



With Financial Crash Coming — The Power is With Those That Know What To Do

October 17, 2017—The warnings from the IMF, from Trump economic adviser Gary Cohn, from bond market analysts, are understated, in circumspect terms, but nonetheless point to the onrushing fact: some of the multiple, hyperextended debt bubbles created by the central banks since 2008 will soon crash. These "leaks" join a steady drumbeat of warnings even from such normally stonefaced customers as German Finance Minister Schaeuble, that a crash is coming.

In the OECD countries, cautions the IMF, the debt leverage ratios both for non-financial companies, and for households, are at record levels and unable to survive rising interest rates; the central banks are slowing down their "quantitative easing" programs which are driving the debt leverage even higher. Any misstep which pushes interest rates up quickly will trigger default by 20% of all U.S. companies, said the IMF. "Bond markets are in a state never seen before," Brian Raven of Tavistock Investments told CNBC Oct. 9. Mistakes by the central banks in raising rates "can cause unpredictable snap-backs and crashes in markets that are not very liquid."

And now the growing threat of the London-centered clearinghouses for financial derivatives and foreign exchange trades — especially in a disorderly outcome of "Brexit" — is indicated both by Cohn, in a speech to Group of 30 bankers Oct. 13, and by the United States Treasury. These undercapitalized clearinghouses are now, says the London *Financial Times*, "a nasty headache for the derivatives markets — which with \$600 trillion in unregulated speculative bets, are far, far too big to fail — or to bail out.

These immense bubbles of debt created since, or recreated after the 2008 crash by central bank money-printing, have been used overwhelmingly for specula-

tion, especially in "perpetually rising" stock markets. Ironically the debt issued by China, which is constantly decried, is the exception — backed by \$10 trillion-plus in new public assets, \$3 trillion in foreign exchange reserves, \$1 trillion in Treasury holdings, and now by public construction outside China all along the expanding Belt and Road.

An uncontrolled crash will be the greatest man-made disaster. Another "Hurricane Lehman" will dwarf Maria or Harvey in economic devastation, and carry with it the danger of escalated war. The steps to rapidly bring this danger under control, are being put forward by *EIR* and LaRouchePAC, simultaneously with the means — if quickly taken up and used — to stop the witchhunt led by Robert Mueller against President Trump, and thus free Trump to take these steps.

The first — reinstating the Glass-Steagall Act — is being put forward all over Europe as well as in the United States Congress. In fact it was the clear and obvious solution to the vert threat Trump's advisor Gary Cohn was emphasizing in his Oct. 13 speech, of the constantly greater size and complexity of the biggest banks dominating the financial sector.

If, when Trump travels for summit meetings in Asia in two weeks, he has under discussion the additional step of creating a U.S. national credit institution for infrastructure building, America's joining in the Belt and Road initiative will be virtually assured, and the great danger of Wall Street financial blowout will be coming under control.

To know what to do against this crisis is a great advantage. Everyone working with us on these actions has a greatly magnified power for good, in dealing with this threat which the more "powerful" are only willing to admit in guarded words even now.

READ THE DOSSIER

**Robert Mueller Is an Amoral Legal Assassin:
He Will Do His Job If You Let Him**
LPAC.CO/RMUELLER



LAROCHEPAC.COM
OR CALL: 1-800-929-7566

PAID FOR BY LAROCHE POLITICAL ACTION COMMITTEE, LAROCHEPAC.COM
AND NOT AUTHORIZED BY ANY CANDIDATE OR CANDIDATE'S COMMITTEE