

Forty Years Later: August 15, 1971

It was 40 years ago this week, that President Richard Nixon took the momentous step of removing the dollar from its link to gold, thus initiating what the Aug. 14, 2011 London *Daily Telegraph* correctly identified as the system of “floating currencies.” Within a year, the Bretton Woods System was officially buried, and the wholesale destruction of the physical economy of the world was underway, by the forces we know today as the City of London/Wall Street-based British Empire.

Lyndon LaRouche had forecast the crisis to which Nixon responded in this evil way, back in the late 1950s, in contrast to virtually every other economist in the world. When the shocking event occurred, he issued his most lasting long-term forecast. Referring to himself, he wrote:

“He forecast, that, if the dominant powers resorted to a combination of increasingly rapacious, monetarist forms of austerity measures, the result would be, not a new cyclical crisis, but, rather, a systemic crisis, a ‘general breakdown crisis’ of the global system.” As LaRouche publications identified it at the time, the threat was fascism and a New Dark Age.

In ratchets over the next 40 years, that breakdown crisis has occurred on schedule. At various inflection points along the way, LaRouche issued shorter-term forecasts of more specificity—such as the 1987 stock market crash, the collapse of the Soviet economy, his “9th Forecast,” and the July 2007 financial crisis—which have been borne out with stunning accuracy.

To LaRouche, however, forecasting is not an armchair exercise. As he put it in the Spring of 1997, a “scientific economic forecast is related to the nature of the function in mathematical physics, or a *classical war plan*.” With each forecast, LaRouche and his organization presented a war plan

to avoid the disaster which was looming, if leading institutions would only respond by taking action.

In 1971, LaRouche already had in hand an Emergency Reconstruction Program (“How to Lick A Depression In a Single Day”), which outlined the approach to physical reconstruction of the economy. The fundamental problem, as LaRouche outlined in his first major response to Aug. 15—“Why It Had To Happen”—was that the physical economy was being “crushed under a mass of stocks, bonds, mortgages, and other capitalist paper. Destroy that paper, and prosperity could emerge.” The guts of the problem was the clinging to fictitious “money” values, rather than the physical wealth associated with increasing the productive powers of labor.

In the decades since, LaRouche has applied this concept in elaborated form to the evolving situation, in the United States and many other countries, as the world economic and political situation under British imperial control has ratcheted down. At each crisis point, he has proposed a solution, be it a debt moratorium, the Strategic Defense Initiative, the New Bretton Woods system, the Homeowners and Bank Protection Act, or Glass-Steagall.

Those who had illusions that there were alternatives to LaRouche’s solutions, have found themselves facing the ever-clearer picture of doom, potentially, for the human species as a whole. All other financial “authorities” on the planet are totally discredited, and the danger of mass death on an unprecedented scale looms, as a result of clinging to the dying monetarist system.

It’s time to learn the lessons of 1971. LaRouche’s “war plan” for success must be followed now.