

Editorial

The scandal is not Sumitomo bank

We are living in a period in which the most serious questions—crucial to the future of the human race—are no longer subject to public scrutiny. This is particularly so with regard to political and economic matters. The mass media substitute scandal-mongering for news reporting; this is a reflection of a much more serious problem, as evidenced by the low level of political debate generally, and by the fictional accounts of crises such as the present destabilization of the copper markets, around the Sumitomo Corp. affair.

No one who seriously considers the matter can believe that the crises that have shaken the financial markets over the past year or so, are simply the result of actions by a number of rogue traders. Such hoaxes are in the category of “lone assassin” theories, such as the discredited assertions about Lee Harvey Oswald’s role in the murder of President John F. Kennedy.

Why such a coverup in the Sumitomo affair? The answer is that the financial markets are dangerously out of the control of the leading financial institutions, and bankers and brokers now fear the kind of crash—more serious than the stock market crash of 1987—of which Lyndon LaRouche has been warning. According to the calculation of the “financial experts,” it is most important to avoid a general panic, which itself might precipitate the threatened collapse in financial paper.

It is precisely this kind of flawed thinking that is leading humanity to the brink of a social, cultural breakdown crisis, which could plunge mankind into a new and even more terrible Dark Age than occurred in the past.

That is why LaRouche’s programmatic solutions are indispensable. Yet while LaRouche’s ideas are now being discussed in top policymaking circles, this discussion is, in general, only in the most pragmatic terms.

Yes, LaRouche anticipated the present debacle, in which all of the world’s major financial institutions are bankrupt (whatever the accounting fictions which

might make it seem otherwise). However, his forecast of impending disaster is only a subsumed feature of his broader political analysis.

He called for reorganization of the world financial system, including ridding ourselves once and for all of the Federal Reserve System in the United States, and the International Monetary Fund and World Bank, which function as an arm of the oligarchical forces grouped around the British monarchy. But this must be accompanied by the kind of major infrastructural projects (including space exploration), which will provide the immediate basis for uplifting the conditions of life of a growing world population; and which will also act, cumulatively, as a science driver, creating the conditions in which new technologies are developed.

A concrete instance of his thinking was his proposal in 1989, that we take the opportunity presented by the fall of the Iron Curtain, to integrate the former Soviet bloc into a Eurasian development program, anchored upon the Paris-Berlin-Vienna “Productive Triangle.” To accomplish this, he proposed that there be massive investment in major infrastructure programs—particularly in transportation—which would upgrade and integrate the East bloc economies with those of the West.

This would have opened up an era of peace and prosperity, encompassing not only western and eastern Europe, but Asia as well—extending from the Atlantic to the Pacific and Indian oceans. Instead, under the rubric of free-market economic reforms, Soviet tyranny was replaced by a bankers’ dictatorship, enforced by the International Monetary Fund. The standard of living in the former East bloc fell dramatically, and the physical economies of the West, too, were cannibalized by a speculative frenzy.

The dangers of the present situation should not be minimized. But even now, it is not too late to implement LaRouche’s proposals. Then we would not only be stepping back from the brink of disaster, but would face a hopeful future.