Editorial

Defeat the Tyranny of Money

As the fight for implementing Glass-Steagall and the follow-on policies of a credit system and NAWAPA, *this month*, goes into high gear, those who understand its necessity have to take on the central issue: the tyranny of money. For, returning to a Glass-Steagall-dominated economy is going to demand a revolution in the concept of money held by virtually all Americans. All of a sudden, it will be credit, not money, that represents the metric for economic growth.

First, face the fact that most of the money out there, on the "markets", is backed up by absolutely nothing. It's worthless, fictitious, because there is no production in the economy connected to it. So, as Glass-Steagall's reinstatement will confirm, that money is just going to have to be written off. Poof! It's gone—because it was never an honest obligation to begin with.

Now, that is going to get a lot of people very upset.

Take the prototypical Republican, who thinks like a businessman. He sees himself as a hard-headed realist, protecting his own particular enterprise, no matter what happens to anyone else. He doesn't want to talk about anything else, except *his* money.

On the other side, there's the typical silly Democrat who has no connection to enterprise whatsoever. He is living in fantasyland, waiting for a bailout to be supplied from somewhere. He doesn't have a clue about getting anything produced; he just wants the money to flow.

Now, both of these modes of thinking, which are shared by a large preponderance of Americans, and especially those in Washington, are nuts. The policies of both have led us to the brink of our destruction as a nation, and they are going to have to be junked. And the key lies in the concept of credit.

Lyndon LaRouche's recent weekly Friday webcasts have hammered at this point, but it must be repeated again and again. In one recent discussion, he put it this way:

"A system of credit is based on society. It's based on the cooperation of work, of actually producing wealth, not taking money and spending it, at the expense of other people." That system depends upon government institutions establishing the rules which will facilitate and advance that cooperation, thus creating an economy which promotes the general welfare, and increases the productivity of the nation, for current and future generations.

This was Alexander Hamilton's conception, when he reorganized the debt of the fledgling United States, and mobilized it as credit for building the nation. It was John Quincy Adams' and Nicholas Biddle's idea in their management of the Second Bank of the United States, which produced a dramatic economic boom in the U.S. in the 1820s—until British agent Andrew Jackson shut it down. It was also the conception of Abraham Lincoln and Franklin Roosevelt, who each, in the face of financial warfare from Wall Street and London, found ways to advance the credit to transform the nation with great projects and leaps in productivity.

As Hamilton put it in his *Report on the National Bank,* money sitting in the bank, or just used in exchange, is "dead Stock." On the contrary, money used as active and productive capital, for production, increases the national wealth.

Another name for that kind of money is credit, a down payment on future production.

Down with the tyranny of money! We need credit for production, and a future.