

Editorial

Current History as Classical Tragedy

If anyone asks you what the markets will do next week, or what Russia's President Putin will do next week, it's a silly question. Russia, and the rest of the world to an even greater extent, is being maintained as a huge Potemkin village—a phony facade. Putin is delaying and delaying any decisive action, hoping for a more favorable situation to arise as the world crisis deepens.

The same on the markets. Nothing in current history can be interpreted on the basis of so-called objective facts—only on the basis of first understanding where we are in history. Objective explanations are worse than useless. The Group of Eight leading industrialized nations, especially the Anglo-American establishment, all possible ruling combinations within these institutions, have failed. They have lost all control.

We are at the moment of a Classical tragedy, just before the final denouement, when all those who appear to be the leading personalities are about to be killed or overthrown, and lose all influence.

Look at the way in which the Anglo-American establishment has handled the latest phase of the financial breakdown crisis, which began with the 1997 Asia crisis, and then progressed into the danger of immediate global financial meltdown following Russia's default in August 1998. They have institutionalized a spiralling hyperinflationary process, in the attempt to postpone the inevitable day of reckoning. This hyperinflationary reflex spreads a sense of total unreality over all considerations of serious policy-issues today.

The present moment can only be compared to Weimar Germany in March through October of 1923. Look back at that period, to see how quickly the whole situation can go visibly completely out of control. It can only be compared with Riemann's description of the formation of a transsonic shock wave.

Many leading layers in Europe and Japan are aware of this, but so far, none are willing to openly challenge the Anglo-American triumphalist imperial posture. Yet at the same time, continuation of the present course threatens their own survival.

This is the background to the early-May Chiang Mai

agreement of the ASEAN countries, Japan, China, and Korea (see article, p. 4). This defensive alliance, circumventing the IMF, is the heir of the Asian Monetary Fund which Japan and the ASEAN countries proposed in 1997, but which foundered on Treasury Secretary Larry Summers's opposition.

Japan wants cooperation with China, and is forced to find some way to oppose Summers's and Greenspan's insane pressure for ever-greater zero-interest hyperinflation. Japan-U.S. relations are reaching the breaking-point over this. Similarly, Wall Street is telling Europe, keep the euro at 90¢ or lower, or you'll be responsible for the resulting collapse of the Nasdaq, and therefore of the system. Kill yourself, or else, or else you're responsible for the collapse!

This is the meaning of the recent statements in leading German press, that no defense of the euro could succeed without U.S. and Japanese cooperation: that Summers will wage still-more-brutal currency war against Europe, if he doesn't get his way!

For these reasons, there is unbelievable tension among the U.S., Japan, and Europe, as George Soros also pointed out recently in one of his few truthful utterances. Tensions are at the breaking point.

Russia may be mired in a Potemkin village of unreality, but Washington is much more so, thanks to Larry Summers's obsession with papering-over the crisis, to elect the unelectable Al Gore.

There is the stink of eeriness throughout the planet. The establishments refuse to face reality. They cannot even address the near future in their thinking—no further than the next election. And if the world's most powerful nation-state, can produce no better Presidential pre-candidates than Bush and Gore, look for Ozymandias and falling empires.

The only sane approach accepts the fact of the looming collapse, and looks to the post-collapse reconstruction: a New Bretton Woods agreement, debt cancellation, national banking, long-term credit. Reconstructing the world economy based on proven principles. It is our historic mission to pull together the forces to do that.