



The Alternative to a Catastrophic Crash

If a new financial crash, worse than 2008, strikes, say, this Fall or during 2020, the President will have to rely on an energetic mobilization of the US citizenry, to stampede the Congress into immediate passage of emergency recovery legislation rather than bank bailouts. Congressmen will have to taste the fear of God, to the point that they will just forget about their Wall Street campaign contributions and special interests. Our Congressmen must be forced to vote up the use of Federal credit for loans directed exclusively into the real, physical economy, to crank up productive jobs in infrastructure and industry. No more bailouts for speculators' losses like the \$23 trillion that was dumped down that sinkhole in 2008, with the results that we see today.

How will we deal with the problem of contagion: the danger that speculators' losses will shut down the commercial banking system on which our economy depends? Not by bank bailouts, but by hiving off the dens of the Wall Street gamblers' speculation from the commercial banking system, through a revival of Franklin Roosevelt's Glass-Steagall law (A law which President Trump campaigned to revive). Then their dubious gambling assets will not be eligible for Federal taxpayer support, and can be written down or written off over time, as they are sorted out. Only legitimate commercial banking functions will be protected, not speculation.

The issuance of low-interest Federal credit exclusively for productive employment of unemployed or unproductive labor and capital, is not inflationary. If it is vectored towards science-driver programs like the Trump Administration's international Moon-Mars program, or the international effort to harness controlled fusion energy, it will be counter-inflationary, increasing the productivity of all labor, as scientific and technological breakthroughs filter through the economy. In the United States, this policy is as

old as the George Washington Administration, and lay behind the economic success of the Abraham Lincoln and Franklin Roosevelt Administrations.

The late economist Lyndon LaRouche (1922-2019) developed and fought for these policies for decades and summed them up in his "Four New Laws" of 2014.

Internationally, at the first sign of a new crash or earlier, President Trump should invite the leaders of Russia, India and China together for what will amount to a wartime alliance with him against a common enemy—namely a devastating world depression. Together, these four great nations have the power to supplant the current London-Wall Street speculative monetary system, which is collapsing, with a new world credit system based on the lessons of Franklin Roosevelt's design for the postwar Bretton Woods system (Despite its post-Roosevelt problems, the longest period of world economic growth occurred under Bretton Woods, especially in Western Europe and the U.S.). The new system will facilitate massive, long-term, low-interest development credits to developing nations of Africa, Asia, Central and South America and Eastern Europe. With the help of the space program and a cultural renaissance, the United States will have to cast off the rot of the past decades and surpass Japan and Germany as a great exporter of high-technology capital goods into such areas as China's "Belt and Road." As in Roosevelt's conception, this New Bretton Woods System will be a dollar-based gold-reserve system of relatively fixed exchange rates—without which such long-term, low-interest loans are impossible.

Lyndon LaRouche designed this system and fought for it for decades.

This can be done. Americans must join with their Presidency to make it happen.