

### *Will the U.S.A. Save Europe?*

Between July 8 and 11, the breakdown of the world financial system, now centered in Europe, reached a new phase. The pretense that the bailout policies of the last four years had done *anything* to address the crisis of the system fell apart—as the nation of Italy joined Greece, Portugal, and Ireland in a state of disastrous collapse. Just as Lyndon LaRouche had warned, the time for urgent action had arrived.

On July 11, LaRouche issued a new emergency statement, outlining the only options for resolving the crisis. The first step is Glass-Steagall, both in the United States and in Europe. That eliminates the fake assets in defense of which the financial oligarchy is murdering whole populations. Then, a bankruptcy reorganization along Hamiltonian lines is required, out of which a *credit* system will emerge. Under such a system, credit will be issued on the basis of future physical productivity of the economy, the physical economy.

The United States has the crucial role to play in initiating this revolutionary change, LaRouche has emphasized, and it must be done now. Here's how he put it in a statement issued July 6:

“The euro policy, which had been shoved down Germany's throat by France's President François Mitterrand, Britain's Prime Minister Margaret Thatcher, and U.S. President George H.W. Bush, has now virtually bankrupted the states of continental Europe's European Union. Only those European states' return to the principle of national sovereignty, combined with reforms akin to the U.S.A.'s 1933 Glass-Steagall Law and the opening to join a revival of the Bretton Woods System, could now rescue continental Europe from a hopeless form of bankruptcy.

“The time has now been passed at which a re-

newal of a monetarist system could be tolerated in continental European economies.

“The proffer of such a commitment by the United States of America in a new credit-system used to dump the last remnant of monetarism, could save the nations of Europe in a timely fashion.

“In effect, such a proffer by the U.S.A., if accepted by the nations of continental Europe, could save the relevant set of trans-Atlantic sovereign nation-states from a virtually immediate plunge into a ‘new dark age’ of the region.

“The effect of installing the principle of the Glass-Steagall Act of 1933, would be to move all claims on behalf of gambling debts, into the arena outside the system of commercial banking operations, outside the protection of the original Glass-Steagall principles of national and international law. The trash left over for the ministrations of the non-protected subject-areas, will be, of course, largely processed as the monetary trash which, in fact, they are. A judicious stroll along the streets of ‘Boardwalk,’ would be sufficient to measure the dimensions of such a reform.

“The mere fact of the commitment to the combined actions of a true Glass-Steagall and fixed-exchange-rate system would have an effect of a form comparable to the rescue of the heavily indebted European states by this method, which have an effect akin to the original U.S. Federal Constitution in restoring qualified creditors' confidence in the resulting new system.”

Every delay in following LaRouche's leadership leads to deepening disaster. Because if Europe collapses, the U.S. collapses. And vice versa.

Therefore, they *have no option*. Glass-Steagall, or die.