

Editorial

The Change We Need: From Money to Credit

There was a lot of talk of “change” in the recent election period, almost all of it without content. There is no question but that a fundamental change is required in world affairs, starting with the economic and financial situation. That change has been cogently defined by the current era’s most reliable forecaster, economist Lyndon LaRouche, in a succinct manner: the change from a “money” system, to a credit system.

In a memorandum issued on Nov. 6, he described the crucial needed action as follows:

“All negotiations pertaining to the current world financial-economic emergency are a disgusting waste of time unless they are premised on replacing the present world monetary system, through a process of reorganization in bankruptcy, with a *credit* system modelled on that provision within the U.S. Federal Constitution. Any proposed reform within the context of existing monetary system is, in effect, an act of insanity.

“If your proposed expert does not agree, it is urgent that he, or she, be prepared to improve their understanding during the interval between the special meeting with some circles on November 11 and [LaRouche’s] webcast on November 18. Any contrary approach would be the equivalent, in global economic terms, of administering aspirins as a suggested cure for the global-economic equivalent of a new pandemic of bubonic plague.”

LaRouche has issued a call, published as our lead article, in order to convene a special meeting on November 11, devoted to this crucial policy question. He will follow it up with a webcast on November 18, just a few days after the Washington, D.C. meeting of the Group of 20 nations, which has been convened to discuss emergency measures to deal with the ongoing global financial catastrophe.

What LaRouche will elaborate at those meetings, is precisely what is required to make the shift from “money” to “credit,” a shift that can also be described as moving from a monetary system controlled by the British Empire, to a system of collaboration among nations that operate according to American System economic principles: government control of credit, which is directed toward building the physical economy, and improving conditions of life. Either this is done, LaRouche says, or this planet is going to die, for generations to come.

You want to understand what this shift is? Forget your contemporary economists, and most economic professors as well. They don’t even know that the American System of economics ever existed. They worship money and the markets. Your best reliable source for understanding what the American credit system was, is the work of the first Treasury Secretary, Alexander Hamilton, and the famous Presidents who applied his work most successfully: Abraham Lincoln and Franklin Delano Roosevelt. Today, there is only LaRouche.

A good start in understanding the “change,” is to realize that the hundreds of quadrillions of dollars (or other currencies) are basically worth *nothing*, and should be treated as such, unless they can be transformed, *by government*, into *credit* for necessary useful functions of society. As for new credit, that, as specified by the U.S. Constitution, can only be authorized by Congress, for specific projects, required to improve the general welfare.

Much more can be said, of course, and will be said by LaRouche in the crucial days ahead. Focus your energies on understanding what’s necessary, and making sure it’s done. For our survival, we can do no less.