

Editorial

Six Months Into the Crash

On Jan. 17, 2008, Lyndon LaRouche will deliver his next international webcast from Washington, D.C. The event will take place six months into the greatest financial crash in modern history, one that has already seen well over \$1 trillion in credit wiped out. We have not even come close to hitting bottom, and the world is set to plunge into a full-scale dark age, unless the emergency measures, spelled out by LaRouche, beginning with his Homeowners and Bank Protection Act, are adopted by the United States, and then by other leading world powers, in the immediate days and weeks ahead.

On July 25, 2007, LaRouche, in another Washington, D.C. webcast, had announced that the crash had *already* occurred. After warning the international audience that Vice President Dick Cheney was going ahead with plans for a military attack on Iran, unless stopped, LaRouche delivered the following assessment:

“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.”

Before laying out the needed financial and monetary reorganization, LaRouche addressed a critical, re-

lated issue: the need for immediate removal of Vice President Cheney.

During that July 25 webcast, LaRouche also issued a public call for an immediate freeze on home foreclosures, across the board.

Within days of LaRouche’s webcast, he was proven absolutely correct. On July 28, Countrywide Financial Corp., America’s biggest mortgage lender, announced a 33% drop in profits. Two days later, American Home Mortgage, another major mortgage lender, specializing in “Alt-A” mortgages, collapsed. By July 31, the subprime mortgage crash spread internationally, with the announcement that the German Industrial Bank, IKB, had barely averted bankruptcy, through an \$11 billion emergency loan from a consortium of German banks. IKB had heavily invested in U.S. mortgage-backed securities.

LaRouche was 100% right, in July 2007, when he called this the greatest financial crash in modern history. He was also 100% right that the leadership of the U.S. Congress, particularly Speaker of the House Nancy Pelosi, had failed the American people, by refusing to impeach Vice President Cheney, and by failing to act responsibly, by passing LaRouche’s Homeowners and Bank Protection Act.

Pelosi’s folly has been compounded by insane, desperate actions by Treasury Secretary Hank Paulson, and Federal Reserve Chairman Ben Bernanke, who have responded to the banking collapse by resorting to hyperinflationary efforts to flood the banking system with a new “wall of money.” This approach, endorsed by the European Central Bank, the Bank of England, and other major central banks, is the same approach taken in Weimar Germany in the Summer and Autumn of 1923, leading to the greatest hyperinflationary explosion in modern history, up to the present moment. LaRouche has warned that these kinds of measures, under the present circumstances, will only accelerate and deepen the crash.

LaRouche’s Jan. 17, 2008 webcast, coming days after Congress returns to Washington, and 11 days before President George Bush’s last State of the Union Address, will be an historic event that no one can afford to miss.