
LaRouche on the Speculation Wars

Europe's crisis may be worst in six centuries

The following is from an Aug. 18 interview with Lyndon LaRouche, conducted by Mel Klenetsky of "EIR Talks."

EIR: There are efforts to curb speculation coming out of Europe, especially France. President François Mitterrand and Prime Minister Edouard Balladur are looking at a 150 billion franc deficit, created because of efforts to curb George Soros's speculative attacks against the franc. They are saying that the only way to save the nation, is to have some kind of controls on speculative markets. Do you agree with this?

LaRouche: Absolutely. This is a long story which some people may recall from my forecast of an October stock market crash, back in the spring of 1987. One will recall that there is a Nobel Prize winner from France, Maurice Allais, who was saying things which in part were the same things I was saying: that the worst financial bubble in history is building up around what we call today derivatives as a category. And we have an Anglo-American syndicate, centered around a fellow called Hartmann, who is the coordinator of both BCCI [Bank of Credit and Commerce International] and BNL [Banca Nazionale del Lavoro] . . . [which was] run out of Zug, Switzerland for the Rothschild Continuation Trust, which is a front for British intelligence and British finance.

Soros, who ran the run against the pound, the franc, and so forth, is a creature of this. This involved Gerald Corrigan of the New York Fed, now retiring to join Soros's Russian operation, and R. Mark Palmer, a State Department official. This is an Anglo-American operation by those interests which ran BCCI and BNL, to try to bankrupt European currencies. The Europeans, faced with the attack by this bunch of gangsters, are saying they are going to have to do something about derivatives. They are going to have to eliminate the weapon—derivatives—which is being used by these scoundrels to attempt to bankrupt entire nations. And thus you find more and more people in France beginning to echo some of the things that I and others have said.

EIR: Do you think that there is the possibility that the countries that have an interest in industrial development can come together?

LaRouche: Yes, it's possible. Remember, I am the initial author of much of this. Remember also that when Jim Wright

from Texas proposed that when he was the Speaker of the House, they created a scandal and ran him out of government, mainly for proposing a tax on derivatives. The powers behind this are great; and the question is: Do these people have the guts to defend their own nations?

France is a somewhat nationalist nation, and so is Japan, and there is likely to be a nationalist reaction against this. And, as one sees from certain parts of the British press, the proposal which I have revived for a sales tax on derivatives is very much in the wind. You will see also in the [Aug. 17] *Wall Street Journal* a tongue-in-cheek reference to this problem of derivatives, one of the first times that the *Wall Street Journal* has given any systematic attention to the danger to the entire world system from derivatives.

But the sum-uppance is, either we put a tax on derivatives and re-institute *some form* of exchange controls, restore them, or else there is not going to be, very soon, any world monetary system as we now know it. It will blow up; it is in the process of blowing up now. It may be almost too late to save the monetary system; but the only thing that would save the world monetary system from a complete collapse, would be some kind of exchange control and tax measures against derivatives.

EIR: It appears that Britain and the United States, in terms of speculative operations, are moving against France. Do you think this is going to break up the Anglo-American-French Entente Cordiale?

LaRouche: . . . Look at the way politics works. To run politics of any kind—I don't care what the policy is—you must have the logistics, which means essentially economy. When you destroy the economy of a nation, you destroy the nation, because you take away the logistical capability of instituting any kind of political program.

When the Anglo-American group, centered around the Major government, and also the former Bush government in the United States, attacks continental Europe in this way, attacks them on logistics, continental Europe must react against the Anglo-Americans as the Japanese must too, in a sense, or else they will lose their logistical capability of having any politics at all, and they face, as Russia is facing now, the threatened disintegration of their nation.

Therefore, will there be a reaction? Yes, there will be a reaction. Will it increase? It will become intense—up until the point that France, for example, might face the condition of a Bosnia, where, out of sheer weight of the collapse, it capitulates, for a later reaction to come.

But we are in a period of crisis and upheaval, unlike anything previously in this century. We are in the most critical months of the century's history. We could possibly be in the worst crisis in European experience in about six centuries. That's how bad it is. Unfortunately, the newspapers don't tell you much about this, and television doesn't, so most people are being caught unprepared for the earthquake-like developments which will occur.