

# LaRouche Demands Bankruptcy Reorganization Now

July 28, 2009 (LPAC)-Political economist and statesman Lyndon LaRouche today called for the immediate bankruptcy reorganization of the entire Federal Reserve System, before the dollar-based global financial system crashes. LaRouche warned last week that, by no later than the end of the current fiscal year, or weeks earlier, even as early as sometimes during August, the system will crash, probably weeks before the year-end data is released. In fact, the present world economy is already hopelessly bankrupt for as long as the U.S.A. and world systems remain dominated by monetarist systems.

"Although we can say, contrary to all wishful thinking, that the system is doomed, by no later than October 15, and therefore, immediate action is required weeks, even two months before October 12th of this present year," LaRouche explained. "We must cancel the \$24 trillion bailout immediately during the weeks just ahead, and put the system through an orderly bankruptcy reorganization, as specified under our Federal Constitution. The entire Federal Reserve System must be put into receivership. There is no way that the Fed can honor those intrinsically fraudulent bail-out efforts underlying the still cancerous growth of current nominal financial obligations. Reducing the obligations of legitimate national and state chartered banks to the magnitude of Glass-Steagall standards, either will be done, through bankruptcy reorganization now, or the United States itself will soon cease to exist. Without such a proceeding in bankruptcy as I specified during the period from July 27, 2007 into that September, there is presently no hope for the continued existence of the U.S.A. or any among the nations of Europe, in their present forms."

LaRouche elaborated, "Right now, the overwhelming majority of states are bankrupt--perhaps as many as 46 or 48 states. Very soon, we are going to have people dying in the streets in various states, if the current Obama-controlled policies are allowed to go on, past the end of this month. We must put the entire Federal Reserve System through bankruptcy reorganization, return to Glass-Steagall standards. Protect the necessary commercial banking functions, let the speculators go broke. The very survival of the United States, in the short-term, is on the table. Right now, 30 percent of our people are unemployed. In 38 states, there are no funds to provide for unemployment insurance. People are going to be dying, in the immediate days and weeks ahead, if we do not get a dramatic change in policy out of the White House.

"President Obama is breaking down, his policies are collapsing--like his so-called health care reforms, which are nothing more than a mirror image of Hitler's 1939 euthanasia policies. We must have the institutions of government assert reality, take charge of a collapsing Presidency, or the country--the whole world--will soon plunge into a New Dark Age. The conditions for such a New Dark Age already exist. Therefore, we must act now, before it happens."

LaRouche explained, "The bailout of Wall Street and London was ill-conceived from the beginning. If we don't reverse that policy, cancel the bailout, right now, we will be responsible for the destruction of the United States. We had a chance to act in the Summer and Autumn of 2007 when I first proposed my Homeowners and Banks Protection Act (HBPA), but no action was taken at that time. Now, \$24 trillion in bailout money later, the entire system is about to blow, when the end-of-the-year figures are made public.

"The root causes of this looming catastrophe," LaRouche concluded, "date back much earlier. They are the result of the cultural and other so-called reforms of 1968, which brought us to this point. It is not too late to act, but we now have days and weeks, not months. If the needed changes have not been enacted before Labor Day 2009, all hell will break loose. So let those in the governing institutions of this country come to their senses. Take the only action that can save this country and the world from disaster. Put the entire Federal Reserve System through bankruptcy reorganization. Protect those commercial banking functions that are vital to our economy. Launch a massive investment in job-creating high-technology infrastructure: nuclear power, high-speed rail and maglev, water management. Rebuild our healthcare infrastructure. Do this through the creation of a National Bank, through the establishment of our Constitutionally-mandated system of national credit, legislated by the U.S. Congress and signed into law by the President of the United States. The Federal government must issue longterm credits, at 1-2 percent interest, for these vital infrastructure projects, creating tens of millions of new productive jobs. All of this can be done, under our Federal Constitution, by act of Congress, and by the stroke of the President's pen. When the very survival of the United States is at stake, there is no excuse for inaction or delay."



**Don't miss LaRouche's  
webcast August 1<sup>st</sup>, at 1 PM  
on [www.lymcanada.org](http://www.lymcanada.org)**

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