

LaRouche on July 25: The System Is Finished!

The following remarks were made by Lyndon LaRouche during his July 25 webcast in Washington, D.C., one week before the reality of the global banking crisis began to hit the public, through both the bankruptcy of two Bear Stearns hedge funds, and the bankruptcy-crisis of the German bank IKB. Less than one month later, on Aug. 22, LaRouche issued a call for emergency legislation, called the Homeowners and Bank Protection Act, as the necessary first step in creating a firewall against the effects of the unstoppable systemic collapse.

... First of all, this occurs at a time when the world monetary financial system is actually now currently in the process of disintegrating. There's nothing mysterious about this; I've talked about it for some time, it's been in progress, it's not abating. What's listed as stock values and market values in the financial markets internationally is bunk! These are purely fictitious beliefs. There's no truth to it; the fakery is enormous. There is no possibility of a non-collapse of the present financial system—none! It's finished, *now!*

The present financial system can not continue to exist *under any circumstances, under any Presidency, under any leadership, or any leadership of nations.* Only a fundamental and *sudden change* in the world monetary financial system will prevent a general, immediate chain-reaction type of collapse. At what speed we don't know, but it will go on, and it will be *unstoppable!* And the longer it goes on before coming to an end, the worse things will get. And there is no one in the present institutions of government who is competent to deal with this. The Congress, the Senate, the House of Representatives, is not currently competent to deal with this. And if the Congress goes on recess, *and leaves Cheney free*, then you might be kissing the United States and much more good-bye by September. . . .

You have to change the world monetary-financial system immediately, and you can not do that with a couple of small nations. You can only do that from the top. You have to pull together the might of the world, the major powers of the world and those who will support them, and say, "We're going to change immediately the world monetary system. We're going to get rid of the floating-exchange-rate monetary system. We're going back immediately to a fixed-exchange-rate system." Because if we do not go back to a fixed-exchange-rate system, of the Franklin Roosevelt prototype, then there's no possibility of preventing a general collapse and disintegration of the world economy. It can't be done. Therefore, you have to have a power group which

says, "We're going to save this planet from Hell."

One of the things which we're going to do, which is a trigger point, is to get something done in Southwest Asia: to get the U.S. troops out of the target range, and pull them into a holding position where they become a *factor* in negotiating the peaceful reconstruction of the region. That will not work by itself unless you have a power group which includes four powerful nations of this planet, and others, who decide that that's going to work. A power group which agrees that we're going back to a fixed-exchange-rate system, by government decree, as made by governments in concert. We're going to stop the floating-exchange-rate system, we're going to take steps to clean up the financial mess.

Most of the financial claims and the financial assets and obligations in the world today, are worthless. You have play money; the stock market is a fraud. The Treasury Department is committing a fraud. Most governments are committing fraud, and the British government is the worst of them all. The British government and the British system is the worst offender that we have to deal with on this planet. They organized this war, they organized most of the evil that is done in the world today. So, they will not be considered as having any veto rights in this matter.

But the major powers are going to say: We're going to have to go back to a fixed-exchange-rate system. We're going to do it immediately, by treaty agreement, by signed agreement among countries. We're going to freeze a lot of things, and we're going make sure that things that have to be paid, things that have to go on, go on. That production is not cut; farming proceeds, food is produced, infrastructure is built, and so forth. And we'll have to build our way out of this process with steps which begin with these measures. And the measures are a matter of the will of a powerful group of nations, not just the four, but a powerful group of nations who agree that this has to be done, because Hell on Earth has to be prevented. And that's the only way it is going to happen. . . .

The United States is disintegrating. If a depression occurs, the United States will see conditions you won't believe. Nothing in the past century, no depression, is comparable to what will hit the United States if this system collapses now. . . .

Now, therefore, we have to put the dollar under a fixed-exchange-rate system again. And we have to start to rebuild what we've destroyed. We have to take what was being shut down, the auto industry—put these hedge funds out of business, foreclose them; they're all swindles anyway. Start to rebuild the infrastructure capacity, the hi-tech infrastructure capacity, which existed in Michigan, in Ohio, in Indiana, in other places we've destroyed. Build up our infrastructure, our mass transportation systems. Restore the growth of our agriculture. Go back to a high-tech economy again, not a Baby-Boomer economy, not a synthetic diaper economy. . . .