

Editorial

‘Stimulating’ The Crash

No one of the “economic stimulus” packages announced or discussed by the Federal Reserve or the White House since Sept. 11, will “stimulate” anything but the global financial crash.

Some of these cash “stimulus” proposals are intended to sacrifice government tax revenue—urgently needed for rebuilding of economic infrastructure and job creation in depression conditions—and attempt to send that wealth instead into sinking financial markets, which cannot be saved. Other “stimulus packages” are intended to cover very large, unpayable debts—airline debts, insurance industry debts, debts of companies whose stocks or acquisitions have collapsed, and so forth—debts which should be placed in orderly bankruptcy instead, by government action, as proposed long before by Lyndon LaRouche.

The International Monetary Fund has shown this debt-bailout strategy to be a failure everywhere, imposing it on nations in economic depression all over the world—the only difference in the United States now, is the far bigger size of the bailout packages being started down the track. This strategy is a piece with the wild pumping of liquidity into the banking system by Alan “Greenspan”: It is taking the 10-megaton global debt explosion now under way, and feeding it into a 100-megaton catastrophe shortly down the road.

Now enter Lazard Frères senior banker Felix Rohatyn, to try to convince American elected officials that this stimulation of crashing markets is really infrastructure-building. This is the same Rohatyn who, in August, put into circulation a phony “New Bretton Woods conference” call, without content. Its purpose was to divert attention from Lyndon LaRouche’s clear and universally known New Bretton Woods proposal to reorganize the collapsing monetary system and revive world trade.

Now in an Oct. 9 *New York Times* op-ed, Rohatyn called for pumping \$50-100 billion into Lower Manhattan, and called it “infrastructure.” Felix nearly gave a Wall Street admission about LaRouche’s characterization of the condition of the U.S. economy: “a hard recession,” Felix called it, which could “turn into a

real depression.”

Rohatyn then demanded the cash for Wall Street, straight from the Treasury: The Federal government should help New York cover the losses of a financial and fiscal disaster, with a package of up to \$100 billion. This with no suggestion of what would be built or rebuilt. Infrastructure?—private and public pension funds will pay for building infrastructure, said Felix, with Federal guarantees. Just the way that no significant economic infrastructure has ever been built, in the country’s history.

Very well—financial establishment spokesman Felix Rohatyn acknowledges, discreetly in an op-ed, that some kind of depression looms over the United States. Do we need financial stimulus?

No, we need competent, truthful leadership, as we did in 1932-33. That quality of leadership means LaRouche, whose long-known “Chapter 11” depression-recovery measures oppose the doomed Rohatyn-style bailouts. Forget the propaganda that the Sept. 11 attacks “caused an economic crisis”; they simply “caused” Greenspan and Wall Street to launch and demand immediate, huge speculative bailouts which they had already desperately wanted. We were already in the final, breakdown phase of the existing world monetary and financial system, well before the events of Sept. 11, which have made the crisis worse.

The state of U.S. manufacturing, of job losses and unemployment, of bankrupt economic sectors, of the stock markets, is just what LaRouche forecast it would be at this time, *during his 1999-2000 campaign for the Democratic Presidential nomination*, when he was completely censored by the U.S. media and defrauded by the Democrats backing Al Gore. LaRouche was the only U.S. political leader who spoke about the coming collapse during that campaign. He is the only one telling the truth now. He is calmly working for a combination of governments and political leaders for a bankruptcy reorganization of the collapsed monetary system and a New Bretton Woods to replace it. In this crisis, LaRouche’s leadership is the only stimulus the United States needs.