

Editorial

A Turning-Point in History

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The onrushing collapse of the post-1971 IMF, represents one of those periods in world history when great, and sudden changes in relations among nations, is the most crucial, and most immediate issue before all peoples and their governments,

Long-term cooperation built around the Shanghai Cooperation association, is a needed building-block for a new world system of economic cooperation among perfectly sovereign nation-states.

The shift in world monetary-financial patterns during the second quarter of 2006 is typified by the combination of a hyperbolic acceleration of prices of primary commodities and an accelerating pattern of collapses among individual hedge funds and related interests. This state of affairs confronts the world as a whole with the prospect of a threatened early, chain-reaction collapse of the present world system comparable to the collapse of the Lombard League into the so-called New Dark Age of the Fourteenth Century. Only a principled change in the world's present monetary-financial system could halt this presently ongoing collapse.

The alternative to collapse must imitate the success of U.S. President Franklin Roosevelt's actions during the 1933-1945 interval of his terms in office. Present central banking systems must be reorganized by sovereign governments, and various means for creating long-term credit for physical-capital improvements in public infrastructure and capital-intensive investments in more advanced technologies. This can be done either by governments which copy the U.S.A.'s constitutional system of absolute sovereignty in its monetary affairs, or through credit created in long-term credit-creating treaty-agreements among cooperating sovereign governments.

Long-term credit at low borrowing costs, absolutely requires a return to a fixed-exchange-rate system like that of the original Bretton Woods system.

If such urgently needed measures are adopted, the result will include the development of a Eurasian pivot as the center of the developing world economy. Europe

and the U.S.A. must then reorient their long-term economic policies toward two missions characteristic of the so-called developing sector of the world as a whole, including Asia, Central and South America, and Africa. Physical capital improvements through long-term investments in Asia, as led by China and India, will be the pivotal feature of global economic development.

The crucial feature of such a physical-economic program must be emphasis on Russia's scientific legacy in the matter of biogeochemical development of so-called natural resources, and the increasing reliance on nuclear-fission and thermonuclear fusion as indispensable modalities for dealing with the soaring crisis in both fresh water and suitable primary mineral supplies for a world population, hungry for benefits of development, which now approach eight billions living individuals within a generation or so.

The new world economy which must arise, quickly, from the ashes of the present monetary-financial system, must be organized around the conception of Eurasia's leading role in global perspective based on the same kinds of goals for the world at large.

That means, in the language of the science of physical economy first defined by Gottfried Leibniz, a policy of increase of the potential relative population-density of the planet through capital-intensive modes of investment in basic economic infrastructure and production of goods.

Therefore, the development of closer ties of cooperation among the sovereign states of Eurasia, using Russia's natural role as a leading Eurasian nation, is the virtually self-evident political vehicle for accelerating the needed new policy-orientations of the planet as a whole today.

Lyndon LaRouche issued this statement to Radio Govorit Moskva (Moscow Speaking) on June 12. It was included in the June 15 broadcast of the "Russian Field" program, hosted by Serafim Melentyev, along with commentary on the Shanghai Cooperation Organization (SCO) summit and LaRouche's evaluation, by Yuri Krupnov of the Development Movement and Prof. Yuri Gromyko.