:

> The value of money should be determined by a scientific principle, not an accounting principle. And the scientific principle is: What is a physically defensible determination of the will of governments and the ability of governments to perform in creating credit, over the long term, for the development of their economies and their productivities?

And he writes in the piece we re-publish here, that the target of such use of credit to increase national productivity is a higher future standard of value and skill available to the households of the national workforce:

> For purposes of linear approximation, the standard of measure to be used in national-economic estimates intended for crafting policy, is a certain kind of normative standard of physical family income, including all participation in essential public services of basic economic infrastructure. The average of actual data is not to be used for the purpose of defining policy; instead, we must use *a standard corresponding to that required of households meeting an adopted synthetic standard, one chosen for a household whose employment expresses a specified level of development technology employed in production*. This standard is extended as a requirement for all portions of the households.

In "On a Basket of Hard Commodities: Trade Without Currency," LaRouche wrote in 2000 on why the dollar served successfully as the gold-reserve basis for the Bretton Woods system through the 1960s, and as the basis for the largest share of the productive credit generated internationally in that period. It performed that role not because of the international market values of any major American commodities or the size of dollar swap lines, but because, he wrote, of the United States' strong economic infrastructure and physical-economic productivity achieved during Franklin Roosevelt's long presidency and through to John F. Kennedy's space and nuclear energy crash programs.

The basis of a new economic platform must be a group of major nations now. LaRouche's principles of physical science and economic productivity explained in "On the Subject of Tariffs and Trade" are the unique guide to success. Every participant in the extraordinary April 9 conference should read it.