

Editorial

Summers Destroys the System in Order To Save It

Addressing a university audience in Santo Domingo by teleconference on May 3, Lyndon LaRouche said, of the “great crash”: “It is probable this will happen this year. It could happen in June. It could happen over the summer months. It could happen in September. The efforts, I know, in the United States, to prevent this from happening, by Larry Summers, and others, the Treasury Secretary—these are fools. They don’t know what they’re doing. They’re totally incompetent. They can not control this process. They can influence it. But everything they do to postpone the crash another day, makes the crash worse the following week. Then they go back, and they have to do something still worse the following week, to do that.”

Indeed, Treasury Secretary Summers is destroying what remains of the world economy, chunk by chunk, in order to try to save the “new economy” Nasdaq average, just long enough for Al Gore to be elected President. The fight is likely already lost, but Summers won’t stop. What is there that he won’t destroy, to save the Nasdaq?

By destroying the euro, the new pseudo-currency of the European Monetary Union, Summers and a secret group of central bankers who are working with him, are throwing every western European economy into the flames. While *EIR* has opposed the euro from the beginning, nevertheless, its current crisis is an artificial one. Summers is trying to poison investment into western Europe, in order to sucker it into U.S. markets, just as he has deliberately hurt the attractiveness of U.S. government bonds for the same reason.

As U.S. trade deficits skyrocket, the dollar, paradoxically, soars in value relative to the euro. By a week after Easter, the euro had lost 21% of the dollar value it had at the beginning of 1999, and its plunge has continued since. Europe is being destroyed. In Britain, for instance, the question now is whether all remaining industry will simply shut down. In this final phase of British industry’s collapse, the big continental western European countries can no longer afford British goods, because their own currencies are rigidly tied to the value of the euro, and are sinking daily as the euro falls.

Summers’s thuggish pressure on Japan to maintain the policy of flooding the world with zero-interest yen credit, is another example. Japan is the most extreme

case, but every advanced-sector central bank is pumping out new money at record rates. At first, the inflation hides itself in intangible asset-prices, but at some point, it hits, first, certain commodities, such as oil, and then all goods—eventually blowing up the economy up in a hyperinflationary spiral, like that in Germany over summer to fall 1923.

Then, there’s “dollarization”—the proposal that Third World countries simply give up their own currencies, and with them all control over trade and credit, and adopt the U.S. dollar instead. To any sane person, this ludicrous suggestion rivals Jonathan Swift’s “Modest Proposal” that the Irish should sell their infants to be eaten by the English. Any country which “dollarizes,” is offering itself up to be looted out of existence before you can say “Alan Greenspan.” And in fact, the U.S. Treasury has always opposed the idea—until May 1, that is, when Summers’s underling, Deputy Secretary Stuart Eizenstat, spoke quite favorably of “dollarization” at a Council of the Americas meeting.

Summers’s and Gore’s HMO policy loots the very bodies of elderly, seriously ill, and disabled Americans, to pump up the accursed bubble. As *EIR* will expose, the HMO policy was originally part of the “new economic policy” which Richard Nixon announced on Aug. 15, 1971, when he dumped the last traces of the Bretton Woods financial system.

The more Summers delays it in this way, the worse the cataclysm will be. The only answer, is to return to the proven Bretton Woods system, set up under Franklin Roosevelt’s direction in 1944: with fixed exchange rates, and low-interest, long-term credit for development. That system worked very well for the countries which were full members—the advanced sector. This time, all countries must be full members.

Thus, LaRouche concluded his address by saying: “So, the time is coming, very soon, when *we*, as in the Dominican Republic, and other countries round the world, must, as patriots of our nations, bring together the intellectual forces, which will rally around the leaders, who will help to lead their nations, as part of a community of nations, in creating the new monetary system, which will finally be a just, new world economic order.”