

Editorial

The monetary system is dead

The world monetary system now careens toward certain doom—and the result depends on a political decision that will be taken very soon.

The U.S. government is bankrupt, and on Nov. 15, will not have the means to meet its obligations.

The Third World is bankrupt. In Ibero-America, where Peru's Alan García has courageously stepped out in front of the rest of the continent to say a resounding no to subjugation by usury, political pressures are now building, in Mexico, in Colombia, in Brazil, for adoption of a rational course *à la Peru*, a refusal to continue paying what cannot be paid.

Counterpressures also build, in the form of brutal atrocities by "guerrillas" who are nothing but the armed thugs of the drug traffickers whom the International Monetary Fund is now elevating toward "dual power" in numerous Ibero-American nations.

The world tin market has crashed. Tin-producing nations, to save export prices amid the depression produced by the IMF system, had indebted themselves for a period of four years in order to collectively buy large portions of their own tin exports. The absurdity of this condition was all at once acknowledged at the end of October, when the producers announced that they would no longer borrow to buy their own tin, they would no longer buy their own tin at all, and could not repay the lenders. The tin exchange in London shut down, and has not reopened. The bankers involved, some of the British empire's largest, are demanding a bailout.

U.S. savings and loan institutions are bankrupt, and going under so fast and in such large numbers that the FSLIC itself is bankrupt, requiring a special fund to absorb insurance obligations it cannot meet.

The Farm Credit System is bankrupt, because America's farmers are bankrupt, and also requires a multibillion-dollar bailout.

Each of these, reported in this issue of *EIR*, are reflections of a very simple, underlying fact. Usury, in

the form of the international financial system represented by the IMF, the World Bank, the Bank for International Settlements, and the New York, London, and Swiss banks whose means of existence is to launder funds from the international drug trade, has destroyed the farms and factories of the world. With these debtors bankrupt, however, so, in fact, are the usurers.

There are no longer any willful decisions to be taken within the framework of the existing monetary system. The debt, everyone's, will not be paid because it cannot be paid. The existing monetary system is dead.

The political question is now posed: The monetary system will be reorganized. But by whom? By the forces of usury, inaugurating what will surely be the darkest of human dark ages, ultimately presided over by Soviet Russia? Precedents have been set—for example, in Maryland, whereby Chase Manhattan, not a bank, but David Rockefeller's dirty-money laundry, has moved in to buy up several actual banks destroyed by the Federal Reserve policy of former Chase board member Paul Volcker.

Or will it be reorganized by the forces of Reason, the forces represented at the conference in Rome in honor of the great St. Augustine. A precedent for this has also been set—in Peru, where the García government coupled its rejection of any IMF role in economic policymaking with the destruction of more drug-plantations and facilities in 60 days than in the entire history of anti-drug efforts, in Guatemala's daring raid on jungle-entrenched drug-plantation operators, and in other converging efforts globally.

It is time for economic growth again, and sovereign governments, above all, the United States, must combine to the purpose of creating a monetary system pivoted around development projects on the grand scale, the LaRouche program, or those governments, and millions, perhaps billions of human beings, will cease to exist in the maelstrom usury is about to bring on.