

## The Big World Crash of 2004 Is the Key to the Campaign

by Lyndon H. LaRouche, Jr.

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1. Unless the Kerry candidacy shifts its emphasis toward the overriding reality of an onrushing, early general collapse of the world's present monetary-financial system, the lack of appropriate forms of lustre for that campaign so far, will tend to facilitate a Bush-Cheney election by default.

2. While the likelihood of such a general collapse prior to November 2nd is only highly possible, voluntary factors prevent any absolute certainty of the timing of the collapse within that time-frame. Nonetheless, while we must avoid being trapped into predicting a date for a collapse, we must emphasize the factors which indicate both: a.) the onrushing likelihood of such a collapse, either before the election or not long after, and b.) the presently visible, recognizable evidence that such a physical collapse of the economy is already in an advanced state of progress.

3. Pointing to such clearly evident physical realities as lost essential infrastructure, industries, loss of health-care, loss of and downgrading of employment, and similar not easily recognized, when pointed out, shifts the burden of the candidacy from the appearance of crystal-ball gazing, to the thematic point: "We must not let this pattern continue!" Emphasis on the facts of massive losses under Bush 43, and the horrible rates of inflation reflected as loss of quality employment, and cost of goods measured in percentile of household incomes, will shift the discussion of economics from the fantasy-life which is induced in people by discussion of money, to the physical realities of life which the population generally readily understands.

4. Rather than arguing the obvious fraud of the Bush-

Cheney drive to wars without genuine exit-strategies, the point is to emphasize that past deep economic and monetary crises, like those which brought brutal dictators like Mussolini, Hitler, and Franco into power, are usually the result of periods of modern world history in which growing financial and economic crises are in progress. If we are going to end the spiral of collapsing security around the world today, we must recognize the connection between wars and economic crises such as that today. Cooperation with other nations in overcoming rising economic insecurity will be an indispensable part of building up the preconditions for physical security against a pattern of spreading wars and terrorist effects.

5. Time's a-passing! We need, urgently, now, sharply focussed punch in the Kerry campaign, to end those presently continuing doubts about the Senator's ability to get to the point in a hard-hitting way, which ends his campaign's tendency to be stuck on the mud of chiefly reacting to the way in which the Bush-Cheney campaign snookers the Democratic campaign, by the latter campaign's allowing the opponent to set the agenda.

### Discussion

The Democratic Presidential campaign against the shamelessly illiterate President George "Wrong" Bush of "terrism" notoriety, must never be permitted to drift away from that fact which the Bush-Cheney campaign is desperately concerned to keep off the agenda of the Kerry campaign: the greatest crash of the world monetary-financial system in history, which is fully on the way to exploding right now.

In modern memories, “Hoover” is the name which sucks the most, whether among vacuum cleaners or U.S. Presidential campaigns. Hoover was the President who dropped the national income of the U.S.A. by half between October 1929 and the beginning of March 1933. The Bush-Cheney Administration is well on the way to a far more impressive success of that same kind today.

The Great Economic Depression of 2004 is not something which might, or might not happen under a re-elected President George W. Bush. The reality of the present situation is that: the physical economic crash of the U.S. economy, like the Bush Administration’s monstrous bankruptcy of its national current accounts deficit, is already here. Meanwhile, the fiscal prudence of the Bush Administration is non-existent, when we take into account the Republican-led tax-cuts for the class of the useless super-wealthy parasites among the Bush campaign’s most enthusiastic supporters. The economic depression is already here; we are waiting for the moment, very, very soon, when the financial system collapses.

The Democratic candidates have three big, self-inflicted problems, stubborn habits which could re-elect what should become the unelectable W (as in “Wrong”). After all, psychiatrist Justin Frank’s clinical assessment of the President as a clear-cut mental case of a type inherently a threat to national security if continued in office, represents clear-cut clinical evidence to show that the wrongful W should be occupied in a far, far less important place. In fact, only the continuation of a terribly unappealing form of the Kerry candidacy such as we have seen under Bob Shrum’s influence, could re-elect a W in face of the clinical and other prime evidence plainly available in the public domain. Those three leading points are the following:

First, consider the Democratic National Committee’s willful bungling by Bob Shrum et al., which virtually handed the State of California to Schwarzenegger, a thuggish tool of the kind of predatory international financier oligarchy which had given the world the Mussolini, Hitler, Franco, Laval, Petain, and other fascist tyrannies of 1922-1945. Consider the related fact, that since the beginning of the primary campaigns, neither the Democratic National Committee, nor any of my rivals among leading Presidential candidates were willing to follow the parallel initiatives of both my own campaign and former big-winner President Clinton in that fight. Under pressures of rotten advice from charlatan Shrum et al., our Party tried its hardest to throw that recall election, and also the November general election.

Second, the Party leadership, which had been bewitched by the “middle” of liberal imperialist Fabian Tony Blair, resisted what should have been the Party’s effort to shift away from the kind of suburbanite emphasis upon the “usual voters during three out of four recent Federal elections.” When the Party needed to build a landslide victory for No-

vember, the Democratic National Committee, in effect, ignored such decisive margins of sought victory, as both the cast-off citizens from the lower eighty percentile of family income-brackets, and those young adults who had become eligible voters during the recent eight years.

Third, the Democratic National Committee, and virtually all of the other primary candidates, including Kerry—except me—refused to face the most crucial of all issues: that the financial-derivatives-ridden world as a whole is now sliding into the relatively greatest of the global monetary-financial crises of known history, as typified by such presently immediate threats as the chain-reaction effects of that mortgage-based-securities bubble, in both the United Kingdom and the U.S.A., which could blow out the U.S. private banking system virtually overnight.

Similarly, the hyperinflationary petroleum-price bubble, with its rise from a \$25-per-barrel stability toward \$50 now, and, with any new atrocities, such as an attack on Syria or Iran, \$100 a barrel comes in view. Notably, there is no shortage of petroleum presently, except in the sense of lost refining capacity, as in the U.S.A. However, the chief driver of the hyperinflation in petroleum prices—the use of speculation in oil, as on the Spot Market, to create fictitious profits for inflating U.S. and other financial markets—that speculation itself is a crucial part of what has been delaying a great

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crash on Wall Street and similar places over the recent months.

It is, generally, the use of fictitious values through the financial-derivatives programs which Alan Greenspan introduced as a cover-up for the causes of his predecessor, Paul Volcker's October 1987 stock-market panic, which was key to the 1997 financial crash in Asia, the 1998 crash of the Russian GKO speculation, and the deadly mortgage-backed securities and oil-price swindles of today. There are no one or two factors which, if controlled, would prevent a crash of the whole system from occurring now; rather, the danger from the housing and oil-price bubbles are merely some of the weak points of a system which will now inevitably blow out, soon, perhaps even before the November general election.

The spread of war was the intent of the Bush-Cheney Administration, not since September 11, 2001, but even before the day that Administration took office. The failure of the candidate and the Democratic National Committee to make that crucial point of connections during the period of the primary campaigns, now represents a crucial lost opportunity. There is no way the present campaign could now turn the clock back to the days of the wasted opportunity in New Hampshire. It is a matter of spilt milk. However . . .

We can and must shift the discussion from the abstract, fanciful chatter about "terrorism," to showing that what is called "terrorism" by a confused dry drunk known as W, is actually what a competent professional military intelligence specialist knows by such names as "irregular warfare," "guerrilla warfare," or as a commonplace part of the asymmetric warfare which came to be practiced by both sides in the United States' war in Indochina. Often effects which are called "terrorists' actions" are actually forces disguised as a terrorist group's conspiratorial action; they are usually the instruments of forms of warfare deployed by known governments, just as the United States and Britain, among others, created and used the organization to which they recruited Osama bin Laden, for the U.S. war against the Soviet Union in Afghanistan.

What Bush calls "terr'ists" are not the invading Martians from outer space, which W's intellectually challenged chatter suggests his father's one-time asset, Osama, to be; they are part of a growing pattern of asymmetric warfare being conducted by various known kinds of political powers, under various disguises. If we build the conditions of peaceful cooperation with our partners among the nations of Eurasia, we cooperating powers can put out at least most of the fires of terrorism, fires which the policies of Cheney and his puppet Bush 43 have stoked since W's first day as President. It is Cheney's doctrine of "permanent revolution" throughout the planet, his dogma of "preventive nuclear-armed, continuing warfare," which is the chief enemy of civilization today. Remove the Bush-Cheney factor, and the road to solutions is opened.

## Killing Argentines Won't Save the System

by Cynthia R. Rush

The Aug. 30 ruling by the U.S. Second Circuit Court of Appeals backed the fraudulent claim by vulture fund kingpin Kenneth Dart that Argentina owes him \$740 million in defaulted debt, and signalled a new round of demands and threats against the South American nation by crazed synarchist bankers. Now openly supported by the International Monetary Fund (IMF) and the member governments of the Group of Seven industrialized nations, these financial predators are warning President Néstor Kirchner that unless he forks over more than the 25¢ on the dollar offered in his official proposal to restructure \$100 billion in defaulted debt, his country will face a "financial hurricane" that could oust him from office.

That was how London's *Financial Times* put it on Sept. 13, gloating over the court ruling that favored Dart's EM, Ltd. vulture fund, and telling Kirchner that he cannot possibly resist the combined power of the IMF, G-7, and the vulture fund front group, the Global Committee of Argentina Bondholders (GCAB). The "Kirchner governments of history" may have defied private speculators in the past, the *Times* trumpets—but no more. "Global bureaucratic officialdom has turned on the Argentine government," and given the vultures "official support."

Warning that Dart's and others of that ilk are preparing to aggressively seize assets, the City of London mouthpiece proclaimed that Argentina's "loser" debt restructuring proposal is dead, and that the government has no choice but to subordinate the welfare of the Argentine people to the interests of the bondholders and IMF.

### It's the System, Stupid!

They wish it were this simple. The reality is that the global financial crash is accelerating at such a rate, that the whole shebang may blow apart well before the vultures can attempt to bludgeon Argentina into submission.

The IMF itself has made no secret of the fact that Argentina is a factor in the Fund's own financial precariousness, constantly stressing the urgency of reducing its exposure to the country's debt. Alone, Argentina accounts for 16% of the IMF's loan portfolio, and Argentina, Brazil, and Turkey together account for 50%.

In an open letter to the IMF and its member Finance Ministers Sept. 14, Charles Dallara, Managing Director of the Institute of International Finance (IIF) elaborated further. On be-