

LaRouche on Chicago radio, urges rapid financial reorganization

On Feb. 27, the day after the Barings bankruptcy case broke into the news media, Lyndon H. LaRouche, Jr. was interviewed by Edward Vrdolyak and Ty Wansley on WJJD Radio in Chicago, Illinois. A partial transcript of his exchange with the radio interviewers follows.

WJJD: Good morning, Mr. LaRouche. Tell us about, first of all, when you started your political movement, and how you feel that you were persecuted by the federal authorities, and ultimately went to a federal prison, and now you're out again, and what are you doing now?

Give us a quick idea of that.

LaRouche: Okay, fine. I got into teaching, I filled in initially, to teach a course back in 1966. I was teaching that one-semester course, essentially on the graduate level, from about 1966 to 1973. Out of this there came a movement which was dedicated to addressing the crises which were building up under current U.S. economic policy and cultural policy. Later on, in the course of things, we made many enemies among big bankers around London, especially. London is the center of international finance.

By the way, it's all coming down right now, Barings Bank has gone under. The Bank of England's in a quandary, and this mess will go on until March 10.

WJJD: Barings is supposedly this wildcat trader in Singapore, and it cost them \$800 million for some high-risk investments.

LaRouche: That's a cover story. They're an official trader in Singapore. The entire Singapore market has gone down. Now, current this morning, the losses are up to \$1.1 billion, and they will be growing over the next nine days. The Japan market dropped down to 16.8 on the Nikkei this morning. It will be going down below 16,000; at that point, a number of smaller Japanese banks will be going under, there will be a chain reaction. The Bank of England is not trying to stop the situation, it cannot, because the contracts are out, and the contracts are ticking, and \$1.1 billion is not the end of it. It's going to be much bigger.

WJJD: What effect will that have upon the American economy?

LaRouche: This is a blowout of the entire international derivatives system. It means that the entire policy of the Federal Reserve System over the past 15 years and longer, is finished, especially since 1982, since then-Vice President George Bush, as President of the Senate, pushed through deregulation, which allowed the derivatives as well as the junk bonds to go forward. And that whole system is going. This is the great crash of 1995. It's going to have global impact. Orange County was part of it, Mexico was part of it, other countries are part of it. And now the *queen's own banks*, first Warburg and now Barings, are going down, because of derivatives. And Barings is officially bankrupt.

WJJD: All right, Mr. LaRouche, please tell us what can be done to solve the American economic problems.

LaRouche: First of all, back in 1946 to 1950, in the immediate postwar period, 60% of the available U.S. labor force was employed in producing useful physical goods and improvements in infrastructure. Today, industrial employment is down below 20% of the labor force. We have the wildest, most unregulated speculation in history. The parasites are making money; the people and the productive enterprises are losing money, and shrinking. We have to reverse the policy which was put into effect gradually over the period 1964-71, '72, the crazy policy which we've been living under since that time. It's come to an end, and the point is: Do we have somebody in Washington not only with the information but the guts, and the power?

WJJD: What do you do?

LaRouche: I'm doing everything I can to encourage some people in Washington to prepare to do what's necessary.

WJJD: If I made you the President of the United States, or the Speaker of the House, or the President of the Senate, with all the votes that you needed: What would you do?

LaRouche: I would immediately reorganize the financial system.

WJJD: How?

LaRouche: I would use the Executive powers of the President to recognize that, in fact, an international financial bank-

ruptcy has occurred; that in effect, the Federal Reserve System as the central bank *is itself bankrupt* as a system; that most of the New York major banks, the financial system, are also bankrupt; that unless we stop this thing, the thing is going to come down in a chain-reaction implosion.

WJJD: Mr. LaRouche, if you were given full power and authority, what would you do in the short term, what would you do in the long term to protect and improve our American economy?

LaRouche: First of all, we have to bring chaos under control. You cannot have banks going down like tenpins and nobody there to pay out the money.

So, the banking system is bankrupt; what do you do? You put it in financial reorganization. You put it under financial reorganization protection, which means that some people with large amounts of money, won't be able to move it. It means that people who have savings or pensions and so forth, tied up through the banks and so forth, they will be able, under regulated conditions, to get at their money, which means there's no reason for them to panic or run.

Then, on top of that, you have to get a recovery system going at the same time. That means the President has to go to the Congress. I would say he has to get, right now, about \$2 trillion in money-creating authority. That's not inflationary, contrary to people like old Dumbo down there in Texas, Phil Gramm.

WJJD: Are you saying that this is worse than the S&L crisis in our country?

LaRouche: Oh, absolutely. The S&L crisis was simply a baby shoe dropping relative to what this thing is. This is big, that is, the whole system is going. I don't know whether this event is going to cause the whole system to go.

WJJD: How do we get \$2 trillion?

LaRouche: Look at Article I of the U.S. Constitution. And look at the way Hamilton handled it, and look at the way Lincoln handled it.

WJJD: They never got \$2 trillion worth.

LaRouche: All right. You control the banking system. You're reorganizing it. So therefore, you go to a national banking policy. You loan that money out at 1 to 2%, to major construction projects which are going to get the economy started again, kick-started, which are needed. . . .

WJJD: Where do we get this money from? We just print it up?

LaRouche: Print it up. Well, that's what the Federal Reserve does; except they charge us up to 8% now, or they've gone as high as 18% for their money, which they print out of thin air.

So, instead of having a private corporation printing up money at high interest rates—that's wrong—you have to have regulated issuance of money as loans for things which are necessary to keep the economy moving, and to expand it. And you use the same banks which you force to keep their doors open under financial reorganization. Loan this money out to certain types of things they're authorized to loan it for. . . .

The trick is, to try to keep the economy going and expanding without missing a step because of the crisis. That's what the President has to do, with the help of the Congress. If we don't do that, we've got chaos.

WJJD: Well, certainly you've been a long-time presidential candidate, and many people are wondering—many people hear the term "LaRouchie," and they panic. What in the heck is a "LaRouchie"?

LaRouche: Well, there is no such thing. That was one of the terms that was invented.

WJJD: Do you intend on running again for the White House?

LaRouche: I'm technically running right now. I'm a registered pre-candidate. Have been.

WJJD: And probably always will be.

LaRouche: I don't know. I'm getting kind of old, you know. I'm still vigorous, in good shape. But there are limits to this, you know.

WJJD: Who invented the term "LaRouchie," and why is that so—

LaRouche: Well, this came out of a salon which was created as part of a public/private special operation against me, which was started by Kissinger in the summer of 1982. It went into operation . . . under the President's Foreign Intelligence Advisory Board authorization of January 1983, which was picked up by the Justice Department, which set it into operation under orders from the intelligence community.

The propaganda side of this, the press coverage, came out of a guy called John Train. He's a London-linked private banker in New York, close to McGeorge Bundy, who runs a firm called Smith and Train, which was taken over by Rothschild interests, and he's still operating on contract with them, an executive contract. He set up a private salon which included the ADL [Anti-Defamation League], NBC, *Readers' Digest*, and sections of the intelligence community, and some—

WJJD: *Readers' Digest* is after you, too?

LaRouche: They were in on it.

WJJD: And NBC?

LaRouche: They were coordinating it. NBC was flagship, ADL was prominent. But mostly it came out of people who were in the George Bush side of the intelligence community.

WJJD: That's a heck of a fleet.

LaRouche: What they did, is they coordinated, in 1983, a series of meetings among these press people and others. Led by NBC, in January 1984, they went with a package, and from 1984 through and beyond the point of today, the same propaganda line manufactured under the direction of John Train, a London-controlled banker working with a Kissinger-controlled, or Kissinger-kick-started intelligence operation, have controlled every major news media coverage of me, from that day to this. This is a longer run than Joseph Goebbels had.

WJJD: How did they define a "LaRouchie"?

LaRouche: They use terms which don't really mean anything, have no substantive content, but they have a sound, a ring to them, a flavor. That's why it was done.

For example, you saw the most frequent one, which was cooked up by the Train salon, which is almost in the spell-checker in the computers of the press agencies. Whenever the name "LaRouche" would come up in a news report, the spellchecker would change it to "political extremist Lyndon LaRouche." And this operation you saw back in March 1986 in Chicago: That was run by these guys.

WJJD: Mr. LaRouche, one thing we know. Out in the open, you got indicted for being supposedly, I don't know what the ultimate conviction was for; I've got the documents in front of me. But they started by saying millions of dollars were not handled properly, you were indicted by the Feds, and you went to jail for several years.

LaRouche: Well, that was all a fraud. There was no crime committed.

WJJD: You went to jail for how long?

LaRouche: I was in jail for five years.

WJJD: And what was your sentence?

LaRouche: Fifteen.

WJJD: Fifteen, and you did five. What were you ultimately convicted of, whether you think it was a sham or not?

LaRouche: It's not that I *think* it's a sham. It *is*, on the record, a sham. In other words, everything they said, government documents say they lied.

WJJD: What were you convicted of?

LaRouche: I was convicted on something like a little less than \$200,000 of, it was called mail fraud. It was one count of conspiracy to commit mail fraud. . . . What they did was

they bankrupted three companies illegally, then charged my friends and I with being guilty for the losses of money to the credit of those firms, because the government illegally bankrupted the firms.

WJJD: What are you doing now, Mr. LaRouche?

LaRouche: I'm doing the same thing I always did.

WJJD: You're a political activist.

LaRouche: And I'm running as contributing editor of a magazine. I'm in the middle of intelligence work, economics and related intelligence work, which is what I do.

WJJD: And you're a longtime economist, we all know that.

LaRouche: Yes, right.

WJJD: And you're saying that right now we are in the middle of one of the gravest economic crises that this country has ever faced.

LaRouche: Yes, right. Certainly in this century.

WJJD: That's scary. Is it worse than the Crash in '29?

LaRouche: Absolutely. Much worse. Remember, back then, more than 20% of the U.S. population were farmers. You had a lot of industrial structure. It was a big collapse, a lot of suffering, there were no safety nets such as the type that Newt Gingrich is trying to tear apart now. . . .

WJJD: Of the major players in government, whether it be in the House or the Senate, or President, or people who want to be President, who would you say you could most closely identify with, or who has more of what you agree with, than the others?

LaRouche: Well, I would say that on the Republican side, I would have some respect for Dole as a human being. He knows a few things. He's a very sarcastic, harsh guy, but he's not stupid. Of the rest of the pack generally that's running: I wouldn't give you two cents for the pack.

On the Democratic side, I think that President Clinton, I don't want to exaggerate his capabilities, but he's very much underrated by the press. He's an intelligent young guy. He reflects the generation that came up out of college back in the late 1960s. He's got some of the problems there, but he is intelligent, and he is the President we've got on watch now.

WJJD: You think he's pretty much okay.

LaRouche: Oh, I don't know. I think he's the guy on watch, and I think he's worth helping, whether you always agree with him or not. He's the guy you've got to deal with.

WJJD: But that's true of any President.

LaRouche: Yeah, but he's the guy who has the chance of doing the right thing.