

Three Steps To Save the Nation

The approach which Lyndon LaRouche has outlined, for saving the United States, and the world, from the ongoing financial breakdown crisis, has three crucial steps. First, the banks, as well as the homeowners, have to be protected with the firewall put forward in LaRouche's Homeowners and Bank Protection Act—otherwise there is no protection for anyone, including state and local governments.

Second, the two-tier credit system which LaRouche proposed on interest rates, has to be put into effect, on the way toward putting the Federal Reserve through bankruptcy reorganization.

Third, the United States must move to implement a new international financial policy, around the concept of a four-power agreement among Russia, China, India, and the United States, on fixed exchange rates and long-term economic cooperation.

As things stand now, there has been considerable progress on the first step. The huge increase in foreclosures on the horizon will surely spur that grassroots activity. But lawmakers, locally and nationally, continue to struggle with LaRouche's insistence that the solution to the "housing" crisis must include protection for the banks. To that end, we quote from LaRouche's explanation during his Jan. 17 webcast:

"What we have now, is a growing mass support in the base of the population, on the state level, for that act. That the people in the Senate and the Congress are increasingly aware of the pressure coming from the states, in our mobilization for support of this act—to be implemented *precisely* as I have prescribed, without changes.

"Why? Let me explain this act: The bankruptcy of homeowners, or nominal homeowners, can not be allowed. And we can not solve the problem by selective bailouts of some people. It won't work. You have to have a *national freeze* on foreclosures. Now, that has been picked up by some political figures, such as Bill Clinton and his wife. And so far, that's good. But that's not enough, as I think they know. You also have to protect the bankers *simultaneously, and in the same act.*

Why? Because mortgages, if they're legitimate, and orderly mortgages, not some kind of fly-by-night thing, are related to banks: to *chartered banks, to chartered Federal banks, to chartered state banks*. These banks are now in danger of collapse and liquidation.

"Therefore, you can not simply suspend these mortgages by themselves: *You've got to put the banks under protection, in exactly the same act!* If you don't put the bank under protection, your attempt to defend the mortgages will do no good. And if you allow the thing to continue, where the banks are being chewed up, now—by disreputable things that should be written off entirely—they're being looted. As in the recent round of trying to buy out some of these hedge-fund operations which should not have been saved. They should be collapsed! Write them off the books! They're not worth anything.

"We've got to save the homeowners. We've got to keep them in their houses. We've got to keep the communities stable. We've got to protect the local banks. Because, if the local, regular banks, the honest banks, are not able to conduct business, the whole economy of any part of the country will proceed to disintegrate! If you are not prepared to defend the homeowners, and the banks, the legitimate banks, *in the same Federal act of bankruptcy, using bankruptcy law as the means of doing it*, you aren't worth anything! And you should stop talking. Stop babbling. That's the *only* way you can save this system.

"That is not all that's required. If we stabilize the United States politically, by the Homeowners and Bank Protection Act, *then* we open the door for the next required steps, which is to change national policy; probably in this time I would change it through leading pre-Presidential candidates. What you need, is an organizing voice, or more organizing voices, to get something moving behind this. If leading candidates defend the Homeowners and Bank Protection Act, as prescribed, we can save this nation. But that's only the *first step* towards saving this nation."

Take that step *now*, and we are on our way.