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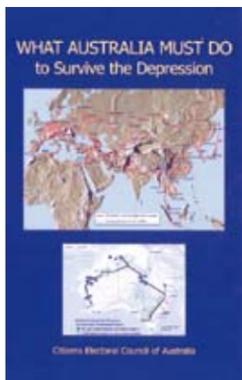
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Only LaRouche Can Solve Global Financial Crash

January 25—Sound outrageous? However, the reality that only one man, American economist Lyndon H. LaRouche, Jr., knows how to solve the greatest financial collapse in history, will seem much less so, when you consider both his unmatched economic forecasting record over the last five decades, and that he has prepared for the present crash over that entire period.

LaRouche's record has been featured in this newspaper over the last 15 years, and is summarised in the Citizens Electoral Council's 2001 book, *What Australia Must Do to Survive the Depression*. But, for just a taste of his accuracy,

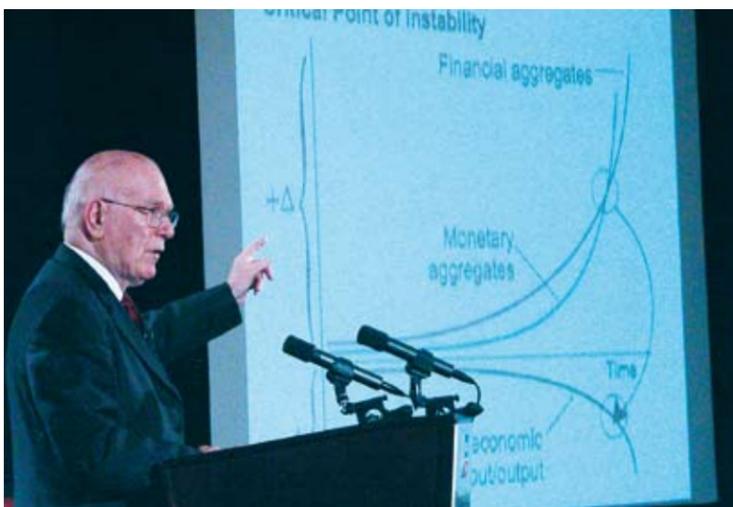


This book features LaRouche's unmatched economic forecasting record since 1956, and draft legislation for a National Bank.

consider what he told an international webcast audience on July 25, 2007, only days before the "subprime crisis" exploded into view:

"First of all, this occurs at a time when 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!"

As LaRouche emphasised, the system has *already collapsed*, and can never be revived in its present form, notwithstanding that world central banks have poured trillions of dollars into the markets since that forecast, US\$550 billion in the second week of December alone, to no avail: world stock markets still collapsed on Monday, January 21 with losses of over US\$1 trillion, which would have been far worse, had not U.S. markets been closed for a national holiday. A panicked U.S. Federal Reserve



(l.) In his January 17 international webcast, American economist Lyndon H. LaRouche, Jr. explained how frantic central bank money-pumping is unleashing hyperinflation (see p. 3). (r.) German children play with blocks of billions of Reichsmarks during the 1923 Weimar hyperinflation.



then cut interest rates by an almost unprecedented three-quarters of a percent, to try to stem the global panic.

This is not a "financial crisis", or even a depression like that of the 1930s, but a collapse of the globalist system, like the 14th Century collapse of the Venetian-run Lombard system of international usury. Given that the crisis is *systemic*, with hundreds of trillions in speculative paper sitting atop a world GDP of perhaps \$50 trillion, all of the frantic international liquidity pumping by

central banks will only bring on a hyperinflation far worse than that of Weimar Germany in 1923. But this time, there will be no refuge, no "banker of last resort" like the U.S. was in 1923.

Consider the Weimar hyperinflation, to get a taste of what is now happening worldwide: From the 1913-1915 period, Germany's Reichsmark traded at around four to the dollar, rising to some six to the dollar in 1917 and 1918. But when the U.S., British, and French victors in World War I

forced Germany to pay unpayable "reparations", the situation deteriorated rapidly, from 20 Reichsmarks to the dollar in 1919, to 63 Reichsmarks in 1920, and 105 Reichsmarks in 1921. Then the bottom fell out, jumping to 1,886 Reichsmarks in 1922 and an astounding 535 billion Reichsmarks to the dollar in 1923. During that same period the cost of living index soared, from 100 in 1913 to 1,019 in 1920, and a staggering 657 billion on Nov. 23, 1923, according to the German Statistical Office.

LaRouche in his January 17 webcast spelt out the only pathway out of this crisis: the U.S. must adopt the "firewall" he has drafted to stop a bottomless collapse, the *Homeowners and Bank Protection Act 2007* (see p. 4). Other countries, such as Australia, must enact similar legislation immediately. Without that firewall, and a subsequent reorganisation of the world financial system, the world will quickly plunge into a Dark Age comparable only to the collapse of the Roman Empire.

LYM, CEC Mobilise for Emergency Federal Bill

The LaRouche Youth Movement (LYM) and Citizens Electoral Council have launched a nationwide mobilisation to contact every councillor in Australia—all 4,500 of them—to build pressure to force the Federal Parliament to pass the *Homeowners and Bank Protection Bill 2008*, an Australian version of LaRouche's HBPA (see p.4). As in the U.S., our politicians at a federal level are more controlled by the "Money Power" than councillors, who are much closer and more responsive to the crisis ravaging their constituents. Dozens of U.S. cities, including such major ones as Philadelphia, Pittsburgh, Newark and St. Louis, have already officially called for Congress to enact the HBPA, and it has been introduced into a dozen state legislatures.

The Murdoch/Packer media here has blacked out the true extent of the crisis, but some of its undeniable symptoms portend widespread misery very soon: there are almost two million Australian households now officially "mortgage stressed", that is, only a job loss or a few paycheques away from eviction, while 800 families are foreclosed on and kicked out on the street every week; Australian homeowners have a debt to annual income ratio of 175%, even worse than the 130% for the U.S.; the Demographia International Housing Affordability Survey cites Australia as the least affordable nation for housing in the world, given that Australian families spend 6.1 times their entire annual household income to buy a typical home compared to 3.6 times in the U.S.; and individ-

ual bankruptcies have already risen more than 25% in the past two years.

And, though the U.S. has seen staggering rates of foreclosures, as in the states of Maryland (up 639% on last year), California (600%), and even in wealthy Connecticut (200%), Australia boasts its own shocking figures, with rises in repossession writs by 447% in central western Sydney; 332% in Canberra-Bankstown; 270% in Fairfield-Liverpool; 203% in outer southwestern Sydney; 351% in Gosford-Wyong; 287% in Newcastle, and so it goes.

In tours across Victoria (top, far rt.), the LaRouche Youth Movement is meeting with Shire Councillors and briefing them on the need to support the Homeowners and Bank Protection Bill.

(r.) A sign near Echuca protesting the dire water crisis in rural Australia caused by the lack of investment in water infrastructure for over 25 years.



LAROUCHE WEBCAST

"Six Months Into the Greatest Ever Financial Crash"

Lyndon LaRouche delivered an hour-long keynote, excerpted here, at an international webcast from Washington, D.C., sponsored by the LaRouche Political Action Committee (LPAC) on Jan. 17, 2008. He answered questions for another two hours, many of them from leading figures in the U.S. Congress, and other U.S. institutions.

'The Crisis Is Manageable'

Lyndon LaRouche:

The presentation and discussion which is going to occur now, will be for most of you, one of the most important things in your lives—the issues. Because we are at a point, not of an ordinary crisis, not of a financial crisis, not of a mere depression, but of a global breakdown crisis, centered in the trans-Atlantic community, especially the English-speaking trans-Atlantic community, which will radiate, if it's not stopped, to bring every part of the world into a general breakdown of their respective social systems. This is one of the greatest moments, in terms of importance, in history, since the 14th Century in Europe, with its new dark age, and since similar events, like the collapse of the Roman Empire, or the collapse of the Byzantine Empire: This is the kind of period we're living in. And the danger from this crisis is greater than probably any of the precedents, other than the collapse of the Roman Empire itself.

This is momentarily a collapse. Each day, now, since Jan. 3, the crisis has been expanding in magnitude, at an accelerating rate. What you think is the extent of the crisis today, if the measures I propose are not taken, will become much worse, by an order of magnitude in the next week, and the week after that, and the week after that, until the whole system grinds into a collapse, probably some time during this year. And I'm talking about a global collapse, not a collapse just of the trans-Atlantic English-speaking community. But the thing is centered obviously in the trans-Atlantic English-speaking community. That's where the source of the infection is, from which it spreads. And that's what we have to deal with.

We also have to deal with another problem, apart from an economic problem: a problem of idiocy, which permeates the highest ranks of the Senate, and other locations, among all so-called leading economists, today. There are a few exceptions here and there. But on this question, of this crisis, except

for a few people in the woodwork that I know about, there is no public expression of any comprehension of what this crisis is about, or any comprehension of what the remedies are.

Now, let me say, on that point specifically, that the primary crisis before us, immediately, is twofold: On the one hand, it's an international monetary-financial crisis, in which the collapse of the entire world international monetary system could be completed within a time as early as this year, and even sometime earlier in this year, because that's the way human events are. You can not predict the day in which that collapse would occur, but the collapse is already ongoing. And none of the governments in existence today, has any efficient comprehension of adopting measures which would actually deal with this crisis. ...

But if we don't take the measures, this civilization will collapse into chaos this year. If we understand these measures and are willing to take them, we can manage the crisis, through cooperation among nations, which agree on certain principles. That's always been possible. But if we do not do that, we are living on the brink of one of the great dark ages in all human existence, globally. ...

'This Is Big-Time'

So this is big-time. This is not small-time.

We also have a big problem of a bankruptcy of ideas and mentality among a dominant section of our culture. The more influential part of our upper 20% of family-income brackets are crazy, and corrupt. Especially the generation now between 50 and 65 years of age. That is the generation which is the most disoriented and most corrupt, especially certain influential.

So therefore, the problem is that some of the people, including in the major press, major publications, mass media generally, and so forth, on this question, are either outrightly lying or incapable of telling the truth, because they couldn't know where to find it. And they are the most influential voices you hear, so far, from the U.S. Senate, from leaders of the House of Representatives—not all leaders, but the ones who are the most vocal and most reported—and from most Presidential candidates. They are all, by my book, idiots, and worse; because their opinions are worse than worthless. If their opinions were to prevail, the whole country will go to Hell; that I can guarantee you.

Therefore, what we're in the process of doing, which I'm particularly in the process of doing, is, being a veteran Presidential campaigner, and of some international significance: I am not running for President, but I am running to create the situation on which the coming President of the United States, if properly selected, will take the steps which are necessary on behalf of the United States, to enter into cooperation on these principles with other nations, and under those conditions, this planet can survive, civilization can survive. We can recover again. This is not as easy as Franklin Roosevelt faced with the Great Depression. This is a much tougher problem, a much



U.S. President Franklin Delano Roosevelt (1933-1945) fought those whom he called the "economic royalists" of the Wall St./Bank of England-centred international financial oligarchy, on behalf of the "general welfare" of the "forgotten men and women". (r.) A German housewife in late 1923 burns trillions of Reichsmarks in order to keep warm; they weren't worth anything else.

more dangerous, deeper corruption than that. And so, the precedents from that period, while valuable to us today as a lesson, are not a prescription by imitation for solving this problem.

The greatest problem we have, is the incumbent President of the United States, and the number of idiots, both Democratic and Republican, in the Congress, including the Senate, who think like they do. ... So therefore, it requires a special effort. The effort will, however, come in the course of the campaign—a critical point. Because if one or two figures, who are Presidential candidates, or pre-candidates at this point, step forward, as Hillary Clinton has made a step in that direction—if they step forward to take charge of the leadership of the parties going into their Presidential nomination procedures, then they will become a focal point of leadership, to counter the idiot who occupies the White House today. That's our best shot. And people from abroad will observe that, because they will say, "Yes, you have interesting ideas. It would be nice if the United States would do that." But, will the United States do that, considering the idiot we have in the White House today? And with the Cheney hanging around his neck. And with a Speaker of the House, Pelosi, who seems to be owned by a notable fascist, and is doing everything to sabotage what needs to be done to save this nation? And similar problems in the Senate.

So therefore, the first thing we have to address is the fact of a general incompetence in dealing with a specific problem we must solve, and also a massive corruption, political and moral corruption, within relevant parts of the upper 20% of our family-income brackets, notably those in politics. That's our problem. ...

The British Empire 'Slime-Mold'

Now, let's go back in American history to a point, which should be a point of reference today—it doesn't contain the solution, but it contains the suggestion of what the solution might be: Franklin Roosevelt, as President. Franklin Roosevelt as President saved the United States, by returning the United States to its Constitution. Measures by Roosevelt were in accord with the principle of the Constitution. ... The problem that Roosevelt faced, was a problem of the British



Empire. Now, the British Empire is not really a monarchy. It's a slime-mold: That is, it is a collection—and this has been the case since the beginning of the British Empire in 1763, with the Peace of Paris—an international financier cartel, largely of Anglo-Dutch denomination, but essentially bankers in the Venetian tradition, a slime-mold. They kill each other by night, and they gang up together against the human race in the morning. This is the type.

In 1763, this slime-mold, this international financial gang, took over Britain, at a time that Britain had been the victor in a war it orchestrated, called the Seven Years' War. What Britain had done, which is typical Liberal practice, is to defeat all its rivals on the continent of Europe, by inducing them to make war against each other. So Britain sat back, while Russia, and France, and Prussia, and other countries, fought each other, and came down in ruins, with the Peace of Paris, in which the British came in and collected the remains. It was the British East India Company, who collected the remains. The British monarchy is not the controlling force inside the British Empire. The controlling force is a slime-mold, called the Anglo-Dutch Liberal financial establishment. They run the empire. They are not necessarily British citizens; they're often Dutch, they are French, they're Venetian, they're New York bankers. George Shultz, for example, the guy who sank the Roosevelt monetary system, is part of this. He's a fascist. So's Rohatyn. Rohatyn's a fascist. It's not a term, it's a species designation.

And what we're faced with today, and with the Bloomberg game [New York City Mayor, Michael Bloomberg], is the attempt to establish a Presidency of the United States, under

Bloomberg and Schwarzenegger (whose father gave him fascist credentials by birth) to establish a dictatorship in the United States, modelled immediately on that which was used by the British to create Mussolini as a dictator in Italy, the same British circles which put Hitler into power in Germany. This is the problem. We are faced with a threat of tyranny beyond belief, by this crowd. And this is what the British Empire is: It's the Anglo-Dutch Liberal system, which is a system of international finance, which in respect to each other are predatory. They eat each other, and they eat each other's children. But then, they gang up against all of the rest of us, and play us for fools.

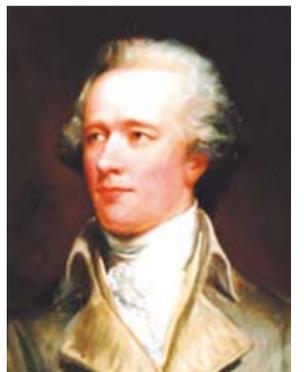
For example, who started the war in Iraq, the last war in Iraq, that's now still ongoing? It was done by the Tony Blair government of England. Tony Blair orchestrated it. Remember the case of David Kelly? The key figure inside the United States was Dick Cheney, but not really Dick; it's his wife. His wife is the one who picked him out of the swamp, got him jobs, got him positions, and she's the terror who runs him. She's a British agent, a Fabian, part of the Fabian Society, the same thing that Tony Blair represents. So, you had American accomplices of the British Empire—which is not the British monarchy, it's the slime-mold of British or Anglo-Dutch finance—orchestrated a war in Iraq, in Southwest Asia, to destroy the United States by inducing it to destroy itself! Just in the same way that the Anglo-Dutch Liberals set up, in the early part of the 18th Century, a war called the Seven Years' War, in which the powers of Continental Europe chopped at each other. And the British came in and collected the remains, the Anglo-Dutch Liberals.

Roosevelt Used the Constitution To Save the U.S.A.

Now, go back to, again as I said, to Roosevelt. Now, Roosevelt was a descendant of a New York banker by the name of Isaac Roosevelt, who had been a collaborator of Alexander Hamilton [the first U.S. Treasury Secretary], in his time. And Roosevelt did not stumble around, and did not innovate in some curious manner, did not violate the Constitution, but he used the Constitution precisely, and followed it, in order to organize an effort to save the United States from itself, and from what previous Presidents had done to the United States. He saved the United States. He did more than save the United States: At the time he came in, the British ruling class, including the British monarchy itself, had not only put Mussolini into power in Italy, but had put Hitler into power in Germany. Who created Hitler? It was not Germans, it was Brits. They organized it. They insisted upon it.

When Roosevelt became President, this underwent some degree of change. Roosevelt took emergency measures which were based on the U.S. Constitution. And today, we should follow exactly those precedents that Roosevelt used then, that are constitutional precedents. His constitutional conceptions are constitutional. What exists now, as a so-called "constitutional" interpretation of these matters, is not constitutional! It is something imported from abroad. This is not our Constitution.

Remember, our Constitution is derived, primarily, immediately, from the 1648 Treaty of Westphalia, the Peace of Westphalia. This was the foundation of a commitment among nations to the modern, sovereign nation-state by those nations, in 1648. This ended a long period of religious warfare, which had been induced by



Alexander Hamilton was the second in command under General George Washington in the American War of Independence against the British Empire. As the first U.S. Secretary of the Treasury, Hamilton continued that war by founding the first U.S. National Bank.

The Preamble to the U.S. Constitution.

We the people of the United States, in Order to form a more perfect Union, establish Justice, insure domestic Tranquility, provide for the common Defence, promote the general Welfare, and secure the Blessings of Liberty to ourselves and our Posterity, do ordain and establish this Constitution for the United States of America.

The U.S. Constitution is unique, in that its Preamble (a portion of the original document is shown at right), which is set before the body of the Constitution itself as its guiding principle, specifies that the U.S. government must "promote the general Welfare" of all of its citizens, both those living today, as well as their posterity. Though savagely violated in recent decades, that is still the ruling law of the U.S., and it was adopted by "old Labor" here in Australia as the notion of the "Common Good".



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The 1648 Treaty of Westphalia ended over a century of bloody religious warfare, and established the principle of sovereign nation states cooperating according to the "advantage of the other."



Philosopher, statesman and scientist Gottfried Wilhelm Leibniz (1646-1716) was the founder of modern physical economy, and inspired LaRouche's own work in the field. Leibniz's notion of the "pursuit of happiness" (agape) was adopted by the American Founding Fathers as the "general welfare."

Venetian interests, from 1492, the Expulsion of the Jews from Spain, by the Grand Inquisitor, through the end of the war in Europe in 1648, the Thirty Years' War.

This agreement, prompted by a great Cardinal Mazarin, from France—actually an Italian, but he was stuck in there by the Pope—and this agreement on the Peace of Westphalia, on the "benefit of the other," that each people and each nation must devote itself primarily to the benefit of other nations, and by do-



The oligarchy installs fascist dictators during financial crises. (l. to r.) Benito Mussolini, Adolf Hitler, New York City Mayor Michael Bloomberg, California Governor Arnold Schwarzenegger. Bloomberg and Schwarzenegger have already cut tens of billions in social services from their respective budgets, and Wall St. and London are pushing the multi-billionaire Bloomberg for President of the United States.

ing so, to create a bond among nations, in cooperation among nations, by which these kinds of problems can be cured. ...

This is embedded in our Constitution, in the citation from Leibniz, in the Declaration of Independence: the "pursuit of Happiness," which was Leibniz's attack on the Liberal theory. Liberalism is not U.S. philosophy, not constitutional philosophy: Liberalism is rejected in U.S. constitutional philosophy. This principle of the "pursuit of Happiness" which Benjamin Franklin and others took from a book by Leibniz, was expressed as the great Preamble of our Constitution, the so-called Bill of Rights. And this principle of our Preamble is our fundamental law. And that is the law which is the interpretation imposed on every other aspect of our constitutional system. *The Preamble of the Constitution is our fundamental law!* Which expresses, echoes the Declaration of Independence, but is our constitutional law, as a Federal Republic. *Every other part of the Constitution is subject to interpretation according to the specifications of that Preamble.* That's our law. That was

the law understood by Franklin Roosevelt.

The Federal Power of Bankruptcy

We also have another feature of our Constitution, which is different than anything you find in Europe, or at least in western and central Europe: We do not believe in monetary systems, constitutionally. The United States system is not constitutionally a monetary system. European systems are monetary systems, based on parliamentary government. There is no moral principle controlling. There are moral principles adopted in constitutions in Europe, but the essential thing is not there. In the U.S. Constitution, *the creation of money, and the regulation of money is a function of the Federal government.* The issuance of money is done by the consent of the House of Representatives, and enacted by the Treasury Department, under the direction of the President. It is unlawful to create money, or a form of money, in the United States, except by the Federal government, and except according to this principle, this constitutional principle. We are not a monetary system! Not constitutionally. We are a Fed-

eral Republic, and we have a credit system, which is based upon the constitutional principle reflected in our system of the creation of credit.

We also have, under the same term, as a Federal government, the power of bankruptcy. And this power of bankruptcy is very important at this time, because without exerting it, you're not going to save the United States. And if you can't save the United States, you're not going to save the rest of the world.

That means: That most of the outstanding debt, represented by financial interests, as claims upon the United States, its territories, and its people, will be put by the Federal government, into bankruptcy receivership. What should be paid, in the short term, *will* be paid. What should be supported in the short term, *will* be supported. But those sums we can not afford to pay, *we shall not pay.* We shall proceed under *bankruptcy law*, under our Federal law, to put the entire system, of money and related things, into receivership. If we do that, other countries will do it, too.

Now, what I've proposed, as you know, is that four pow-

ers in this planet must come together to share a policy, an initiative, which will save this planet from a general collapse. These four powers are, the United States (despite the idiot in the White House now); Russia, China, and India. Because, if these four nations agree on a relevant policy, not only will other nations join them, automatically, other nations, which are smaller nations, will join them in common interest. But we will solve the problem. *We can organize a recovery of the world economic system, by re-organization of its financial system.* We will return to a principle, if we agree among these nations, under which the same principle that applies to the U.S. Constitution, in terms of money, applies there: We will create a *fixed-exchange-rate system*, echoing what Roosevelt intended before he died—and I'll explain what that significance, "before he died" is.

We will therefore have a system under which loans outstanding can not fluctuate in the interest rates upon them, but will be kept within payable limits. Because, in general with the world economy as it is today, if the interest rate on long-term loans exceeds 2%, you're going to have a collapsed economy. Because you can not afford, in today's productivity, to have higher rates of interest in general, for long-term capital and related improvements. Therefore, you must have a fixed-exchange-rate system. That does not mean a gold-based system, but it does mean that we probably would do the same thing with gold that Roosevelt did with gold: We will consider it, not as a monetary asset, but as a means for settling accounts among sovereign national powers. And thus, to use that power,

to maintain a counter-inflationary stability in long-term investments among nations. ...

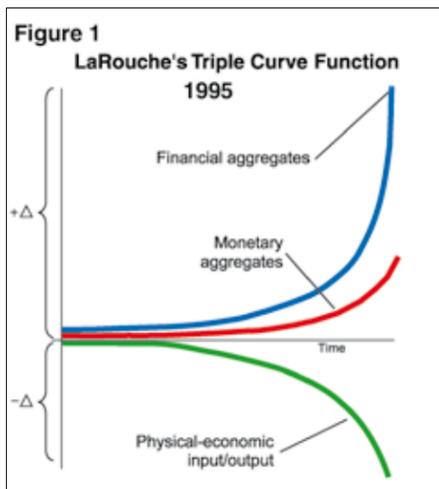
Mobilizing the Base

So the question is: Can we find in the United States, in particular, can we find a group of people, especially leading figures, who will come together to do what I have prescribed on this account? ...

[Mr. LaRouche then elaborated on the corruption in the U.S. Congress, typified by Speaker of the House of Representatives Nancy Pelosi, who is owned by the worst elements on Wall St.]

So, thus, in this way, we had to go to a lower income-bracket section of the population. We went to the states and localities, working on the state level, to campaign for an action, which I prescribed, which if it is not implemented exactly as I have prescribed, means the doom of the nation. This is the Homeowners and Bank Protection Act. If that act is not instituted, in *exactly* the method I have specified, without changes, the system won't survive: We're finished.

Now, what we have now, is



LaRouche introduced his "Triple Curve" pedagogy in 1995 (l.) to portray the looting of the physical economy (bottom curve), to the advantage of financial speculation (the top two curves). In 2000, he introduced the second version of the curve (r.) to demonstrate the process of hyperinflation, in which ever-greater amounts of money (monetary aggregates) have to be pumped into the system to prop up the nominal value of the financial aggregates (stocks, bonds, derivatives, etc.) Frantic money-pumping by central banks has now unleashed a process of Weimar-style hyperinflation worldwide.

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—are 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.

The next step is to proceed on the international level. And that means, the President of the United States has to go to Russia, to China, and to India, and to other countries, and to propose a treaty agreement, a draft treaty agreement, which is equitable, which establishes a fixed-exchange-rate system. And this will probably bring nearly everybody in, if you do it. ...

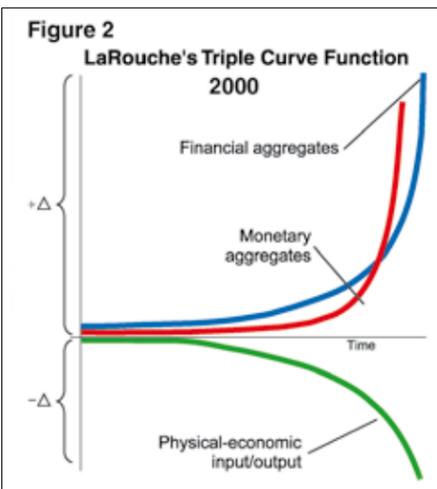
And that is what should be laid on the table of the next President of the United States, properly selected.

LaRouche's 'Triple Curve'

Now, let's go to the first of these Triple Curves, to explain where I come in on this thing [Figure 1]. This was something which I first produced, actually in the end of 1995, and published for the first time in January of 1996. It was published as a feature of my pre-Presidential election campaign that year. And what it describes is the actuality at that time, of the U.S. financial-economic situation. The three values are simple: You have the issue of money, Monetary Aggregate, issued by governments or by other means, other agencies. You have also then, the generation of Financial Assets, as distinct from just simply money assets, which are related to monetary assets. You also then must compare this with the per-capita, per-square-kilometer productive powers of labor, in *physical* terms, including infrastructure, as well as other aspects of productivity.

Now, what has been happening, especially at an accelerating rate, since 1971 in particular, and at an accelerated rate since 1987, has been an *increasing decrease* of the physical output per capita of the population of the United States, per capita and per square kilometer. What has been happening at the same time, is this has been sustained, as especially under Greenspan, by an accelerating rate of monetary emission. The U.S. government, in various forms, has been extending the emission.

Now the emission has been used by a multiplier factor, which is insane, to increase the rate of financial aggregates outstanding. So now, you see



an accelerating rate of financial aggregates' growth, relative to an accelerating rate of *decline* of physical production. For example: infrastructure. The New York streets, for example, under Bloomberg. The New York streets are collapsing under Bloomberg. Maybe it's an expression of their dislike for the man!

Now then, we come to a second one, a second case, which I published in 2000 [Figure 2]. There was a change that occurred at that time, in which the United States entered into a long-term, deep, depression. This happened *before* George Bush was able to pollute the White House, that is, George Bush, Jr. But what had happened was, you had the rate of monetary aggregates, that you had to generate to sustain the financial explosion, and financial aggregates expanded. So, as a result of that, with a continued collapse of the physical output, per capita and per square kilometer, you had entered into a collapse phase of the U.S. economy, a *terminal* collapse phase. So, by the time Bush came in, as President, in January of 2001, the United States economy was already *doomed* under its existing policy. It was doomed to collapse at an accelerating rate, over the period of the decade. And it did.

That's the problem we have to fix. We have a bankrupt system, which is inherently bankrupt, in which the amount of monetary aggregate being generated to bail out, as you see the bailouts occurring today, to *bail out* an inflated, explosive mass of financial aggregate, has reached the point that it is now going to accelerate at such a rate, that the question is, whether the U.S. economy, under its present policies, *will outlive this current year.* People who think they have money, are going to find they don't have any. People who thought they had vast savings, will find out they don't have any. That's the kind of world we're living in.

And idiots out there, are saying, we're going to induce a palliative to some homeowners, we're going to "stimulate the economy." "Stimulate?" What's that mean? More monetary aggregate! That's like putting more fuel in the fire, in the forest fire! The worst thing you can do. You have to go back to the Roosevelt idea, the Roosevelt conception. Put the system under bankruptcy, put it under control, and some things will have to go into negotiation, and some things will be paid; and that decision will be made on the nature of national interest and human interest, and human rights. That's our only chance. ...

Free Australia From British Imperialism!

In the course of the life of a nation or a people, there comes a time when their very existence hangs in the balance, as happened with Athens during the time of the great lawgiver Solon. That nation may then decide to make a profound change for the good, as did Athens under Solon, or, by its action—or its inaction—may bring great suffering, or even doom upon itself.

Such are the times in which we now live; times of crisis, in which, as the great poet Shelley wrote, mankind is capable of suddenly developing and comprehending “profound and impassioned conceptions respecting man and nature”.

The coming weeks and months will suddenly thrust upon us the necessity for actions which will decide the fate of Australia for generations to come. Actions which seem almost impossible at the moment, will soon appear as the only ones which can secure the Common Good for ourselves and for our posterity, as well as allow us to take a proud place in a world concert of sovereign nation states. We have no sane choice but to enact the following five measures, all of which are urgent to free us from the City of London-centred British imperial system which has enslaved us, and whose continuance ensures a disaster for our nation.

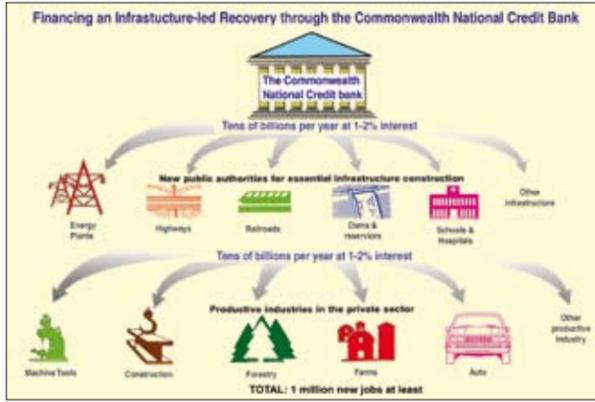
1. The Homeowners and Bank Protection Bill 2008



Banks worldwide are already crashing, like Britain's Northern Rock bank, but this crash is much worse than that of the 1930s, which gave us mass misery and financier-sponsored mass fascist movements, like that of Australia's New Guard under Eric Campbell (here leading a fascist rally at Sydney Town Hall). We must enact legislation to save our homes, farms and banks, like U.S. President Roosevelt did in the US during the Depression, and like every state did likewise here in Australia.

2. The New Bretton Woods International monetary system

At a conference in 1944 in Bretton Woods, New Hampshire, Roosevelt established an international financial system of fixed exchange rates and tariff protection to foster agro-industrial growth, a system demolished by the now-disintegrating system of globalisation. Thus, we need a return to the principles of the Bretton Woods system, which will foster great infrastructure projects upon which to anchor global economic recovery. These include the Eurasian Land Bridge and the Bering Strait Tunnel between Russia and the U.S., which will link almost the entire world by rail.



3. A National Bank

Following consultation with LaRouche in 1994, the Citizens Electoral Council drafted legislation for a new national bank modeled upon the original Commonwealth Bank established by King O'Malley. That legislation may be found in the CEC's 2001 book, *What Australia Must Do to Survive the Depression*. We must take control of credit away from private financiers; only national banking-generated credit will allow us to build our way out of this present financial crash.

4. Great Infrastructure Projects

In a Special Report in its February 2002 *New Citizen*, the CEC outlined a series of great development projects to unite our continent and provide good jobs for all Australians. The centrepiece of our programme was a series of 18 major water projects, which were already urgent then and which would have put us well on the road to overcoming our present water crisis. The British financial oligarchy designed the ideology of “environmentalism” to brainwash us (and the world) and to keep us as backward peasants. The founder of the science of biogeochemistry, the great Russian scientist Vladimir Vernadsky (1863-1945), gave birth to the concept of *The Biosphere* in his 1926 book of that name. But, he emphasised, a new era, that of the human cognition-centred “Noosphere”, was lawfully superceding the Biosphere, just as the higher “material-energetic” power of the Biosphere came to supercede the previously dominant inorganic domain of the Earth. In other words, environmentalists are insane, and acting against the natural ordering of the Universe.



The Snowy Mountains Scheme, called the “Eighth Wonder of the World” when it was built.

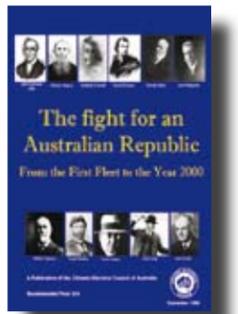
5. A Great New Republic

The great republicans (l. to r.) John Dunmore Lang, Benjamin Franklin, George Washington, Alexander Hamilton, Franklin Roosevelt, John Curtin, and Ben Chifley, all consciously fought the London-centred financial oligarchy.



The Bank of England and British Crown ordered the sacking of Prime Minister Gough Whitlam in 1975, who threatened to “buy back the farm” from the British raw materials cartel and build great infrastructure projects.

The CEC's 1999 pamphlet (r.) tells the story of our noble, deep-rooted republican tradition, which has been almost entirely written out of standard Australian histories.



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PETITION

Government Must Enact Homeowners and Bank Protection Bill 2008, Now!

Statement of Purpose.

The world is presently in a far worse global financial crisis than that of the 1930s Great Depression. In this dire emergency, therefore, Governments must act to defend the Common Good, as did U.S. President Franklin D. Roosevelt, and our Federal and state governments to a lesser extent, in the 1930s.

For example, President Roosevelt in April 1933 introduced legislation to stop home and farm foreclosures, declaring that it was “national policy ... that the broad interests of the Nation require that special safeguards should be thrown around home ownership as a guarantee of social and economic stability...” One month earlier, his Bank Holiday reorganised the nation's failing banks under Federal protection.

In the emergency caused by World War I, the Australian Federal Government passed the *War Precautions Act 1916* and its *Commonwealth Moratorium Regulations* to stop foreclosures until 1920. In part modeled upon that precedent, every state in Australia enacted legislation during the Depression to stop home and farm foreclosures, including Queensland's *Home Purchasers Protection Act*; Victoria's *Unemployed Occupiers and Farmers Act*, and *Financial Emergency Act 1932*; and, the most effective of them all, Jack Lang's New South Wales *Moratorium Act* of 19th December 1930, which, as amended, ultimately stopped all foreclosures until 1937. Additionally, the Federal Government passed the *Farmers' Relief Act*, which provided £12,000,000 to the states for the relief of farmers.

The intent of all of this legislation was to protect the Common Good, as summed up in the paper, “Moratorium Legislation”, read into Hansard on November 15, 1935:

“It was not expedient in the national interest that the welfare and comfort of the community should be unnecessarily imperilled by allowing debtors to be crushed out of existence...”

All parties agreed, conservative as well as Labor.

The principles of the *Homeowners and Bank Protection Bill of 2008*, proposed by economist Lyndon H. LaRouche, Jr., are urgently required to meet this present crisis, both for the U.S., and for Australia. It requires emergency action that only the United States Congress, or our Federal Parliament, has the capability to enact. This bill must include the following provisions:

1. Parliament must establish a Federal agency to place Australian licensed retail Banks, Credit Unions and Building Societies under protection, freezing all existing home and family farm mortgages for a period of however many months or years are required to adjust the values to fair prices, and restructure existing mortgages at appropriate interest rates. Further, this action would also write off all of the speculative debt obligations of mortgage-backed securities, derivatives, and other forms of Ponzi Schemes that have brought the banking system to the point of bankruptcy.
2. During the transitional period, all foreclosures shall be frozen, allowing Australian families to retain their homes and farms. Monthly payments, the equivalent of rental payments, shall be made to designated banks, which can use the funds as collateral for normal lending practices, thus recapitalising the banking systems. These affordable monthly payments will be factored into new mortgages, reflecting the deflating of the housing bubble, and the establishment of appropriate property valuations, and reduced fixed mortgage interest rates. This shakeout will take several years to achieve. In the interim period no homeowner or family farmer shall be evicted from his or her property, and the Australian licensed retail Banks, Credit Unions and Building Societies shall be protected, so they can resume their traditional functions, serving local communities, and facilitating credit for investment in productive industries, agriculture, infrastructure, etc.
3. State premiers shall assume the administrative responsibilities for implementing the program, including the “rental” assessments to designated banks, with the Federal government providing the necessary credits and guarantees to assure the successful transition.

We, the undersigned, demand that our Federal Parliament enact such legislation immediately.

Name	Town	State	Email	Phone