

EIR

Why this is the most controversial publication in the West

LaRouche on target

"Global financial crash predicted for October," was the headline of a news release issued by presidential candidate Lyndon H. LaRouche, Jr. last May 26 and printed in *EIR*'s June 5, 1987 issue. LaRouche stated: "Leading European financial officials have warned my associates, that we should expect to see the beginning of the world's biggest financial crash by October of this year. My comment on that forecast: It might not occur in just that way, but, if the Reagan administration continues its present policies, it is certain that the world's economic situation will become much worse than it is today over the summer months. . . ."

"Whether the great financial crash of 1987 erupts by October, or later, will depend upon what leading governments do at the international monetary 'summit' held in Venice" on June 8-10.

He continued: "As long as the official line of the administration is to stick to the 'successful economic policies' of the last five years, the Reagan administration is likely to stick to those policies. This would turn the Venice 'summit' into a disaster, destroying the last bit of confidence in the U.S. dollar in international financial markets. Under those conditions, an October crash would be very probable."

Venice debacle

In the June 19, 1987 issue, *EIR* reported that the administration had done in Venice exactly what LaRouche warned against: "President Reagan and Treasury Secretary James Baker, during and after the Venice summit, maintained that the United States has experienced an extraordinary period of 53 months of economic growth, and that complete deregulation of U.S. banks will facilitate the rational consolidation of the banking system."

EIR observed: "At this point, the slightest shock could trigger a major financial panic of uncontrollable scale. Never before have international financial investment flows been at such a precarious uncertainty."

October crash

On Oct. 19, after the U.S. stock market plunged more than 500 points, LaRouche commented: "The market has elected to choose this most appropriate moment in time to express its total confidence in the accuracy of my forecasting."

EIR: Knowledge is leadership.