

ently operative form of interdependency among hyperbolic growth of the financial bubble's nominal values, relative to the increase of monetary circulation required to sustain that bubble. I asked that we examine the interdependency of that financial-monetary coupling, with the looting of the physical economy required to support the monetary expansion needed to support the financial bubble. That shows, in functional terms, not only why the present international financial and monetary system is inevitably doomed; it also shows that we are already in the vicinity of those parts of the three curves, at which the present financial-monetary process is virtually discontinuous, that the entire system is overripe to go all the way down, right now. There is very little time to waste, before taking the necessary political actions.

On that basis, without requiring any additional information, I know, with certainty, that the international financial system, with its attached leading banks, is already hopelessly bankrupt.

---

## A Timeline

---

# LaRouche's warnings on financial crisis, 1991-97

### 1991

**Nov. 9:** Lyndon LaRouche, issues his "Eighth Forecast," on "Biggest Financial Mudslide of the 20th Century": "At the moment at which I speak, we're standing at the brink of the biggest financial mudslide of the 20th century. . . . We are facing the wipeout, the breakdown, of the entire postwar international financial system—the Anglo-American financial system. . . . To have a recovery of the U.S. economy from the present depression—a depression in jobs, a depression in infrastructure, a depression in farms, a depression in manufacturing—we must fund large-scale projects—water projects; power generation and distribution projects; transportation projects, especially in rails and repairing breaking-down bridges, and some urban infrastructure, which must be repaired if the economy is to function. We must repair our school system; we must repair our medical supply system. We can talk about health insurance all we want to, but if there are no facilities to supply that aid, the health insurance policy is not worth much without the care to back it up. . . . That means scrapping the kind of central banking system we associate with the Bank of London or the Federal Reserve System. . . . We must recognize that there is a power in this universe which is higher and greater than any jumped-up bunch of people who think, because they're wealthy families with big foundations and trusts, that they are the gods of Olympus."

**Nov. 23:** LaRouche, "The Great Mud-Slide Is On," radio actuality: "Many people have been looking for a definitive one-day, two-day, three-day financial crash, perhaps on the markets. . . . What they are seeing is something a bit different. What they are seeing is the great mud-slide of 1991. By mud-slide, I refer by comparison to the eruption of, say, a Hawaiian-style volcano. The mud comes sliding down inch by inch, hour by hour, approaching the villages and the sea. . . . So, down and down and down we go—not all at once, but day by day, hour by hour, inch by inch, the Great Mud-Slide that carries the United States into a financial collapse and depression far worse than anything in the 1930s, is now on full tilt."

**Dec. 6:** LaRouche, *EIR*. Transcript of Nov 21 message to conference in Berlin: "If the past 25 years' current trends in economic and related policy-making continue to be supported or are even tolerated by nations such as those represented here today, we must foresee a vast depopulation of this planet."

**Dec. 7:** LaRouche campaign radio actuality: "The U.S. entered a new down-slide in October and November of 1989. . . . [It] continued into approximately the summer of 1990, to the point that, into the fall of 1990, George Bush's popularity was sinking because of problems of the economy. You remember that? Now, how did we get out of the so-called recession? We didn't! We had a big distraction from the recession, which was called the war with Iraq, the Gulf War. . . . [People say,] 'Well, the recovery is a bit slow.' But like Bram Stoker's Dracula, the recovery was a piece of fiction. The recovery never occurred."

### 1992

**Feb. 14:** "LaRouche on TV: Voters Listened to the Wrong People," *EIR*. LaRouche Presidential campaign TV broadcast, responding to President Bush's State of the Union address. "As long as the United States insists on subjecting the rest of the world to that crazy fascist Milton Friedman's idea of free trade, the United States itself has no chance of recovery."

**March 6:** LaRouche, "The Anglo-American Versailles Order Has Wrought Its Own Self-Destruction," *EIR*. Message to Feb. 22 Chicago conference: "We are headed into what is already the worst economic depression which the United States has experienced in the 20th century; and if the policies of George Bush . . . were to be allowed to continue, prevail, we would go much deeper—much, much deeper."

**March 20:** LaRouche, "Reconstructing Ukraine Requires Recognition of the Enemy," *EIR*. In a March 8 interview, LaRouche points to the International Monetary Fund (IMF), Jeffrey Sachs, and "ideologues who believe in the Western, Anglo-American geopolitical view."

**May 1:** LaRouche, "LaRouche in '92 Campaign Sets Third National Television Broadcast," *EIR*. TV transcript. "There is no need for this depression. By a few simple actions which I would take within the hour that I were inaugurated President—and with your support to whip the majority of the Congress into line—I would set into motion the same general

economic recovery, which Roosevelt accomplished between 1939 and 1943.”

**July 24:** LaRouche, *EIR*. Message to May 29 conference in Cameroon. “The world is now going into, at this moment, a new phase of a general international collapse. The analogy is to the period 1933-34-35 . . . but the situation objectively, economically, physically, for virtually all nations, is far, far worse than it was during the 1930s, the great pre-World War II Depression.”

**Oct. 2:** LaRouche, “I Do Know How To Stop This Depression,” *EIR*. Text of Sept 20 interview on Colombia’s Radio Toledar. “The commercial banks of the United States are already bankrupt. . . . If we continue to try to maintain this bankrupt banking system, we are going to murder hundreds of millions. . . . We would collect interest payments against the lives of hundreds of millions of people.”

**Nov. 20:** LaRouche, “Clinton Must Take On the ‘Casino Mondiale,’” *EIR*. Nov. 10, post-election statement. “The problem is not the [budget] deficit nor even the size of the federal debt. . . . [The problem is] the biggest international financial bubble in world history. That bubble is what is crushing the U.S. economy and the people, not the debt, and not the federal deficit.”

## 1993

**March 9:** LaRouche on derivatives bubble danger, proposes a tax (0.1% on the face value of each transaction). “Some form of nominal, but otherwise significant, universal tax must be placed on individual derivative transactions, not only in the U.S., but abroad. The included purpose of this taxation is not merely to derive a new source of revenue . . . but also to bring into the light of day, under penalties of law for non-payment of this tax, the magnitude and structure of a derivatives bubble as a whole. . . . [The derivative bubble] is a financial bubble in the tradition of the more primitive, more rudimentary, and far less dangerous bubbles of the 18th century, such as the John Law bubble in France, and the South Sea Island bubble. . . . This is a John Law Bubble gone mad. The vulnerability to the entire financial system, the chaos and destruction of actual physical processes of production, distribution, employment, and so forth is of incalculable potential.”

**May 23:** LaRouche on derivatives markets: “If you were a visitor from another solar system looking at Earth and looking at the situation here, and taking into account derivatives, would you advise anyone to invest in this planet? . . . No. . . . The fact that they *are* tolerated in the way they are tolerated, in the way they are discussed in the financial community, indicates that *no one in their right mind* would invest in this planet, as long as the kind of thinking behind derivatives is hegemonic.”

**July 13:** LaRouche, in introduction to a *New Federalist* pamphlet, “Tax Derivatives Speculation/Pop the Financial Bubble, Rebuild the World Economy”: “It were important at times to approach important political questions such as the

issue of derivatives with a thought borrowed from Classical literature. I recommend for this purpose a reference to Scotland’s famous poet, Robbie Burns, who, with his poem on the subject of ‘On Seeing a Louse On a Woman’s Bonnet in Church’ on Sunday, presumably, in which he says, at the end, after describing this woman in all her grandeur, spoiled by this louse of which she’s unsuspecting, ‘Oh, to see ourselves as others see us!’ . . . Derivatives are an investment in something for which there is really no security, which takes wealth—money in the form of wealth—out of the productive and trading process, and never puts anything back in. What we have, is the prospect of a derivatives bubble which grows like a cancer at the expense of its host, and shrinks its host at the same time that its appetite upon whose satisfaction it depends for its existence is growing while the means of satisfying that appetite are collapsing.”

**Nov. 17:** LaRouche, “EIR Talks” radio interview. Comments on criticisms made by Maurice Allais, Nobel Prize-winning economist in France, on global speculation and free trade, and on the invalid thinking in a recent OECD/World Bank report using the “RUNS” computer model). LaRouche: “The French are concerned, because they recognize that unless this policy of free trade in this form is stopped, the world economy is going to collapse. Allais is saying, that’s not surprising. Governments are being advised by this OECD/World Bank RUNS report, and the people who are behind this are completely incompetent. . . . What Allais picks up on, is the obvious fact, that all of the assumptions in the von Neumann model, but more radically in this OECD model, are incompetent. For example, the absolute cost, the natural cost of producing things, of producing skilled labor, of developing infrastructure to create workplaces—all of these kinds of things are completely ignored in this model. This is a result of carrying to a radical extreme, the absurdities of von Neumann’s influence. . . .

“These economists and others who support this stuff, have *absolutely no competence* in the most elementary aspects of economic science. . . . It’s the kind of thing which we put people like Michael Milken and Ivan Boesky in prison for—or perhaps even worse. And this is being pushed by the OECD and World Bank, and being used by the U.S. government to shape its GATT and its NAFTA policies.”

## 1994

**Jan. 1:** LaRouche, “The Breakdown of the Elites and the Economic Crisis,” *EIR*. A conference speech, Dec. 9, 1993, in Kiedrich, Germany. “I wish to address you on the subject of the breakdown of the elites, with special focus upon two things: the international financial monetary breakdown crisis in progress, and the relationship of this intellectual and moral collapse of the majority of the elites of most leading nations, relative to the current crisis in Russia, and the former Warsaw Pact/former Soviet Union.” *EIR* also runs a 15-page review, on “The 30-Year Breakdown of the U.S. Economy” (1967-90).

**Jan. 7:** LaRouche, “Sovereignty of Nation-States Coheres

with Natural Law,” interview in *Hrvatski Rukopis (Croatian Handwritings)*. *EIR*, Jan. 28. Stresses bringing economic justice to nations.

**Jan. 10:** LaRouche, “To Russian Leaders,” letter, dated Dec. 5, 1993, published in the Moscow weekly *Oppozitsiya* (circulation 20,000); in *EIR*, Jan. 28. Reviews declining physical conditions of the planet (nutrition, shelter, health care, water, energy, etc.), and axiomatics of policymaking needed to change course.

**Jan. 28:** LaRouche, “The Failure of Communist Economics,” a memorandum issued on Jan. 8. Covers alternatives available to Russia.

**Feb. 25:** LaRouche, “Physical Economy Is the Basis of Human Knowledge,” *EIR*. Part I of a series titled, “The Science of Physical Economy as the Platonic Epistemological Basis for All Branches of Human Knowledge.” Writes LaRouche, “The only important economic policy-question confronting really intelligent thinkers is: This financial system is doomed; can we put a new, healthy economic system into place in time to prevent the political disintegration of our nations which must tend to occur in the wake of the financial avalanche about the crush the world?”

**March 4:** LaRouche, *EIR*, Part II of the series.

**March 11:** LaRouche, *EIR*, Part III of the series.

**April 22:** LaRouche, “A Science-Driver Program to End Russia’s Depression,” *EIR*. Outline of the conceptual framework for a Russian recovery program.

**May 13:** LaRouche, “Solving Russia’s Economic Crisis: a Question of Scientific Method,” *EIR*. A speech by LaRouche in Moscow on April 25, to a seminar at the Economics Academy of the Russian Federation Ministry of Economics. Introduced by Academician V.K. Senchagov, member of the Academy of Natural Sciences and rector of the Economics Academy. LaRouche: “What we are facing is not a cyclical collapse, but a systemic one. What is going to happen, without question, is a general total breakdown collapse of the global financial and monetary system. One cannot say exactly when the breakdown will occur; but it will be a breakdown. We will see a lot of collapse leading eventually to a complete breakdown of the monetary and financial systems of the world.”

**May 20:** LaRouche, “Economic Reform Is a Question of Political Will,” *EIR*. On a May 10 radio interview, when asked about comments in the French press by Nobel Prize-winning economist Maurice Allais, attacking speculation, LaRouche: “As far as he goes, Maurice Allais should be considered the only sane man who ever won a Nobel Prize in economics. He is one of the leading economists in the world today. What he is saying about the [speculative financial] bubble and the “Casino Royale” kind of economy, as far as he goes, is absolutely accurate; and people who are not paying attention to him, who don’t believe in his credibility in these matters, are behaving foolishly.”

**June 3:** “LaRouche defines policy role after his Moscow Visit,” *EIR*. LaRouche’s report-back to a May 23 Washington, D.C. event. “Have no doubt that the present global financial

and monetary system is not only going to collapse, but is going to go into an absolute breakdown collapse, *unless* (which is very unlikely) various governments, including the U.S. government, were to put the present monetary system into bankruptcy. . . . Therefore intelligent governments will consider nothing serious, except to make preparations for this collapse and to organize quickly a recovery of a new financial system and a new monetary order the instant the collapse occurs.”

**June 10:** “LaRouche in Dialogue with Russian Science,” *EIR*. Covers exchanges in Moscow on April 28, at an Academy of Sciences seminar, where Dr. Pobisk Kuznetsov, veteran space biology scientist, hosted LaRouche for a wide-ranging discussion on method in physical sciences.

**June 24:** LaRouche, “The Coming Disintegration of World Financial Markets,” *EIR*. Called his “Ninth Forecast.” Poses “sanity test” for officials: “Prove conclusively that the near-term disintegration of the presently bloating bubble is unstoppable by any means alternative to governments acting to place the relevant institutions into bankruptcy reorganization.”

**August:** Pamphlet, “LaRouche’s Ninth Forecast: The Coming Disintegration of the Financial Markets,” issued by *New Federalist*.

**Sept. 3:** LaRouche, “We Must Build a Road from Hell to Purgatory,” speech given at northern Virginia conference. In *EIR*, Sept. 16. Must implement economic policies for civilization to take the road “toward Purgatory” out of the Hell of financial, cultural breakdown.

**Oct. 28:** LaRouche, “The Coming Fall of the House of Windsor,” introduction to *EIR Special Report*. LaRouche: “The policy-measures with the Prince [Philip, and World Wildlife Fund/House of Windsor] and his accomplices are implementing would, if allowed, reduce the population of this planet from a level of about 5.3 billion persons, to much less than 1 billion within about two generations, chiefly through the hyperbolically self-accelerating impact of famine and epidemic diseases.”

**Dec. 16:** LaRouche, “Organizing a Recovery from the Impending Collapse,” Washington, D.C. conference speech of Nov. 30, in *EIR*.

## 1995

**Jan. 1:** *EIR*’s 20th anniversary issue, with map inserts on LaRouche’s proposals for great infrastructure projects to rebuild the world’s productive capacity, and defeat the Conservative Revolution and its thinking.

**Feb. 1:** LaRouche, “EIR Talks” radio interview. “Around the world, leading people—bankers and political people—who, up until a few weeks or months ago would have either denied, or did deny, and would have rejected or even ridiculed my forecast on the present monetary situation, are now saying that the entire international monetary and financial system is in the process of disintegration.”

**Feb. 17:** LaRouche, “Phil Gramm’s ‘Conservative Revolution in America,’ ” *EIR*. Behind radical demagogues like



*With the growth of the derivatives bubble, the world economy comes more and more to resemble a gambling casino: what Nobel Prize-winning economist Maurice Allais described as the "Casino Mondiale."*

Newt Gingrich, Gramm, and Rush Limbaugh, lies the "blood in the streets" of Britain's Lord William Rees-Mogg, and the fascist Mont Pelerin Society.

**Feb. 20:** LaRouche's "Memorandum to Professor Taras Muranivsky," presented by LaRouche's representatives, to a special session of the Russian State Duma (parliament), convened to discuss preventing economic disintegration in Russia. "The first principle to be adduced from five centuries of modern history, is that the oligarchical model as such is the enemy to be crushed." Outlines differences in policy and effect, between the oligarchic and republican forms of society.

**March 28:** LaRouche, "EIR Talks": "This global financial crisis; the entire system is coming down. Argentina's going down the tubes. Chile is a different case, but it's also in trouble. Brazil is on the edge. Italy is contracting, collapsing. Spain is disintegrating financially; the government may soon fall. France: The Cr dit Lyonnais problem is *bigger* than the Barings problem, and nobody knows where the bottom is."

**April 28:** LaRouche, "Global Financial Crisis: 'To Be, or Not To Be,'" *EIR*. LaRouche describes the "Hamlet" problem, whereby populations and leaders choose certain doom, rather than abandon their failed axioms.

**June 2:** LaRouche, "The Dynamics of the Global Economic Breakdown," *EIR*. "It is impossible to represent any political-economy competently, unless every existing national economy, and also that of the world as a whole, is understood as a process of dynamic interaction among axiomatically distinct types of political-economic processes, the which are as distinct from one another as the different species which interact within a jungle habitat. The failure of financial authorities and others to comprehend this issue, is key to

the fact that governments, as well as leading monetary and financial institutions, in their blindness to this scientific issue, have mis-led the world to the very brink of the greatest economic collapse in modern history."

**July 7:** "LaRouche's Ninth Economic Forecast, One Year Later," *EIR*. Over the intervening months, spectacular busts include California's Orange County, Mexico, Barings—all supposedly impossible to fail.

**July 28:** LaRouche, "Why Most Nobel Prize Economists Are Quacks," *EIR*. LaRouche explains why the Information Theory followers of Isaac Newton, are incapable of understanding economic science.

**Aug. 11:** LaRouche, "Non-Newtonian Mathematics for Economists," *EIR*.

**Aug. 15:** LaRouche, *EIR*. "The past several months' buildup of a stampede from financial investments into hoarding of bullion, raw materials, and scarce food-supplies, signals an imminent collapse of the world financial system." In recent months, the Club of the Isles families have shifted their money out of paper, and into physical goods, in preparation for a crash.

**Oct. 11:** LaRouche, "The Blunder in U.S. National Security Policy," a statement outlining the fallacy of any "national security" policy, which neither recognizes, nor intervenes in, the ongoing disintegration of the global financial and monetary system.

**Dec. 2:** LaRouche, "We Are at the End of an Epoch," conference speech, Eltville, Germany. Uses "triple curve" collapse function (see p. 37) which shows the hyperbolic growth of financial aggregates relative to monetary aggregates, and the decline of the physical economy relative to

both, as a characteristic of a system which cannot be sustained. "We are entering a discontinuity. . . . The very fact that these ratios are changing the way they are, individually, and with respect to one another, indicates that the whole system has now reached the edge of the cliff." For civilization to survive, LaRouche said, we must "get rid of the IMF system, get rid of the monetary system, and also get rid of the characteristics of policy-making which allowed us to get into this mess 25-30 years ago. Under those conditions, the world can survive."

**Dec. 4:** LaRouche holds seminar with leaders from Russia and eastern Europe on the IMF-dictated economic collapse of these regions, and countermeasures. "We must work as an intelligentsia, as did Plato's Academy, to smoke out, in every area of the world, the false assumptions which are guiding people to destroy themselves."

## 1996

**Jan. 1:** "Triple Curve," *EIR*. LaRouche on "the end of an epoch," with supplemental documentation on the soaring speculative bubble; physical economic collapse.

**Jan. 15:** LaRouche, "Unbalanced Minds Cannot Balance the U.S. Budget," a Martin Luther King Day address on Feb. 2, *EIR*. We "can not prevent this monetary system, this financial system of this planet, in its present form, from dying soon. . . . The only practical question is, whether the nations of this planet go to disaster with the doomed financial and monetary system." So-called budget-balancing measures (Kemp-Roth, Gramm-Rudman, et. al.) only made things worse. "Phil Gramm doubled the national debt, in his effort to balance the budget. That's a case of an unbalanced mind trying to balance a budget."

**Jan. 27:** National TV broadcast of LaRouche Presidential campaign, on ABC, runs excerpts from his Jan. 15 Martin Luther King Day speech.

**Feb. 4:** LaRouche comments on Ethan B. Kapstein's piece, "Shockproof: The End of the Financial Crisis" (in the New York Council on Foreign Relations' *Foreign Affairs*, Jan./Feb.), in Feb. 16 *EIR*. LaRouche: It "will go down in the history of the arcane, as the celebrated 'Kapstein Hoax of 1996,'"

**Feb. 17:** LaRouche, "Overturn the Axioms that Are Leading Us to Catastrophe," Schiller Institute conference speech. "If you passed Economics 101, you are probably a member of an endangered species," LaRouche warned. "Hamlet could have saved the nation of Denmark, but he failed to do so. . . . The story is about a man who is in a position of leadership, upon whose leadership the fate of his nation depended; and he sank like a sinker, and took the nation with him, because he was a fool," LaRouche said. In *EIR*, March 1.

**Feb. 23:** LaRouche, "Space: the Ultimate Money Frontier," *EIR*. Economic benefits of space exploration.

**March 2:** Second national half-hour LaRouche Presidential campaign TV broadcast, on NBC-TV, on national economic security. Condemns Gingrich, Pennsylvania Gov. Thomas Ridge, and the Conservative Revolution crowd for

"crimes against humanity," whose budget cuts will kill people in the same way for which we tried Nazi leaders at Nuremberg. His "job," LaRouche told "EIR Talks" radio program on March 6, is to prepare the President to respond effectively to an imminent disintegration of the global financial system.

**April 18:** Third national LaRouche Presidential campaign TV address, on CBS, on the subject: "U.S. foreign policy as it *should* have been presented. But you never heard it this way before," on economic security.

**April 24:** LaRouche, in Moscow, participates in a roundtable discussion sponsored by the Institute for Socio-Political Research (ISPI) of the Russian Academy of Sciences, the Free Economic Society of Russia, and the Schiller Institute for Science and Culture. The event is chaired by Leonid Abalkin, head of the Institute of Economics of the Russian Academy of Science. *EIR* runs full transcript, May 31. Coverage also run in the May 21 *Finansovyye Izvestia*, an economics supplement to *Izvestia*, co-published by the *Financial Times* of London. The event was co-chaired by Academician Gennadi Osipov, director of the ISPI. Speakers included, Leonid Abalkin; Prof. Taras Muranivsky; Ivan Korolyov, deputy director of the Institute for the World Economy and International Relations (IMEMO) of the Russian Academy of Sciences; Vyacheslav Senchagov, director of the Banking and Financial Policy Center at the Institute of Economics, Russian Academy of Sciences; Dr. Jonathan Tennenbaum, of the Schiller Institute; Valentin Pavlov, former finance minister of the U.S.S.R. (1989-91) and former prime minister (1991); Yelena N. Viduta, of the Plekhanov Russian Economic Academy; Yuri Zabrodotsky, president of the Novoye Myshleniye Academy; Tatyana I. Koryagina, director of the independent agency, Socio-Economic Programs, Prognoses and Alternatives; L.N. Rytov, of the African Institute of the Russian Academy of Sciences.

**May 16:** LaRouche, "How 'Consensual Pragmatism' Ruined U.S. Policymaking," *EIR*, June 7. Report-back to Washington, D.C. seminar on Moscow trip.

**May 16:** LaRouche calls for the impeachment of Pennsylvania Gov. Tom Ridge, on the day that Ridge signs into law, a bill which eliminates state medical assistance to some 220,000 poor and disabled Pennsylvanians.

**May 24:** "The Sun Never Sets on the New British Empire," *EIR*. Commissioned by LaRouche, a study of what the neo-British Empire is. "The largest power we have to deal with, is called the British Empire . . . [which] represents about one-fifth of the world's land area; it represents about 30% of the world's population. It controls 48-50% of the world's financial turnover, including the \$3.5 trillion a day derivatives turnover. It controls the majority of the world's international trade in what are called strategic metals, such as the metals that are required for most industry. It controls the majority of the international trade in petroleum," and food, precious metals, etc.

**May 31:** LaRouche, "More Nobel Lies," a review of *Pragmatic Gradualism: Reform Strategy for Russia* (Mos-

cow: Economic Transition Group, August 1995).

**June 2:** Fourth national LaRouche Presidential campaign TV broadcast, on Fox-TV; it runs excerpts of his May 16 report-back on his trip to Moscow.

**July 19:** “UN ‘One World’ Fascists Plot Coup at G-7 Meeting,” *EIR*. At the June Lyons summit, “there was a tacit admission that the world financial system, in its present form, is finished, as I’ve been warning for some time. . . . This is pure hysteria, pure desperation, a last-ditch effort; it’s not going to work,” LaRouche noted in an interview with “EIR Talks” on June 26.

**Aug. 9:** “Phil Gramm: Not the Only Quackademic,” *EIR*. LaRouche: “Although a small minority among today’s economists is composed of both literate and insightful professionals, virtually everything taught as *principles of economics*, is an illiterate hoax.”

**Aug. 16:** LaRouche, “Present Problems in the Financial World and Their Importance for Countries under Transformation,” *EIR*. Speech in Slovakia, on Aug. 1. “American Sakharov Visits Slovakia,” was the headline in trade union paper, *Praca*.

**Oct. 11:** “IMF Admits Global Banking Crisis Is Out of Control,” *EIR*. LaRouche, Oct. 2, notes, “The entire international monetary system, through the banking system as such, is in the process of a blowout.”

**Oct. 25:** LaRouche, “While Monetarism Dies,” *EIR*. His preface to the Chinese translation of his book, *So, You Wish to Learn All About Economics?* Takes note of warnings of systemic bank crisis made at Sept. 28-Oct. 1 meeting of the IMF and World Bank.

**Nov. 1:** LaRouche, “On November 6, Reality Strikes!” *EIR*, Nov. 8. “The politicians who continue the present posture of stubbornly ignoring the reality of the onrushing financial and economic crisis, will soon be crushed, and swept aside politically, by the reality they ignore.”

**Nov. 9:** LaRouche addresses an FDR-PAC forum in Washington, D.C., on the theme “Managed Health Care Is a Crime Against Humanity.” Let’s call a bottle of milk, a bottle of milk, and Nazi policies, Nazi policies, LaRouche insists.

**Nov. 19:** LaRouche, “The Vital Issues of Statecraft Facing America in 1997,” speech to an *EIR* forum in Washington, D.C., in *EIR*, Dec. 13. “We are already in a worldwide economic depression. . . . The income and output of the U.S. economy is *half* of what it was 25 years ago. The U.S. economy has been contracting at a rate in excess of 2% a year since 1971. There has been no growth in the U.S. economy since 1970. . . . We are a junkpile.”

## 1997

**Jan. 1:** LaRouche, “Nothing Can Save the Current System,” conference address, Dec. 14, 1996, in Kiedrich, Germany. We are seeing “the collapse of the greatest financial bubble in history, the *most lunatic* financial bubble in history, sometimes referred to today as the ‘derivatives bubble.’” Once this “reverse-leverage” collapse begins, “without a

change in the system by governments, then, within a period of probably not less than three days nor more than five, *virtually every financial institution of the Americas and Europe will disintegrate, vaporize.*”

**Feb. 7:** LaRouche, “Return to the Machine-Tool Principle,” *EIR*. How the shift to a “post-industrial” society has devastated the world’s economy. “What is required, is a return to the policy of increasing the productive powers of labor through strategic investment in scientific and technological progress.”

**Feb. 28:** LaRouche call for a “War of Annihilation Against the IMF,” *EIR*. “We must engage in cooperation to rebuild this shabby planet with those nations that wish to do so. . . . To continue with the IMF policies is suicidal and criminal lunacy.”

**March 14:** LaRouche, “IMF Policy for Russia, Ukraine, Must Be Scrapped,” an address to a Feb. 19 FDR-PAC forum in Washington, D.C.

**March 7:** LaRouche, “D-Day Looms for the IMF System,” *EIR*, from Feb. 27 piece. “The reference, in the most recent issue of the Beijing publication of the Industry and Commercial Bank of China, *China Urban Finance*, to certain similarities of views between two of the world’s best-known economists, ‘the well-known American economist Lyndon LaRouche’ and France’s Nobel Prize economist Maurice Allais, typifies the recent months’ profound, ongoing shift in thinking, among leading political and economic circles from all continents. . . . Only a dwindling minority still refuses to acknowledge the fact, that the world’s financial system is already in the process of a global chain-reaction collapse,” LaRouche wrote.

**March 21:** LaRouche, “London in a Phase-Twitch,” and John Hoefle, “London Prepares for Derivatives Horror,” *EIR*. The report in the March 9 edition of the London *Sunday Telegraph*, “reflects a radical phase-shift in both the international financial situation, and also the political situation,” LaRouche wrote, in response to a *Sunday Telegraph* piece entitled, “The \$55 Trillion Horror Story.”

**April 4:** LaRouche, “Treat the Patient, Not the Disease,” an *EIR* editorial. “The disease is the present international monetary and financial system.”

**April 18:** LaRouche, “The ‘Baby Boomers’ Sink the Lifeboat,” *EIR*. How Baby Boomers’ moral and cultural disintegration has rendered them unable to intervene to save themselves and the world. *EIR* also documents the hyper-instability of the U.S. stock markets, and fraud of Dow Jones Index.

**April 10:** LaRouche, speech in Rome, calling for New Bretton Woods conference, in *EIR*, April 25.

**May 16:** LaRouche, “Toward China’s 21st-Century Economy,” *EIR*. Written April 30. “The remaining options for escaping the approaching doom of our civilization are reduced, essentially, to the issue of certain forms of cooperation between the President of the U.S.A. and the government of China.”