

# *The Dollar System Has Already Crashed*

After a review of developments on the financial markets and world economy Nov. 7, the world's leading economist, Lyndon LaRouche, made the following emphatic points:

1. *The U.S. dollar and financial system has already exploded.* There should be no talk about how the crisis of the system is "coming"—it's already here. The crash of the dollar system will cause an explosion of the entire international financial system. Even the fawning French President Nicholas Sarkozy, addressing Congress Nov. 7, warned Washington that it's threatening the entire world economy by allowing the dollar to fall apart.

Already, pieces of the exploded planet are flying around like asteroids—but only a fool would say that the asteroids are "going to cause" the explosion! The planet has exploded! Only a fool or a liar would say anything to the effect of "a trend toward a coming crisis." The catastrophe is now.

According to Bank of England governor Mervyn King, the world's central bankers are holding conference calls every day. But they've lost all semblance of control of the hyperinflationary dollar crash underway. A few indicators:

- The dollar is plunging at an accelerating rate against all currencies, leading a spokesman for the U.S.A.'s biggest creditor, China, to say on Nov. 7 that the U.S. dollar is "losing its status as the world currency."

- Hyperinflation and speculation have brought the price of oil to near \$100, gold to over \$840, and most other commodities, including foodstuffs, into double digit price rises.

- The U.S.A.'s largest banks, starting with Citigroup and Merrill Lynch, are reporting tens of billions of dollars of losses, a fact leading to downgrading of their securities, and the threat of detonation of the world's \$750 trillion-plus derivatives market. The infusion of *hundreds of billions* of dollars from the Federal Reserve has done nothing to stop the hemorrhaging.

- The financial collapse is causing an accelerated rate of foreclosures, the downgrading of the multi-trillion-dollar market in municipal bonds, and the gouging of state and municipal budgets, to the point of a

clear and present threat to the public welfare.

What will LaRouche's critics do now? They all were wrong, in denying this collapse, and now they've got to respond to it. What will they do? "The system is collapsing around your heads right now. This is *worse* than 1929, you idiots! This collapse will bring a new dark age!"

2. *The Cheney/Bush government is totally discredited, and some combination of other forces will have to pick up the pieces.* In reality, the current Administration is a fallen regime. Both the financial system and the government can only be revived by a new political combination. Somebody has to re-establish control over the dollar, and over the functioning of government. That combination had better start the process by implementing the *firewall* policy put forward in LaRouche's Homeowners and Bank Protection Act (HBPA).

3. *The problem is that people in positions of power did not listen to LaRouche's warnings that this collapse was inevitable under their current policies.* LaRouche warned Secretary of Treasury Henry Paulson, when he came into office; he warned the Democratic leaders of the House and Senate repeatedly. He told them that they had to act to freeze the system, and erect a firewall to protect the population and the banks, as a step toward full bankruptcy reorganization of the bankrupt financial system.

Let's be blunt: *No one* is going to save the financial system. It *cannot* be saved. We are going to save the nation, and save the economy; but only a *new financial system* can carry out the rescue. And the first simple step had better be to carry out LaRouche's indicated "firewall" legislation now.

There is increasing momentum, in the states and localities, in support of LaRouche's legislation, which is the *only* legislation being put forward to keep people in their homes and prevent a banking blowout. There is no alternative to Federal government action in the tradition of FDR.

Every other option has been discredited. Now is the time to ram through the only solution, the HBPA!