

The Biggest Financial Crisis In Modern History

Lyndon H. LaRouche, Jr. addressed the LaRouche PAC Policy Committee in the following terms on Monday, August 24.

What happened this weekend was the biggest international financial crisis in modern history. The dimensions which I've indicated by those remarks will become clearer very rapidly during the course of the day, and the following day. My concern here is to identify what the problem is in the first case, and secondly what the solution to the problem may be in the second case.

What happened essentially was—we were aware of this. I was acutely aware of this during this past Saturday, and knew that this great crisis, this collapse, which is a trans-Atlantic collapse primarily, was coming on. And so we had our meetings, which were at various locations inside the United States; and we discussed these things, and we assigned Jeff Steinberg to take responsibility for reporting the facts which I had presented. And that was done.

Now what happened, of course, is after the weekend, today, on Monday, the fact that this collapse *had occurred*, became manifest. This is not unusual. When something is breaking down on Sunday, and the newspapers aren't functioning to deal with that problem, then they have to do it on Monday. And that's what happened.

But this is the biggest crash in the trans-Atlantic community *in all modern history*. This is what's happened. And therefore, what we have to define is: what is the nature of the crisis; and what is the solution for the crisis? In other words, you just can't interpret things,

because we already knew it was happening. In our discussions on Friday and Saturday, it was apparent to me that this was about to happen. So we made that the subject of our telephonic discussion—and it's now there. But it is actually the *greatest financial crisis in modern history*.

Now on first looking at it, you say: "Well, is this like the Wall Street collapse—1933 and so forth?" Well, somewhat, but that was a little one. This is the big one. And the problem is, we have to state what the case is; I have to state the case in particular, in order to get the right solution. The danger now is the wrong solution, which is what most people will tend to do.

They try to say:

- "Well, this will solve the problem."
- "Well, we have to do this in order to avoid the problem."
- "We have to do this for that reason."
- "Well, maybe there's hope."

Another one of those things that goes past. There is no hope, not in the ordinary sense.

What's happened is that what we call Wall Street in the United States, in particular, is the model case of the collapse *which has just occurred*. Now that means that the Wall Street institutions are about to be cancelled, blown out, because they have no basis to sustain them. In other words, they don't do anything. Wall Street does not *do* anything in its practice, which is beneficial to human beings. It only benefits non-human beings, like Wall Street creatures. And they are about to get washed out.

Much, Much Bigger Than FDR's Crisis

Now therefore, what we have to do primarily, is pull together an international discussion in which we don't just do an emergency. This is something much bigger than what Franklin Roosevelt dealt with, when he went into the Presidency. This is much, much bigger. Because the degree of destruction, the relative degree of destruction to the American population, to the American system, is far, far greater than anything that we have ever known in U.S. experience before.

So essentially, what we have to do, is we have to take Wall Street itself—that is, that system, the Wall Street system—and *fold it*, shut it down. And we have to introduce new programs which provide a credit system for getting people back to work, getting people who haven't had jobs, work; people who don't have medical care, treatment, who need these things. This must happen. And we must simply accept,—and don't weep, don't weep over the disasters that they are suffering, that the Wall Street crowd is now expressing, howling about. They have *nothing* coming to them but pain, essentially.

And therefore, what we have to do quickly, is change the laws. Now one model for this, a good approximation for what we have to do in the United States, in particular, but also for the trans-Atlantic community, in general: what we have to do, is immediately create a system of investments which will actually have the effect of providing actual physical progress in the condition of life of the citizens of the United States, and comparable treatment for people in Europe. This is where the immediate crisis is located.

China has absorbed a crisis, which is a by-product of this thing that hit Wall Street and London. But that's not as crucial. China is in a better situation. Russia is in a better situation than any other part of Europe. Now Russia has got a tough situation, and we understand that. But Russia is in a better situation *morally*, and economically, than Europe in general, and certainly the United States in general.

Well, the United States has a lot of power, in terms of thermonuclear power, but that isn't going to do you much good; to get thermonuclear power thrust down your throat is not a good medicine.

So therefore, what we have to do, is we have to shut

down Wall Street,—*shut it down!* A mercy killing, if you please. Shut it down. Then we have to go to a President Roosevelt turn, but on a much larger scale than Franklin Roosevelt had to do it. What we have to do is actually organize productive employment. Now the problem is, in the United States we have very few people who are qualified for *productive* employment. We have a lot of people who are half-slave and half-man, children who are almost not human, under the influence of these present kinds of conditions. These things have to be corrected.

But the main thing we have to do, for the United States in particular, is to restore confidence in the American people by giving them reason to believe that they can have confidence. And that means that we're going to have to do on a grand scale, what was the same intention that Franklin Roosevelt had in his time,—but this is a much bigger one. It's global.

And this is the danger of war, thermonuclear war, coming from Obama, for example. Obama has put the United States itself on the edge of thermonuclear war, which means that most of the people in the United States are going to be extinguished, burned up, quick, in one blow-up.

So therefore, what we have to do is re-organize the economy on the basis of the principles of what our great President had done. And that's the chance. Without that, there is no real solution. But there's no way you can compromise. There is no way you can not write off these funds, which are now bankrupt funds; you have to eliminate them, cancel them. And you have to immediately act to launch programs which will replace these kinds of things, replace them by actual productive development. It's possible and we have to do it.

It's necessary specifically in the United States, in the trans-Atlantic community, especially in the Northern parts of the trans-Atlantic community, and so forth. That means the biggest operation mankind has ever undertaken; because we have to move quickly. Especially in the trans-Atlantic community, we have to move quickly to prevent a catastrophe.

And that's where we are. Now I have a lot more to say on this, but I think my having said this much opens up the discussion for a broader examination of what's at stake here.